

ISEO SUMMERSCHOOL

23° June 2008

Mario Baldassarri

**The World Economy Toward
Global Disequilibrium**

Palgrave-MacMillan, London 2007

Figure 1 - Terms of trade between developing non-oil producing countries and industrialized countries (1953-2006)

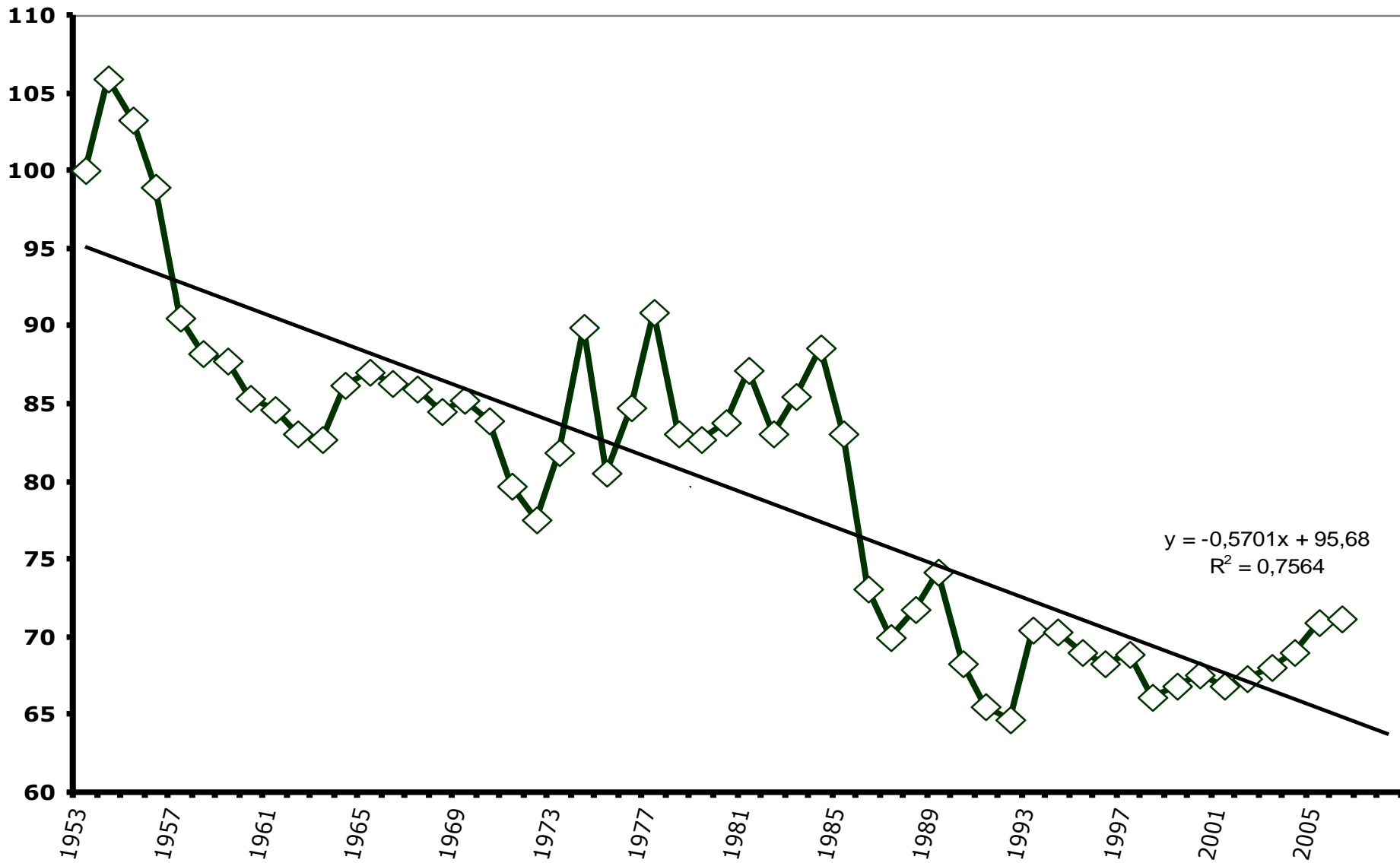
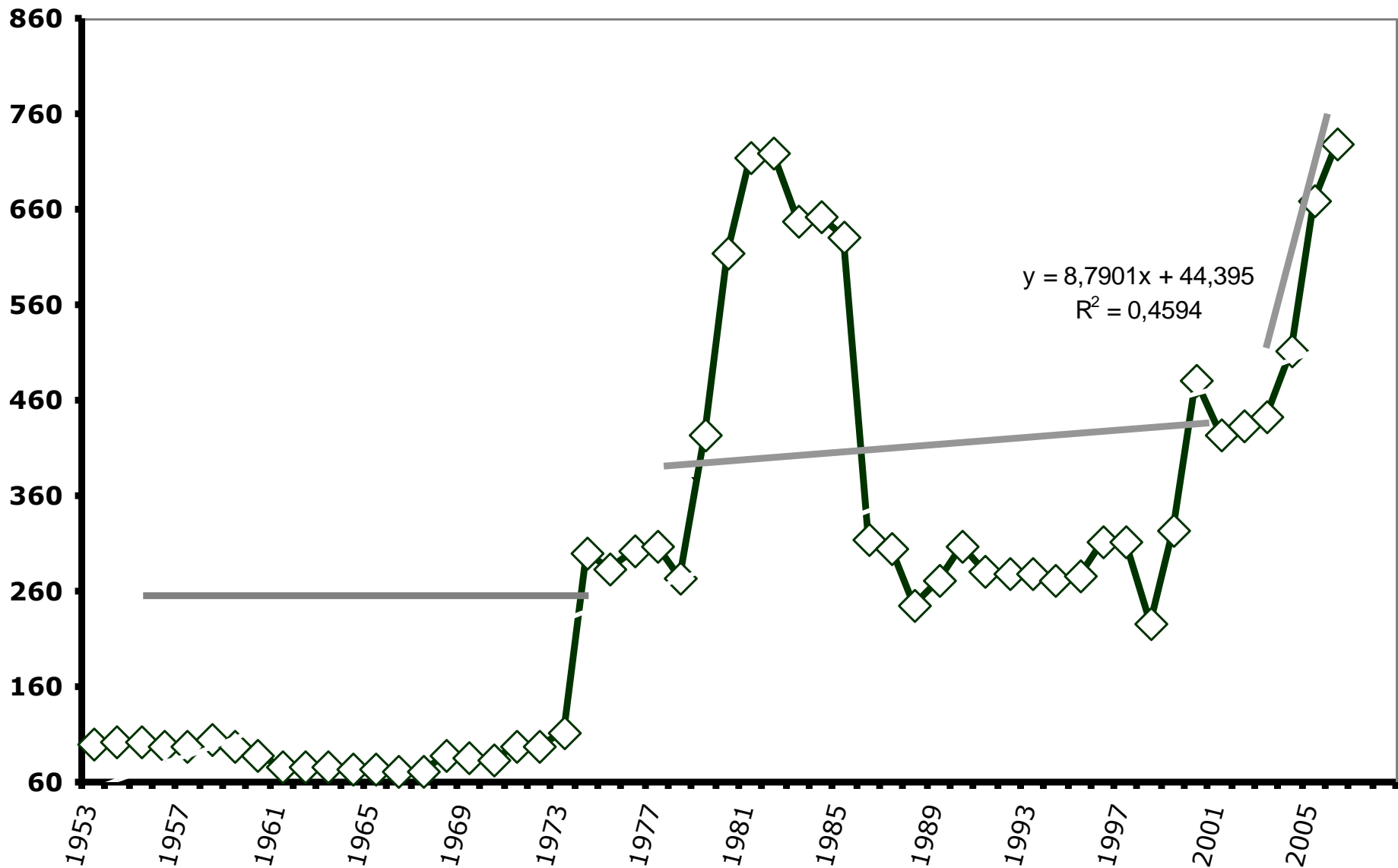
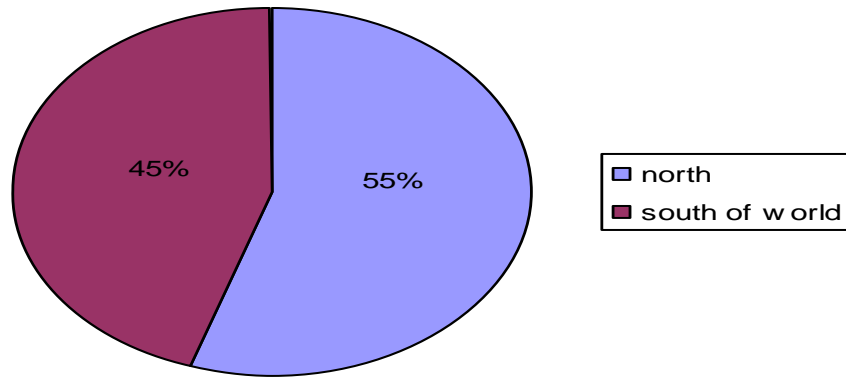


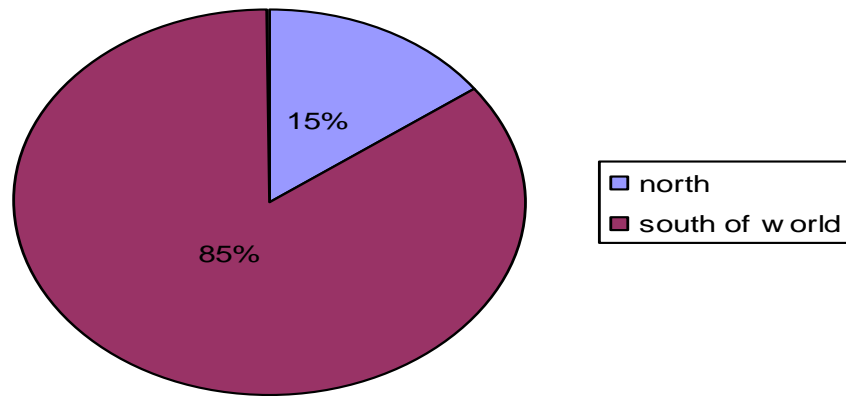
Figure 2 - Terms of trade between oil producing developing countries and industrialized countries (1953-2006)



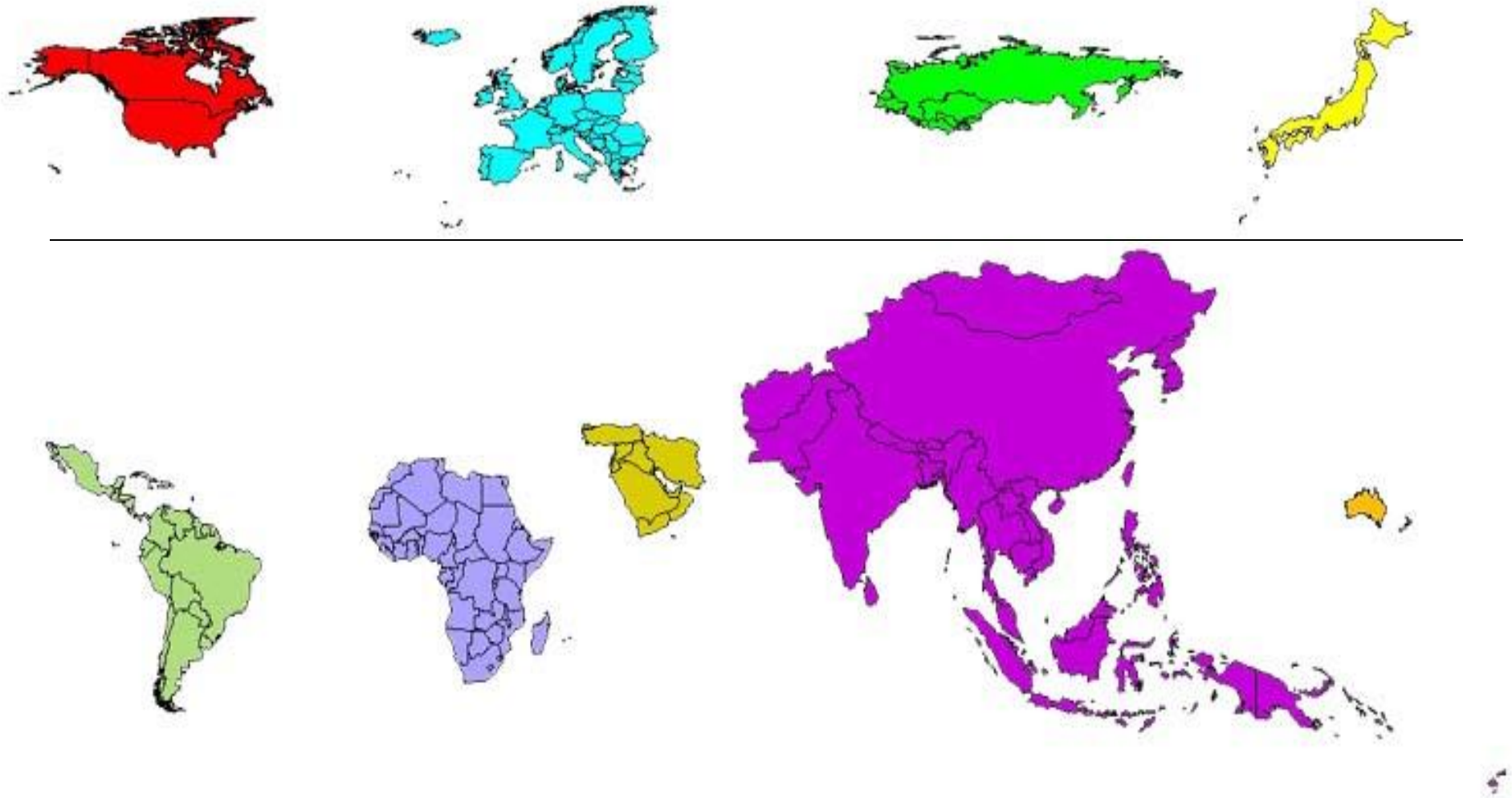
World GDP Shares
(2003)



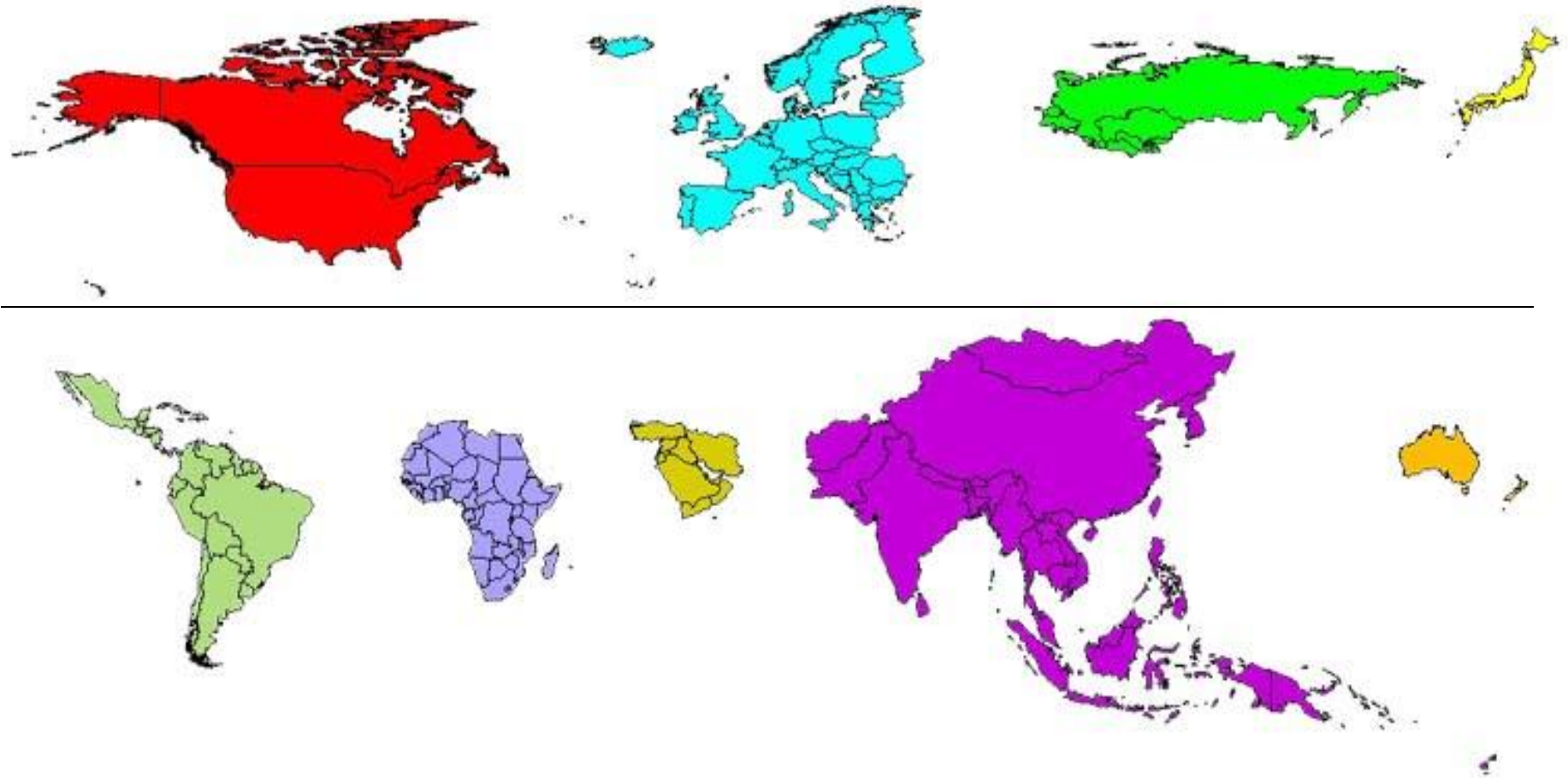
Share of World Population
(2003)



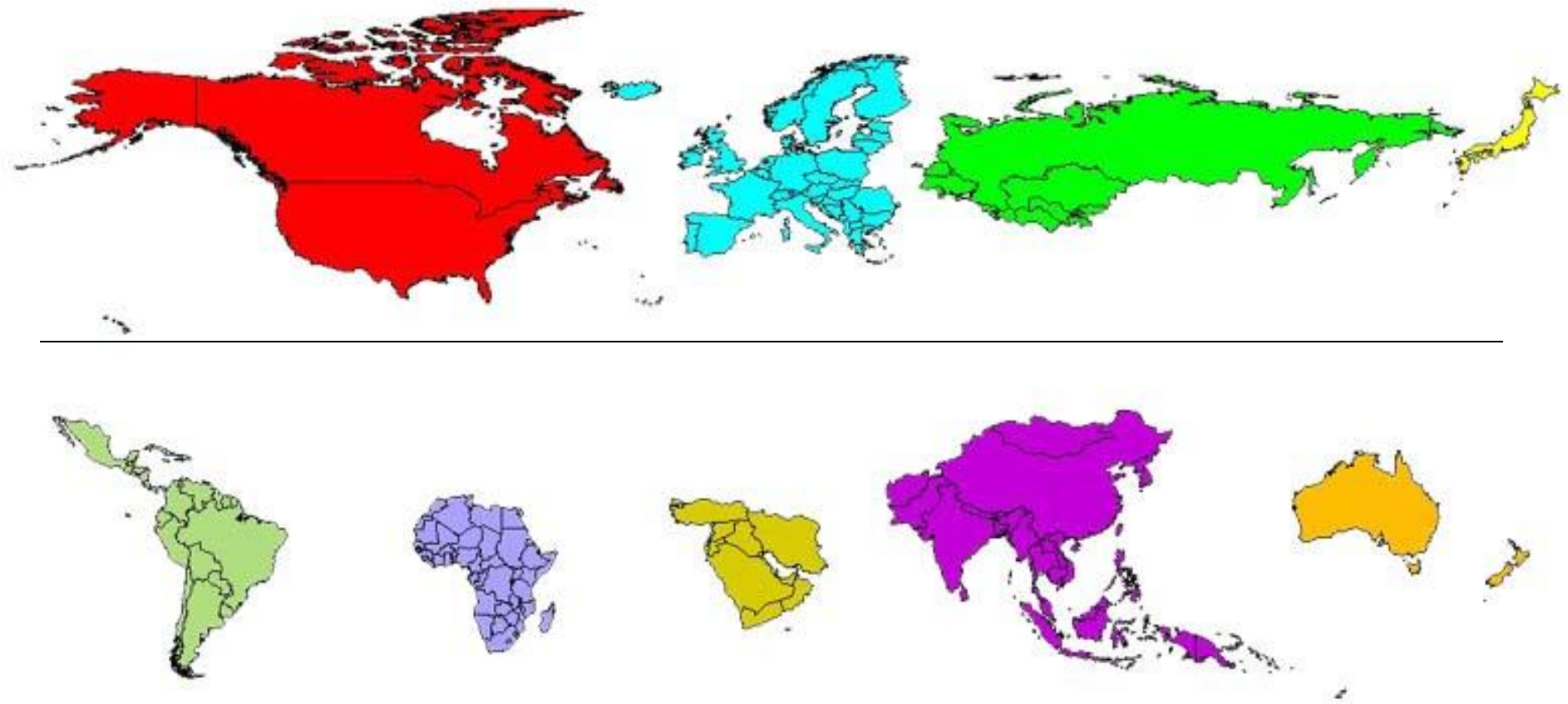
Map 1: World with continents weighted by Population 2003



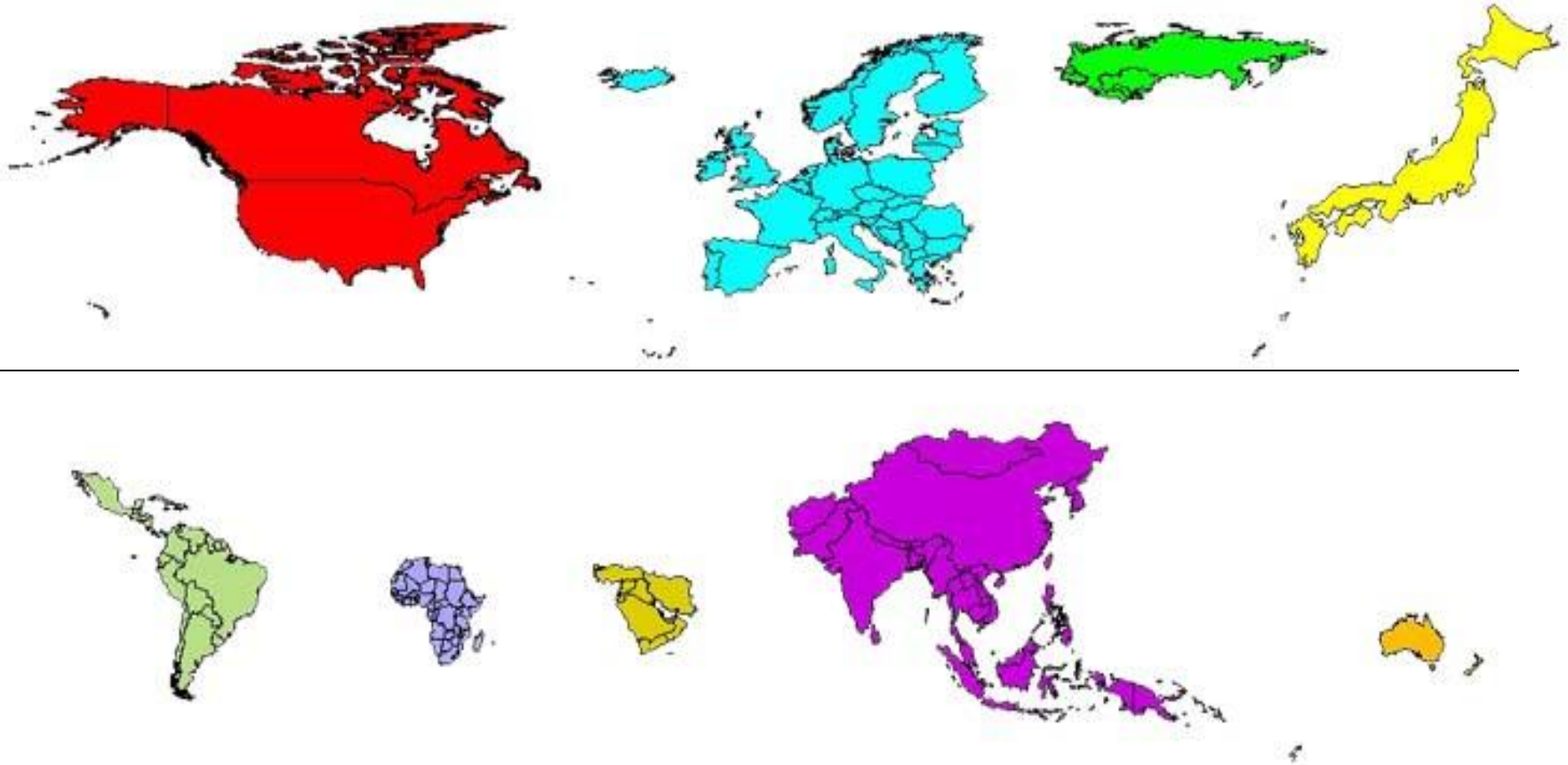
Map 2: World with continents weighted by Agricultural Resources 2003



