6 GLOBAL LINKS

Global integration—the widening and intensifying of links between both high-income and developing economies—has accelerated, especially in the past 20 years. The reasons? Lower transport costs, lower trade barriers, faster communication of ideas, greater mobility of people, and growing capital flows.

These changes have provided new opportunities for a growing number of the world's people. But while progress has been rapid, it has been uneven across countries. The challenge this poses is reflected in the Millennium Development Goals, particularly goal 8, to develop a global partnership for development. This goal includes targets for expanding market access, encouraging debt sustainability, and increasing aid and improving its targeting. It also addresses needs of countries with particular challenges, including heavily indebted poor countries and small island states.

Trade for development

The exchange of goods and services across borders is a primary indicator of a country's integration with the global economy. Trade spurs economic growth by encouraging specialization in line with a country's comparative advantage while increasing potential capital inputs and consumer choice. Countries that have integrated more with the world trade system have on average enjoyed stronger growth: in the past decade countries that significantly increased their trade grew more than three times as fast as those that did not. Five tables in this section examine the role of trade in improving prospects for growth.

Trade flows

In the past decade trade between low- and middle-income countries grew by more than 13 percent, with East Asia and Pacific, Latin America and the Caribbean, and Sub-Saharan Africa leading the way. Developing countries' exports to high-income countries also grew from 1990 to 2000—by 11 percent—while trade between high-income countries grew at less than half that rate. A continuation of these trends would allow developing countries to fully reap the benefits of global integration (table 6.2).

The types of goods traded are changing. In 2001, 64 percent of OECD imports from low- and middle-income countries were manufactured goods, up from 45 percent a decade earlier (table 6.3). Greater internal trade facilitation, a commitment to lowering trade barriers, and better trade, production, and monetary policies will all help expand trade for low- and middle-income countries. Membership in trade blocs can often encourage countries to adopt these pro-trade policies (table 6.5).

For the many developing countries dependent on commodity exports, global commodity prices can have a significant impact on trade receipts. The volatility of these prices means unstable economic prospects—especially for some of the poorest countries. While the prices of some important commodities rose in 2002—those for cocoa by 65 percent, palm oil by 36 percent, and coconut oil by 32 percent—the prices of many commodities declined slightly (table 6.4). Diversifying exports leaves low- and middle-income countries less vulnerable to these external shocks.

Barriers to trade

Tariffs and nontariff barriers hamper growth prospects for developing countries, and reducing trade barriers is a key target under the Millennium Development Goal calling for a global partnership for development. The poorest countries depend on exports of agricultural goods and labor-intensive manufactures such as textiles and clothing—products highly protected in the European Union, Japan, and the United States because of domestic pressures. Average tariffs in high-income countries are low—the weighted mean tariffs in Japan and the United States are around 2 percent (table 6.6). But much higher peak tariffs on textiles and agricultural products are common. Lowering these barriers could boost annual growth in developing countries by an extra 0.5 percent over the long run—and lift an additional 300 million people out of poverty by 2015. The 2001 ministerial meeting of the World Trade Organization in Doha, Qatar, articulated a commitment to lowering these barriers, and the new trade round agreed to at Doha is the first to put development at the top of the agenda (box 6a).

Developing countries have a similar responsibility to lower trade barriers. While low- and middle-income countries have cut average tariffs in half in the past 20 years (from 15 percent to 7 percent), more needs to be done. In 2001 China's tariffs averaged 15 percent, and India's 31 percent. Regional averages can also be high: 20 percent for South Asia and 13 percent for Latin America. High average rates in the developing world contribute to the fact that developing countries face tariffs twice as high on average as those faced by high-income countries (table 6.6).

These high tariffs have a dampening effect on trade between developing countries. And the practice of escalating tariffs—imposing higher tariffs on processed goods—constrains the development of manufacturing and industry. Tariff escalation has confined many Sub-Saharan African countries to exporting unprocessed goods such as cocoa, coffee, and cotton—and discouraged development of the labor-intensive manufacturing that has been a key vehicle for growth in several developing countries.

