

MEMORANDUM

17th Feb 1987

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To: Ralph Bryant

Subject: Revised Simulations of the Current Account

We attach a revised copy of the tables in our December 17, 1986 memorandum for the conference on the current account. These tables include the reporting and formatting changes agreed to at the conference. (Please note that we have not revised our old Table 4-2, the full simulation of the model. The changes reported there are in percentages, not fractions, as stated in the table).

The data are slightly different from those in our December 17 memorandum. To the export price equation we have added a time trend that improves its historical tracking performance. Because the slope coefficient is approximately the same as before (.9806 rather than .9812), the response of the system to changes in the forcing variables are essentially the same and require no further discussion. (The coefficient on the time trend is .000254).

There is one point concerning historical tracking which Tam mentioned at the conference, but which we would like to emphasize further. Getting good estimates of the size of the shocks to the equations of this model is central to its use in policy evaluation. Stochastic simulation under alternative policy rules is the main technique for policy evaluation, and of course for stochastic simulation we need estimates of the variance covariance matrix. These estimates come from the sample period shocks.

For this reason, close historical tracking for a fixed set of exogenous variables is not a criterion that we have aimed for. For example, there are essentially no dummy variables in the model. We would rather associate such dummy variables with shocks to the equations. The things that dummy variables represent (eg. dock strikes) can not usually be anticipated in the future. As a result an equation with a relatively poor historical tracking may give a better estimate of the shocks for policy purposes than an equation which tracks very well.

Table 1-1. SINGLE EQUATION DYNAMIC SIMULATIONS.  
(Fractional deviation of the simulated path from historical path).

	EX	IM	PEX	PIM
1980.	-0.0225	0.0105	-0.0136	-0.0629
1981.	-0.0301	0.0144	-0.0098	-0.0543
1982.	0.0420	0.0154	0.0135	-0.0234
1983.	0.0723	0.0070	0.0182	0.0045
1984.	0.0168	-0.0301	0.0079	-0.0048
1985.	0.0615	0.0193	0.0236	-0.0007
1986.	0.0732	-0.0041	0.0488	0.1044
80.1	-0.0487	-0.0135	-0.0079	-0.0577
80.2	-0.0335	-0.0062	-0.0067	-0.0653
80.3	-0.0085	0.0529	-0.0168	-0.0662
80.4	0.0007	0.0089	-0.0231	-0.0624
81.1	-0.0333	0.0253	-0.0234	-0.0678
81.2	-0.0343	0.0034	-0.0154	-0.0684
81.3	-0.0258	0.0129	-0.0035	-0.0439
81.4	-0.0271	0.0159	0.0029	-0.0371
82.1	0.0126	0.0238	0.0036	-0.0380
82.2	-0.0030	0.0164	0.0080	-0.0244
82.3	0.0452	-0.0239	0.0182	-0.0182
82.4	0.1131	0.0453	0.0241	-0.0131
83.1	0.0906	0.0573	0.0237	-0.0011
83.2	0.0910	0.0143	0.0210	0.0088
83.3	0.0569	-0.0286	0.0181	0.0055
83.4	0.0506	-0.0151	0.0100	0.0047
84.1	0.0362	-0.0267	0.0087	0.0046
84.2	0.0212	-0.0395	0.0015	-0.0050
84.3	0.0013	-0.0284	0.0074	-0.0065
84.4	0.0084	-0.0258	0.0142	-0.0122
85.1	0.0292	0.0403	0.0198	-0.0039
85.2	0.0604	0.0113	0.0203	-0.0101
85.3	0.0832	0.0333	0.0257	0.0039
85.4	0.0733	-0.0077	0.0287	0.0073
86.1	0.0617	0.0192	0.0238	0.0454
86.2	0.0951	-0.0016	0.0563	0.1133
86.3	0.0626	-0.0298	0.0662	0.1545
Root Mean Squared Error:				
EX	0.0526	0.0270	0.0221	0.0501
Mean Absolute Error:				
EX	0.0436	0.0231	0.0183	0.0351

Table 1-2. BLOCK DYNAMIC SIMULATION OF CURRENT ACCOUNT EQUATIONS  
 (fractional deviation from historical path for EX, IM, PEX, PIM;  
 deviation of the current account (CA) from the historical path as  
 a fraction of nominal GNP).

