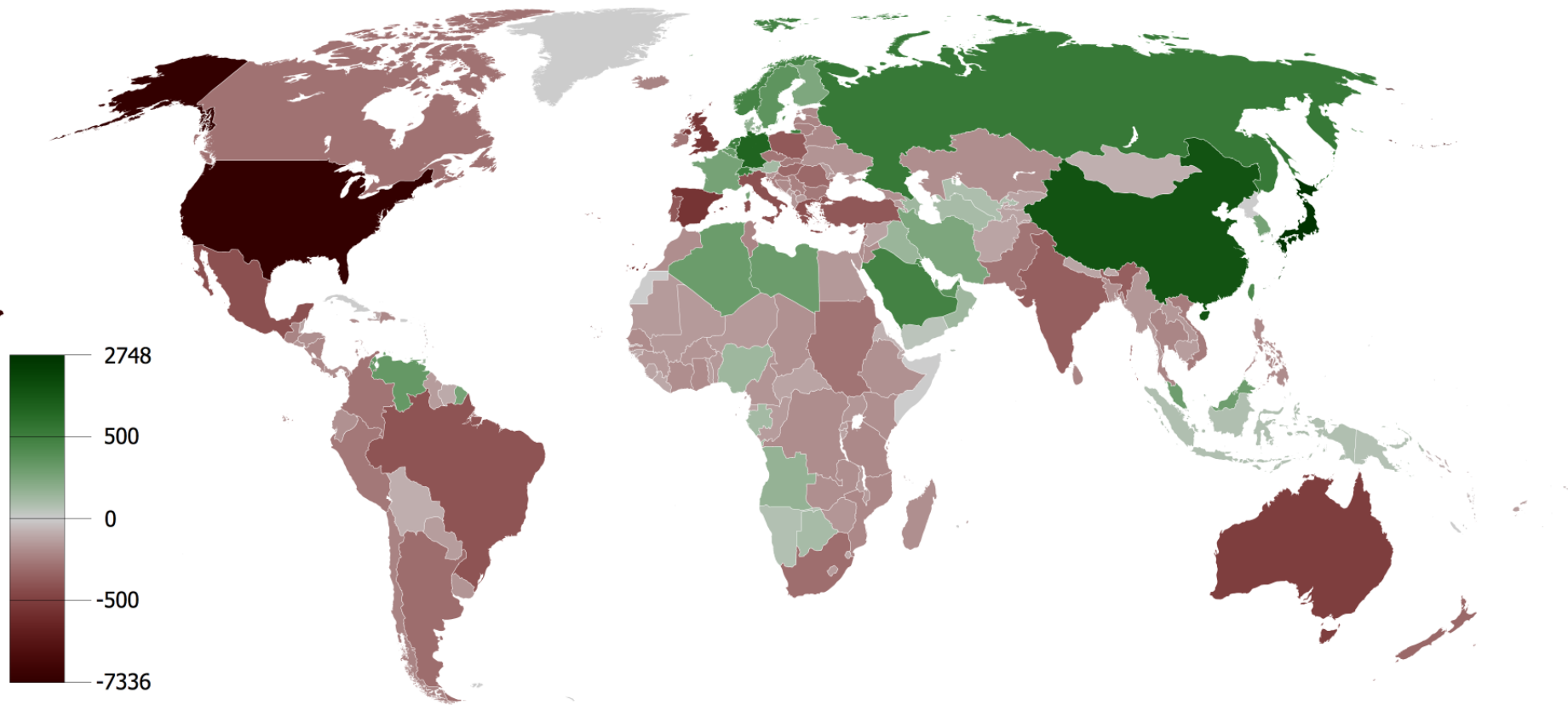


■ Current account



Cumulative Current Account Balance 1980–2008 (US\$ billions) based on the International Monetary Fund data

