



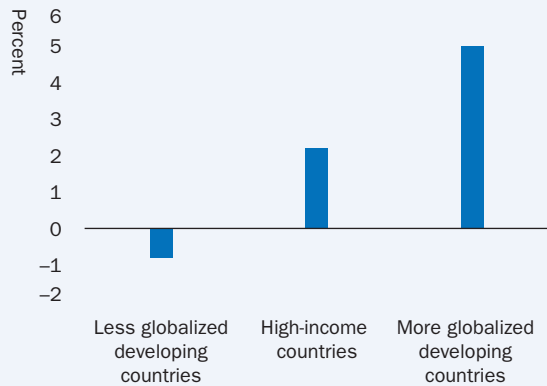
## **GLOBAL LINKS**

## Globalization and growth

Global integration has helped countries with a combined population of 3 billion—but countries with a combined population of 2 billion have fallen behind.

### More globalized economies grew faster in the 1990s

Average annual growth in GDP per capita



Source: World Bank 2002c.

## Building an inclusive world economy

What is globalization? In broad terms it reflects the growing links between people, communities, and economies around the world. These links are complex—the result of lower communications and transport costs and greater flows of ideas and capital between high- and low-income countries.

Integrating with the world economy can be a powerful spur to growth and poverty reduction. Low-income developing countries with about 3 billion people have switched from exporting primary commodities to exporting manufactures and services. Between the mid-1970s and 1998 manufactures increased from 25 percent of their exports to more than 80 percent. And per capita incomes in developing countries increased by about 5 percent a year in the 1990s, with the number of poor people declining by 125 million between 1990 and 1999.

But in developing countries with a combined population of about 2 billion, overall economic growth declined in the 1990s and poverty has been rising, in part because these countries trade less with the rest of the world and often suffer from conflicts, corruption, and poor governance. Their poverty goes beyond the loss of jobs and income—to limited voice and poor access to health and education, all needed for the climb out of poverty.

It is widely thought that economic integration will lead to cultural and institutional homogenization. But “globalizers” such as China, India, Malaysia, and Mexico have maintained rich cultural traditions. What is true is that global trade imposes standardization, making it important for trade and investment agreements to respect local customs, social policies, and labor and environmental standards.

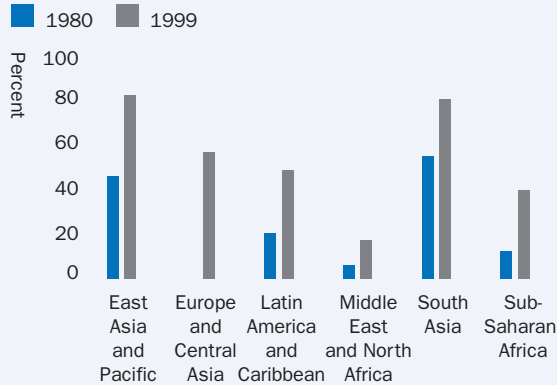
## Three waves of globalization

There have been three waves of globalization since 1870. Since the latest wave started in the 1980s many developing countries have evolved from exporting primary commodities to exporting manufactures and services.

The first wave of global integration, between 1870 and 1914, was led by improvements in transport technology (from sailing ships to steamships) and by lower tariff barriers. Exports nearly doubled to about 8 percent of world income.

### The share of manufactured exports rose dramatically in developing countries

Manufactures as a share of merchandise exports, 1980 and 1999



Source: World Development Indicators 2002 database.

The second wave, from 1945 to 1980, was also characterized by lower trade barriers and transport costs. Sea freight charges fell by a third between 1950 and 1970. And trade regained the ground it lost during the Great Depression.

Spurring the third wave of integration has been further progress in transport (containerization and air-freight) and communications technology (falling telecommunications costs associated with satellites, fiber-optic cable, cell phones, and the Internet). And along with declining tariffs on manufactured goods in high-income countries, many developing countries lowered barriers to foreign investment and improved their investment climates.

## Integration with the world economy has increased incomes and

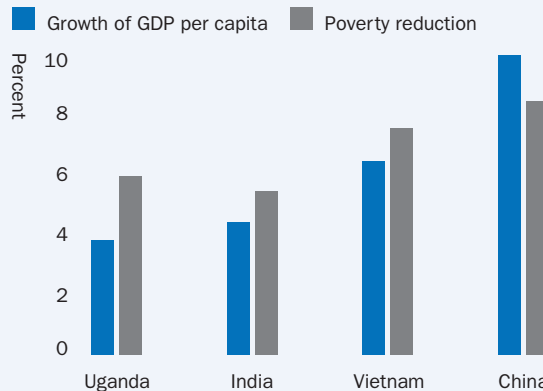
### Globalization and poverty

How has the third wave of globalization affected growth, poverty, and inequality? Growth for the new globalizers has accelerated, to rates even higher than those for rich countries, so they are catching up.

And growth is good for poor people. Studies show that their income rises one for one with overall growth (for every percentage point increase in overall per capita growth, poor people's incomes increase at the same rate). In developing economies the number of people in absolute poverty declined by 125 million between 1990 and 1999.

### Poverty reduction is closely related to growth in Uganda, India, Vietnam, and China

Annual rates of GDP growth and poverty reduction, 1992–98



Note: Poverty reduction data for India are for 1993/94 to 1999/2000. Source: World Bank data.

In 1995 inequality between countries was less than half what it had been in 1960. And within economies people's incomes are generally more equally distributed in those that are more integrated. But while inequality has declined in some globalizing countries, overall for the globalizers inequality within countries has increased, mainly because of the rise in inequality in China—between rural and urban areas and between provinces with urban agglomerations and those without.

Although globalization leads to higher wages and employment in some sectors, some people still lose out, especially in the short run. So it is important to identify who has been left behind—and to offer support programs for the neediest.

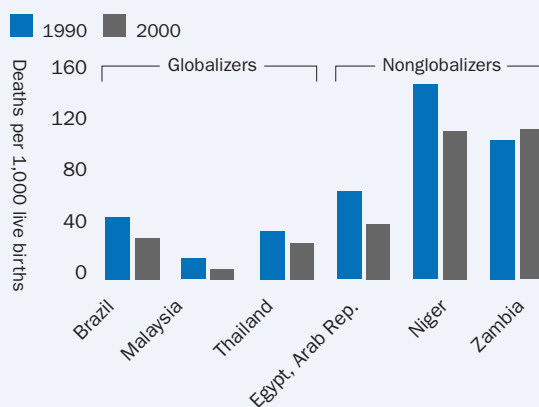
## Higher returns on education

Economic integration raises the return on education and highlights the importance of improvements in the delivery of social services.

Economic integration with global markets encourages people to invest in education. Why? Because as countries open to the global economy, new technologies and production processes are introduced, requiring a more skilled workforce. A “skill premium” (the extra pay that skilled workers get relative to unskilled workers) then raises the incomes of some of the

### Globalizers had lower levels and faster declines in infant mortality than nonglobalizers

Infant mortality rate, 1990 and 2000



Source: World Development Indicators 2002 database.

workers. But others who have not had good access to health and education services may fall behind. If this gap in incomes and access persists, globalization can lead to greater inequalities in society.

Affordable access to health and education services thus helps to ensure that the poor benefit from growth. Some of the more globalized developing countries reduced infant mortality by more than 30 percent during the 1990s, compared with an average decline of about 12 percent for all developing countries. Although infant mortality rates have also declined for some nonglobalizing countries, for others the rates are increasing to extremely high levels.

## lowered poverty in some countries, but some have been left behind.

### Culture and environment

These tangible effects on economic growth and living standards are not the only outcome. Globalization also affects culture and the environment. The greater economic power of the newly globalizing economies gives them more interest and influence in the international arena. Their rising incomes also reduce the risk of conflict, compared with

countries whose economies have stagnated or are in decline. In Africa, for example, where countries have become more dependent on primary commodity production and exports, there is a two-way relationship between conflict and economic performance. As economic performance worsens, the risk of conflict rises—and as performance improves, the risk of conflict diminishes.

And there are risks of cultural dilution. More diverse societies have broader sources of information and dynamic business networks that improve productivity, competition, and growth, especially under democratic governments that allow people to make choices and express preferences. But even in cultures that are very resilient, the traditions handed down from one generation to another can be weakened by the spread of ideas, goods, and advertising from abroad.

Economic integration may also pose threats to the environment. As production and consumption increase, both globalizers and nonglobalizers face environmental challenges. But as incomes increase, countries can use the additional resources to tackle environmental issues. And environmental improvements can be made at low cost. For example, water quality can be upgraded by installing water filters, which can often remove close to half the pollutants.

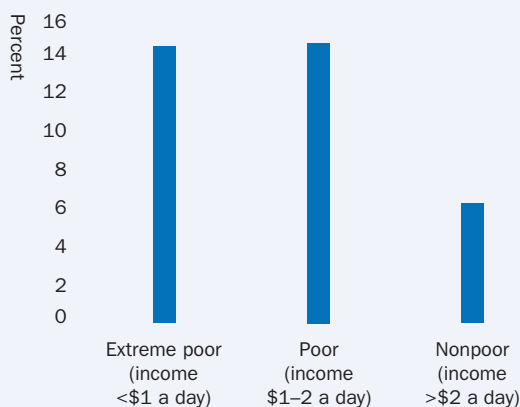
## Trade tariffs and the poor

Trade helps reduce poverty, but high tariffs reduce access to world markets.

Low-income developing countries often depend on agriculture and labor-intensive manufactures, which account for about 70 percent of the exports of least developed countries. Their agricultural exports help reduce rural poverty, and exports of textiles and clothing tend to reduce urban poverty.

### Exports produced by poor people in developing countries face high tariffs

Effective tariffs by income group, 1997–98



Source: World Bank *Global Economic Prospects and the Developing Countries 2002*.

Trade-related production is a major source of jobs and income for the poor, but the goods they produce face the highest tariffs in developed countries, reducing their access to world markets. The tariffs faced by the extreme poor (those living on less than \$1 a day) and the poor (those living on \$1–2 a day) are about twice as high as those faced by the nonpoor.

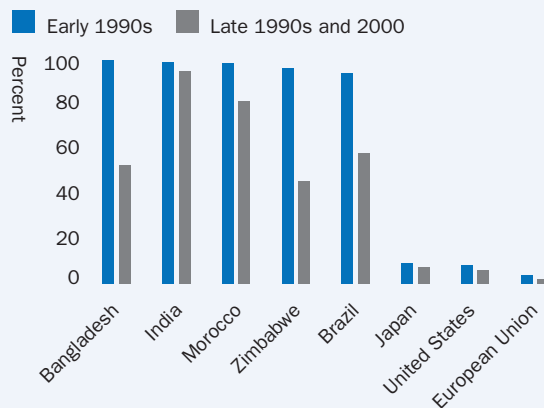
## Integration with the world economy

### Barriers to trade

Countries regulate imports by applying a combination of tariffs and other measures. Even when average tariffs are low, high or peak tariffs (rates exceeding 15 percent) may be placed on imports of “sensitive commodities,” often the goods produced by the world’s poorest people. In the European Union and Japan tariff peaks are common for agricultural products; in the United States, for labor-intensive textiles and clothing. For many developing countries tariff peaks cover a high proportion of imports, although the share is falling for such countries as Bangladesh, Brazil, and Zimbabwe.

### The share of imports covered by high tariffs has declined in some countries, but remains high in others

Share of tariff lines with peak tariffs



Source: World Development Indicators 2002 database.

Nontariff barriers also limit imports of particular goods. They include quotas, prohibitions, licensing schemes, export restraint arrangements, and health and quarantine measures. And large subsidies to agricultural producers in high-income economies distort agricultural commodity trade by reducing their agricultural imports and the ability of developing country agricultural producers to export.

The European Union’s new initiative, “Everything but Arms,” phases in duty-free and quota-free access for all but 25 tariff lines related to arms trade. Policies such as this that grant “aid for trade” may help developing countries achieve greater development success.

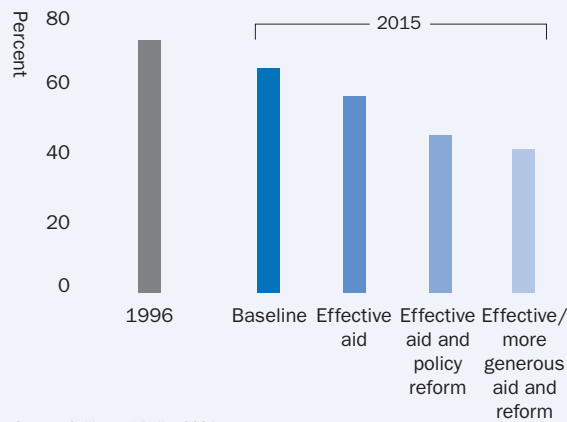
## Financial flows

Financial flows, used well, can contribute to growth and poverty reduction.

Private capital flows to developing countries—mainly foreign direct investment and portfolio investment—as measured by net long-term resource flows, increased dramatically in the 1990s, from \$62 billion in 1991 to almost \$226 billion in 2000, dropping to \$160 billion in 2001.

### More effective aid could reduce the share of people living in poverty in Sub-Saharan Africa

Share of people living on less than \$2 a day



Source: Collier and Dollar 2001.

But more capital does not automatically translate into higher growth. Also needed are better government policies and stronger institutions—especially if growth is to reduce poverty and inequality.

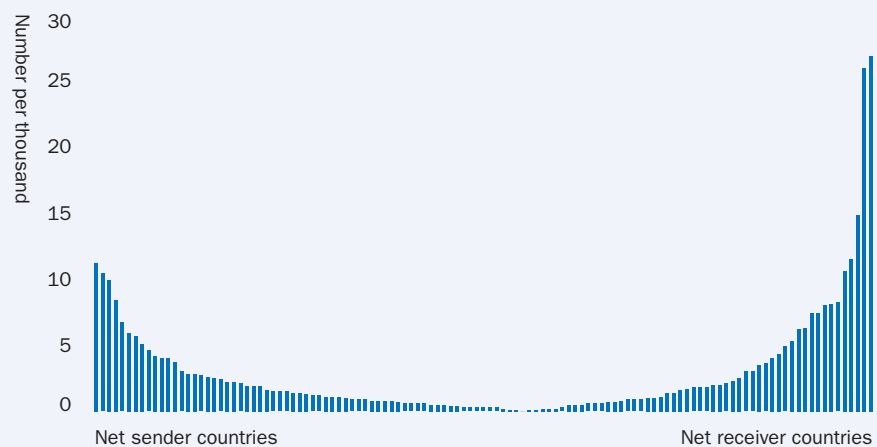
Take Sub-Saharan Africa. If current growth and policies remain through 2015, the share of the population living on less than \$2 a day will decline from about 72 percent to 64 percent. That's based on average annual economic growth of a mere 0.1 percent. But policy reform and more effective aid could increase growth enough to reduce the poverty rate to about 42 percent by 2015.

## through trade, finance, and migration

## Migration

Of the 83 million people added to the world's population every year, 82 million are in developing economies, so the pressures for migration of unskilled workers will increase. Combining developed country capital and developing country labor could bring mutual economic benefits. But legal migration is very restricted, so illegal immigration is growing. Still, for most countries net migration rates are small relative to the total population. In 2000 Albania and Liberia had the highest rates of emigration, while Singapore had the highest immigration rate.

### In most countries net migration was less than 2 people per 1,000 in 2000



Source: U.S. Census Bureau.

## Seven actions— local and global

While many poor people may benefit from globalization, the challenge is to extend the improvements in income, health, education, and participation to those left behind. How? By taking actions in seven areas at local and global levels.

### 1 Successfully complete the trade negotiations

launched in Doha to reduce restrictions on global trade and improve developing countries' access to markets in both developing and high-income countries.

- Curtail producer subsidies and other indirect support to agriculture in high-income countries, which amount to as much as \$1 billion a day—several times all development assistance.
- Reduce tariffs in developing countries. Average tariffs on imported labor-intensive industrial products are highest in developing countries—about 35 percent in South Asia in 1997–99, while less than 5 percent in high-income countries.

• Take mutually reinforcing actions to support trade-led development. For high-income countries this means providing enhanced aid for trade (infrastructure, customs, education, and technical assistance to implement World Trade Organization accords). For developing countries it means undertaking pro-poor trade reforms. The resulting new growth could lift an additional 300 million people above the poverty line by 2015.

### 2 Improve the investment climate—with good economic governance, control of corruption, well-functioning institutions, and sound infrastructure.

- Good governance pays off: countries with good institutions and policies grew at about 3 percent a year (GDP per capita) in 1964–94; countries with poor institutional capability and policies, at only 0.4 percent.
- Surveys of firms in 10 Indian states show that value added per worker is 30 percent higher in states with good investment climates.
- Small and medium-size enterprises, important for generating new jobs, are a powerful force in poverty reduction. In Bosnia and Herzegovina small enterprises account for 61 percent of GDP and 75 percent of employment.

## Agenda for action

### 3 Deliver good quality education and health

services, empowering poor people to participate more fully in the opportunities of an expanding economy.

- Good health and long life expectancy depend on access to health services, clean water and sanitation, and education, especially for women.
- The private sector can contribute here too. In Sub-Saharan Africa about a third of primary education is provided by the private sector. In India more than 80 percent of poor people seek treatment for acute respiratory illnesses in private health facilities.

### 4 Provide social protection tailored to the labor

market. As people lose jobs, they may need temporary support.

- Some support programs for the unemployed, such as public works and job training, are designed to reach the poorest workers. Others, such as unemployment insurance or mandatory savings and severance pay, often do not.
- Argentina's *Trabajar* public works program provides temporary employment to improve infrastructure in poor communities. Since March 1996 it has created 730,000 jobs. About 80 percent of beneficiaries are from the poorest households.

• Bangladesh has addressed child labor with its Food-for-Education program, providing food to poor families that send their young children to school.

### 5 Provide more and better managed aid for low-income countries that are undertaking reforms.

- More money doesn't always result in better development outcomes, but it can make a difference in countries that have sound management.
- The quality of government spending can be more important than the quantity. In one study the 10 developing countries with the best child mortality rates spent less on health than the 10 with the worst rates.
  - In Vietnam reform gave civil society more voice, and donors focused on policy advice and technical assistance during adjustment. As policies improved, aid increased from about 1 percent of GDP in the late 1980s to more than 3 percent by 1995.

- In Pakistan in the mid-1990s only 45 percent of young girls were in school, but an innovative program to support the startup of girls' schools in Baluchistan led to an immediate leap—to 70 percent—in girls' enrollment.

**6 Offer debt relief to poor countries with unsustainable debt burdens.** Combined with sound economic management and an improved investment climate, debt relief can help countries with crushing debt burdens, especially in Africa.

- The Debt Initiative for Heavily Indebted Poor Countries (HIPC) offers debt relief to poor countries adopting sound policies and poverty reduction strategies.
- In late 1998 the World Bank and the International Monetary Fund (IMF) joined nongovernmental organizations, churches, and civil society in a global consultative review, leading to an endorsement to cut external debt service by more than twice as much as under the earlier framework. The World Bank will

reduce its debt claims by almost \$11 billion, and the IMF by about \$4 billion.

- In January 2002, 24 countries were receiving debt service relief under the enhanced HIPC initiative, relief that will total \$36 billion over time.

**7 Tackle greenhouse gases and global warming—to avert environmental disasters that may result from global warming.**

- According to the Intergovernmental Panel on Climate Change, average global temperatures will rise between 1.4 and 5.8 degrees Celsius over the next 100 years, a rate of warming higher than in the past 10,000 years.
- Even small changes in temperature can be devastating for agricultural production and food security.
- Rising sea levels could displace millions of people in low-lying areas of the Ganges River and Nile Delta, and threaten the existence of small island states.

**We are convinced that globalization can and does contribute to development, but we cannot ignore those who are left out, nor can we fail to recognize how much better development progress could be.**

James D. Wolfensohn,  
President,  
World Bank





## 6.1 | Integration with the global economy

	Trade in goods				Changes in trade as shares of GDP	Growth in real trade less growth in real GDP	Gross private capital flows		Gross foreign direct investment	
	% of GDP		% of goods GDP				% of GDP	% of GDP	1990	2000
	1990	2000	1990	2000						
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania	29.0	35.7	34.5	46.2	..	7.8	18.0	6.5	0.0	3.8
Algeria	36.6	53.8	55.0	76.2	-24.6	-0.7	2.6	..	0.0	..
Angola	53.5	127.5	91.0	155.9	..	..	10.1	44.9	3.3	39.9
Argentina	11.6	18.1	27.0	49.8	154.9	7.0	8.2	10.9	1.3	4.5
Armenia	..	61.9	..	..	..	-12.7	..	17.8	..	6.6
Australia	26.4	34.7	71.3	89.5	72.9	3.8	9.3	17.4	3.7	5.3
Austria	55.9	70.1	140.5	168.0	72.5	3.3	9.8	49.7	1.5	6.5
Azerbaijan	..	59.6	..	102.0	..	13.2	..	3.0	..	2.5
Bangladesh	17.6	31.5	..	..	130.6	6.0	0.9	3.6	0.0	0.6
Belarus	..	53.0	..	93.0	..	-5.8	..	2.0	..	0.3
Belgium	120.3	138.1	316.6	412.8	44.5	2.5	18.5	120.5	6.7	26.6
Benin	30.0	45.1	60.8	86.0	-44.2	-2.1	10.7	13.4	3.7	2.8
Bolivia	33.1	35.9	..	..	46.3	1.0	3.1	14.2	0.7	8.9
Bosnia and Herzegovina	..	87.4	..	228.6	..	-1.0	..	..	..	..
Botswana	99.0	92.9	162.5	..	..	-3.4	9.1	6.9	4.4	1.4
Brazil	11.6	19.1	..	..	72.1	5.8	1.9	10.9	0.4	6.0
Bulgaria	48.9	93.1	70.8	190.3	..	3.3	39.2	20.7	0.0	8.4
Burkina Faso	24.9	35.3	44.4	67.3	-25.5	-3.8	1.1	..	0.0	..
Burundi	27.0	28.6	35.1	38.6	26.8	6.0	3.7	6.4	0.1	1.7
Cambodia	22.4	40.2	33.6	46.4	..	7.5	3.2	6.8	1.7	3.9
Cameroon	30.5	36.5	55.4	56.1	56.4	2.3	15.5	..	1.1	..
Canada	43.8	75.8	103.1	..	113.3	5.4	8.1	30.0	2.7	16.1
Central African Republic	18.4	29.1	26.4	37.9	..	..	2.2	..	0.5	..
Chad	27.2	33.6	54.9	61.6	-29.4	-4.3	5.6	..	0.0	..
Chile	52.9	51.4	100.1	110.7	65.5	3.3	15.0	24.1	2.2	12.0
China	32.5	43.9	47.4	65.8	..	-2.7	2.5	12.7	1.2	4.3
Hong Kong, China	223.5	256.2	784.5	1,142.7	209.7	4.4	..	188.8	..	89.2
Colombia	30.7	30.2	54.8	62.4	80.7	4.2	3.1	12.3	1.3	4.5
Congo, Dem. Rep.	20.2	14.7	34.6	..	38.2	-3.6	..	..	..	..
Congo, Rep.	57.2	105.4	107.0	138.5	10.9	6.0	6.6	..	0.0	..
Costa Rica	60.2	77.2	..	..	69.0	4.7	7.0	10.2	2.9	4.3
Côte d'Ivoire	47.9	75.9	86.0	147.1	38.8	1.0	3.5	6.5	0.4	2.5
Croatia	89.3	64.6	165.6	123.7	..	4.5	..	19.8	..	5.5
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	84.0	120.5	..	..	..	9.8	..	23.7	..	9.3
Denmark	52.6	57.9	144.1	160.1	55.3	2.1	15.1	54.9	2.0	38.1
Dominican Republic	73.2	78.8	163.2	174.2	51.5	-0.2	5.0	9.3	1.9	5.2
Ecuador	42.8	61.1	..	..	3.1	0.6	10.7	31.5	1.2	5.3
Egypt, Arab Rep.	27.4	18.9	54.2	35.3	-40.9	-1.3	6.8	6.7	1.7	1.3
El Salvador	38.4	59.2	88.5	146.7	48.7	7.5	2.0	9.3	0.8	1.5
Eritrea	..	..	..	..	..	0.0	..	..	..	..
Estonia	..	149.5	..	292.9	..	9.9	3.7	26.4	2.0	10.2
Ethiopia	20.2	..	31.3	..	..	2.7	2.0	3.4	0.0	..
Finland	39.2	65.5	86.5	150.1	57.6	5.4	17.4	88.6	3.6	34.4
France	37.1	46.6	101.6	136.3	63.1	4.2	20.6	36.1	3.9	16.4
Gabon	52.5	88.8	97.7	..	2.8	-1.7	18.0	24.5	8.4	14.5
Gambia, The	75.4	49.1	146.7	81.6	-34.7	-2.7	0.9	..	0.0	..
Georgia	..	34.8	..	..	..	24.7	..	4.9	..	4.3
Germany	46.0	56.3	106.2	156.6	40.6	3.4	9.8	40.8	1.8	13.3
Ghana	35.7	91.4	58.0	150.6	-1.3	6.9	2.7	4.5	0.3	2.1
Greece	33.2	32.5	83.5	79.1	103.1	3.9	3.9	16.1	1.2	2.9
Guatemala	36.8	39.1	..	..	-13.4	3.5	2.9	22.4	0.6	10.1
Guinea	26.3	40.2	45.5	64.1	..	-1.4	3.9	4.0	0.6	1.8
Guinea-Bissau	55.7	83.5	69.1	83.9	-27.9	2.6	23.0	1.3	0.0	..
Haiti	16.5	29.6	28.8	..	168.1	8.8	1.0	4.1	0.3	0.3
Honduras	57.9	70.9	106.4	131.6	-21.8	-0.2	7.2	9.5	1.4	4.8



	Trade in goods				Changes in trade as shares of GDP	Growth in real trade less growth in real GDP	Gross private capital flows		Gross foreign direct investment		
	% of GDP		% of goods GDP				percentage points 1990-2000	% of GDP		% of GDP	
	1990	2000	1990	2000				1990	2000	1990	2000
Hungary	61.5	131.9	102.4	214.8	81.8	8.8	4.6	25.0	0.0	5.0	
India	13.1	20.3	..	..	61.6	4.4	0.8	3.0	0.0	0.6	
Indonesia	41.5	62.4	64.4	97.2	-16.5	1.3	4.1	8.5	1.0	4.2	
Iran, Islamic Rep.	27.1	43.1	50.8	106.6	-63.3	-9.5	2.6	2.3	0.0	0.0	
Iraq	41.2	..	..	..	..	..	..	..	..	..	
Ireland	93.9	139.3	186.7	273.9	129.1	6.8	22.2	299.9	2.2	49.2	
Israel	55.0	62.9	..	..	25.1	4.1	6.2	19.5	0.7	6.7	
Italy	32.0	44.2	83.3	121.7	68.5	3.8	10.6	23.6	1.3	2.4	
Jamaica	70.6	60.9	164.3	159.1	42.2	0.2	9.1	15.7	3.3	7.2	
Japan	17.1	17.7	44.4	55.2	39.3	2.6	5.4	10.3	1.7	0.9	
Jordan	91.1	77.2	205.2	208.4	-7.3	-3.2	6.3	5.9	1.7	2.0	
Kazakhstan	..	77.8	..	142.2	..	-4.3	..	12.3	..	7.8	
Kenya	37.0	46.7	66.4	97.9	-9.1	2.2	3.6	6.6	0.7	1.1	
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	
Korea, Rep.	53.4	72.8	102.7	153.8	121.6	7.5	6.2	11.5	0.7	3.2	
Kuwait	59.8	71.9	112.9	..	..	..	19.3	43.0	1.3	0.7	
Kyrgyz Republic	..	81.3	..	119.4	..	-1.8	..	10.4	..	4.5	
Lao PDR	32.3	52.7	42.5	..	..	..	3.7	8.7	0.7	5.4	
Latvia	..	70.7	..	185.6	..	5.3	1.7	32.0	0.5	5.8	
Lebanon	106.5	42.1	..	..	..	-3.1	..	..	..	..	
Lesotho	118.8	100.1	185.0	155.9	0.9	-1.4	9.4	15.6	2.7	12.9	
Liberia	..	..	..	..	..	..	..	..	..	..	
Libya	..	..	..	..	..	..	..	..	..	..	
Lithuania	..	81.9	..	179.9	..	10.0	..	14.3	..	3.4	
Macedonia, FYR	103.8	100.3	168.9	186.8	..	7.2	..	17.4	..	4.9	
Madagascar	28.9	24.8	43.6	..	-25.1	2.8	1.8	5.0	0.7	2.1	
Malawi	53.1	55.4	71.0	86.4	-32.4	-2.8	3.2	..	0.0	..	
Malaysia	133.3	201.3	232.1	356.5	124.8	4.2	10.3	16.8	5.3	2.0	
Mali	40.4	54.0	64.5	83.2	125.5	1.2	2.0	..	0.2	..	
Mauritania	84.1	68.5	134.0	119.4	-25.5	-2.5	48.8	40.6	0.7	0.0	
Mauritius	106.4	81.6	200.3	180.0	32.6	0.3	7.2	26.2	1.6	6.4	
Mexico	32.1	60.8	76.9	155.3	223.4	10.2	9.2	6.3	1.0	2.3	
Moldova	..	96.8	..	177.9	..	12.7	..	34.6	..	9.9	
Mongolia	..	93.4	..	180.2	..	..	..	10.1	..	3.4	
Morocco	42.9	56.7	85.5	124.1	30.4	3.3	5.5	3.0	0.6	0.8	
Mozambique	40.8	35.6	68.9	66.7	..	0.8	0.4	15.6	0.4	3.7	
Myanmar	..	..	..	..	17.0	..	..	..	..	..	
Namibia	88.9	85.2	174.4	165.8	..	1.4	17.0	11.4	4.7	3.6	
Nepal	24.7	43.2	..	..	127.1	6.0	3.5	4.8	0.0	0.0	
Netherlands	87.3	112.5	228.9	289.2	44.4	2.4	29.7	103.6	8.3	35.3	
New Zealand	44.1	54.5	122.3	..	67.5	3.0	18.0	19.2	11.6	8.3	
Nicaragua	95.9	100.9	183.0	183.8	65.2	6.2	9.0	22.1	0.0	10.6	
Niger	27.0	40.3	49.9	68.6	-46.9	-2.5	2.8	..	1.6	..	
Nigeria	67.8	80.3	91.2	105.3	-39.9	2.1	5.9	13.0	2.1	2.9	
Norway	53.1	58.4	127.8	119.7	14.8	1.6	11.9	39.4	2.1	11.4	
Oman	77.7	74.8	127.4	..	..	..	3.8	10.2	1.4	0.7	
Pakistan	32.8	32.8	..	..	-13.3	-1.6	4.2	2.5	0.6	0.5	
Panama	35.4	42.9	..	..	..	-1.5	106.6	49.2	2.6	7.1	
Papua New Guinea	72.6	81.2	122.2	116.8	-7.5	-0.3	5.7	27.0	4.8	8.4	
Paraguay	43.9	40.5	82.8	79.9	142.3	-0.7	5.4	8.9	1.5	1.7	
Peru	25.5	29.5	..	..	45.9	4.2	3.2	5.1	0.2	1.3	
Philippines	47.6	98.5	84.5	192.9	142.3	4.3	4.4	48.4	1.2	2.8	
Poland	43.9	51.1	75.2	99.7	..	8.4	11.0	13.3	0.2	6.6	
Portugal	58.8	58.6	141.0	151.9	118.5	3.9	11.5	53.4	3.9	15.9	
Puerto Rico	..	..	..	..	..	..	..	..	..	..	
Romania	32.8	63.8	45.2	116.7	..	7.9	2.9	7.7	0.0	2.8	
Russian Federation	16.5	60.0	35.0	117.3	..	0.7	..	13.3	..	2.4	



