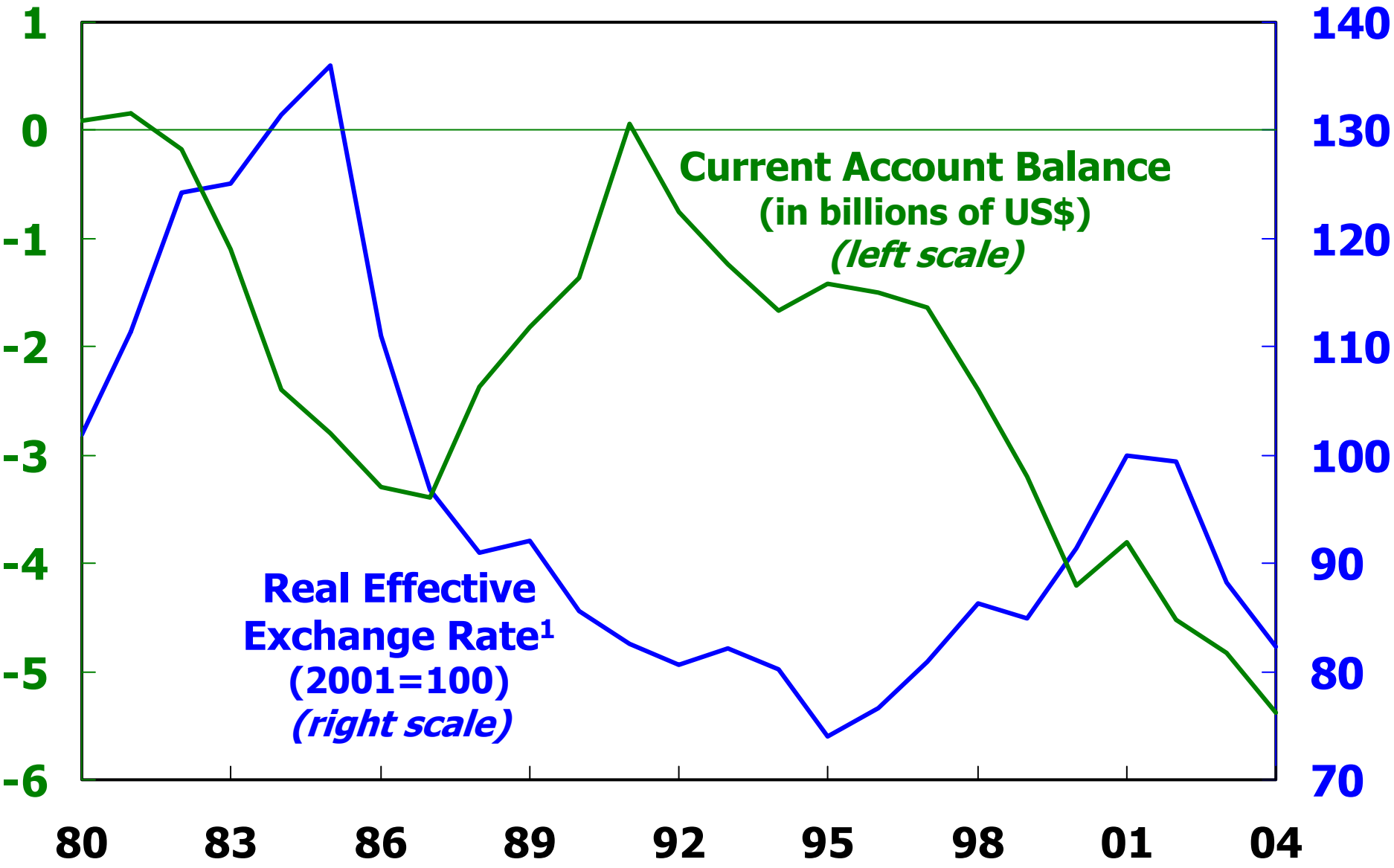
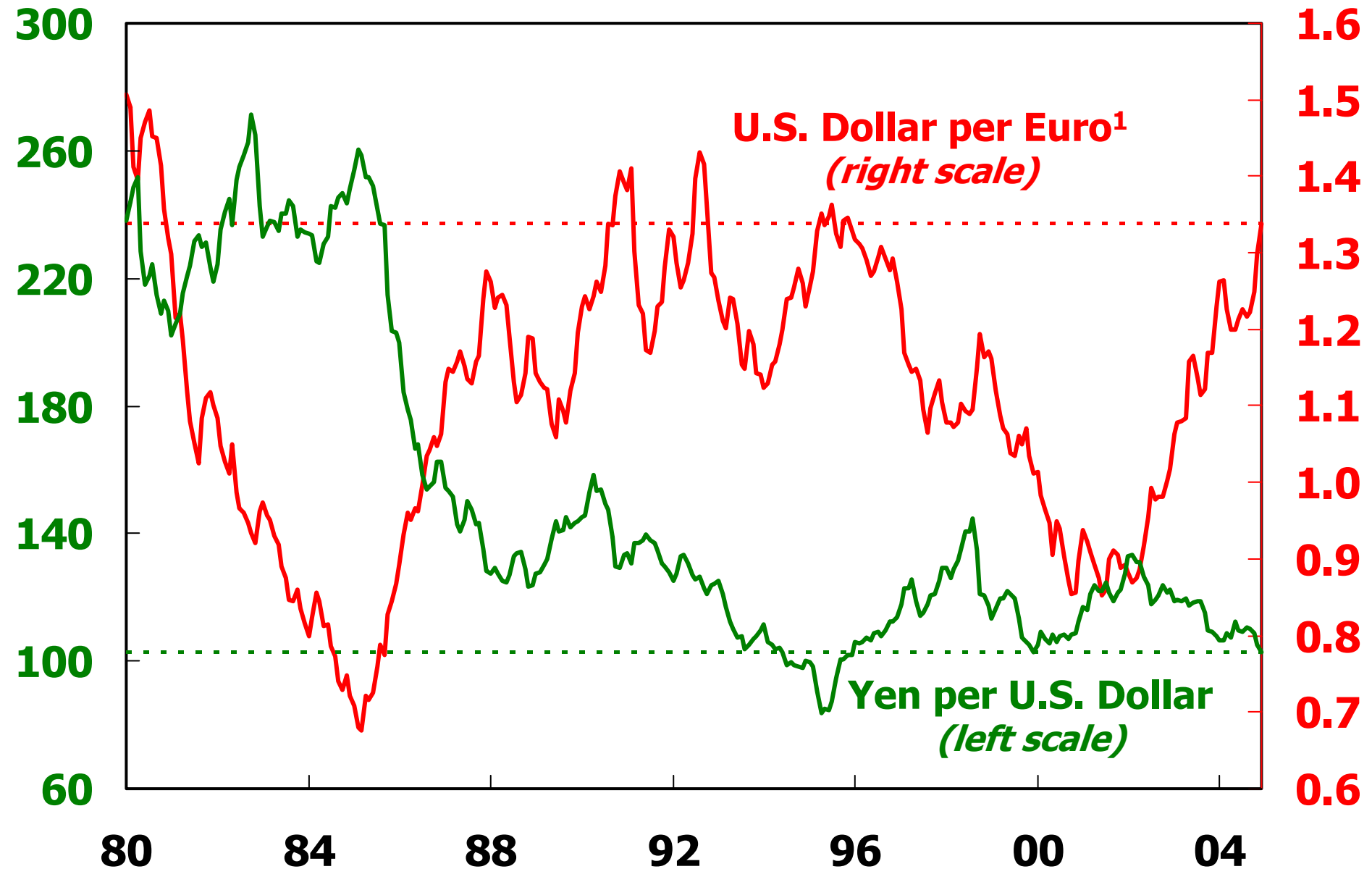


