

1. Record Nr.	UNINA9910364948803321
Autore	Gumata Nombulelo
Titolo	Capital Flows, Credit Markets and Growth in South Africa : The Role of Global Economic Growth, Policy Shifts and Uncertainties / / by Nombulelo Gumata, Eliphas Ndou
Pubbl/distr/stampa	Cham : , : Springer International Publishing : , : Imprint : Palgrave Macmillan, , 2019
ISBN	9783030308889 303030888X
Edizione	[1st ed. 2019.]
Descrizione fisica	1 online resource (406 pages)
Disciplina	339.530968 339
Soggetti	Africa - Economic conditions Macroeconomics Economic development Agriculture - Economic aspects Labor economics African Economics Macroeconomics and Monetary Economics Economic Growth Agricultural Economics Labor Economics
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Nota di contenuto	1 Introduction -- Part I Global Economic Growth, Economic Policy Uncertainty and The Influence of Trade Dynamics -- 2 Is BRICS GDP Growth a Source of Shocks or an Amplifier of Global Growth Responses? What Are the Policy Implications for South Africa? -- 3 Does the Trade-Openness Channel Impact the Effects of Business Confidence Shocks on Investment Growth? -- 4 Trade-Openness, Consumer Price Inflation and Exchange Rate Depreciation Shocks -- 5 Global Growth and Economic Policy Uncertainty Shock Effects on the South African Economy: Do These Reinforce Each Other? -- 6. Heightened Foreign

Economic Policy Uncertainty Shock Effects on the South African Economy: Transmission via Capital Flows, Credit Conditions and Business Confidence Channels -- Part II Global Policy Rates and The South African Economy -- 7 In Which Direction Is There a Momentum Effect in the Changes in the Spread Between the Repo Rate and Federal Funds Rate? -- 8 How Do Global Real Policy Rates Impact the South African GDP Growth and Labour Market Conditions? -- 9 To What Extent Do Capital Inflows Impact the Response of the South African Economic Growth to Positive SA-US Interest Rate Differential Shocks? -- Part III Capital Flow Surges, Sudden Stops and Elevated Portfolio Inflows Volatility Effects -- 10 Economic Costs of Capital Flow Episodes in South Africa -- 11 Capital Flow Surges, Sudden Stops and Elevated Portfolio Inflow Volatility Shocks: What is the Nature of Their Interaction with GDP Growth and Credit? -- 12 Bank and Non-bank Capital Flows and The Sectorial Reallocation of Credit Away from the Household Sector -- 13 Banking and Non-banking Capital Flows and The Sectorial Reallocation of Credit Away from Companies -- 14 Equity, Debt Inflows and the Price Stability Mandate -- 15 Do Local Investors Play a Stabilising Role Relative to Foreign Investors After Economic Shocks? -- 16 Do Investors' Net Purchases and Capital Retrenchment Activities Impact the Monetary Policy Response to Positive Inflation Shocks? -- Part IV The Transmission of Sovereign Debt Credit Ratings Downgrades and Upgrades into the Credit Markets and the Real Economy -- 17 What Role Does Business Confidence Play in Transmitting Sovereign Debt Credit Ratings Upgrades and Downgrades Shocks into the Real Economy? -- 18 Are Sovereign Debt Credit Ratings Shocks Transmitted Via Economic Growth to Impact Credit Growth? -- 19 Does the Cost of Government Borrowing Transmit Sovereign Debt Credit Ratings Downgrades Shocks to Credit Growth? -- Part V The Output-Inflation Trade-off, External Shocks, Labour Market Conditions and Inflation Expectations -- 20 The Output-gap, Nominal Wage and Consumer Price Inflation Volatility Trade-off -- 21 The Output-Gap and Inflation Volatility Trade-off: Do External Shocks and Inflation Expectations Shift the Taylor Curve -- 22 Do Adverse Global Trade Shocks Impact the Trade-off Between the Inflation and Output-Gap Volatilities -- 23 Do the Labour Market Conditions Shocks Impact the Trade-off Between the Inflation and Output-Gap Volatilities? -- Part VI The Policy Ineffectiveness Issues -- 24 The Output Gap-Inflation Trade-off and the Policy Ineffectiveness -- 25 Inflation Regimes and the Transmission of Positive Nominal Demand Shocks to the Price Level.

---

#### Sommario/riassunto

This book examines the dynamics in capital flows, credit markets and growth in South Africa. The authors explore the role of global economic growth, policy shifts and various economic policy uncertainties. Central banks in advanced economies are engaged in unconventional monetary policy tools such as balance sheet policies, negative interest rates and extended forward guidance to assist them to meet their price, financial and macro-economic stability objectives. This book determines whether BRICS GDP growth is a source of shocks or an amplifier of global growth shocks. The authors find that global economic growth and policy uncertainty reinforce each other via capital flows, credit conditions and business confidence on the domestic economy. Furthermore, they demonstrate that there is momentum in the changes in the spread between the repo rate and federal funds rate. In addition, global real policy rates impact domestic GDP growth and labor market conditions. The authors examine the economic costs of capital flow surges, sudden stops and elevated portfolio volatility shocks and their interaction with GDP growth and credit. They show that equity and debt inflows matter in the attainment of the price stability mandate.

Moreover, business confidence transmits sovereign credit ratings upgrades and downgrades shocks to the real economy via GDP growth, the cost of government debt and borrowing to impact credit growth. High GDP growth increases the likelihood of sovereign credit ratings upgrades, hence policymakers should implement pro-growth policies. Inflation regimes impact the transmission of positive nominal demand shocks to the price level. Low and stable inflation (inflation below 4.5 per cent) reduces the pass-through of positive nominal demand shocks to inflation. .

---