

# Current-account sustainability

## International Finance Section, Princeton University - Current Account Deficit Sustainability in CEMAC: A Threshold Cointegration Approach



Description:-

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- Poetry
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- American - General
- Fiscal policy -- Mathematical models
- Debts, Public -- Mathematical models
- Balance of payments -- Mathematical models
- Current-account sustainability

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### Current account sustainability in SAARC economies: Evidence from combined cointegration approach

Unit Root Tests To conduct the Johansen test for cointegration, it is necessary to determine the number of lags, k, in the underlying VAR. It is interesting to observe that, in both Chile and Mexico II the low savings rates were not attributable to public sector imbalances, but rather to low private savings.

### Explainer: why some current account imbalances are fine but others are catastrophic

Concerns about the sustainability of large and persistent current account deficits were heightened by the Mexican crisis of 1994 and its contagion effects, which drew attention to the risks of a sudden reversal of capital flows. We find the relation between exports and imports+ is negative and statistically significant for these countries, which indicates unsustainable current account positions. The first concept, based on the intertemporal budget constraint, can accommodate a variety of future behavior patterns.

### 5 Current Account Sustainability : Macroeconomic Management : Programs and Policies:

Because the dominance of short-term capital increased the risk of unexpected capital outflows, the economy became more vulnerable to shifts in market sentiment.

### Solved: 6 Current Account Sustainability Explain How The C...

In this case, net resource outflows as a fraction of GDP will be smaller the higher the growth rate. In , the S curve, rather than moving to the right, would move to the left.

### Solved: 6 Current Account Sustainability Explain How The C...

Gross national disposable income GDI , the most comprehensive measure of income for a country, is defined as GDP plus unilateral current transfers plus net factor income; that is This expression stresses the relationships among sectoral imbalances. Supply of External Funds, FDI and

**Debt Flows** In the simple intertemporal framework we have considered so far, market imperfections such as asymmetric information, moral hazard, and absence of bankruptcy arrangements do not play a role in shaping international borrowing and lending.

### **Capital Flows and Current Account Sustainability: The Ghanaian Experience**

Of the five cases, only Canada from 1976 to 1996 had sustainable current account deficits. *Journal of Policy Modeling*, 31 2 , 163-179. First, structural and financial weaknesses had given rise to low-quality and excessive investment.

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- [Seurat \(1859-1891\)](#)
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