United States Current Account vs Real Effective Exchange Rate



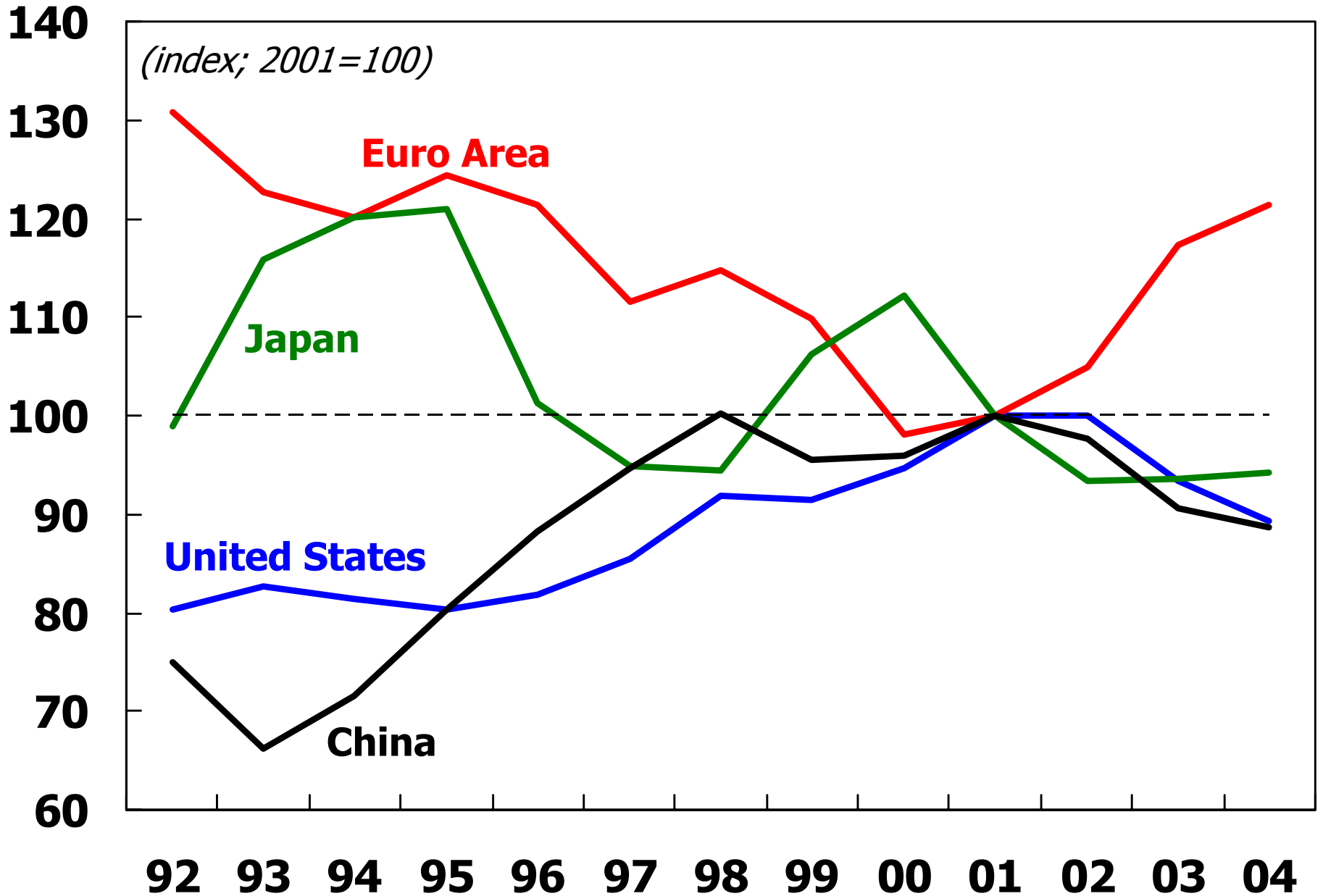
¹ ULC-based.

United States: Exchange Rates



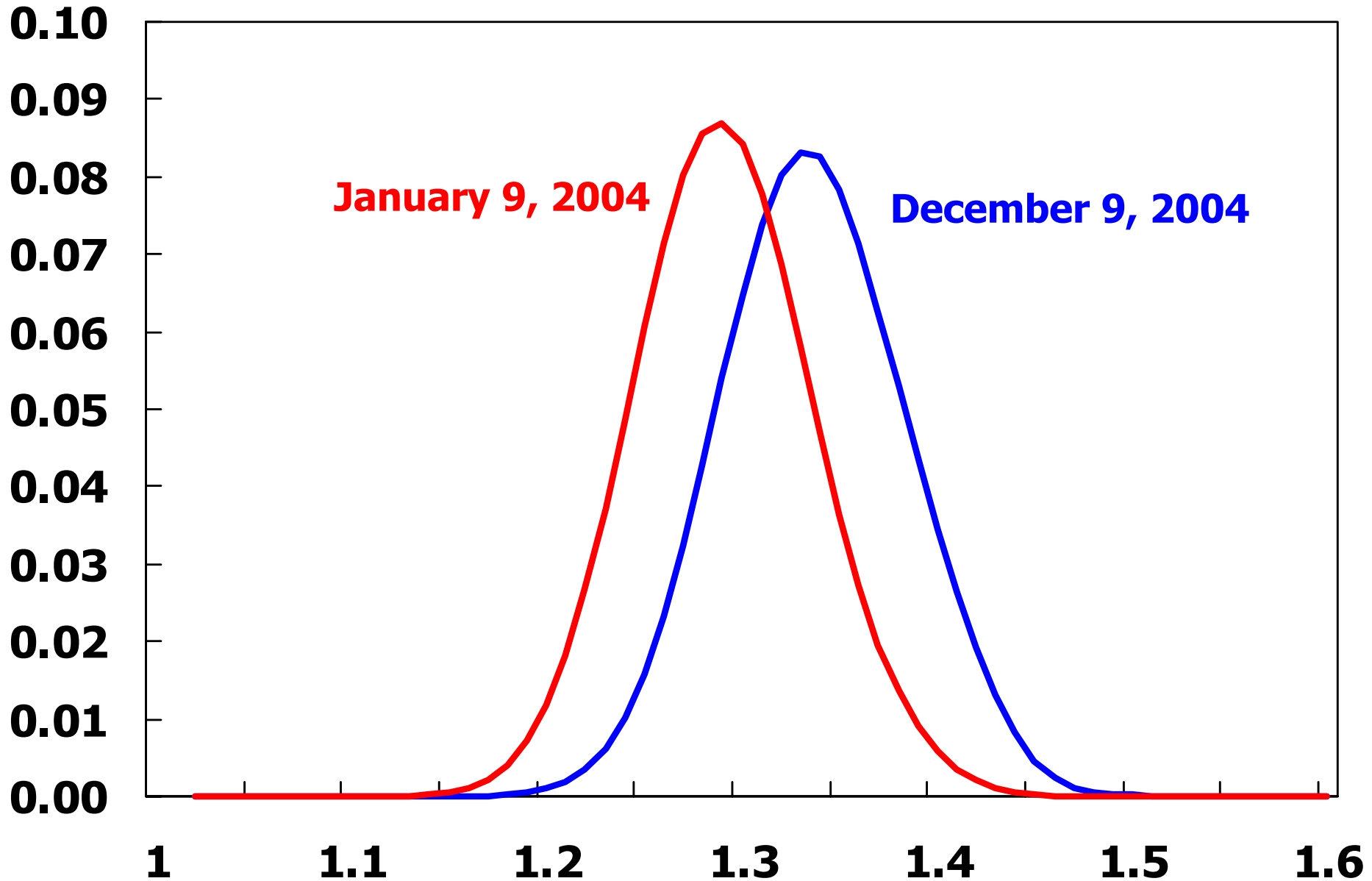
¹ Synthetic euro before 1999.

