Slides for Chapter 3

A Theory of Current Account Determination
Savings, investment, and the current account in Chile vs. copper price, 2003-2012.

Source: Fornero and Kirchner, 2014

Notes: This figure shows annual national savings (solid blue line, right axis), fixed capital formation (dashed red line, right axis) and the current account balance (bars, left axis) in Chile from 2003-2012. All variables are expressed as percentages of GDP. The green shaded area corresponds to the average annual spot price of refined copper at the London Metals Exchange in US dollars per metric pound (left axis). Data source: Central Bank of Chile and International Monetary Fund, World Economic Outlook Database, October 2013.
Government reference price of copper vs. effective real price of copper, 2000-2013, Chile.

Notes: This figure shows the average annual spot price of refined copper at the London Metals Exchange in US dollar cents per metric pound deflated by an index of external prices published by the Central Bank of Chile ("IPE") which was converted into an index with base year 2012 (red line) and the reference price of copper used by the Chilean government from 2001-2013 (bars). The spot price for 2013 corresponds to the average price from January to November 2013. Data source: Ministry of Finance and Central Bank of Chile.

Source: Fornera and Kirchner, 2014