

## Macro Roundup Article

**Headline:** [External Rebalancing In Turbulent Times](#)

### Article

**Link:** <https://www.imf.org/en/Publications/ESR/Issues/2023/07/19/2023-external-sector-report>

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**Tweet:** The American current account deficit is mainly financed via portfolio debt flows, a change from the pre-GFC period when the deficit was funded by reserve accumulation. @IMFNews data shows a declining role for China.

**Summary:** The US current account deficit, the largest deficit of all, is mainly financed via portfolio debt flows. Geographically, the financing of the US current account deficit has become increasingly mediated by financial centers in recent years. This contrasts with the pre-GFC period, when the US current account deficit was financed largely through reserve accumulation from surplus countries. Balance-of-payments data show a declining role for China.

**Related Articles:** [Brad Sester On The Balance Of Payments](#) and [How Was the U.S. Current Account Deficit Financed In 2022?](#)

**Primary Topic:** Savings Glut/Trade Deficit

**Topics:** Database, GDP, Government/NGO, Savings Glut/Trade Deficit

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