Real Effective Exchange Rates¹



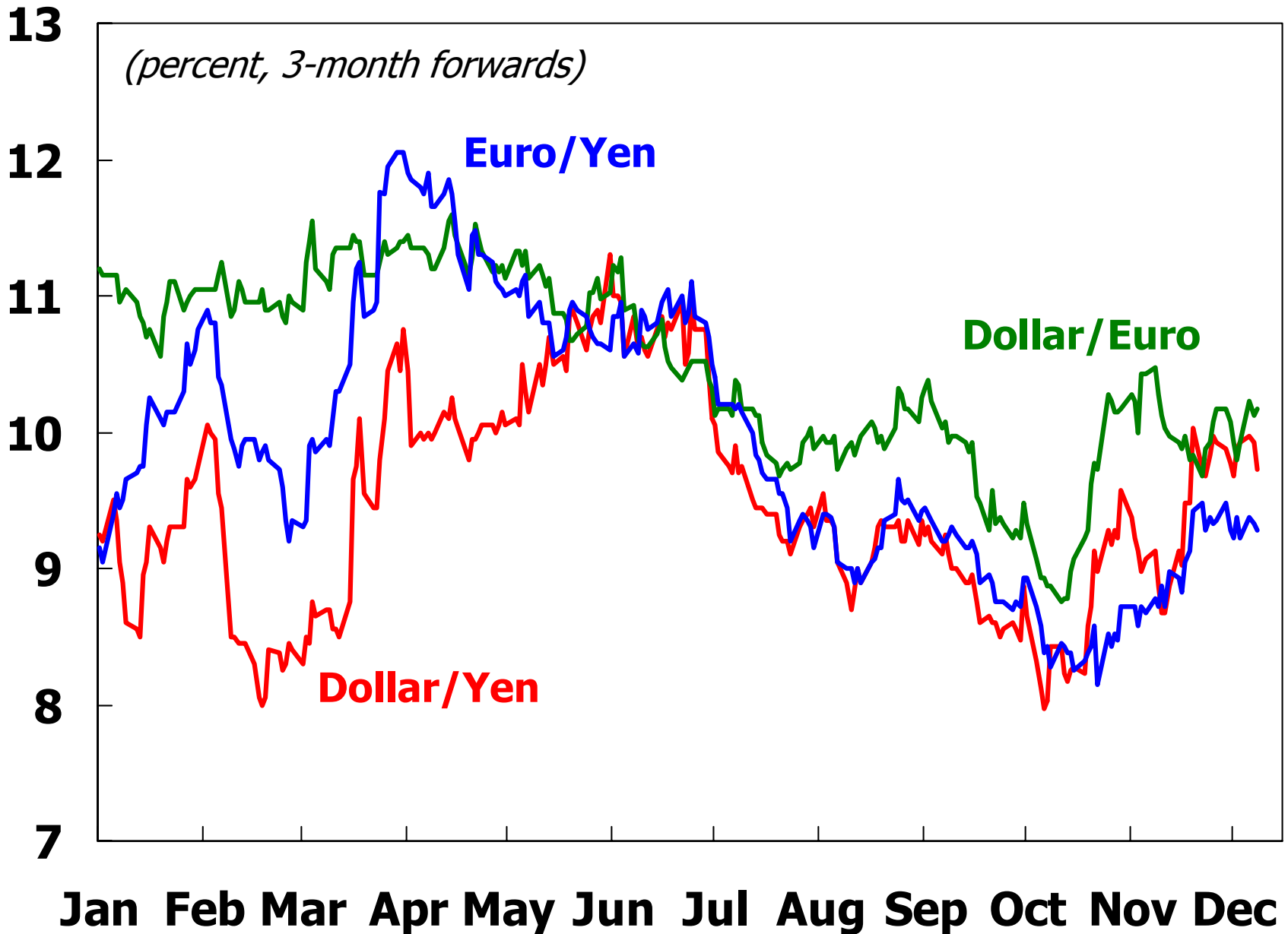
¹ CPI-based.