	EX	IM	PEX	PIM	CA
1980.	-0.0374	0.0400	-0.0136	-0.0629	-0.0034
1981.	-0.0538	0.0455	-0.0098	-0.0543	-0.0066
1982.	0.0165	0.0409	0.0135	-0.0234	0.0015
1983.	0.0534	0.0191	0.0182	0.0045	0.0052
1984.	0.0065	-0.0231	0.0079	-0.0048	0.0048
1985.	0.0477	0.0352	0.0236	-0.0007	0.0029
1986.	0.0758	-0.0248	0.0488	0.1044	0.0029
80.1	-0.0558	0.0068	-0.0079	-0.0577	-0.0020
80.2	-0.0475	0.0261	-0.0067	-0.0653	-0.0022
80.3	-0.0268	0.0882	-0.0168	-0.0662	-0.0073
80.4	-0.0195	0.0389	-0.0231	-0.0624	-0.0023
81.1	-0.0548	0.0555	-0.0234	-0.0678	-0.0081
81.2	-0.0585	0.0378	-0.0154	-0.0684	-0.0054
81.3	-0.0504	0.0434	-0.0035	-0.0439	-0.0063
81.4	-0.0517	0.0445	0.0028	-0.0371	-0.0067
82.1	-0.0133	0.0525	0.0036	-0.0380	-0.0025
82.2	-0.0274	0.0409	0.0080	-0.0244	-0.0040
82.3	0.0200	-0.0004	0.0182	-0.0192	0.0064
82.4	0.0865	0.0707	0.0241	-0.0131	0.0061
83.1	0.0666	0.0777	0.0237	-0.0011	0.0022
83.2	0.0706	0.0269	0.0210	0.0088	0.0058
83.3	0.0397	-0.0190	0.0181	0.0055	0.0075
83.4	0.0366	-0.0092	0.0100	0.0047	0.0054
84.1	0.0249	-0.0228	0.0087	0.0046	0.0056
84.2	0.0116	-0.0355	0.0015	-0.0050	0.0062
84.3	-0.0079	-0.0214	0.0074	-0.0065	0.0032
84.4	-0.0026	-0.0129	0.0142	-0.0122	0.0041
85.1	0.0170	0.0556	0.0198	-0.0039	-0.0020
85.2	0.0461	0.0293	0.0203	-0.0101	0.0043
85.3	0.0686	0.0494	0.0257	0.0039	0.0029
85.4	0.0589	0.0067	0.0287	0.0073	0.0066
86.1	0.0539	0.0166	0.0238	0.0454	0.0002
86.2	0.0272	-0.0231	0.0563	0.1133	0.0040
86.3	0.0765	-0.0679	0.0662	0.1545	0.0043
Root mean					
Squared Error:					
0.0496	0.0419	0.0231	0.0501	0.0050	
Mean					
Absolute Error:					
0.0436	0.0357	0.0183	0.0351	0.0046	

Table 2-1. EFFECTS OF A REDUCTION IN US GNP GROWTH OF ONE PERCENT (fractional deviation from baseline path for EX, IM, PEX, PIM; deviation of the current account (CA) from the baseline path as a fraction of baseline nominal GNP; deviation of RNEX from baseline path as a fraction of real GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.000	-0.017	0.000	0.000	0.0020	0.0024
1988.	0.000	-0.040	0.000	0.000	0.0050	0.0054
1989.	0.000	-0.063	0.000	0.000	0.0082	0.0085
1990.	0.000	-0.085	0.000	0.000	0.0114	0.0115
1991.	0.000	-0.107	0.000	0.000	0.0147	0.0146
86.4	0.000	-0.004	0.000	0.000	0.0004	0.0005
87.1	0.000	-0.009	0.000	0.000	0.0010	0.0012
87.2	0.000	-0.014	0.000	0.000	0.0017	0.0020
87.3	0.000	-0.020	0.000	0.000	0.0024	0.0028
87.4	0.000	-0.026	0.000	0.000	0.0031	0.0035
88.1	0.000	-0.032	0.000	0.000	0.0039	0.0043
88.2	0.000	-0.037	0.000	0.000	0.0046	0.0051
88.3	0.000	-0.043	0.000	0.000	0.0054	0.0058
88.4	0.000	-0.049	0.000	0.000	0.0062	0.0066
89.1	0.000	-0.054	0.000	0.000	0.0070	0.0073
89.2	0.000	-0.060	0.000	0.000	0.0078	0.0081
89.3	0.000	-0.066	0.000	0.000	0.0086	0.0089
89.4	0.000	-0.071	0.000	0.000	0.0094	0.0096
90.1	0.000	-0.077	0.000	0.000	0.0102	0.0104
90.2	0.000	-0.082	0.000	0.000	0.0110	0.0111
90.3	0.000	-0.088	0.000	0.000	0.0118	0.0119
90.4	0.000	-0.093	0.000	0.000	0.0127	0.0127
91.1	0.000	-0.099	0.000	0.000	0.0135	0.0134
91.2	0.000	-0.104	0.000	0.000	0.0143	0.0142
91.3	0.000	-0.109	0.000	0.000	0.0152	0.0150
91.4	0.000	-0.115	0.000	0.000	0.0160	0.0158