■ Problem 1.2

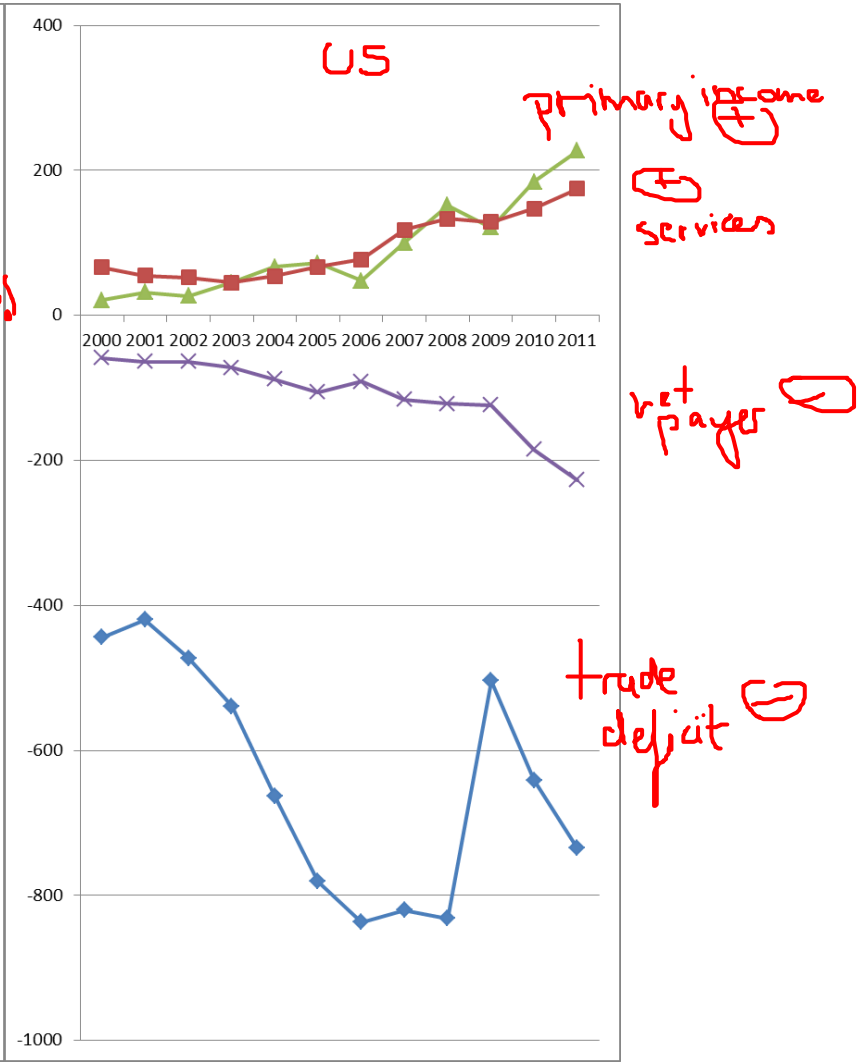
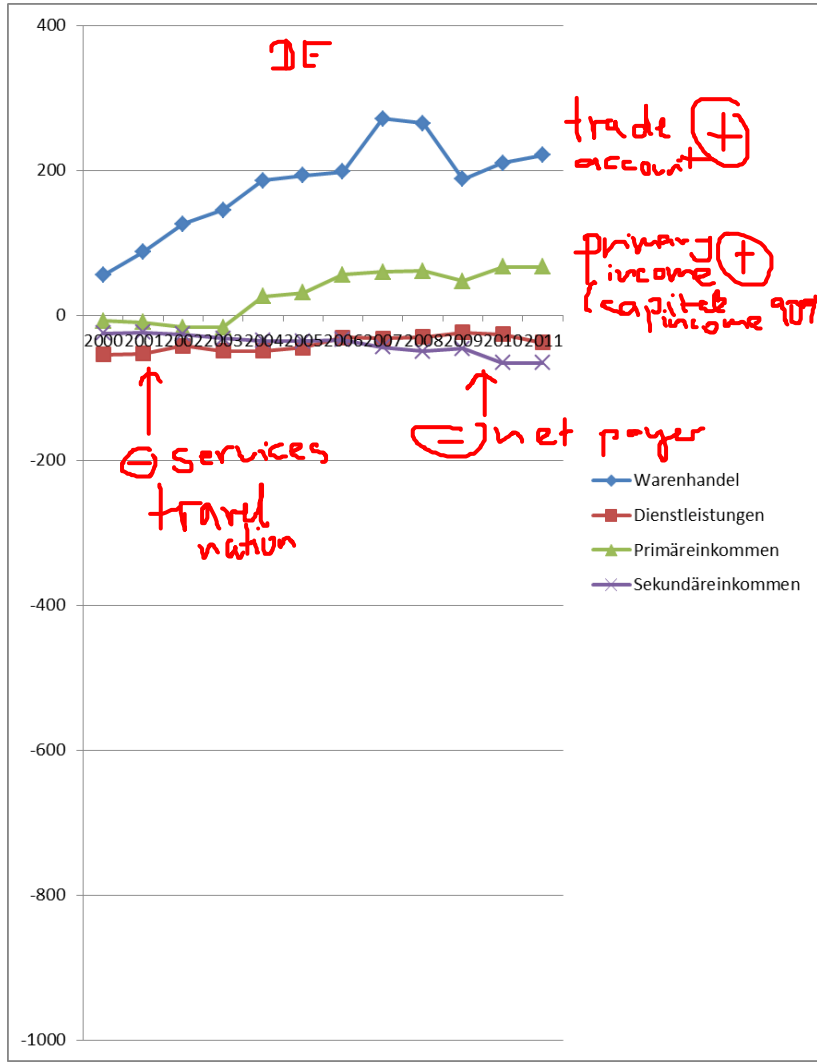
Germany	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	55	87	126	145	186	193	198	271	265	188	210	221
Services Balance	-54	-53	-42	-49	-49	-45	-31	-32	-30	-24	-26	-38
Primary Income Balance	-8	-10	-17	-17	26	31	56	60	61	47	67	67
Current Account	-32	0	41	47	128	143	189	255	246	165	185	184