Probability Density Function for Dollar/Euro Rate¹

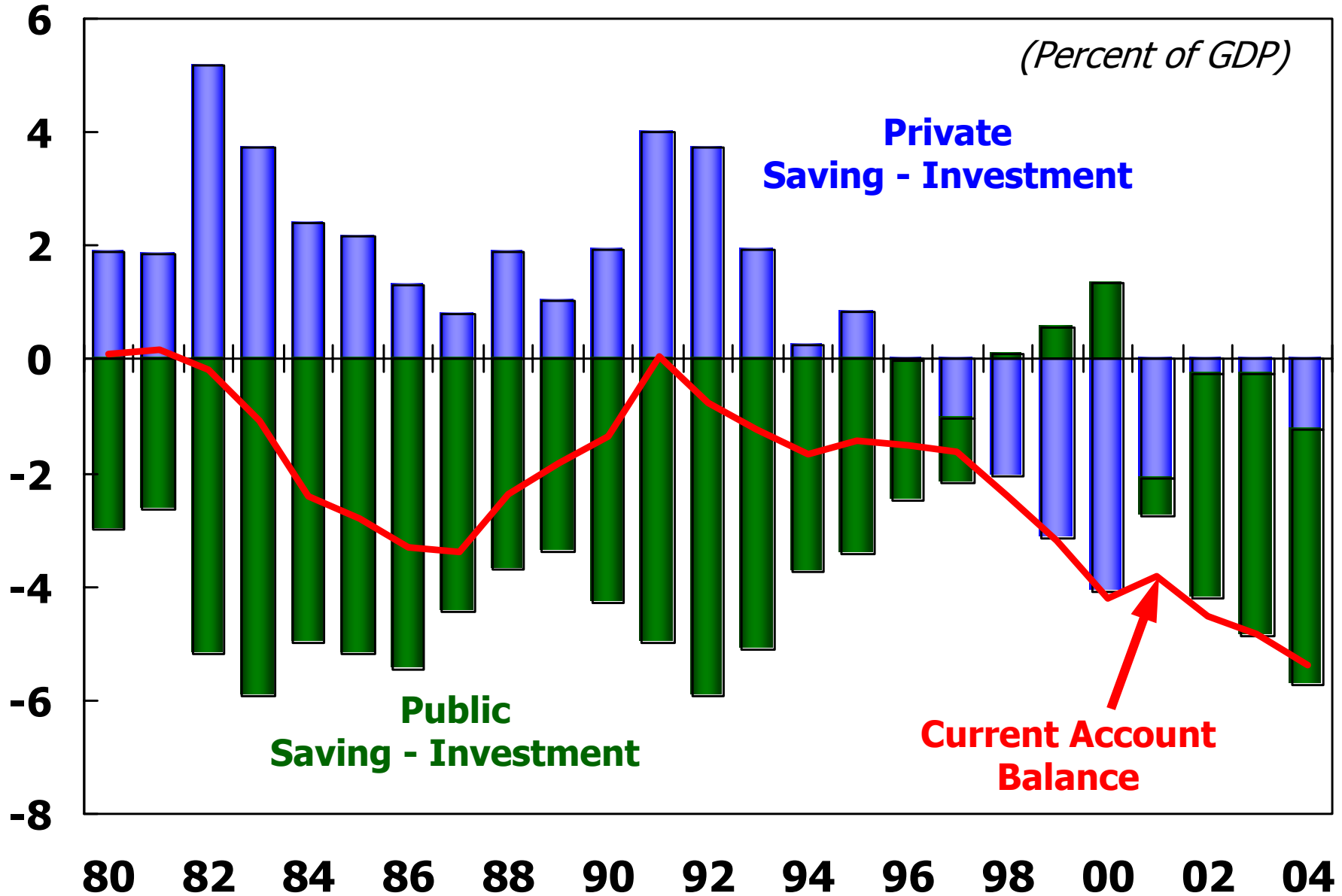


¹ IMF, ICM estimates.

Currency Volatilities



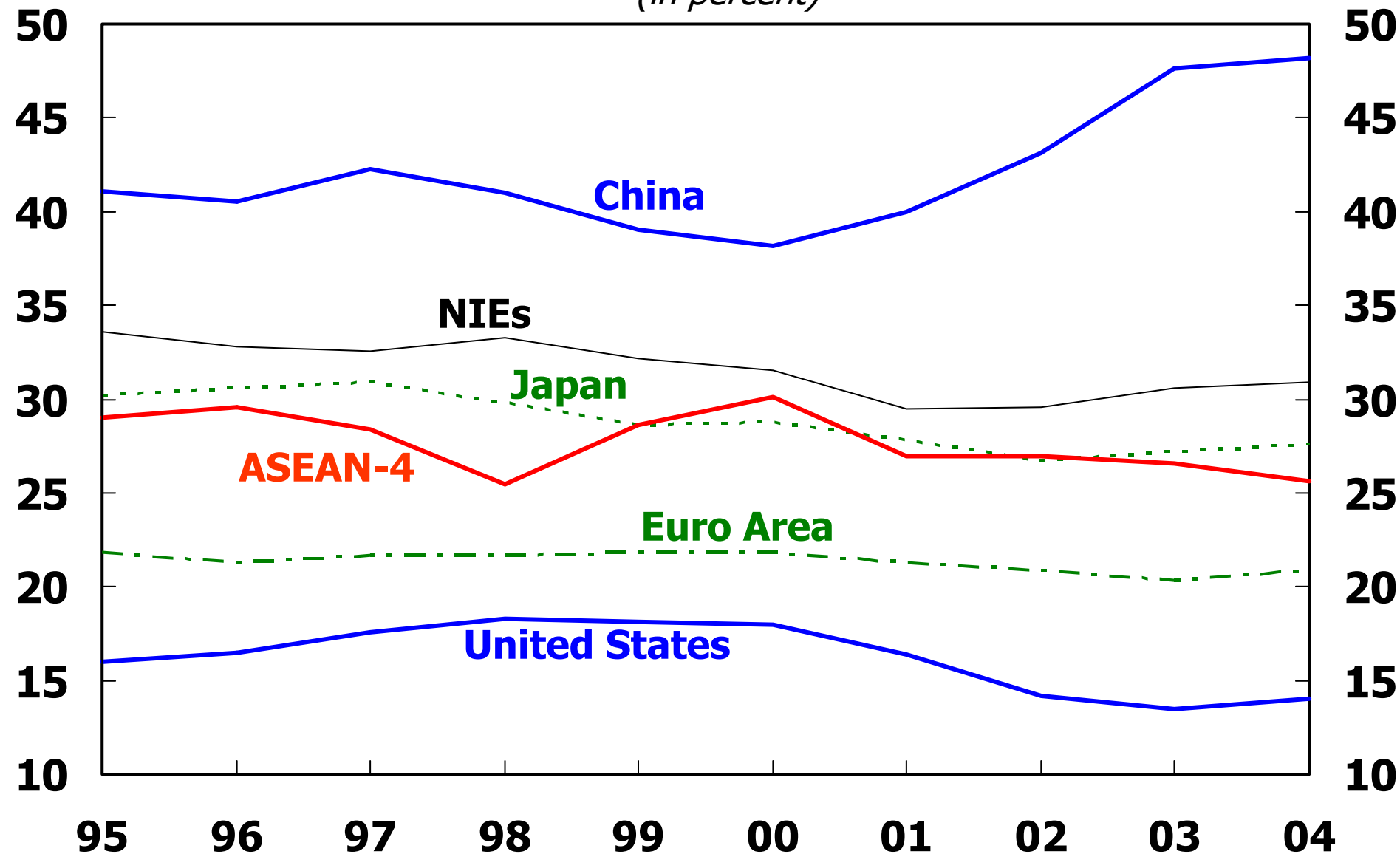
U.S. Current Account Balance and Saving-Investment¹



¹ 2004 current account projection is from WEO; 2004 investment and saving estimates are averages of the first three quarters of actual data.

