

Table 1: Trade Imbalances

	current account		manufacturing trade balance	
	\$ billions	% of GDP	actual	counterfactual
ChinaHK	85.6	4.1	121.8	36.2
France	-5.6	-0.3	-5.3	-0.3
Germany	103.0	3.8	209.5	106.5
Japan	173.3	3.7	277.0	103.7
United States	-664.0	-5.7	-484.6	179.4

Table 1: GDP and Trade Imbalances

	GDP	current account surplus	trade surplus	trade surplus manufacturir	bilateral surplus with US	bilateral surplus with China
Algeria	85.0	12.4	3.1	-13.2	-0.6	-0.9
Argentina	153.0	4.7	7.2	-10.3	-1.8	-0.9
Australia	637.3	-38.8	-23.2	-60.3	-10.4	-10.1
Austria	292.3	2.0	1.3	-1.1	1.8	-0.8
BelluxNeth	963.2	73.0	60.7	-63.7	-17.4	-19.4
Brazil	604.0	13.0	24.5	5.8	5.7	-1.8
Canada	978.0	22.4	35.9	-26.9	29.2	-13.9
Chile	95.0	2.8	4.0	-1.9	-1.2	0.3
ChinaHK	2097.6	85.6	59.5	121.8	166.6	0.0
Colombia	96.8	0.3	-4.8	-8.4	-2.4	-1.1
Denmark	241.4	7.2	7.9	-9.5	1.2	-1.8
Egypt, Arab Rep.	78.8	5.2	-4.9	-1.2	0.4	-0.5
Finland	185.9	11.0	6.0	14.4	1.6	0.5
France	2046.7	-5.6	-2.1	-5.3	1.2	-11.3
Germany	2740.6	103.0	131.4	209.5	27.2	-7.0
Greece	205.2	-12.2	-17.1	-29.5	-1.7	-1.7
India	694.7	8.1	-15.7	5.4	9.1	-0.8
IndonMalySingThai	641.8	54.6	55.0	19.6	24.0	18.8
Ireland	181.6	0.2	21.8	66.2	18.1	-2.0
Israel	116.9	4.4	-4.1	-0.7	8.8	-0.5
Italy	1677.8	-14.5	7.7	21.2	15.0	-5.0
Japan	4622.8	173.3	89.7	277.0	84.4	40.8
Korea, Rep.	679.7	29.4	25.0	82.1	22.8	43.4
Mexico	683.5	-5.4	-19.0	-22.0	27.9	-12.3
New Zealand	98.9	-5.2	-5.1	-11.0	-1.3	-1.8
Norway	250.1	36.0	31.6	-16.4	-0.2	-1.8
Pakistan	96.1	0.4	-10.5	-0.4	1.8	-0.3
Peru	68.7	1.2	-2.6	-2.7	0.4	-0.7
Philippines	90.1	2.9	-12.0	13.5	0.7	8.9
Portugal	167.7	-11.7	-18.0	-10.7	0.9	-0.3
Russian Federation	590.4	59.8	67.9	7.7	4.7	0.8
South Africa	214.7	-6.2	-6.1	-2.9	1.7	-1.8
Spain	1039.9	-53.6	-44.3	-62.8	-1.1	-8.7
Sweden	346.4	28.7	24.6	23.2	8.0	0.5
Switzerland	357.5	57.8	30.0	9.5	5.3	3.8
Turkey	302.8	-14.3	-15.6	-18.7	1.5	-3.8
United Kingdom	2124.4	-33.9	-68.5	-109.2	3.8	-21.0
United States	11711.8	-664.0	-615.8	-484.6	0.0	-166.6
Venezuela, RB	110.1	15.1	13.3	-6.2	-1.8	-0.3
ROW	2996.7	50.7	181.2	102.6	50.9	59.5

Table 3: Changes that Eliminate Current Account Imbalances

	initial CA (% of GDP)	implied changes		
		wage	real wage	welfare
ChinaHK	4.1	1.02	1.00	1.04
France	-0.3	1.00	1.00	1.00
Germany	3.8	1.03	1.00	1.04
Japan	3.7	1.04	1.00	1.04
United States	-5.7	0.93	0.99	0.94