## 6.1 | Integration with the global economy

	Trade in goods				Changes in trade as shares of GDP % change 1980-1999	Growth in real trade less growth in real GDP percentage points 1990-2000	Gross private capital flows		Gross foreign direct investment	
	% of GDP		% of goods GDP				1990	2000	1990	2000
	1990	2000	1990	2000						
Rwanda	15.4	14.8	26.0	22.0	97.7	2.6	2.8	2.0	0.3	0.8
Saudi Arabia	65.4	66.0	106.7	..	..	..	9.8	10.8	1.8	1.1
Senegal	34.7	56.8	90.0	128.4	-21.0	-1.3	4.8	8.8	1.3	4.0
Sierra Leone	32.0	25.5	46.0	32.4	-62.6	-5.5	8.0	..	3.6	..
Singapore	309.9	295.3	892.4	858.0	..	..	54.6	48.5	20.7	11.6
Slovak Republic	110.8	128.5	192.1	290.2	..	9.3	..	30.6	..	12.2
Slovenia	102.4	103.9	196.5	209.6	..	0.5	3.4	12.5	0.9	1.3
Somalia	26.7	..	33.2	..	..	..	..	..	..	..
South Africa	37.5 <sup>a</sup>	47.4 <sup>a</sup>	75.2 <sup>a</sup>	101.3 <sup>a</sup>	23.2	4.2	2.2	13.1	0.2	1.2
Spain	27.9	47.8	70.1	128.5	154.6	7.2	11.3	47.9	3.4	16.5
Sri Lanka	58.1	73.3	..	..	40.1	2.7	13.1	7.6	0.5	1.1
Sudan	7.5	28.7	..	50.7	-32.2	..	0.3	4.6	0.0	3.4
Swaziland	144.7	131.2	224.2	..	38.1	0.0	11.2	17.3	5.2	5.4
Sweden	46.9	70.3	119.8	175.5	67.0	5.3	34.2	77.0	7.0	27.3
Switzerland	58.4	68.9	..	193.3	50.6	2.7	15.9	113.4	5.8	25.0
Syrian Arab Republic	53.7	47.8	102.4	88.1	-31.7	-0.9	18.0	17.8	0.0	1.6
Tajikistan	..	146.8	..	290.4	..	..	..	..	..	..
Tanzania	33.9	24.2	50.8	37.9	..	-1.8	0.2	3.3	0.0	2.1
Thailand	66.1	107.2	133.0	211.4	99.5	2.8	13.5	11.3	3.0	2.8
Togo	52.1	73.0	92.6	122.0	-22.3	-1.1	9.6	12.6	1.1	4.2
Trinidad and Tobago	65.9	107.4	130.7	243.4	43.7	1.6	11.4	13.6	3.1	11.9
Tunisia	73.8	74.0	162.1	180.1	9.3	-0.2	9.5	9.3	0.6	3.9
Turkey	23.4	40.0	44.5	77.1	..	7.5	4.3	9.3	0.5	0.9
Turkmenistan	..	93.1	..	76.6	..	2.4	..	..	..	..
Uganda	8.4	32.9	12.0	51.1	..	7.0	1.1	5.0	0.0	3.5
Ukraine	..	89.7	..	152.9	..	6.3	..	9.5	..	1.9
United Arab Emirates	93.5	119.9	146.6	..	..	..	..	..	..	..
United Kingdom	41.3	43.9	104.7	126.7	55.6	3.9	35.4	125.1	7.4	38.7
United States	15.8	20.7	..	..	99.1	5.0	5.7	16.9	2.8	5.1
Uruguay	32.7	29.2	85.0	103.6	90.9	4.4	12.7	14.7	0.0	1.5
Uzbekistan	..	75.9	..	120.0	..	0.5	..	..	..	..
Venezuela, RB	51.1	39.7	90.8	94.0	12.1	3.9	49.9	12.3	1.7	4.0
Vietnam	79.7	96.0	132.5	..	..	18.7	..	10.8	..	4.1
West Bank and Gaza	..	..	..	..	..	0.5	..	..	..	..
Yemen, Rep.	46.9	83.0	90.0	134.9	..	9.1	16.2	6.9	2.7	3.3
Yugoslavia, Fed. Rep.	..	64.2	..	..	..	..	..	..	..	..
Zambia	76.9	54.3	102.3	97.0	-45.1	2.9	64.7	..	6.2	..
Zimbabwe	40.7	44.9	74.5	89.5	139.6	6.1	1.7	..	0.1	..
<b>World</b>	<b>32.4 w</b>	<b>40.0 w</b>	<b>96.2 w</b>	<b>118.9 w</b>			<b>10.3 w</b>	<b>29.1 w</b>	<b>2.7 w</b>	<b>8.8 w</b>
<b>Low income</b>	26.7	41.3	..	..			3.0	4.8	0.5	1.6
<b>Middle income</b>	36.6	53.5	77.3	114.0			7.6	12.0	1.0	3.8
Lower middle income	38.8	52.5	67.1	90.9			5.4	12.8	1.1	3.5
Upper middle income	35.3	54.3	84.5	142.4			8.7	11.4	0.9	4.0
<b>Low &amp; middle income</b>	34.6	51.6	76.3	113.1			6.7	10.9	0.9	3.5
East Asia & Pacific	48.8	65.6	84.9	112.6			5.3	13.3	1.5	3.9
Europe & Central Asia	28.7	65.6	53.1	110.3			..	13.6	..	3.8
Latin America & Carib.	23.2	37.7	68.8	115.2			7.9	10.5	0.9	4.5
Middle East & N. Africa	45.4	51.6	80.9	89.7			11.5	7.5	0.9	1.0
South Asia	16.5	24.3	..	..			1.4	3.1	0.1	0.6
Sub-Saharan Africa	41.2	56.8	76.1	96.4			5.1	11.0	1.0	1.8
<b>High income</b>	32.0	37.1	100.6	124.4			11.0	33.6	3.0	10.1
Europe EMU	44.9	56.3	112.6	141.9			14.1	49.3	2.9	14.8

a. Data refer to the South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland).



## About the data

The growing integration of societies and economies has succeeded in reducing poverty in many countries. The number of poor people in developing economies declined by about 125 million between 1990 and 1999. Although global integration is a powerful force in poverty reduction, more needs to be done—2 billion people are in danger of becoming marginal to the world economy. All countries have a stake in helping developing countries integrate into the global economy and have better access to rich country markets and greater volumes of well-managed foreign aid can help countries as they improve their own policies and develop more effective institutions.

The growing importance of trade in the world economy is one indication of increasing global economic integration. Another is the increased size and importance of private capital flows to developing countries that have liberalized their financial markets. This table presents standardized measures of the size of trade and capital flows relative to GDP. The numerators are based on gross flows that capture the two-way flow of goods and capital. In conventional balance of payments accounting exports are recorded as a credit and imports as a debit. And in the financial account inward investment is a credit and outward investment a debit. Thus net flows, the sum of credits and debits, represent a balance in which many transactions are canceled out. Gross flows are a better measure of integration because they show the total value of financial transactions during a given period.

Trade in goods (exports and imports) is shown relative to total GDP and to “goods GDP” (GDP less services such as retail trade, restaurants and hotels, transport, storage and communications, business services) and community, social and personal services and public administration because as a result of the increasing share of services in GDP, trade as a share of total GDP appears to be declining for some economies. Measuring merchandise trade rela-

tive to GDP after deducting value added in services thus provides a better measure of its relative size than does comparing it with total GDP, although this neglects the growing service component of most goods output.

Trade in services (such as transportation, travel, finance, communications, insurance, royalties, construction and cultural services), is an increasingly important element of global integration. The difference between the growth of real trade in goods and services and the growth of GDP helps to identify economies that have integrated into the global economy by undertaking trade liberalization, lowered barriers to foreign investment, and harnessed their abundant labor to gain a competitive advantage in labor-intensive manufactures and services.

The indicators covering capital flows—gross private capital flows and gross foreign direct investment—are calculated from detailed accounts since higher-level aggregates would result in smaller totals by netting out credits and debits. The comparability of these indicators between countries and over time is affected by the accuracy and completeness of balance of payments records and by their level of detail.

There are two changes in this table from previous editions. First, trade and capital flows are shown as a percentage of GDP in U.S. dollars, converted at the average official exchange rate reported by the International Monetary Fund for the year shown. An alternative conversion factor is applied if the official exchange rate is judged to diverge by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies and traded products. Second, to give a better measure of the policy-induced component of trade, the *change in trade as a share of GDP* is presented. This measures the effect of trade on growth using the decade-over-decade change in a country's trade as a share of its GDP.

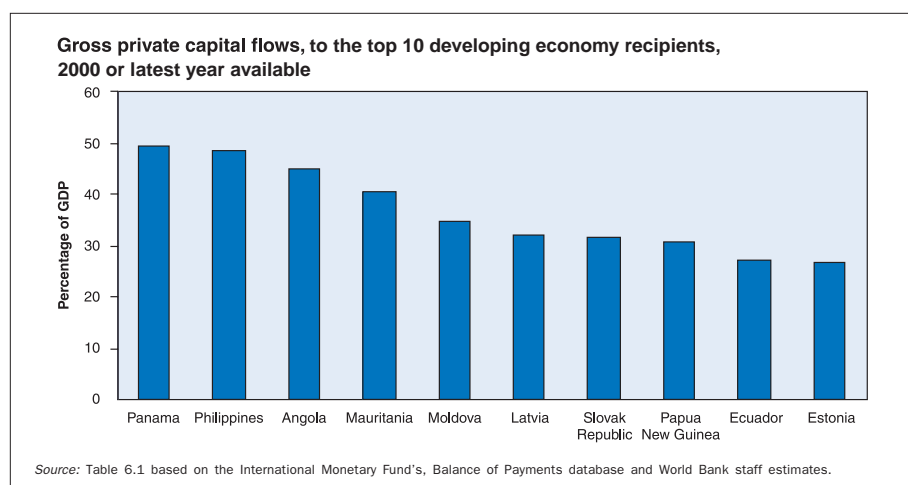
## Definitions

- **Trade in goods as a share of GDP** is the sum of merchandise exports and imports measured in current U.S. dollars, divided by the value of GDP in U.S. dollars.
- **Trade in goods as a share of goods GDP** is the sum of merchandise exports and imports divided by the value of GDP after subtracting value added in services, all in current U.S. dollars.
- **Change in trade as a share of GDP** is the decade-over-decade change in trade as a share of GDP.
- **Growth in real trade less growth in real GDP** is the difference between annual growth in trade of goods and services and annual growth in GDP. Growth rates are calculated using constant price series taken from national accounts and are expressed as a percentage.
- **Gross private capital flows** are the sum of the absolute values of direct, portfolio, and other investment inflows and outflows recorded in the balance of payments financial account, excluding changes in the assets and liabilities of monetary authorities and general government. The indicator is calculated as a ratio to GDP in U.S. dollars.
- **Gross foreign direct investment** is the sum of the absolute values of inflows and outflows of foreign direct investment recorded in the balance of payments financial account. It includes equity capital, reinvestment of earnings, other long-term capital, and short-term capital. This indicator differs from the standard measure of foreign direct investment, which captures only inward investment (see table 6.7). The indicator is calculated as a ratio to GDP in U.S. dollars.

## Data sources

The data on merchandise trade are from the World Trade Organization. The data on GDP come from the World Bank, converted from national currencies to U.S. dollars using the official exchange rate, supplemented by an alternative conversion factor if the official exchange rate is judged to diverge by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies and traded products. The data on real trade and GDP growth come from the World Bank's national accounts files. Gross private capital flows and foreign direct investment were calculated using the International Monetary Fund's Balance of Payments database.

**Figure 6.1**





## 6.2 | Direction and growth of merchandise trade

### High-income importers

Direction of trade % of world trade, 2000	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
<b>Source of exports</b>							
High-income economies	29.4	3.1	11.7	6.0	50.1	5.6	55.8
Industrial economies	27.9	2.1	9.8	5.7	45.4	4.3	49.7
European Union	22.3	0.6	3.4	2.0	28.3	1.5	29.7
Japan	1.2		2.3	0.3	3.8	1.4	5.2
United States	2.6	1.0		3.1	6.7	1.1	7.9
Other industrial economies	1.8	0.4	4.1	0.2	6.6	0.3	6.9
Other high-income economies	1.5	1.0	2.0	0.3	4.8	1.3	6.1
Low- and middle-income economies	6.0	2.3	7.0	0.8	16.1	4.2	20.3
East Asia & Pacific	1.7	1.7	2.3	0.4	6.1	2.3	8.4
Europe & Central Asia	1.7	0.0	0.1	0.1	1.9	1.1	3.0
Latin America & Caribbean	0.7	0.1	3.4	0.2	4.3	0.2	4.5
Middle East & N. Africa	1.0	0.3	0.4	0.1	1.8	0.3	2.1
South Asia	0.5	0.1	0.5	0.1	1.2	0.3	1.5
Sub-Saharan Africa	0.4	0.0	0.3	0.0	0.8	0.1	0.9
World	35.3	5.4	18.8	6.8	66.3	9.8	76.1

### Low- and middle-income importers

Direction of trade % of world trade, 2000	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low- & middle- income	World
<b>Source of exports</b>								
High-income economies	8.0	3.0	1.9	1.4	0.7	0.8	15.7	72.9
Industrial economies	4.2	2.9	1.8	1.3	0.4	0.7	11.2	63.2
European Union	1.0	2.5	0.6	0.8	0.2	0.5	5.7	35.9
Japan	1.7	0.1	0.2	0.1	0.1	0.1	2.2	7.5
United States	1.1	0.2	0.9	0.2	0.1	0.1	2.6	12.1
Other industrial economies	0.4	0.1	0.1	0.1	0.0	0.0	0.8	7.7
Other high-income economies	3.8	0.1	0.1	0.1	0.2	0.1	4.5	9.6
Low- and middle-income economies	2.6	1.7	1.1	0.6	0.5	0.4	6.9	27.1
East Asia & Pacific	1.6	0.2	0.2	0.2	0.2	0.1	2.6	11.1
Europe & Central Asia	0.2	1.3	0.0	0.1	0.0	0.0	1.7	4.8
Latin America & Caribbean	0.1	0.0	0.8	0.1	0.0	0.0	1.1	5.8
Middle East & N. Africa	0.5	0.1	0.0	0.1	0.1	0.0	0.9	3.1
South Asia	0.1	0.0	0.0	0.0	0.0	0.0	0.3	1.0
Sub-Saharan Africa	0.1	0.0	0.0	0.0	0.0	0.2	0.4	1.3
World	10.6	4.7	3.1	1.9	1.1	1.2	22.6	100.0



## High-income importers

Nominal growth of trade annual % growth 1990-2000	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
<b>Source of exports</b>							
High-income economies	3.9	3.8	7.5	4.8	4.7	8.0	5.0
Industrial economies	3.7	2.5	7.4	4.7	4.5	7.6	4.7
European Union	3.7	2.9	7.4	2.4	4.0	8.2	4.2
Japan	2.9		4.7	0.7	3.7	7.5	4.6
United States	4.7	2.9		7.3	5.5	7.7	5.8
Other industrial economies	2.8	0.9	9.3	3.7	6.3	5.3	6.2
Other high-income economies	7.2	7.2	7.7	5.5	7.3	9.3	7.7
Low- and middle-income economies	8.7	7.6	13.2	10.6	10.3	13.5	10.9
East Asia & Pacific	12.9	9.4	13.5	13.2	12.0	10.3	11.5
Europe & Central Asia <sup>a</sup>	10.6	1.6	12.2	9.3	10.5	8.0	9.5
Latin America & Caribbean	3.2	1.1	16.0	11.0	11.8	11.2	11.8
Middle East & N. Africa	3.2	4.3	3.4	5.3	3.5	6.2	3.8
South Asia	7.6	2.6	14.0	9.2	9.4	12.7	9.9
Sub-Saharan Africa	4.7	10.0	6.6	4.6	5.6	21.3	6.2
World	4.4	5.1	9.2	5.3	5.7	9.0	6.0

## Low- and middle-income importers

Nominal growth of trade annual % growth, 1990-2000	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low- & middle-income	World
<b>Source of exports</b>								
High-income economies	9.4	8.0	7.5	1.3	4.7	1.5	7.2	5.6
Industrial economies	8.3	7.9	7.5	1.1	2.9	1.1	6.2	5.1
European Union	7.3	9.0	6.4	1.0	3.5	0.8	5.7	4.4
Japan	8.8	-1.6	6.5	-1.6	1.4	-1.2	6.7	5.2
United States	9.2	3.9	9.0	3.0	1.5	3.8	7.5	7.0
Other industrial economies	6.4	1.2	4.9	1.3	4.1	3.3	4.4	6.0
Other high-income economies	10.9	12.7	8.0	3.3	9.6	5.4	10.3	9.1
Low- and middle-income economies	19.5	13.6	11.9	5.6	12.0	11.4	13.7	11.4
East Asia & Pacific	20.2	9.4	19.4	9.9	13.6	12.4	16.7	12.2
Europe & Central Asia <sup>a</sup>	3.4	10.4	8.4	2.5	6.0	8.7	8.6	9.2
Latin America & Caribbean	8.5	2.1	11.7	2.1	11.8	5.2	9.7	11.3
Middle East & N. Africa	20.6	-3.7	-2.2	1.2	7.7	7.2	7.1	4.8
South Asia	16.4	-6.6	28.1	7.4	12.3	15.3	7.5	9.1
Sub-Saharan Africa	23.8	5.2	16.3	5.7	18.7	11.9	14.3	8.0
World	11.6	7.9	8.9	2.1	6.6	3.8	8.3	6.5

a. Refers to 1993-2000



## 6.2 | Direction and growth of merchandise trade

### About the data

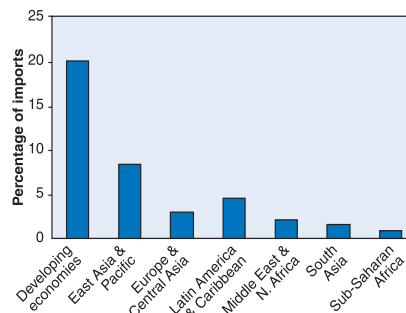
This table provides estimates of the flow of trade in goods between groups of economies. The source of these data is the International Monetary Fund's (IMF) *Direction of Trade Statistics Yearbook* (DOTSY), which covers 182 countries. Of these countries, about 100 report data on a timely basis, covering about 95 percent of trade for recent years. Trade by less timely reporters and by countries that do not report is estimated using reports of partner countries. Because the largest exporting and importing countries are reliable reporters, a large portion of the missing trade flows can be estimated from partner reports. Partner country data may introduce discrepancies due to overreporting of transit trade, different points of valuation and time of recording, different exchange rates, inclusion or exclusion of freight rates, confidentiality, and smuggling. In addition, estimates of intra-European Union trade have been significantly affected by changes in reporting methods following the creation of a customs union. Coverage by the new system for collecting data on trade between EU members, *Intrastat*, introduced in 1993, is less exhaustive than that by the previous customs-based system and has resulted in some asymmetry problems (estimated imports are about 5 percent below exports). Nevertheless, only a small portion of world trade is estimated to be omitted from the IMF's *Direction of Trade Statistics Yearbook*.

Most countries report their trade data in national currencies, which are converted using the IMF's published period average exchange rates (series rf or rh, monthly averages of the market or official rates) of the reporting country or, if those are not available, monthly average rates in New York. Because imports are reported at c.i.f. (cost, insurance, and freight) valuations, and exports at f.o.b. (free on board) valuations, the IMF adjusts country reports of import values by dividing those values by 1.10 to estimate equivalent export values. This approximation is more or less accurate, depending on the set of partners and the items traded. Other factors affecting the accuracy of trade data include lags in reporting, recording differences across countries, and whether the country reports trade according to the general or special system of trade. (For further discussion of the measurement of exports and imports see *About the data* for tables 4.5 and 4.6.)

The regional trade flows shown in this table were calculated from current price values. The growth rates presented are in nominal terms; that is, they include the effects of changes in both volumes and prices.

**Figure 6.2**

**About 20 percent of high-income economies' imports came from developing economies in 2000**



**High-income economies' import more from East Asia and Pacific than from any other developing region.**

Source: Table 6.2 based on International Monetary Fund's *Direction of Trade* database

### Definitions

- **Merchandise trade** includes all trade in goods; trade in services is excluded.
- **Low- and middle-income regional groupings** are based on World Bank classifications and may differ from those used by other organizations.
- **High-income** includes those economies classified as high-income by the World Bank.
- **Industrial countries** are those classified as such in the IMF's *Direction of Trade Statistics Yearbook* and include the countries of the European Union, Japan, the United States, and the other industrial economies listed below.
- **European Union** comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.
- **Other industrial economies** include Australia, Canada, Iceland, New Zealand, Norway, and Switzerland.
- **Other high-income economies** include Cyprus, Hong Kong (China), Israel, Kuwait, Macao (China), Malta, Qatar, San Marino, Singapore, Taiwan (China), and the United Arab Emirates. Some small high-income economies such as Aruba, the Bahamas, and Bermuda have been included in the Latin America and Caribbean group.

### Data sources

Inter-country trade flows are published in the IMF's *Direction of Trade Statistics Yearbook* and *Direction of Trade Statistics Quarterly*; the data in the table were calculated using the IMF's *Direction of Trade* database.

# OECD trade with low- and middle-income economies | 6.3



Exports to low- and middle-income economies	High-income OECD countries		European Union		Japan		United States	
	1990	2000	1990	2000	1990	2000	1990	2000
<b>\$ billions</b>								
Food	34.1	53.1	15.8	22.9	0.4	0.6	11.6	20.2
Cereals	14.0	14.0	4.1	4.9	0.1	0.1	6.2	6.6
Agricultural raw materials	11.9	17.3	3.3	4.9	0.8	1.4	5.6	6.7
Ores and nonferrous metals	9.3	18.5	3.0	6.5	0.9	3.1	5.0	0.0
Fuels	8.5	18.4	2.5	6.5	0.8	0.8	3.3	6.8
Crude petroleum	0.3	2.3	0.0	0.6	0.0	0.0	0.0	0.1
Petroleum products	5.6	11.5	2.4	5.0	0.8	0.8	2.2	5.4
Manufactured goods	305.7	683.9	149.8	319.6	68.7	135.7	72.5	205.2
Chemical products	46.0	91.4	23.9	46.3	6.0	13.0	12.2	25.7
Machinery & transport equipment	175.7	411.3	80.6	180.0	43.9	89.9	44.5	130.3
Other	84.0	181.2	45.2	93.4	18.9	32.8	15.9	49.2
Miscellaneous goods	11.6	21.0	3.8	5.7	0.8	4.0	4.7	10.1
<b>Total</b>	<b>381.1</b>	<b>812.1</b>	<b>178.1</b>	<b>366.2</b>	<b>72.4</b>	<b>145.7</b>	<b>102.7</b>	<b>249.0</b>
<b>% of total exports</b>								
Food	8.9	6.5	8.9	6.2	0.5	0.4	11.3	8.1
Cereals	3.7	1.7	2.3	1.3	0.1	0.0	6.1	2.6
Agricultural raw materials	3.1	2.1	1.8	1.3	1.1	0.9	5.4	2.7
Ores and nonferrous metals	2.5	2.3	1.7	1.8	1.2	2.1	4.9	0.0
Fuels	2.2	2.3	1.4	1.8	1.1	0.6	3.2	2.7
Crude petroleum	0.1	0.3	0.0	0.2	0.0	0.0	0.0	0.0
Petroleum products	1.5	1.4	1.3	1.4	1.0	0.5	2.1	2.1
Manufactured goods	80.2	84.2	84.1	87.3	94.9	93.2	70.6	82.4
Chemical products	12.1	11.3	13.4	12.6	8.2	8.9	11.8	10.3
Machinery & transport equipment	46.1	50.6	45.3	49.2	60.6	61.7	43.3	52.3
Other	22.1	22.2	25.4	25.5	26.0	22.5	15.5	19.8
Miscellaneous goods	3.0	2.3	2.1	1.6	1.1	2.7	4.6	4.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>





## 6.3 | OECD trade with low- and middle-income economies

Imports from low- and middle-income economies	High-income OECD countries		European Union		Japan		United States	
	1990	2000	1990	2000	1990	2000	1990	2000
<b>\$ billions</b>								
Food	64.6	89.5	34.9	40.4	10.7	20.0	15.5	23.5
Cereals	1.3	2.3	0.5	0.9	0.5	0.5	0.2	0.6
Agricultural raw materials	17.7	23.0	9.9	13.0	5.0	4.5	2.3	4.4
Ores and nonferrous metals	30.2	52.1	15.0	22.8	9.1	12.6	5.1	12.0
Fuels	144.5	226.4	58.6	91.9	33.5	41.6	48.8	83.1
Crude petroleum	107.5	164.5	46.6	64.5	20.8	24.1	37.3	67.4
Petroleum products	23.6	34.1	6.2	12.8	5.9	5.9	10.8	14.4
Manufactured goods	210.7	781.8	85.3	270.3	24.6	94.1	85.5	366.4
Chemical products	14.5	36.9	8.0	16.7	2.3	5.2	3.0	11.8
Machinery & transport equipment	59.3	361.4	18.3	110.3	3.7	38.6	32.1	188.2
Other	136.9	383.5	59.0	143.2	18.6	50.2	50.4	166.5
Miscellaneous goods	5.6	15.6	2.1	1.6	0.5	2.1	2.6	11.8
<b>Total</b>	<b>473.3</b>	<b>1,188.5</b>	<b>205.7</b>	<b>440.1</b>	<b>83.5</b>	<b>174.9</b>	<b>159.8</b>	<b>501.2</b>
<b>% of total imports</b>								
Food	13.6	7.5	17.0	9.2	12.9	11.5	9.7	4.7
Cereals	0.3	0.2	0.2	0.2	0.6	0.3	0.1	0.1
Agricultural raw materials	3.7	1.9	4.8	3.0	6.0	2.6	1.5	0.9
Ores and nonferrous metals	6.4	4.4	7.3	5.2	10.9	7.2	3.2	2.4
Fuels	30.5	19.1	28.5	20.9	40.2	23.8	30.5	16.6
Crude petroleum	22.7	13.8	22.7	14.7	24.9	13.8	23.3	13.5
Petroleum products	5.0	2.9	3.0	2.9	7.0	3.3	6.8	2.9
Manufactured goods	44.5	65.8	41.4	61.4	29.5	53.8	53.5	73.1
Chemical products	3.1	3.1	3.9	3.8	2.8	3.0	1.9	2.4
Machinery & transport equipment	12.5	30.4	8.9	25.1	4.5	22.1	20.1	37.5
Other	28.9	32.3	28.7	32.5	22.2	28.7	31.5	33.2
Miscellaneous goods	1.2	1.3	1.0	0.4	0.7	1.2	1.6	2.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: For a listing of low- and middle-income economies, see front flap of book.



## About the data

Developing countries in the trading system are becoming increasingly important. Since the early 1990s trade between OECD countries and low- and middle-income economies has grown faster than trade among OECD members. The increased trade benefits consumers and producers, but as the Doha World Trade Organization WTO ministerial conference in October 2001 illustrates, achieving more progress toward a pro-development outcome remains a major challenge, and will require strengthening international consultation. Negotiations after the Doha meetings will be launched (or continued) agriculture, services, manufactures, dispute settlement, WTO rules, disciplines on regional integration, environment, and intellectual property rights protection. These negotiations are scheduled to be concluded by 2005.

What would improved access to rich country markets mean for developing countries? They stand to gain \$9 billion a year in textiles alone, and another \$22.3 billion in other manufacturers. They would also reap large benefits from better access to one another's markets: opening their own markets would lead to gains of about \$27.6 billion a year for manufacturers, and \$31.4 billion for agricultural goods.

Trade flows between high-income members of the OECD and low- and middle-income economies reflect the changing mix of exports to and imports from developing economies. While food and primary commodities have continued to fall as a share of OECD imports, the share of manufactured goods supplied by developing countries has grown dramatically, from about 45 percent of total goods in 1990 to more than 65 percent in 2000. At the same time, developing countries have increased their imports of manufac-

tured goods from high-income countries—particularly capital-intensive goods, such as machinery and transport equipment. And trade between developing countries has grown substantially over the past decade as a result of a number of factors, such as the increasing share of developing country output in the world economy and the liberalization of developing country trade. With 40 percent of their exports going to other developing countries, the high trade barriers need to be reduced (more than 70 percent of the tariff burden faced by manufactured goods from developing countries is imposed by other developing countries). Despite the growth in trade between developing countries, high-income OECD countries remain the developing world's most important partners.

The aggregate flows in the table were compiled from intercountry flows recorded in the United Nations Statistics Division's Commodity Trade (COMTRADE) database. Partner country reports by high-income OECD countries were used for both exports and imports. Exports are recorded free on board (f.o.b.); imports include insurance and freight charges (c.i.f.). Revisions have been made to the time-series data as far back as 1990. Because of differences in sources of data, timing, and treatment of missing data, the data in this table may not be fully comparable with those used to calculate the direction of trade statistics in table 6.2 or the aggregate flows shown in tables 4.4–4.6. For further discussion of merchandise trade statistics see *About the data* for tables 4.4–4.6 and 6.2.

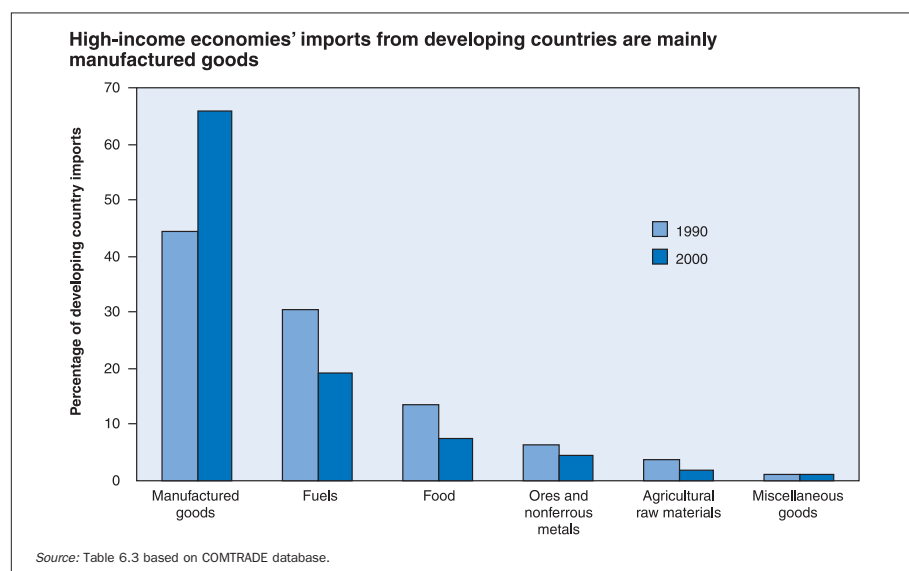
## Definitions

The product groups in the table are defined in accordance with the Standard International Trade Classification (SITC) revision 1: food (0, 1, 22, and 4) and cereals (04); agricultural raw materials (2 excluding 22, 27, and 28); ores and nonferrous metals (27, 28, and 68); fuels (3), crude petroleum (331), and petroleum products (332); manufactured goods (5–8 excluding 68), chemical products (5), machinery and transport equipment (7), and other manufactured goods (6 and 8 excluding 68); and miscellaneous goods (9). • **Exports** are all merchandise exports by high-income OECD countries to low- and middle-income economies as recorded in the United Nations Statistics Division's COMTRADE database. • **Imports** are all merchandise imports by high-income OECD countries from low- and middle-income economies as recorded in the United Nations Statistics Division's COMTRADE database. • **High-income OECD countries** in 2000 were Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States. • **European Union** comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

## Data sources

COMTRADE data are available in electronic form from the United Nations Statistics Division. Although not as comprehensive as the underlying COMTRADE records, detailed statistics on international trade are published annually in the United Nations Conference on Trade and Development's (UNCTAD) *Handbook of International Trade and Development Statistics* and the United Nations Statistics Division's *International Trade Statistics Yearbook*.