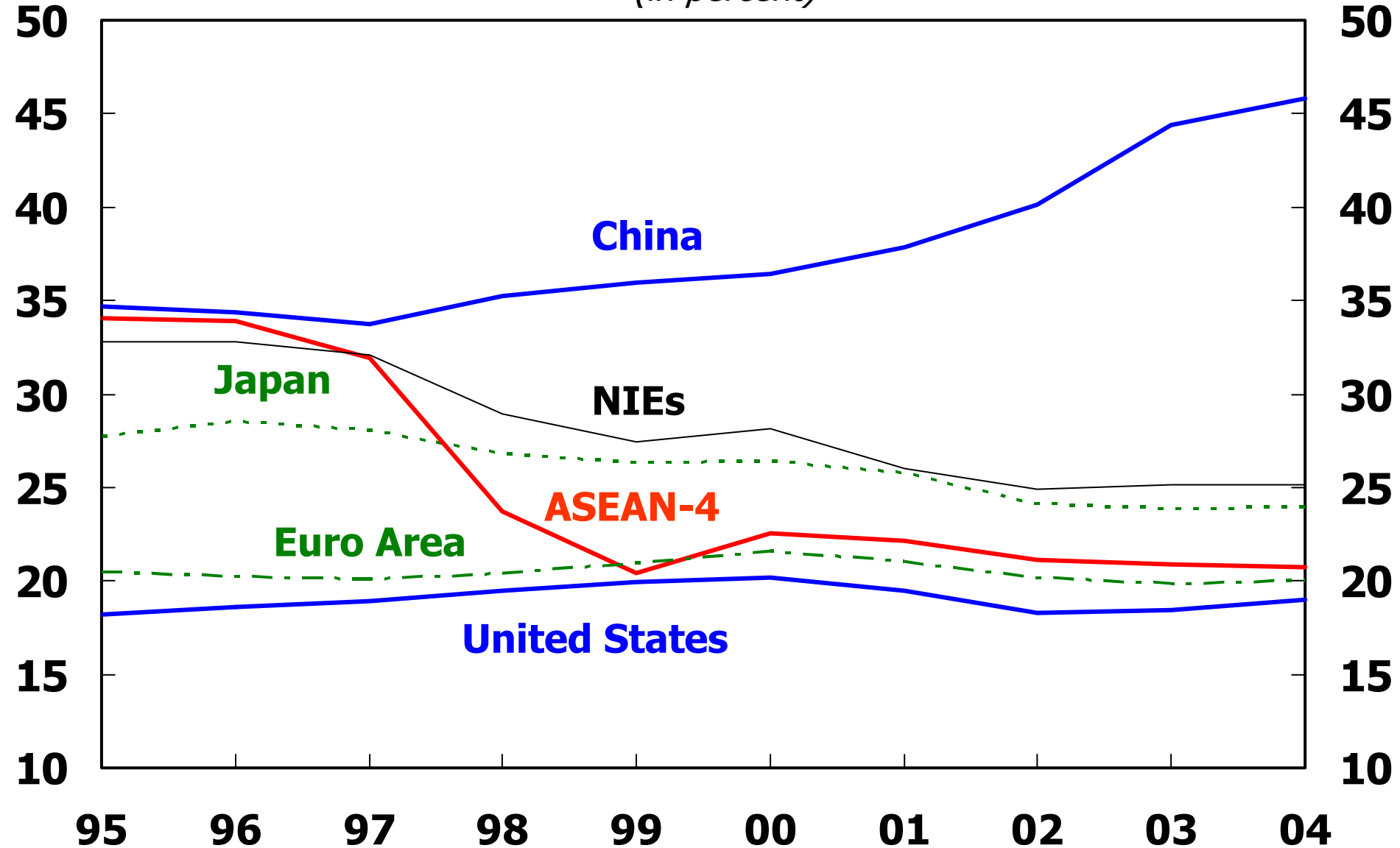
Gross National Saving in Percent of GDP

(in percent)



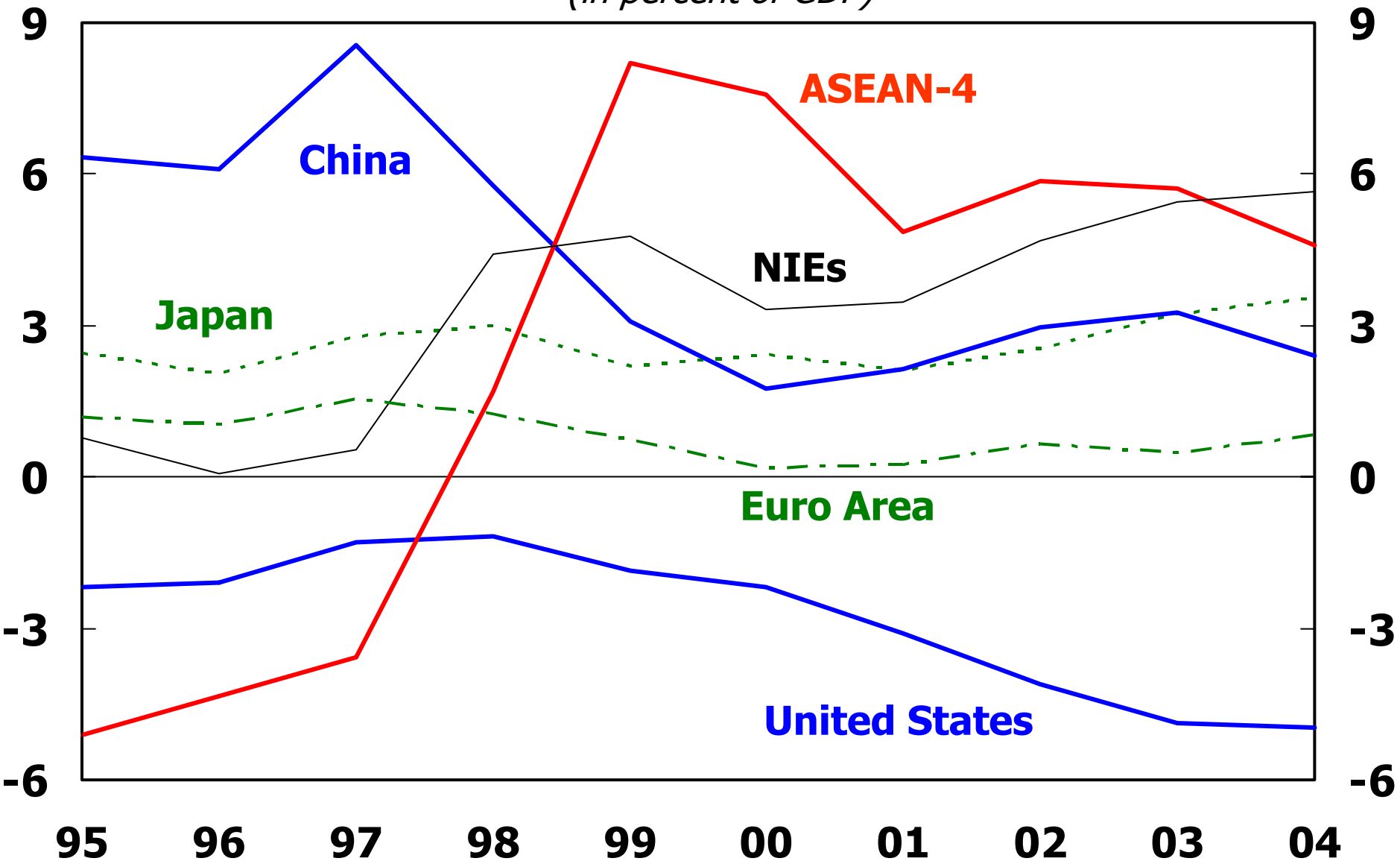
Investment in Percent of GDP

(in percent)