Financial flows weaker—except for foreign direct investment

Several trends have emerged in the world's financial markets in recent years: Cross-border capital flows have shifted from public transfers to primarily private sector flows. The flow of private lending to developing countries has declined, and capital flows other than foreign direct investment have become negative. And

6a

A global trade agenda focusing on development

The new trade round that emerged from the World Trade Organization negotiations at Doha, Qatar, in 2001 is the first to make development the primary goal. And China's accession to the World Trade Organization should help keep market access issues at the forefront. Although participants at Doha did not reach universal agreement on all points, the declaration emerging from the negotiations gave developing countries reason to hope for a more welcoming trading environment and promised a focus on implementation. Several key agreements at Doha relate to market access:

- An agreement to substantially improve market access, to reduce all forms of export subsidies (with a view to phasing them out), and to substantially reduce trade-distorting domestic support.
- An agreement to support growth in service trade for developing and least developed countries.
- An agreement to reduce or, as appropriate, eliminate tariffs. This includes reducing or eliminating tariff peaks, high tariffs, and tariff escalation as well as nontariff barriers, particularly on nonagricultural products of export interest to developing countries.

Source: World Trade Organization, Doha Declaration.

foreign direct investment has become the largest and most resilient form of capital flow, especially for developing countries, where it provides a stable alternative to debt financing. Foreign direct investment may also lead to many indirect benefits—through innovative ideas, new technologies, and improvements in human capital. But more capital does not automatically translate into higher growth. A country also needs good government policies and strong institutions (Stern 2002b).

The global economic slowdown has reduced financial flows in the past couple of years, and political and economic instability have exacerbated problems in some regions. Capital flows in Latin America dropped from a peak of $126 billion in 1998 to $72 billion in 2001, reflecting regional problems and global economic uncertainty. Private capital flows to Argentina fell from a peak of $21 billion in 1999 to negative flows in 2001, while its foreign direct investment flows declined from $24 billion to $3 billion. Turkey too saw private capital flows fall (from $10 billion in 1999 to less than $1 billion in 2001). But foreign direct investment has remained strong in East Asia and Pacific and in Europe and Central Asia (table 6.7).

Over the past two decades, as financial openness has increased across the world, global flows of foreign direct investment have more than doubled relative to gross domestic product (GDP). The flows increased in the 1990s, rising from $324 billion in 1995 to $1.5 trillion in 2000. East Asia and Pacific experienced the largest growth, thanks mostly to China, with investment flows to the region rising from $1 billion in 1980 to a peak of $62 billion in 1997. Growth was also strong in Latin America and the Caribbean, where foreign direct investment flows increased from about $6 billion in 1980 to $88 billion in 1999. The growth was due in large part to Brazil, Argentina, Mexico, and Chile, which accounted for 75 percent of the flows to the region (table 6.7).

New commitments on aid

Aid has increased in dollar amount since the Second World War, but as a share of donor countries' output it has fallen significantly. Between 1960 and 1990 official development assistance from major aid donors declined from 0.5 percent of their gross national income (GNI) to 0.34 percent. In 2001 it had fallen to 0.22 percent of GNI, half its share in 1960. Only 5 of the 22 Development Assistance Committee members gave more than 0.7 percent of GNI in official development assistance in 2001: Denmark, Luxembourg, the Netherlands, Norway, and Sweden (tables 6.8 and 6.9). And only 43 developing countries received more than $50 per capita (table 6.10).

At the United Nations International Conference on Financing for Development in 2002 many countries made new commitments to strengthen partnerships (box 6b). High-income countries committed additional aid, and all countries that attended confirmed their commitment to the goals of the Millennium Declaration.

6b

Aid after Monterrey

In March 2002 world leaders came together at the United Nations International Conference on Financing for Development in Monterrey, Mexico, to discuss new strategies for attacking global poverty. As part of this, high-income countries made new commitments on aid that would raise official development assistance (ODA) in real terms by about $15 billion by 2006—and from 0.22 percent of donor countries' gross national income (GNI) to 0.26 percent. The commitments are:

- Members of the European Union: to strive to raise ODA to at least 0.33 percent of GNI by 2006, with the European Union's average rising to 0.4 percent of GNI or more.
- United States: to increase its core development assistance over three years (2004–06) so as to achieve a $5 billion annual increase (almost 50 percent) over current levels by 2006.
- Canada: to increase its ODA budget by 8 percent annually so as to double its aid by 2010.
- Japan: to reduce its ODA budget in fiscal 2002 and 2003 as part of necessary fiscal consolidation.
- Norway: to increase its ODA to 1 percent of GNI by 2005.
- Switzerland: to increase its ODA to 0.4 percent of GNI by 2010.
- Australia: to increase its ODA by 3 percent in real terms in 2002–03.

Source: Development Assistance Committee, OECD.