Figure 6.3





## 6.4 | Primary commodity prices

	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001
<b>World Bank commodity price index (1990= 100)</b>										
Non-energy commodities	156	159	100	104	103	114	99	88	89	82
Agriculture	163	175	100	112	113	124	108	93	90	83
Beverages	203	230	100	129	113	165	141	108	91	75
Food	166	177	100	100	111	112	105	88	87	89
Raw materials	130	133	100	116	114	110	88	89	94	80
Fertilizers	108	164	100	89	108	116	122	115	109	102
Metals and minerals	144	120	100	87	80	87	76	74	85	78
Petroleum	19	205	100	64	80	81	57	79	127	110
Steel products <sup>a</sup>	111	100	100	91	86	86	75	69	78	69
MUV G-5 index	28	79	100	117	111	104	100	100	97	97
<b>Commodity prices (1990 prices)</b>										
<b>Agricultural raw materials</b>										
Cotton (cents/kg)	225	260	182	182	159	169	145	118	134	109
Logs, Cameroon (\$/cu. m) <sup>a</sup>	153	319	343	290	256	275	287	270	283	275
Logs, Malaysian (\$/cu. m)	154	248	177	218	227	230	163	188	195	165
Rubber (cents/kg)	145	181	86	135	125	98	72	63	71	62
Sawnwood, Malaysian (\$/cu. m)	625	503	533	632	666	641	486	604	612	497
Tobacco (\$/mt)	3,836	2,889	3,392	2,259	2,746	3,411	3,347	3,055	3,055	3,125
<b>Beverages (cents/kg)</b>										
Cocoa	240	330	127	122	131	156	168	114	93	111
Coffee, robustas	330	412	118	237	162	168	183	150	94	63
Coffee, Arabica	409	440	197	285	242	403	299	230	197	142
Tea, avg., 3 auctions	298	211	206	127	149	199	205	185	192	165
<b>Energy</b>										
Coal, Australian (\$/mt)	..	50.01	39.67	33.64	34.21	33.90	29.33	26.08	26.95	33.43
Coal, U.S. (\$/mt)	..	54.71	41.67	33.47	33.44	35.15	34.50	33.32	33.94	46.41
Natural gas, Europe (\$/mmbtu)	..	4.32	2.55	2.33	2.55	2.65	2.42	2.14	3.96	4.20
Natural gas, U.S. (\$/mmbtu)	0.59	1.97	1.70	1.47	2.45	2.40	2.09	2.28	4.42	4.09
Petroleum (\$/bbl)	4.31	46.80	22.88	14.68	18.35	18.52	13.11	18.15	28.98	25.19

### About the data

During the 20th century, non-oil commodity prices fell about 1 percent a year relative to the prices of manufactures. Until the early 1970s oil prices had fallen even more rapidly. The decline in agricultural commodity prices was mainly due to productivity gains: rising yields, improved policies, and investment in infrastructure and irrigation. Metals and minerals commodity prices have declined relative to those of manufactures for similar reasons: better technology, policies, and management.

Agricultural commodity prices were down about 33 percent in 2000 compared with 1995. Although metals and minerals prices rose somewhat from the lows of 1999, by early 2001 they had dropped again due to weak demand. While oil prices rose sharply during 1999 and most of 2000, they weakened in late 2000 and into 2001.

Primary commodities are raw or partially processed materials that will be transformed into

finished goods. They are often the most significant exports of developing countries, and revenues obtained from them have an important effect on living standards. Price data for primary commodities are collected from a variety of sources, including international study groups, trade journals, newspaper and wire service reports, government market surveys, and commodity exchange spot and near-term forward prices. This table is based on frequently updated price reports. When possible, the prices received by exporters are used; if export prices are unavailable, the prices paid by importers are used. Annual price series are generally simple averages based on higher frequency data. The constant price series in the table is deflated using the manufactures unit value (MUV) index for the G-5 countries (see below).

The commodity price indexes are calculated as Laspeyres index numbers, in which the fixed

weights are the 1987–89 export values for low- and middle-income economies, rebased to 1990. Each index represents a fixed basket of primary commodity exports. The non-energy commodity price index contains 37 price series for 31 non-energy commodities. Separate indexes are compiled for petroleum and for steel products, which are not included in the non-energy commodity price index.

The MUV index is a composite index of prices for manufactured exports from the five major (G-5) industrial countries (France, Germany, Japan, the United Kingdom, and the United States) to low- and middle-income economies, valued in U.S. dollars. The index covers products in groups 5–8 of the Standard International Trade Classification (SITC) revision 1. To construct the MUV G-5 index, unit value indexes for each country are combined using weights determined by each country's export share.



	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001
<b>Fertilizers (\$/mt)</b>										
Phosphate rock	39	59	40	30	35	40	43	44	45	43
TSP	152	229	132	128	158	166	174	155	141	131
<b>Food</b>										
Fats and oils (\$/mt)										
Coconut oil	1,417	855	336	573	675	634	660	740	462	329
Groundnut oil	1,350	1,090	964	847	806	976	912	791	733	704
Palm oil	927	741	290	537	477	527	673	438	318	296
Soybeans	417	376	247	221	274	285	244	203	217	203
Soybean meal	367	333	200	168	240	266	171	153	194	187
Soybean oil	1,021	759	447	534	496	545	628	429	347	366
Grains (\$/mt)										
Grain sorghum	185	164	104	102	135	106	98	85	90	99
Maize	208	159	109	106	149	113	102	91	91	93
Rice	450	521	271	274	305	293	305	250	208	179
Wheat	196	219	136	151	187	154	127	113	117	131
Other food										
Bananas (\$/mt)	590	481	541	380	422	499	491	375	435	603
Beef (cents/kg)	465	350	256	163	160	179	173	185	199	220
Oranges (\$/mt)	599	496	531	454	442	443	444	433	373	630
Sugar, EU domestic (cents/kg)	40	62	58	59	61	61	60	59	57	55
Sugar, U.S. domestic (cents/kg)	59	84	51	43	44	47	49	47	44	49
Sugar, world (cents/kg)	29	80	28	25	24	24	20	14	19	20
<b>Metals and minerals</b>										
Aluminum (\$/mt)	1,982	1,848	1,639	1,543	1,353	1,545	1,362	1,367	1,590	1,494
Copper (\$/mt)	5,038	2,770	2,661	2,509	2,062	2,199	1,660	1,580	1,862	1,633
Iron ore (cents/dmtu)	35	36	32	24	27	29	31	28	30	31
Lead (cents/kg)	108	115	81	54	70	60	53	50	47	49
Nickel (\$/mt)	10,148	8,274	8,864	7,031	6,741	6,691	4,645	6,038	8,868	6,150
Tin (cents/kg)	1,310	2,129	609	531	554	545	556	543	558	464
Zinc (cents/kg)	105	97	151	88	92	127	103	108	116	92

a. Series not included in the non-energy index.

## Definitions

• **Non-energy commodity price index** covers the 31 non-energy primary commodities that make up the agriculture, fertilizer, and metals and minerals indexes. • **Agriculture**, in addition to beverages, food, and agricultural raw materials, includes sugar, bananas, beef, and oranges. • **Beverages** include cocoa, coffee, and tea. • **Food** includes rice, wheat, maize, sorghum, soybeans, soybean oil, soybean meal, palm oil, coconut oil, and groundnut oil. • **Agricultural raw materials** include timber (logs and sawnwood), cotton, natural rubber, and tobacco. • **Fertilizers** include phosphate rock and triple superphosphate (TSP). • **Metals and minerals** include aluminum, copper, iron ore, lead, nickel, tin, and zinc. • **Petroleum price index** refers to the average spot

price of Brent, Dubai, and West Texas Intermediate crude oil, equally weighted. • **Steel products price index** is the composite price index for eight steel products based on quotations f.o.b. (free on board) Japan excluding shipments to China and the United States, weighted by product shares of apparent combined consumption (volume of deliveries) for Germany, Japan, and the United States. • **MUV G-5 index** is the manufactures unit value index for G-5 country exports to low- and middle-income economies. • **Commodity prices**—for definitions and sources see “Commodity Price Data” (also known as the “Pink Sheet”) at the Global Prospects Web site ([www.worldbank.org/prospects](http://www.worldbank.org/prospects)).

## Data sources

Commodity price data and the G-5 MUV index are compiled by the World Bank’s Development Prospects Group. Monthly updates of commodity prices are available on the Web at [www.worldbank.org/prospects](http://www.worldbank.org/prospects).



## 6.5 | Regional trade blocs

### Merchandise exports within bloc \$ millions

	1970	1980	1985	1990	1995	1996	1997	1998	1999	2000
<b>High-income and low- and middle-income economies</b>										
APEC <sup>a</sup>	58,633	357,697	494,464	901,560	1,688,185	1,754,764	1,868,667	1,734,788	1,899,098	2,259,727
CEFTA	1,157	7,766	6,302	4,235	12,118	12,874	13,169	14,234	13,226	15,102
European Union	76,451	456,857	419,134	981,260	1,259,699	1,273,430	1,162,419	1,226,988	1,405,568	1,416,825
NAFTA	22,078	102,218	143,191	226,273	394,472	437,804	496,423	521,649	581,162	676,440
<b>Latin America and the Caribbean</b>										
ACS	758	4,892	4,123	5,401	10,449	10,847	11,985	12,547	11,582	13,780
Andean Group	97	1,161	768	1,312	4,812	4,762	5,524	5,408	3,921	5,177
CACM	287	1,174	544	671	1,595	1,723	1,973	2,038	2,154	2,477
CARICOM	52	576	414	448	307	900	968	1,020	1,134	1,078
Central American Group of Four	176	692	310	399	1,026	1,106	1,299	1,220	1,290	1,483
Group of Three	59	706	534	1,046	3,460	3,131	3,944	3,921	2,912	3,711
LAIA	1,263	10,981	7,139	12,331	35,299	38,373	44,809	42,864	34,747	42,665
MERCOSUR	451	3,424	1,953	4,127	14,199	17,075	20,772	20,352	15,313	17,925
OECS	..	8	10	29	39	33	34	36	36	38
<b>Africa</b>										
CEMAC	22	75	84	139	120	164	161	153	121	125
CEPGL	3	2	9	7	8	9	6	8	9	10
COMESA	412	616	466	963	1,386	1,610	1,545	1,501	1,348	1,534
Cross Border Initiative	209	447	294	613	1,002	1,191	1,144	1,156	964	1,091
ECCAS	162	89	131	163	163	212	211	198	167	181
ECOWAS	86	692	1,026	1,533	2,088	2,483	2,462	2,614	2,669	3,331
Indian Ocean Commission	5	10	4	24	64	69	75	95	91	116
MRU	1	7	4	0	1	4	7	8	8	10
SADC	483	617	843	1,630	3,373	3,963	4,471	3,865	4,224	4,419
UDEAC	22	75	84	139	120	163	160	152	120	124
UEMOA	52	460	397	614	555	665	707	753	841	847
<b>Middle East and Asia</b>										
Arab Common Market	102	661	504	911	1,368	1,149	1,146	978	936	1,238
ASEAN	1,456	13,350	14,343	28,648	81,911	86,925	88,773	72,218	81,020	100,818
Bangkok Agreement	132	1,464	1,953	4,476	12,070	13,128	13,647	13,175	15,272	17,218
EAEC	9,197	98,532	126,030	282,351	637,029	651,803	673,285	551,555	617,196	776,658
ECO	63	1,165	2,447	1,243	4,746	4,773	4,929	4,031	3,903	4,495
GCC	156	4,632	3,101	6,906	6,832	7,624	8,110	7,358	7,194	8,561
SAARC	99	613	601	863	2,024	2,144	2,004	2,834	2,615	2,798
UMA	59.5	109.1	274.1	958.4	1,109.5	1,115.3	924.2	881.1	918.5	1,081.4



**Merchandise exports within bloc**  
% of total bloc exports

	1970	1980	1985	1990	1995	1996	1997	1998	1999	2000
<b>High-income and low- and middle-income economies</b>										
APEC <sup>a</sup>	57.8	57.9	67.7	68.3	71.9	72.1	71.8	69.7	71.9	73.2
CEFTA	12.9	14.8	13.8	9.9	14.6	14.4	13.4	13.0	12.1	12.1
European Union	59.5	60.8	59.2	65.9	62.4	61.4	55.5	57.0	63.3	62.1
NAFTA	36.0	33.6	43.9	41.4	46.2	47.6	49.1	51.7	54.6	55.7
<b>Latin America and the Caribbean</b>										
ACS	9.6	8.7	7.9	8.4	8.1	6.9	6.9	7.2	5.8	5.5
Andean Group	1.8	3.8	3.2	4.1	12.0	9.7	10.8	12.8	8.7	8.5
CACM	26.0	24.4	14.4	15.4	21.7	22.0	18.1	16.0	11.9	12.4
CARICOM	4.2	5.3	6.3	8.1	4.7	13.3	14.6	17.4	16.9	15.0
Central American Group of Four	20.1	18.1	10.9	13.7	22.0	22.0	19.9	17.0	12.0	12.1
Group of Three	1.1	1.8	1.3	2.0	3.2	2.4	2.7	2.6	1.7	1.7
LAIA	9.9	13.7	8.3	10.8	17.1	16.3	17.1	16.7	12.8	12.9
MERCOSUR	9.4	11.6	5.5	8.9	20.3	22.6	24.8	25.0	20.6	20.8
OECS	..	9.1	6.4	8.1	12.7	10.6	10.7	12.0	12.6	10.0
<b>Africa</b>										
CEMAC	4.8	1.6	1.9	2.3	2.2	2.3	2.1	2.3	1.6	1.2
CEPGL	0.4	0.1	0.8	0.5	0.5	0.5	0.4	0.6	0.7	0.8
COMESA	9.1	6.1	4.7	6.6	7.8	8.0	7.9	8.6	7.3	6.0
Cross Border Initiative	9.3	8.8	6.9	10.3	11.9	12.4	12.7	13.8	12.1	12.4
ECCAS	9.6	1.4	1.7	1.4	1.6	1.6	1.6	1.8	1.3	0.9
ECOWAS	2.9	10.1	5.2	7.8	9.8	9.3	9.6	11.6	12.0	10.8
Indian Ocean Commission	2.5	1.2	0.6	1.5	3.3	3.0	3.9	4.7	4.8	4.7
MRU	0.2	0.8	0.4	0.0	0.1	0.3	0.5	0.5	0.6	0.7
SADC	8.0	2.0	3.8	4.8	8.7	9.4	10.4	10.4	11.9	12.2
UDEAC	4.9	1.6	1.9	2.3	2.2	2.3	2.1	2.3	1.6	1.2
UEMOA	6.5	9.6	8.7	12.9	10.0	9.4	11.5	10.8	13.3	15.6
<b>Middle East and Asia</b>										
Arab Common Market	2.2	2.4	1.9	2.7	6.7	4.4	4.1	4.8	3.3	2.9
ASEAN	22.9	18.7	19.8	19.8	25.4	25.4	24.9	21.9	22.4	23.9
Bangkok Agreement	2.7	3.7	3.7	3.7	5.1	5.3	5.2	5.0	5.3	5.2
EAEC	28.9	35.6	34.3	39.9	48.3	49.3	48.3	42.2	44.1	47.0
ECO	1.5	5.4	9.9	3.2	7.9	7.1	7.5	6.9	5.7	5.5
GCC	2.9	3.0	4.9	8.0	6.8	6.4	6.5	8.1	6.7	5.2
SAARC	3.2	4.8	4.5	3.2	4.4	4.3	4.0	5.2	4.6	4.3
UMA	1.4	0.3	1.0	2.9	3.8	3.4	2.7	3.3	2.5	2.3



## 6.5 | Regional trade blocs

Total merchandise exports by bloc  
% of world exports

	1970	1980	1985	1990	1995	1996	1997	1998	1999	2000
<b>High-income and low- and middle-income economies</b>										
APEC <sup>a</sup>	36.0	33.7	38.9	39.0	46.3	46.0	47.2	46.1	46.6	48.5
CEFTA	3.2	2.9	2.4	1.3	1.6	1.7	1.8	2.0	1.9	2.0
European Union	45.6	41.0	37.8	44.0	39.8	39.2	38.0	39.9	39.2	35.9
NAFTA	21.7	16.6	17.4	16.2	16.8	17.4	18.3	18.7	18.8	19.1
<b>Latin America and the Caribbean</b>										
ACS	2.8	3.1	2.8	1.9	2.5	3.0	3.1	3.2	3.5	3.9
Andean Group	1.9	1.7	1.3	0.9	0.8	0.9	0.9	0.8	0.8	1.0
CACM	0.4	0.3	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.3
CARICOM	0.4	0.6	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Central American Group of Four	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Group of Three	1.8	2.1	2.1	1.5	2.1	2.5	2.7	2.8	3.0	3.4
LAIA	4.5	4.4	4.6	3.4	4.1	4.5	4.8	4.8	4.8	5.2
MERCOSUR	1.7	1.6	1.9	1.4	1.4	1.4	1.5	1.5	1.3	1.4
OECS	..	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Africa</b>										
CEMAC	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2
CEPGL	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COMESA	1.6	0.6	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.4
Cross Border Initiative	0.8	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
ECCAS	0.6	0.3	0.4	0.3	0.2	0.3	0.2	0.2	0.2	0.3
ECOWAS	1.1	0.4	1.0	0.6	0.4	0.5	0.5	0.4	0.4	0.5
Indian Ocean Commission	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRU	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
SADC	2.2	1.6	1.2	1.0	0.8	0.8	0.8	0.7	0.6	0.6
UDEAC	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2
UEMOA	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Middle East and Asia</b>										
Arab Common Market	1.6	1.5	1.4	1.0	0.4	0.5	0.5	0.4	0.5	0.7
ASEAN	2.3	3.9	3.9	4.3	6.4	6.5	6.5	6.1	6.4	6.6
Bangkok Agreement	1.8	2.2	2.8	3.6	4.7	4.7	4.7	4.9	5.1	5.2
EAEC	11.3	15.1	19.6	20.9	26.0	25.0	25.3	24.2	24.7	26.0
ECO	1.5	1.2	1.3	1.1	1.2	1.3	1.2	1.1	1.2	1.3
GCC	1.9	8.5	3.4	2.5	2.0	2.2	2.3	1.7	1.9	2.6
SAARC	1.1	0.7	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.0
UMA	1.5	2.3	1.5	1.0	0.6	0.6	0.6	0.5	0.6	0.8

**Note:** Regional bloc memberships are as follows: **Asia Pacific Economic Cooperation (APEC)**, Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, the Russian Federation, Singapore, Taiwan (China), Thailand, the United States, and Vietnam; **Central European Free Trade Area (CEFTA)**, Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia; **European Union (EU; formerly European Economic Community and European Community)**, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom; **North American Free Trade Area (NAFTA)**, Canada, Mexico, and the United States; **Association of Caribbean States (ACS)**, Antigua and Barbuda, the Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and República Bolivariana de Venezuela; **Andean Group**, Bolivia, Colombia, Ecuador, Peru, and República Bolivariana de Venezuela; **Central American Common Market (CACM)**, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; **Caribbean Community and Common Market (CARICOM)**, Antigua and Barbuda, the Bahamas (part of the Caribbean Community but not of the Common Market), Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago; **Central American Group of Four**, El Salvador, Guatemala, Honduras, and Nicaragua; **Group of Three**, Colombia, Mexico, and República Bolivariana de Venezuela; **Latin American Integration Association (LAIA; formerly Latin American Free Trade Area)**, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and República Bolivariana de Venezuela; **Southern Cone Common Market (MERCOSUR)**, Argentina, Brazil, Paraguay, and Uruguay; **Organization of Eastern Caribbean States (OECS)**, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; **Economic and Monetary Community of Central Africa (CEMAC)**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, Gabon, and São Tomé and Príncipe; **Economic Community of the Countries of the Great Lakes (CEPGL)**, Burundi, the Democratic Republic of Congo, and Rwanda; **Common Market for Eastern and Southern Africa (COMESA)**, Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, the Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Tanzania, Zambia, and Zimbabwe; **Cross-Border Initiative**, Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe; **Economic Community of Central African States (ECCAS)**, Angola, Burundi, Cameroon, the Central African Republic, Chad, the Democratic Republic of Congo, the Republic of Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe; **Economic Community of West African States (ECOWAS)**, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo; **Indian Ocean Commission**, Comoros, Madagascar, Mauritius, Réunion, and Seychelles; **Mano River Union (MRU)**, Guinea, Liberia, and Sierra Leone; **Southern African Development Community (SADC; formerly Southern African Development Coordination Conference)**, Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe; **Central African Customs and Economic Union (UDEAC; formerly Union Douanière et Economique de l'Afrique Centrale)**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon; **West African Economic and Monetary Union (UEMOA)**, Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo; **Arab Common Market**, the Arab Republic of Egypt, Iraq, Jordan, Libya, Mauritania, the Syrian Arab Republic, and the Republic of Yemen; **Association of South-East Asian Nations (ASEAN)**, Brunei, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam; **Bangkok Agreement**, Bangladesh, India, the Republic of Korea, the Lao People's Democratic Republic, the Philippines, Sri Lanka, and Thailand; **East Asian Economic Caucus (EAEC)**, Brunei, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Taiwan (China), and Thailand; **Economic Cooperation Organization (ECO)**, Afghanistan, Azerbaijan, the Islamic Republic of Iran, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan; **Gulf Cooperation Council (GCC)**, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates; **South Asian Association for Regional Cooperation (SAARC)**, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka; and **Arab Maghreb Union (UMA)**, Algeria, Libya, Mauritania, Morocco, and Tunisia.

a. No preferential trade agreement.



## About the data

Trade blocs are groups of countries that have established special preferential arrangements governing trade between members. Although in some cases the preferences—such as lower tariff duties or exemptions from quantitative restrictions—may be no greater than those available to other trading partners, the general purpose of such arrangements is to encourage exports by bloc members to one another—sometimes called intratrade.

Most countries are members of a regional integration arrangement, and more than a third of the world's trade takes place within these arrangements. The structure of regional arrangements varies widely, but the main objective is the same: the reduction of trade barriers among member countries. But effective integration requires more than reducing tariffs and quotas. Economic gains from competition and scale may not be achieved unless other barriers that divide markets and impede the free flow of goods, services, and investments are lifted. For example, many regional trade blocs retain contingent protection or restrictions on intrabloc trade. These include antidumping, countervailing duties, and “emergency protection” to address balance of payments problems or to protect an industry from surges in imports. Other barriers include cumbersome and costly border formalities, differing product standards, and discrimination in public procurement.

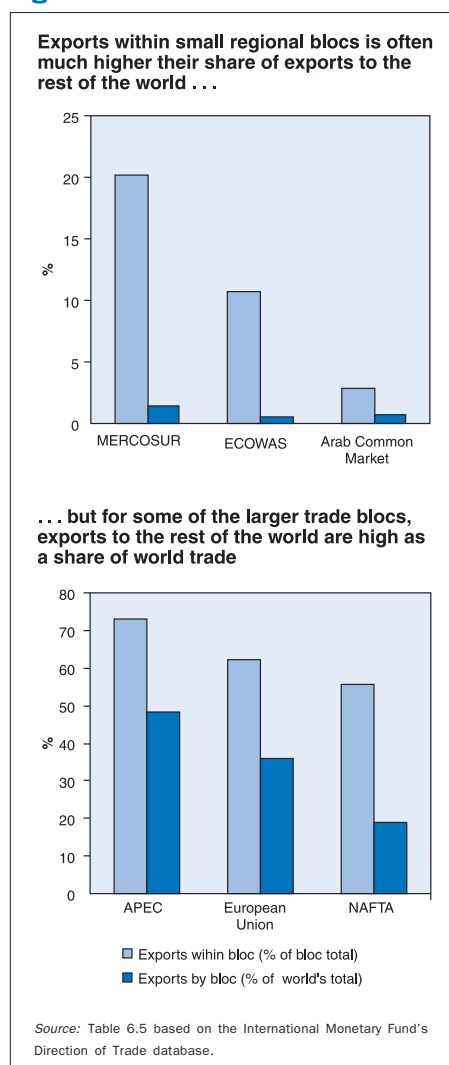
Membership in a regional integration arrangement may reduce the frictional costs of trade, increase the credibility of reform initiatives, and strengthen security among partners. But making it work effectively is a challenge for any government. All sectors of an economy may be affected, and some sectors may expand while others contract, so it is important to weigh the potential costs and benefits that membership may bring.

Asia Pacific Economic Cooperation (APEC), which has no preferential arrangements, is included in the table because of the volume of trade between its members. The table shows the value of merchandise intratrade for important regional trade blocs (service exports are excluded) as well as the size of intratrade relative to each bloc's total exports of goods and the share of the bloc's total exports in world exports.

The data on country exports are drawn from the International Monetary Fund's (IMF) Direction of Trade database and should be broadly consistent with those from other sources, such as the United Nations Statistics Division's Commodity Trade (COMTRADE) database. However, trade flows between many developing countries, particularly in Africa, are not well recorded. Thus the value of intratrade for certain groups may be understated. Data on trade between developing and high-income countries are generally complete.

Membership in the trade blocs shown is based on the most recent information available, from the World Bank Policy Research Report *Trade Blocs* (2000a) and from consultation with the World Bank's international trade unit. Although bloc exports have been calculated back to 1970 on the basis of current membership, most of the blocs came into existence in later years and their membership may have changed over time. For this reason, and because systems of preferences also change over time, intratrade in earlier years may not have been affected by the same preferences as in recent years. In addition, some countries belong to more than one trade bloc, so shares of world exports exceed 100 percent. Exports of blocs include all commodity trade, which may include items not specified in trade bloc agreements. Differences from previously published estimates may be due to changes in bloc membership or to revisions in the underlying data.

**Figure 6.5**



## Definitions

• **Exports within bloc** are the sum of exports by members of a trade bloc to other members of the bloc. They are shown both in U.S. dollars and as a percentage of total exports by the bloc. • **Total exports by bloc** as a share of world exports are the ratio of the bloc's total exports (within the bloc and to the rest of the world) to total exports by all economies in the world.

## Data sources

Data on merchandise trade flows are published in the IMF's *Direction of Trade Statistics Yearbook* and *Direction of Trade Statistics Quarterly*; the data in the table were calculated using the IMF's Direction of Trade database. The United Nations Conference on Trade and Development (UNCTAD) publishes data on intratrade in its *Handbook of International Trade and Development Statistics*. The information on trade bloc membership is from the World Bank Policy Research Report *Trade Blocs* (2000a) and the World Bank's international trade unit.





