INVESTMENTS, GROSS DOMESTIC PRODUC AND EXPORTS EVOLUTION FOR THE COUNTRIES WITH AN IMF AGREEMENT

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ABSTRACT

The current economy's flow is given by the dynamism of the multinational companies which are acting globally, increasing the openness of the countries regarding trade through foreign direct investment. With the international financial institutions leading backing them up, privatization, greenfield investments and mergers & acquisitions were strongly promoted as a tool to reduce the budgetary burden caused by state enterprise, bad private management, or other private and public sector inefficiencies, so that FDI inflows can contribute to the increase rate of GDP and also can have a positive impact on the exports flow. In order to see how well this purpose has been achieved by some countries, some economic indicators need to be addressed. That is why the purpose of this study is to presents the economic evolution of those countries which had arrangements with the IMF, from different regions of Europe, Latin America and Asia during the past 30 year, from 1990-2020, analyzing their Gross Domestic Product, Foreign Direct Investments, and Export with the Compound Annual Growth Rate metric. All the statistical data is taken from the UNCTAD, and the numbers of IMF agreements or arrangements are taken from the IMF website.

KEYWORDS: *export, evolution, Foreign Direct Investments, Gross Domestic Product.*

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1. INTRODUCTION

The image that some international organizations have is based on the economic achievements of the countries that signed agreements with them have gained long after they finished their job by achieving all the objectives in the contractual agreements. This is the case of the International Monetary Fund, which in its online statement cites that its existence is to offer prosperity and growth for its 190 members. Its policies range from recommendations if they are asked, or under the form of the semestrial reports on the world economy wellbeing, to pinpoint economic measures under the form of taxes or budgetary tightening measures based on signed multiannual agreements. The paper presents the economic evolution of those countries which had arrangements with the IMF, from different regions of Europe, the Americas and Asia during the past 30 year, from 1990-2020, analyzing their Gross Domestic Product, Foreign Direct Investments, and Export with the Compound Annual Growth Rate metric. The basic assumption is that those countries that signed agreements with the IMF will have to make structural changes of their tax system or they will be forced to take budgetary tightening measures, all of these affecting the economic output measured by the GDP evolution. The second assumption that is to be made is that forced privatization of poorly managed state enterprises is needed, so the value of FDI in certain countries needs to increase exponentially. And the third assumption, based on the previous one, is that if FDI is being

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made, what will the impact on exports activity be? In order to reach the results, a short introduction regarding the theory is being made, and after that the data from the UNCTAD statistics are going to be analyzed based on the CAGR metrics. All the results will be addressed, and based on the results, conclusions are going to be formulated. Also, because there are other events that take place during the analyzed period of time, these events are going to be seen as limitations that impact the three indicators and are going to be shortly mentioned.

2. THE WASHINGTON CONSENSUS

The Washington Consensus is known as a popular proposal set of economic policies for developing countries, drafted in 1980s, especially aiming Latin America. The policy recommendations were drafted, discussed, and after that implemented by the US Department of Treasury, World Bank and the International Monetary Fund (IMF). All had the neoliberal belief that the free market's functioning and the elimination of governmental participation were critical to development especially in the global South. The theory was based on the work of Hemming and Mansoor (1988), Vickers and Yarrow (1988, 1991), Domberger and Piggott (1986), which all of them have suggested that product market competition, rather than ownership, is more crucial to efficiency.
The 10 points of the Washington Consensus:
(a) *Fiscal Adjustment:* This suggests that developing nations need to take steps to minimize their fiscal deficits by cutting government spending and dramatically reducing explicit and implicit government subsidies.
(b) *Tax Reforms:* it was recommended that the income taxes to be significantly reduced to encourage private investment and saving. This will attract investment and result in faster economic growth. This corresponded to supply-side economics. Actually, Bhagwati J. & Srinivasan T.N. (2002) used the supply-side economics Laffer Curve Concept to argue that lower tax rates would result in increased private saving and investment, as well as increased government income. Furthermore, it was suggested that the tax base be broadened by eliminating exemptions and closing tax loopholes.
(c) *Deregulation:* it was the most important policy measure, in which it was recommended that not only industrial licensing controls be abolished, but also measures like the Monopolistic and Restrictive Trade Practices Commission (MRTPC) and FERA (Foreign Exchange Regulation Act) be repealed in order for the private sector to grow without hindrance.
(d) *Trade Liberalization:* import duties should be dramatically cut to foster free commerce, according to this proposal. Furthermore, all quantitative limits on imports were to be removed in order to allow unfettered commerce.
(e) *Competitive Exchange Rate:* it was suggested that underdeveloped and developing nations should weaken their overvalued currencies and eventually adopt a liberal exchange rate system as a result of this. Furthermore, it was suggested that the currency be convertible in order to reduce barriers to open trade and capital mobility.
(f) *Privatization:* this is another key development policy step in which it was advocated that public sector firms be disinvested in and either sold outright to the private industry or the government stake lowered as well as its assets sold or distributed to private businesses.
(g) *The Barrier Removal for Foreign Investment:* it was emphasized that increased foreign direct investment might help emerging countries expedite their economic progress (FDI). As a result, all barriers erected by developing nations should be removed in order to attract foreign investment. It was also advised that currency convertibility be implemented on both the current and capital accounts to facilitate international investment.
(h) *Financial Reforms:* they included banking and insurance reforms, as well as capital market changes.