Table 2-2. EFFECTS OF RAISING FOREIGN REAL GROWTH BY ONE PERCENT (fractional deviation from baseline path for EX, IM, PEX, PIM; deviation of the current account (CA) from the baseline path as a fraction of baseline nominal GNP; deviation of RNEX from baseline path as a fraction of real GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.005	0.000	0.000	0.000	0.0004	0.0005
1988.	0.014	0.000	0.000	0.000	0.0014	0.0017
1989.	0.025	0.000	0.000	0.000	0.0025	0.0032
1990.	0.035	0.000	0.000	0.000	0.0040	0.0050
1991.	0.051	0.000	0.000	0.000	0.0054	0.0070
86.4	0.001	0.000	0.000	0.000	0.0001	0.0001
87.1	0.002	0.000	0.000	0.000	0.0002	0.0002
87.2	0.004	0.000	0.000	0.000	0.0003	0.0004
87.3	0.006	0.000	0.000	0.000	0.0005	0.0006
87.4	0.008	0.000	0.000	0.000	0.0007	0.0009
88.1	0.010	0.000	0.000	0.000	0.0010	0.0012
88.2	0.013	0.000	0.000	0.000	0.0013	0.0015
88.3	0.015	0.000	0.000	0.000	0.0015	0.0018
88.4	0.018	0.000	0.000	0.000	0.0018	0.0022
89.1	0.021	0.000	0.000	0.000	0.0021	0.0025
89.2	0.024	0.000	0.000	0.000	0.0025	0.0030
89.3	0.027	0.000	0.000	0.000	0.0028	0.0034
89.4	0.030	0.000	0.000	0.000	0.0031	0.0039
90.1	0.034	0.000	0.000	0.000	0.0035	0.0043
90.2	0.037	0.000	0.000	0.000	0.0038	0.0048
90.3	0.040	0.000	0.000	0.000	0.0041	0.0053
90.4	0.043	0.000	0.000	0.000	0.0045	0.0057
91.1	0.045	0.000	0.000	0.000	0.0048	0.0062
91.2	0.049	0.000	0.000	0.000	0.0052	0.0068
91.3	0.053	0.000	0.000	0.000	0.0056	0.0073
91.4	0.055	0.000	0.000	0.000	0.0059	0.0078