## 6.6 | Tariff barriers

	Year	All products					Primary products		Manufactured products	
		Simple mean tariff %	Standard deviation of tariff rates %	Weighted mean tariff %	Share of lines with international peaks %	Share of lines with specific tariffs %	Simple mean tariff %	Weighted mean tariff %	Simple mean tariff %	Weighted mean tariff %
Albania	1997	17.0	8.5	14.4	56.0	0.0	15.7	12.8	17.2	15.2
Algeria	1993	22.5	16.6	15.4	45.8	0.0	18.0	8.9	23.0	18.9
	1998	24.6	16.5	17.3	51.3	0.0	18.1	14.6	25.4	18.7
Argentina	1992	12.2	7.7	12.7	31.0	0.0	10.0	5.8	12.5	13.8
	2000	12.6	7.5	10.5	42.5	0.0	10.6	4.9	12.8	11.3
Australia	1991	13.1	14.3	9.1	30.3	1.4	3.2	1.6	14.3	10.3
	2000	5.8	6.5	4.0	6.2	1.0	1.7	0.8	6.2	4.5
Bangladesh	1989	106.6	79.3	88.4	98.2	1.3	79.9	53.5	110.5	112.2
	2000	21.3	13.6	21.0	51.8	0.0	24.1	18.6	21.0	21.7
Belarus	1996	12.2	8.7	8.8	30.9	0.0	9.6	6.4	13.0	10.5
	1997	13.0	8.3	9.5	31.9	0.0	10.4	7.0	13.8	11.2
Bhutan	1996	18.6	14.9	20.3	54.3	3.7	24.2	20.4	17.9	20.2
Bolivia	1993	9.7	1.1	9.4	0.0	0.0	10.0	10.0	9.7	9.3
	1999	9.5	1.6	9.1	0.0	0.0	10.0	10.0	9.4	8.9
Brazil	1989	42.2	17.2	31.9	92.2	0.5	37.9	18.8	42.5	37.9
	2000	14.4	7.0	12.7	57.4	0.0	11.3	6.3	14.7	15.0
Burkina Faso	1993	23.8	10.7	21.7	65.1	0.0	25.9	18.0	23.5	23.5
Cameroon	1994	19.2	10.4	13.9	53.6	0.0	22.6	14.3	18.7	13.8
	1995	18.5	9.5	14.5	51.3	0.3	21.1	17.0	18.0	13.5
Canada	1989	8.6	7.4	6.0	14.6	3.4	5.1	2.5	9.3	6.7
	2000	3.9	6.7	0.8	9.1	4.1	2.8	0.4	4.2	0.9
Central African Republic	1995	18.0	10.7	13.4	51.7	0.4	20.6	13.7	16.8	13.2
	1997	18.6	10.6	14.1	54.2	0.2	21.1	14.3	17.4	14.0
Chad	1995	15.7	10.8	14.6	43.4	0.0	15.9	16.1	15.6	13.5
	1997	15.7	10.8	14.6	43.4	0.0	15.9	16.1	15.6	13.5
Chile	1992	11.0	0.5	11.0	0.0	0.0	11.0	11.0	11.0	10.9
	2000	9.0	0.0	9.0	0.0	0.0	9.0	9.0	9.0	9.0
China†	1992	41.0	30.6	32.2	77.6	0.0	35.4	13.9	42.3	36.5
	2000	16.3	10.7	14.7	42.5	0.0	16.5	18.8	16.2	13.7
Hong Kong, China	1988	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1998	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Colombia	1991	5.7	8.2	6.5	1.6	0.0	7.6	7.5	5.6	6.2
	2000	11.7	6.2	11.0	22.9	0.0	12.6	12.7	11.6	10.5
Congo, Rep.	1994	20.6	9.3	16.3	62.1	0.0	22.1	20.5	20.3	14.8
	1997	17.6	8.6	16.7	35.8	0.0	17.8	15.2	17.5	17.0
Costa Rica	1995	10.3	8.0	8.6	29.3	0.1	13.0	10.5	10.0	8.0
	2000	5.4	7.5	3.7	0.4	0.0	9.6	6.1	4.8	3.2
Côte d'Ivoire	1993	25.3	11.9	22.2	76.3	0.0	26.6	21.6	25.1	22.6
	1996	19.0	10.8	14.1	52.6	0.0	19.7	14.3	18.8	14.1
Cuba	1993	13.1	8.0	10.0	25.8	0.0	13.7	8.3	13.0	11.6
	1997	11.3	6.6	8.1	9.5	0.0	10.6	5.2	11.4	9.8
Czech Republic	1996	6.9	6.2	5.8	5.4	0.0	8.1	4.1	6.6	6.3
	1999	6.5	9.3	5.7	5.4	0.0	11.0	5.1	5.4	5.9
Dominican Republic	1997	14.9	9.1	15.8	33.3	0.0	16.5	10.4	14.7	17.8
Ecuador	1993	8.7	5.9	8.1	20.4	0.0	9.3	6.4	8.6	8.4
	1999	12.8	6.4	11.1	36.4	0.0	12.5	10.4	12.9	11.3
Egypt, Arab Rep.	1995	25.6	33.2	16.6	53.1	1.2	24.2	7.6	25.8	22.4
	1998	20.5	39.5	13.7	47.4	9.5	22.5	7.5	20.2	17.5
El Salvador	1995	10.3	7.8	9.1	27.4	0.0	12.6	10.2	9.9	8.8
	2000	7.4	8.6	6.5	9.8	0.0	10.4	8.2	6.8	5.5
Equatorial Guinea	1998	19.1	9.7	15.3	55.4	0.2	21.1	23.7	18.4	13.6
Estonia	1995	0.1	1.0	0.4	0.1	0.0	0.0	0.0	0.1	0.5
Ethiopia	1995	32.0	23.5	18.1	71.3	0.2	37.1	18.4	31.7	18.1
European Union	1989	4.1	5.9	3.8	3.9	18.2	8.7	2.7	2.7	4.4
	2000	2.4	4.4	1.8	1.8	7.2	4.6	1.3	1.8	1.9
Gabon	1995	20.4	9.6	16.1	60.6	0.0	23.4	20.0	19.7	15.1
	1998	20.4	9.8	16.0	61.1	0.3	23.4	20.2	19.7	14.7
Georgia	1999	9.9	3.2	10.1	0.0	1.0	11.9	12.0	9.5	8.3
†Data for Taiwan, China	1989	12.3	9.5	10.0	16.9	0.5	17.3	8.4	11.2	10.7
	2000	7.8	8.2	3.9	9.6	0.3	13.6	6.4	6.7	3.3



	Year	All products				Primary products		Manufactured products		
		Simple mean tariff %	Standard deviation of tariff rates %	Weighted mean tariff %	Share of lines with international peaks %	Share of lines with specific tariffs %	Simple mean tariff %	Weighted mean tariff %	Simple mean tariff %	Weighted mean tariff %
Ghana	1993	14.6	9.0	11.2	42.3	0.0	20.2	16.2	13.8	8.7
Guatemala	1995	10.0	7.4	8.7	25.3	0.0	12.6	10.2	9.6	8.1
	2000	7.2	7.8	5.8	9.6	0.0	9.3	7.5	6.9	5.2
Honduras	1995	9.8	7.5	9.0	25.1	0.0	13.3	12.9	9.3	7.6
	2000	7.9	7.5	8.3	25.9	0.0	11.6	12.3	7.3	6.7
Hungary	1991	12.7	10.9	10.1	18.9	0.0	14.7	5.5	12.4	11.8
	1997	8.2	14.7	4.5	10.4	0.0	25.9	6.8	4.6	3.9
Iceland	1993	3.6	7.6	3.4	5.5	0.0	3.8	5.2	3.6	2.8
	1996	5.7	13.1	3.6	4.2	0.7	9.5	5.9	4.9	2.9
India	1990	79.0	43.6	49.6	97.0	0.9	69.1	25.4	80.2	69.9
	1999	32.5	12.3	28.5	93.1	0.6	30.9	23.2	32.8	32.7
Indonesia	1989	21.9	19.7	13.0	50.3	0.3	19.9	5.8	22.3	15.6
	2000	8.4	10.8	5.2	11.2	0.0	6.3	2.8	8.9	6.7
Iran, Islamic Rep.	2000	4.9	4.2	3.1	0.6	0.0	2.9	0.9	5.1	3.8
Israel	1993	7.7	12.2	4.0	15.7	0.0	5.3	1.9	8.1	4.4
Jamaica	1996	20.8	9.0	17.8	44.0	41.2	21.2	14.2	20.7	20.9
	2000	10.6	11.3	9.6	33.3	0.0	15.5	9.0	9.4	10.0
Japan	1989	5.6	7.9	3.0	9.1	3.3	8.3	3.3	4.7	2.7
	2000	4.5	7.0	2.0	7.1	3.0	8.3	3.4	3.2	1.2
Jordan	2000	22.8	16.6	18.9	63.3	0.4	26.2	16.9	22.3	19.8
Kenya	1994	31.9	13.8	20.7	87.0	1.2	32.2	17.0	31.9	23.3
	2000	19.3	12.7	12.4	34.7	9.6	18.1	10.6	19.4	13.0
Korea, Rep.	1989	14.8	5.3	10.5	11.8	12.5	14.6	5.5	14.9	13.5
	1999	8.6	5.9	5.9	4.8	0.7	12.3	5.5	7.8	6.1
Kyrgyz Republic	1995	0.0	0.0	0.0	0.0	19.7	0.0	0.0	0.0	0.0
Lao PDR	2000	9.6	7.8	14.7	11.7	3.5	18.6	24.5	8.8	8.9
Latvia	1996	4.3	7.5	2.2	2.2	0.0	8.3	1.5	3.2	2.6
	1997	5.6	9.2	3.2	2.9	0.0	10.0	4.0	4.2	2.9
Lebanon	1999	12.6	9.9	12.2	23.9	0.1	13.0	11.8	12.5	12.4
	2000	17.9	14.2	19.1	37.1	1.7	23.9	24.3	16.9	16.0
Libya	1996	27.3	37.0	21.3	58.3	1.4	24.8	9.6	27.7	25.7
Lithuania	1995	3.8	8.5	2.6	6.9	0.0	8.3	3.7	2.6	1.8
	1997	3.8	7.9	2.3	6.4	0.0	7.5	3.3	2.8	1.8
Madagascar	1995	7.6	5.9	5.2	6.0	0.0	6.1	2.7	7.8	6.3
Malawi	1994	31.3	14.6	22.3	87.0	0.0	27.7	12.8	31.7	26.6
	1998	19.6	14.9	11.5	13.9	62.9	17.8	6.1	19.8	13.4
Malaysia	1988	17.0	15.1	9.4	46.1	7.2	15.2	4.6	17.4	10.5
	1997	9.3	33.3	6.0	24.7	0.4	7.0	10.0	10.3	5.4
Mali	1995	16.3	12.6	10.3	41.8	0.0	18.2	13.5	16.1	8.5
Mauritius	1995	36.2	28.5	23.5	64.7	0.0	26.2	25.7	37.5	22.7
	1998	31.0	27.8	23.8	28.9	50.0	23.8	15.2	32.0	26.9
Mexico	1991	13.2	4.3	11.9	18.9	0.0	12.2	8.2	13.3	13.1
	2000	16.2	9.2	15.4	50.7	0.5	18.3	20.2	16.1	14.8
Moldova	1996	6.3	9.2	1.6	19.9	1.2	10.3	0.8	4.8	2.7
	2000	4.6	5.5	2.3	0.1	0.7	9.3	1.7	4.0	2.8
Morocco	1993	66.5	29.5	45.4	96.8	0.1	55.1	30.2	68.1	55.8
	2000	33.6	22.0	25.8	79.9	0.0	42.4	27.1	32.3	25.3
Mozambique	1994	5.0	0.0	5.0	0.0	0.0	5.0	5.0	5.0	5.0
	1997	16.8	14.3	17.4	37.7	0.0	19.9	22.0	16.2	15.5
Nepal	1993	21.9	17.8	15.9	58.9	1.0	11.9	9.3	23.6	19.1
	2000	17.9	20.9	17.7	18.7	7.9	13.5	13.8	19.0	19.6
New Zealand	1992	10.4	11.0	8.5	36.0	2.8	5.9	3.7	11.2	9.6
	2000	3.3	4.4	2.3	0.0	5.8	1.6	0.5	3.6	2.9
Nicaragua	1995	7.5	7.9	5.6	20.4	0.0	8.7	7.1	7.4	4.6
	2000	3.2	4.7	2.9	0.2	0.0	5.1	3.8	2.9	2.3
Nigeria	1989	27.9	20.1	24.7	64.2	0.4	33.7	32.5	27.3	22.5
	1995	21.8	15.7	20.0	9.7	80.5	29.5	20.8	20.2	19.9
Norway	1988	1.9	5.2	0.7	5.1	8.0	0.9	0.2	2.1	0.9
	2000	2.9	15.6	1.1	4.4	8.6	8.7	2.5	2.1	0.8



## 6.6 | Tariff barriers

	Year	All products					Primary products		Manufactured products	
		Simple mean tariff %	Standard deviation of tariff rates %	Weighted mean tariff %	Share of lines with international peaks %	Share of lines with specific tariffs %	Simple mean tariff %	Weighted mean tariff %	Simple mean tariff %	Weighted mean tariff %
Oman	1992	5.5	8.2	7.4	1.5	0.0	7.2	14.1	5.2	5.5
	1997	4.8	0.9	4.7	0.0	0.0	4.0	3.1	4.9	5.0
Pakistan	1995	50.9	21.5	46.4	91.4	4.4	45.7	23.0	51.5	51.0
	1998	46.6	21.2	41.7	86.3	4.2	43.6	30.1	46.9	44.1
Panama	1998	9.5	5.6	8.7	0.8	17.9	11.0	9.6	9.2	8.5
	2000	9.5	7.4	7.8	1.4	0.1	12.4	7.7	9.0	7.8
Papua New Guinea	1997	21.1	18.5	15.6	33.4	1.9	32.8	21.7	19.6	13.7
Paraguay	1991	15.6	11.5	11.9	41.8	0.0	13.8	3.6	15.8	14.5
	2000	10.9	6.7	10.5	33.6	0.0	11.9	8.6	10.8	11.4
Peru	1993	17.3	4.2	15.9	23.3	0.0	18.4	15.5	17.2	16.1
	1999	13.0	2.6	12.6	12.0	0.0	13.7	13.5	12.9	12.3
Philippines	1989	28.0	14.2	22.4	77.2	0.1	29.6	18.5	27.7	23.6
	2000	7.6	7.9	3.8	8.8	0.0	11.9	7.5	6.9	3.3
Poland	1991	12.2	9.0	10.5	24.6	0.0	11.8	8.2	12.2	11.3
	2000	10.0	9.8	7.4	14.3	5.0	17.6	6.2	8.4	7.8
Romania	1991	19.2	8.3	11.9	55.6	0.0	20.1	8.2	19.0	18.2
	1999	15.2	16.2	12.4	36.0	0.0	25.4	11.0	12.9	12.8
Russian Federation	1993	7.8	9.8	6.2	3.2	0.0	3.4	3.9	9.4	7.5
	1997	13.9	8.5	11.3	35.5	0.0	11.5	10.3	14.8	11.8
Rwanda	1993	28.3	26.8	25.5	59.6	1.7	37.8	36.7	27.5	21.7
Saudi Arabia	1994	12.5	3.3	10.7	10.3	0.1	12.2	9.1	12.6	11.0
	2000	12.3	3.1	10.3	8.2	4.1	11.9	7.9	12.4	10.9
Singapore	1989	0.6	3.0	1.1	0.3	1.6	0.7	2.5	0.6	0.6
	1995	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Slovenia	1999	11.8	6.5	11.4	20.8	3.1	11.9	7.5	11.8	12.3
South Africa <sup>a</sup>	1988	12.7	11.8	12.0	32.3	18.8	6.3	4.3	12.9	12.4
	1999	8.5	10.2	4.4	21.9	20.6	8.0	1.8	8.6	5.1
Sri Lanka	1990	28.3	24.5	26.9	51.7	1.4	31.8	32.2	28.0	24.4
	2000	9.9	9.3	7.4	22.0	0.7	15.3	14.8	9.2	5.2
Sudan	1996	5.3	11.9	3.8	8.9	0.0	12.4	3.3	4.7	4.0
Switzerland	1990	0.0	0.0	0.0	0.0	53.3	0.0	0.0	0.0	0.0
	2000	0.0	0.1	0.0	0.0	31.2	0.0	0.0	0.0	0.0
Tanzania	1993	14.4	10.7	15.6	43.2	0.0	21.6	19.9	13.7	14.8
	2000	17.9	8.6	14.2	69.4	0.0	17.1	16.1	18.0	13.5
Thailand	1989	38.5	19.6	33.0	72.8	21.9	30.6	24.2	39.6	35.7
	2000	16.6	14.1	10.1	45.9	1.7	21.9	9.5	15.7	10.2
Trinidad and Tobago	1991	19.9	14.9	13.0	40.3	0.0	26.9	10.9	18.7	14.2
	1999	18.4	8.8	17.0	36.7	45.2	20.8	17.8	17.8	16.7
Tunisia	1990	28.3	10.1	25.9	97.1	0.0	24.4	17.4	28.7	28.6
	1998	30.0	13.1	28.8	90.4	0.0	28.7	21.2	30.2	30.2
Turkey	1993	7.4	5.0	6.1	5.9	0.0	6.0	7.9	7.6	5.4
	1997	8.1	12.8	5.7	8.2	0.3	22.2	5.2	5.9	5.8
Turkmenistan	1998	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	1994	16.8	9.3	13.6	53.6	0.0	17.0	17.5	16.8	12.4
	2000	8.3	5.8	6.1	0.0	0.0	9.4	5.6	8.2	6.3
Ukraine	1995	9.0	9.4	9.5	14.5	0.0	13.1	15.6	7.6	6.4
	1997	10.4	11.0	5.2	23.7	0.0	16.8	3.4	8.2	7.2
United States	1989	5.6	6.8	3.8	8.0	12.7	3.7	2.0	6.0	4.1
	2000	4.0	10.7	1.8	5.8	8.0	4.3	1.4	4.0	1.9
Uruguay	1992	7.5	5.8	5.8	0.0	0.0	8.0	5.7	7.5	5.8
	2000	11.1	8.3	6.2	37.9	6.9	9.1	2.5	11.3	7.8
Venezuela, RB	1992	15.7	11.4	16.4	47.4	1.0	17.7	14.5	15.5	16.7
	2000	12.6	5.9	13.4	25.4	0.0	13.0	13.5	12.5	13.4
Vietnam	1994	12.8	17.9	20.2	32.6	1.0	21.4	46.4	12.0	13.0
	1999	15.2	17.8	18.7	37.3	0.5	22.5	34.9	14.3	14.8
Zambia	1993	25.2	11.0	17.9	90.9	0.0	29.5	12.4	24.5	20.0
	1997	14.7	8.8	13.1	32.2	0.0	17.1	13.9	14.4	12.9
Zimbabwe	1996	40.8	15.0	39.2	94.4	1.5	34.3	40.3	41.4	38.9
	1998	21.4	20.1	16.4	45.1	0.0	26.2	20.4	20.9	15.9

a. Data refer to the South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland).



## About the data

Poor people in developing countries work primarily in agriculture and labor-intensive manufactures, the very sectors that confront the greatest trade barriers. Removing barriers to merchandise trade could increase growth by about 0.5 percent a year in developing countries. If trade in services (financial, business, telecommunications, and retailing services) were also liberalized, growth would be even higher. In general, tariffs in high-income countries on imports from developing countries, though low, are four times those collected from industrial countries. But protection is also an issue for developing countries, which also have high tariffs on agricultural commodities, labor-intensive manufactures, and other products and services. In some developing regions new trade policies could make the difference between achieving important Millennium Development Goals—such as poverty reduction, lowering maternal and child mortality, and improving educational attainment—falling short by a large margin.

Economies regulate their imports through a combination of tariff and nontariff measures. The most common form of tariff is an ad valorem duty, based on the value of the import, but tariffs may also be levied on a specific, or per unit, basis or may combine ad valorem and specific rates. Tariffs may be used to raise fiscal revenues or to protect domestic industries from foreign competition—or both. Nontariff barriers, which limit the quantity of imports of a particular good, take many forms. Some common ones are quotas, prohibitions, licensing schemes, export restraint arrangements, and health and quarantine measures.

Nontariff barriers are generally considered less desirable than tariffs because changes in an exporting country's efficiency and costs no longer result in changes in market share in the importing country. Further, the quotas or licenses that regulate trade become very valuable, and resources are frequently wasted in attempts to acquire these assets. A high percentage of products subject to nontariff barriers suggests a protectionist trade regime, but the frequency of nontariff barriers does not measure how much they restrict trade. Moreover, a wide range of domestic policies and regulations (such as health regulations) may act as nontariff barriers. Because of the difficulty of combining nontariff barriers into an aggregate indicator, they are not included in this table.

The table shows data on average tariffs, the dispersion of tariff rates, the proportion of tariff lines with duties exceeding 15 percent, and the proportion of lines subject to specific tariffs. The rates used in calculating the indicators are effectively applied rates, which reflect the rates actually applied to partners in preferential trade agreements such as the North American Free Trade Agreement. Countries typically maintain a hierarchy of trade preferences applicable to

specific trading partners. In previous years the indicators were based on most-favored-nation rates, which are equal to or higher than effectively applied rates.

Two measures of average tariffs are shown: the simple and the weighted mean tariff. Weighted mean tariffs are weighted by the value of the country's trade with each of its trading partners. Simple averages are frequently a better indicator of tariff protection than weighted averages, which are biased downward because higher tariffs discourage trade and reduce the weights applied to these tariffs. Specific duties—duties not expressed as a proportion of the declared value—have not been included in this year's table, but work is under way to estimate ad valorem equivalents.

Some countries set fairly uniform tariff rates across all imports. Others are more selective, setting high tariffs to protect favored domestic industries. The standard deviation of tariffs is a measure of the dispersion of tariff rates around their mean value. Highly dispersed rates increase the costs of protection substantially. But these nominal tariff rates tell only part of the story. The effective rate of protection—the degree to which the value added in an industry is protected—may exceed the nominal rate if the tariff system systematically differentiates among imports of raw materials, intermediate products, and finished goods.

Two other measures of tariff coverage are shown: the share of tariff lines with international peaks (those for which ad valorem tariff rates exceed 15 percent) and the share of tariff lines with specific duties (those not covered by ad valorem rates). Some countries—for example, Switzerland—apply only specific duties.

The indicators in this table were calculated from data supplied by the United Nations Conference on Trade and Development (UNCTAD). Data are classified using the Harmonized System of trade at the six- or eight-digit level. Tariff line data were matched to Standard International Trade Classification (SITC) revision 2 codes to define the commodity groups and import weights. Import weights were calculated for 1995 using the United Nations Statistics Division's Commodity Trade (COMTRADE) database. Data are shown only for the first and last year for which complete data are available. To conserve space, countries for which only a single year is available and countries that are members of the European Union have not been included. Data for the whole of the European Union are shown.

## Definitions

- **Primary products** are commodities classified in SITC revision 2 sections 0–4 plus division 68 (nonferrous metals).
- **Manufactured products** are commodities classified in SITC revision 2 sections 5–9 excluding division 68.
- **Simple mean tariff** is the unweighted average of the effectively applied rates for all products subject to tariffs.
- **Standard deviation of tariff rates** measures the average dispersion of tariff rates around the simple mean.
- **Weighted mean tariff** is the average of effectively applied rates weighted by the product import shares corresponding to each partner country.
- **International peaks** are tariff rates that exceed 15 percent.
- **Specific tariffs** are tariffs that are set on a per unit basis or that combine ad valorem and per unit rates.

## Data sources

All indicators in this table were calculated by World Bank staff using the World Integrated Trade Solution (WITS) system. Tariff data were provided by UNCTAD. Data on global imports come from the United Nations Statistics Division's COMTRADE database.



## 6.7 | Global financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		Bonds \$ millions		Equity \$ millions		\$ millions	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania	31	142	0	143	0	0	0	0	31	-1
Algeria	-424	-1,212	0	10	-16	0	0	4	-409	-1,226
Angola	235	1,206	-335	1,698	0	0	0	0	570	-492
Argentina	-203	16,620	1,836	11,665	-857	4,847	13	450	-1,195	-343
Armenia	..	159	..	140	..	0	..	0	..	19
Australia	..	..	8,111	11,527	..	..	..	..	..	..
Austria	..	..	653	9,066	..	..	..	..	..	..
Azerbaijan	..	175	..	130	..	0	..	0	..	45
Bangladesh	58	269	3	280	0	0	0	3	55	-14
Belarus	..	123	..	90	..	0	..	0	..	33
Belgium <sup>a</sup>	..	..	5,987	17,902	..	..	..	..	..	..
Benin	1	30	1	30	0	0	0	0	0	0
Bolivia	3	923	27	733	0	0	0	0	-24	190
Bosnia and Herzegovina	..	4	..	0	..	0	..	0	..	4
Botswana	77	27	95	30	0	0	0	0	-19	-3
Brazil	563	45,672	989	32,779	129	164	0	5,016	-555	7,713
Bulgaria	-42	1,114	4	1,002	65	0	0	5	-111	107
Burkina Faso	-1	10	0	10	0	0	0	0	-1	0
Burundi	-5	12	1	12	0	0	0	0	-6	0
Cambodia	0	126	0	126	0	0	0	0	0	0
Cameroon	-125	-21	-113	31	0	0	0	0	-12	-52
Canada	..	..	7,581	62,758	..	..	..	..	..	..
Central African Republic	0	5	1	5	0	0	0	0	-1	0
Chad	-1	14	0	15	0	0	0	0	-1	-1
Chile	2,098	4,833	590	3,675	-7	672	320	18	1,194	469
China	8,107	58,295	3,487	38,399	-48	-2,451	0	22,198	4,668	148
Hong Kong, China	..	..	..	..	..	..	..	..	..	..
Colombia	345	3,130	500	2,376	-4	1,225	0	26	-151	-497
Congo, Dem. Rep.	-24	1	-12	1	0	0	0	0	-12	0
Congo, Rep.	-100	14	0	14	0	0	0	0	-100	0
Costa Rica	23	912	163	409	-42	220	0	0	-99	-20
Côte d'Ivoire	57	-47	48	106	-1	-46	0	6	10	-113
Croatia	..	2,451	..	926	..	833	..	0	..	692
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	876	3,299	207	4,583	0	-325	0	617	669	-1,576
Denmark	..	..	1,132	34,192	..	..	..	..	..	..
Dominican Republic	130	1,142	133	953	0	-4	0	74	-3	119
Ecuador	184	904	126	710	0	0	0	0	58	194
Egypt, Arab Rep.	668	1,967	734	1,235	-1	0	0	619	-65	114
El Salvador	8	338	2	185	0	132	0	0	6	22
Eritrea	..	35	..	35	..	0	..	0	..	0
Estonia	..	485	..	387	..	110	..	-29	..	16
Ethiopia	-45	42	12	50	0	0	0	0	-57	-8
Finland	..	..	812	9,125	..	..	..	..	..	..
France	..	..	13,183	43,173	..	..	..	..	..	..
Gabon	103	142	74	150	0	0	0	0	29	-8
Gambia, The	-8	14	0	14	0	0	0	0	-8	0
Georgia	..	155	..	131	..	0	..	0	..	24
Germany	..	..	2,532	189,178	..	..	..	..	..	..
Ghana	-5	71	15	110	0	0	0	17	-20	-57
Greece	..	..	1,005	1,083	..	..	..	..	..	..
Guatemala	44	178	48	230	-11	-31	0	0	7	-22
Guinea	-1	63	18	63	0	0	0	0	-19	0
Guinea-Bissau	2	0	2	0	0	0	0	0	0	0
Haiti	8	13	8	13	0	0	0	0	0	0
Honduras	76	301	44	282	0	0	0	0	32	19



	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		Bonds \$ millions		Equity \$ millions		\$ millions	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Hungary	-308	1,721	0	1,692	921	-1,218	150	0	-1,379	1,247
India	1,872	8,771	162	2,315	147	4,916	105	2,117	1,458	-576
Indonesia	3,235	-11,210	1,093	-4,550	26	-2,050	312	379	1,804	-4,988
Iran, Islamic Rep.	-392	-610	-362	39	0	0	0	0	-30	-649
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	627	22,778	..	..	..	..	..	..
Israel	..	..	151	4,392	..	..	..	..	..	..
Italy	..	..	6,411	13,175	..	..	..	..	..	..
Jamaica	92	898	138	456	0	485	0	0	-46	-43
Japan	..	..	1,777	8,227	..	..	..	..	..	..
Jordan	254	455	38	558	0	-95	0	12	216	-20
Kazakhstan	..	1,900	..	1,250	..	350	..	0	..	300
Kenya	122	53	57	111	0	0	0	4	65	-61
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	1,038	13,215	788	9,283	151	1,333	518	7,784	-418	-5,185
Kuwait	..	..	..	16	..	..	..	..	..	..
Kyrgyz Republic	..	-65	..	-2	..	0	..	0	..	-62
Lao PDR	6	72	6	72	0	0	0	0	0	0
Latvia	..	583	..	407	..	-30	..	0	..	206
Lebanon	12	2,028	6	298	0	1,040	0	4	6	687
Lesotho	17	111	17	118	0	0	0	0	0	-7
Liberia	0	12	0	12	0	0	0	0	0	0
Libya	..	..	..	..	..	..	..	..	..	..
Lithuania	..	799	..	379	..	312	..	151	..	-43
Macedonia, FYR	..	187	..	176	..	0	..	0	..	12
Madagascar	7	83	22	83	0	0	0	0	-15	0
Malawi	2	45	0	45	0	0	0	0	2	0
Malaysia	770	3,228	2,333	1,660	-1,239	477	293	542	-617	550
Mali	-8	76	-7	76	0	0	0	0	-1	0
Mauritania	6	3	7	5	0	0	0	0	-1	-2
Mauritius	86	-7	41	266	0	-150	0	0	45	-123
Mexico	8,253	11,537	2,634	13,286	661	-2,636	563	3,517	4,396	-2,631
Moldova	..	209	..	128	..	0	..	0	..	81
Mongolia	..	27	..	30	..	0	..	0	..	-3
Morocco	341	-293	165	10	0	-30	0	147	176	-419
Mozambique	35	138	9	139	0	0	0	0	26	-1
Myanmar	153	188	161	255	0	0	0	0	-8	-66
Namibia	..	..	..	..	..	..	..	..	..	..
Nepal	-8	-4	6	4	0	0	0	0	-14	-8
Netherlands	..	..	10,676	54,138	..	..	..	..	..	..
New Zealand	..	..	1,735	3,209	..	..	..	..	..	..
Nicaragua	20	395	0	254	0	0	0	0	20	141
Niger	9	13	-1	15	0	0	0	0	10	-2
Nigeria	467	908	588	1,082	0	0	0	2	-121	-177
Norway	..	..	1,003	5,882	..	..	..	..	..	..
Oman	-259	56	141	23	0	0	0	11	-400	23
Pakistan	181	-53	244	308	0	0	0	0	-63	-361
Panama	127	947	132	603	-2	249	0	0	-4	95
Papua New Guinea	204	128	155	130	0	0	0	48	49	-50
Paraguay	67	-16	76	82	0	0	0	0	-9	-98
Peru	59	1,553	41	680	0	0	0	205	18	668
Philippines	639	2,459	530	2,029	395	797	0	290	-286	-656
Poland	71	13,195	89	9,342	0	2,450	0	871	-18	532
Portugal	..	..	2,610	6,227	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..
Romania	4	1,900	0	1,025	0	-75	0	0	4	950
Russian Federation	5,556	2,200	0	2,714	310	-1,018	0	1,075	5,246	-571



## 6.7 | Global financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		Bonds \$ millions		Equity \$ millions		\$ millions	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Rwanda	6	14	8	14	0	0	0	0	-2	0
Saudi Arabia	..	..	..	..	..	..	..	..	..	..
Senegal	42	106	57	107	0	0	0	0	-15	-2
Sierra Leone	36	1	32	1	0	0	0	0	4	0
Singapore	..	..	5,575	6,390	..	..	..	..	..	..
Slovak Republic	278	2,185	0	2,052	0	758	0	0	278	-625
Slovenia	..	..	..	176	..	..	..	..	..	..
Somalia	6	0	6	0	0	0	0	0	0	0
South Africa	..	2,736	..	961	..	1,193	..	864	..	-282
Spain	..	..	13,984	36,023	..	..	..	..	..	..
Sri Lanka	53	262	43	173	0	-50	0	6	10	133
Sudan	0	392	0	392	0	0	0	0	0	0
Swaziland	28	33	30	-44	0	0	0	0	-2	0
Sweden	..	..	1,982	22,125	..	..	..	..	..	..
Switzerland	..	..	5,987	17,902	..	..	..	..	..	..
Syrian Arab Republic	62	107	71	111	0	0	0	0	-9	-4
Tajikistan	..	64	..	24	..	0	..	0	..	40
Tanzania	5	182	0	193	0	0	0	0	5	-11
Thailand	4,380	-1,383	2,444	3,366	-87	-1,218	449	1,044	1,574	-4,575
Togo	0	30	0	30	0	0	0	0	0	0
Trinidad and Tobago	-69	673	109	650	-52	128	0	0	-126	-106
Tunisia	-121	966	76	752	-60	-371	0	0	-137	585
Turkey	1,782	11,416	684	982	597	6,484	35	2,701	466	1,250
Turkmenistan	..	..	..	..	..	0	..	0	..	..
Uganda	16	231	0	220	0	0	0	0	16	11
Ukraine	..	927	..	595	..	-33	..	0	..	365
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	33,504	133,974	..	..	..	..	..	..
United States	..	..	48,490	287,680	..	..	..	..	..	..
Uruguay	-192	574	0	298	-16	284	0	0	-176	-8
Uzbekistan	..	18	..	100	..	0	..	0	..	-82
Venezuela, RB	-126	5,454	451	4,464	345	-751	0	71	-922	1,670
Vietnam	16	581	16	1,298	0	0	0	0	0	-717
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	30	-201	-131	-201	0	0	0	0	161	0
Yugoslavia, Fed. Rep.	-837	0	67	0	0	0	0	0	-904	0
Zambia	194	191	203	200	0	0	0	0	-9	-9
Zimbabwe	85	29	-12	79	-30	0	0	1	127	-50

World	.. s	.. s	199,954 s	1,167,987 s	.. s	.. s	.. s	.. s	.. s	.. s
<b>Low income</b>	6,636	4,581	2,201	6,562	142	2,787	416	2,528	3,876	-7,296
<b>Middle income</b>	35,937	221,265	21,918	160,129	1,062	14,091	2,343	48,340	10,614	-1,295
Lower middle income	18,660	79,672	8,724	61,018	543	-2,071	449	25,902	8,944	-5,177
Upper middle income	17,045	141,329	13,194	99,087	519	16,162	1,894	22,438	1,438	3,642
<b>Low &amp; middle income</b>	43,556	225,846	24,119	166,691	1,204	16,879	3,743	50,867	14,490	-8,591
East Asia & Pacific	19,402	65,693	11,135	52,130	-802	-3,113	2,290	32,285	6,779	-15,609
Europe & Central Asia	7,692	45,446	1,051	28,495	1,893	8,598	235	5,391	4,513	2,962
Latin America & Carib.	12,630	97,305	8,177	75,088	145	4,986	1,111	9,378	3,196	7,853
Middle East & N. Africa	384	1,074	2,458	1,209	-148	544	0	795	-1,926	-1,474
South Asia	2,162	9,254	464	3,093	147	4,866	105	2,126	1,446	-831
Sub-Saharan Africa	1,287	7,074	834	6,676	-31	997	2	893	482	-1,492
<b>High income</b>	..	..	175,835	1,001,296	..	..	..	..	..	..
Europe EMU	..	..	58,480	401,868	..	..	..	..	..	..

a. Includes Luxembourg



## About the data

The most recent wave of global integration, starting around 1980 and continuing today, has seen improvements in the investment climate and an opening to foreign trade and investment in many developing economies. Private capital flows to developing economies have increased dramatically, from around \$44 billion in 1990 to \$257 billion in 2000, while official flows have decreased from \$57 billion to \$39 billion during the same period. Foreign direct investment has become the major form of international finance for developing countries, accounting for about 70 percent of the private capital flows in 2000. Mergers and acquisitions were the most important source of this increase in foreign direct investment, especially those resulting from the privatization of public companies.

