Assessment of Master Thesis

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Master Thesis author: Bc. Bidana Mussina

Title: Balance of payments of the Netherlands

Demand factors:		
Theoretical background	Average	**Above - average**
Data used	Average	**Above – average**
Methodology used	**Average**	Above - average

Criterion	Scale			
	Excellent	Very good	Satisfactory	Unsatisfactory
Overall objective achievement	x			
Self-reliance of author		x		
Logical structure	x			
Using of literature, citations	x			
Adequacy of methods used		x		
Depth of analysis	x			
Form of MT: text, graphs, tables	x			
Felicitousness	x			

Usefulness of results in practice and theory: **average**   above-average

Comments:

The master thesis deals with "the problem" of persistent current account surplus of the Netherlands. Although (maybe too much) attention has been paid to countries "suffering" from (persistent) current account deficit, the opposite of this – i.e. current account surplus – has not attract so much attention (except for China – USA relationship, more recently Germany – PIIGS countries).

The thesis provides in-depth overview of the Dutch balance of payments and the Dutch economy as a whole and tries to explain causes leading to persistent current account surplus. This thesis also brings very good explanation of interconnection among sectors of Dutch

economy (households, government, financial and non-financial companies) and how these sectors contribute to the surplus (from the savings – investments point of view). The paper concludes with a brief introduction of global imbalances and Eurozone crisis.

Discussion topics for defense:

1) You use very intensively national accounting (see chapter 1) when explaining the connection between current account and GDP. Many authors simplify current account and just employ only one part of current account – net export (export – import of good and services) and omit the others. This was sufficient maybe in the eighties (or the nineties). However, nowadays it seems that this simplification is sometimes misleading. Can you explain why?

2) Figure 31 (p. 57) shows "the bottom 20" and "the top 20" countries as far as current account balance is concerned. Can you explain why there are so many tiny countries in both categories? (Don´t use economic theory, just your common sense.)

Master Thesis **is recommended for the defense**

Grade proposed: excellent

Prague, 14th November 2015

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Signature of academic consultant