For poor countries, especially those unable to attract significant private flows, aid is an important means of fostering change. According to World Bank research, an additional $10 billion in aid in 1998 would have enabled around 3 million more people to escape poverty (World Bank 2002b). But such outcomes depend on making aid more effective, a responsibility of both donors and recipients. Donor countries can help recipient countries build capacity to foster change. And recipient countries can continue to invest in their people and build their capacity in government and business.

More people moving across borders

The movement of people is another visible and increasingly important aspect of global integration. People moving across borders can be categorized into three groups—migrants (table 6.13), tourists (table 6.14), and refugees or displaced persons. Job creation in developing countries has generally failed to keep pace with population growth—a situation that grows more dire as populations become younger. Migration and labor flows ease unemployment pressures in the sending country and increase private financial flows through remittances. Migration to high-income countries has been increasing. In 2000 foreign population inflows in OECD countries rose by 13 percent (table 6.13). Such increases often result in higher population growth in host countries, and tighter controls and regulations on labor migration. In such cases illegal immigration is likely to rise as a result of the sending countries' greater dependence on remittance income.

6.1 Integration with the global economy

	Trade in goods				Change in trade	Growth in real trade less growth in real GDP	Gross private capital flows		Gross foreign direct investment	
	% of GDP		% of goods GDP		% of GDP	percentage points	% of GDP		% of GDP	
	1990	2001	1990	2001	1990–2000	1990–2001	1990	2001	1990	2001
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania	29.0	39.4	34.5	53.5	..	6.8	18.0	11.5	0.0	5.0
Algeria	36.6	54.4	55.0	81.5	–24.6	–0.7	2.6	..	0.0	..
Angola	53.5	106.1	91.0	141.9	..	..	10.1	*20.4*	3.3	*9.9*
Argentina	11.6	17.5	27.0	50.0	155.5	6.4	8.2	18.4	1.3	2.2
Armenia	..	57.1	..	86.9	..	–11.5	..	10.7	..	3.3
Australia	26.3	34.5	68.9	*97.5*	75.7	3.7	9.3	19.5	3.7	4.8
Austria	55.9	76.8	140.5	203.8	58.5	4.0	9.8	36.6	1.5	5.0
Azerbaijan	..	71.4	..	107.2	..	7.4	..	32.1	..	25.3
Bangladesh	17.6	32.0	..	..	130.6	6.0	0.9	2.2	0.0	0.2
Belarus	..	127.4	..	232.1	..	–4.3	..	4.9	..	0.8
Belgium	120.4	161.3	321.7	491.7	46.1	2.4	18.5	49.4	6.7	9.6
Benin	30.0	43.5	60.8	75.1	–44.2	–1.7	10.7	*14.6*	3.7	0.0
Bolivia	33.1	37.8	..	..	47.1	1.0	3.1	15.0	0.7	8.3
Bosnia and Herzegovina	..	81.6	..	*235.9*	..	–2.6	..	..	..	..
Botswana	98.4	91.6	..	..	–24.2	–0.5	9.0	*6.9*	4.4	*1.4*
Brazil	11.6	23.2	..	..	71.9	5.4	1.9	10.9	0.4	5.1
Bulgaria	48.9	91.1	70.8	186.7	..	5.4	39.2	16.6	0.0	5.2
Burkina Faso	24.9	33.4	44.4	55.3	–24.4	–3.5	1.1	..	0.0	..
Burundi	27.0	26.0	35.1	*38.6*	26.8	7.2	3.7	*6.5*	0.1	*1.7*
Cambodia	22.4	91.7	33.6	..	..	10.1	*3.2*	6.2	*1.7*	3.3
Cameroon	30.5	42.4	..	..	56.4	2.4	15.5	..	1.1	..
Canada	43.7	70.1	114.5	..	96.9	4.3	8.1	21.5	2.7	9.6
Central African Republic	18.4	27.0	26.4	*37.3*	..	..	2.2	..	0.5	..
Chad	27.2	49.8	54.9	92.6	–29.4	–1.9	5.6	..	0.0	..
Chile	53.1	52.2	100.5	105.1	65.5	3.3	15.0	24.1	2.2	9.2
China	32.5	44.0	47.4	66.3	..	6.2	2.5	10.4	1.2	4.9
Hong Kong, China	223.5	242.8	784.6	*1,268.8*	209.7	4.0	..	97.0	..	28.8
Colombia	30.7	30.4	..	..	80.7	3.7	3.1	14.1	1.3	2.9
Congo, Dem. Rep.	43.5	34.2	74.5	45.6	60.6	5.5	..	..	..	..
Congo, Rep.	57.2	109.8	107.0	152.4	–9.1	2.0	6.6	..	0.0	..
Costa Rica	60.2	71.9	..	..	69.0	4.1	7.0	8.5	2.9	4.2
Côte d'Ivoire	47.9	60.3	86.0	131.3	25.2	–0.8	3.5	9.1	0.4	2.5
Croatia	*89.3*	62.7	*165.6*	121.6	..	4.2	..	32.1	..	8.2
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	*83.6*	123.1	..	..	..	9.2	..	21.8	..	8.8
Denmark	52.6	60.2	144.1	167.2	56.9	2.8	15.1	26.2	2.0	10.4
Dominican Republic	73.2	66.6	163.2	..	52.5	–0.4	5.0	10.5	1.9	5.7
Ecuador	42.8	54.5	..	..	3.1	0.7	10.7	21.9	1.2	7.4
Egypt, Arab Rep.	36.8	17.1	72.9	32.3	–40.5	–1.2	6.8	6.7	1.7	0.5
El Salvador	38.4	57.4	88.5	146.7	48.5	7.4	2.0	14.7	0.8	2.0
Eritrea	*65.0*	72.6	*117.2*	167.6	..	–0.2	..	..	..	..
Estonia	..	137.7	..	320.7	..	11.0	*3.7*	29.8	*2.0*	15.4
Ethiopia	20.2	23.4	31.3	..	..	2.6	2.0	3.2	0.0	..
Finland	39.2	62.0	86.5	145.6	57.5	5.2	17.4	62.4	3.6	14.6
France	37.1	49.4	101.6	148.9	63.3	4.2	20.6	26.2	3.9	10.4
Gabon	52.5	82.3	97.7	..	2.8	–1.8	18.0	*24.5*	8.4	*14.5*
Gambia, The	69.1	53.5	134.4	107.7	–34.7	–1.8	0.9	..	0.0	..
Georgia	..	32.8	..	69.6	..	16.1	..	*4.9*	..	*4.4*
Germany	46.0	57.6	106.2	160.5	40.7	3.7	9.8	30.7	1.8	5.4
Ghana	35.7	89.2	58.0	146.0	–1.3	5.9	2.7	*4.7*	0.3	*2.2*
Greece	33.2	29.1	83.5	*106.1*	102.6	4.3	3.9	18.8	1.2	1.9
Guatemala	36.8	39.4	..	..	–12.9	3.4	2.9	29.7	0.6	12.0
Guinea	49.5	47.7	85.5	74.1	..	–1.2	3.9	3.2	0.6	0.1
Guinea-Bissau	43.0	60.3	53.3	*72.9*	–28.9	3.3	23.0	..	0.0	..
Haiti	17.2	34.5	..	..	168.1	8.1	1.1	..	0.3	..