The data on foreign direct investment are based on balance of payments data reported by the International Monetary Fund (IMF), supplemented by data on net foreign direct investment reported by the Organisation for Economic Co-operation and Development (OECD) and official national sources. The internationally accepted definition of foreign direct investment is that provided in the fifth edition of the IMF's *Balance of Payments Manual* (1993).

Under this definition foreign direct investment has three components: equity investment, reinvested earnings, and short- and long-term intercompany loans between parent firms and foreign affiliates. However, many countries fail to report reinvested earnings, and the definition of long-term loans differs among countries. Foreign direct investment, as distinguished from other kinds of international investment, is made to establish a lasting interest in or effective management control over an enterprise in another country. As a guideline, the IMF suggests that investments should account for at least 10 percent of voting stock to be counted as foreign direct investment. In practice, many countries set a higher threshold.

The OECD has also published a definition, in consultation with the IMF, Eurostat, and the United Nations. Because of the multiplicity of sources and differences in definitions and reporting methods, there may be more than one estimate of foreign direct investment for a country and data may not be comparable across countries.

Foreign direct investment data do not give a complete picture of international investment in an economy. Balance of payments data on foreign direct investment do not include capital raised locally, which has become an important source of financing for investment projects in some developing countries. In addition, foreign direct investment data capture only cross-border investment flows involving equity participation

and thus omit nonequity cross-border transactions such as intrafirm flows of goods and services. For a detailed discussion of the data issues see the World Bank's *World Debt Tables 1993–94* (volume 1, chapter 3).

Portfolio flow data are compiled from several official and market sources, including Euromoney databases and publications, Micropal, Lipper Analytical Services, published reports of private investment houses, central banks, national securities and exchange commissions, national stock exchanges, and the World Bank's Debtor Reporting System.

Gross statistics on international bond and equity issues are produced by aggregating individual transactions reported by market sources. Transactions of public and publicly guaranteed bonds are reported through the Debtor Reporting System by World Bank member economies that have received either loans from the International Bank for Reconstruction and Development or credits from the International Development Association. Information on private nonguaranteed bonds is collected from market sources, because official national sources reporting to the Debtor Reporting System are not asked to report the breakdown between private nonguaranteed bonds and private nonguaranteed loans. Information on transactions by nonresidents in local equity markets is gathered from national authorities, investment positions of mutual funds, and market sources.

The volume of portfolio investment reported by the World Bank generally differs from that reported by other sources because of differences in the classification of economies, in the sources, and in the method used to adjust and disaggregate reported information. Differences in reporting arise particularly for foreign investments in local equity markets because clarity, adequate disaggregation, and comprehensive and periodic reporting are lacking in many developing economies. By contrast, capital flows through international debt and equity instruments are well recorded, and for these the differences in reporting lie primarily in the classification of economies, the exchange rates used, whether particular tranches of the transactions are included, and the treatment of certain offshore issuances.

## Definitions

• **Net private capital flows** consist of private debt and nondebt flows. Private debt flows include commercial bank lending, bonds, and other private credits; nondebt private flows are foreign direct investment and portfolio equity investment. • **Foreign direct investment** is net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital, as shown in the balance of payments. • **Portfolio investment flows** are net and include non-debt-creating portfolio equity flows (the sum of country funds, depository receipts, and direct purchases of shares by foreign investors) and portfolio debt flows (bond issues purchased by foreign investors). • **Bank and trade-related lending** covers commercial bank lending and other private credits.

## Data sources

The data in this table are compiled from a variety of public and private sources, including the World Bank's Debtor Reporting System, the IMF's International Financial Statistics and Balance of Payments databases, and other sources mentioned in *About the data*. These data are also published in the World Bank's *Global Development Finance 2002*.





## 6.8 Net financial flows from Development Assistance Committee members

Net flows to part I countries	Net official development assistance				Other official flows	Private flows					Net grants by NGOs	Total net flows
	Total	Bilateral grants	Bilateral loans	Contributions to multilateral institutions		Total	Foreign direct investment	Bilateral portfolio investment	Multilateral portfolio investment	Private export credits		
<b>\$ millions, 2000</b>												
Australia	987	758	..	229	573	-219	-726	507	..	..	150	1,491
Austria	423	260	-3	167	21	560	421	..	..	139	63	1,067
Belgium	820	477	..	343	-9	1,394	1,441	-494	..	447	75	2,281
Canada	1,744	1,184	-24	583	5	4,621	3,814	821	..	-14	113	6,483
Denmark	1,664	1,011	13	641	-3	482	482	..	..	..	32	2,176
Finland	371	219	-2	154	2	672	493	-494	..	673	5	1,050
France	4,105	3,116	-287	1,276	14	1,439	2,740	-1,301	..	..	..	5,557
Germany	5,030	2,696	-10	2,343	-456	7,000	4,571	2,635	-1,684	1,478	846	12,420
Greece	226	97	1	127	3	..	..	..	..	..	..	229
Ireland	235	155	..	80	..	416	..	416	..	..	90	741
Italy	1,376	525	-148	999	-103	9,537	1,414	7,292	..	832	37	10,846
Japan	13,508	5,678	4,090	3,740	-5,200	2,725	2,874	702	-52	-799	231	11,264
Luxembourg	127	93	..	33	..	..	..	..	..	..	7	133
Netherlands	3,135	2,334	-92	892	38	3,469	2,135	1,980	-646	..	306	6,947
New Zealand	113	85	..	28	..	17	17	..	..	..	12	142
Norway	1,264	925	9	330	..	-5	-36	..	..	31	179	1,437
Portugal	271	320	-141	92	78	4,273	4,011	..	..	262	..	4,622
Spain	1,195	603	117	475	3	22,272	22,286	..	..	-14	..	23,471
Sweden	1,799	1,222	19	557	..	2,127	871	..	..	1,256	26	3,952
Switzerland	890	608	20	263	8	997	1,134	..	-638	500	159	2,054
United Kingdom	4,501	2,563	146	1,792	-72	2,093	834	1,706	..	-447	536	7,058
United States	9,955	8,093	-688	2,550	562	10,666	18,456	-10,724	-365	3,299	4,069	25,252
<b>Total</b>	<b>53,737</b>	<b>33,022</b>	<b>3,021</b>	<b>17,694</b>	<b>-4,537</b>	<b>74,537</b>	<b>67,234</b>	<b>3,046</b>	<b>-3,385</b>	<b>7,642</b>	<b>6,935</b>	<b>130,673</b>

Net flows to part II countries	Net official aid				Other official flows	Private flows				Net grants by NGOs	Total net flows
	Total	Bilateral grants	Bilateral loans	Contributions to multilateral institutions		Total	Foreign direct investment	Bilateral portfolio investment	Private export credits		
<b>\$ millions, 2000</b>											
Australia	8	2	..	6	3	-1,164	-646	..	..	..	-1,154
Austria	187	144	..	43	..	2,090	2,090	..	..	8	2,285
Belgium	74	5	..	69	12	-175	17	-188	-4	10	-78
Canada	165	165	..	..	1,652	1,199	1,139	78	-18	55	3,070
Denmark	189	104	15	71	67	284	284	..	..	13	554
Finland	58	33	0	25	0	1,009	882	123	3	..	1,066
France	1,657	1,001	83	573	-34	10,393	5,221	..	..	..	12,016
Germany	647	325	-102	424	499	20,123	11,156	9,187	-220	60	21,330
Greece	12	10	..	2	..	..	..	..	..	..	12
Ireland	..	..	..	..	..	..	..	..	..	..	..
Italy	406	16	197	193	196	2,821	144	1,382	1,296	..	3,424
Japan	-54	171	-263	39	492	3,504	3,332	-271	443	..	3,942
Luxembourg	2	2	..	..	..	..	..	..	..	..	2
Netherlands	306	228	-21	99	-10	599	2,341	-2,412	671	..	895
New Zealand	0	0	..	..	..	..	..	..	..	..	0
Norway	27	27	..	..	4	1,294	1,257	..	37	..	1,325
Portugal	27	0	..	26	..	1,067	1,060	..	7	..	1,093
Spain	12	12	0	..	..	1,747	1,747	..	..	..	1,759
Sweden	122	119	0	3	-1	1,734	1,902	0	-168	..	1,855
Switzerland	58	57	1	..	..	6,460	6,305	0	155	8	6,526
United Kingdom	439	88	0	350	4	-154	-2,045	3,026	-1,135	7	297
United States	2,506	2,435	27	45	825	17,015	16,101	503	411	2,362	22,708
<b>Total</b>	<b>6,848</b>	<b>4,944</b>	<b>-64</b>	<b>1,968</b>	<b>3,708</b>	<b>69,848</b>	<b>52,286</b>	<b>11,429</b>	<b>1,478</b>	<b>2,524</b>	<b>82,928</b>

Note: Totals may not sum due to gaps in reporting.



## About the data

The high-income members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) are the main source of official external finance for developing countries. Net disbursements of official development assistance (ODA) by some important donor countries that are not DAC members are shown in table 6.8a. The main table shows the flow of official and private financial resources from DAC members to official and private recipients in developing and transition economies. DAC exists to help its members coordinate their development assistance and to encourage the expansion and improve the effectiveness of the aggregate resources flowing to developing and transition economies. In this capacity, DAC monitors the flow of all financial resources, but its main concern is ODA. DAC has three criteria for ODA: it is undertaken by the official sector. It promotes the economic development and welfare of developing countries as a main objective. And it is provided on concessional terms, with a grant element of at least 25 percent on loans (calculated at a rate of discount of 10 percent).

This definition excludes military aid and nonconcessional flows from official creditors, which are considered other official flows. The definition includes capital projects, food aid, emergency relief, post-conflict peacekeeping efforts, and technical cooperation. Also included are contributions to multilateral institutions, such as the United Nations and its specialized agencies, and concessional funding to the multilateral development banks. In 1999, to avoid double counting extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations, all United Nations agencies revised their data to include only regular budgetary expenditures since 1990 (except for

the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data from 1996 onward).

DAC maintains a list of developing countries and territories that are aid recipients. Part I of the list comprises those considered by DAC members to be eligible for ODA. Part II of the list, comprises countries in transition: more advanced Central and Eastern European countries and the new independent states of the former Soviet Union and more advanced developing countries. Flows to these recipients that meet the conditions of eligibility for inclusion in ODA are termed official aid.

The data in the table were compiled from replies by DAC member countries to questionnaires issued by the DAC Secretariat. Net flows of ODA, official aid, and other official resources are defined as gross disbursements of grants and loans minus repayments on earlier loans. Because the data are based on donor country reports, they do not provide a complete picture of the resources received by developing and transition economies, for three reasons. First, flows from DAC members are only part of the aggregate resource flows to these economies. Second, the data that record contributions to multilateral institutions measure the flow of resources made available to those institutions by DAC members, not the flow of resources from those institutions to developing and transition economies. Third, because some of the countries and territories on the DAC recipient list are normally classified as high income, the reported flows may overstate the resources available to low- and middle-income economies. High-income countries receive only a small fraction of all development assistance, however.

## Definitions

- **Net official development assistance** comprises grants and loans (net of repayments) that meet the DAC definition of ODA and are made to developing countries and territories in part I of the DAC list of aid recipients.
- **Net official aid** comprises grants and loans (net of repayments) that meet the conditions for inclusion in ODA, and are made to countries and territories in part II of the DAC list of aid recipients.
- **Bilateral grants** are transfers of money or in kind for which no repayment is required.
- **Bilateral loans** are loans extended by governments or official agencies that have a grant element of at least 25 percent (calculated at a rate of discount of 10 percent) and for which repayment is required in convertible currencies or in kind.
- **Contributions to multilateral institutions** are concessional funding received by multilateral institutions from DAC members in the form of grants or capital subscriptions.
- **Other official flows** are transactions by the official sector whose main objective is other than development or whose grant element is less than 25 percent.
- **Private flows** consist of flows at market terms financed from private sector resources. They include changes in holdings of private long-term assets by residents of the reporting country.
- **Foreign direct investment** is investment by residents of DAC member countries to acquire a lasting management interest (at least 10 percent of voting stock) in an enterprise operating in the recipient country. The data reflect changes in the net worth of subsidiaries in recipient countries whose parent company is in the DAC source country.
- **Bilateral portfolio investment** covers bank lending and the purchase of bonds, shares, and real estate by residents of DAC member countries in recipient countries.
- **Multilateral portfolio investment** records the transactions of private banks and nonbanks in DAC member countries in the securities issued by multilateral institutions.
- **Private export credits** are loans extended to recipient countries by the private sector in DAC member countries to promote trade; they may be supported by an official guarantee.
- **Net grants by NGOs** are private grants by nongovernmental organizations, net of subsidies from the official sector.
- **Total net flows** comprise ODA or official aid flows, other official flows, private flows, and net grants by NGOs.

**Table 6.8a**

Official development assistance from selected non-DAC donors					
Net disbursements (\$ millions)					
	1996	1997	1998	1999	2000
<b>OECD members (non-DAC)</b>					
Czech Republic	..	..	16	15	16
Korea, Rep.	159	186	183	317	212
Poland	..	..	19	20	29
Slovak Republic	..	..	..	7	6
Turkey	88	77	69	120	82
<b>Arab countries</b>					
Kuwait	432	373	278	147	165
Saudi Arabia	327	251	288	185	295
United Arab Emirates	31	115	63	92	150
<b>Other donors</b>					
Estonia	..	..	0.2	0.4	0.5

**Note:** China also provides aid but does not disclose the amount.  
**Source:** OECD data.

## Data sources

The data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and the DAC annual *Development Co-operation Report*. Data are available in electronic format to registered users on the Web site at [www.oecd.org/dac/hm/online.htm](http://www.oecd.org/dac/hm/online.htm) and on the OECD's *International Development Statistics* CD-ROM.



## 6.9 | Aid flows from Development Assistance Committee members

Net flows to part I countries	Net official development assistance						Aid appropriations		Untied aid <sup>a</sup>		
	\$ millions		% of GNI		annual average % change in volume <sup>b</sup> 1994-95 to 1999-2000	Per capita of donor country <sup>b</sup>		% of central government budget		% of total ODA commitments	
	1995	2000	1995	2000		1995	2000	1995	2000	1995	2000
Australia	1,194	987	0.34	0.27	-0.7	60	56	1.2	1.0	..	77.4
Austria	767	423	0.33	0.23	-4.1	78	60	..	..	25.0	59.2
Belgium	1,034	820	0.38	0.36	2.0	83	91	..	0.0	..	85.7
Canada	2,067	1,744	0.38	0.25	-4.1	67	55	1.4	1.5	31.5	24.9
Denmark	1,623	1,664	0.96	1.06	4.3	274	348	2.5	3.2	61.3	80.5
Finland	388	371	0.32	0.31	6.1	63	80	1.0	1.1	75.8	89.5
France	8,443	4,105	0.55	0.32	-7.3	122	80	..	..	58.4	68.0
Germany	7,524	5,030	0.31	0.27	-1.9	75	71	..	..	60.3	93.2
Greece		226		0.20			25		..		23.5
Ireland	153	235	0.29	0.30	13.2	42	68	..	..	..	..
Italy	1,623	1,376	0.15	0.13	-5.5	29	27	..	..	59.8	38.2
Japan	14,489	13,508	0.27	0.28	3.9	94	102	1.1	..	96.3	86.4
Luxembourg	65	127	0.36	0.71	18.1	136	320	..	..	..	96.7
Netherlands	3,226	3,135	0.81	0.84	5.5	173	221	3.0	..	78.9	95.3
New Zealand	123	113	0.23	0.25	4.9	28	34	0.6	0.6	..	..
Norway	1,244	1,264	0.86	0.80	2.1	264	276	1.8	..	77.0	97.7
Portugal	258	271	0.25	0.26	0.9	24	30	0.8	0.1	98.1	98.2
Spain	1,348	1,195	0.24	0.22	1.5	31	34	1.0	0.0	0.0	47.2
Sweden	1,704	1,799	0.77	0.80	1.3	174	223	..	..	93.9	85.4
Switzerland	1,084	890	0.34	0.34	2.1	122	137	2.9	2.7	91.3	93.6
United Kingdom	3,202	4,501	0.29	0.32	1.5	63	79	1.1	..	86.2	91.5
United States	7,367	9,955	0.10	0.10	0.2	30	35	1.3	0.8	27.3	..
<b>Total or average</b>	<b>58,926</b>	<b>53,737</b>	<b>0.26</b>	<b>0.22</b>	<b>0.4</b>	<b>65</b>	<b>67</b>	<b>1.3</b>	<b>0.8</b>	<b>69.6</b>	<b>81.1</b>

### Net official aid

Net flows to part II countries	\$ millions		% of GNI		annual average % change in volume <sup>b</sup> 1994-95 to 1999-2000	Per capita of donor country <sup>b</sup>	
	1995	2000	1995	2000		\$ 1995	\$ 2000
Australia	4	8	0.00	0.00	7.7	0	0
Austria	313	187	0.14	0.10	-4.5	32	26
Belgium	89	74	0.03	0.03	1.4	7	8
Canada	250	165	0.05	0.02	0.9	8	5
Denmark	170	189	0.10	0.12	4.2	29	40
Finland	76	58	0.06	0.05	3.8	12	13
France	770	1,657	0.05	0.13	16.0	11	32
Germany	4,514	647	0.18	0.03	-24.5	45	9
Greece		12		0.01			1
Ireland	21	0	0.04	0.00	..	6	0
Italy	286	406	0.03	0.04	2.2	5	8
Japan	250	-54	0.00	0.00	-48.2	2	0
Luxembourg	9	2	0.05	0.01	-20.3	19	5
Netherlands	305	306	0.08	0.08	-0.1	16	22
New Zealand	1	0	0.00	0.00	-14.4	0	0
Norway	61	27	0.04	0.02	-17.3	13	6
Portugal	22	27	0.02	0.03	2.9	2	3
Spain	120	12	0.02	0.00	-37.1	3	0
Sweden	152	122	0.07	0.05	0.4	16	15
Switzerland	102	58	0.03	0.02	-6.9	11	9
United Kingdom	406	439	0.04	0.03	1.1	8	8
United States	1,280	2,506	0.02	0.03	8.3	5	9
<b>Total or average</b>	<b>9,202</b>	<b>6,848</b>	<b>0.04</b>	<b>0.03</b>	<b>-2.5</b>	<b>10</b>	<b>9</b>

a. Excluding administrative costs in 1995, and administrative costs and technical cooperation in 2000. b. At 1999 prices.



## About the data

Developing and developed countries have a shared interest in reducing global poverty and improving the lives of people everywhere. Developing countries have an interest in becoming a part of the global economy and seeing a reduction in poverty and inequalities. Developed countries are vitally interested in making development work better for all in terms of markets, investment, and sustainable growth.

Effective aid supports institutional development and policy reforms that are at the heart of successful development. For aid to be effective, and to have a greater effect on global poverty reduction, there needs to be a partnership among recipient countries, aid agencies, and donor countries. Effective aid complements private investment and requires improvements in economic institutions and policies. And aid agencies need to find alternative approaches and windows of opportunities to nurture reform efforts where traditional methods have failed.

As part of its work, the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) assesses the aid performance of member countries relative to the size of their economies. As measured here, aid comprises bilateral disbursements of concessional financing to recipient countries plus the provision by donor governments of concessional financing to multilateral institutions. Volume amounts, at constant prices and exchange rates, are used to measure the change in real resources provided over time. Aid flows to part I recipients—official development assistance (ODA)—are tabulated separately from those to part II recipients—official aid (see *About the data* for table 6.8 for more information on the distinction between the two types of aid flows).

Measures of aid flows from the perspective

of donors differ from aid receipts by recipient countries. This is because the concessional funding received by multilateral institutions from donor countries is recorded as an aid disbursement by the donor when the funds are deposited with a multilateral institution and recorded as a resource receipt by the recipient country when that institution makes a disbursement.

Ratios of aid to gross national income (GNI), aid per capita, and aid appropriations as a percentage of donor government budgets are calculated by the OECD. The denominators used in calculating these ratios may differ from corresponding values elsewhere in this book because of differences in timing or definitions.

DAC members have progressively introduced the new System of National Accounts, which replaced GNP with GNI. Because GNI includes items not previously included in GNP, ODA-GNI ratios are slightly lower than previously reported ODA-GNP ratios.

The proportion of untied aid is reported here because tying arrangements require recipients to purchase goods and services from the donor country or from a specified group of countries. Tying arrangements may be justified on the grounds that they prevent a recipient from misappropriating or mismanaging aid receipts, but they may also be motivated by a desire to benefit suppliers in the donor country. The same volume of aid may have different purchasing power depending on the relative costs of suppliers in countries to which the aid is tied and the degree to which each recipient's aid basket is untied. Thus tying arrangements may prevent recipients from obtaining the best value for their money and so reduce the value of the aid received.

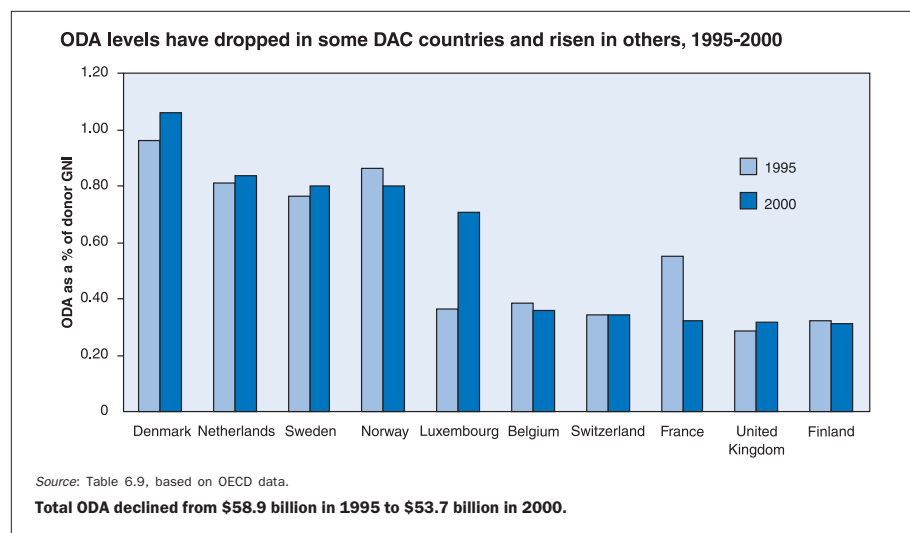
## Definitions

- **Net official development assistance and net official aid** record the actual international transfer by the donor of financial resources or of goods or services valued at the cost to the donor, less any repayments of loan principal during the same period. Data are shown at current prices and dollar exchange rates.
- **Aid as a percentage of GNI** shows the donor's contributions of ODA or official aid as a share of its gross national income.
- **Average annual percentage change in volume and aid per capita of donor country** are calculated using 1999 exchange rates and prices.
- **Aid appropriations** are the share of ODA or official aid appropriations in the donor's national budget.
- **Untied aid** is the share of ODA that is not subject to restrictions by donors on procurement sources.

## Data sources

The data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and the DAC annual *Development Co-operation Report*. Data are available in electronic format to registered users from the Web site at [www.oecd.org/dac/html/online.htm](http://www.oecd.org/dac/html/online.htm) and on the OECD's *International Development Statistics* CD-ROM.

**Figure 6.9**





## 6.10 | Aid dependency

	Net official development assistance or official aid		Aid per capita				Aid dependency ratios					
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1995	2000	1995	2000	1995	2000	1995	2000	1995	2000	1995	2000
Afghanistan	214	141	10	5	..	..	..	..	..	..	..	..
Albania	182	319	56	93	7.3	8.3	41.7	45.6	21.1	21.1	24.2	28.6
Algeria	312	162	11	5	0.8	0.3	2.4	1.3	2.4	1.2	2.4	0.6
Angola	418	307	37	23	17.2	6.5	..	12.3	9.7	3.8	..	..
Argentina	144	76	4	2	0.1	0.0	0.3	0.2	0.4	0.2	0.4	0.2
Armenia	218	216	58	57	7.6	11.2	41.0	58.9	29.4	21.2	..	..
Australia												
Austria												
Azerbaijan	119	139	15	17	4.1	2.8	17.8	10.3	9.2	5.8	23.3	16.4
Bangladesh	1,292	1,171	11	9	3.4	2.5	17.8	10.8	19.1	12.5	..	21.4
Belarus	223	40	22	4	1.1	0.1	4.4	0.6	3.8	0.5	6.4	1.3
Belgium												
Benin	280	239	51	38	14.3	11.1	71.2	55.9	30.3	29.6	..	..
Bolivia	719	477	97	57	11.1	5.9	70.5	31.6	39.7	19.5	50.7	23.9
Bosnia and Herzegovina	932	737	273	185	57.4	16.0	250.0	82.0	..	..	..	..
Botswana	90	31	62	19	1.9	0.6	6.8	6.1	3.5	0.9	5.2	..
Brazil	273	322	2	2	0.0	0.1	0.2	0.3	0.4	0.3	..	0.2
Bulgaria	114	311	14	38	0.9	2.7	5.5	15.7	1.6	3.7	2.1	6.7
Burkina Faso	491	336	49	30	22.6	15.5	87.3	55.6	71.0	49.1	..	..
Burundi	288	93	47	14	29.1	13.8	300.1	150.2	102.1	55.9	94.1	39.8
Cambodia	556	398	52	33	19.1	12.6	86.8	83.5	38.6	21.5	..	..
Cameroon	444	380	33	26	6.0	4.6	38.4	26.0	20.3	12.7	42.2	31.1
Canada												
Central African Republic	169	76	50	20	15.3	8.0	111.3	73.4	52.1	47.2	..	..
Chad	236	131	35	17	16.8	9.4	159.4	54.9	43.6	26.7	..	..
Chile	157	49	11	3	0.3	0.1	0.9	0.3	0.7	0.2	1.2	0.3
China	3,531	1,735	3	1	0.5	0.2	1.2	0.4	2.3	0.6	6.1	2.2
Hong Kong, China	18	4	3	1	0.0	0.0	0.0	0.0	0.0	0.0	..	..
Colombia	171	187	4	4	0.2	0.2	0.7	1.9	0.9	1.0	1.4	1.9
Congo, Dem. Rep.	196	184	4	4	4.0	2.5	37.0	..	8.6	5.5	41.8	..
Congo, Rep.	125	33	48	11	8.1	1.5	16.2	4.2	6.6	1.5	18.1	4.0
Costa Rica	34	12	10	3	0.3	0.1	1.6	0.4	0.7	0.1	1.3	0.3
Côte d'Ivoire	1,213	352	87	22	13.5	4.1	89.7	30.4	25.4	8.4	45.8	18.0
Croatia	54	66	12	15	0.3	0.4	1.6	1.6	0.6	0.6	0.6	0.7
Cuba	64	44	6	4	..	..	..	..	..	..	..	..
Czech Republic	148	438	14	43	0.3	0.9	0.8	2.9	0.5	1.1	0.8	2.3
Denmark												
Dominican Republic	120	62	16	7	1.1	0.3	5.2	1.3	1.7	0.5	6.5	6.6
Ecuador	227	147	20	12	1.3	1.2	6.8	6.4	3.4	2.3	..	..
Egypt, Arab Rep.	2,015	1,328	35	21	3.3	1.3	19.5	5.6	11.0	5.6	9.9	..
El Salvador	297	180	52	29	3.2	1.4	15.4	8.0	7.9	3.0	..	8.1
Eritrea	149	176	42	43	21.6	25.3	134.9	76.2	33.3	35.0	..	..
Estonia	58	64	39	47	1.2	1.4	4.5	5.0	2.0	1.2	4.6	4.0
Ethiopia	883	693	16	11	15.4	10.9	93.0	76.6	65.1	34.0	..	..
Finland												
France												
Gabon	144	12	134	10	3.4	0.3	12.3	0.9	5.8	0.4	..	..
Gambia, The	47	49	42	38	12.4	11.8	60.5	67.3	19.3	14.8	..	..
Georgia	209	170	39	34	11.5	5.6	273.2	38.6	23.5	11.4	..	45.4
Germany												
Ghana	651	609	38	32	10.3	12.1	50.3	49.5	28.8	17.6	..	..
Greece												
Guatemala	210	264	21	23	1.4	1.4	9.5	8.3	5.3	4.4	..	..
Guinea	417	153	63	21	11.6	5.2	68.2	22.8	37.6	14.9	..	32.6
Guinea-Bissau	119	80	110	67	50.2	39.6	209.2	210.8	107.4	67.2	..	..
Haiti	726	208	101	26	27.7	5.1	316.7	48.1	87.2	20.7	..	54.2
Honduras	406	449	72	70	11.0	7.8	32.5	21.6	19.2	12.9	..	..