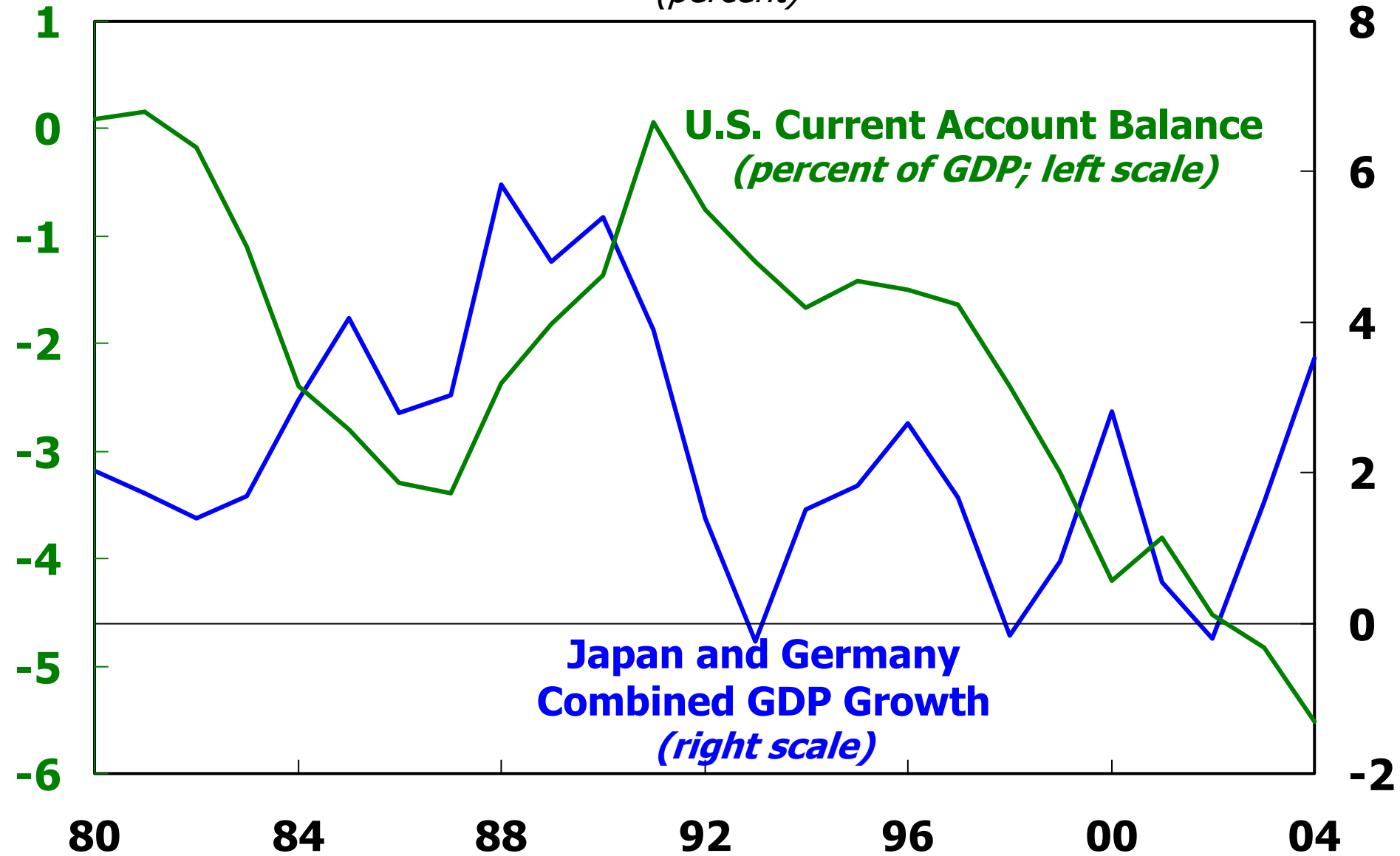
Gross National Saving minus Investment

(in percent of GDP)



U.S. Current Account and Japan-Germany GDP Growth

(percent)

