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Nota di contenuto	<p>Contents; I. Introduction; II. Stylized Facts; A. Evolution of Global Imbalances; Figures; 1. U.S. External Balances, 1979-2005; 2. Movements in Real U.S. Trade Balance: 1995-2005 Versus 1979-89; 3. U.S. Imports and Exports, 1980-2005; 4. U.S. Real Effective Exchange Rate: 1995-2005 Versus 1979-89; 5. U.S. Shares in World GDP, 1980-2005; 6. Ratio of Real Private Consumption to GDP, 1985-20005; 7. U. S. Net Foreign Assets, 1982-2005; 8. U.S. External Assets and Liabilities, 1982-2005; 9. ROW Holdings of Official Reserves, 1971-2005; B. Real Interest Rates; Tables</p> <p>1. U.S. Real Interest Rates and Growth Rates, 1900-200510. Yield on Inflation-Indexed U.S. Treasuries, 1997-2006; 2. Real Returns on U.S. External Assets and Liabilities, 1953-2004; 11. Real Yields on U.S. External Assets and Liabilities, 1977-2005; 12. U.S. Net International Investment Income, 1977-2005; 13. Valuation Adjustments to U.S. NFA, Cumulative Average, 1983-2005; III. Debt Dynamics; 14. Yields on BAA Corporate Bonds Versus U.S. Treasuries, 1953-2006; IV. Simulation Model; A. Structure; B. Parameterization; V. Simulation Results; A. Initial Equilibrium; B. Calibration of Shocks</p> <p>C. Baseline Simulation 15. Baseline Shocks to Model, 1995-2025; 16. Baseline Simulation Results, 1995-2025; 17. Baseline Simulation Results, 1995-2100; 18. U.S. Real Growth Rate and Marginal Product of Capital; 19. U.S. and ROW Consumption, 1995-2075; D. Alternative Paths for the Shocks; 20. Larger and More Drawn-Out Shocks, 1995-2100; 21. Phase-Out of International Reserve Accumulation, 1995-2025; 22. "Hard-Landing" Scenario, 1995-2025; E. Alternative Parameter Values; 23. Higher Initial Real Interest Rate, 1995-2100; 25. Alternative Trade Price Elasticities, 1995-2150</p> <p>24. Increasing Asset Substitutability, 1995-2100 26. Ratio of U.S. to Row GDP, 1995-2010; 27. Higher Foreign Growth, 1995-2025; F. Fiscal Policy; 28. "Twin Deficits": Effect on Trade Balance of Change in Fiscal Balance; VI. Concluding Remarks; Appendix: Consumption, Wealth and Real Interest Rates; A. Infinite-Horizon Model; B. Finite-Horizon Model; References</p>
Sommario/riassunto	<p>We use a general-equilibrium model to explain the rise in global trade and payments imbalances since the mid-1990s, and then to construct adjustment paths to a steady state. Assuming that the shocks giving rise to the imbalances do not suddenly reverse, simulated movements in the U.S. trade deficit and exchange rate are smaller and more gradual than suggested by partial-equilibrium analyses. An important factor reducing the size of the adjustments is a simulated real interest rate on U.S. external liabilities that is below both the interest rate on external assets and the U.S. real economic growth rate. In addition, the adjustment takes place over an extended period without significantly raising the share of U.S. assets in foreign portfolios, in part because depreciation of the dollar requires continued foreign accumulation of U. S. assets just to keep their portfolio share constant.</p>