Cumulative Current Account Deficits and FDI Inflows of Nonindustrial Countries, 1970–2004

Billions of 2004 dollars

Current account deficits

Net FDI inflows

Source: Authors' calculations using data from Penn World Tables (Version 6.2) and Lane and Milesi-Ferretti (2006).

a Our sample of fifty-nine nonindustrial countries, excluding China and India, is divided into three groups of roughly equal total populations based on income per capita. Bar heights indicate the sum of each group's cumulative current account deficit or FDI inflows in the indicated period. Negative numbers in the top panel indicate current account surpluses.

b Deflated using the U.S. consumer price index.

c Percentages above each bar indicate the period-average median growth rate of real GDP per capita for that group.
Current Account Balance, Saving, and Investment before and after Growth Spurs in Eleven Countries

Sources: World Bank, World Development Indicators; the Penn World Tables; Hausmann, Rodrik, and Pritchett (2005); and authors’ calculations.

Current Account Balance, Saving, and Investment before and after Growth Spurts in Eight Nonindustrial Countries

Sources: World Bank, World Development Indicators; the Penn World Tables; Hausmann, Rodrik, and Pritchett (2005); and authors' calculations.

a. Simple averages of current account balance, saving, and investment. Country sample is the same as in figure 8 except that Ireland, Portugal, and Spain are excluded.
Rule of Law

Notes: The rule of law index measures the extent to which the agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence. A higher index translates into a better rule of law. Source: World Bank governance indicators.

Regulatory Quality

Notes: The regulatory quality index measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. A higher index translates into a higher regulatory quality. Source: World Bank governance indicators.