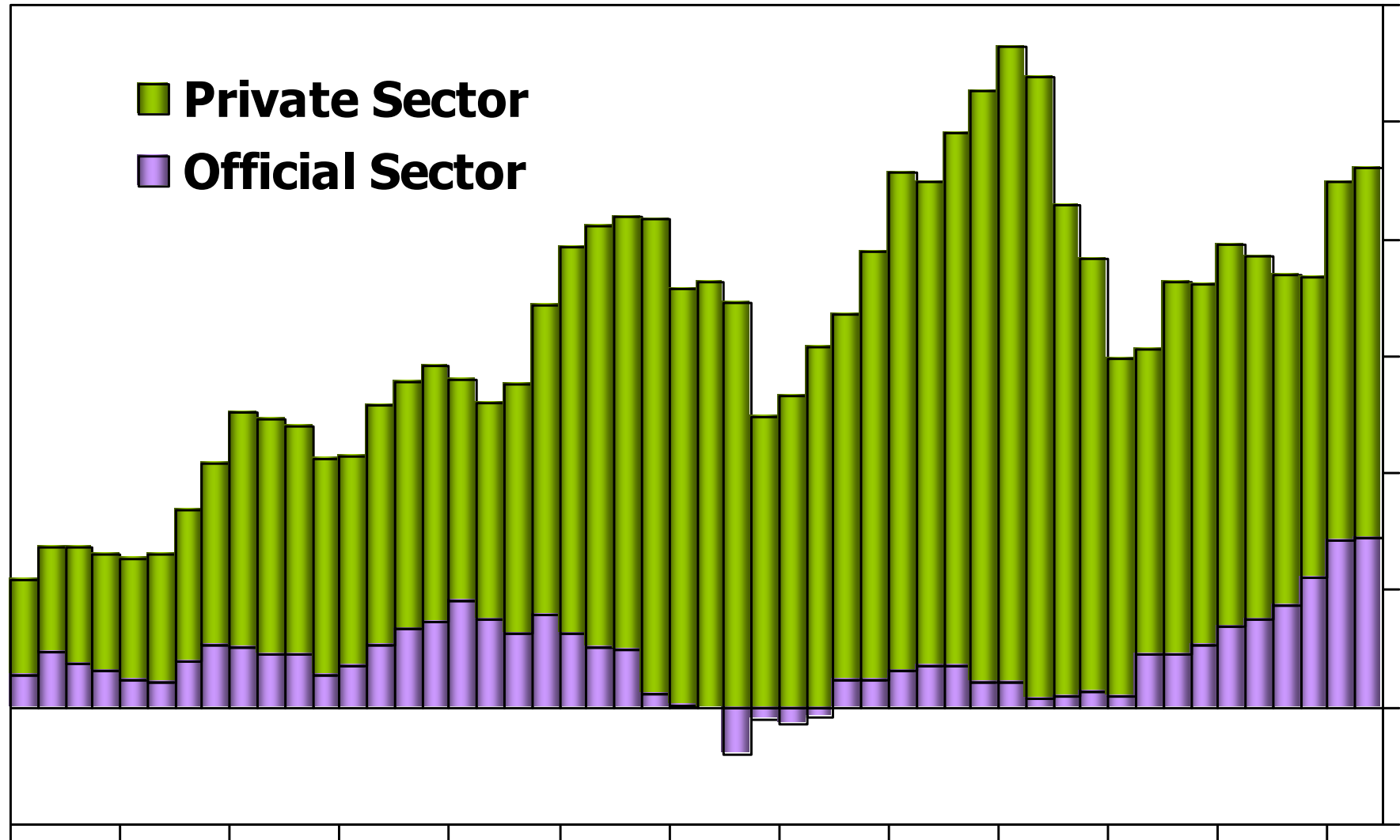


Overall U.S. Assets Purchased by Foreigners

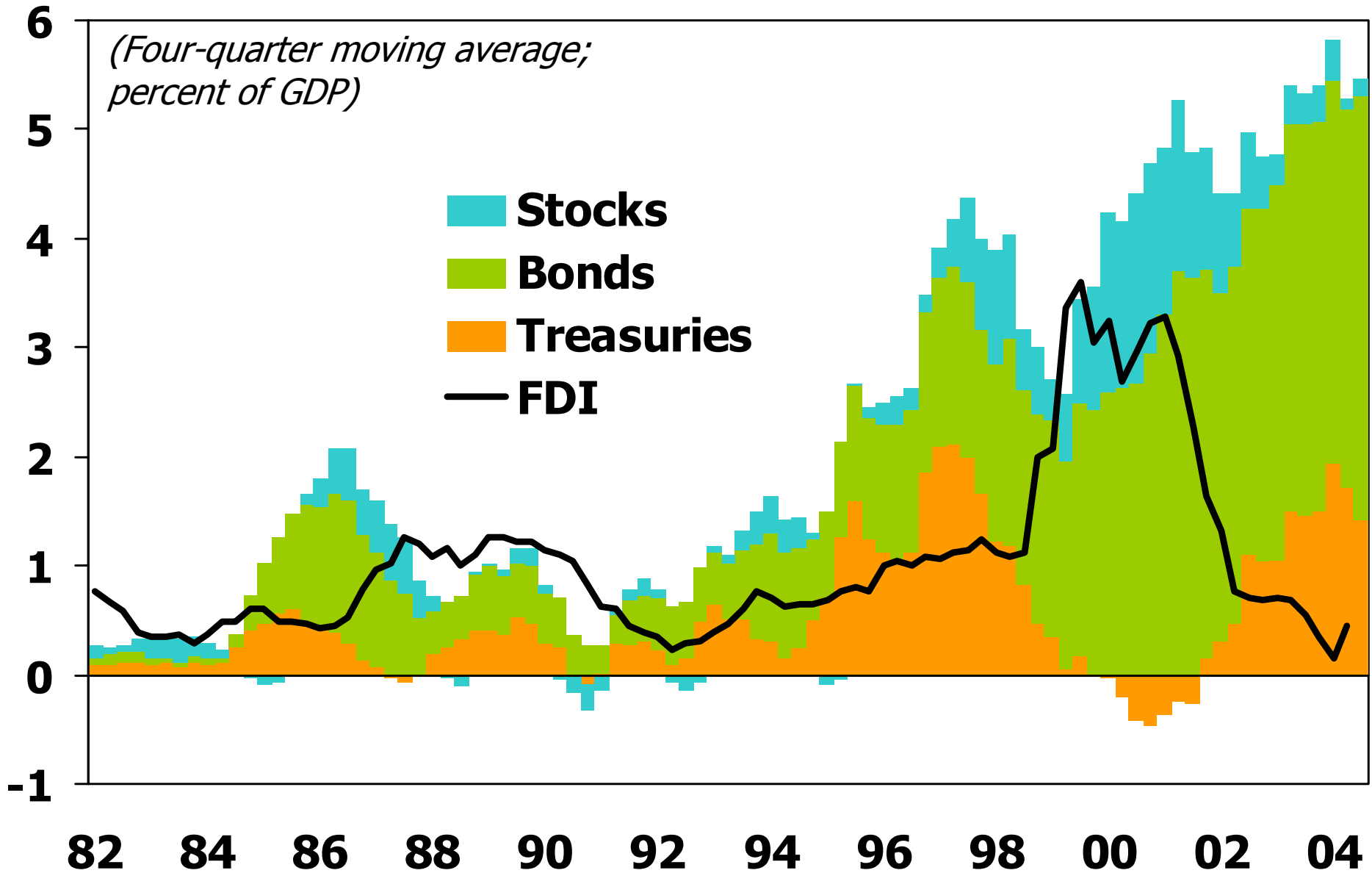
(Four-quarter moving average; percent of GDP)