(i) *Protection of the Property Rights:* as a result, appropriate legislative steps to defend ownership rights should be taken. Furthermore, labor law should be revised to make it easier for private industry to join and depart industries, as was suggested. Freedom of exit was emphasized, as was the need for labor regulations to be made more flexible so that people may be laid off easily.
(j) *The Redirection of the Public Sector Investment:* it was stressed that public investment should be devoted solely to education, health, and infrastructure, with these and many other fields allowing access to private industry involvement.
Brief interpretation of the 10 points:
If a state firm purchases commodities at market values, distributes its products in a competitive industry, and operates under a strict budget restriction, it should be as productive as a private industry in order to exist. If none of these circumstances apply, then changes to strengthen the competitive market and push the government to act on a reasonable term will assist to improve performance, regardless the state businesses are finally privatized. Management would have complete autonomy over administrative and marketing choices, the company's decisions would not be influenced, and government employees would be barred from interfering in the company's activities. The primary motivation for privatizing is to reduce budget deficits. To achieve this, the estimated market value of the company in the private sector has to be higher than the expected current value of the net income that the company could produce in the public sector, inclusive of tax payments that the company will have to spend and exclusive of privatization costs to the government.
When the developing world faced a debt crisis in the 1980s, the big Western powers, especially the United States, determined that the IMF and the World Bank must play a major part in debt management and global development strategy in general. When John Williamson, a British economist who worked directly for the World Bank later, coined the term "Washington Consensus" in 1989, he said that he was alluding to a list of policies that he believed important players in Washington all could agree are essential for Latin America. To his surprise, the word was later adopted as a derogatory term to denote the rising homogeneity of the policies suggested by those institutions. It frequently refers to the dogmatic view that poor countries should pursue market led development plans that will lead to economic prosperity that "trickles down" to all. By tying policy restrictions to loans, such as stabilizing and structural reform programs, the IMF and the World Bank were both able to spread that viewpoint throughout the developing world. The Washington Consensus, in broad terms, indicated a set of principles that became their typical package of loan counseling. The first component was a policy agenda aimed at achieving economic stability by decreasing budget deficits for the government and managing inflation. During the 1980s, several developing countries, particularly in Latin America, experienced hyperinflation. As a result, a quantity theory of money approach was suggested, in which government expenditure would be cut and interest rates rose to lower the money supply. The country's commerce and exchange-rate policies were reformed in the second stage, allowing it to join the global economy. This generally includes currency devaluation as well as the relaxation of official prohibitions on exports and imports. The final stage was to liberate market forces by eliminating subsidies and state regulations and embarking on a privatization campaign.
All of these results were analyzed in the year 2013 by multiple papers like "The Distributional Effects of Fiscal Consolidation" (Ball et al., 2013) where the conclusion was that fiscal tightening creates a ripple effect increasing unemployment, raising inequality among social classes, or in the spillover report for the IMF where the main conclusion was the main developed and developing economies were not contributing to the world economy as they could.