Table 2-3. EFFECTS OF REDUCING US INTEREST RATES BY 2 PERCENT  
 (fractional deviation from baseline path for EX, IM, PEX, PIM;  
 deviation of the current account (CA) from the baseline path as a  
 fraction of baseline nominal GNP; deviation of RNEX from baseline  
 path as a fraction of real GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.009	-0.016	0.000	0.030	-0.0008	0.0032
1988.	0.021	-0.029	0.000	0.048	-0.0002	0.0063
1989.	0.028	-0.032	0.000	0.052	0.0005	0.0079
1990.	0.030	-0.031	0.000	0.048	0.0010	0.0081
1991.	0.027	-0.025	0.000	0.038	0.0013	0.0072
86.4	0.002	-0.004	0.000	0.011	-0.0006	0.0007
87.1	0.004	-0.009	0.000	0.020	-0.0008	0.0017
87.2	0.007	-0.014	0.000	0.027	-0.0009	0.0027
87.3	0.010	-0.019	0.000	0.034	-0.0008	0.0037
87.4	0.014	-0.022	0.000	0.039	-0.0006	0.0046
88.1	0.017	-0.025	0.000	0.043	-0.0005	0.0054
88.2	0.020	-0.028	0.000	0.047	-0.0003	0.0060
88.3	0.022	-0.030	0.000	0.049	-0.0001	0.0066
88.4	0.024	-0.031	0.000	0.051	0.0001	0.0071
89.1	0.026	-0.032	0.000	0.052	0.0003	0.0075
89.2	0.028	-0.033	0.000	0.052	0.0005	0.0078
89.3	0.029	-0.033	0.000	0.052	0.0006	0.0080
89.4	0.030	-0.032	0.000	0.052	0.0007	0.0082
90.1	0.030	-0.032	0.000	0.050	0.0009	0.0082
90.2	0.030	-0.031	0.000	0.049	0.0010	0.0082
90.3	0.030	-0.030	0.000	0.047	0.0011	0.0081
90.4	0.030	-0.029	0.000	0.045	0.0011	0.0079
91.1	0.029	-0.028	0.000	0.042	0.0012	0.0077
91.2	0.028	-0.026	0.000	0.039	0.0012	0.0074
91.3	0.027	-0.024	0.000	0.036	0.0013	0.0070
91.4	0.025	-0.022	0.000	0.033	0.0013	0.0066

Table 2-4. EFFECTS OF REDUCING US INFLATION BY ONE PERCENT  
 (fractional deviation from baseline path for EX, IM, PEX, PIM;  
 deviation of the current account (CA) from the baseline path as a  
 fraction of baseline nominal GNP; deviation of RNEX from baseline  
 path as a fraction of real GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.002	-0.005	-0.008	0.000	0.0000	0.0009
1988.	0.007	-0.011	-0.018	0.000	0.0003	0.0023
1989.	0.013	-0.017	-0.028	0.000	0.0007	0.0039
1990.	0.019	-0.023	-0.037	0.000	0.0012	0.0056
1991.	0.025	-0.029	-0.046	0.000	0.0017	0.0075
86.4	0.000	-0.001	-0.002	0.000	-0.0001	0.0002
87.1	0.001	-0.002	-0.005	0.000	-0.0001	0.0004
87.2	0.002	-0.004	-0.007	0.000	-0.0001	0.0007
87.3	0.003	-0.005	-0.010	0.000	0.0000	0.0010
87.4	0.004	-0.007	-0.012	0.000	0.0001	0.0014
88.1	0.005	-0.008	-0.014	0.000	0.0001	0.0017
88.2	0.006	-0.010	-0.017	0.000	0.0002	0.0021
88.3	0.008	-0.012	-0.019	0.000	0.0003	0.0025
88.4	0.009	-0.013	-0.022	0.000	0.0004	0.0029
89.1	0.011	-0.015	-0.024	0.000	0.0005	0.0033
89.2	0.012	-0.016	-0.026	0.000	0.0006	0.0037
89.3	0.014	-0.018	-0.029	0.000	0.0007	0.0041
89.4	0.015	-0.019	-0.031	0.000	0.0007	0.0045
90.1	0.017	-0.021	-0.033	0.000	0.0010	0.0050
90.2	0.018	-0.022	-0.036	0.000	0.0011	0.0054
90.3	0.020	-0.024	-0.038	0.000	0.0012	0.0059
90.4	0.021	-0.026	-0.040	0.000	0.0014	0.0063
91.1	0.023	-0.027	-0.043	0.000	0.0015	0.0068
91.2	0.024	-0.029	-0.045	0.000	0.0017	0.0072
91.3	0.026	-0.030	-0.047	0.000	0.0018	0.0077
91.4	0.028	-0.032	-0.050	0.000	0.0019	0.0082