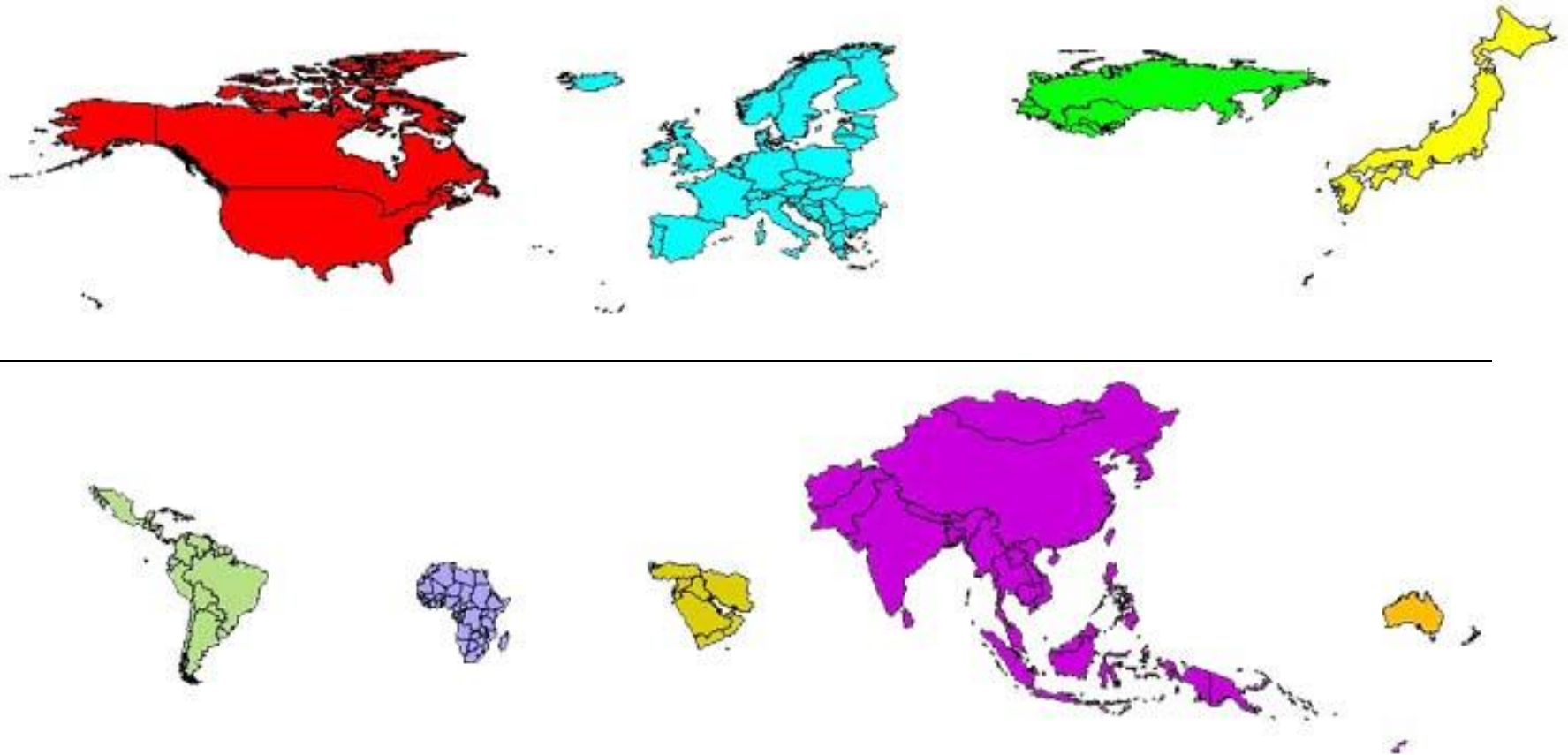
Map 3: World with continents weighted by Mineral Resources 2001



Map 4: World with continents weighted by Real GDP 2003



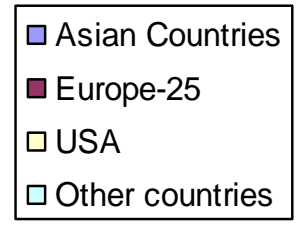
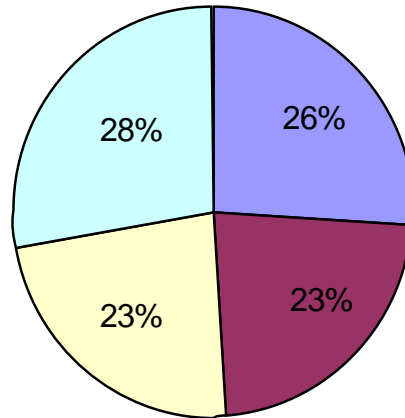
Map 5: Word with continents weighted by Real GDP, projections for 2015



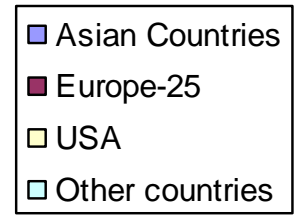
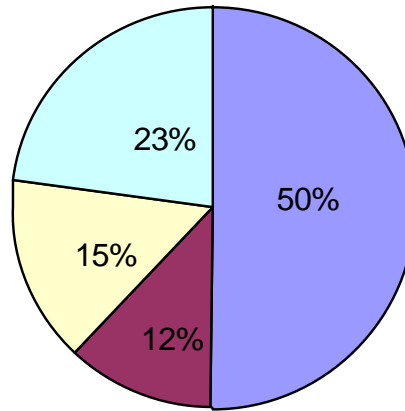
Map 6: Word with continents weighted by Real GDP, projections for 2030



**World GDP Shares
2003**

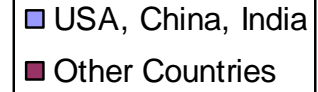
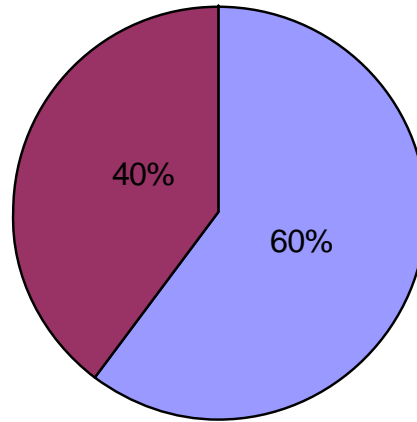


**World GDP Shares
2030**



World GDP Shares

(2030)



World Population Shares

(2030)

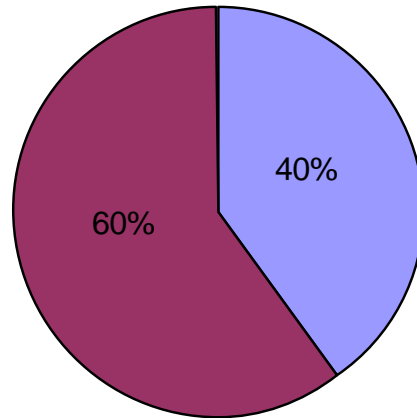


Figure 3 - G8 and G20 from 2003 to 2030 (PPP)
 (Actual G8 from 47% to 29%; China from 13% to 34%)

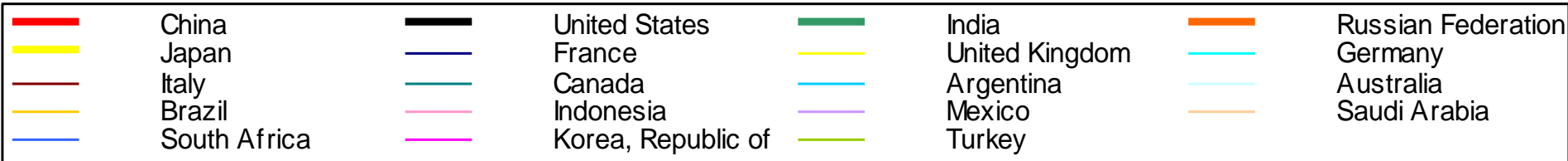
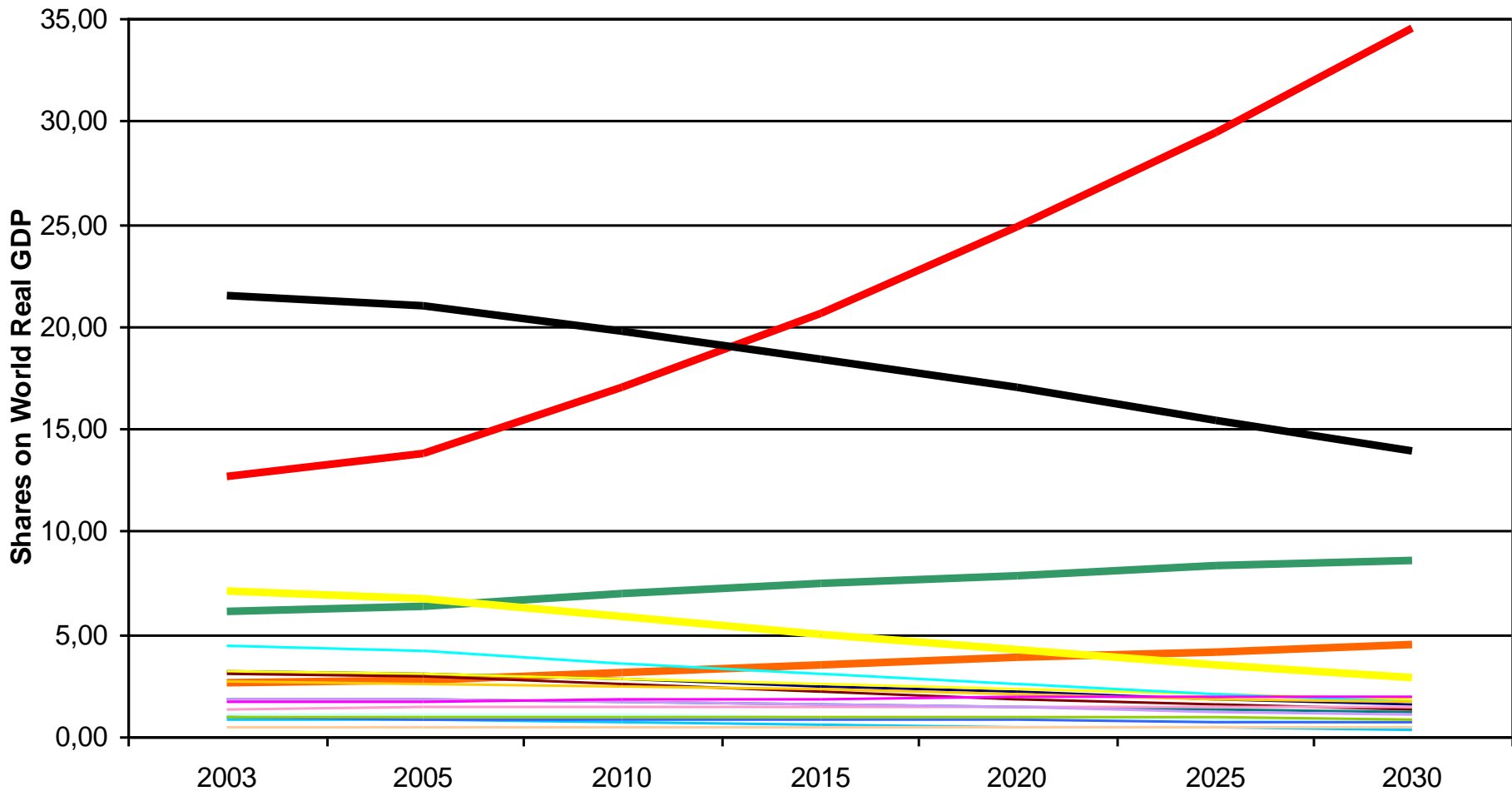


Figure 4: "New" G8, considering Europe-25 (PPP)

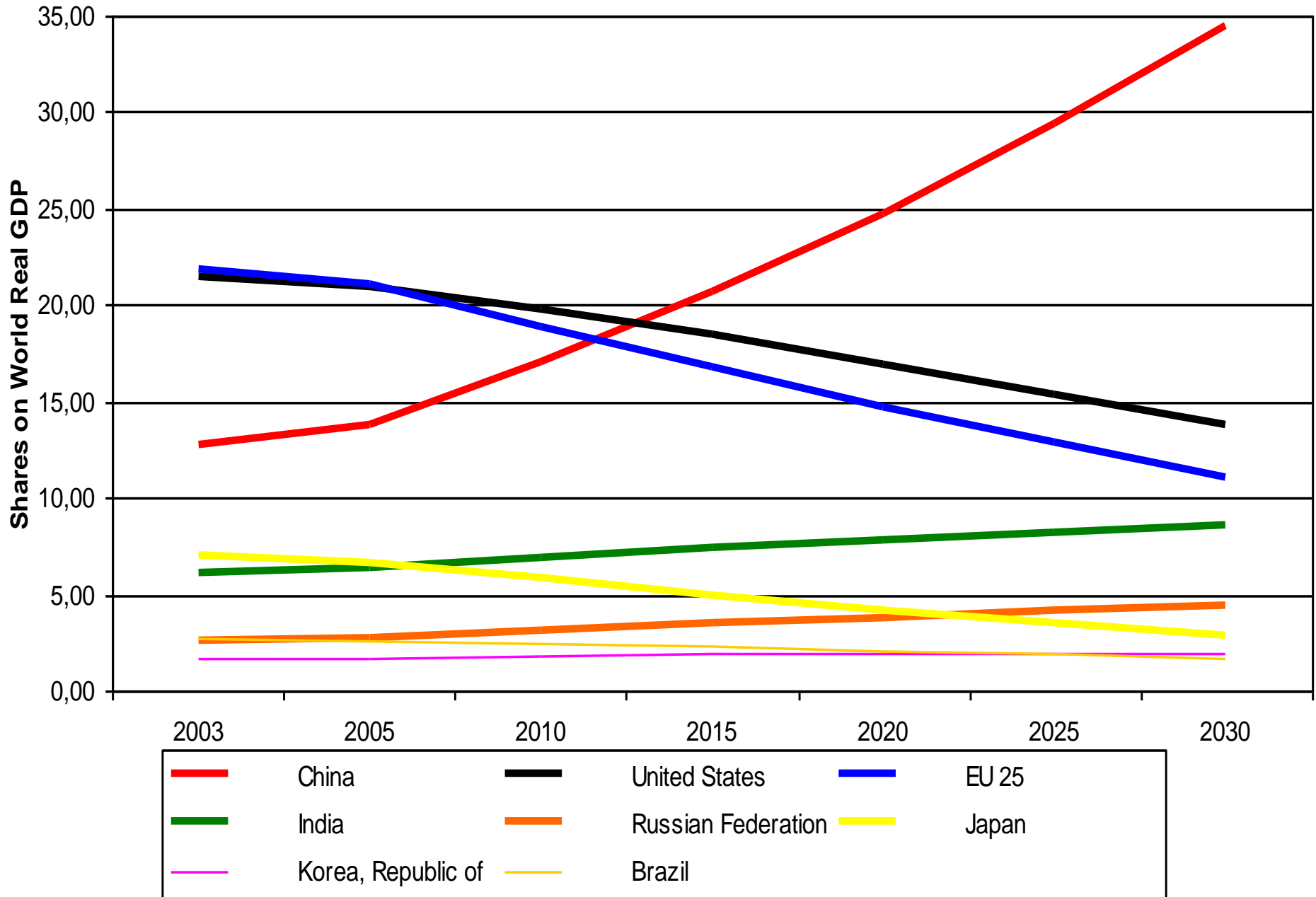


Figure 3a: G8 and G20 from 2003 to 2040 (2003\$)

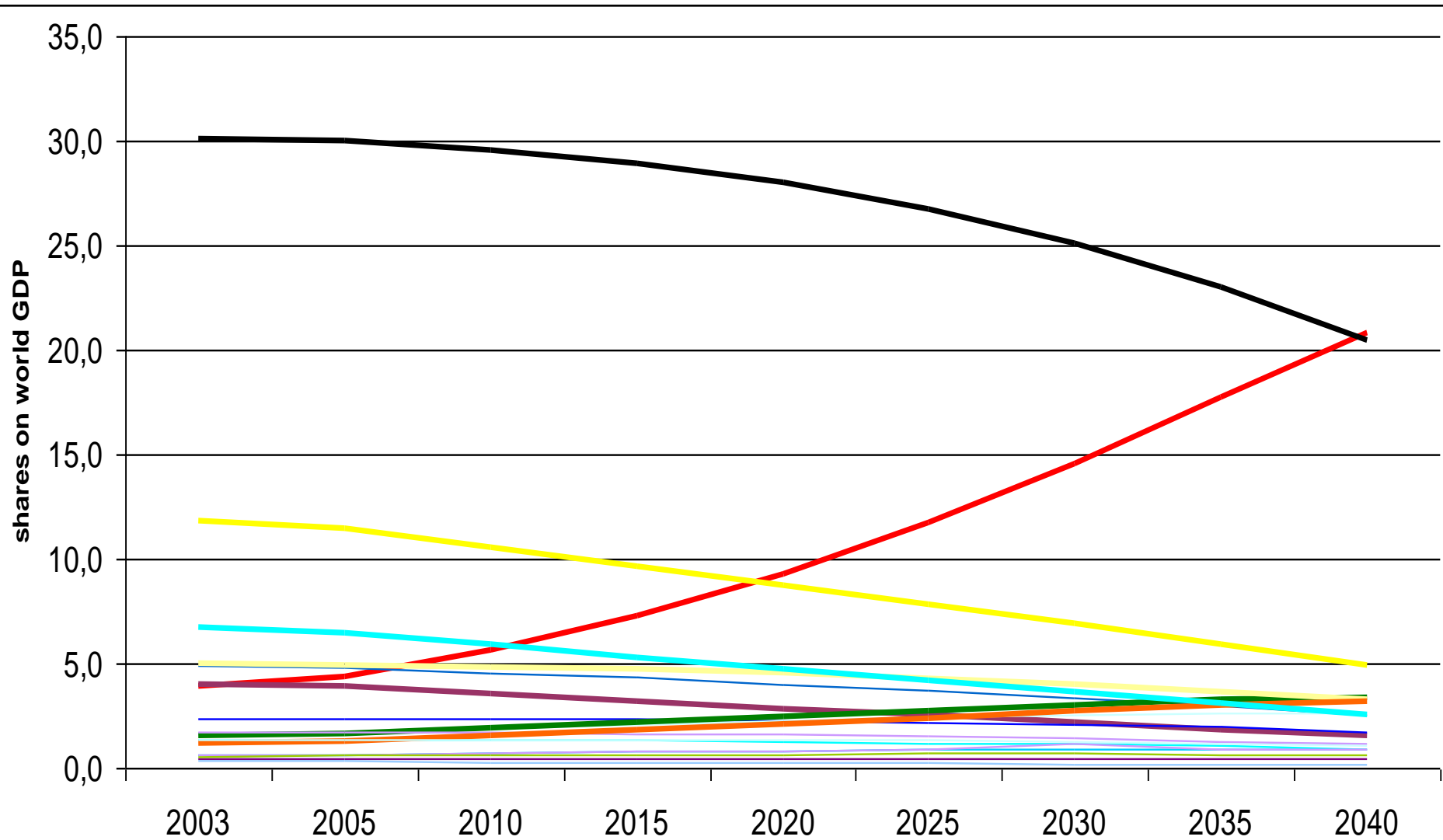
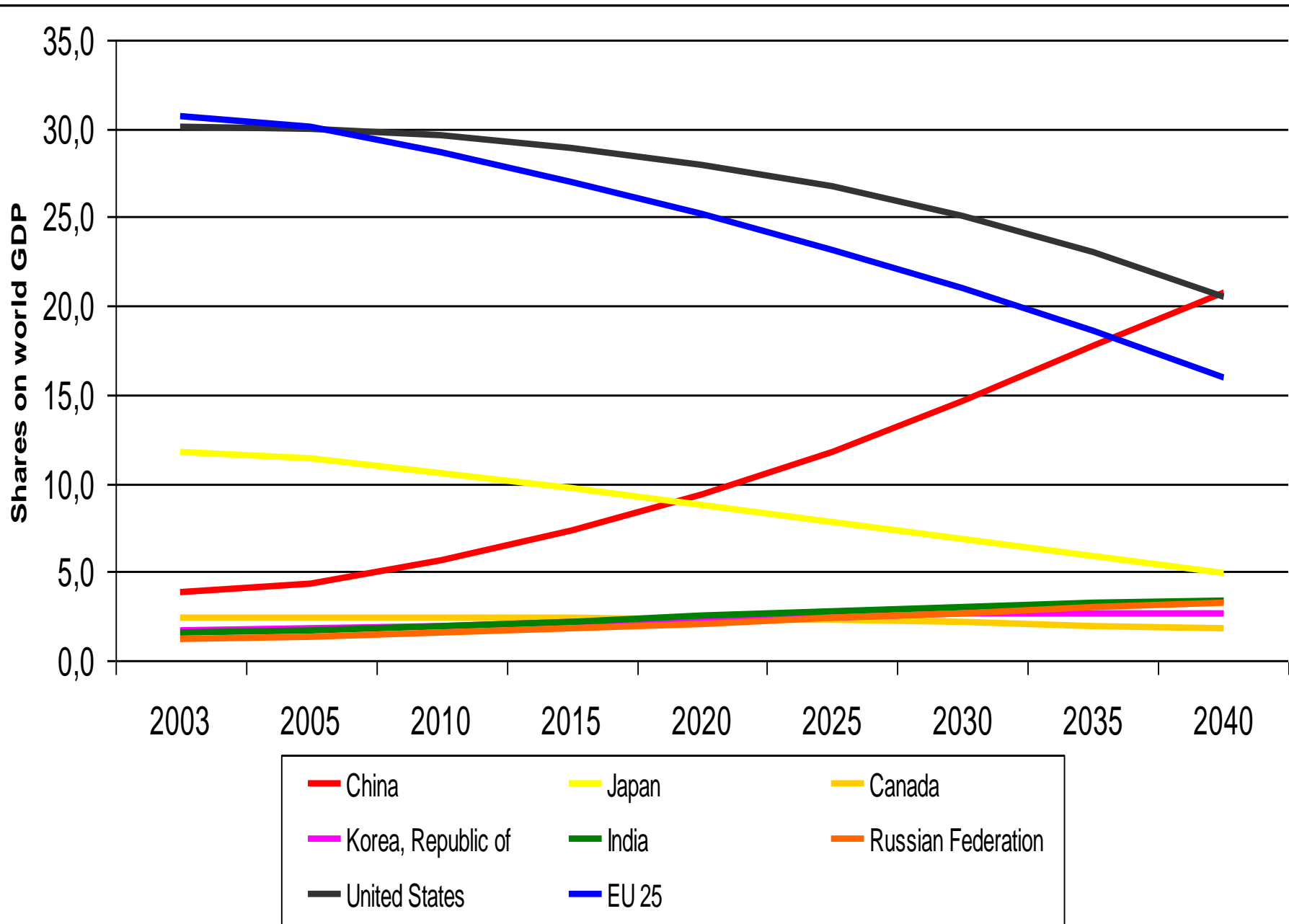


Figure 4a: the “new” G8 considering Europe-25 (2003\$)



**Figure 4b: Discount rates (FED-ECB), European inflation rate (HICP),
Exchange rate Euro/Dollar**

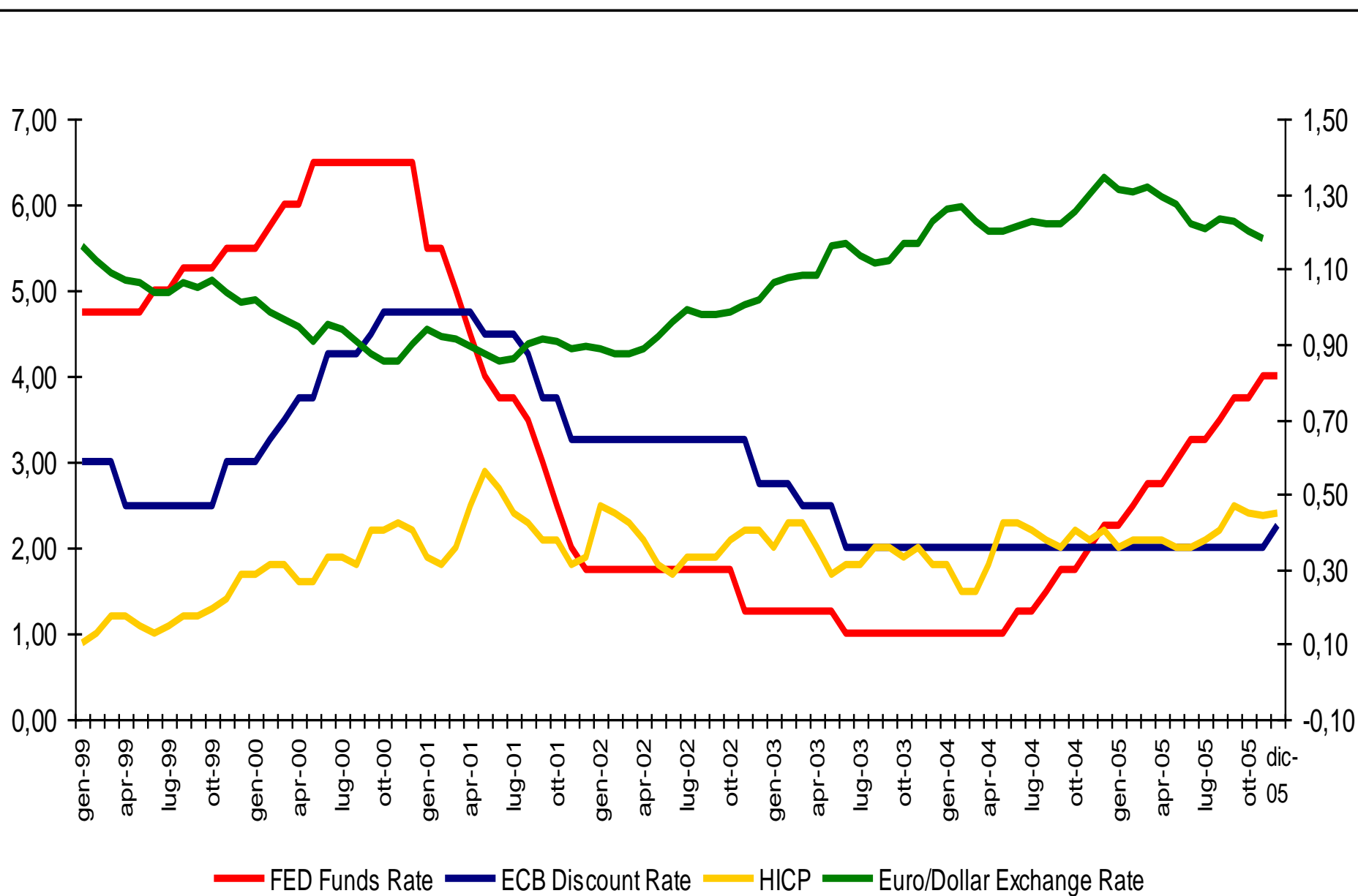


Figure 4c: Euro per Dollar (november 2003)

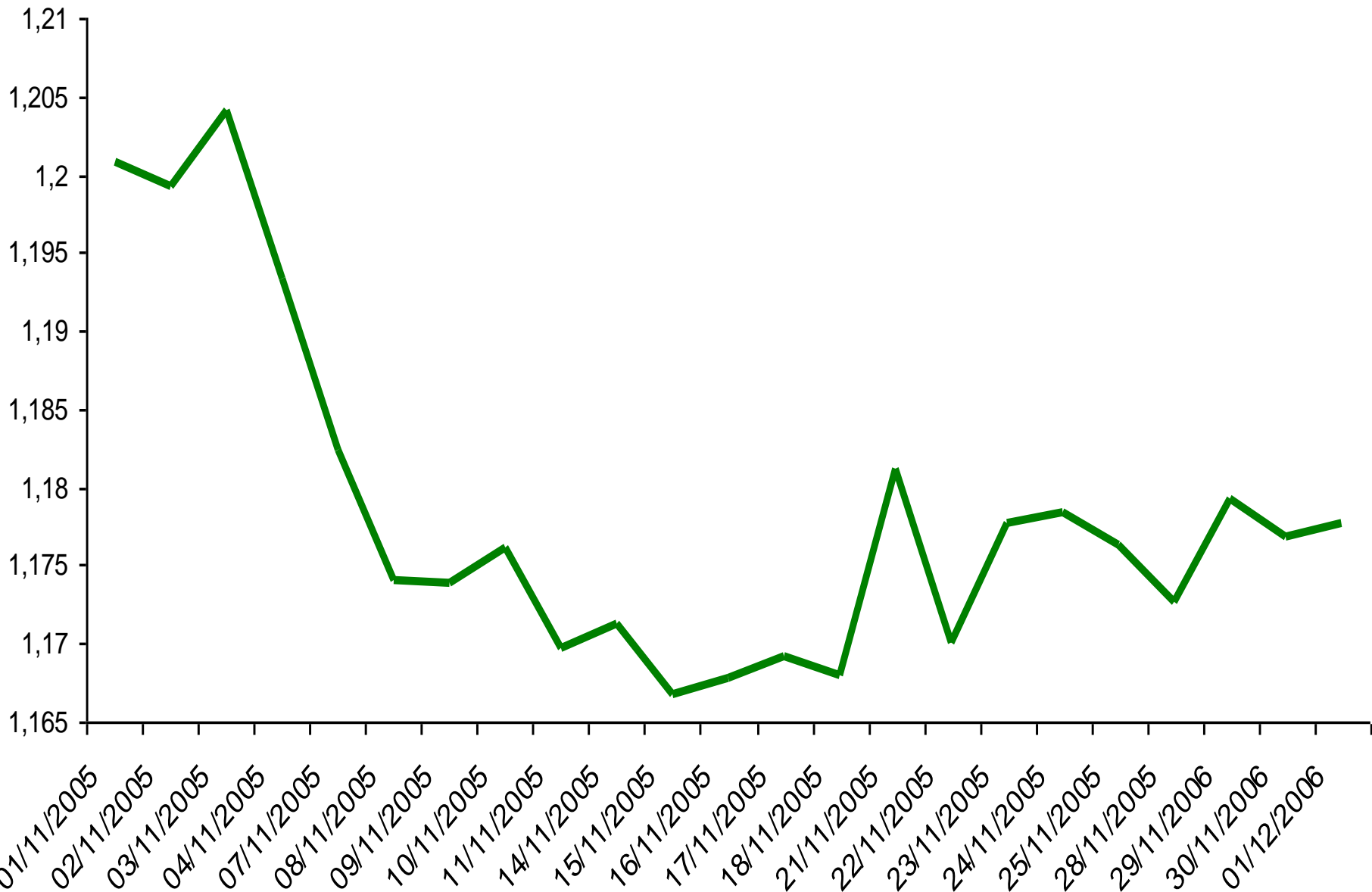


TABLE 1 - The effect of the super euro on growth and the deficit
 With variations of the Euro/Dollar ratio determined by the reduction in interest rates

		€/ \$ ratio					Variations with respect to €/ \$ to 1,40
		1,40	1,30	1,20	1,10	1,00	
2005	GDP growth rate	-0,05	0,40	0,86	1,32	1,77	1,82
	Deficit/GDP ratio	3,98	3,79	3,59	3,39	3,17	-0,81
2006	GDP growth rate	1,22	1,54	1,89	2,28	2,72	1,50
	Deficit/GDP ratio	3,93	3,53	3,10	2,65	2,17	-1,76
2007	GDP growth rate	1,62	,87	2,12	2,40	2,69	1,07
	Deficit/GDP ratio	3,71	3,20	2,66	2,10	1,50	-2,21
2008	GDP growth rate	1,57	1,80	2,04	2,30	2,59	1,02
	Deficit/GDP ratio	3,51	2,91	2,28	1,62	0,92	-2,59

BASE SIMULATION

Figure 5a - US Current Account (% of GDP)

BASE SIMULATION

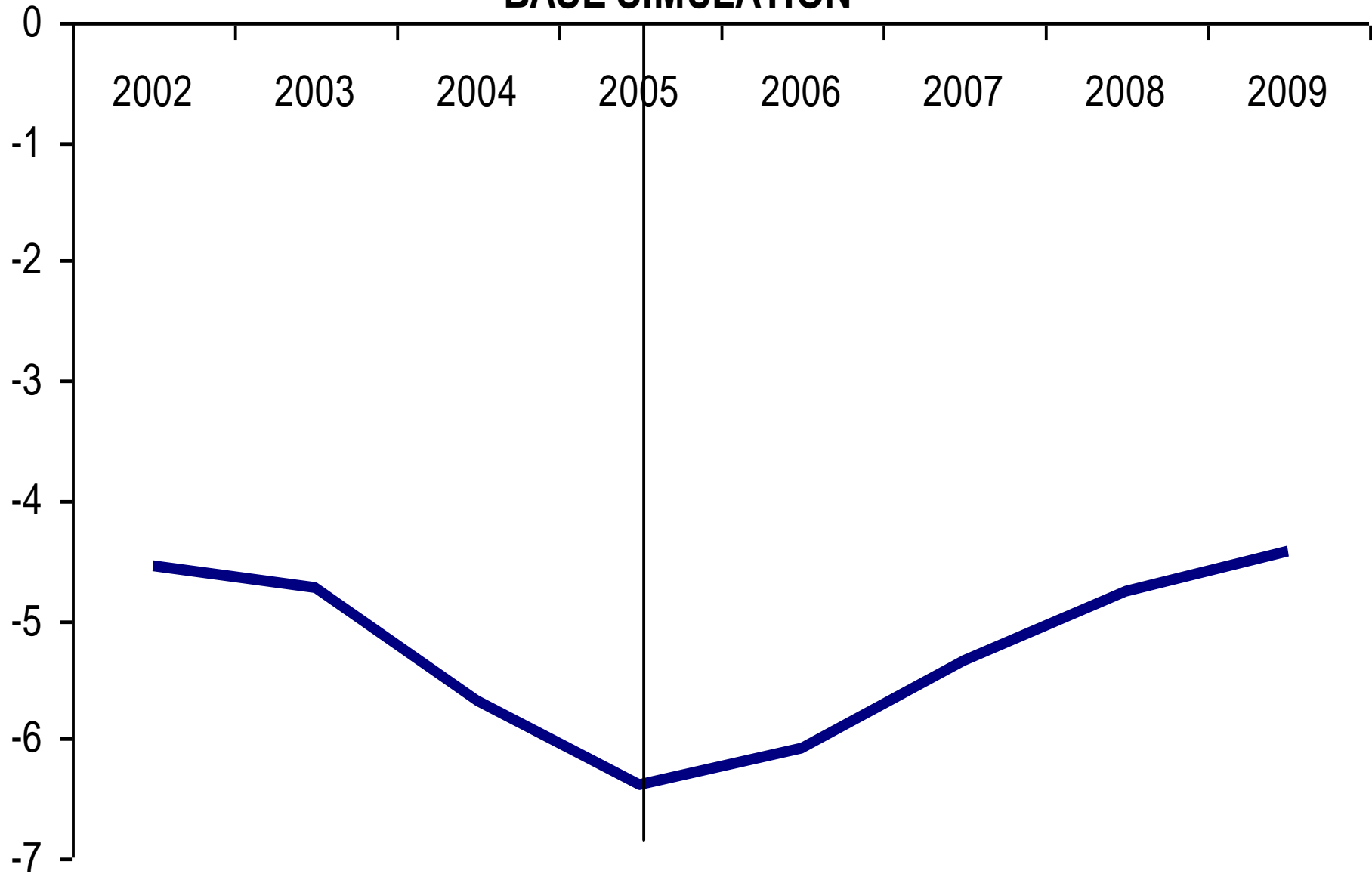
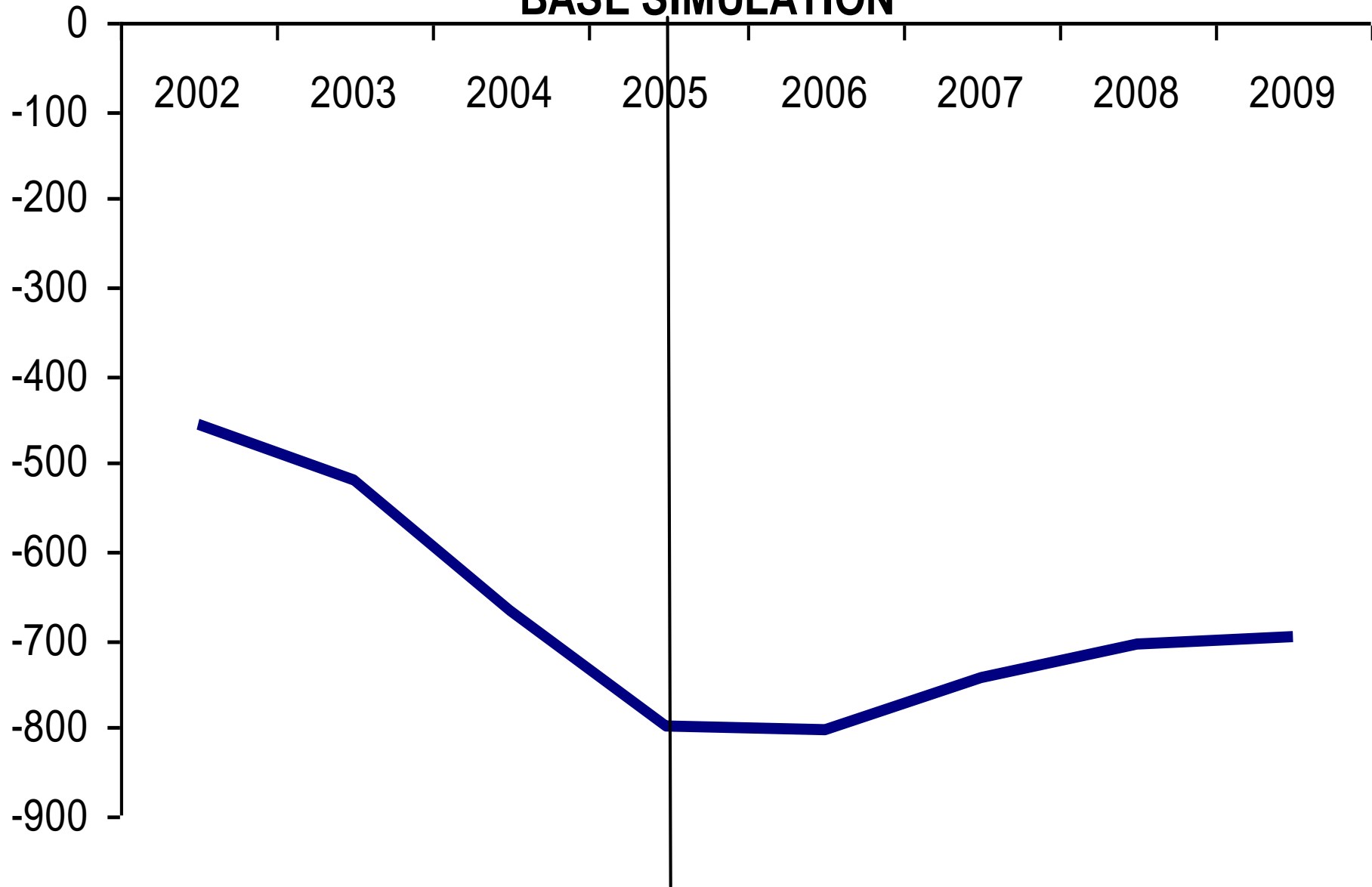
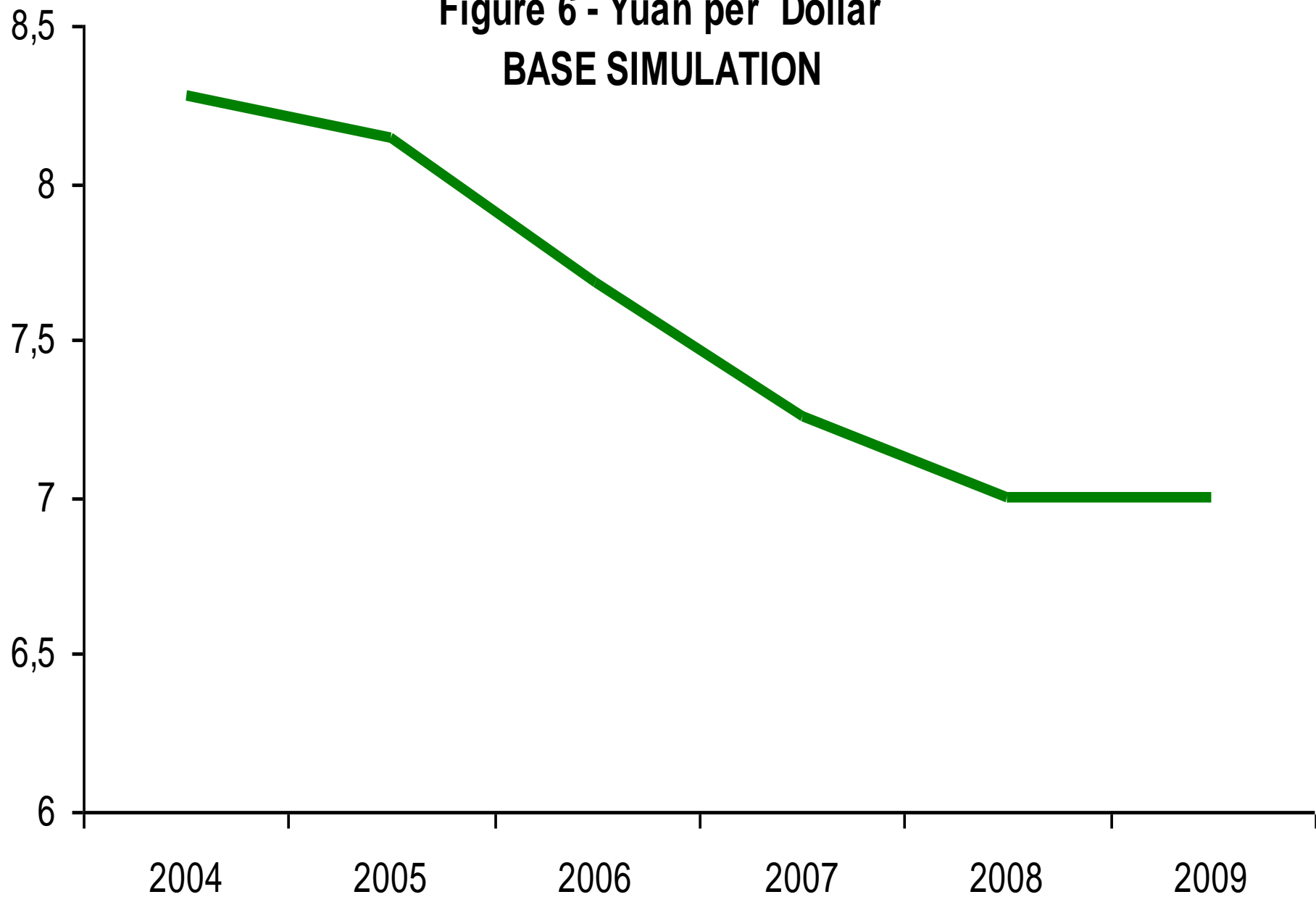


Figure 5b - US Current Account (\$ BN)

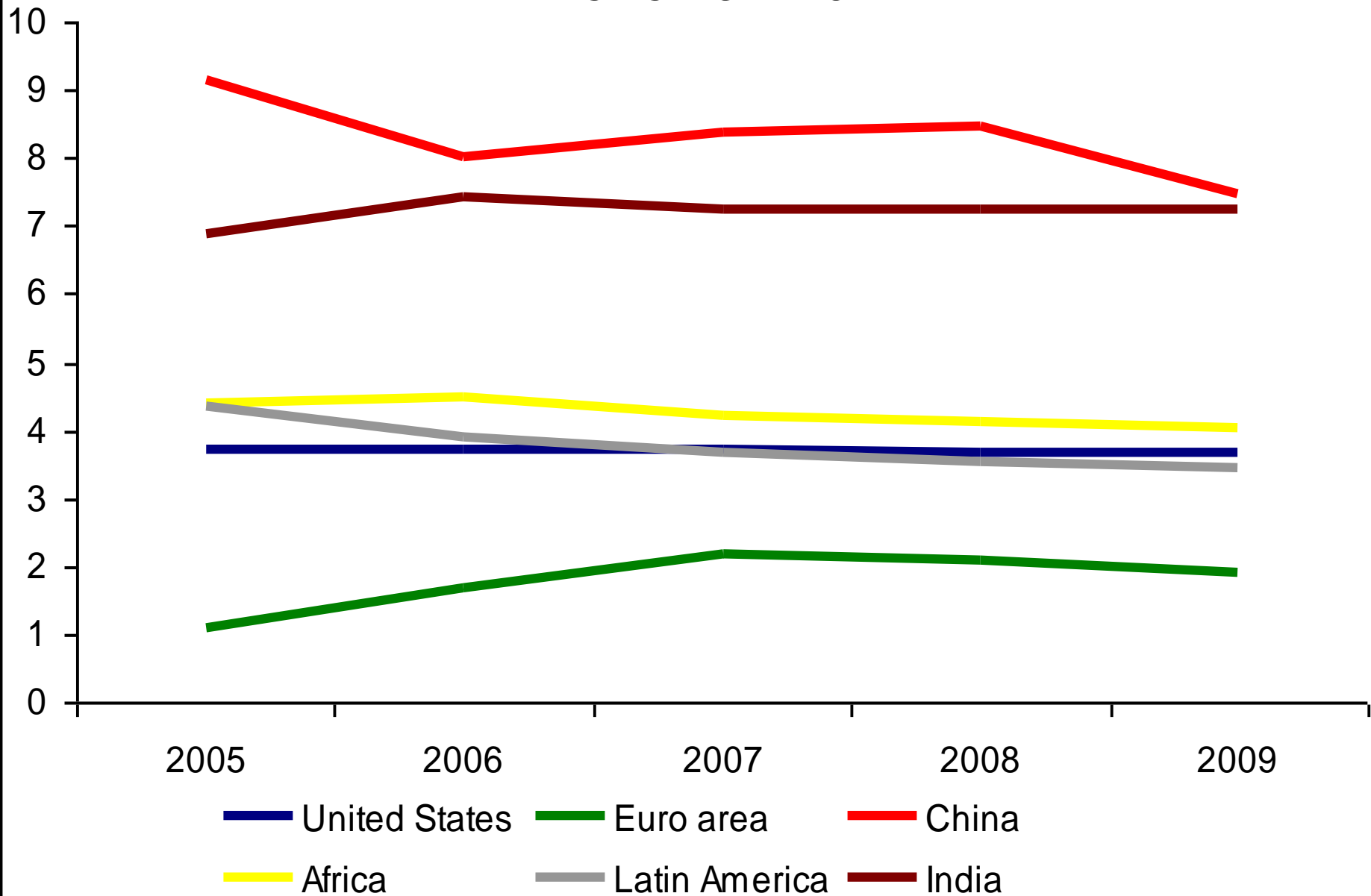
BASE SIMULATION



**Figure 6 - Yuan per Dollar
BASE SIMULATION**



**Figure 7 - GDP growth rate
BASE SIMULATION**



**Figure 8 - US Foreign debt
(\$ BN)**

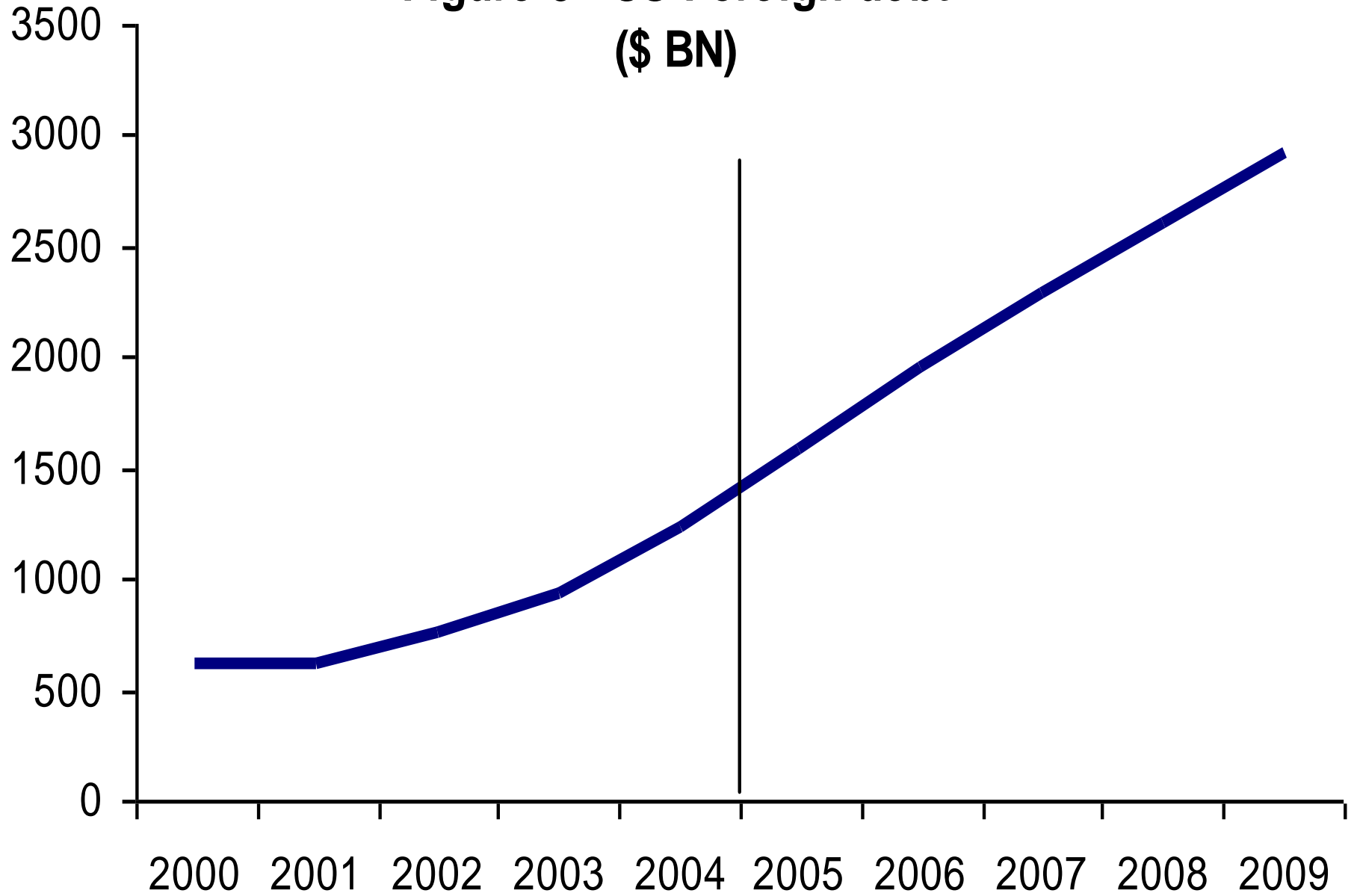
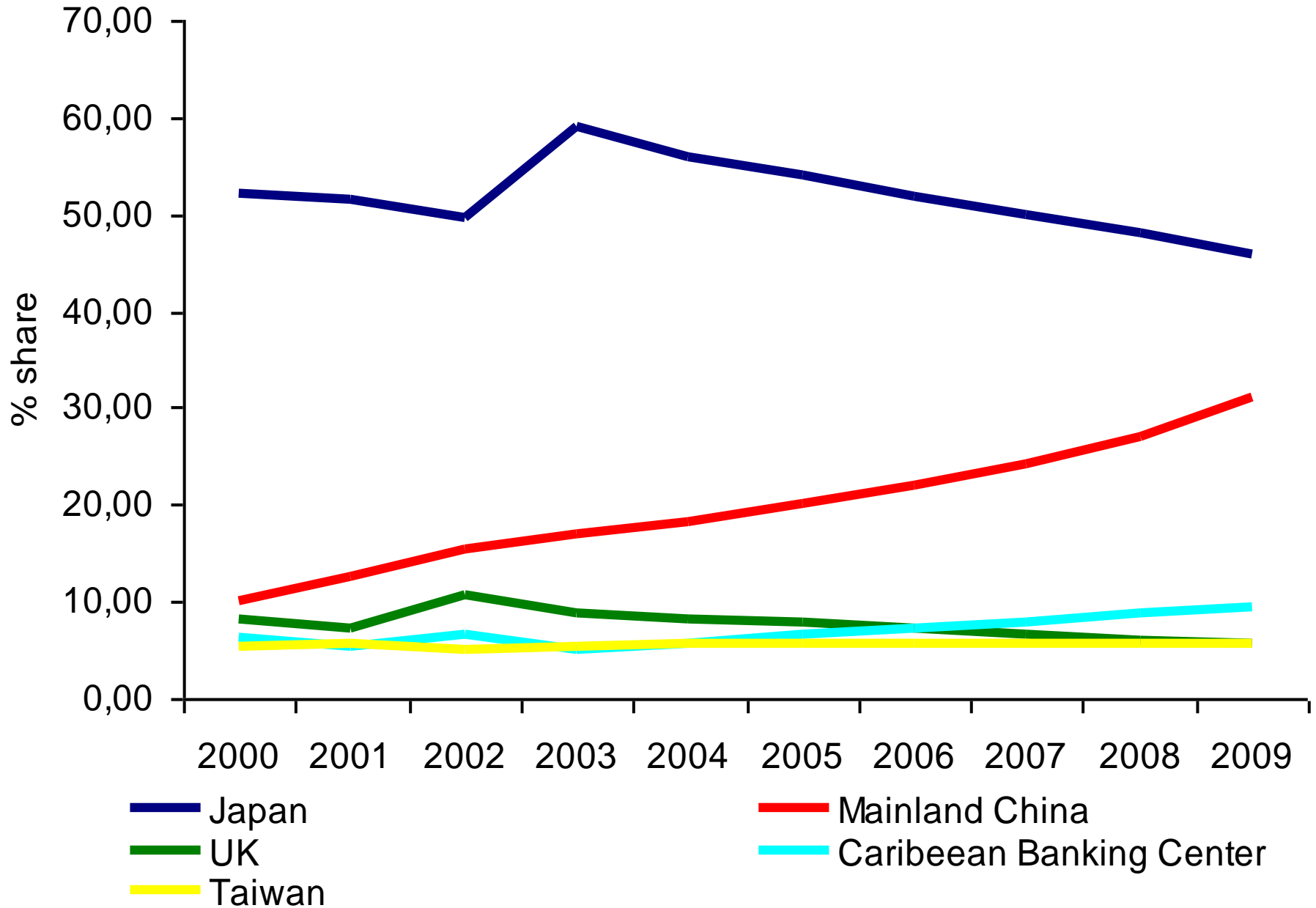
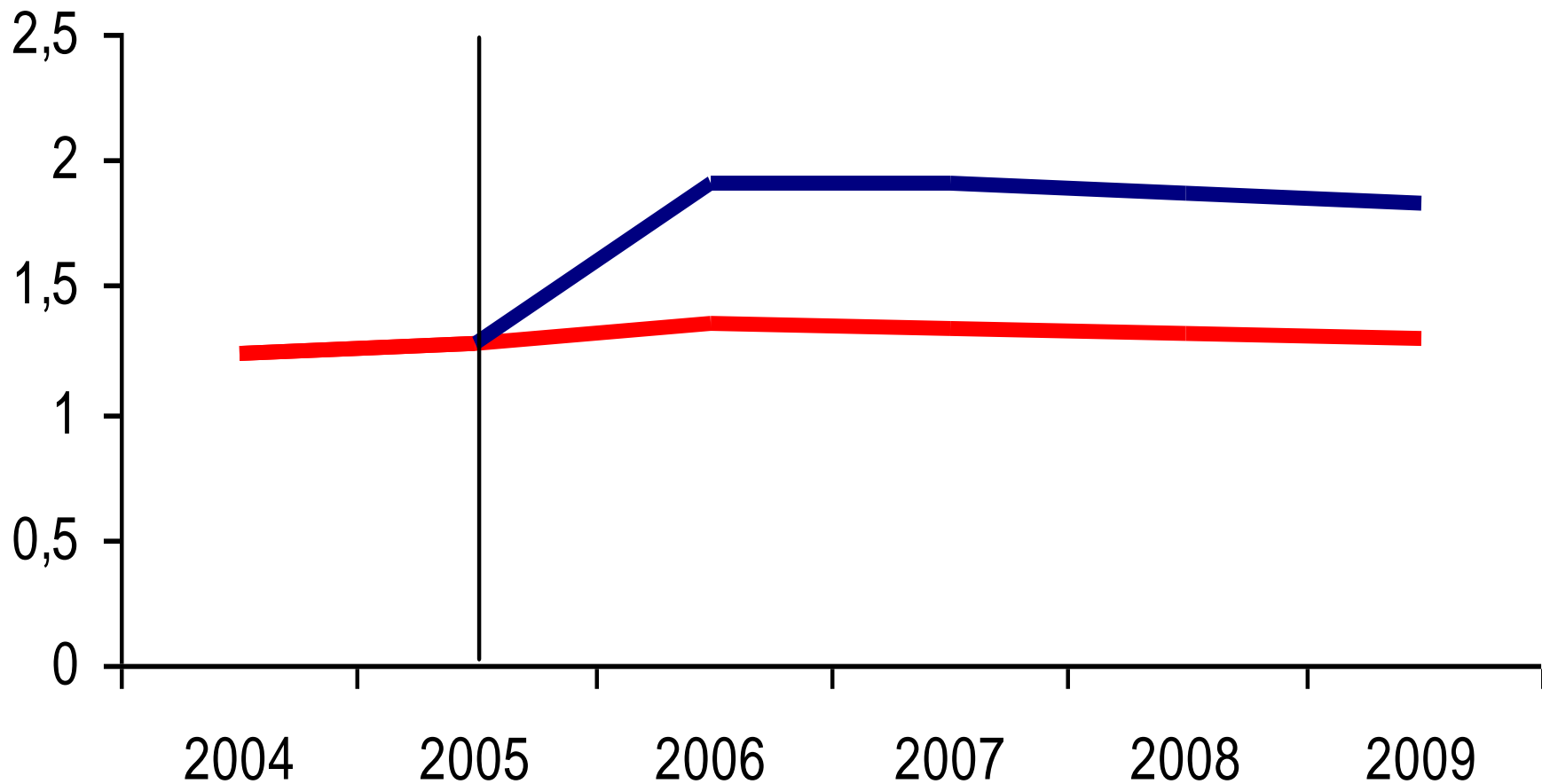


