Capital Flows and GDP in Emerging Economies and the Role of Global Spillovers*

Joscha Beckmann† Robert Czudaj‡

July 26, 2017

Abstract

This paper provides a global analysis of capital flow impacts on GDP for selected emerging economies. As additional control variables, we also include currency reserves and effective exchange rates in our analysis. We distinguish between gross and net capital flows and also assess the impact of both FDI and portfolio flows. Accounting for the fact that common factors have been the main drivers of capital flows while country-specific determinants (‘pull’ factors) drive the response to such shocks, we analyze shocks to country groups but consider country-specific responses based on a Bayesian time-varying panel VAR framework in the spirit of Canova and Ciccarelli (2009). Based on a sample of 24 economies, our results show a robust positive effect of capital flows on GDP. Except for Korea, both gross and net capital flows display a positive impact for around two quarters. The impact of effective exchange rates on GDP hardly offers an explanation for a possible transmission of capital flow effects with effective depreciations both positively and negatively linked to GDP. We also find that the effect of net portfolio flows is even more positive compared to net FDI flows for emerging economies. Finally, we provide evidence that the importance of global factors increases in times of crises.

Keywords: Bayesian econometrics, capital flows, exchange rates, FDI, Panel VAR

JEL classification: C32, F31, F32

*Thanks for valuable comments on a previous version of the paper are due to an anonymous reviewer and the Managing Editor Daniela Puzzello as well as George Kouretas, Mariarosaria Comunale, the participants of the 20th Annual International Conference on Macroeconomic Analysis and International Finance in Rethymno/Crete, the 14th INFINITI Conference on International Finance in Dublin/Ireland, the 18th Workshop on International Economics in Göttingen/Germany, the 16th Annual EEFS Conference in Ljubljana/Slovenia and the RWI Research Seminar in Essen/Germany.

†Ruhr University of Bochum, Chair for International Economics, D-44801 Bochum, e-mail: joscha.beckmann@rub.de, University of Duisburg-Essen, Department of Economics, Chair for Macroeconomics, D-45117 Essen and Kiel Institute for the World Economy, Hindenburgufer 66, D-24105 Kiel.

‡Chemnitz University of Technology, Department of Economics and Business Administration, Chair for Empirical Economics, D-09126 Chemnitz, e-mail: robert-lukas.czudaj@wirtschaft.tu-chemnitz.de, phone: (0049)-371-531-31323, fax: (0049)-371-531-831323.
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات