

(Read free ebook) External Imbalances in the Euro Area

External Imbalances in the Euro Area

Ruo Chen, Gian-Maria Milesi-Ferretti, Thierry Tressel
*ePub | *DOC | audiobook | ebooks | Download PDF*



#4506291 in eBooks 2012-09-28 2012-09-28 File Name: B00IONTOO8 | File size: 64.Mb

Ruo Chen, Gian-Maria Milesi-Ferretti, Thierry Tressel : External Imbalances in the Euro Area before purchasing it in order to gauge whether or not it would be worth my time, and all praised External Imbalances in the Euro Area:

The paper examines the extent to which current account imbalances of euro area countries are related to intra-euro area factors and to external trade shocks. We argue that the traditional explanations for the rising imbalances are correct, but are incomplete. We uncover a large impact of declines in export competitiveness and asymmetric trade developments vis-à-vis the rest of the world and in particular vis-à-vis China, Central and Eastern Europe, and oil exporters on the external balance of euro area debtor countries. While current account imbalances of euro area deficit countries vis-à-vis the rest of the world increased, they were financed mostly by intra-euro area capital inflows (in particular by the purchase of government and financial institutions' securities, and cross-

border interbank lending) which permitted external imbalances to grow over time.