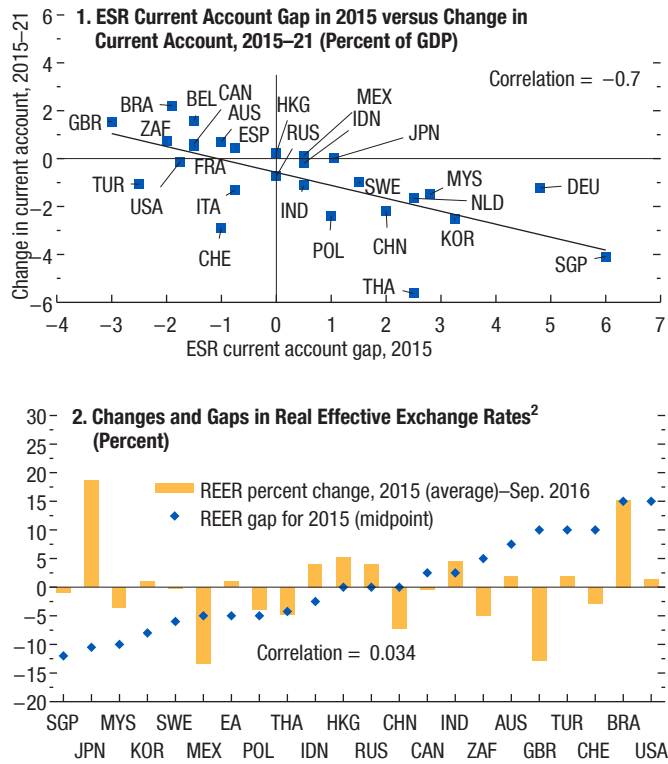


**Figure 1.18. Current Account Gaps and Real Exchange Rates**

Projected changes in current account balances are consistent with a narrowing of excess external imbalances identified in the *2016 External Sector Report*.



Sources: Global Insight; IMF, *2016 External Sector Report* (ESR); IMF, *International Financial Statistics*; and IMF staff calculations.

Note: Data labels in the figure use International Organization for Standardization (ISO) country codes. EA = euro area; REER = real effective exchange rate; ToT = terms of trade.

<sup>1</sup>Data for the euro area are an average for France, Germany, Italy, and Spain.

<sup>2</sup>REER gaps and classifications are based on the IMF's *2016 External Sector Report*.