Figure 9 - Major foreign holders of Treasury securities



**US DOLLAR
IPER DEVALUATION**

Figure 10 - Dollar per Euro



— BASE — \$ IPDEVAL

Figure 11 - Yuan per Dollar

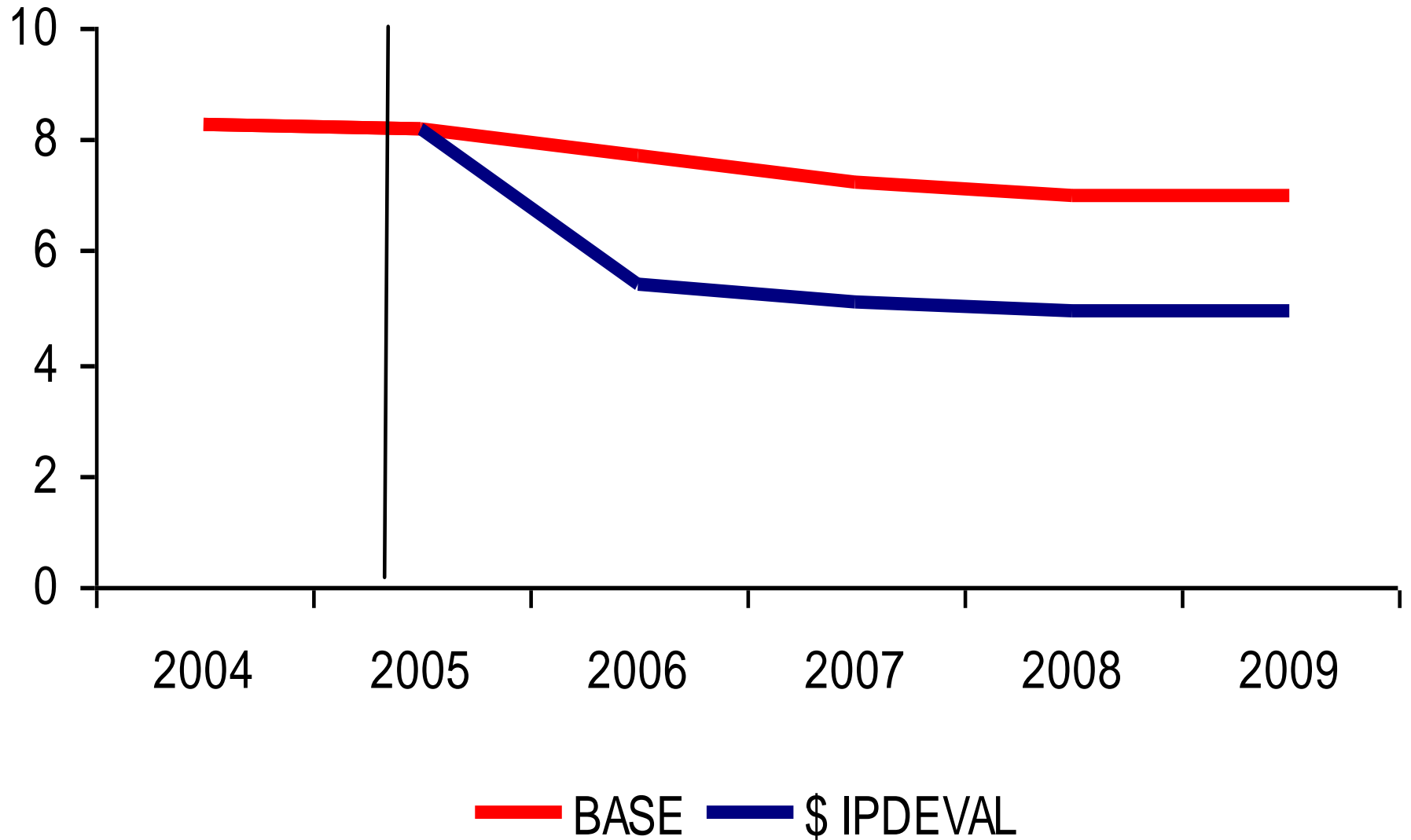


Figure 12 - Yen per Dollar

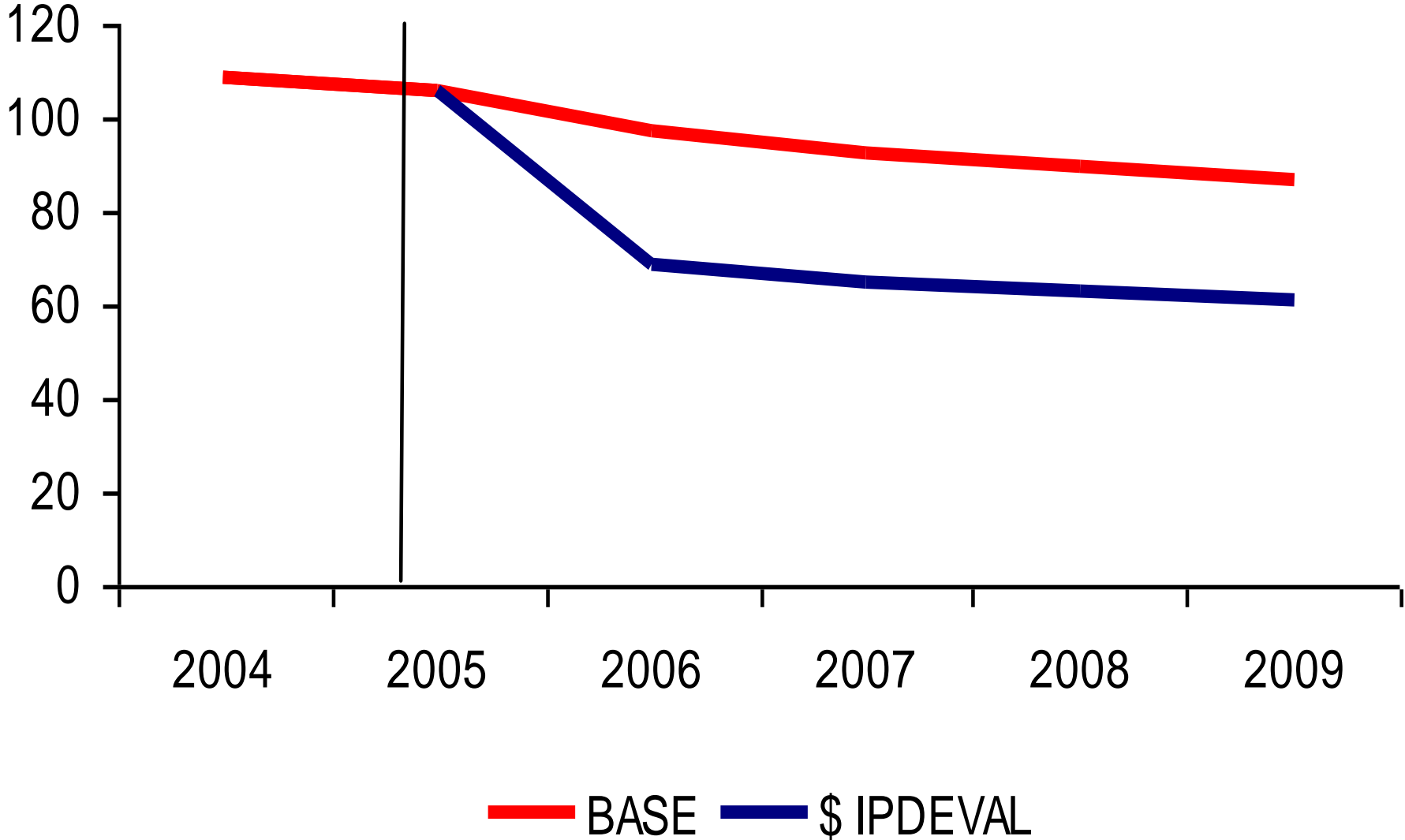
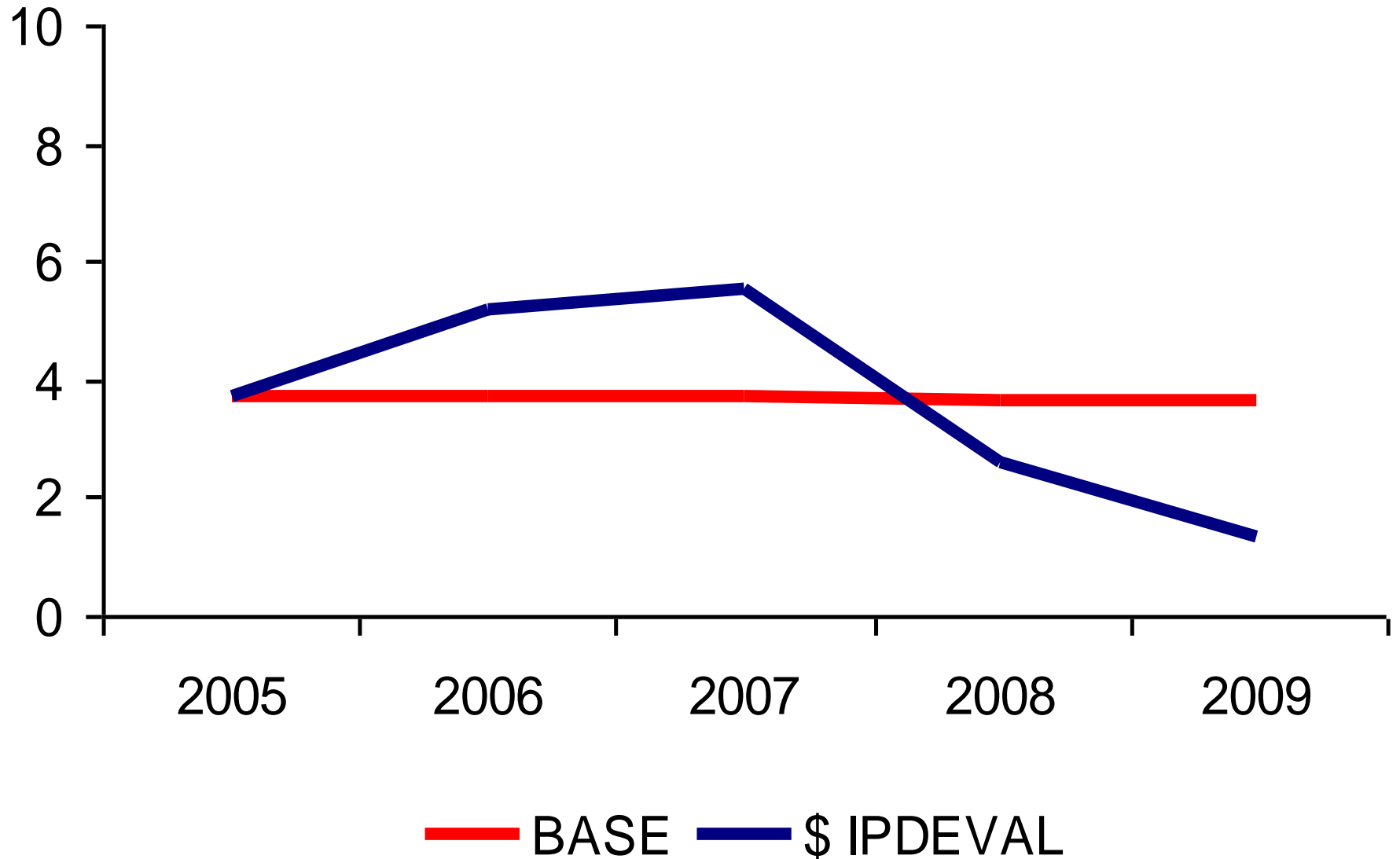
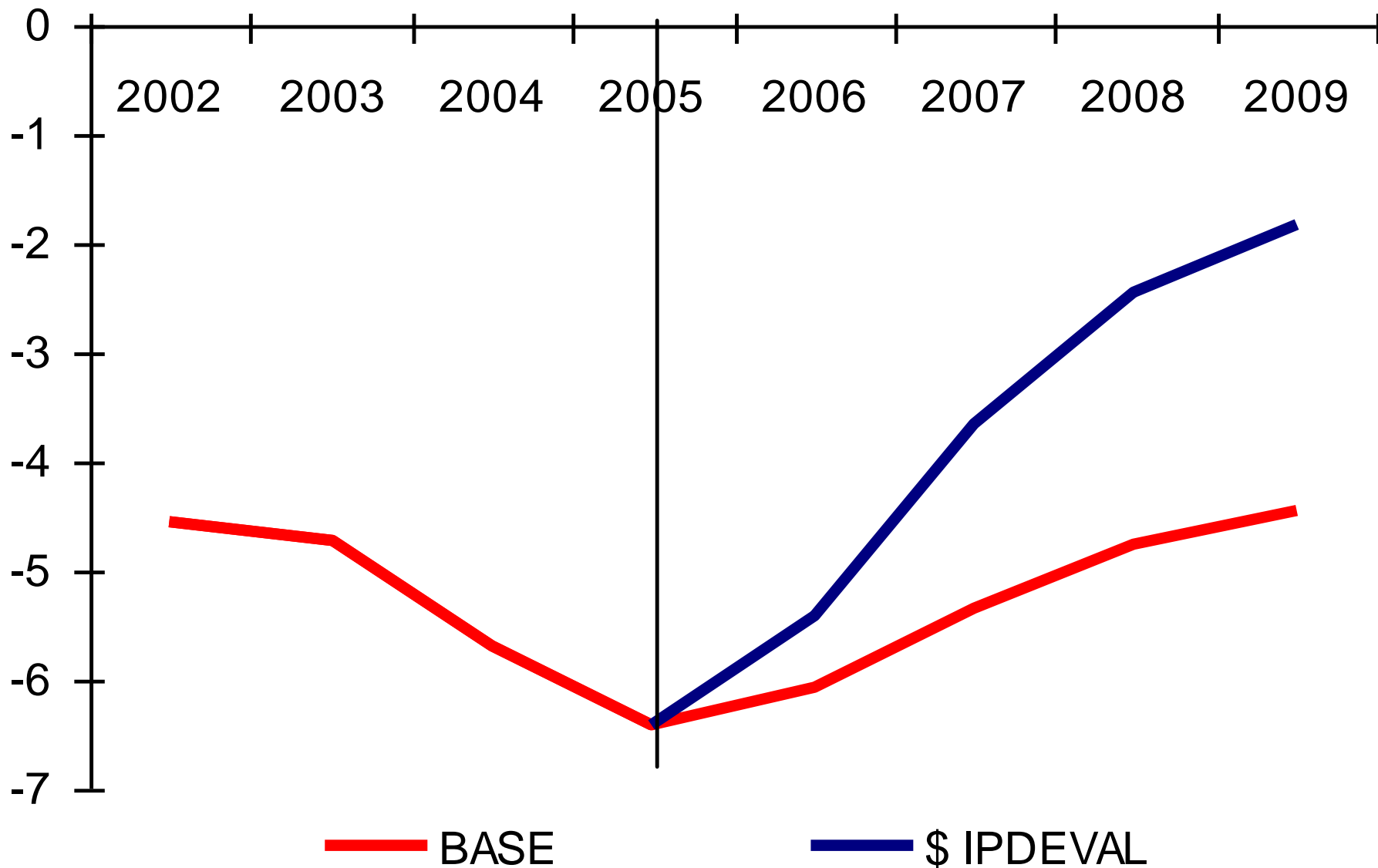