Second. income -25

USA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	-444	-420	-473	-539	-663	-781	-837	-820	-832	-504	-641	-735
Services Balance	66	55	52	45	54	67	77	118	133	129	147	175
Primary Income Balance	21	32	27	45	67	72	48	100	152	121	184	227
Current Account	-416	-397	-458	-521	-630	-748	-803	-718	-669	-378	-495	-560

Second. income

Problem 1.2



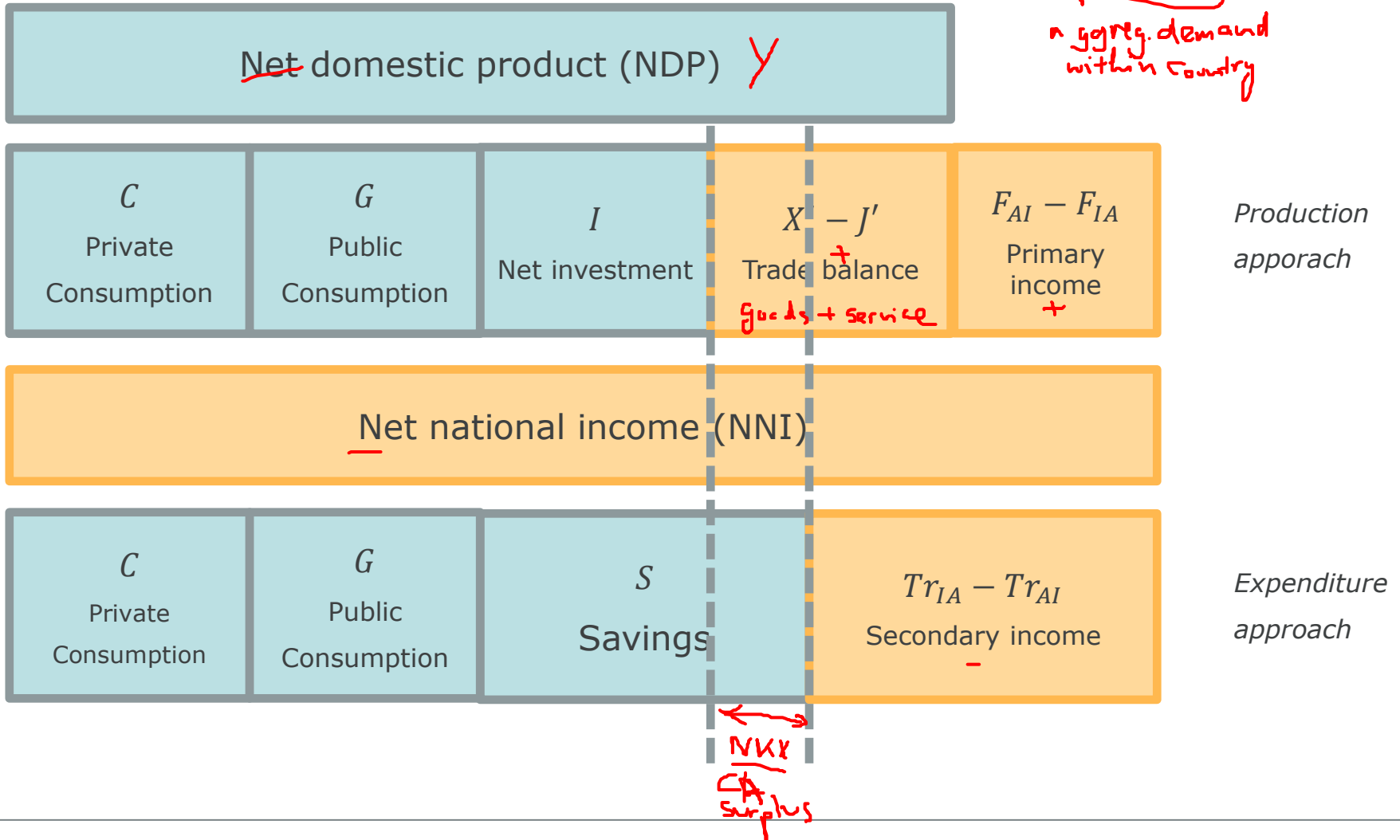
National accounts

Ireland: $NDP > NNI$
 Kuwait: $NDP < NNI$

$$Y = C + G + I + X' - J'$$

$$X' - J' = Y - (C + G + I)$$

*n. ggr. demand
within country*



National accounts

$$X' - J' = Y \uparrow - (C \downarrow + G \downarrow + I \downarrow)$$

Production account

D	I ^g
T _i	
F	G
	C
J'	X'
F _{IA}	

Income account

G	T _i
C	F
S	F _{AI}
Tr _{IA}	Tr _{AI}

Current account

Balance of Payments

X'	J'
	F _{IA}
F _{AI}	Tr _{IA}
Tr _{AI}	NKX

attractiveness
competitive
good products

CA surplus

Net total financial accounts

Capital account	
I ^g } D	D
— } I	S
NKX	

$$NKX = S - I$$

■ Zero-sum game

Zero-sum game

United States, net lending by sector, % of GDP



Source: Bureau of Economic Analysis

Economist.com

■ Problem 1.3

$Y^g = 2070$
GDP

$F_{A1} - F_{A2} = 120 - 130 = -10$
GM = $2070 - 10 = 2060$

bill

Balance of Payment (in €)			
Credit		Debit	
Export of goods	640	Import of goods	540
Export of services	100	Import of services	140
Export of factors	120	Import of factors	130
Incoming transfers	20	Outgoing transfers	50
Capital imports (securities and loans)	210	Capital exports (securities and loans)	250
Residual items	20	FX reserves	?

CA
FA