Table 4: Actual and Counterfactual Bilateral Imbalance

	balance with U.S.		balance with China	
	actual	counterfactual	actual	counterfactual
ChinaHK	166.6	64.9		
France	1.2	-22.5	-11.3	-9.3
Germany	27.2	-30.8	-7.0	-8.6
Japan	84.4	-3.5	40.8	18.3
United States			-166.6	-64.9

Table 3: Changes that Eliminate CA Imbalances

	wage	real wage	welfare
Algeria	1.56	1.08	1.20
Argentina	1.05	1.01	1.04
Australia	0.90	0.99	0.93
Austria	1.01	1.00	1.01
BelLuxNeth	1.15	1.02	1.11
Brazil	1.02	1.00	1.02
Canada	1.01	1.00	1.03
Chile	1.03	1.00	1.04
ChinaHK	1.02	1.00	1.04
Colombia	1.01	1.00	1.00
Denmark	1.05	1.00	1.03
Egypt, Arab Rep.	1.10	1.01	1.06
Finland	1.05	1.00	1.06
France	1.00	1.00	1.00
Germany	1.03	1.00	1.04
Greece	0.89	0.98	0.93
India	1.02	1.00	1.01
IndonMalySingThai	1.08	1.01	1.11
Ireland	1.00	1.00	1.00
Israel	1.02	1.00	1.04
Italy	1.00	1.00	0.99
Japan	1.04	1.00	1.04
Korea, Rep.	1.02	1.00	1.05
Mexico	0.97	1.00	0.99
New Zealand	0.91	0.99	0.94
Norway	1.35	1.04	1.21
Pakistan	1.01	1.00	1.00
Peru	1.02	1.00	1.02
Philippines	1.01	1.00	1.03
Portugal	0.94	0.99	0.93
Russian Federation	1.15	1.01	1.13
South Africa	0.98	1.00	0.97
Spain	0.95	0.99	0.94
Sweden	1.07	1.01	1.09
Switzerland	1.20	1.03	1.19
Turkey	0.96	0.99	0.95
United Kingdom	0.99	1.00	0.98
United States	0.93	0.99	0.94
Venezuela, RB	1.31	1.04	1.19
ROW	1.02	1.00	1.02

Table 4: Actual and Counterfactual Bilateral Deficits

	US Deficits		China's Deficits	
	current	counter-factual	current	counter-factual
Algeria	-0.65	-2.05	-0.88	-1.52
Argentina	-1.82	-4.83	-0.94	-0.99
Australia	-10.35	-11.34	-10.12	-2.66
Austria	1.75	-2.29	-0.80	-0.79
BelluxNeth	-17.43	-44.78	-19.36	-17.98
Brazil	5.68	-7.09	-1.83	-1.74
Canada	29.21	-23.69	-13.90	-7.08
Chile	-1.15	-3.52	0.30	0.28
ChinaHK	166.59	64.91		
Colombia	-2.41	-4.99	-1.12	-0.95
Denmark	1.17	-1.90	-1.79	-2.07
Egypt, Arab Rep.	0.45	-0.88	-0.52	-0.77
Finland	1.56	-1.57	0.51	-0.27
France	1.18	-22.53	-11.33	-9.35
Germany	27.20	-30.77	-7.00	-8.64
Greece	-1.67	-2.48	-1.72	-1.29
India	9.08	0.44	-0.84	-0.89
IndonMalySingThai	23.97	-24.00	18.76	13.56
Ireland	18.14	7.86	-1.98	-1.22
Israel	8.77	1.32	-0.52	-0.32
Italy	15.00	1.91	-4.97	-3.62
Japan	84.39	-3.53	40.76	18.26
Korea, Rep.	22.82	-6.53	43.37	40.46
Mexico	27.86	2.91	-12.26	-7.16
New Zealand	-1.25	-1.56	-1.81	-0.84
Norway	-0.20	-5.25	-1.82	-3.69
Pakistan	1.82	0.28	-0.33	-0.17
Peru	0.35	-1.12	-0.66	-0.61
Philippines	0.73	-5.90	8.94	9.32
Portugal	0.88	0.38	-0.29	-0.10
Russian Federation	4.73	-3.97	0.76	-3.95
South Africa	1.66	-0.94	-1.75	-0.75
Spain	-1.08	-5.26	-8.70	-6.69
Sweden	8.02	-0.14	0.48	-0.67
Switzerland	5.30	-5.63	3.79	0.62
Turkey	1.46	-1.14	-3.85	-3.36
United Kingdom	3.76	-22.47	-21.02	-17.00
United States			-166.59	-64.91
Venezuela, RB	-1.78	-9.85	-0.26	-0.59
ROW	50.87	2.57	59.46	53.96