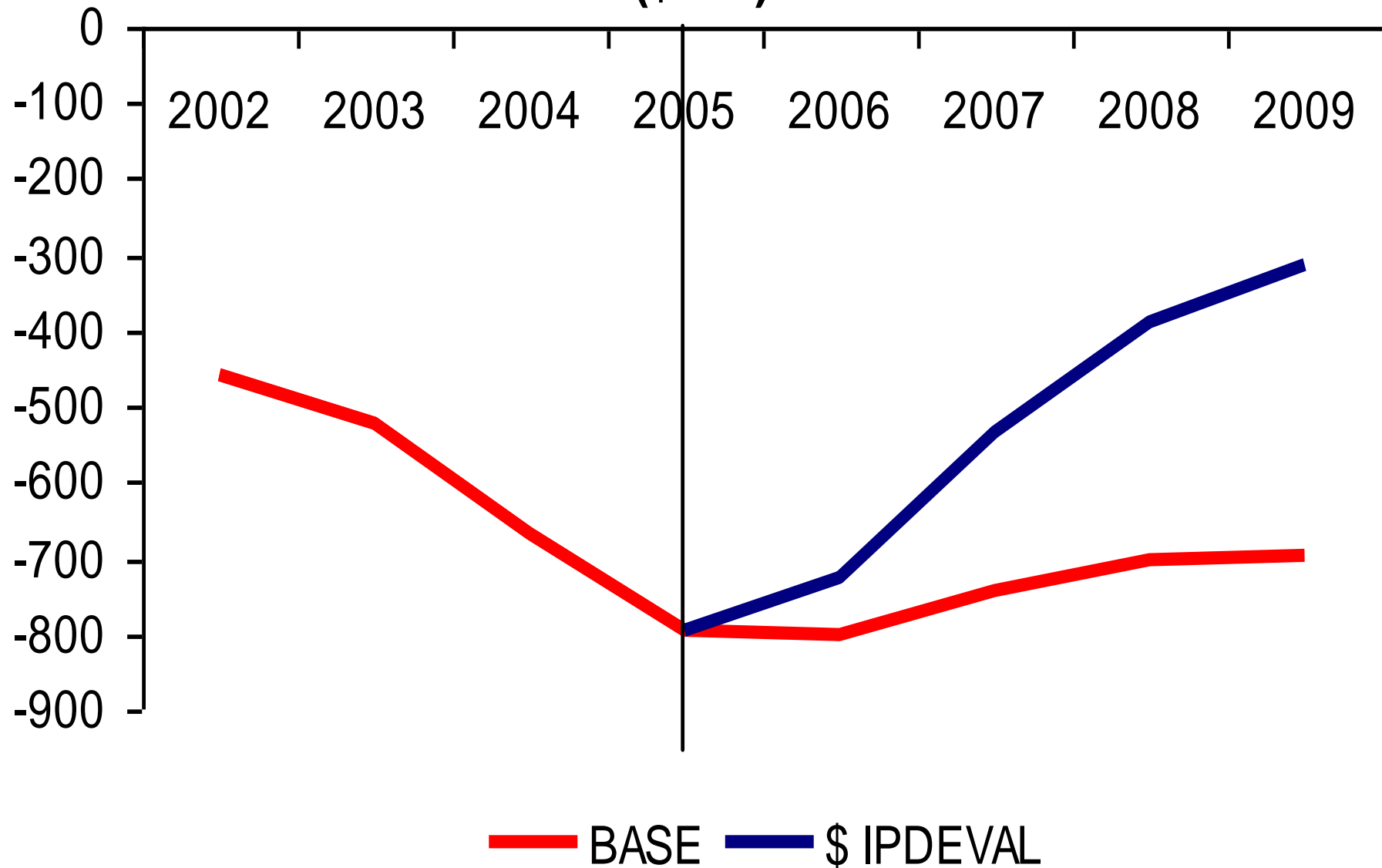
Figure 13 - US GDP growth rates



**Figure 14a - US Current Account
(% of GDP)**



**Figure 14b - US Current Account
(\$ BN)**



**Figure 14c - US Foreign debt
(\$ BN)**

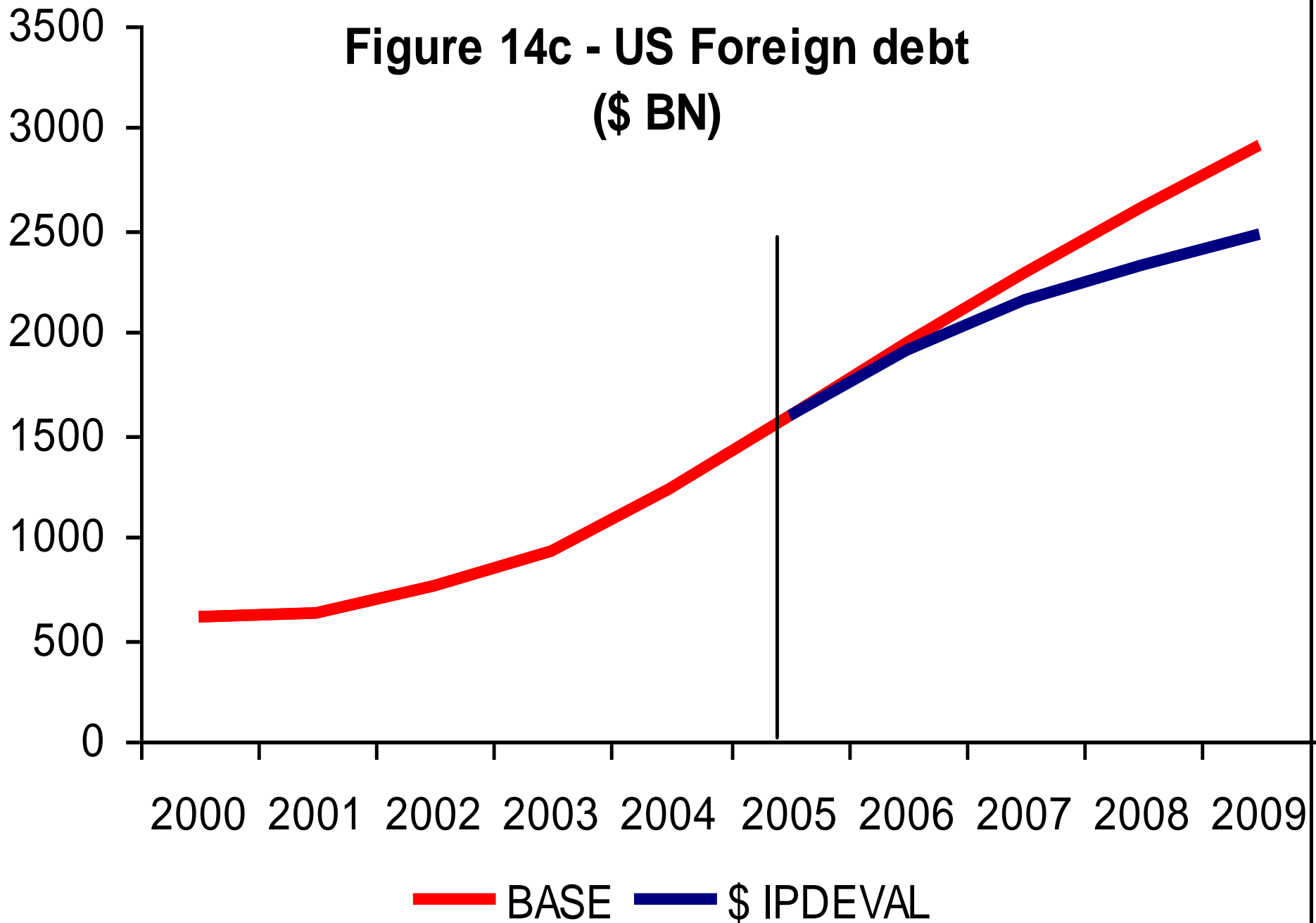


Figure 14d - US CPI

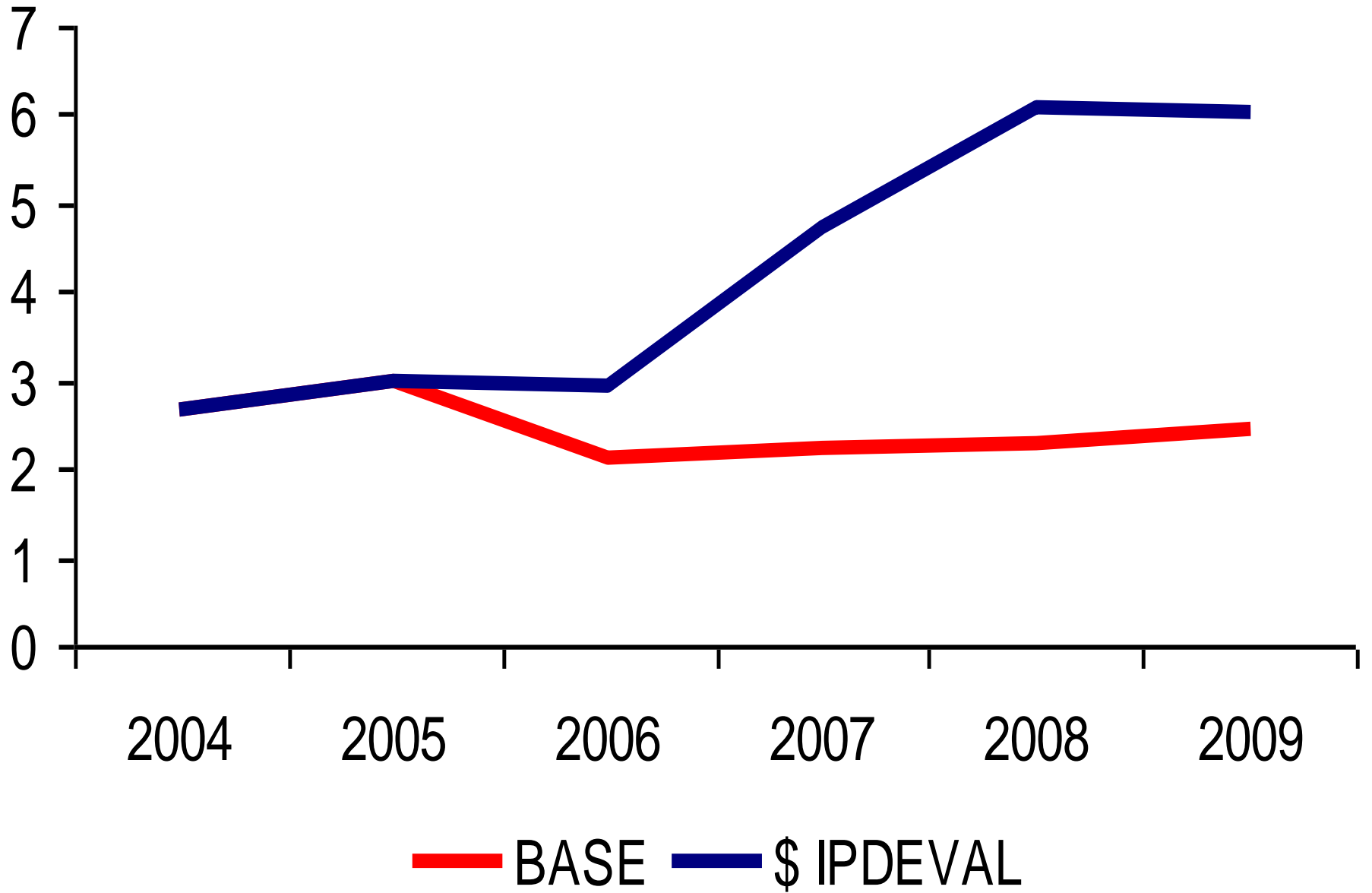


Figure 15 - China GDP growth rates

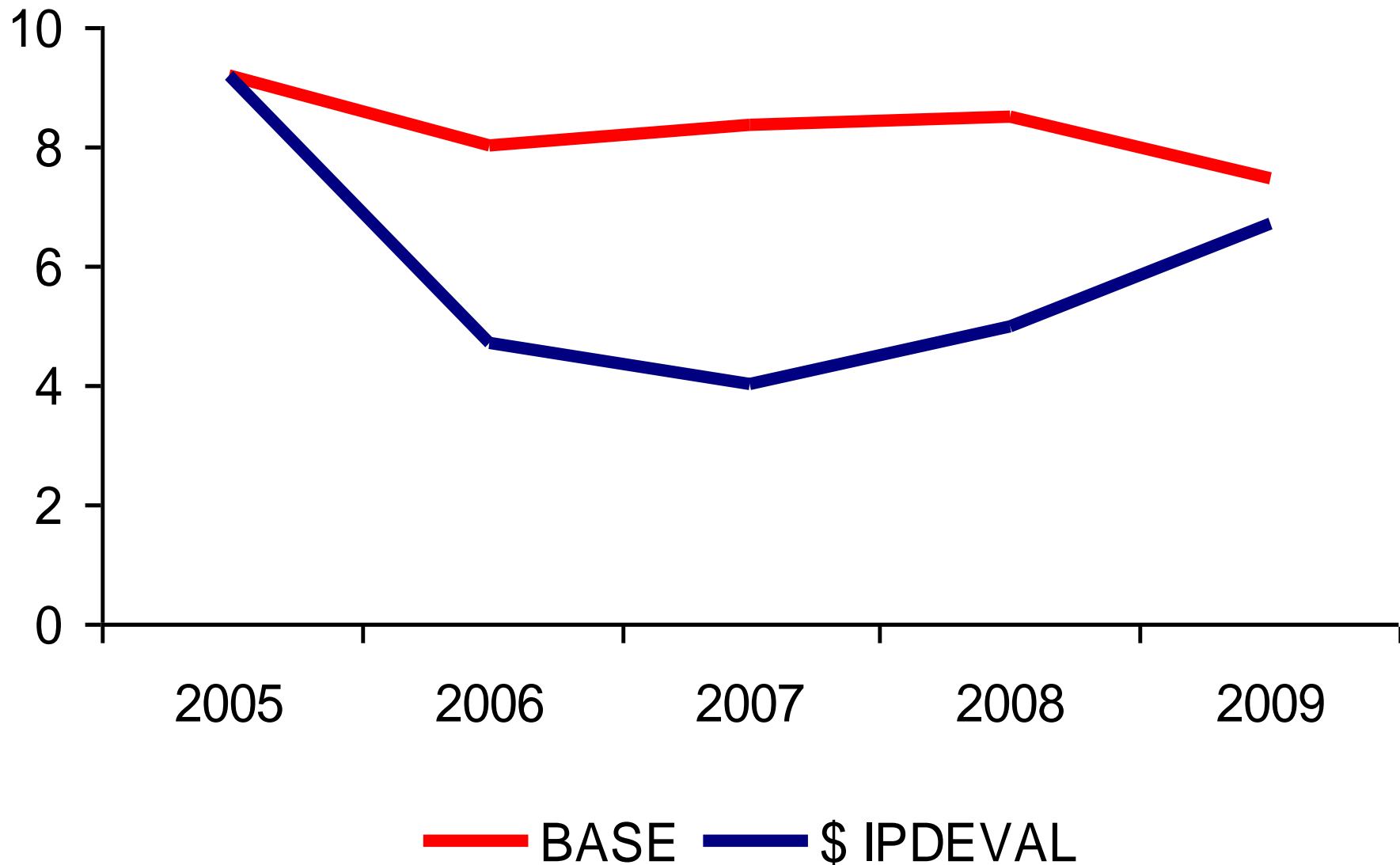


Figure 16 - Euro area GDP growth rates

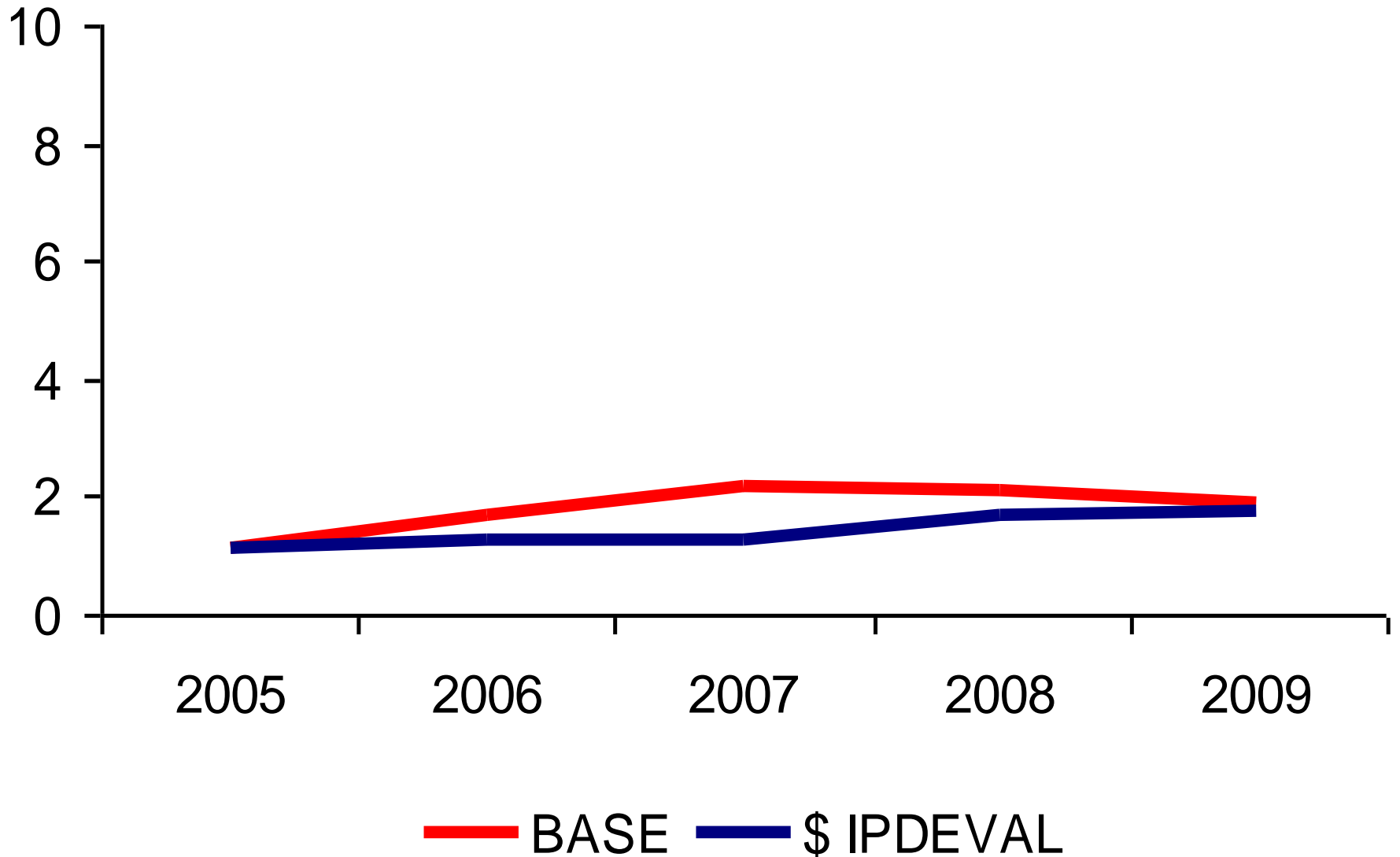


Figure 17 - Africa GDP growth Rates

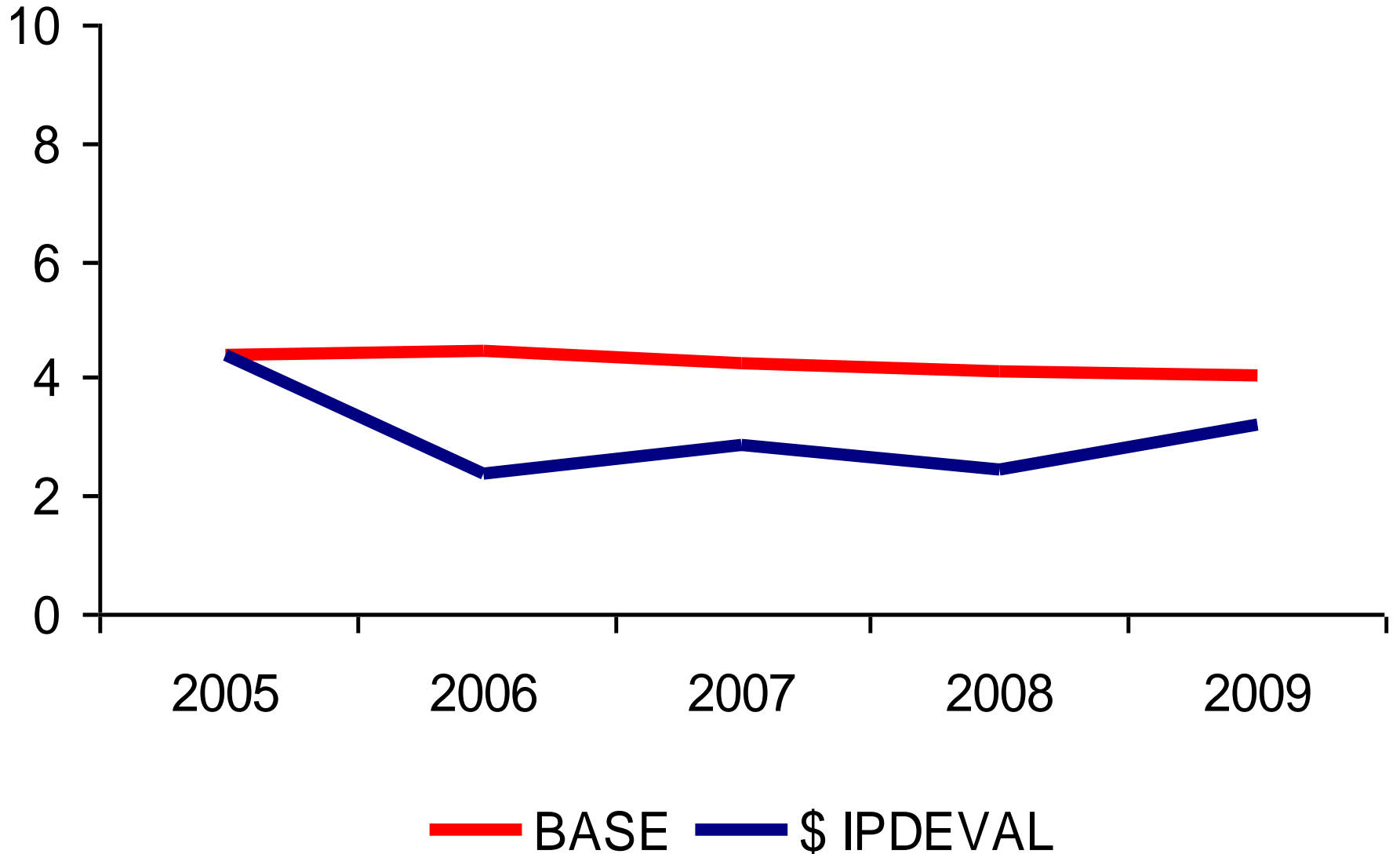
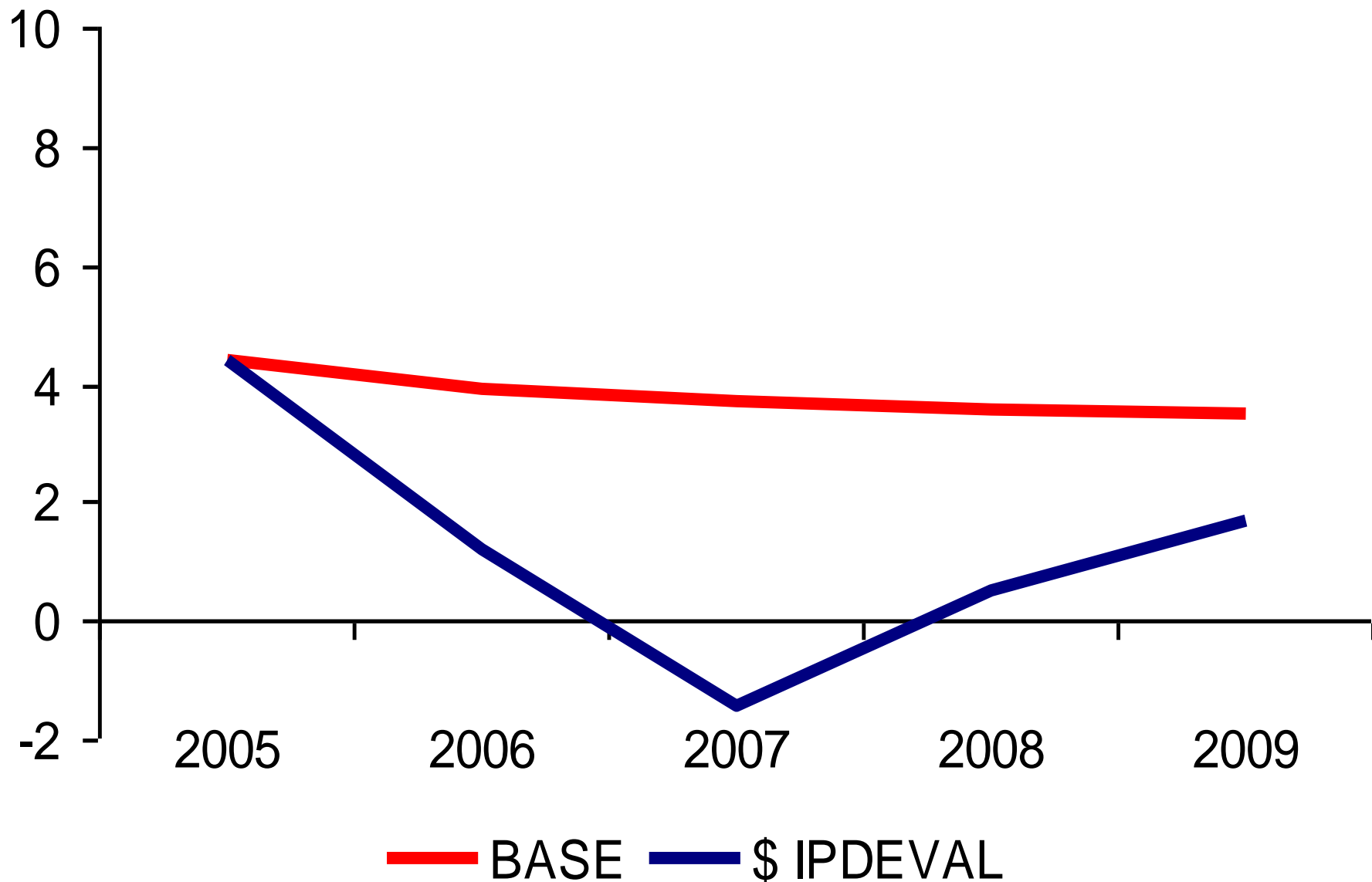


Figure 18 - Latin America GDP growth rates



**EUROPEAN DOMESTIC
DEMAND PUSH
PLUS EURO DEVALUATION**

Figure 19 - Dollar per Euro

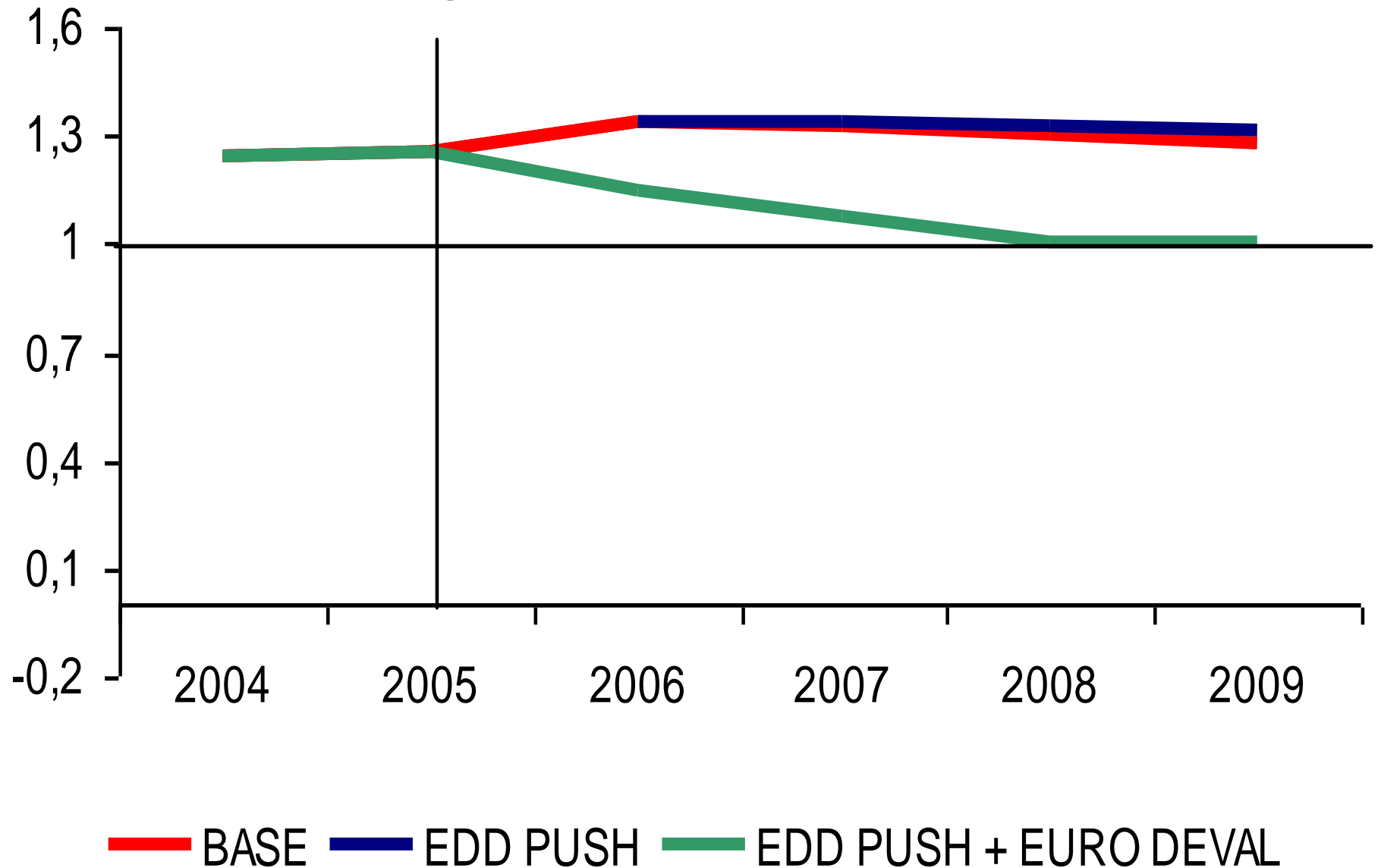
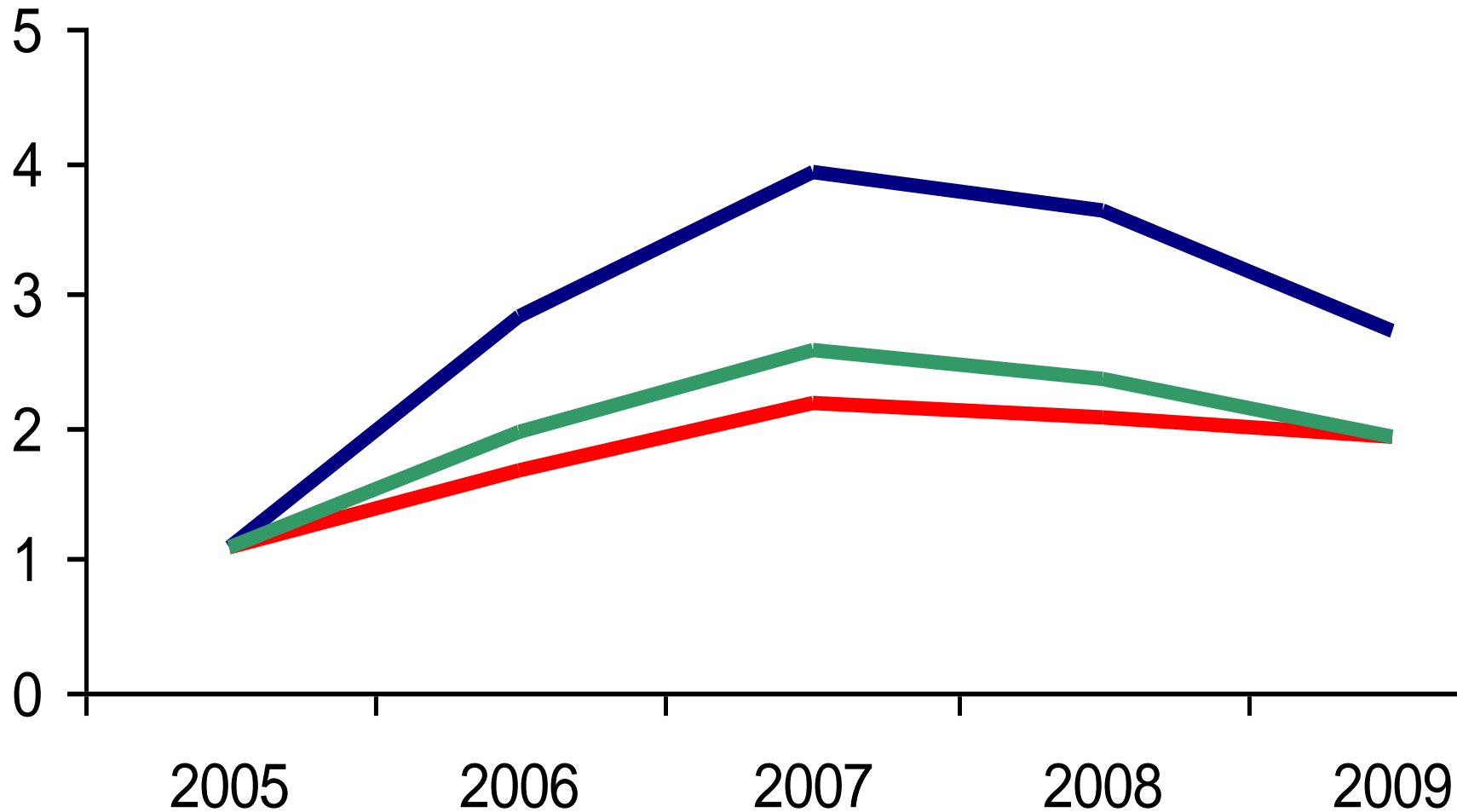
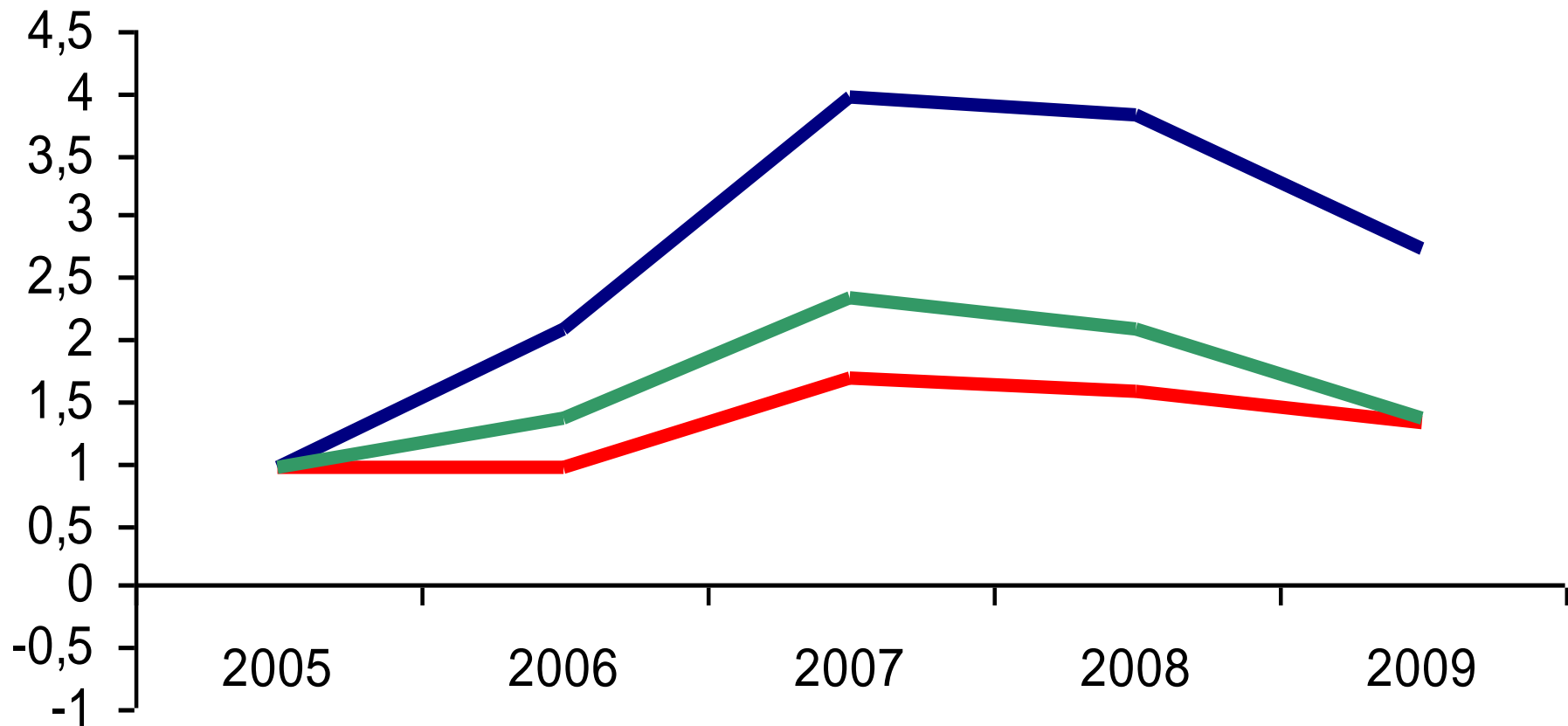