3. COMPOUND ANNUAL GROWTH RATE (CAGR)

Compound annual growth rate (CAGR) is a financial analysis metric that is used to measure the rate of return for an investment over a long period of time. CAGR assumes compounding or the reinvestment of profits in the original asset, investment portfolios, and anything that can rise or fall in value over time. CAGR is especially useful to calculate the rate of returns for investments over a long duration because it provides investors with a single return.
In simple words, CAGR provides you with the investment's value if it produced steady annual returns and if all profits were reinvested back into the original asset for the duration of the investment. CAGR is especially useful to calculate the rate of returns for investments over a long duration because it provides investors with a single return figure for that period. CAGR is also useful to compare returns at a glance between two unrelated assets.
Besides calculating investment returns, the CAGR formula can also be used for other purposes. Some of them are:
(a) Calculating the performance of two uncorrelated entities or departments within an organization.
(b) Estimating returns required to successfully reach a desired profit or investment target.
CAGR is thus a good way to evaluate how different investments have performed over time, or against a benchmark. The CAGR does not, however, reflect investment risk.
Compound Annual Growth Rate (CAGR) is calculated:

$$CAGR = (EV/BV)1/(n - 1) \times 100 \qquad (1)$$

where:
EV = ending value
BV = beginning value
n = number of years
The paper is going to analyze during 30 years, between 1990-2020, how the economic situation changed in European, Asian and Latin American countries that signed an agreement or multiple agreements with the IMF, using the CAGR indicator for GDP, FDI and Export. The data has been taken from the UNCTAD indicators for all the countries that have been the subject of the analysis.
The analysis will start with Table 1 where GDP, FDI and EXPORT indicators evolution is expressed in percentages and which also shows the arrangements number signed with the IMF during 1990-2020 for the European countries.

Table 1. GDP, FDI and EXPORT indicators evolution during 1990-2020 expressed in percentages and the arrangements number signed with the IMF for the European countries

No.	Countries	Number of arrangements	GDP	FDI	EXPORT
1	Albania	8	7%	25%	9%
2	Belarus	2	4%	31%	9%
3	Bosnia and Herzegovina	6	5%	21%	13%
4	Bulgaria	8	4%	23%	7%
5	Croatia	5	6%	22%	6%
6	Cyprus	2	5%	36%	5%
7	Czech Republic	1	7%	16%	10%
8	Estonia	6	7%	24%	14%
9	Georgia	9	5%	29%	15%
10	Greece	2	2%	8%	6%
11	Hungary	8	5%	19%	9%
12	Iceland	4	4%	14%	4%
13	Ireland	1	7%	13%	7%
14	Latvia	8	6%	19%	12%

15	Lithuania	5	7%	21%	11%
16	Moldova	13	5%	23%	7%
17	North Macedonia	8	5%	19%	7%
18	Poland	10	8%	29%	11%
19	Portugal	4	4%	10%	5%
20	Romania	10	6%	31%	10%
21	Russian Federation	4	4%	33%	9%
22	Serbia	5	0%	8%	6%
23	Slovakia	1	8%	19%	11%
24	Ukraine	12	2%	20%	8%

Source: Authors main computation base on the following statistical data
https://www.imf.org/external/np/pdr/mona/index.aspx
https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96
https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96740
https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=89795

The data presented above shows an interesting evolution for some European countries:
(a) Regarding GDP evolution, the vast majority of the countries have an annual increase in the 30 year period of one digit, with 10 countries registering figures between 6%-8%, these being: Albania, Croatia, Czech Republic, Estonia, Ireland, Lithuania, Poland, Romania, Slovakia, Latvia. Other 11 countries have the annual increase between 4%-5% and these are: Belarus, Bosnia and Herzegovina, Bulgaria, Cyprus, Georgia, Hungary, Iceland, Moldova, North Macedonia, Portugal, and Russian Federation. The other three left, Greece, Ukraine and Serbia have the lowest percentage evolution for the entire region, between 0% and 2%.
(b) FDI is the other measure taken into consideration, and its shows how much was the annual investment increase in the last 30 years. For the vast majority of countries there can be see a two digit growth in FDI attraction, only 2 countries register a one digit increase and those are Greece and Serbia. In the high two digit increase, between 20% and above 30% in FDI attraction, there are 14 countries, of which: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Estonia, Georgia, Lithuania, Moldova, Poland, Romania, Russian Federation and Ukraine. The other 8 countries in the table register and FDI annual evolution between 10% and 19%, and the countries are: Czech Republic, Hungary, Iceland, Ireland, Latvia, North Macedonia, Portugal, and Slovakia.
(c) Passing to the annual export evolution of the region, it can be seen that there is a discrepancy between those countries with a one and a two digit annual increase. All the two digit countries that manage to register an annual increase between 10% and 15% are: Bosnia and Herzegovina, Czech Republic, Estonia, Georgia, Latvia, Lithuania, Poland, Romania, and Slovakia. The other 15 countries register an annual export increase below 10%, with Iceland having the lowest figure of 4%.
(d) After looking at the three indicators, the search continues with the numbers of agreements signed with the IMF, in order to see if there is a correlation between the indicators and the high or the low number of agreements signed. The countries with the highest number of signed agreements are Moldova, Poland, Romania, and Ukraine but from the four, only Ukraine registers a 2% annual increase in GDP, which is one of the lowest evolutions in the table, but paying a close attention the FDI and export evolution the numbers present a different reality. Other strange correlations are seen in Greece and Serbia, having only 2 respectively 5 signed agreements but their indicators show a worse position than the countries with a high number of agreements. Greece is registering a 2% annual increase of the GDP, a 8% annual increase for FDI and a 6% annual increase in exports,