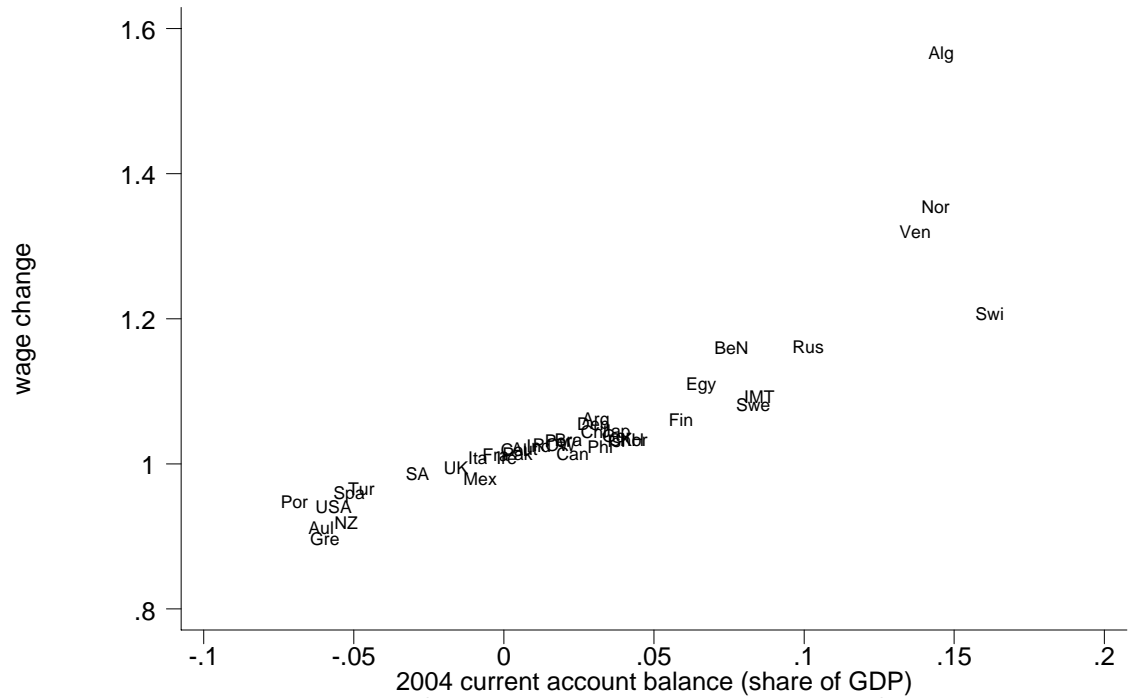


Figure 1: Current Account and Wage Change

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**Table 5**  
**Relative Wages and GDP**  
**(Factor Immobility)**

<b>Country</b>	<b>Wages</b>		<b>GDP</b>
	<b>Mfg</b>	<b>Non-Mfg</b>	
<b>ChinaHK</b>	<b>1.01</b>	<b>1.24</b>	<b>1.19</b>
<b>France</b>	<b>1.01</b>	<b>0.99</b>	<b>1.00</b>
<b>Germany</b>	<b>1.02</b>	<b>1.25</b>	<b>1.19</b>
<b>Japan</b>	<b>1.03</b>	<b>1.26</b>	<b>1.20</b>
<b>United States</b>	<b>0.95</b>	<b>0.67</b>	<b>0.72</b>



