

## Macro Roundup Article

**Headline:** [Europe's Imbalances in Pandemic and War](#)

**Article Link:** <https://theovershoot.co/p/europes-imbalances-in-pandemic-and-war>

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**Summary:** Trade surplus that had emerged in the wake of the euro crisis has returned with a vengeance, although the distribution of the surplus has shifted somewhat. At the European aggregate level, Germany's investment slump and stagnant consumption were offset by building booms in Spain, Greece, and central and eastern Europe. Since the beginning of 1999, there has been more investment in fixed capital (buildings, equipment, R&D, etc) net of depreciation in Spain than in Germany, even though Spain has only half of Germany's population and has had almost no net investment since 2010. There was just as much net investment in Italy from 1999 through 2011 as in Germany—and Italy was far from booming in the 2000s, as well as far smaller. Related: The New Geopolitics of Global Finance and Germany's Industrial Slowdown and Pettis On Pozsar

**Primary Topic:** Investment

**Topics:** Investment, Op-Ed/Blog Post, Productivity

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