while Serbia shows a similar pattern staying worse only with the GDP indicator where it has an almost 0% annual increase in the last 30 years.
Almost the same analysis but with different results is being made with Table 2 where GDP, FDI and EXPORT indicators evolution expressed in percentages and which also shows the arrangements number signed with the IMF during 1990-2020 for the American countries.

Table 2. GDP, FDI and EXPORT indicators evolution during 1990-2020 expressed in percentages and the arrangements number signed with the IMF for the American countries

No.	Countries	Number of arrangements	GDP	FDI	EXPORT
1	Argentina	22	3%	8%	6%
2	Bolivia (Plurinational State of)	19	7%	8%	8%
3	Brazil	16	4%	10%	7%
4	Chile	17	7%	10%	8%
5	Colombia	27	5%	15%	6%
6	Costa Rica	18	7%	13%	8%
8	Dominican Republic	10	7%	16%	6%
9	Ecuador	22	6%	9%	8%
10	El Salvador	22	6%	14%	8%
11	Guatemala	16	9%	8%	8%
12	Haiti	29	5%	9%	6%
13	Honduras	25	6%	14%	8%
14	Mexico	18	4%	12%	8%
15	Nicaragua	18	4%	15%	10%
16	Panama	22	7%	11%	13%
17	Paraguay	12	6%	10%	8%
18	Peru	27	7%	16%	10%
19	Uruguay	22	6%	14%	6%
20	Venezuela (Bolivarian Rep. of)	3	3%	6%	-5%

Source: Authors main computation base on the following statistical data
https://www.imf.org/external/np/pdr/mona/index.aspx
https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96
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The situation in the Americas is a bit different than the situation in Europe. The continent had more economic problems that Europe, plus some of the countries, especially Venezuela, are targeted with punitive economic measures. The situation from the table is being presented in detail below:
(a) Comparing the number of IMF agreements signed by all the analyzed countries with the number of agreements signed by the Europeans, it can be seen two digit figures, especially high two digit figures, is a normal thing. If above in the European area only 4, in the Americas case, from the 20 countries, only one, Venezuela, has only 3 agreements signed with the IMF, while the rest of 19 countries, they all have multiple agreements. If the countries are split between those with more than 20 signed agreement, than there are 9 countries that correspond to this criteria, as follow: Argentina, Colombia, Ecuador, El Salvador, Haiti, Honduras, Panama, Peru, and Uruguay, with Haiti, Colombia and Peru with the highest number of agreements signed. The other 10 countries register a number of agreements signed between 10 and 19, as follows: Bolivia, Brazil, Chile, Costa Rica,

