Of the current-account deficits of big rich economies shown in the chart, America’s is forecast to remain the biggest in 2001, both in absolute terms and relative to GDP. Its deficit is expected to equal 4.5% of GDP, up from 1.6% in 1996. The next biggest shortfall is Australia’s, at 4.4% of GDP. Switzerland is forecast to have the biggest surplus, at 12.7% of GDP. In the short run, countries can sustain big current-account deficits without serious economic consequences. In the longer term, currencies tend to adjust to bring foreign inflows and outflows into equilibrium. This could spell trouble ahead for the dollar.