Table 2-5. EFFECTS OF A 20 PERCENT DEPRECIATION OF THE DOLLAR  
 (fractional deviation from baseline path for EX, IM, PEX, PIM;  
 deviation of the current account (CA) from the baseline path as a  
 fraction of baseline nominal GNP; deviation of RNEX from baseline  
 path as a fraction of real GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.013	-0.026	0.000	0.053	-0.0018	0.0050
1988.	0.044	-0.064	0.000	0.117	-0.0013	0.0139
1989.	0.075	-0.090	0.000	0.162	0.0002	0.0214
1990.	0.099	-0.106	0.000	0.192	0.0016	0.0274
1991.	0.117	-0.116	0.000	0.212	0.0026	0.0319
86.4	0.000	0.000	0.000	0.000	0.0000	0.0000
87.1	0.003	-0.009	0.000	0.023	-0.0013	0.0016
87.2	0.009	-0.020	0.000	0.044	-0.0019	0.0038
87.3	0.016	-0.032	0.000	0.063	-0.0020	0.0061
87.4	0.024	-0.042	0.000	0.081	-0.0020	0.0084
88.1	0.032	-0.052	0.000	0.097	-0.0018	0.0107
88.2	0.040	-0.061	0.000	0.111	-0.0015	0.0129
88.3	0.049	-0.069	0.000	0.124	-0.0012	0.0150
88.4	0.057	-0.076	0.000	0.137	-0.0008	0.0170
89.1	0.064	-0.082	0.000	0.148	-0.0004	0.0189
89.2	0.072	-0.087	0.000	0.158	0.0000	0.0207
89.3	0.079	-0.092	0.000	0.167	0.0004	0.0223
89.4	0.085	-0.097	0.000	0.175	0.0007	0.0239
90.1	0.091	-0.101	0.000	0.182	0.0011	0.0254
90.2	0.097	-0.104	0.000	0.189	0.0014	0.0268
90.3	0.102	-0.108	0.000	0.195	0.0017	0.0281
90.4	0.107	-0.111	0.000	0.200	0.0020	0.0293
91.1	0.111	-0.113	0.000	0.205	0.0022	0.0304
91.2	0.115	-0.115	0.000	0.210	0.0025	0.0315
91.3	0.119	-0.117	0.000	0.214	0.0027	0.0325
91.4	0.122	-0.119	0.000	0.217	0.0029	0.0334



Table 2-6. EFFECTS OF A 20 PERCENT DEPRECIATION OF THE DOLLAR AGAINST THE YEN AND EMS CURRENCIES

(fractional deviation from baseline path for EX, IM, PEX, PIM; deviation of the current account (CA) from the baseline path as a fraction of baseline nominal GNP; deviation of RNEX from baseline path as a fraction of real GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.010	-0.019	0.000	0.039	-0.0013	0.0037
1988.	0.033	-0.049	0.000	0.087	-0.0010	0.0105
1989.	0.056	-0.068	0.000	0.119	0.0001	0.0161
1990.	0.074	-0.081	0.000	0.140	0.0011	0.0206
1991.	0.086	-0.089	0.000	0.155	0.0019	0.0240
86.4	0.000	0.000	0.000	0.000	0.0000	0.0000
87.1	0.002	-0.007	0.000	0.017	-0.0010	0.0012
87.2	0.007	-0.015	0.000	0.033	-0.0014	0.0028
87.3	0.012	-0.024	0.000	0.047	-0.0015	0.0046
87.4	0.018	-0.032	0.000	0.060	-0.0015	0.0063
88.1	0.024	-0.039	0.000	0.072	-0.0013	0.0081
88.2	0.030	-0.046	0.000	0.082	-0.0011	0.0097
88.3	0.036	-0.052	0.000	0.092	-0.0011	0.0113
88.4	0.042	-0.057	0.000	0.101	-0.0006	0.0128
89.1	0.048	-0.062	0.000	0.109	-0.0003	0.0142
89.2	0.053	-0.066	0.000	0.116	0.0000	0.0155
89.3	0.059	-0.070	0.000	0.122	0.0003	0.0168
89.4	0.063	-0.074	0.000	0.128	0.0005	0.0180
90.1	0.068	-0.077	0.000	0.134	0.0008	0.0191
90.2	0.072	-0.079	0.000	0.139	0.0010	0.0201
90.3	0.076	-0.082	0.000	0.143	0.0012	0.0211
90.4	0.079	-0.084	0.000	0.147	0.0014	0.0220
91.1	0.082	-0.086	0.000	0.150	0.0016	0.0228
91.2	0.085	-0.088	0.000	0.153	0.0018	0.0236
91.3	0.088	-0.089	0.000	0.156	0.0019	0.0244
91.4	0.090	-0.091	0.000	0.159	0.0021	0.0251