	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1995	2000	1995	2000	1995	2000	1995	2000	1995	2000	1995	2000
Hungary	-244	252	-24	25	-0.6	0.6	-2.3	1.8	-1.1	0.7	-1.1	1.2
India	1,739	1,487	2	1	0.5	0.3	1.8	1.4	3.1	1.8	3.2	1.9
Indonesia	1,391	1,731	7	8	0.7	1.2	2.2	6.3	2.3	2.6	4.7	7.8
Iran, Islamic Rep.	191	130	3	2	0.2	0.1	1.1	0.6	1.2	0.7	0.8	0.2
Iraq	339	101	16	4	..	..	..	..	..	..	..	..
Ireland												
Israel	336	800	61	128	0.4	0.8	1.5	3.7	0.8	1.4	0.8	1.6
Italy												
Jamaica	108	10	43	4	2.4	0.1	7.5	0.5	2.6	0.2	7.5	0.3
Japan												
Jordan	540	552	129	113	8.3	6.6	24.3	32.7	10.2	8.8	25.7	21.0
Kazakhstan	66	189	4	13	0.3	1.1	1.4	7.4	1.0	1.9	..	7.2
Kenya	734	512	28	17	8.4	5.0	46.3	39.0	18.9	13.0	28.5	16.0
Korea, Dem. Rep.	14	75	1	3	..	..	..	..	..	..	..	..
Korea, Rep.	57	-198	1	-4	0.0	0.0	0.0	-0.2	0.0	-0.1	0.1	..
Kuwait	3	3	2	1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1
Kyrgyz Republic	285	215	63	44	8.8	17.6	46.7	102.9	37.2	28.8	68.8	87.2
Lao PDR	309	281	66	53	17.6	16.8	67.3	80.6	40.5	41.5	..	..
Latvia	63	91	25	38	1.3	1.3	7.4	4.7	2.8	2.2	4.4	4.0
Lebanon	187	197	47	45	1.6	1.1	4.7	6.6	2.5	..	4.8	3.3
Lesotho	114	41	61	20	8.6	3.6	20.2	11.4	9.4	5.0	24.6	15.0
Liberia	124	68	45	22	..	..	..	..	..	..	..	..
Libya	6	15	1	3	..	..	..	..	0.1	0.1	..	..
Lithuania	179	99	48	27	2.8	0.9	11.3	4.2	4.5	1.6	11.8	3.2
Macedonia, FYR	79	252	40	124	1.8	7.1	8.5	42.2	..	10.9	..	..
Madagascar	301	322	23	21	10.0	8.5	87.1	51.5	25.9	20.3	54.8	48.7
Malawi	435	445	47	43	31.5	26.8	179.0	200.5	49.0	43.3	..	..
Malaysia	109	45	5	2	0.1	0.1	0.3	0.2	0.1	0.0	0.6	..
Mali	541	360	56	33	22.4	15.9	95.9	69.3	52.0	32.5	..	..
Mauritania	230	212	101	80	22.7	23.3	111.9	75.3	41.2	46.0	..	..
Mauritius	23	20	21	17	0.6	0.5	2.3	1.8	0.9	0.7	2.6	2.0
Mexico	385	-54	4	-1	0.1	0.0	0.7	0.0	0.4	0.0	0.8	0.0
Moldova	66	123	15	29	2.2	9.0	8.6	42.8	6.4	11.3	12.8	32.2
Mongolia	211	217	93	91	22.7	22.8	80.3	74.7	38.3	27.7	96.8	76.5
Morocco	495	419	19	15	1.6	1.3	7.2	5.2	3.9	3.1	4.6	5.9
Mozambique	1,064	876	67	50	49.9	24.9	201.6	69.3	84.8	49.7	..	..
Myanmar	151	107	3	2	..	..	..	..	7.0	3.7	1.3	0.3
Namibia	192	152	121	86	5.2	4.4	25.2	18.3	8.2	6.9	15.4	12.2
Nepal	433	390	21	17	9.6	6.9	39.1	29.1	28.0	21.5	61.9	45.6
Netherlands												
New Zealand												
Nicaragua	653	562	148	111	44.2	26.6	142.6	68.1	44.1	25.3	104.3	56.5
Niger	274	211	30	19	15.0	11.7	199.4	108.8	53.8	46.8	..	..
Nigeria	212	185	2	1	0.8	0.5	4.6	2.0	1.3	1.0	..	..
Norway												
Oman	59	46	27	19	0.6	..	..	..	1.0	0.6	1.1	0.8
Pakistan	824	703	7	5	1.4	1.2	7.3	7.3	5.6	5.1	6.1	5.2
Panama	40	17	15	6	0.5	0.2	1.7	0.6	0.4	0.2	2.0	0.5
Papua New Guinea	371	275	82	54	8.3	7.5	36.5	33.8	15.4	12.2	27.6	22.6
Paraguay	140	82	29	15	1.5	1.1	6.5	4.9	2.6	2.3	..	..
Peru	373	401	16	16	0.7	0.8	2.8	3.7	3.0	3.3	3.6	3.9
Philippines	890	578	13	8	1.2	0.7	5.3	4.3	2.5	1.4	6.7	4.0
Poland	3,790	1,396	98	36	3.0	0.9	15.1	3.3	10.3	2.3	7.4	2.6
Portugal												
Puerto Rico												
Romania	299	432	13	19	0.8	1.2	3.5	6.1	2.6	2.9	2.7	3.1
Russian Federation	1,612	1,565	11	11	0.5	0.7	1.9	3.6	1.8	2.1	1.9	2.6



## 6.10 | Aid dependency

	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1995	2000	1995	2000	1995	2000	1995	2000	1995	2000	1995	2000
Rwanda	702	322	110	38	54.4	18.1	364.0	118.1	179.4	75.0	..	..
Saudi Arabia	17	31	1	1	0.0	0.0	0.1	0.1	0.0	0.1	..	..
Senegal	666	423	80	44	15.4	9.9	89.0	48.9	32.8	22.0	..	..
Sierra Leone	206	182	46	36	23.6	29.6	..	358.5	73.4	68.6	145.2	52.5
Singapore	17	1	5	0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Slovak Republic	98	113	18	21	0.5	0.6	2.0	2.0	0.9	0.7	..	1.5
Slovenia	53	61	26	31	0.3	0.3	1.2	1.2	0.5	0.5	0.7	0.8
Somalia	189	104	26	12	..	..	..	..	..	..	..	..
South Africa	389	488	10	11	0.3	0.4	1.4	2.6	1.0	1.3	0.8	1.3
Spain												
Sri Lanka	555	276	31	14	4.3	1.7	16.6	6.1	8.8	3.2	14.5	6.6
Sudan	242	225	9	7	3.9	2.3	..	13.7	10.7	7.1	..	27.0
Swaziland	58	13	65	13	4.3	0.9	22.0	4.6	4.3	1.1	..	3.2
Sweden												
Switzerland												
Syrian Arab Republic	359	158	25	10	3.1	1.0	11.6	4.5	5.5	2.4	2.8	0.9
Tajikistan	65	142	11	23	2.9	15.2	9.6	72.1	7.3	15.9	..	144.6
Tanzania	877	1,045	30	31	17.1	11.6	84.4	65.3	38.5	48.6	..	..
Thailand	859	641	15	11	0.5	0.5	1.2	2.3	1.0	0.8	3.2	2.9
Togo	192	70	49	15	15.2	5.8	91.1	27.9	27.0	10.3	..	..
Trinidad and Tobago	25	-2	20	-1	0.5	0.0	2.3	-0.1	1.0	0.0	1.7	..
Tunisia	71	223	8	23	0.4	1.2	1.6	4.2	0.7	2.2	1.2	3.6
Turkey	307	325	5	5	0.2	0.2	0.7	0.7	0.7	0.5	0.8	0.4
Turkmenistan	28	32	6	6	0.5	0.7	..	1.8	1.3	1.2	..	..
Uganda	835	819	43	37	14.7	13.3	88.3	73.0	57.3	40.0	..	76.8
Ukraine	320	541	6	11	0.7	1.8	2.4	9.1	1.7	2.8	..	6.1
United Arab Emirates	5	4	2	1	0.0	0.0	..	..	..	..	0.1	0.1
United Kingdom												
United States												
Uruguay	68	17	21	5	0.4	0.1	2.4	0.6	1.6	0.3	1.2	0.3
Uzbekistan	84	186	4	8	0.8	2.5	3.0	21.9	2.2	5.8	..	..
Venezuela, RB	44	77	2	3	0.1	0.1	0.3	0.4	0.2	0.3	0.3	0.3
Vietnam	837	1,700	11	22	4.2	5.4	15.3	19.8	8.4	9.4	16.9	26.1
West Bank and Gaza	499	636	208	214	12.2	12.5	37.8	44.6	..	..	..	..
Yemen, Rep.	169	265	11	15	4.2	3.6	18.3	16.2	5.5	6.7	6.2	23.0
Yugoslavia, Fed. Rep. <sup>a</sup>	95	1,135	9	107	..	13.4	..	93.6	..	..	..	..
Zambia	2,034	795	226	79	63.0	28.5	367.5	149.5	103.7	48.7	..	..
Zimbabwe	492	178	43	14	7.2	2.5	35.1	19.1	14.9	7.9	19.4	..

World	68,287 s	58,369 s	.. w	.. w	.. w	.. w	.. w	.. w	.. w	.. w	.. w	.. w
<b>Low income</b>	27,748	22,894	12	9	3.0	2.3	11.4	10.3	10.7	7.2	..	..
<b>Middle income</b>	26,583	20,968	10	8	0.5	0.4	1.9	1.4	1.7	0.9	..	..
Lower middle income	19,165	15,919	10	8	1.0	0.7	3.0	2.3	2.9	1.8	..	..
Upper middle income	6,582	3,874	11	6	0.2	0.1	1.0	0.6	0.8	0.3	..	..
<b>Low &amp; middle income</b>	66,802	56,482	14	11	0.9	0.7	3.3	2.6	3.1	1.8	..	..
East Asia & Pacific	10,026	8,464	6	5	0.6	0.4	..	..	1.6	1.0	..	..
Europe & Central Asia	11,602	10,867	25	23	1.0	1.0	4.0	4.6	2.6	1.9	..	..
Latin America & Carib.	6,344	4,987	13	10	0.3	0.2	1.6	1.0	1.6	0.7	..	..
Middle East & N. Africa	5,621	4,609	21	16	1.2	0.8	5.5	3.8	2.8	2.0	..	..
South Asia	5,187	4,241	4	3	1.1	0.7	4.2	3.0	5.8	3.5	..	..
Sub-Saharan Africa	18,880	13,453	33	20	5.8	4.0	30.3	21.4	15.3	9.5	..	..
<b>High income</b>	1,485	1,887	..	..	..	..	..	..	..	..	..	..

Europe EMU

Note: Regional aggregates include data for economies not specified elsewhere. Income group totals include aid not allocated by country or region.

a. Aid to the states of the former Socialist Federal Republic of Yugoslavia that is not otherwise specified is included in regional and income group aggregates.



## About the data

Although foreign aid is important in promoting development, it is most effective when coupled with sound policies and high-quality public institutions. Improvements in the quality of life—higher incomes, poverty reduction, improvements in education and health, and environmentally sustainable development—require a broad development strategy that puts in place growth-enhancing, market-oriented policies (a stable macroeconomic environment, effective law and order, trade liberalization) and the provision of basic public services not supplied by private markets.

Ratios of aid to gross national income (GNI), gross capital formation, imports, and public spending provide a measure of the recipient country's dependency on aid. But care must be taken in drawing policy conclusions. For foreign policy reasons some countries have traditionally received large amounts of aid. Thus aid dependency ratios may reveal as much about the donors' interests as they do about the recipients' needs. Ratios in Sub-Saharan Africa are generally much higher than those in other regions, and they increased in the 1980s. These high ratios are due only in part to aid flows. Many African countries saw severe erosion in their terms of trade in the 1980s, which, along with weak policies, contributed to falling incomes, imports, and investment. Thus the increase in aid dependency ratios reflects events affecting both the numerator and the denominator.

As defined here, aid includes official development assistance (ODA) and official aid. The data cover loans and grants from Development Assistance Committee (DAC) member countries, multilateral organizations, and non-DAC donors. They do not reflect aid given by recipient countries to other developing countries. As a result, some countries that are net donors (such as Saudi Arabia) are shown in the table as aid recipients (see table 6.8a).

The data in the table do not distinguish among different types of aid (program, project, or food aid; emergency assistance; post-conflict peace-keeping assistance; or technical cooperation), each of which may have a very different effect on the economy. Technical cooperation expenditures do not always directly benefit the economy to the extent that they defray costs incurred outside the country on the salaries and benefits of technical experts and the overhead costs of firms supplying technical services.

In 1999, to avoid double counting extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations, all United Nations agencies revised their data to include only regular budgetary expenditures since 1990 (except for the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data

from 1996 onward). These revisions have affected net official development assistance and official aid and, as a result, aid per capita and aid dependency ratios.

Because the table relies on information from donors, it is not consistent with information recorded by recipients in the balance of payments, which often excludes all or some technical assistance—particularly payments to expatriates made directly by the donor. Similarly, grant commodity aid may not always be recorded in trade data or in the balance of payments. Moreover, DAC statistics exclude purely military aid.

The nominal values used here tend to overstate the amount of resources transferred. Changes in international prices and in exchange rates can reduce the purchasing power of aid. The practice of tying aid, still prevalent though declining in importance, also tends to reduce its purchasing power (see *About the data* for table 6.9).

The values for population, GNI, gross capital formation, imports of goods and services, and central government expenditure used in computing the ratios are taken from World Bank and International Monetary Fund databases. The ratios shown may therefore differ somewhat from those computed and published by the Organisation for Economic Co-operation and Development (OECD). Aid not allocated by country or region—including administrative costs, research on development issues, and aid to nongovernmental organizations—is included in the world total. Thus regional and income group totals do not sum to the world total.

## Definitions

- **Net official development assistance** consists of disbursements of loans made on concessional terms (net of repayments of principal) and grants by official agencies of the members of DAC, by multilateral institutions, and by non-DAC countries to promote economic development and welfare in developing countries on Part I of the DAC list of aid recipients. Loans with a grant element of at least 25 percent (calculated at a rate of discount of 10 percent) are included in ODA. • **Net official aid** refers to aid flows, net of repayments, from official donors to more advanced Central and Eastern European countries, to the new independent states of the former Soviet Union, and to certain advanced developing countries and territories on Part II of the DAC list of aid recipients. Official aid is provided under terms and conditions similar to those for ODA. • **Aid per capita** includes both ODA and official aid. • **Aid dependency ratios** are calculated using values in U.S. dollars converted at official exchange rates. For definitions of GNI, gross capital formation, imports of goods and services, and central government expenditure see *Definitions* for tables 1.1, 4.9, and 4.12.

## Data sources

The data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and in the DAC annual *Development Co-operation Report*. Data are available in electronic format to registered users on the Web site at [www.oecd.org/dac/html/online.htm](http://www.oecd.org/dac/html/online.htm) and on the OECD's *International Development Statistics* CD-ROM. The data on population, GNI, gross capital formation, imports of goods and services, and central government expenditure are from World Bank and International Monetary Fund databases.





## 6.11 | Distribution of net aid by Development Assistance Committee members

\$ millions, 2000	Ten major DAC donors											Other DAC donors
	Japan	United States	France	Germany	United Kingdom	Netherlands	Sweden	Canada	Denmark	Norway		
Afghanistan	87.5	0.2	2.4	0.7	10.6	12.7	10.2	11.5	6.7	0.3	12.6	19.7
Albania	141.4	7.1	44.7	1.8	19.5	9.6	3.8	0.4	1.3	3.4	3.6	46.3
Algeria	27.1	-4.9	..	57.3	5.8	..	0.1	0.2	1.6	0.0	1.1	-34.1
Angola	189.1	21.5	37.3	7.7	11.3	8.3	11.7	17.1	3.6	7.7	16.6	46.3
Argentina	43.5	37.3	-2.5	7.5	7.4	9.5	0.2	0.2	1.1	-0.6	0.0	-16.7
Armenia	139.3	9.1	103.1	2.5	8.9	2.8	4.7	0.7	0.4	0.1	2.1	4.9
Australia												
Austria												
Azerbaijan	70.7	36.4	18.9	0.8	9.2	0.8	0.8	0.1	0.3	..	2.2	1.2
Bangladesh	616.5	201.6	62.5	21.3	36.7	103.4	32.6	31.9	38.5	33.7	18.4	36.1
Belarus	14.9	0.2	4.4	1.2	4.5	0.2	..	2.7	0.1	1.1	0.1	0.5
Belgium												
Benin	190.5	6.2	29.7	74.3	21.7	0.1	4.4	0.2	3.3	19.5	..	31.1
Bolivia	336.1	43.7	97.4	8.3	45.3	12.6	33.3	18.8	5.7	20.9	2.8	47.4
Bosnia and Herzegovina	452.2	24.4	85.8	19.9	91.5	7.1	43.3	23.9	5.5	2.7	30.8	117.5
Botswana	23.5	6.1	1.0	0.6	6.7	3.7	0.1	0.7	0.3	1.2	2.7	0.6
Brazil	222.5	169.6	-57.9	23.7	49.5	9.8	2.0	1.6	3.2	0.0	2.3	18.6
Bulgaria	207.0	20.7	119.2	10.2	29.1	4.6	0.7	0.3	0.2	2.1	0.0	20.0
Burkina Faso	227.8	21.3	9.3	82.2	22.2	0.5	16.1	1.2	8.3	24.5	0.4	41.7
Burundi	40.9	0.2	1.0	4.8	3.0	1.7	4.4	4.3	1.3	..	5.3	14.9
Cambodia	248.0	99.2	21.5	21.5	19.4	13.0	7.4	16.8	2.6	2.0	6.2	38.5
Cameroon	213.5	15.8	2.5	86.2	47.0	8.1	4.3	0.1	6.3	1.0	0.7	41.5
Canada												
Central African Republic	53.1	22.8	1.1	18.7	7.2	0.0	..	0.3	0.1	..	0.3	2.6
Chad	53.3	0.2	4.1	24.7	14.9	0.4	..	0.2	0.2	..	0.1	8.5
Chile	41.0	21.4	-19.1	8.5	21.9	0.2	0.6	2.2	0.8	0.8	0.7	3.2
China	1,257.5	769.2	1.6	46.0	212.8	83.4	24.9	11.0	29.2	-1.7	9.9	71.2
Hong Kong, China	4.2	2.6	..	0.5	1.0	..	..	0.0	..	..	..	9.6
Colombia	178.5	8.1	105.1	8.9	13.1	3.4	9.0	4.4	2.4	0.1	5.8	18.2
Congo, Dem. Rep.	102.7	0.5	12.8	8.2	12.8	8.0	4.7	7.7	5.6	0.0	5.7	36.9
Congo, Rep.	22.2	0.1	3.5	9.8	2.3	0.0	..	1.6	0.7	-0.1	2.0	2.2
Costa Rica	17.2	-6.3	-30.6	2.7	1.4	15.2	7.4	1.7	11.2	0.7	0.6	13.2
Côte d'Ivoire	250.1	23.4	10.0	156.3	15.7	1.1	10.3	0.2	3.5	..	0.2	29.4
Croatia	42.5	1.7	11.9	1.7	5.2	1.6	4.2	2.9	0.6	..	5.0	7.6
Cuba	30.8	2.0	1.4	1.2	2.5	0.2	1.5	1.1	2.6	..	0.8	17.6
Czech Republic	25.3	1.8	..	6.7	9.8	0.9	0.3	0.2	0.8	1.4	0.0	3.5
Denmark												
Dominican Republic	44.6	29.6	-18.8	3.2	9.2	6.4	0.0	1.3	0.2	0.2	0.2	13.1
Ecuador	137.4	20.1	47.1	4.9	11.3	0.9	6.5	0.9	5.1	6.6	2.1	32.0
Egypt, Arab Rep.	1,138.9	85.9	634.8	241.7	65.2	4.1	17.5	2.6	9.2	42.4	1.1	34.5
El Salvador	172.3	66.9	36.6	1.0	14.5	5.0	2.8	7.9	1.7	2.4	1.2	32.2
Eritrea	111.9	0.4	39.5	3.3	3.6	1.1	15.8	5.5	1.8	11.0	6.4	23.5
Estonia	23.7	0.4	1.8	1.3	2.9	0.3	0.1	4.1	0.7	6.8	0.3	5.0
Ethiopia	379.5	34.0	129.8	9.4	38.6	11.4	25.7	20.7	10.9	2.6	23.6	72.7
Finland												
France												
Gabon	-11.7	-1.5	1.3	-14.5	1.0	..	0.0	0.1	1.3	..	..	2.0
Gambia, The	14.6	3.3	3.2	0.1	2.6	2.1	0.2	0.7	0.2	0.0	0.2	6.4
Georgia	120.3	11.4	74.6	0.8	19.1	1.7	2.2	1.8	0.3	..	2.1	13.4
Germany												
Ghana	385.0	102.9	63.3	3.3	32.0	79.9	27.6	5.9	16.2	37.2	3.2	0.0
Greece												
Guatemala	230.3	67.1	58.0	1.5	18.7	23.2	10.6	13.4	4.4	5.4	8.1	3.8
Guinea	92.8	19.1	25.7	19.7	17.4	0.4	0.0	0.1	6.7	..	..	19.5
Guinea-Bissau	41.6	..	0.6	6.7	0.7	0.2	11.1	2.5	0.2	0.3	0.0	0.0
Haiti	153.9	13.5	91.0	10.9	4.2	0.0	4.0	0.5	19.7	0.1	1.7	61.9
Honduras	310.6	50.1	110.3	7.7	17.3	1.0	8.7	41.7	7.0	3.0	2.0	0.1

# Distribution of net aid by Development Assistance Committee members | 6.11



\$ millions, 2000	Total	Ten major DAC donors										Other DAC donors
		Japan	United States	France	Germany	United Kingdom	Netherlands	Sweden	Canada	Denmark	Norway	
Hungary	53.5	6.6	2.0	6.4	24.0	3.3	0.2	0.4	0.5	0.7	..	17.3
India	650.3	368.2	14.6	-11.6	15.6	204.2	-8.9	15.4	6.8	20.9	8.0	229.3
Indonesia	1,617.2	970.1	174.2	21.7	6.4	33.9	144.0	4.1	26.5	1.4	5.8	14.5
Iran, Islamic Rep.	112.8	44.9	..	7.9	37.2	2.9	0.1	0.1	..	0.1	5.2	10.9
Iraq	84.1	0.0	..	2.0	31.7	14.0	3.6	7.2	0.7	..	14.0	2.3
Ireland												
Israel	800.4	0.7	867.2	5.3	-75.1	..	..	..	0.1	..	..	-2.5
Italy												
Jamaica	-26.4	-12.2	-26.2	-0.8	1.3	4.7	3.2	0.2	5.5	..	0.4	9.9
Japan												
Jordan	385.3	104.7	187.8	17.1	44.3	7.4	1.1	0.9	1.9	6.9	3.4	2.4
Kazakhstan	159.3	83.3	58.3	1.4	10.3	1.4	0.3	0.2	0.7	0.1	1.0	19.6
Kenya	293.0	66.9	45.9	4.0	38.4	73.1	14.2	14.2	5.4	8.4	2.9	6.6
Korea, Dem. Rep.	26.9	..	1.6	1.7	1.5	1.3	0.2	3.5	2.4	..	3.3	0.1
Korea, Rep.	-196.6	-183.7	-44.4	13.9	17.4	..	0.0	0.0	..	..	..	0.3
Kuwait	2.0	0.1	..	1.0	0.6	..	..	..	..	..	..	8.1
Kyrgyz Republic	91.3	47.8	24.6	0.4	4.8	2.2	1.9	0.3	0.6	0.3	0.3	21.0
Lao PDR	194.3	114.9	2.7	12.8	13.3	2.1	2.0	14.6	0.4	2.1	8.5	3.5
Latvia	34.3	2.0	1.2	1.1	5.7	0.4	..	8.9	1.4	9.8	0.5	8.8
Lebanon	90.5	2.2	31.8	31.1	5.5	0.9	0.6	3.8	2.1	..	3.7	10.1
Lesotho	21.8	0.9	1.3	-0.5	3.2	4.5	0.3	0.1	0.1	1.7	0.2	1.1
Liberia	23.8	0.0	15.9	0.8	-1.3	3.3	2.0	1.4	0.2	0.1	0.3	9.3
Libya	11.9	0.2	..	1.0	1.4	..	..	..	..	..	..	0.3
Lithuania	46.1	2.0	2.0	1.5	4.0	0.3	1.3	14.7	0.8	17.5	1.7	0.0
Macedonia, FYR	110.9	7.9	37.3	8.2	6.7	8.5	20.9	0.4	0.7	1.3	1.0	0.6
Madagascar	138.7	26.3	31.6	46.5	14.2	2.1	1.3	0.2	0.2	0.2	4.5	4.0
Malawi	269.2	38.5	59.3	..	25.5	96.9	1.6	5.1	6.7	24.9	6.8	-0.1
Malaysia	43.3	23.9	0.2	-2.8	5.5	0.2	0.3	0.1	2.2	13.5	0.2	2.1
Mali	299.8	32.2	56.4	98.1	31.6	1.0	42.5	0.4	12.7	0.1	6.6	21.1
Mauritania	82.5	29.9	4.2	23.4	7.6	1.0	4.6	0.2	2.1	..	0.4	2.3
Mauritius	12.4	2.1	-0.6	9.5	-2.8	0.7	0.0	..	0.2	..	0.9	0.0
Mexico	-68.4	-92.6	23.8	-11.2	15.3	5.7	-2.0	0.2	1.6	-0.2	0.4	1.0
Moldova	61.5	2.6	35.0	1.0	1.9	1.1	13.5	2.4	0.1	..	0.7	4.3
Mongolia	150.8	104.5	12.6	1.5	18.8	0.8	3.8	1.8	0.3	1.0	1.4	0.0
Morocco	293.1	103.3	14.0	154.7	6.2	0.2	-0.1	0.8	5.2	-0.9	0.1	140.6
Mozambique	623.5	20.0	115.5	16.1	47.8	82.7	61.6	46.3	8.0	46.9	38.2	4.2
Myanmar	68.1	51.8	3.4	1.2	1.5	1.0	1.6	0.5	0.2	..	2.9	14.2
Namibia	96.8	5.4	9.5	3.1	24.4	4.8	3.2	21.1	0.3	3.7	7.2	1.7
Nepal	231.2	99.9	16.0	2.0	21.8	23.0	5.7	1.2	4.2	25.0	8.9	0.0
Netherlands												
New Zealand												
Nicaragua	325.9	76.5	72.8	3.4	26.9	1.7	15.6	33.3	2.8	27.2	13.3	21.4
Niger	105.8	15.0	5.3	41.3	11.6	1.6	1.6	0.1	2.6	4.9	0.5	4.3
Nigeria	84.3	2.6	32.5	4.1	11.3	22.9	0.3	0.8	1.8	3.2	0.5	2.9
Norway												
Oman	9.2	11.2	-3.0	0.7	0.2	..	..	..	..	..	..	20.1
Pakistan	475.1	280.4	88.5	19.6	2.4	23.7	19.1	1.7	13.1	-0.1	6.7	0.3
Panama	11.7	3.0	-8.8	0.3	2.5	0.4	0.2	..	1.0	0.1	..	205.9
Papua New Guinea	268.6	55.8	1.0	0.4	3.9	..	1.2	0.2	0.0	..	0.2	6.1
Paraguay	72.9	51.5	6.4	0.7	4.4	0.0	..	0.8	0.0	..	2.9	13.0
Peru	372.7	191.7	92.3	6.3	34.0	10.4	9.2	3.7	8.8	1.9	1.4	56.1
Philippines	502.3	304.5	75.5	5.9	23.3	3.2	10.0	2.7	9.9	6.9	4.6	127.7
Poland	552.5	-3.4	32.7	197.3	44.3	6.0	0.6	5.8	121.9	19.6	0.0	0.0
Portugal												
Puerto Rico												
Romania	157.7	19.5	61.4	17.0	24.7	5.2	0.6	1.0	1.7	8.2	0.1	218.4
Russian Federation	1,344.2	6.5	915.2	17.0	63.5	39.2	4.1	31.6	16.6	13.7	18.4	27.9



# 6.11

## Distribution of net aid by Development Assistance Committee members

\$ millions, 2000	Ten major DAC donors											Other DAC donors
	Japan	United States	France	Germany	United Kingdom	Netherlands	Sweden	Canada	Denmark	Norway		
Rwanda	175.4	3.4	22.9	7.5	13.8	52.7	20.4	14.6	6.7	1.2	4.3	12.5
Saudi Arabia	18.0	13.9	..	2.6	1.1	..	0.4	..	..	..	..	32.1
Senegal	288.4	48.5	22.9	147.2	16.8	2.4	5.9	0.4	11.3	-0.6	1.7	0.1
Sierra Leone	115.6	0.0	8.0	0.7	3.5	68.3	2.7	3.7	3.8	0.0	8.8	0.3
Singapore	0.7	2.9	..	1.7	-4.5	0.3	..	..	0.1	..	..	4.8
Slovak Republic	25.3	3.0	2.0	3.6	5.7	1.6	..	0.1	0.9	3.5	0.1	1.3
Slovenia	0.6	0.6	..	0.9	-2.4	0.0	..	0.3	..	..	0.1	18.3
Somalia	56.4	..	9.9	0.6	3.1	1.1	6.2	4.5	0.5	3.2	20.1	26.4
South Africa	353.6	19.8	105.9	18.4	41.6	42.6	24.2	32.4	10.7	17.0	14.7	10.1
Spain												
Sri Lanka	240.2	163.7	-3.9	0.2	21.2	9.9	6.9	16.7	1.4	-0.6	14.6	0.0
Sudan	90.3	0.7	5.2	6.5	12.0	5.7	15.3	12.4	2.4	0.6	14.2	1.8
Swaziland	2.8	6.0	0.2	0.0	-0.9	-3.7	0.0	0.0	0.3	0.3	0.1	4.5
Sweden												
Switzerland												
Syrian Arab Republic	97.3	64.4	..	13.2	12.0	0.2	0.1	1.0	0.3	..	1.7	6.3
Tajikistan	38.1	2.1	22.6	0.0	3.5	0.1	0.2	1.8	0.4	0.1	1.1	57.4
Tanzania	778.7	217.1	24.5	15.8	34.8	152.7	97.3	63.5	11.6	68.8	35.2	-37.4
Thailand	625.2	635.3	12.6	-10.9	19.2	0.7	0.8	4.0	2.1	-1.5	0.4	155.8
Togo	51.9	8.5	1.9	28.8	8.7	0.4	0.0	0.6	0.2	..	0.1	3.4
Trinidad and Tobago	4.4	1.8	0.8	0.8	0.2	0.4	0.1	..	0.2	..	..	2.0
Tunisia	150.3	72.1	-19.7	92.9	1.9	0.2	-1.5	0.4	1.8	0.0	0.2	19.2
Turkey	97.5	144.5	-61.9	7.8	-21.0	0.5	0.6	2.6	5.1	-1.7	1.8	0.1
Turkmenistan	9.9	1.1	7.5	0.2	0.7	0.1	..	..	0.0	..	0.1	0.0
Uganda	578.2	22.4	57.9	7.6	18.3	216.6	43.3	22.7	1.6	59.8	21.0	13.1
Ukraine	352.1	2.7	244.8	5.1	38.3	13.9	3.1	4.0	19.2	5.6	2.4	0.0
United Arab Emirates	2.7	0.1	..	1.9	0.7	0.1	..	..	..	..	..	1.6
United Kingdom												
United States												
Uruguay	15.3	5.8	0.3	1.6	5.3	0.2	0.1	0.1	0.2	..	0.0	1.3
Uzbekistan	133.8	82.2	35.7	4.2	9.3	0.7	0.0	0.2	0.2	..	0.1	13.0
Venezuela, RB	61.3	4.6	6.8	3.5	5.5	1.4	0.2	1.3	0.5	0.6	0.3	105.1
Vietnam	1,247.6	923.7	6.8	52.9	33.3	7.9	18.8	37.3	14.6	41.0	6.2	0.0
West Bank and Gaza	305.2	61.2	60.1	14.2	17.3	14.7	16.2	32.4	0.4	8.0	27.9	13.2
Yemen, Rep.	159.6	21.0	56.6	6.5	31.8	4.6	34.4	0.9	0.1	0.1	0.1	45.0
Yugoslavia, Fed. Rep.	592.9	4.8	107.7	10.9	98.7	28.3	71.5	33.5	..	..	71.5	18.0
Zambia	486.2	31.9	46.1	13.0	112.2	111.4	51.2	19.1	8.4	23.1	24.8	14.0
Zimbabwe	192.6	62.4	13.1	3.2	12.5	20.2	11.3	14.8	9.0	22.5	9.8	10.4
<b>World</b>	<b>40,904.9 s</b>	<b>9,654.2 s</b>	<b>9,866.1 s</b>	<b>3,914.7 s</b>	<b>2,912.4 s</b>	<b>2,796.4 s</b>	<b>2,449.5 s</b>	<b>1,361.0 s</b>	<b>1,325.1 s</b>	<b>1,142.1 s</b>	<b>960.6 s</b>	<b>4,522.8 s</b>
<b>Low income</b>	14,689.6	4,459.0	2,149.3	1,175.5	1,021.2	1,516.8	839.9	483.2	325.4	541.4	385.2	1,792.7
<b>Middle income</b>	14,050.7	3,542.3	3,609.3	1,329.3	1,378.3	628.1	397.6	388.3	355.4	253.0	312.8	1,856.2
Lower middle income	11,364.0	3,408.0	2,969.8	884.6	1,038.8	368.1	348.2	319.3	156.8	164.8	253.1	1,452.6
Upper middle income	1,669.8	102.8	101.3	419.7	276.4	153.6	32.7	56.2	151.5	64.1	31.6	280.0
<b>Low &amp; middle income</b>	39,134.2	9,646.7	8,976.6	3,150.6	2,988.1	2,794.7	2,273.8	1,360.6	1,324.9	1,142.1	960.2	4,515.9
East Asia & Pacific	6,755.7	4,001.1	449.4	232.1	380.9	167.9	216.2	104.5	93.7	66.5	53.0	990.5
Europe & Central Asia	5,724.7	531.3	2,222.1	361.7	524.6	246.6	198.9	190.1	216.5	146.8	154.1	932.0
Latin America & Carib.	3,867.5	799.6	1,343.3	109.5	348.9	229.7	142.8	164.9	111.8	76.7	59.4	480.9
Middle East & N. Africa	3,010.1	595.5	979.3	676.3	265.5	49.9	73.4	53.2	28.3	57.3	60.6	170.9
South Asia	2,347.8	1,129.2	180.0	32.2	109.6	377.3	69.6	78.6	71.3	89.1	70.6	140.6
Sub-Saharan Africa	8,651.6	955.7	1,477.2	1,240.0	790.0	1,128.1	584.9	394.6	199.7	404.0	335.8	1,141.6
<b>High income</b>	1,770.7	7.5	889.5	764.0	-75.6	1.7	175.7	0.3	0.2	0.0	0.4	6.9
Europe EMU												

Note: Regional aggregates include data for economies not specified elsewhere. World and income group totals include aid not allocated by country or region.