Figure 20 - Euro Area GDP growth rates



— BASE — EDD PUSH + EURO DEVAL — EDD PUSH

Figure 21 - Germany's GDP growth rates



— BASE — EDD PUSH + EURO DEVAL — EDD PUSH

Figure 22 - France's GDP growth rates

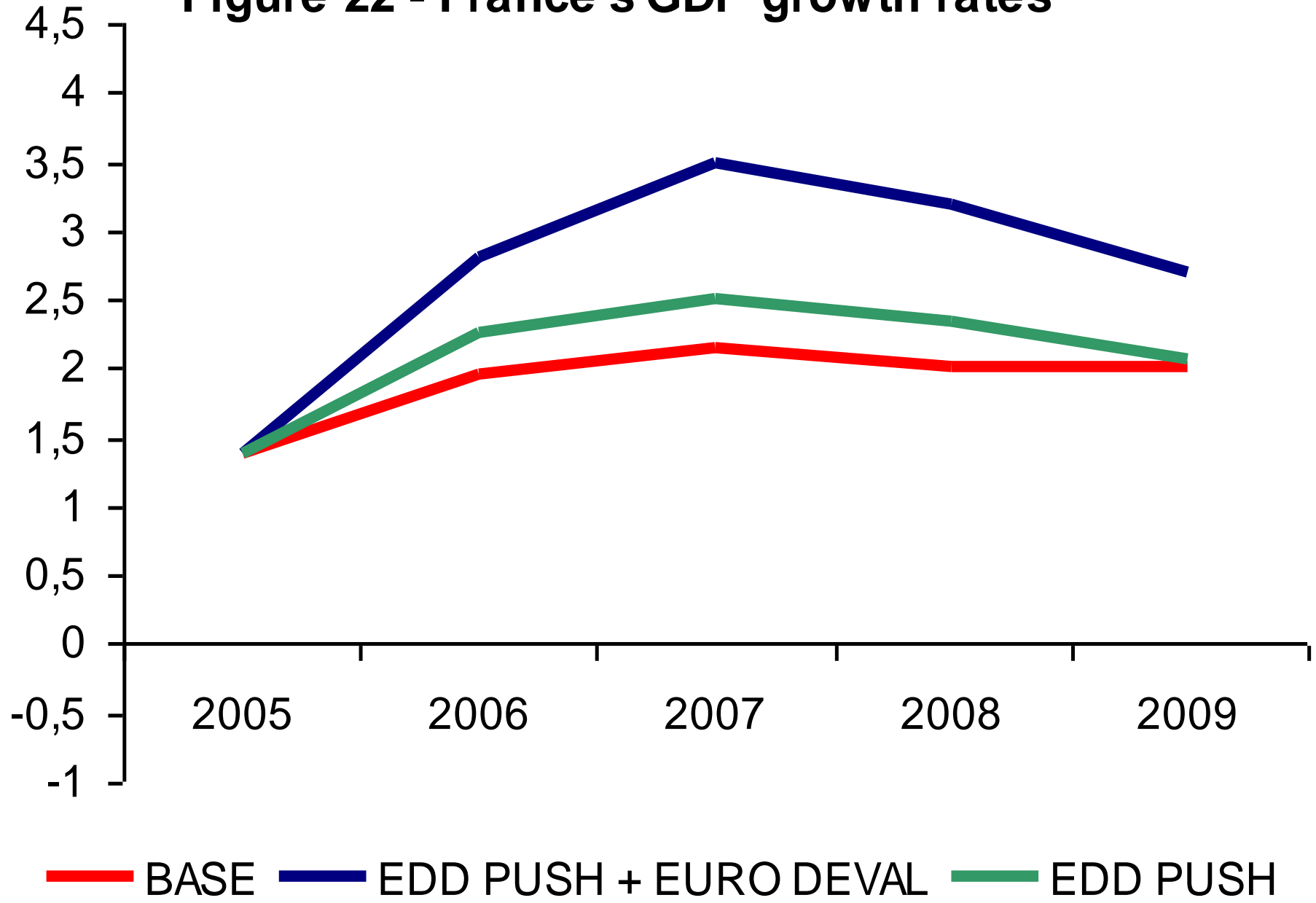
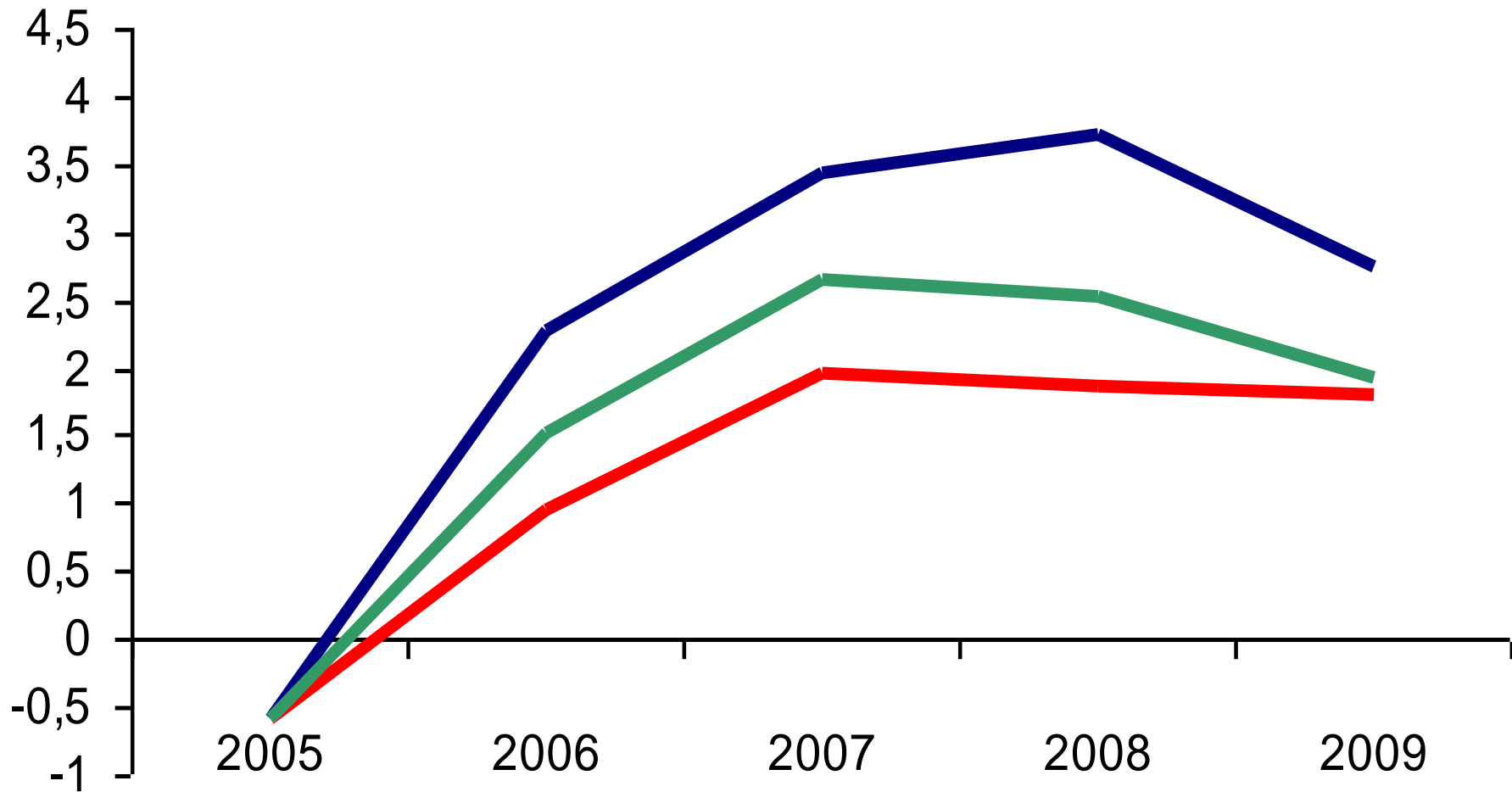


Figure 23 - Italy's GDP growth rates



— BASE — EDD PUSH + EURO DEVAL — EDD PUSH

Figure 24a - Germany
Deficit/GDP

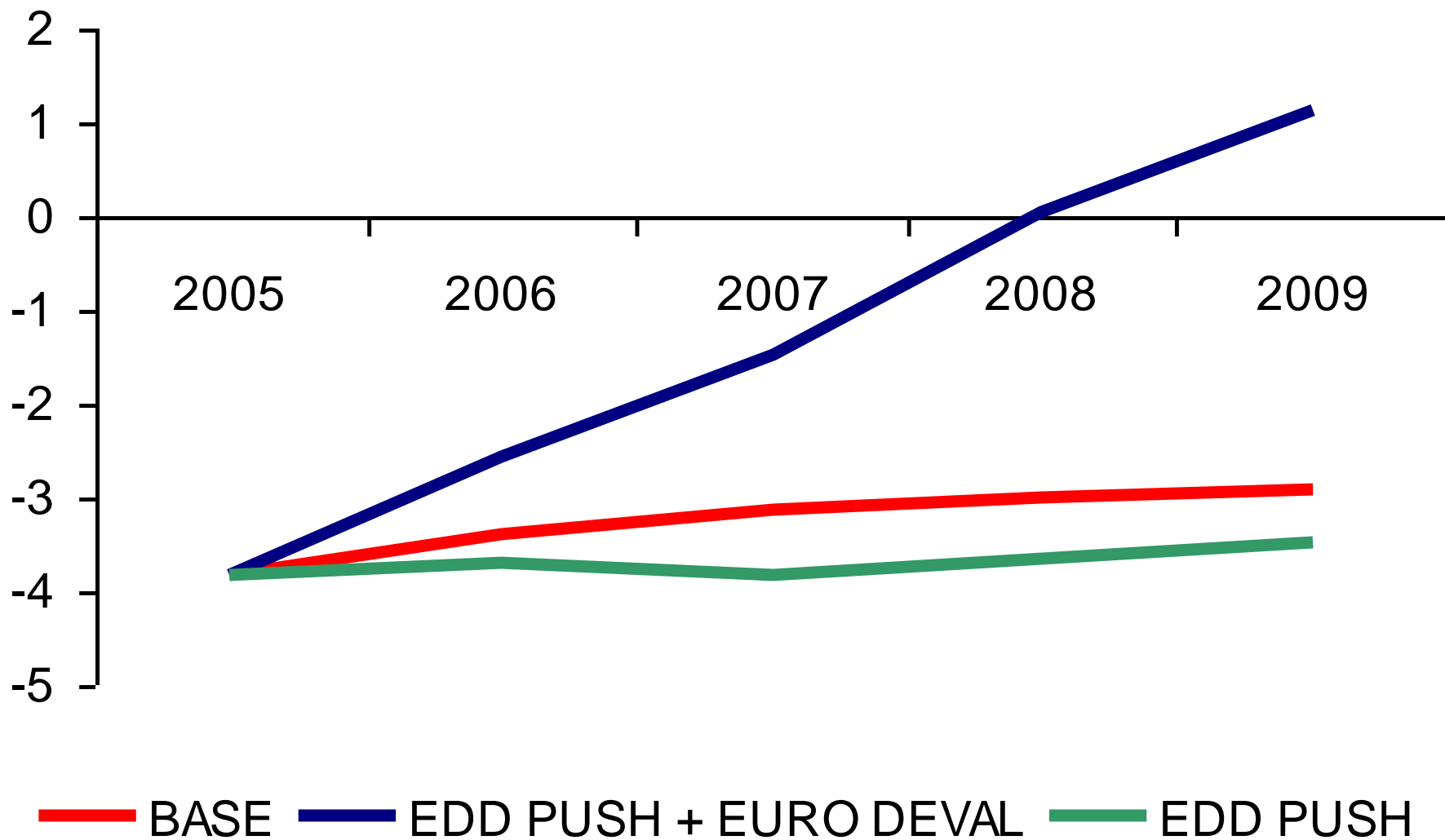
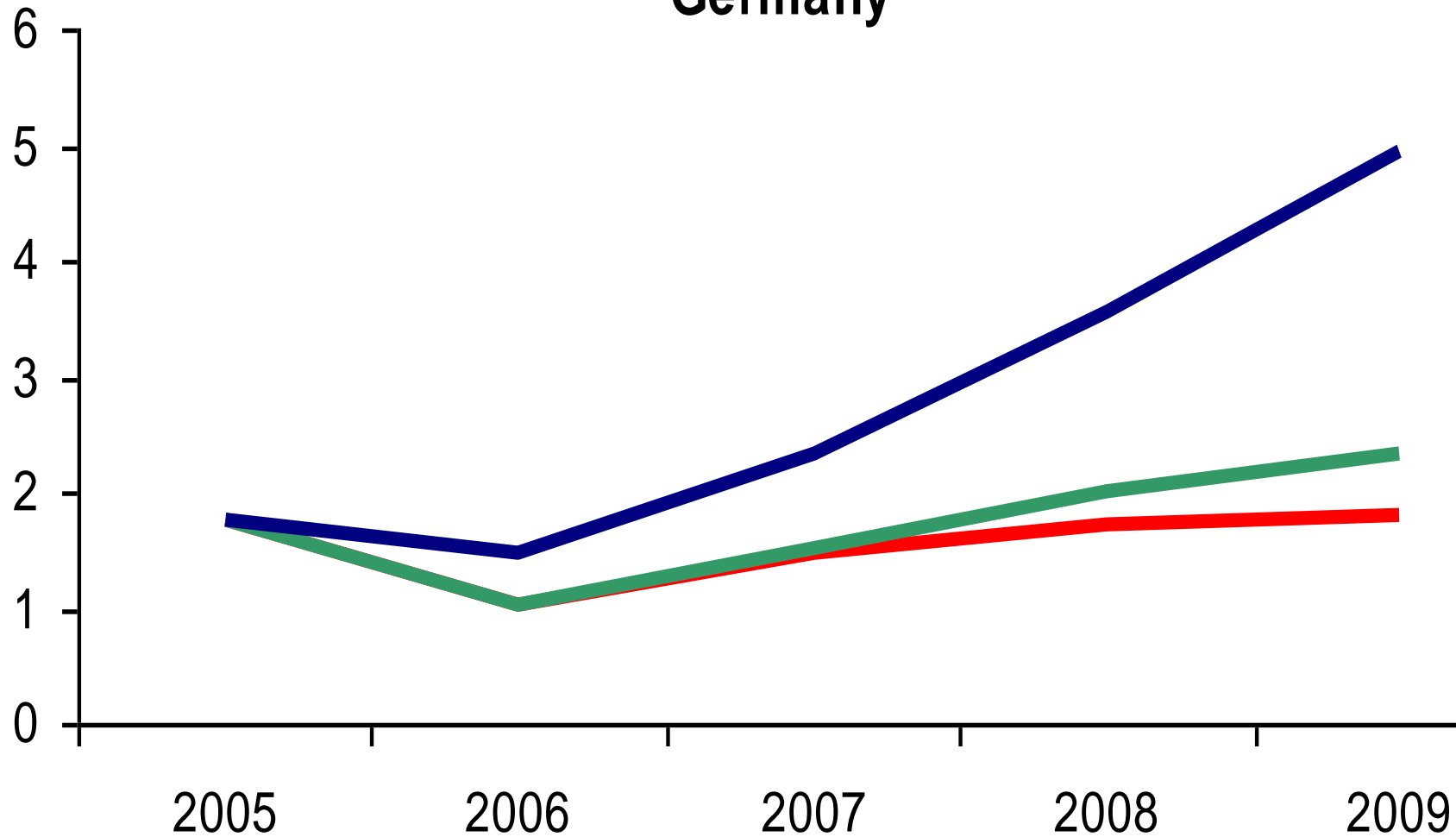


Figure 24b - CPI
Germany



— BASE — EDD PUSH — EDD PUSH + EURODEVAL + EURO DEVAL

Figure 25a - France
Deficit/GDP

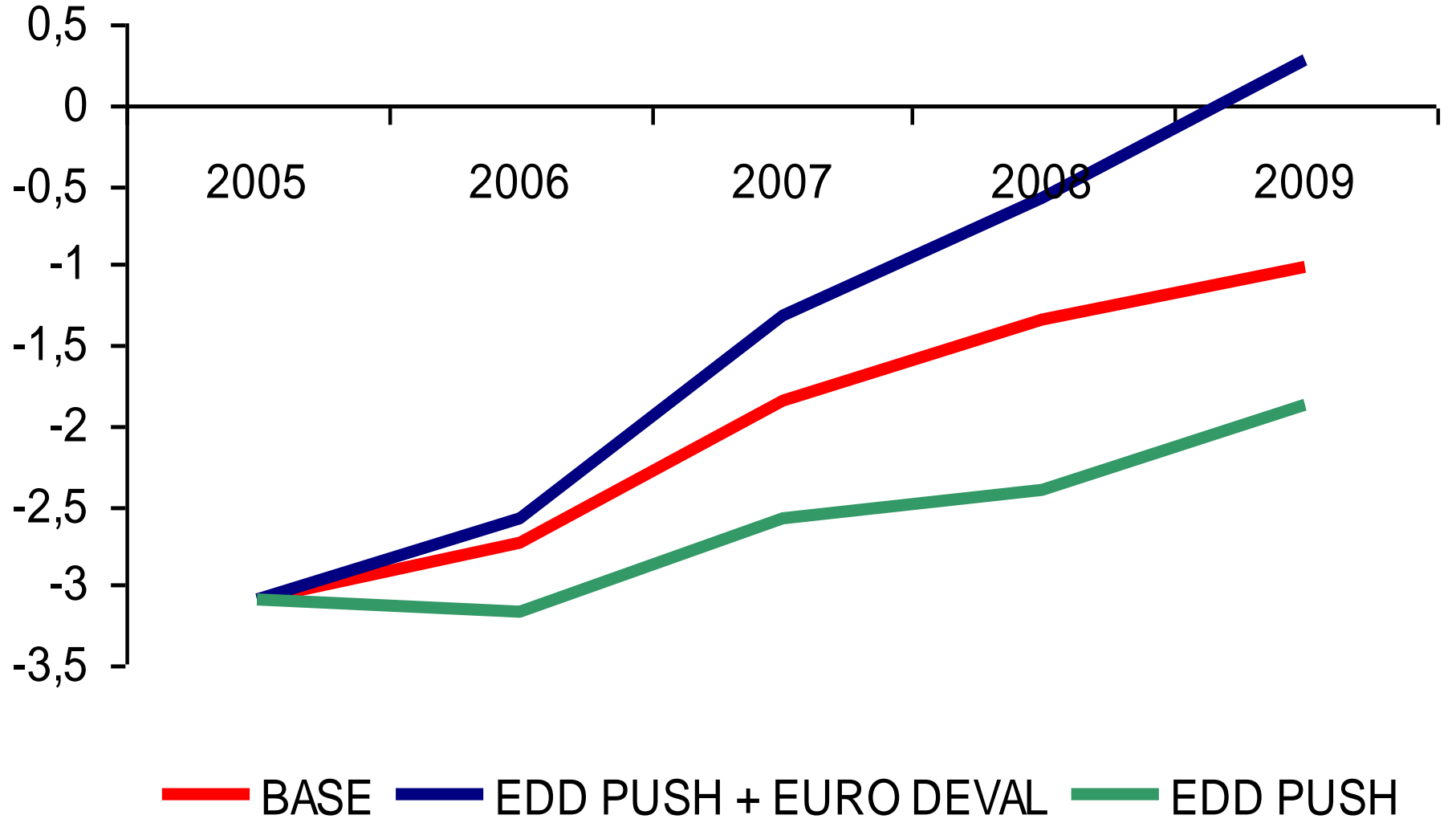
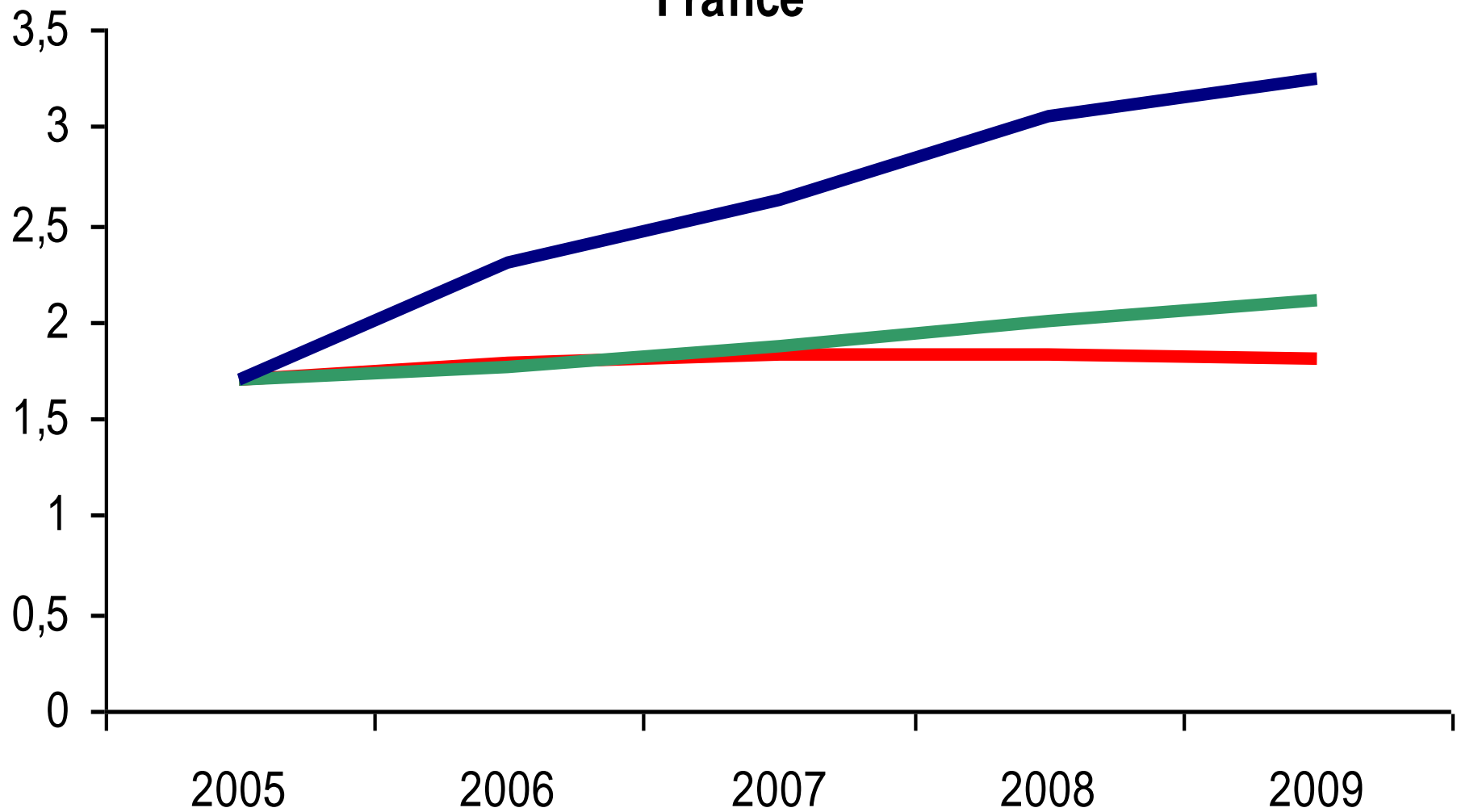