Table 3-1. BASELINE PROJECTION OF CA BLOCK UNDER SCENARIO A.  
 (exports and imports in billions of 1982 dollars; prices given as price index 1982 = 100; net exports (NEX) and the current account (CA) are shown as a fraction of nominal GNP; real net exports (RNEX) as a fraction of real GNP)

	EX	IM	PEX	PIM	NEX	CA	RNEX
1987.	409.1	524.3	101.3	101.5	-0.026	-0.036	-0.031
1988.	453.9	527.9	102.3	112.7	-0.027	-0.037	-0.019
1989.	498.5	540.4	103.2	122.1	-0.029	-0.038	-0.010
1990.	541.9	558.7	103.8	130.2	-0.030	-0.040	-0.004
1991.	584.7	581.2	104.3	137.4	-0.033	-0.043	0.001
86.4	382.5	529.8	100.5	93.5	-0.026	-0.036	-0.040
87.1	392.8	525.9	100.9	96.8	-0.026	-0.036	-0.036
87.2	403.5	524.1	101.2	100.0	-0.026	-0.036	-0.032
87.3	414.5	523.5	101.4	103.1	-0.026	-0.036	-0.029
87.4	425.7	523.8	101.7	106.0	-0.027	-0.037	-0.025
88.1	436.9	524.3	102.0	108.8	-0.027	-0.037	-0.023
88.2	448.2	526.5	102.2	111.4	-0.027	-0.037	-0.020
88.3	459.5	528.3	102.5	114.0	-0.027	-0.037	-0.018
88.4	470.8	531.5	102.7	116.4	-0.028	-0.038	-0.015
89.1	481.9	534.7	102.9	118.9	-0.028	-0.038	-0.013
89.2	492.0	538.3	103.1	121.0	-0.028	-0.038	-0.011
89.3	504.0	542.2	103.3	123.2	-0.029	-0.039	-0.009
89.4	515.0	546.5	103.5	125.2	-0.029	-0.039	-0.008
90.1	525.8	551.1	103.6	127.3	-0.030	-0.039	-0.006
90.2	535.5	556.0	103.8	129.2	-0.030	-0.040	-0.005
90.3	547.3	561.2	103.9	131.1	-0.031	-0.040	-0.003
90.4	558.0	566.5	104.0	133.0	-0.031	-0.041	-0.002
91.1	568.7	572.3	104.1	134.8	-0.032	-0.042	-0.001
91.2	579.4	578.1	104.3	136.5	-0.032	-0.042	0.000
91.3	590.0	584.2	104.3	138.2	-0.033	-0.043	0.001
91.4	600.7	590.4	104.4	139.9	-0.034	-0.043	0.002

Table 4-1. PARTIAL SIMULATION OF CA BLOCK UNDER SCENARIO B:  
output, prices, etc. are assumed to be the average of several  
multicountry models responses to monetary and fiscal change.  
(Fractional deviation from the baseline path for EX, IM, PEX,  
PIM; deviation of CA from baseline path as a fraction of baseline  
of nominal GNP; deviation of RNEX from baseline path as a  
fraction of GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.000	0.000	0.000	0.000	0.0000	0.0000
1988.	0.002	-0.015	0.001	0.007	0.0012	0.0022
1989.	0.007	-0.046	0.003	0.024	0.0040	0.0071
1990.	0.016	-0.079	0.006	0.046	0.0073	0.0128
1991.	0.027	-0.101	0.010	0.069	0.0093	0.0175
86.4	0.000	0.000	0.000	0.000	0.0000	0.0000
87.1	0.000	0.000	0.000	0.000	0.0000	0.0000
87.2	0.000	0.000	0.000	0.000	0.0000	0.0000
87.3	0.000	0.000	0.000	0.000	0.0000	0.0000
87.4	0.000	0.000	0.000	0.000	0.0000	0.0000
88.1	0.000	-0.005	0.000	0.003	0.0003	0.0007
88.2	0.001	-0.011	0.000	0.006	0.0008	0.0017
88.3	0.002	-0.018	0.001	0.009	0.0015	0.0027
88.4	0.003	-0.026	0.001	0.011	0.0022	0.0038
89.1	0.005	-0.034	0.002	0.017	0.0029	0.0051
89.2	0.006	-0.042	0.002	0.022	0.0036	0.0064
89.3	0.008	-0.050	0.003	0.026	0.0044	0.0077
89.4	0.010	-0.058	0.004	0.030	0.0053	0.0090
90.1	0.012	-0.066	0.005	0.037	0.0060	0.0105
90.2	0.015	-0.075	0.006	0.043	0.0068	0.0121
90.3	0.017	-0.083	0.007	0.049	0.0077	0.0136
90.4	0.020	-0.091	0.008	0.054	0.0086	0.0151
91.1	0.023	-0.096	0.009	0.061	0.0090	0.0162
91.2	0.026	-0.100	0.010	0.067	0.0092	0.0171
91.3	0.029	-0.103	0.011	0.072	0.0094	0.0180
91.4	0.031	-0.105	0.012	0.077	0.0096	0.0188