Dominican Republic, Guatemala, Mexico, Nicaragua, Paraguay, with the Dominican Republic having the lowest number of agreements signed.
(b) Regarding GDP evolution, the vast majority of the countries have an annual increase in the 30 year period of one digit, with 13 countries registering figures between 6%-9%, these being: Bolivia, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Panama, Paraguay, Peru, Uruguay. The other 7 countries have the annual increase between 3%-5% and these are: Argentina, Brazil, Colombia, Haiti, Mexico, Nicaragua, and Venezuela. As a comparative analysis with the Europeans, this time there are no countries with 0% and 2% increase in their GDP.
(c) Passing to the FDI indicator, and again making a comparison with the data from the previous table, this time the two digit figures still owe the majority but if in the previous table only two countries had their annual increase of one digit, this time there are plenty in this situation. A one digit increase is being seen for: Argentina, Bolivia, Ecuador, Guatemala, Haiti, and Venezuela, with the last one registering the lowest evolution during the 30 years taken in consideration. The other 14 countries register a two digit increase, but this time only between 10% and 20% in FDI attraction, compared with the better results managed to achieve by the Europeans. These 14 countries are: Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, Uruguay, with Dominican Republic and Peru registering an 16% annual increase between 1990-2020.
(d) Comparing the annual export evolution of the Americas region with the European counterpart, there are only 3 countries out of 20 that register a two digit annual increase and they are Nicaragua, Panama, Peru, whereas in Europe there are 9 out of 24 countries with a two digit annual increase. The other 16 countries from the second table register a one digit increase, ranging from 6% to 8% annual increase. The only one that stands out of the crowd is Venezuela, which registers a decline in exports over the 30 years analyzed period and this cannot be put on the IMF agreements, but on the economic sanctions imposed by the United States and other developed nations.
Similarities but also with different results is being made with Table 3 where GDP, FDI and EXPORT indicators evolution expressed in percentages and which also shows the arrangements number signed with the IMF during 1990-2020 for the Asian countries.

Table 3. GDP, FDI and EXPORT indicators evolution during 1990-2020 expressed in percentages and the arrangements number signed with the IMF for the Asian countries

No.	Countries	Number of arrangements	GDP	FDI	EXPORT
1	Afghanistan	11	6%	18%	5%
2	Armenia	10	9%	20%	13%
3	Azerbaijan	4	8%	20%	9%
4	Bangladesh	12	9%	13%	11%
5	Cambodia	2	9%	26%	19%
6	India	7	7%	21%	10%
7	Indonesia	11	8%	19%	7%
8	Iraq	4	7%	-64%	6%
9	Jordan	10	8%	12%	7%
10	Kazakhstan	4	7%	19%	11%
11	Korea, Republic of	17	6%	14%	8%
12	Kyrgyzstan	12	5%	25%	6%
13	Maldives	3	9%	20%	4%
14	Mongolia	7	7%	49%	9%

15	Myanmar	10	8%	17%	13%
16	Nepal	8	7%	18%	8%
17	Pakistan	23	6%	10%	5%
18	Philippines	23	7%	12%	7%
19	Sri Lanka	16	7%	10%	6%
20	Syrian Arab Republic	3	1%	15%	-5%
21	Tajikistan	5	5%	23%	10%
22	Thailand	5	6%	12%	8%
23	Turkyie	19	4%	10%	10%
24	Uzbekistan	3	5%	29%	6%
25	Vietnam	3	13%	25%	17%

Source: Authors main computation base on the following statistical data
https://www.imf.org/external/np/pdr/mona/index.aspx
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Comparing the situation in Asia with the previous two, there are some similarities but also some discrepancies that can be observed in the third table.
(a) The number of IMF agreements signed by all the Asian countries with the number of agreements signed by the Americans or Europeans, the situation resembles more to the Europeans that the Americans due to the low number of two digit agreements, where only 11 out of the 25 American countries signed more than 10 agreements, where in Europe only 4 out of the 20 have more agreements signed, while in the Americas 19 out of 20 have two digit agreements signed with the IMF. The 10 countries that correspond to the two digit criteria are as follow: Afghanistan, Armenia, Bangladesh, Indonesia, Jordan, Kyrgyzstan, Myanmar, Korea, Pakistan, Philippines, Sri Lanka, and Turkyie. The other 15 countries register a number of agreements signed between 3 and 8, as follows: Azerbaijan, Cambodia, India, Iraq, Kazakhstan, Maldives, Mongolia, Nepal, Syrian Arab Republic, Tajikistan, Thailand, Uzbekistan, Vietnam, with the Cambodia having the lowest number of agreements signed.
(b) Regarding GDP evolution, the vast majority of the countries have an annual increase in the 30-year period of one digit, with 19 countries registering figures between 6%-9%, these being: Afghanistan, Armenia, Azerbaijan, Bangladesh, Cambodia, India, Indonesia, Iraq, Jordan, Kazakhstan, Korea, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Lanka, Thailand. The other 3 countries have the annual increase between 4%-5% and these are: Kyrgyzstan, Turkyie, Uzbekistan. As a comparative analysis with the Europeans, this time there is one country with 1% annual increase in its GDP, this being the Syrian Arab Republic. The war in Syria must have had the biggest impact on the country's economy. The one exemption for all the 3 tables when it comes to annual GDP increase, the champion and the gold medalist, is Vietnam, with an annual GDP increase of 13%, the highest figure in all the three tables.
(c) Passing to the FDI indicator, and again making a comparison with the data from the previous 2 tables, this time the two digit figures resemble more to the European situation that the Americas one. With two exemption, that of Iraq, which due to the two wars plus insurgencies and ISIS saw a steep regress for FDIs, registering a negative -64% in FDI, and Mongolia which registered a 49% increase in annual FDI attraction, the other countries performed quite well. For all the other countries in the third table there can be see a two digit growth in FDI attraction. In the high 2 digit increase, between 20% and 30% in FDI attraction, there are 9 countries, of which: Armenia, Azerbaijan, Cambodia, India, Kyrgyzstan, Maldives, Tajikistan, Uzbekistan, and Vietnam. The other 14 countries in the table register and FDI annual evolution between 10% and 19%, and the