### About the data

Private flows to developing countries have gone mainly to productive activities in agriculture and industry. So official development assistance (ODA) has become more concentrated in the social sectors, whose share increased from about 20 percent of bilateral aid in the late 1970s to about 30 percent in the late 1990s. Emergency aid also grew during this period, and debt relief increased substantially. The geographic distribution of aid has changed, because many of the large developing country recipients, such as India, Indonesia, and Brazil, have been able to tap private capital markets to fund infrastructure development. At the end of the 1960s India, Indonesia, and Brazil accounted for almost a quarter of bilateral aid from Development Assistance Committee (DAC) members, but by the late 1990s their share had fallen to about 7 percent.

The data in the table show net bilateral aid to low- and middle-income economies from DAC members of the Organisation for Economic Co-operation and Development (OECD). The DAC compilation includes aid to some countries and territories not shown in the table and small quantities of aid to unspecified economies that are recorded only at the regional or global level. Aid to countries and territories not shown in the table has been assigned to regional totals based on the World Bank's regional classification system. Aid to unspecified economies has been included in regional totals and, when possible, in income group totals. Aid not allocated by country or region—including administrative costs, research on development issues, and aid to nongovernmental organizations—is included in the world total; thus regional and income group totals do not sum to the world total.

In 1999 all United Nations agencies revised their data to include only regular budgetary expenditures since 1990 (except for the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data from 1996 onward). They did so to avoid double counting extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations.

Because the data in the table are based on donor country reports of bilateral programs, they cannot be reconciled with recipient country reports. Nor do they reflect the full extent of aid flows from the reporting donor countries or those to recipient countries. A full accounting would include donor country contributions to multilateral institutions and the flow of resources from multilateral institutions to recipient countries as well as flows from countries that are not members of DAC. In addition, the expenditure countries report as official development assistance have changed. For example, some DAC members providing aid to refugees during the first 12 months of their

stay within the donor's borders have reported these expenditures as ODA.

Some of the aid recipients shown in the table are themselves significant donors. See table 6.8a for a summary of ODA from non-DAC countries.

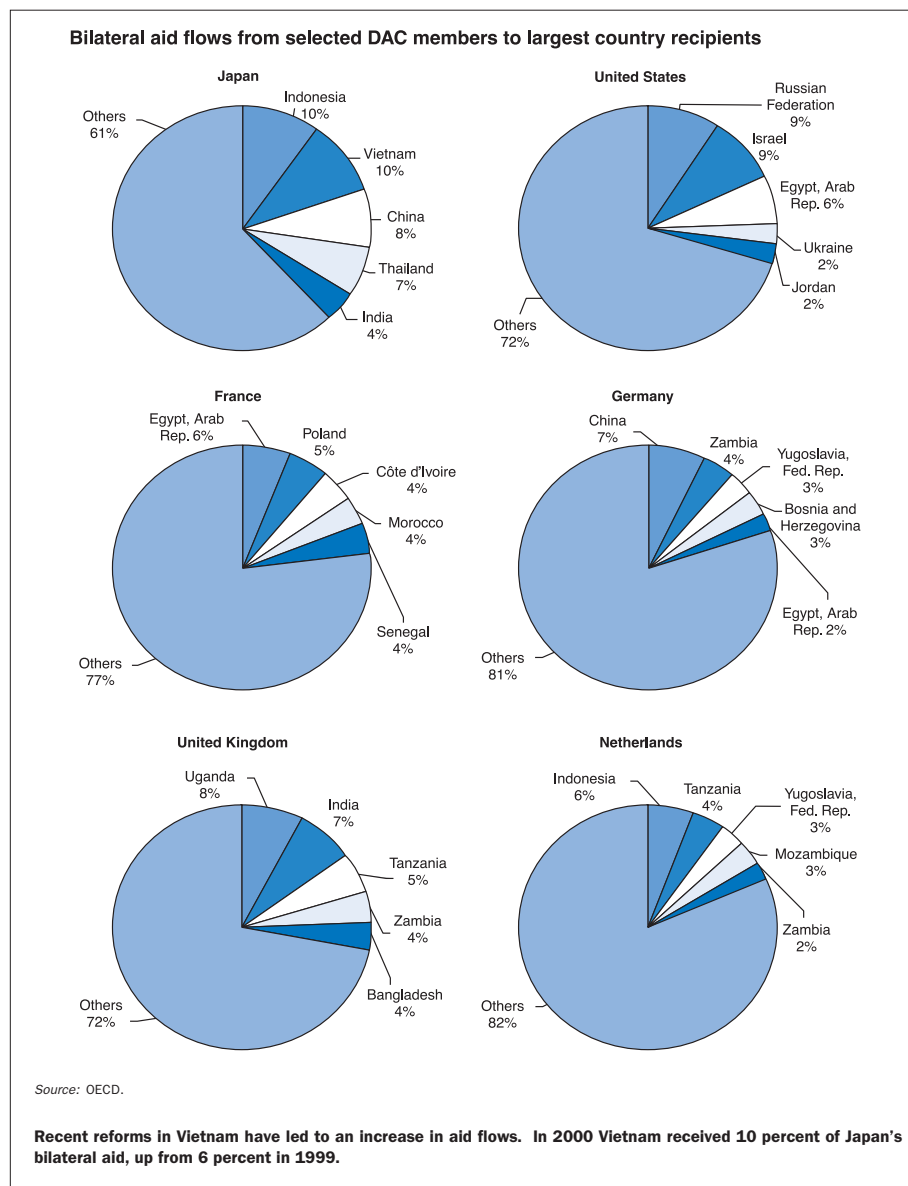
### Definitions

• **Net aid** comprises net bilateral official development assistance to part I recipients and net bilateral official aid to part II recipients (see *About the data* for table 6.8). • **Other DAC donors** are Australia, Austria, Belgium, Finland, Greece, Ireland, Italy, Luxembourg, New Zealand, Portugal, Spain, and Switzerland.

### Data sources

Data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and the DAC annual *Development Co-operation Report*. Data are available in electronic format to registered users from the Web site at [www.oecd.org/dac/html/online.htm](http://www.oecd.org/dac/html/online.htm) and on the OECD's *International Development Statistics* CD-ROM.

Figure 6.11





## 6.12 | Net financial flows from multilateral institutions

\$ millions, 2000	International financial institutions							United Nations					Total
	World Bank		IMF		Regional development banks			UNDP	UNFPA	UNICEF	WFP	Others	
	IDA	IBRD	Conces-sional	Non-concessional	Conces-sional	Non-concessional	Others						
Afghanistan	..	..	..	..	..	..	..	4.8	0.8	8.8	6.7	14.0	35.0
Albania	64.4	0.0	11.6	0.0	0.0	0.0	15.4	2.4	0.2	1.2	0.0	7.0	102.2
Algeria	0.0	-113.7	0.0	-92.6	0.3	38.3	60.8	0.7	0.4	0.7	2.4	5.4	-97.2
Angola	23.7	0.0	0.0	0.0	-1.5	-23.6	-2.4	2.0	1.3	4.4	38.4	9.5	51.8
Argentina	0.0	480.7	0.0	814.7	-0.9	618.4	0.0	-0.5	0.0	1.0	0.0	26.7	1,940.0
Armenia	54.4	-0.4	0.0	-15.8	0.0	-5.2	1.8	1.1	0.1	0.7	2.6	2.8	42.2
Australia													
Austria													
Azerbaijan	27.2	0.0	0.0	-51.4	0.0	9.6	10.7	2.1	0.6	1.0	2.4	4.8	6.9
Bangladesh	275.2	-5.3	0.0	-85.7	184.9	11.3	17.0	18.8	3.7	12.5	8.9	10.9	452.3
Belarus	0.0	-8.8	0.0	-55.6	0.0	-11.7	0.0	0.5	0.1	0.0	0.0	1.4	-74.1
Belgium													
Benin	30.3	0.0	0.0	-3.6	11.1	0.0	-1.0	3.0	0.7	2.0	1.9	2.8	47.1
Bolivia	50.6	-11.9	-14.8	0.0	62.5	-25.4	17.0	1.4	1.1	1.1	5.7	4.3	91.6
Bosnia and Herzegovina	44.1	0.0	0.0	15.8	0.0	15.0	-159.9	-2.3	0.1	0.9	0.0	24.6	-61.5
Botswana	-0.5	-7.4	0.0	0.0	0.2	-13.8	-3.0	0.9	0.4	0.7	0.0	2.7	-19.8
Brazil	0.0	805.4	0.0	-6,693.0	3.0	2,488.1	-3,136.7	-0.4	0.9	1.3	0.0	93.3	-6,438.1
Bulgaria	0.0	44.3	0.0	137.0	0.0	0.7	57.7	0.8	0.1	0.0	0.0	1.5	242.1
Burkina Faso	35.2	0.0	0.0	-2.5	10.0	-1.9	-2.4	4.2	1.1	3.3	1.1	3.9	52.1
Burundi	27.6	0.0	-4.5	0.0	-0.3	0.0	0.0	6.4	0.7	2.9	2.1	6.3	41.0
Cambodia	36.6	0.0	4.1	0.0	38.4	0.0	1.8	3.1	3.2	3.6	10.2	7.8	108.8
Cameroon	48.7	-53.3	0.0	49.9	3.2	-16.7	-2.6	1.0	1.5	2.1	0.4	3.1	37.4
Canada													
Central African Republic	7.2	0.0	-0.8	0.0	0.0	0.0	1.9	1.1	0.7	1.3	1.6	4.2	17.3
Chad	13.3	0.0	12.9	0.0	9.4	0.0	-0.5	4.3	1.0	1.9	3.5	4.2	49.9
Chile	-0.7	-66.7	0.0	0.0	-1.3	4.6	0.6	1.1	0.1	0.8	0.0	1.8	-59.7
China	313.6	949.7	0.0	0.0	0.0	417.2	8.8	12.7	3.5	18.1	7.5	11.4	1,742.6
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	-0.7	24.5	0.0	0.0	-12.3	63.2	-8.2	-0.2	0.3	1.2	3.2	4.8	75.9
Congo, Dem. Rep.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	0.7	16.6	2.1	25.1	47.6
Congo, Rep.	-0.9	-2.4	0.0	13.9	-0.4	-1.7	0.1	1.0	0.2	1.4	0.1	6.5	17.9
Costa Rica	-0.2	-27.2	0.0	0.0	-11.1	16.0	21.8	0.3	0.2	0.5	0.0	2.4	2.7
Côte d'Ivoire	75.4	-57.5	-39.3	0.0	43.3	-35.4	-20.9	1.3	1.1	2.4	0.8	10.5	-18.3
Croatia	0.0	33.5	0.0	-28.8	0.0	-4.0	9.3	0.1	0.0	0.2	0.0	10.7	21.0
Cuba	..	..	..	..	..	..	..	0.8	0.3	0.8	2.0	2.0	6.0
Czech Republic	0.0	-42.9	0.0	0.0	0.0	0.0	51.0	0.2	0.0	0.0	0.0	1.1	9.4
Denmark													
Dominican Republic	-0.7	17.8	0.0	0.0	-4.2	24.1	8.7	1.0	0.6	0.9	1.0	7.9	57.0
Ecuador	-1.1	-20.6	0.0	149.5	-15.5	167.3	46.3	0.4	0.6	1.0	2.3	2.5	332.7
Egypt, Arab Rep.	26.3	-80.5	0.0	0.0	3.4	-83.1	16.6	2.0	1.9	3.2	9.1	5.3	-95.8
El Salvador	-0.8	17.0	0.0	0.0	-13.0	89.0	-25.9	1.3	0.6	0.8	0.9	1.4	71.2
Eritrea	31.6	0.0	0.0	0.0	0.7	0.0	6.4	2.2	0.6	1.5	1.7	5.5	50.3
Estonia	0.0	-9.4	0.0	-5.1	0.0	-2.7	-6.1	0.3	0.0	0.0	0.0	0.1	-22.9
Ethiopia	115.6	0.0	-13.0	0.0	22.7	-18.4	5.3	18.8	3.0	13.5	36.0	27.6	211.0
Finland													
France													
Gabon	0.0	-3.9	0.0	7.6	0.0	-30.1	0.1	0.1	0.2	0.5	0.0	3.3	-22.2
Gambia, The	5.4	0.0	7.5	0.0	1.6	-0.7	4.2	1.6	0.4	0.6	1.6	2.7	24.9
Georgia	18.1	0.0	0.0	-25.9	0.0	0.7	1.2	1.8	0.1	0.9	2.0	5.0	3.9
Germany													
Ghana	178.9	-8.1	0.0	-1.8	0.7	-13.5	1.6	4.9	1.8	2.9	1.5	4.0	173.0
Greece													
Guatemala	0.0	38.2	0.0	0.0	-5.4	20.6	33.7	1.8	0.3	0.9	2.7	1.6	94.3
Guinea	17.5	0.0	-8.0	0.0	0.6	-8.8	9.2	1.7	0.6	2.6	1.3	21.0	37.6
Guinea-Bissau	10.7	0.0	6.5	1.9	0.0	0.0	-0.3	0.9	0.2	1.1	0.2	2.1	23.3
Haiti	1.5	0.0	-3.0	0.0	35.1	0.0	-0.5	2.6	1.2	2.6	6.1	0.7	46.3
Honduras	35.9	-32.9	0.0	16.4	51.5	-15.1	165.1	2.7	0.8	0.4	0.9	1.8	227.4



\$ millions, 2000	International financial institutions							United Nations					Total
	World Bank		IMF		Regional development banks			UNDP	UNFPA	UNICEF	WFP	Others	
	IDA	IBRD	Conces-sional	Non-concessional	Conces-sional	Non-concessional	Others						
Hungary	0.0	-56.7	0.0	0.0	0.0	3.3	-12.1	0.1	0.0	0.0	0.0	1.3	-64.1
India	655.2	-304.8	-251.0	0.0	0.0	159.8	41.5	21.2	9.0	31.9	27.0	33.7	423.5
Indonesia	33.2	290.1	0.0	1,122.7	17.9	203.9	-10.5	3.2	2.5	6.7	0.0	11.2	1,680.8
Iran, Islamic Rep.	0.0	44.4	0.0	0.0	0.0	0.0	-27.9	0.6	1.1	1.9	0.1	13.5	33.7
Iraq	..	..	..	..	..	..	..	0.9	0.3	2.8	0.1	5.4	9.5
Ireland													
Israel	..	..	..	..	..	..	..	0.0	0.0	0.0	0.0	0.4	0.4
Italy													
Jamaica	0.0	37.1	0.0	-19.1	-4.7	88.8	10.8	0.1	0.2	0.8	0.0	2.0	116.0
Japan													
Jordan	-2.6	-14.8	0.0	-11.3	0.0	0.0	-15.3	0.9	0.4	0.9	1.2	81.5	40.8
Kazakhstan	0.0	29.7	0.0	-442.1	3.6	18.0	13.0	0.8	0.8	0.8	0.0	1.8	-373.5
Kenya	141.5	-40.4	1.9	0.0	1.6	-15.2	-5.7	4.9	1.9	4.1	19.4	21.4	135.4
Korea, Dem. Rep.	..	..	..	..	..	..	..	1.2	0.4	0.7	0.6	4.1	6.9
Korea, Rep.	-3.5	-187.6	0.0	0.0	0.0	-39.7	0.0	0.3	0.0	0.0	0.0	1.8	-228.8
Kuwait	..	..	..	..	..	..	..	0.0	0.0	0.0	0.0	0.8	0.8
Kyrgyz Republic	51.7	0.0	0.0	7.4	37.7	0.0	7.6	1.7	0.4	0.9	0.0	1.5	108.9
Lao PDR	16.7	0.0	-7.7	0.0	39.2	0.0	13.1	2.8	1.4	2.2	1.0	2.8	71.5
Latvia	0.0	53.8	0.0	-10.1	0.0	14.1	-30.7	0.2	0.1	0.0	0.0	0.7	28.0
Lebanon	0.0	25.8	0.0	0.0	0.0	0.0	42.0	0.6	0.3	1.1	0.0	51.3	121.0
Lesotho	5.3	6.0	0.0	-5.2	1.0	-1.8	-2.4	0.7	0.2	0.7	1.2	1.4	7.2
Liberia	0.0	0.0	0.0	-0.6	0.0	0.0	0.0	2.0	0.7	1.7	12.7	14.5	31.0
Libya	..	..	..	..	..	..	..	-0.2	0.0	0.0	0.0	3.4	3.2
Lithuania	0.0	56.9	0.0	-27.3	0.0	1.2	-3.3	0.4	0.0	0.0	0.0	0.4	28.3
Macedonia, FYR	38.4	9.6	2.3	-17.8	0.0	0.6	10.5	1.1	0.0	0.5	0.0	9.2	54.3
Madagascar	76.9	0.0	45.1	0.0	19.6	-5.6	15.4	5.9	1.4	5.7	2.7	3.0	170.0
Malawi	81.2	-7.6	-0.6	0.0	15.6	-1.1	0.0	2.4	1.1	3.9	1.8	2.9	99.6
Malaysia	0.0	-85.9	0.0	0.0	0.0	9.4	-2.4	0.4	0.2	0.4	0.0	1.7	-76.3
Mali	40.7	0.0	0.0	-8.2	4.7	0.0	3.4	2.0	0.8	5.0	2.0	3.2	53.5
Mauritania	53.1	-1.9	-3.0	0.0	6.3	-5.8	10.8	1.9	0.7	1.3	2.2	3.2	68.8
Mauritius	-0.6	-14.4	0.0	0.0	-0.5	-2.8	12.9	0.5	0.1	0.6	0.0	1.0	-3.2
Mexico	0.0	418.0	-4,298.9	0.0	-1.1	300.6	0.0	0.7	1.2	1.1	0.0	8.3	-3,570.2
Moldova	30.1	0.8	12.2	-24.6	0.0	0.4	-4.2	0.7	0.1	0.7	0.0	1.2	17.4
Mongolia	14.1	0.0	1.5	0.0	19.8	0.0	0.3	1.4	1.5	1.2	0.0	1.9	41.7
Morocco	-1.4	-168.8	0.0	0.0	3.5	22.3	-4.4	1.3	1.3	1.2	2.2	2.7	-140.3
Mozambique	93.7	0.0	0.0	30.4	12.6	1.8	6.3	5.5	3.4	7.1	3.4	4.0	168.2
Myanmar	0.0	0.0	0.0	0.0	0.0	0.0	-1.2	14.9	0.8	6.3	0.0	12.9	33.7
Namibia	..	..	..	..	..	..	..	1.0	0.4	0.8	0.3	4.7	7.2
Nepal	34.4	0.0	0.0	-4.4	67.5	0.0	4.7	8.2	2.5	3.7	6.3	10.6	133.6
Netherlands													
New Zealand													
Nicaragua	85.5	-4.8	0.0	21.3	59.9	-9.1	0.9	2.8	1.2	0.8	8.4	1.5	168.4
Niger	59.8	0.0	9.4	0.0	-0.4	0.0	-3.7	5.5	1.0	5.9	3.0	5.3	85.7
Nigeria	51.0	-242.4	0.0	0.0	12.7	-70.2	-2.0	6.1	3.7	18.9	0.0	15.2	-207.0
Norway													
Oman	0.0	-2.9	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.8	0.0	1.6	0.9
Pakistan	76.8	-67.2	-14.5	-73.1	153.7	119.0	-31.4	4.0	0.7	11.6	2.7	26.6	208.8
Panama	0.0	-2.4	0.0	-51.8	-9.6	37.7	4.5	0.0	0.2	0.7	0.0	1.5	-19.2
Papua New Guinea	-2.7	14.5	0.0	18.7	-0.7	0.0	1.6	2.0	0.7	1.4	0.0	2.6	38.3
Paraguay	-1.5	27.9	0.0	0.0	-1.1	83.1	-2.6	0.2	0.6	0.8	0.0	1.2	108.5
Peru	0.0	172.9	0.0	-141.3	-6.6	5.3	137.2	-0.2	1.4	1.2	3.9	5.4	179.1
Philippines	7.2	-197.5	0.0	305.3	21.8	-77.2	-2.7	3.5	1.0	2.9	0.0	3.6	67.9
Poland	0.0	149.8	0.0	0.0	0.0	0.0	0.0	-0.2	0.1	0.0	0.0	2.2	151.9
Portugal													
Puerto Rico													
Romania	0.0	293.2	0.0	18.3	0.0	19.0	163.5	0.7	0.3	0.7	0.0	1.6	497.2
Russian Federation	0.0	273.6	0.0	-2,888.0	0.0	-9.4	-2.4	0.7	0.2	0.0	0.0	12.3	-2,613.0



## 6.12 | Net financial flows from multilateral institutions

\$ millions, 2000	International financial institutions							United Nations					Total
	World Bank		IMF		Regional development banks			UNDP	UNFPA	UNICEF	WFP	Others	
	IDA	IBRD	Conces-sional	Non-concessional	Conces-sional	Non-concessional	Others						
Rwanda	30.9	0.0	0.0	14.0	-0.9	-0.1	-0.5	5.4	0.7	3.1	20.0	11.1	83.7
Saudi Arabia	..	..	..	..	..	..	..	0.0	0.0	0.1	0.0	10.9	11.0
Senegal	76.7	-2.8	-3.7	0.0	2.5	-12.0	-21.4	3.4	1.0	2.3	3.0	4.5	53.4
Sierra Leone	68.3	-0.3	-25.2	13.7	1.4	0.0	-2.5	0.9	0.2	2.2	0.0	4.7	63.5
Singapore	..	..	..	..	..	..	..	0.0	0.0	0.0	0.0	0.4	0.4
Slovak Republic	0.0	-22.2	0.0	-127.3	0.0	-33.7	27.8	0.4	0.0	0.0	0.0	1.1	-153.9
Slovenia	..	..	..	..	..	..	..	0.0	0.0	0.0	0.0	1.1	1.2
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	0.4	4.9	0.7	12.6	23.8
South Africa	0.0	2.7	0.0	0.0	0.0	0.0	0.0	3.2	0.3	1.1	0.0	6.7	14.0
Spain													
Sri Lanka	28.3	-5.3	-85.6	0.0	44.6	0.0	2.8	5.0	0.6	0.7	2.5	8.4	1.9
Sudan	-2.2	-2.1	0.0	-54.2	0.0	0.0	-0.1	6.9	1.6	4.1	6.7	17.1	-22.2
Swaziland	-0.3	-0.1	0.0	0.0	1.2	8.1	-0.7	0.3	0.2	0.6	0.0	1.9	11.2
Sweden													
Switzerland													
Syrian Arab Republic	-1.5	-14.2	0.0	0.0	0.0	0.0	-42.0	1.1	0.9	1.0	4.6	27.1	-23.0
Tajikistan	22.8	0.0	25.5	-9.9	3.2	0.0	9.5	2.0	0.4	1.2	4.9	3.6	63.1
Tanzania	109.4	-4.4	0.0	27.4	27.2	-2.2	13.5	8.7	2.4	11.5	2.5	28.1	224.1
Thailand	-3.4	275.1	0.0	-197.9	-2.1	-269.8	-2.3	2.0	0.6	0.8	0.0	9.1	-187.9
Togo	9.9	0.0	-9.4	0.0	2.5	0.0	-0.1	2.8	0.5	1.2	0.0	1.9	9.3
Trinidad and Tobago	0.0	3.8	0.0	0.0	-0.1	-11.1	-0.8	0.1	0.0	0.0	0.0	0.9	-7.1
Tunisia	-2.1	-14.5	0.0	-40.1	0.0	-65.0	73.7	0.5	0.4	0.7	0.0	1.7	-44.8
Turkey	-5.9	805.8	0.0	3,372.0	0.0	0.0	-316.8	1.1	0.5	1.1	0.0	5.1	3,862.8
Turkmenistan	0.0	19.6	0.0	0.0	0.0	-2.7	-0.7	0.9	0.4	0.8	0.0	0.8	19.2
Uganda	175.6	0.0	0.0	-37.2	17.8	-0.8	17.3	4.1	2.6	6.5	8.6	16.4	211.0
Ukraine	0.0	88.2	0.0	-598.1	0.0	-29.4	0.0	1.7	0.1	0.0	0.0	3.2	-534.3
United Arab Emirates	..	..	..	..	..	..	..	0.3	0.0	0.0	0.0	1.0	1.3
United Kingdom													
United States													
Uruguay	0.0	76.3	0.0	0.0	-1.7	107.3	-4.3	0.3	0.1	0.6	0.0	0.6	179.1
Uzbekistan	0.0	26.8	0.0	-65.1	1.2	56.9	0.0	1.3	0.6	1.5	0.0	1.8	24.9
Venezuela, RB	0.0	-157.6	0.0	-507.1	0.0	159.5	77.8	0.4	0.3	0.9	0.2	3.2	-422.3
Vietnam	172.5	0.0	-15.9	-5.3	146.4	0.0	21.3	11.6	4.2	5.4	10.1	3.9	354.1
West Bank and Gaza	..	..	..	..	..	..	..	2.9	1.1	1.6	1.1	152.5	159.2
Yemen, Rep.	51.3	0.0	0.0	-71.4	0.0	0.0	-16.5	7.2	1.8	3.1	7.1	7.4	-10.0
Yugoslavia, Fed. Rep.	0.0	0.0	0.0	80.8	0.0	0.0	0.0	1.0	0.1	0.0	0.2	69.1	151.2
Zambia	205.8	-7.8	0.0	26.4	25.0	-14.9	-9.8	3.1	3.4	4.5	4.2	11.9	251.9
Zimbabwe	7.3	-27.4	-35.7	-34.8	3.7	-7.3	-25.0	1.8	0.5	1.7	0.0	5.4	-109.7
<b>World</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>395.7 s</b>	<b>134.2 s</b>	<b>580.0 s</b>	<b>357.3 s</b>	<b>1,872.0 s</b>	
<b>Low income</b>	3,545.6	-428.9	-309.4	153.0	1,062.0	261.8	52.4	254.5	81.3	264.1	290.9	500.7	5,727.9
<b>Middle income</b>	629.0	3,823.0	-4,385.5	-6,437.0	179.2	4,145.6	-2,743.6	78.6	34.3	75.8	66.4	811.9	-3,722.3
Lower middle income	616.4	1,705.1	-86.6	-3,218.3	201.2	539.2	502.5	66.8	28.7	61.8	62.8	526.0	1,005.7
Upper middle income	-10.2	2,117.9	-4,298.9	-3,218.7	-22.0	3,606.4	-3,258.8	9.5	5.0	13.5	0.2	247.5	-4,808.7
<b>Low &amp; middle income</b>	4,174.6	3,394.1	-4,694.9	-6,284.1	1,241.2	4,407.4	-2,691.2	396.0	134.1	580.0	357.3	1,866.0	2,880.4
East Asia & Pacific	589.6	1,051.8	-18.1	1,243.6	290.7	244.4	23.0	69.2	23.8	54.7	36.6	142.1	3,751.4
Europe & Central Asia	345.2	1,745.4	51.5	-761.3	45.7	40.5	-156.9	21.5	5.4	15.9	12.2	196.3	3,083.9
Latin America & Carib.	174.3	1,795.0	-4,316.6	-6,426.1	174.4	4,215.8	-2,630.7	21.3	14.9	23.4	37.3	219.0	-6,698.1
Middle East & N. Africa	73.5	-339.2	0.0	-214.1	10.1	-87.5	40.5	14.4	9.1	17.0	21.8	399.8	-54.6
South Asia	1,076.1	-382.6	-351.1	-163.1	452.8	290.0	35.5	66.2	19.1	70.5	55.6	108.0	1,277.0
Sub-Saharan Africa	1,916.0	-476.2	-60.6	37.0	267.5	-295.9	-3.0	165.8	49.5	165.8	190.6	570.7	2,527.3
<b>High income</b>	..	..	..	..	..	..	..	-0.3	0.0	0.0	0.0	6.0	..
Europe EMU													

Note: The aggregates for the regional development banks, United Nations, and total net financial flows include amounts for economies not specified elsewhere.



## About the data

The regional distribution of multilateral assistance differs from that of bilateral assistance. For example, while bilateral donors have increased the share of their aid to Sub-Saharan Africa over the past 15 years to about a quarter, the share of multilateral assistance to the region has averaged more than 40 percent over the same period. The seven major (G-7) industrial countries—Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States—have contributed about 77 percent of total multilateral assistance in the past 30 years.

This table shows concessional and nonconcessional financial flows from the major multilateral institutions—the World Bank, the International Monetary Fund (IMF), regional development banks, United Nations agencies, and regional groups such as the Commission of the European Communities. Much of these data come from the World Bank's Debtor Reporting System.

The multilateral development banks fund their nonconcessional lending operations primarily by selling low-interest, highly rated bonds (the World Bank, for example, has a AAA rating) backed by prudent lending and financial policies and the strong financial backing of their members. These funds are then on-lent at slightly higher interest rates, and with relatively long maturities (15–20 years), to developing countries. Lending terms vary with market conditions and the policies of the banks.