Figure 25b - CPI

France



— BASE — EDD PUSH — EDD PUSH + EURODEVAL + EURO DEVAL

Figure 26a - Italy
Deficit/GDP

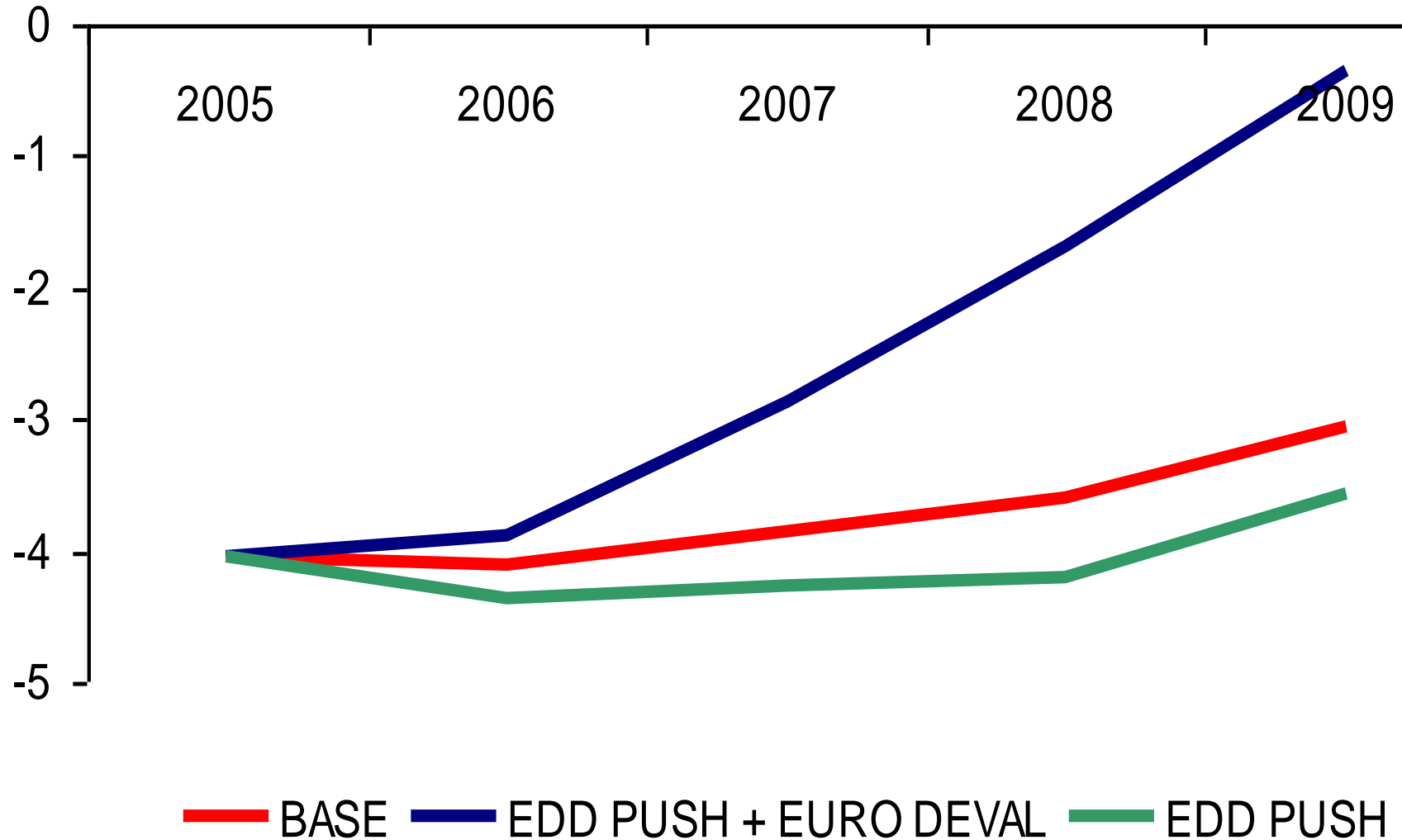


Figure 26b - CPI
Italy

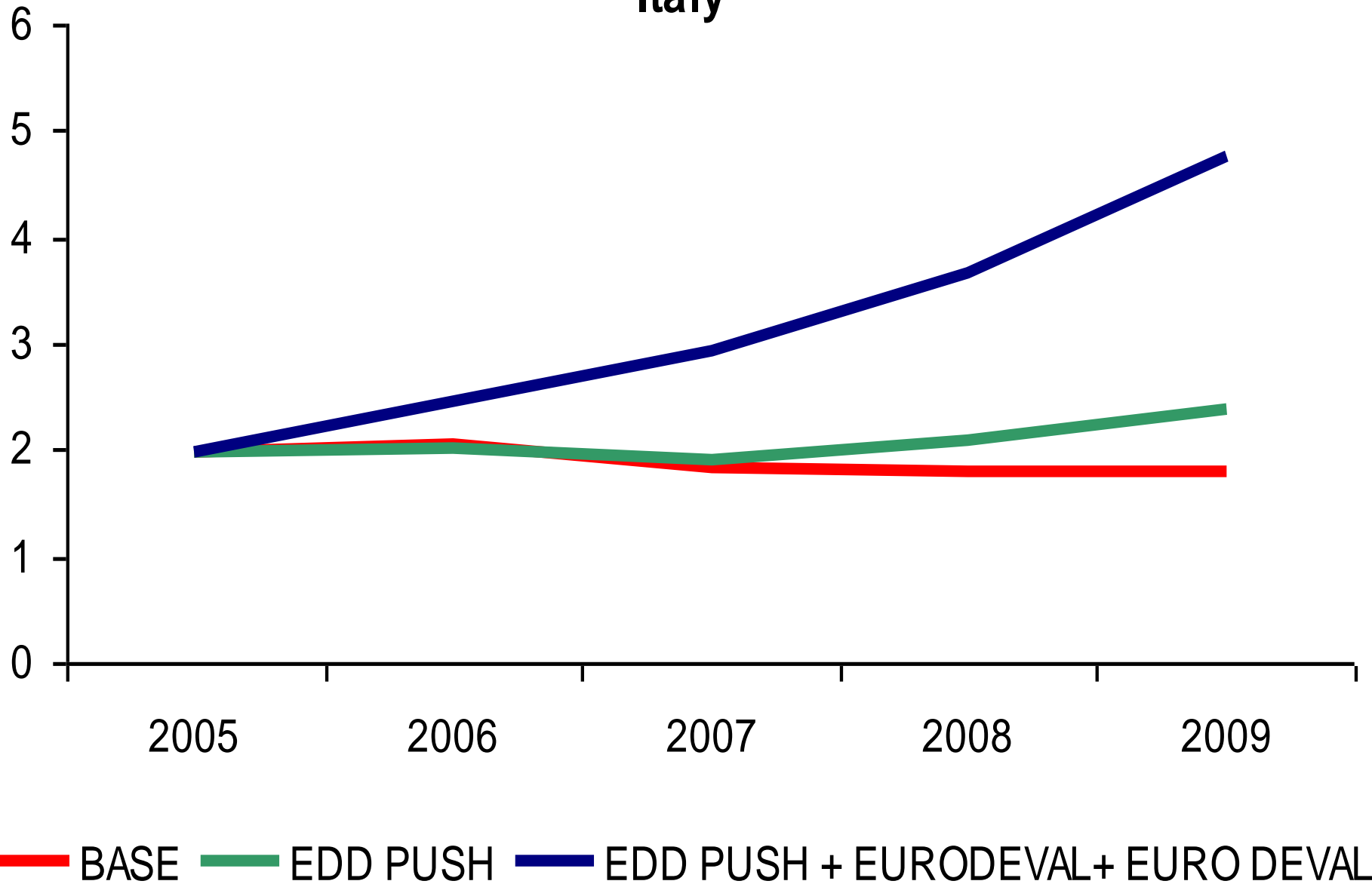
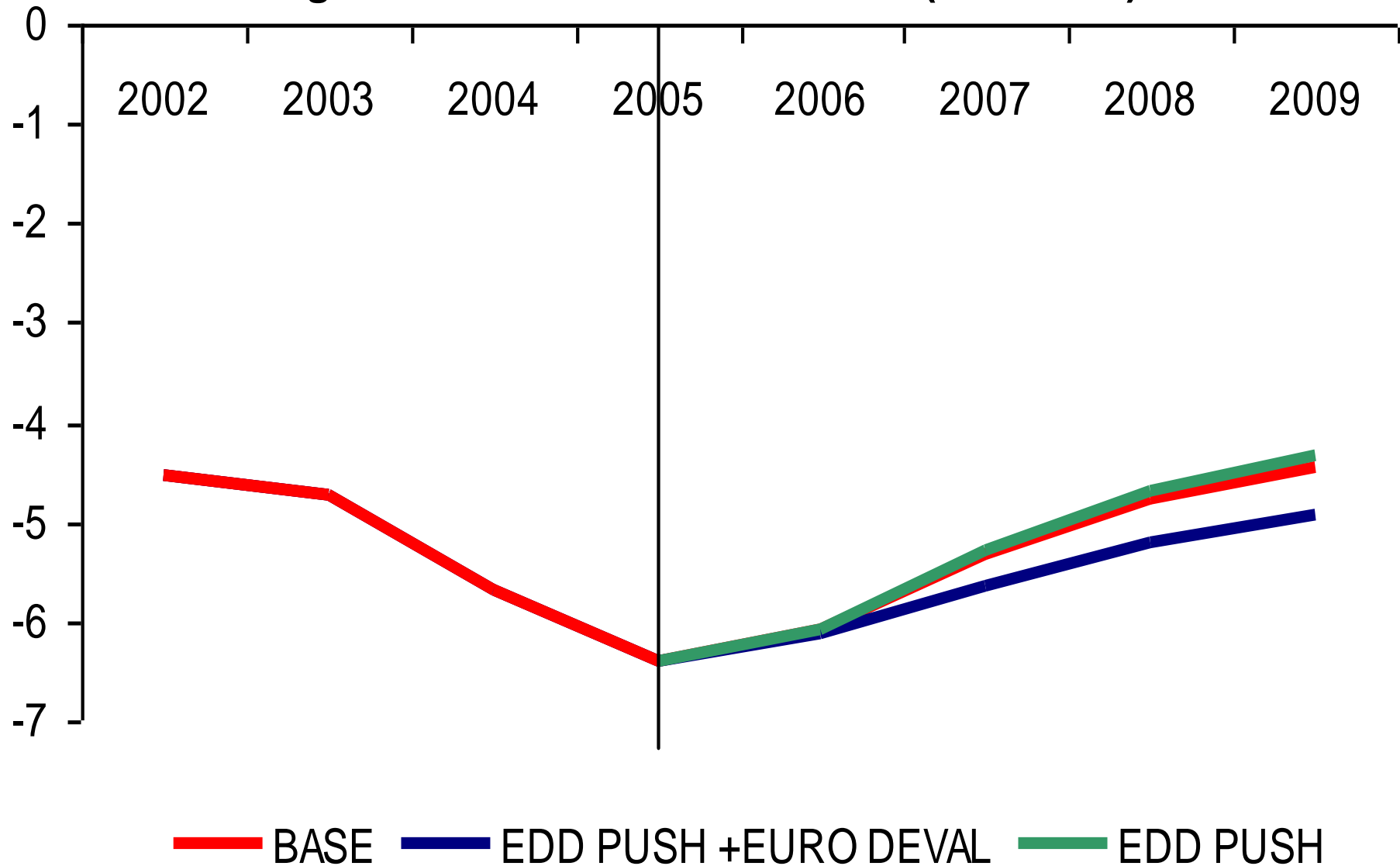


Figure 27 - US Current Account (% of GDP)



**EXCHANGE RATE ADJUSTMENT
PLUS CHINESE DOMESTIC
PUSH**

Figure 28 - Yuan per Dollar

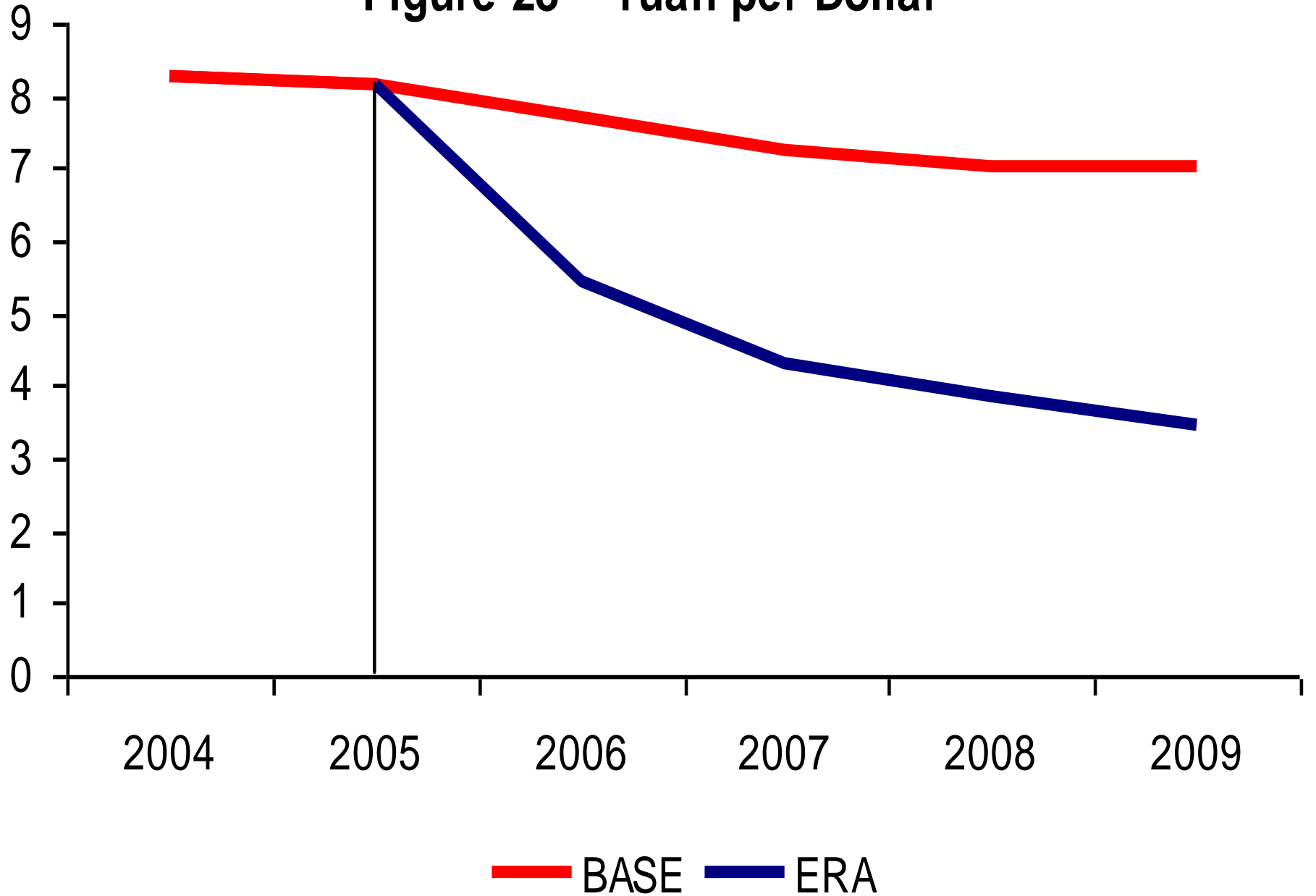


Figure 29 - Dollar per Euro

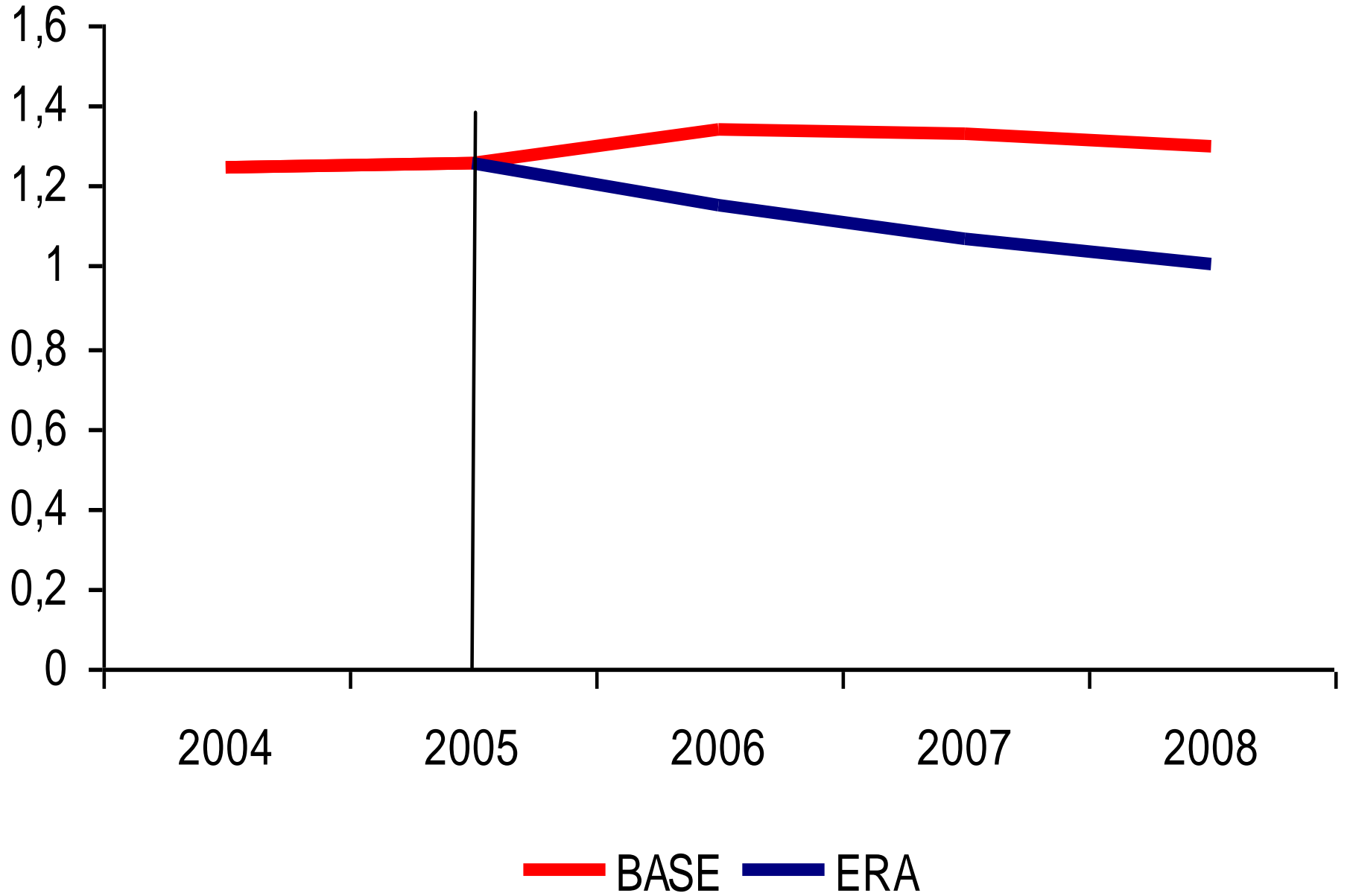


Figure 30 - Yen per Dollar

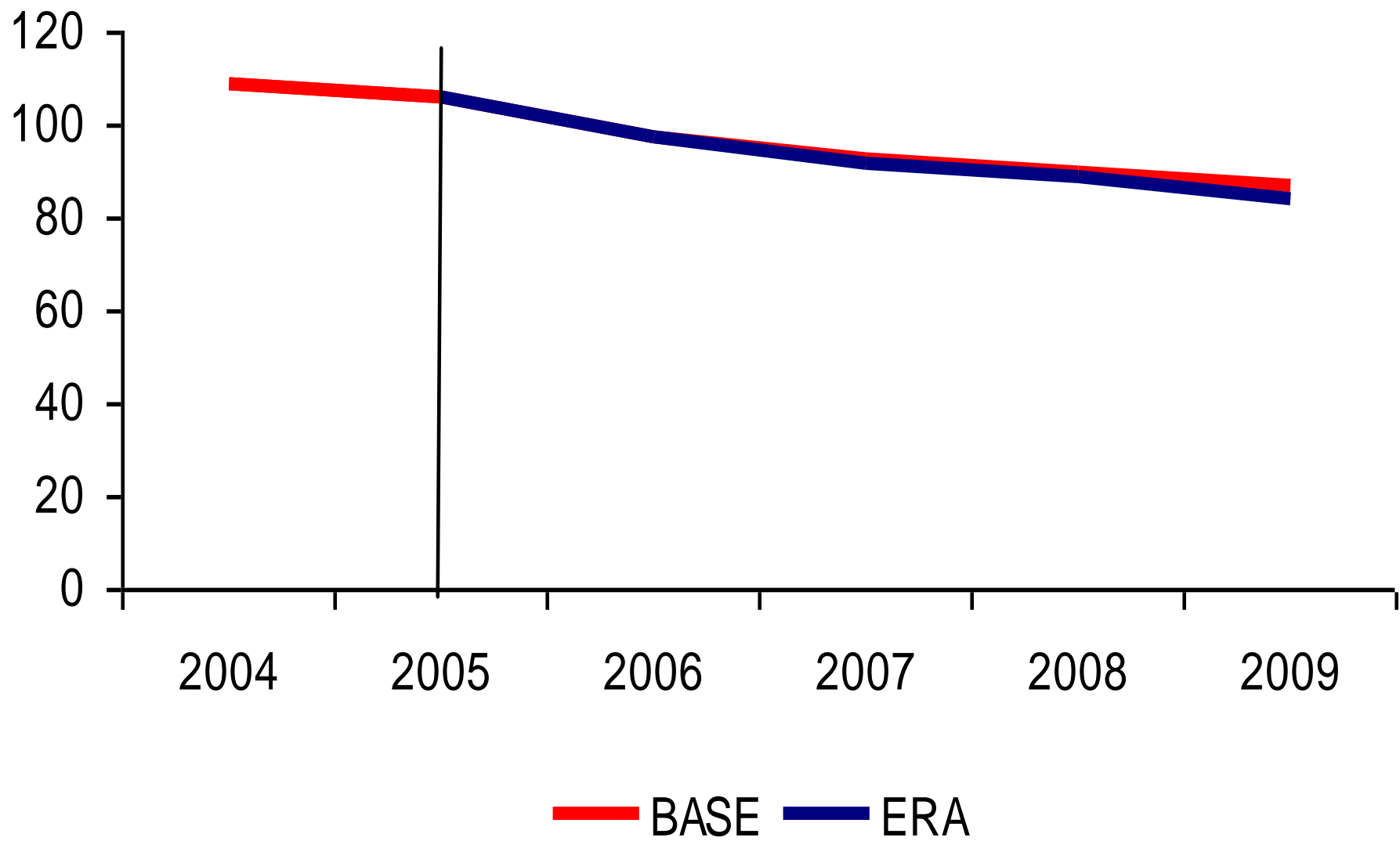
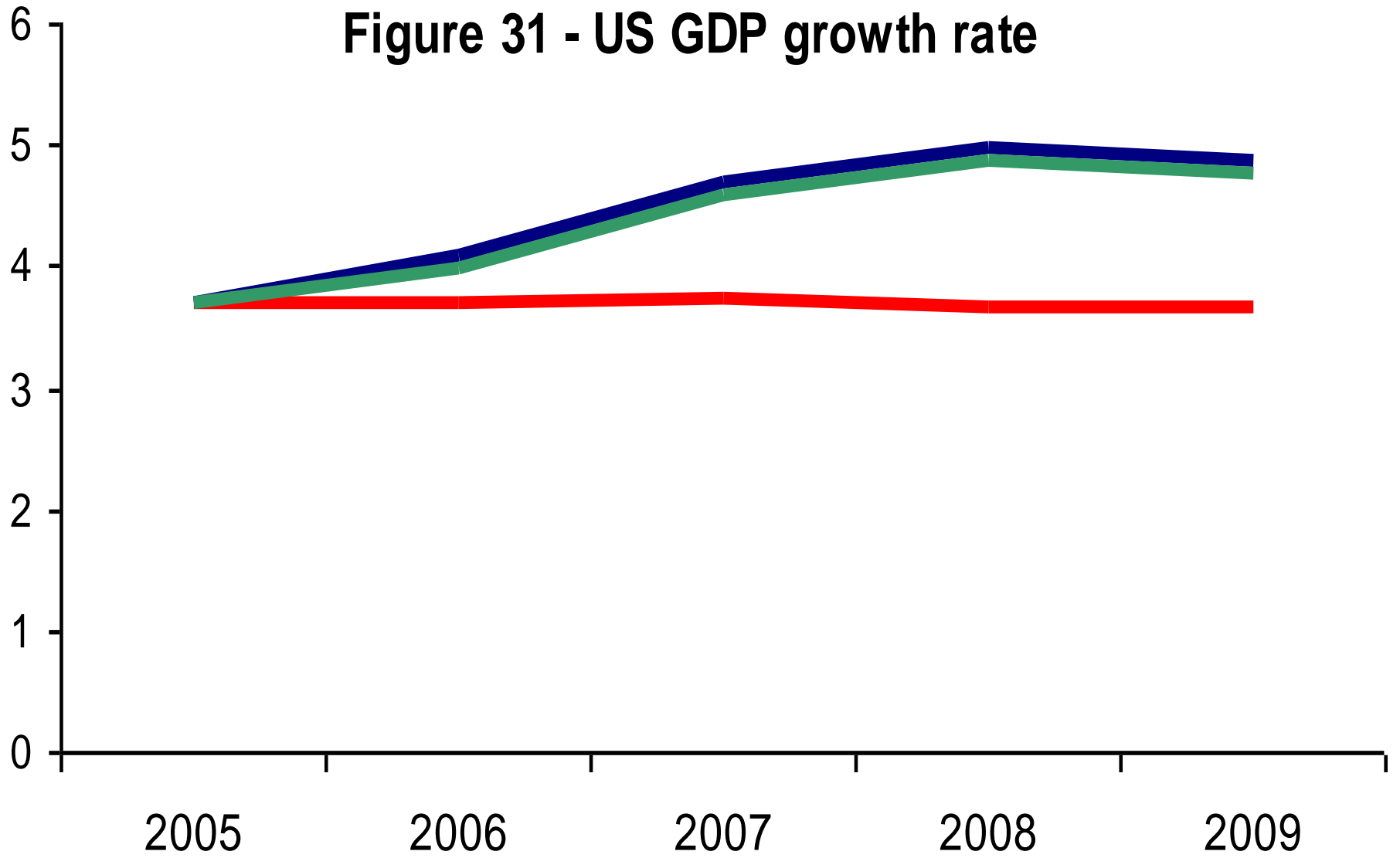


Figure 31 - US GDP growth rate



— BASE — ERA + CDP — ERA

Figure 32 - US Current Account (% of GDP)