countries are: Afghanistan, Bangladesh, Indonesia, Jordan, Kazakhstan, Korea, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Syrian Arab Republic, Thailand, and Turkyie.
(d) Comparing the annual export evolution of the Asian region with the European counterpart, there are almost the same number of 9 countries out of 25 that register a two digit annual increase and they are Armenia, Bangladesh, Cambodia, India, Kazakhstan, Myanmar, Tajikistan, Turkyie, and Vietnam. The other 15 countries from the third table register a one digit increase, ranging from 5% to 9% annual increase. The only one that stands out of the crowd is the Syrian Arab Republic, which registers a decline in exports over the 30 years analyzed period and this cannot be put on the IMF agreements, but on the internal conflict that started in 2011 that claimed many lives and took down a flourishing economy.
Limitations of the paper:
Some limitations to the existing data are affected by overlapping multiple events that happened either locally, regionally, or globally, that affected the above selected countries and their economies. Examples of such events are as following:
(a) Multiple regional crises in some areas of the world that can affect the three indicators evolution: India 1991, Mexico 1994, Asian crisis 1997, Russia 1998 and 2014, Ecuador 1998, Argentina 1998-2002 and 2018, Brazil 1999 and 2014-2017, Turkyie 2001 and 2018, Uruguay 2002, Venezuela 2002 and from 2012 onwards, Cyprus 2012, Sri Lanka 2019;
(b) Wars in the Balkans between 1991-1995 and 1998-1999 / Iraq in 1990-1991 and 2003-2011 with dire consequences on the economy / Syria in 2011-2022;
(c) The 2008 world economic crisis that affected all the countries of the world with all their sectors;
(d) Crimea annexation in 2014 with retaliatory economic sanctions upon the Russian economy;
(e) Covid19 pandemic starting in 2020 and the successive lockdowns that followed around the globe with a huge impact on the offer side, especially industrial production and touristic services.
All of the above conditions created havoc upon the three indicators: GDP, FDI and exports, so that the Washington Consensus norms, such as fiscal tightening with increase in taxes or reduce government spending, are to be considered marginal procyclical measures.

4. CONCLUSIONS

The main conclusions of the paper are based on the long term results of the three indicators. First, the number of signed agreements doesn't mean that the annual evolution of the GDP, FDI and exports has to be affected, because Greece with only 2 agreements signed recorder the lowest increase in the three indicators, with an annual increase in GDP, FDI and exports of only 2%, 8% and 6%, while Slovakia with one agreement signed had an annual increase for all the three indicators between 1990-2020 of 8%, 19% and 11%. Perhaps an impact can be seen in the large agreement numbers for the Americas region influences FDI and exports indicators because comparing with the other two regions that had a lower number of agreements signed, here the figures are larger for one digit and low two digits evolution. The results highlight the idea that not the number of agreements matter, but the impact of the signed objectives can have upon an economy. In case of Greece, tight fiscal measures combined with reducing budgetary spending was a death blow to the Greek economy as the authors of the 2013 study mentioned. But other countries like Venezuela, Russian Federation, Iraq, Syria, Serbia or Ukraine, have a greater headache from the economic sanctions imposed by developed nations, or by the wars and territory annexation that occurred during the analyzed period between 1990-2020.
The future analysis that will be undertaken will focus more on the ± 2 to 5 years from the signature of the agreements between the countries and the IMF in order to have a better look at the objectives and the impact of the measures that had to be taken in order to achieve them. This approach will present a more realistic result than an analysis spread on 30 years, because the chances of an

external regional or world event that can have an impact on the economy is smaller, and the impact is better measurable.

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