Concessional flows are defined by the Development Assistance Committee (DAC) as those containing a grant element of at least 25 percent. The grant element of loans is evaluated assuming a nominal market interest rate of 10 percent. The grant element of a loan carrying a 10 percent interest rate is nil, and for a grant, which requires no repayment, it is 100 percent.

Concessional, or soft, lending by the World Bank Group is carried out through the International Development Association (IDA), although some loans made by the International Bank for Reconstruction and Development (IBRD) are made on terms that may qualify as concessional under the DAC definition. Eligibility for IDA resources is based on gross national income (GNI) per capita; countries must also meet performance standards assessed by World Bank staff. Since 1 July 2001 the GNI per capita cutoff has been set at \$885, measured in 2000 using the Atlas method (see *Users guide*). In exceptional circumstances IDA extends eligibility temporarily to countries that are above the cutoff and are undertaking major adjustment efforts but are not creditworthy for IBRD lending. An exception has also been made for small island economies. Lending by the International Finance Corporation is not included in this table.

The IMF makes concessional funds available

through its Enhanced Structural Adjustment Facility (ESAF), the successor to the Structural Adjustment Facility, and through the IMF Trust Fund. Low-income countries facing protracted balance of payments problems are eligible for ESAF funds.

Regional development banks also maintain concessional windows for funds. In the *World Development Indicators* loans from the major regional development banks—the African Development Bank, Asian Development Bank, and Inter-American Development Bank—are recorded according to each institution's classification. In some cases nonconcessional loans by these institutions may be on terms that meet DAC's definition of concessional.

In 1999, all United Nations agencies revised their data to include only regular budgetary expenditures since 1990 (except for the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data from 1996 onward). They did so to avoid double counting extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations.

## Definitions

- **Net financial flows** recorded in this table are disbursements of public or publicly guaranteed loans and credits, less repayments of principal.
- **IDA** is the International Development Association, the soft loan window of the World Bank Group.
- **IBRD** is the International Bank for Reconstruction and Development, the founding and largest member of the World Bank Group.
- **IMF** is the International Monetary Fund. Its nonconcessional lending consists of the credit it provides to its members, principally to meet their balance of payments needs. It provides concessional assistance through the Enhanced Structural Adjustment Facility and the IMF Trust Fund.
- **Regional development banks** include the African Development Bank, based in Abidjan, Côte d'Ivoire, which lends to all of Africa, including North Africa; the Asian Development Bank, based in Manila, Philippines, which serves countries in South Asia and East Asia and Pacific; the European Bank for Reconstruction and Development, based in London, England, which serves countries in Europe and Central Asia; the European Development Fund, based in Brussels, Belgium, which serves countries in Africa, the Caribbean, and the Pacific; and the Inter-American Development Bank, based in Washington, D.C., which is the principal development bank of the Americas.
- **Others** is a residual category in the World Bank's Debtor Reporting System. It includes such institutions as the Caribbean Development Bank and the European Investment Bank.
- **United Nations** includes the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), World Food Programme (WFP), and other United Nations agencies, such as the United Nations High Commissioner for Refugees, United Nations Relief and Works Agency for Palestine Refugees in the Near East, and United Nations Regular Program for Technical Assistance.
- **Concessional financial flows** cover disbursements made through concessional lending facilities.
- **Nonconcessional financial flows** cover all other disbursements.

## Data sources

The data on net financial flows from international financial institutions come from the World Bank's Debtor Reporting System. These data are published in the World Bank's *Global Development Finance 2002* and electronically as *GDF Online*. The data on aid from United Nations agencies come from the DAC annual *Development Co-operation Report*. Data are available in electronic format to registered users on the Web site at [www.oecd.org/dac/html/online.htm](http://www.oecd.org/dac/html/online.htm) and on the OECD's *International Development Statistics* CD-ROM.





## 6.13 | Foreign labor and population in OECD countries

Selected OECD countries	Foreign population <sup>a</sup>				Foreign labor force <sup>b</sup>		Inflows of foreign population			
	thousands		% of total population		% of total labor force		Total thousands <sup>c</sup>		Asylum seekers thousands	
	1990	1999	1990	1999	1990	1999	1990	1999	1990	1999
Austria	456	748	5.9	9.2	7.4	10.0	..	..	23	20
Belgium	905	897	9.1	8.8	7.1	..	50	58	13	36
Denmark	161	259	3.1	4.9	2.4	4.4	15	21	5	6
Finland	26	88	0.5	1.7	..	1.5	6	8	3	3
France	3,597	3,263	6.3	5.6	6.2	5.8	102 <sup>d</sup>	104 <sup>d</sup>	55	31
Germany	5,343	7,344	8.4	8.9	..	8.8 <sup>e</sup>	842	674	193	95
Ireland	80	118	2.3	3.1	2.6	3.4	..	22 <sup>d</sup>	0	8
Italy	781	1,252	1.4	2.2	1.3	3.6	..	268 <sup>d</sup>	5	33
Japan	1,075	1,556	0.9	1.2	0.1	0.2	224	282	..	..
Luxembourg	113	159	29.4	36.0	45.2 <sup>e</sup>	57.3 <sup>e</sup>	9	12	0	3
Netherlands	692	652	4.6	4.1	3.1 <sup>e</sup>	3.4	81	78	21	43
Norway	143	179	3.4	4.0	2.3	3.0	16	32	4	10
Portugal	108	191	1.1	1.9	1.0	1.8	14 <sup>d</sup>	11 <sup>d</sup>	0	0
Spain	279	801	0.7	2.0	0.6	1.0	..	..	9	8
Sweden	484	487	5.6	5.5	5.4	5.1	53	35	29	11
Switzerland	1,100	1,369	16.3	19.2	18.9	18.1	101	86	36	46
United Kingdom	1,723	2,208	3.2	3.8	3.3	3.7	204 <sup>d</sup>	277 <sup>d</sup>	38	91

	Foreign-born population <sup>a</sup>				Foreign-born labor force <sup>b</sup>		Inflows of foreign population			
	thousands		% of total population		% of total labor force		Total thousands <sup>c, d</sup>		Asylum seekers thousands	
	1990	1999	1990	1999	1990	1999	1990	1999	1990	1999
Australia	3,886	4,482	22.8	23.6	25.7	24.6	121	84	4	8
Canada	4,343	4,971	16.0	17.4	18.5	..	214	190	37	29
United States	19,767 <sup>f</sup>	28,180 <sup>g</sup>	7.9 <sup>f</sup>	10.3 <sup>g</sup>	9.4	11.7	1,536	647	74	43

a. Data are from population registers or from registers of foreigners, except for France and the United States (censuses), Italy, Portugal, and Spain (residence permits), and Ireland and the United Kingdom (labor force surveys), and refer to the population on 31 December of the year indicated. b. Data include the unemployed, except in Italy, Luxembourg, the Netherlands, Norway, and the United Kingdom. Cross-border workers and seasonal workers are excluded unless otherwise noted. c. Inflow data are based on population registers and are not fully comparable because the criteria governing who gets registered differ from country to country. Counts for the Netherlands, Norway, and especially Germany include substantial numbers of asylum seekers. d. Data are based on residence permits or other sources. e. Includes cross-border workers. f. From the U.S. Census Bureau, *1990 Census of Population Listing*. g. From the U.S. Census Bureau, *Current Population Report* (March 2001).



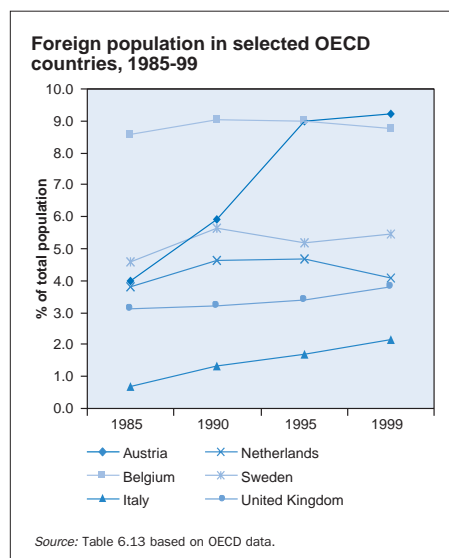
## About the data

The data in the table are based on national definitions and data collection practices and are not fully comparable across countries. Japan and the European members of the Organisation for Economic Co-operation and Development (OECD) have traditionally defined foreigners by nationality of descent. Australia, Canada, and the United States use place of birth, which is closer to the concept used in the United Nations' definition of the immigrant stock. Few countries, however, apply just one criterion in all circumstances. For this and other reasons, data based on the concept of foreign nationality and data based on the concept of foreign-born cannot be completely reconciled. See the notes to the table for other breaks in comparability between countries and over time.

Data on the size of the foreign labor force are also problematic. Countries use different permit systems to gather information on immigrants. Some countries issue a single permit for residence and work, while others issue separate residence and work permits. Differences in immigration laws across countries, particularly with respect to immigrants' access to the labor market, greatly affect the recording and measurement of migration and reduce the comparability of raw data at the international level. The data exclude temporary visitors and tourists (see table 6.14).

OECD countries are not the only ones that receive substantial migration flows. Migrant workers make up a significant share of the labor force in Gulf countries and in southern Africa, and people are displaced by wars and natural disasters throughout the world. Systematic recording of migration flows is difficult, however, especially in poor countries and those affected by civil disorder.

**Figure 6.13**



## Definitions

- **Foreign (or foreign-born) population** is the number of foreign or foreign-born residents in a country.
- **Foreign (or foreign-born) labor force, as a percentage of total labor force**, is the share of foreign or foreign-born workers in a country's workforce.
- **Inflows of foreign population** are the gross arrivals of immigrants in the country shown. The total does not include asylum seekers, except as noted.
- **Inflows of foreign workers** are the gross arrivals of foreign workers with legal employment status. The workers may be permanent or temporary.
- **Asylum seekers** are those who apply for permission to remain in the country for humanitarian reasons.

## Data sources

International migration data are collected by the OECD through information provided by national correspondents to the Continuous Reporting System on Migration (SOPMI) network, which provides an annual overview of trends and policies. The data appear in the OECD's *Trends in International Migration 2001*.



## 6.14 | Travel and tourism

	International tourism				International tourism receipts				International tourism expenditures			
	Inbound tourists thousands		Outbound tourists thousands		\$ millions		% of exports		\$ millions		% of imports	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Afghanistan	8	4	..	..	1	1	..	..	1	..	..	..
Albania	30	39	..	18	4	211	1.1	38.8	4	12	0.8	1.1
Algeria	1,137	866	3,828	903	64	24	0.5	0.2	149	..	1.5	..
Angola	67	51	..	..	13	18	0.3	0.2	38	..	1.1	..
Argentina	1,930	2,991	2,398	4,786	1,131	2,903	7.6	9.4	1,505	4,107	22.0	12.6
Armenia	15	30	..	..	..	45	..	10.1	..	34	..	3.7
Australia	2,215	4,946	2,170	3,210	4,088	8,442	8.2	10.2	4,535	5,792	8.5	6.9
Austria	19,011	17,982	8,527	3,954	13,417	11,440	21.1	12.1	7,748	9,803	12.6	10.1
Azerbaijan	77	681	..	1,204	42	81	..	6.3	..	139	..	7.3
Bangladesh	115	200	388	1,103	11	59	0.6	0.9	78	212	1.9	2.5
Belarus	..	355	..	..	..	17	..	0.2	..	116	..	1.7
Belgium	5,147	6,457	3,835	7,773	3,721	7,039	2.7	3.5	5,477	10,057	4.1	5.3
Benin	110	152	418	..	28	33	7.7	5.9	12	7	2.6	0.9
Bolivia	254	342	242	196	91	160	9.3	11.0	130	165	12.0	8.3
Bosnia and Herzegovina	1	110	..	..	..	17	..	..	..	..	..	..
Botswana	543	843	192	..	117	234	5.8	7.7	56	143	2.8	5.7
Brazil	1,091	5,313	1,188	2,679	1,444	4,228	4.1	6.6	1,559	3,893	5.5	5.4
Bulgaria	1,586	2,785	2,395	2,592	320	1,074	4.6	15.3	189	524	2.4	8.0
Burkina Faso	74	218	..	..	11	42	3.2	10.5	32	..	4.2	..
Burundi	109	30	24	16	4	1	4.5	1.8	17	8	5.3	6.2
Cambodia	17	466	..	49	50	228	15.9	15.2	..	8	..	0.6
Cameroon	89	135	..	..	53	40	2.4	1.7	279	..	14.5	..
Canada	15,209	20,423	20,415	18,368	6,339	10,768	4.2	3.3	10,931	11,345	7.3	4.4
Central African Republic	6	10	..	..	3	6	1.4	3.9	51	..	12.4	..
Chad	9	44	24	..	8	10	3.0	2.7	70	..	14.4	..
Chile	943	1,742	768	1,567	540	827	5.3	3.7	426	806	4.6	4.5
China	10,484	31,229	2,134	10,473	2,218	16,231	3.9	5.8	470	10,864	1.0	5.7
Hong Kong, China	6,581	13,059	2,043	4,175	5,032	7,886	5.0	3.2	..	..	..	..
Colombia	813	530	781	1,098	406	1,028	4.7	6.6	454	1,078	6.6	8.0
Congo, Dem. Rep.	55	53	..	50	7	2	0.3	..	16	..	0.6	..
Congo, Rep.	33	26	..	..	8	11	0.5	0.4	113	60	8.8	4.5
Costa Rica	435	1,106	191	353	275	1,102	14.0	14.4	148	428	6.3	6.0
Côte d'Ivoire	196	301	2	..	51	108	1.5	2.1	169	237	4.9	5.4
Croatia	7,049	5,831	..	..	1,704	2,758	..	31.9	729	751	..	7.7
Cuba	327	1,700	12	56	243	1,756	..	..	..	..	..	..
Czech Republic	7,278	5,700	3,510	39,977	419	2,869	..	8.0	455	1,474	..	4.3
Denmark	1,838	2,088	3,929	4,841	3,322	4,025	6.8	5.7	3,676	5,084	8.9	8.7
Dominican Republic	1,305	2,977	137	364	900	2,918	49.1	32.6	144	282	6.4	3.0
Ecuador	362	615	181	386	188	402	5.8	6.7	175	271	6.9	6.5
Egypt, Arab Rep.	2,411	5,116	2,012	2,886	1,100	4,345	12.0	27.2	129	1,078	0.9	5.1
El Salvador	194	795	525	787	18	254	1.8	7.0	61	80	3.8	1.7
Eritrea	169	70	..	..	..	36	..	37.7	..	..	..	..
Estonia	372	1,100	..	1,780	27	505	4.1	10.5	19	217	2.7	5.1
Ethiopia	79	125	89	..	25	24	3.7	2.4	11	55	1.0	2.9
Finland	1,572	2,700	1,169	5,314	1,167	1,401	3.7	2.7	2,791	2,021	8.3	5.4
France	52,497	75,500	19,430	16,709	20,184	29,900	7.1	7.9	12,423	18,631	4.4	5.4
Gabon	109	155	161	..	3	7	0.1	0.2	137	183	7.6	10.3
Gambia, The	100	96	..	..	26	49	15.5	18.6	8	..	4.2	..
Georgia	..	384	..	373	..	400	..	54.1	..	270	..	21.2
Germany	17,045	18,983	56,261	73,400	14,288	17,812	3.0	2.8	33,771	48,495	8.0	7.9
Ghana	146	373	..	..	81	304	8.2	12.3	13	36	0.9	0.9
Greece	8,873	12,500	1,651	..	2,587	9,221	19.9	31.3	1,090	3,989	5.6	11.2
Guatemala	509	823	289	391	185	518	11.8	13.3	100	183	5.5	3.6
Guinea	..	33	..	..	30	12	3.6	1.4	30	31	3.1	3.3
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..	..	..
Haiti	144	143	..	..	46	55	14.5	9.8	37	37	7.2	3.6
Honduras	290	408	196	235	29	240	2.8	9.6	38	60	3.4	2.0



	International tourism				International tourism receipts				International tourism expenditures			
	Inbound tourists thousands		Outbound tourists thousands		\$ millions		% of exports		\$ millions		% of imports	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Hungary	20,510	15,571	13,596	10,622	824	3,424	6.8	10.8	477	1,191	4.3	4.2
India	1,707	2,641	2,281	3,811	1,513	3,296	6.6	5.2	393	2,010	1.2	3.0
Indonesia	2,178	5,064	688	..	2,105	5,749	7.2	8.1	836	2,353	3.0	5.6
Iran, Islamic Rep.	154	1,700	788	1,450	61	850	0.3	2.9	340	918	1.5	5.8
Iraq	748	78	239	..	55	13	..	..	..	..	..	..
Ireland	3,666	6,728	1,798	3,576	1,883	3,571	7.0	4.0	1,163	2,620	4.7	3.7
Israel	1,063	2,400	883	3,203	1,396	3,100	8.1	6.9	1,442	2,566	7.1	6.3
Italy	26,679	41,182	16,152	18,962	16,458	27,439	7.5	9.3	10,304	16,913	4.7	6.3
Jamaica	989	1,323	..	..	740	1,333	33.4	37.2	114	227	4.8	5.7
Japan	3,236	4,757	10,997	16,358	3,578	3,374	1.1	0.6	24,928	32,808	8.4	8.3
Jordan	572	1,427	1,143	1,560	512	722	20.4	20.4	336	355	9.0	7.1
Kazakhstan	..	..	..	..	..	363	..	5.2	..	394	..	5.8
Kenya	814	943	210	..	443	304	19.9	11.3	38	115	1.4	3.5
Korea, Dem. Rep.	115	130	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	2,959	5,322	1,561	5,508	3,559	6,609	4.9	3.2	3,166	6,377	4.1	3.3
Kuwait	15	77	..	..	132	243	1.6	1.8	1,837	2,510	25.6	21.1
Kyrgyz Republic	..	69	..	32	2	8	..	1.3	..	3	..	0.3
Lao PDR	14	300	..	..	3	114	2.9	22.8	1	12	0.5	2.1
Latvia	..	490	..	2,256	7	131	0.6	4.0	13	268	1.3	7.4
Lebanon	210	742	..	1,650	..	742	..	34.7	..	..	..	..
Lesotho	171	186	..	..	17	19	17.0	8.8	12	12	1.6	1.4
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	96	40	425	..	6	28	0.1	0.4	424	150	4.7	3.1
Lithuania	780	1,226	..	3,482	..	391	..	7.7	..	341	..	6.4
Macedonia, FYR	562	224	..	..	45	37	..	2.3	..	..	..	..
Madagascar	53	160	34	..	40	116	8.5	9.8	40	111	4.9	9.3
Malawi	130	228	..	..	16	27	3.6	5.5	16	..	2.9	..
Malaysia	7,446	10,222	14,920	26,067	1,667	4,563	5.1	4.1	1,450	1,973	4.6	2.6
Mali	44	91	..	..	47	50	11.2	7.1	62	29	7.5	3.0
Mauritania	..	24	..	..	9	28	1.9	7.7	23	55	4.4	13.3
Mauritius	292	656	89	154	244	585	14.2	22.2	94	187	4.9	6.6
Mexico	17,176	20,643	7,357	11,081	5,467	8,295	11.2	4.6	5,519	5,499	10.6	2.9
Moldova	226	17	49	37	4	4	..	0.6	..	58	..	7.5
Mongolia	147	158	..	..	5	28	1.0	5.3	1	41	0.1	6.2
Morocco	4,024	4,113	1,202	1,612	1,259	2,040	20.2	19.5	184	440	2.4	3.7
Mozambique	..	..	..	..	..	..	..	..	..	..	..	..
Myanmar	21	208	..	..	9	35	1.4	2.2	16	18	1.4	0.7
Namibia	213	614	..	..	85	288	7.0	17.9	63	88	4.0	4.6
Nepal	255	451	82	122	64	168	16.9	14.6	45	71	5.9	4.7
Netherlands	5,795	10,200	9,000	14,180	4,155	6,951	2.6	2.7	7,376	11,366	5.0	4.9
New Zealand	976	1,787	717	1,185	1,030	2,068	8.8	11.6	958	1,493	8.2	8.5
Nicaragua	106	486	173	452	12	116	3.1	12.2	15	74	2.2	3.6
Niger	21	50	18	10	17	24	3.2	7.5	44	26	6.0	5.7
Nigeria	190	813	56	..	25	142	0.2	1.4	576	620	8.3	5.1
Norway	1,955	4,481	2,667	..	1,570	2,229	3.3	3.7	3,679	4,751	9.5	9.4
Oman	149	502	..	..	69	104	1.2	1.4	47	47	1.4	0.8
Pakistan	424	543	..	..	156	86	2.5	0.9	440	180	4.7	1.5
Panama	214	479	151	221	172	576	3.9	7.5	99	184	2.4	2.3
Papua New Guinea	41	58	66	106	41	76	3.0	3.5	50	53	3.3	2.9
Paraguay	280	221	264	281	128	66	5.1	2.4	103	109	4.7	3.1
Peru	317	1,027	329	781	217	1,001	5.3	11.6	295	443	7.2	4.9
Philippines	1,025	2,171	1,137	1,755	1,306	2,534	11.4	6.5	111	1,308	0.8	3.6
Poland	3,400	17,400	22,131	55,097	358	6,100	1.9	13.2	423	3,600	2.8	6.9
Portugal	8,020	12,037	2,268	..	3,555	5,206	16.5	15.7	867	2,266	3.2	4.9
Puerto Rico	2,560	3,341	996	1,134	1,366	2,541	..	..	630	815	..	..
Romania	3,009	3,274	11,247	6,274	106	364	1.7	3.0	103	395	1.0	3.5
Russian Federation	3,009	21,169	4,150	18,371	752	7,510	1.4	8.9	..	7,434	..	14.0



## 6.14 | Travel and tourism

	International tourism				International tourism receipts				International tourism expenditures			
	Inbound tourists thousands		Outbound tourists thousands		\$ millions		% of exports		\$ millions		% of imports	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Rwanda	16	2	..	..	10	17	6.9	15.0	23	18	6.4	4.0
Saudi Arabia	2,209	3,700	..	..	1,884	1,462	4.0	3.4	..	..	..	..
Senegal	246	369	..	..	167	166	11.5	11.5	105	..	5.7	..
Sierra Leone	98	10	..	..	19	12	9.1	13.8	4	4	1.9	2.7
Singapore	4,842	6,258	1,237	3,971	4,937	6,370	7.3	3.8	1,893	2,749	2.9	2.2
Slovak Republic	822	1,053	188	343	70	432	..	3.1	181	295	..	2.0
Slovenia	650	1,090	..	..	721	957	8.5	8.9	282	539	4.1	4.7
Somalia	46	10	..	..	..	..	..	..	..	..	..	..
South Africa	1,029	6,001	616	3,363	992	2,526	3.6	7.5	1,117	1,806	5.3	6.0
Spain	34,085	48,201	10,698	4,794	18,593	31,000	22.2	18.4	4,254	5,523	4.2	3.2
Sri Lanka	298	400	297	524	132	253	5.8	4.0	74	219	2.5	3.2
Sudan	33	50	203	..	21	2	4.0	0.2	51	35	3.5	2.3
Swaziland	263	319	..	..	30	35	4.6	3.5	35	45	4.6	3.7
Sweden	1,900	2,746	6,232	10,500	2,906	4,107	4.1	3.8	6,286	7,557	8.9	8.0
Switzerland	13,200	11,400	9,627	12,009	7,411	7,303	7.6	6.0	5,873	6,842	6.1	6.4
Syrian Arab Republic	562	916	1,041	..	320	474	6.4	6.9	249	630	8.4	12.1
Tajikistan	..	511	..	..	..	..	..	..	..	..	..	..
Tanzania	153	459	301	..	65	739	12.1	57.7	23	550	1.6	25.8
Thailand	5,299	9,509	883	1,909	4,326	7,119	14.8	8.7	854	2,065	2.4	2.9
Togo	103	60	..	..	58	6	8.7	1.3	40	2	4.7	0.3
Trinidad and Tobago	195	336	254	..	95	210	4.2	6.2	122	67	8.6	2.1
Tunisia	3,204	5,057	1,727	1,480	948	1,496	18.2	17.4	179	239	3.0	2.6
Turkey	4,799	9,587	2,917	4,758	3,225	7,636	15.3	14.9	520	1,471	2.0	3.0
Turkmenistan	..	300	..	357	..	192	..	22.6	..	..	..	..
Uganda	69	151	..	..	10	149	4.1	20.5	8	141	1.2	7.7
Ukraine	..	4,232	..	7,399	..	2,124	..	12.5	..	1,774	..	11.6
United Arab Emirates	633	2,481	..	..	169	607	..	..	..	..	..	..
United Kingdom	18,013	25,191	31,150	53,881	13,762	19,544	5.8	4.9	17,560	35,631	6.6	8.7
United States	39,363	50,891	44,623	58,386	43,007	85,153	8.0	8.0	37,349	59,351	6.1	4.9
Uruguay	1,267	1,968	..	778	262	652	12.1	17.5	111	280	6.7	7.0
Uzbekistan	..	272	..	..	..	21	..	0.6	..	..	..	..
Venezuela, RB	525	469	309	891	496	656	2.6	3.0	1,023	1,646	10.8	9.7
Vietnam	250	2,140	..	168	85	86	4.4	0.7	..	..	..	..
West Bank and Gaza	..	330	..	..	..	155	..	..	..	..	..	..
Yemen, Rep.	52	73	..	..	20	76	1.3	1.8	64	83	2.9	2.8
Yugoslavia, Fed. Rep.	1,186	152	..	..	419	17	..	..	..	..	..	..
Zambia	141	574	..	..	41	91	3.0	9.7	54	..	2.8	..
Zimbabwe	605	1,868	200	331	60	202	3.0	8.6	66	131	3.3	4.8
<b>World</b>	<b>463,576 t</b>	<b>701,855 t</b>	<b>508,753 t</b>	<b>644,804 t</b>	<b>265,062 t</b>	<b>475,817 t</b>	<b>6.1 w</b>	<b>6.2 w</b>	<b>268,266 t</b>	<b>417,084 t</b>	<b>6.3 w</b>	<b>6.0 w</b>
<b>Low income</b>	12,955	25,684	..	..	7,825	14,275	4.9	7.6	..	10,938	3.8	5.0
<b>Middle income</b>	135,859	235,398	150,412	240,320	45,559	123,119	6.5	7.2	31,956	67,555	4.8	5.1
Lower middle income	47,704	108,139	44,071	61,463	17,820	58,528	7.8	8.2	..	31,582	2.5	6.3
Upper middle income	87,623	126,468	..	181,055	27,703	64,408	5.9	6.6	21,959	35,907	6.3	4.1
<b>Low &amp; middle income</b>	149,346	263,586	..	299,419	53,380	139,533	6.3	7.1	38,313	78,539	4.7	5.0
East Asia & Pacific	30,463	67,978	23,210	49,961	15,682	44,091	6.5	5.4	7,146	22,989	2.9	4.1
Europe & Central Asia	59,843	97,311	..	176,460	9,737	38,042	7.4	10.9	..	21,927	2.6	7.7
Latin America & Carib.	33,010	51,058	17,576	28,727	15,157	33,109	8.0	7.1	13,002	19,251	9.1	5.0
Middle East & N. Africa	17,053	28,105	..	..	7,057	13,120	4.9	8.9	..	..	..	..
South Asia	3,004	4,714	3,503	6,255	1,968	4,230	5.8	4.7	1,048	2,744	2.1	2.9
Sub-Saharan Africa	7,075	17,455	..	..	3,079	6,597	3.8	8.4	3,683	5,202	5.5	5.9
<b>High income</b>	311,017	435,443	274,397	328,625	210,970	337,014	6.1	5.9	228,359	338,638	6.6	6.2
Europe EMU	184,112	255,007	..	..	100,879	152,168	6.6	7.1	87,712	132,360	6.0	6.2



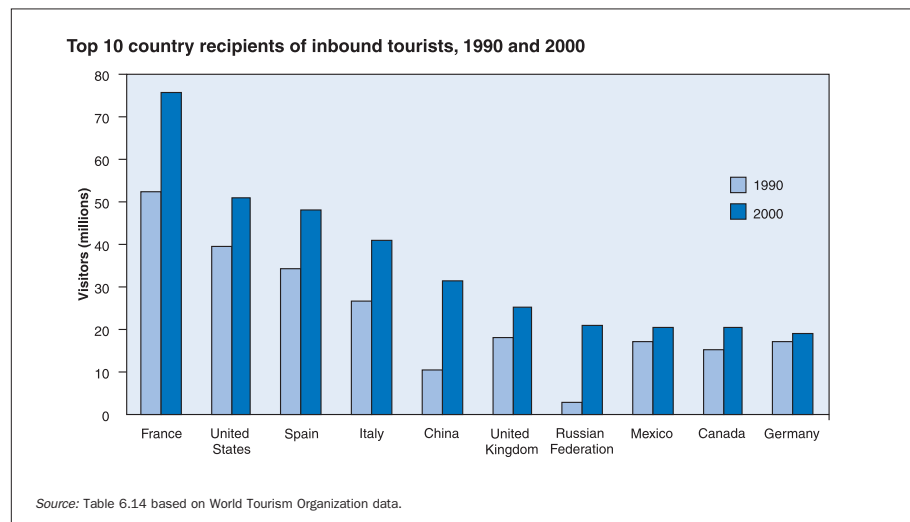
## About the data

The data in the table are from the World Tourism Organization. They are obtained primarily from questionnaires sent to government offices, supplemented with data published by official sources. Although the World Tourism Organization reports that progress has been made in harmonizing definitions and measurement units, differences in national practices still prevent full international comparability.

The data on international inbound and outbound tourists refer to the number of arrivals and departures of visitors within the reference period, not to the number of people traveling. Thus a person who makes several trips to a country during a given period is counted each time as a new arrival. International visitors include tourists (overnight visitors), same-day visitors, cruise passengers, and crew members.

Regional and income group aggregates are based on the World Bank's classification of countries and differ from those shown in the World Tourism Organization's *Yearbook of Tourism Statistics*. Countries not shown in the table but for which data are available, are included in the regional and income group totals. World totals are no longer calculated by the World Tourism Organization. The aggregates in the table are calculated using the World Bank's weighted aggregation methodology (see *Statistical methods*) and differ from aggregates provided by the World Tourism Organization and published in previous editions of the *World Development Indicators*.

**Figure 6.14**



## Definitions

- **International inbound tourists** are the number of visitors who travel to a country other than that in which they have their usual residence for a period not exceeding 12 months and whose main purpose in visiting is other than an activity remunerated from within the country visited.
- **International outbound tourists** are the number of departures that people make from their country of usual residence to any other country for any purpose other than a remunerated activity in the country visited.
- **International tourism receipts** are expenditures by international inbound visitors, including payments to national carriers for international transport. These receipts include any other prepayment made for goods or services received in the destination country. They also may include receipts from same-day visitors, except in cases where these are important enough to justify a separate classification. Their share in exports is calculated as a ratio to exports of goods and services.
- **International tourism expenditures** are expenditures of international outbound visitors in other countries, including payments to foreign carriers for international transport. These expenditures may include those by residents traveling abroad as same-day visitors, except in cases where these are so important as to justify a separate classification. Their share in imports is calculated as a ratio to imports of goods and services.

## Data sources

The visitor and expenditure data are available in the World Tourism Organization's *Yearbook of Tourism Statistics* and *Compendium of Tourism Statistics, 2001*. The data in the table were updated from electronic files provided by the World Tourism Organization. The data on exports and imports are from the International Monetary Fund's *International Financial Statistics* and World Bank staff estimates.