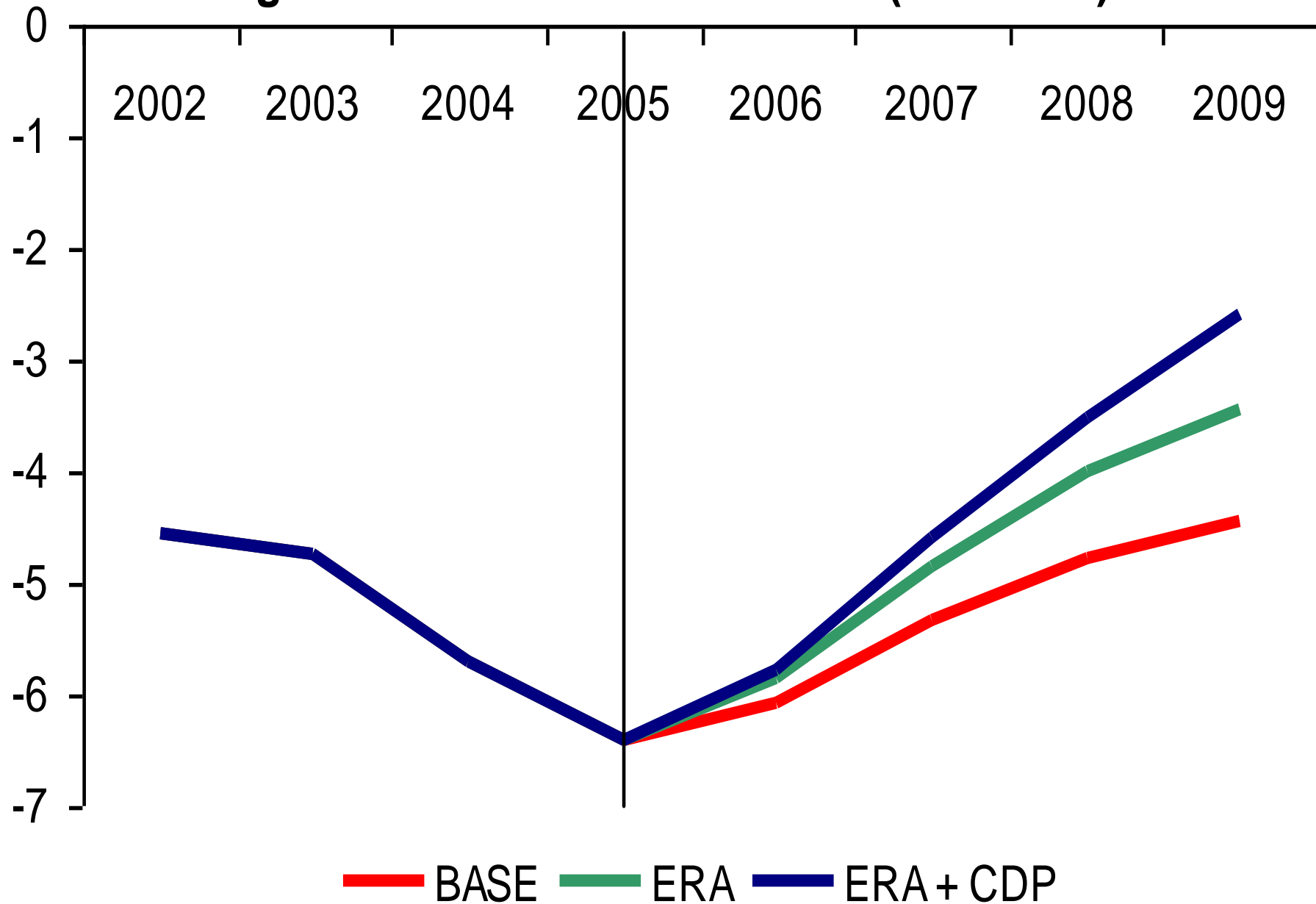
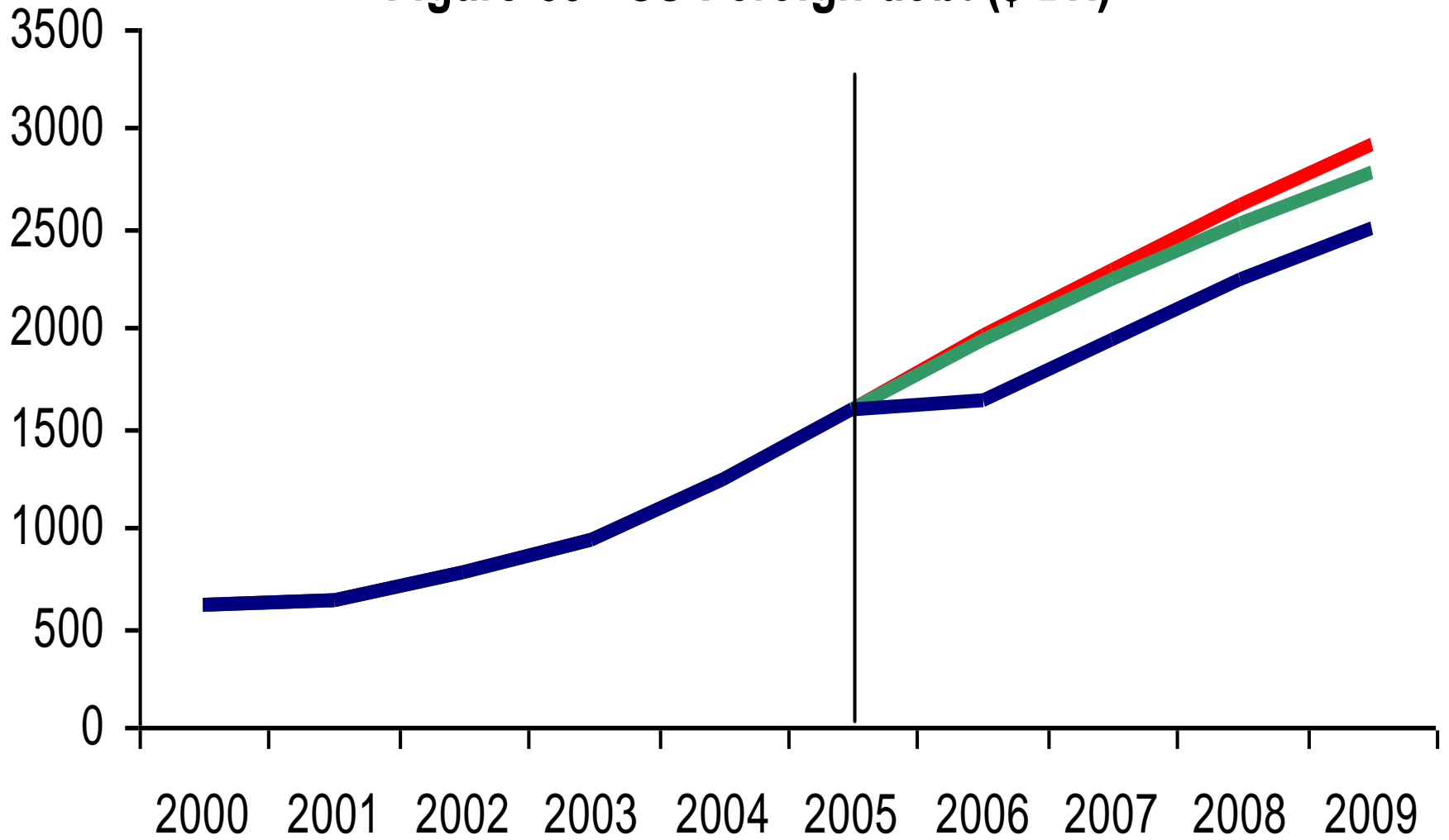
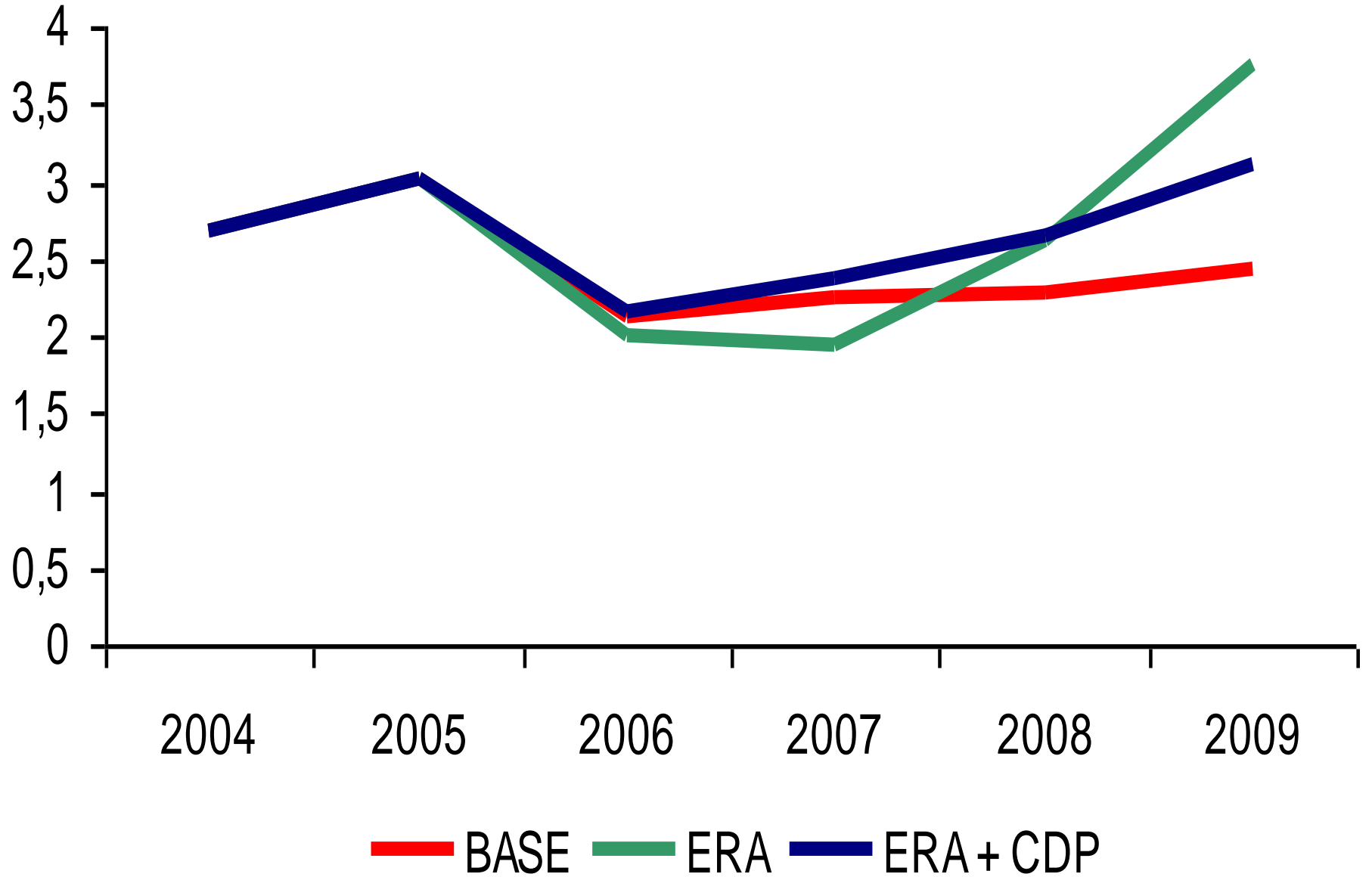


Figure 33 - US Foreign debt (\$ BN)



— Base — ERA — ERA + CDP

Figure 34 - US CPI



**Figure 35a - Euro Area
GDP growth rates**

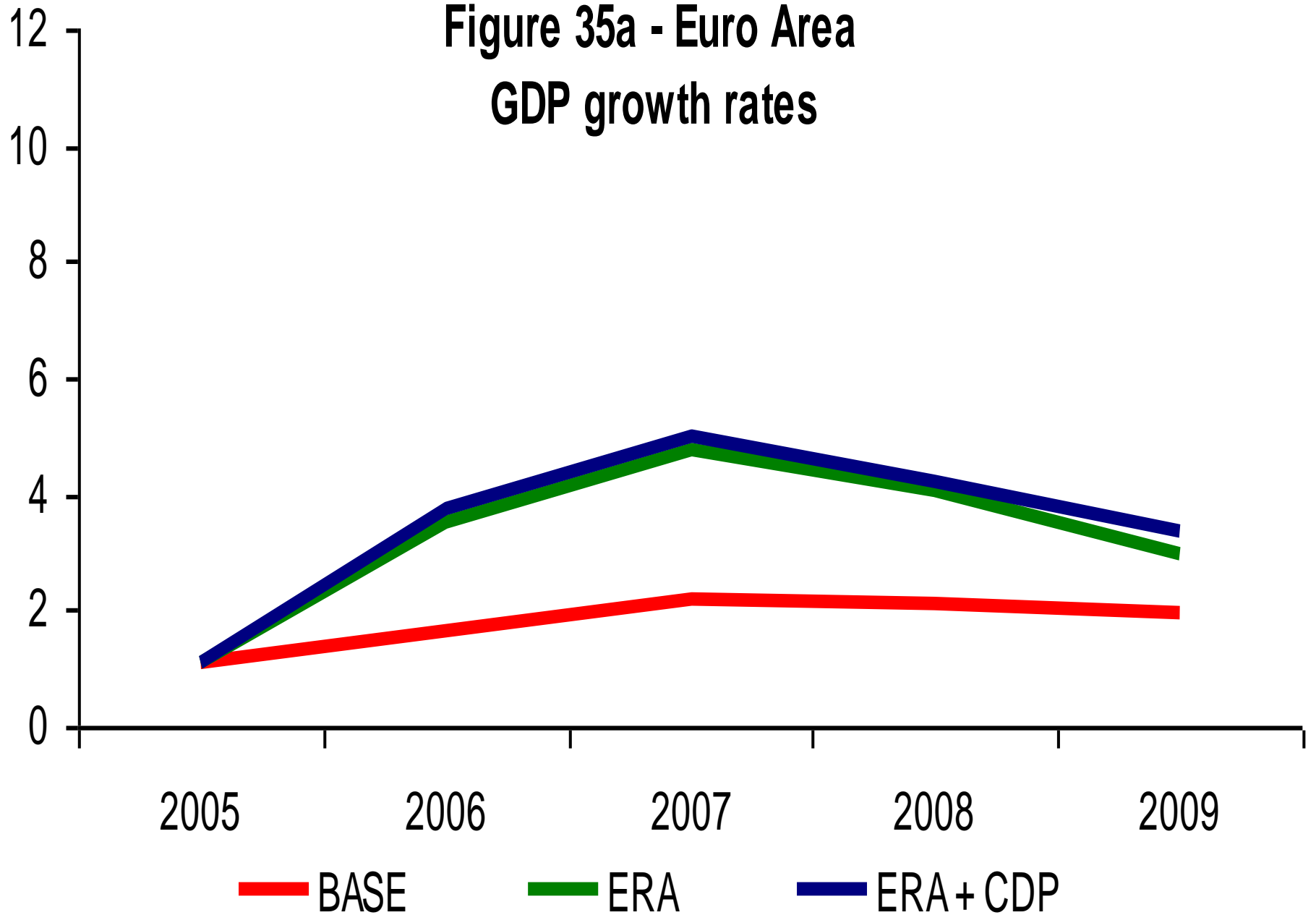
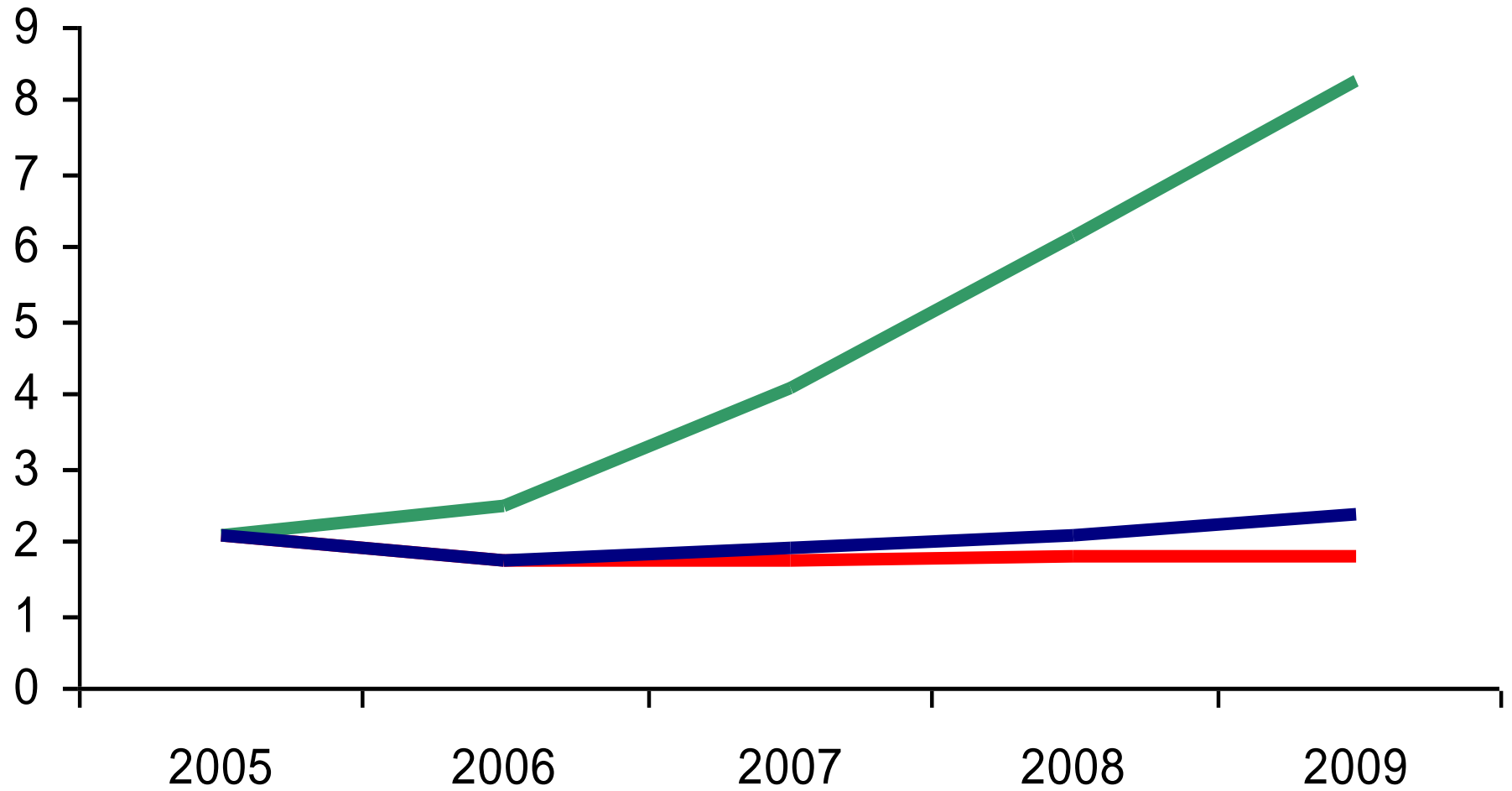
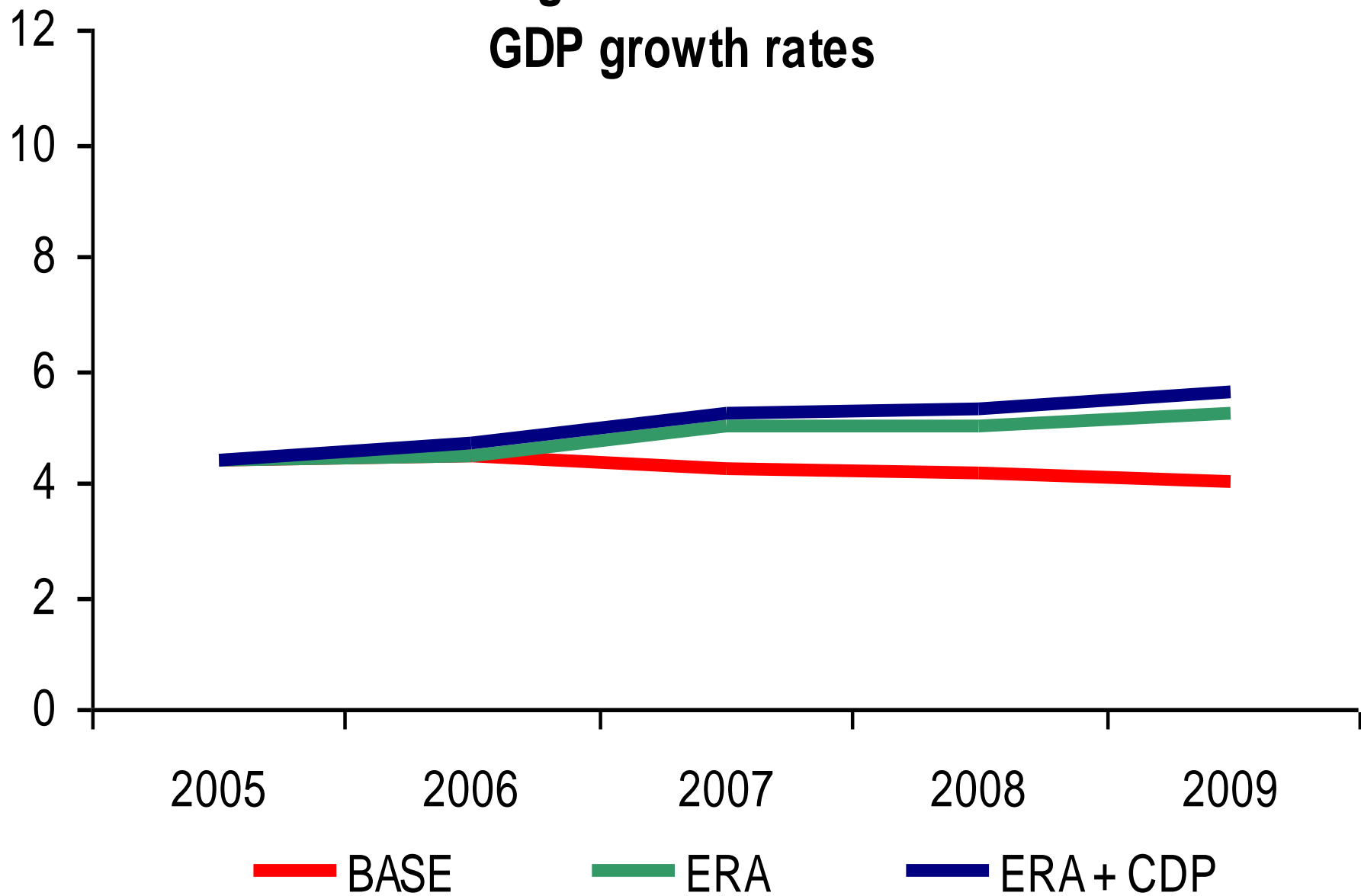


Figure 35b - EURO AREA CPI

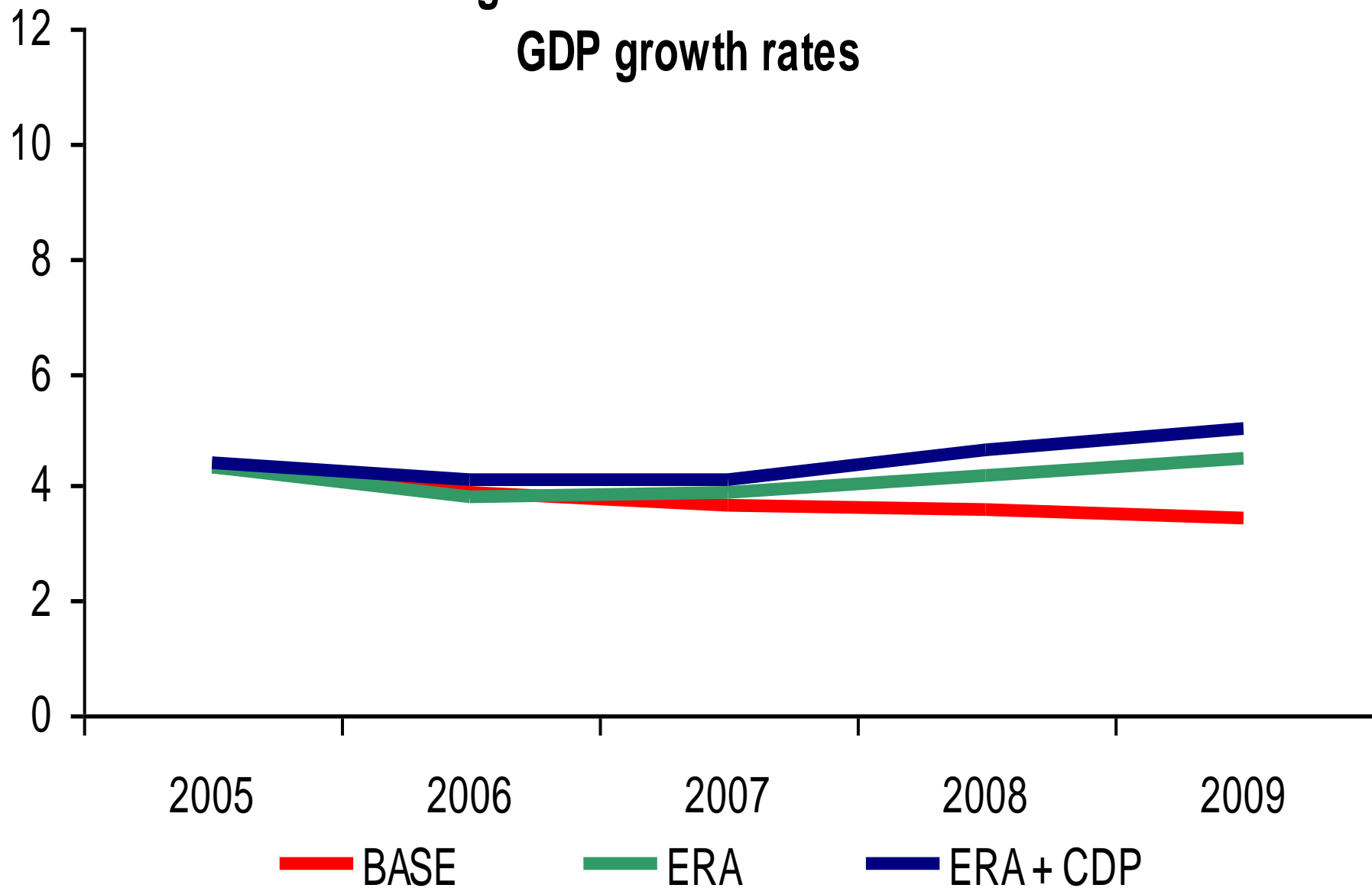


— BASE — ERA — ERA + CDP

**Figure 36 - Africa
GDP growth rates**



**Figure 37 - Latin America
GDP growth rates**



**Figure 38 - China
GDP growth rates**