Table 4-3. PARTIAL SIMULATION OF CA BLOCK UNDER SCENARIO C:  
 output, prices, etc. are assumed to be the average of several  
 multicountry models responses to monetary and fiscal change.  
 (Fractional deviation from the baseline path for EX, IM, PEX,  
 PIM; deviation of CA from baseline path as a fraction of baseline  
 of nominal GNP; deviation of RNEX from baseline path as a  
 fraction of GNP).

	EX	IM	PEX	PIM	CA	RNEX
1987.	0.009	0.000	0.000	-0.001	0.0009	0.0009
1988.	0.019	-0.013	0.001	0.004	0.0031	0.0041
1989.	0.030	-0.041	0.003	0.014	0.0068	0.0093
1990.	0.041	-0.070	0.006	0.030	0.0106	0.0149
1991.	0.053	-0.089	0.010	0.047	0.0131	0.0194
86.4	0.000	0.000	0.000	0.000	0.0000	0.0000
87.1	0.005	0.000	0.000	0.000	0.0004	0.0005
87.2	0.008	0.000	0.000	-0.001	0.0008	0.0008
87.3	0.011	0.000	0.000	-0.001	0.0011	0.0011
87.4	0.013	0.001	0.000	-0.001	0.0013	0.0013
88.1	0.016	-0.004	0.000	0.001	0.0019	0.0023
88.2	0.018	-0.010	0.000	0.003	0.0027	0.0035
88.3	0.021	-0.016	0.001	0.005	0.0035	0.0046
88.4	0.023	-0.023	0.001	0.006	0.0044	0.0058
89.1	0.026	-0.030	0.002	0.010	0.0054	0.0072
89.2	0.029	-0.037	0.002	0.013	0.0063	0.0086
89.3	0.032	-0.044	0.003	0.016	0.0073	0.0099
89.4	0.034	-0.051	0.004	0.019	0.0083	0.0112
90.1	0.037	-0.059	0.005	0.024	0.0092	0.0127
90.2	0.040	-0.067	0.006	0.028	0.0101	0.0142
90.3	0.043	-0.074	0.007	0.032	0.0111	0.0157
90.4	0.045	-0.081	0.008	0.036	0.0121	0.0171
91.1	0.048	-0.085	0.009	0.041	0.0126	0.0182
91.2	0.051	-0.088	0.010	0.045	0.0130	0.0191
91.3	0.054	-0.090	0.011	0.049	0.0132	0.0198
91.4	0.057	-0.092	0.012	0.053	0.0135	0.0205

Data for Comparative Model Parameters (Memorandum 5).

		<u>Elast</u>		<u>Lag Yrs</u>		
		lr		Mean	Max	
Income Elast	- Imports G&S	2.5	0.2	*		Real GNP
	- Exports G&S	1.3	0.8	*		Real GNP & Ind Ctys
Price Elast	- Imports G&S	0.7	0.2	*		Ex Pr Defl/Im Pr Defl
	- Exports G&S	0.63	0.8	*		Ex Pr Defl/Im Pr Defl
Exch Rate El	- Import Price	1.0	2.5	*		6 Ind Countries
	- Export Price	0	0	0		6 Ind Countries