# Table 6

## Real Wages and Welfare (Factor Immobility)

Country	Real Wages		Welfare
	Mfg	Non-Mfg	
ChinaHK	0.84	1.04	1.03
France	1.01	1.00	1.00
Germany	0.85	1.04	1.03
Japan	0.85	1.04	1.03
United States	1.32	0.93	0.94

Table 5  
Relative Wages and GDP  
(Factor Immobility)

Country	Wages		GDP
	Mftr	Non-Mftr	
Algeria	1.16	1.66	1.65
Argentina	1.03	1.16	1.15
Australia	0.94	0.68	0.71
Austria	1.02	1.05	1.05
BelLuxNeth	1.02	1.38	1.34
Brazil	1.02	1.13	1.11
Canada	0.97	1.10	1.08
Chile	1.02	1.17	1.14
ChinaHK	1.01	1.24	1.19
Colombia	1.01	1.02	1.02
Denmark	1.03	1.17	1.15
Egypt, Arab Rep.	1.06	1.41	1.34
Finland	1.04	1.40	1.30
France	1.01	0.99	1.00
Germany	1.02	1.25	1.19
Greece	0.96	0.72	0.73
India	1.01	1.08	1.06
IndonMalySingThai	1.01	1.48	1.38
Ireland	1.01	1.03	1.02
Israel	1.00	1.20	1.16
Italy	1.00	0.96	0.97
Japan	1.03	1.26	1.20
Korea, Rep.	1.02	1.30	1.21
Mexico	0.96	0.93	0.93
New Zealand	0.96	0.73	0.75
Norway	1.10	1.74	1.67
Pakistan	1.00	1.03	1.02
Peru	1.01	1.10	1.09
Philippines	1.02	1.26	1.17
Portugal	0.98	0.63	0.68
Russian Federation	1.08	1.61	1.52
South Africa	0.99	0.84	0.87
Spain	0.98	0.73	0.76
Sweden	1.04	1.53	1.41
Switzerland	1.05	1.93	1.75
Turkey	0.99	0.76	0.79
United Kingdom	1.00	0.92	0.93
United States	0.95	0.67	0.72
Venezuela, RB	1.11	1.72	1.65
ROW	1.02	1.11	1.09

Table 6  
Real Wages and Welfare  
(Factor Immobility)

Country	Real Wages		Welfare
	Mftr	Non-Mftr	
Algeria	0.76	1.10	1.20
Argentina	0.91	1.03	1.05
Australia	1.30	0.93	0.90
Austria	0.97	1.01	1.01
BelLuxNeth	0.78	1.06	1.11
Brazil	0.92	1.02	1.03
Canada	0.91	1.02	1.03
Chile	0.90	1.03	1.04
ChinaHK	0.84	1.04	1.03
Colombia	0.99	1.00	1.00
Denmark	0.90	1.03	1.04
Egypt, Arab Rep.	0.80	1.06	1.04
Finland	0.79	1.06	1.04
France	1.01	1.00	1.00
Germany	0.85	1.04	1.03
Greece	1.26	0.94	0.91
India	0.95	1.01	1.01
IndonMalySingThai	0.74	1.07	1.10
Ireland	0.98	1.01	0.99
Israel	0.86	1.03	1.03
Italy	1.04	0.99	0.99
Japan	0.85	1.04	1.03
Korea, Rep.	0.82	1.05	1.02
Mexico	1.03	0.99	0.99
New Zealand	1.23	0.95	0.92
Norway	0.70	1.10	1.23
Pakistan	0.98	1.00	1.00
Peru	0.93	1.02	1.02
Philippines	0.84	1.04	0.98
Portugal	1.42	0.92	0.94
Russian Federation	0.73	1.08	1.14
South Africa	1.14	0.97	0.97
Spain	1.27	0.94	0.94
Sweden	0.73	1.08	1.08
Switzerland	0.61	1.13	1.17
Turkey	1.24	0.95	0.94
United Kingdom	1.07	0.98	0.98
United States	1.32	0.93	0.94
Venezuela+B9	0.71	1.10	1.21
ROW	0.93	1.02	1.02