

Savings, Investment, and Net Capital Flows Analysis

This assignment gathers data about the saving and investment behavior of the country in its open-economy context. How much is the country saving? How much is it investing? How is it financing investment (i.e. – domestic saving or borrowing on international markets). Investment is a critical determinant of economic growth. Is the country investing enough? How has it or could it contribute to the growth of the economy? What policies are in place to encourage investment?

Process:

1. Source for the data is the [IMF World Economic Outlook](#). Use the World Economic Outlook Database, April 2025 for your analysis..
2. From the source, gather the following data series for your country, the World, and the region that includes your country. Download it into an excel spreadsheet, choosing a time frame of the past 25 years. *[information in square brackets defines the variable as we do in our class].*
  - Gross domestic product per capita, constant prices (Purchasing power parity: 2021 international dollar) *[real GDP per capita]*
  - Gross National Savings (% of GDP) *[National Saving, S]*
  - Investment (% of GDP) *[Investment, I]*
  - Current Account Balance (% of GDP) *[Net Capital Outflow (NCO)]*
  - General Government net lending/borrowing (% of GDP) *[Government budget balance, (G-T)]*
  - **NOTE: for the WORLD:** only Gross National Savings and Investment are available, you do not need to gather data for the other series listed above
3. Create graphs with the data you have downloaded. One graph should be real GDP per capita. One graph should include:
  - Saving
  - Investment
  - Net capital outflows
  - Government budget balance
4. Analyze the data, addressing the following issues:
  - Explain the impact of saving and investment patterns on the economic performance of your country.
  - Explain how your country is financing its Investment.
  - Answer these three questions:
    - i. Is the country investing enough?
    - ii. How have saving and investment choices affected the growth of the economy?
    - iii. What policies are in place to encourage investment?

5. Create a group poster that includes your graphs and analysis to submit for this assignment. Be sure the graphs are clearly readable and fully labeled and the source of your data is fully documented. This is a group submission so only one person from the group needs to submit the document to complete this assignment. The score will be out of 10 points and earned by the whole group.