■ Private Sector
■ Official Sector

12
10
8
6
4
2
0
-2

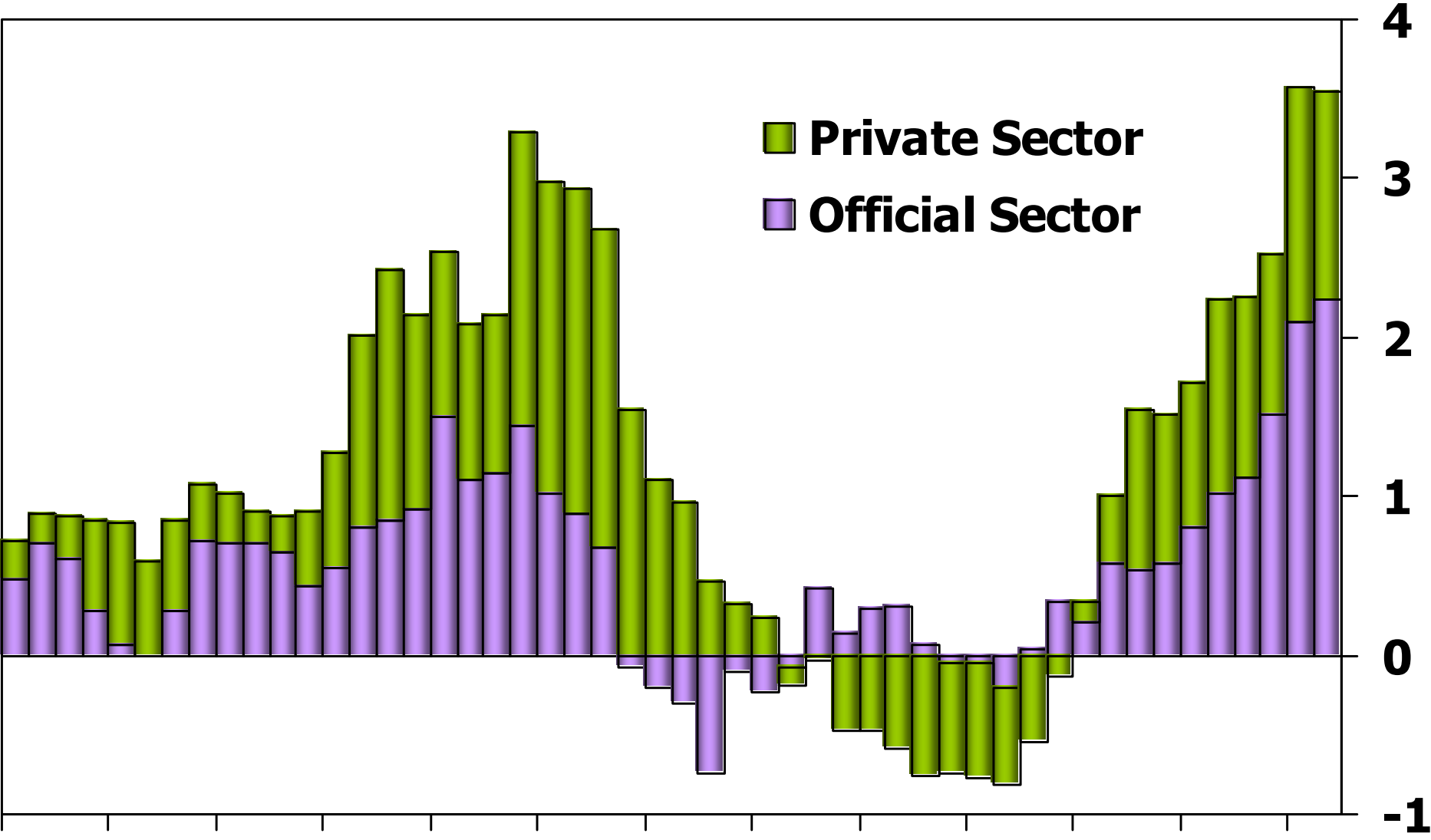


U.S. Assets Purchased by Foreign Private Sector



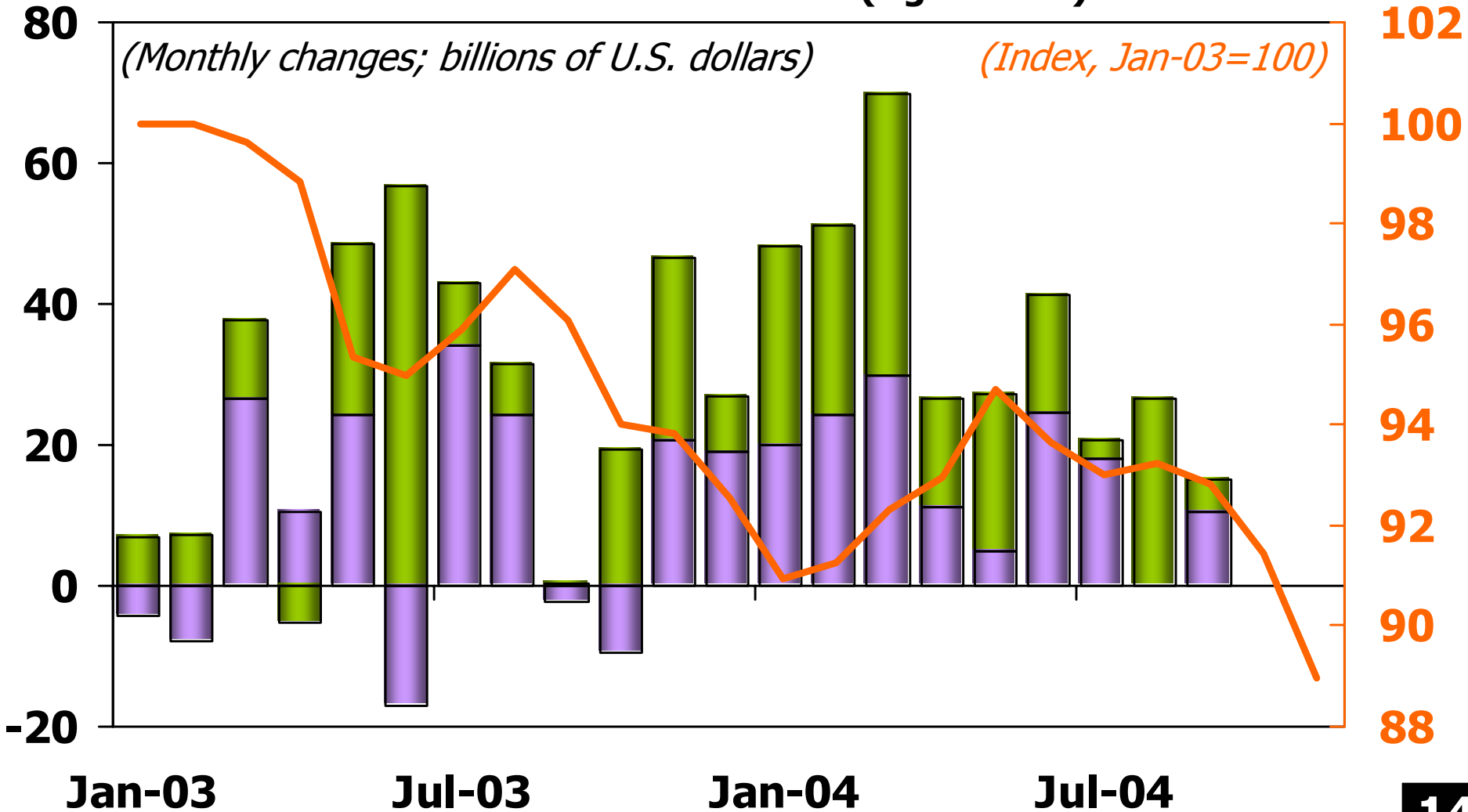
U.S. Treasury Securities Purchased by Foreigners

(Four-quarter moving average; percent of GDP)



Changes in Holdings of U.S. Treasury Securities by Major Foreign Holders

- Official holdings (left scale)
- Private holdings (left scale)
- U.S. dollar NEER (right scale)



The Fund's Policy Advice

- Credible measures towards U.S. fiscal consolidation and other measures to boost private savings.
- Structural reforms in the Euro Area and Japan, especially in the relatively inefficient domestic sectors.
- Greater exchange rate flexibility and financial sector reform in emerging Asia.