Integration with the global economy 6.1

	Trade in goods				Change in trade	Growth in real trade less growth in real GDP	Gross private capital flows		Gross foreign direct investment	
	% of GDP		% of goods GDP			percentage points	% of GDP		% of GDP	
	1990	2001	1990	2001	% of GDP 1990–2000	1990–2001	1990	2001	1990	2001
Honduras	57.9	66.3	106.4	127.1	–21.6	–0.4	7.2	5.9	1.4	3.1
Hungary	61.5	123.6	102.4	..	81.8	8.5	4.6	23.0	0.0	5.8
India	13.1	19.5	..	..	65.1	5.6	0.8	*3.1*	0.0	*0.6*
Indonesia	41.5	60.1	64.4	95.5	–16.6	1.2	4.1	6.5	1.0	3.2
Iran, Islamic Rep.	32.9	37.5	61.8	72.4	–63.3	–8.7	2.6	*2.4*	0.0	*0.0*
Iraq	41.2	..	..	..	..	..	..	..	..	..
Ireland	93.9	129.3	186.7	*265.1*	129.5	7.0	22.2	272.5	2.2	27.0
Israel	55.0	59.2	..	..	25.1	4.4	6.5	16.1	0.7	4.0
Italy	32.0	43.5	83.3	123.9	68.5	3.8	10.6	16.9	1.3	3.6
Jamaica	67.2	58.5	162.2	150.5	41.9	–0.6	8.4	25.1	3.0	9.0
Japan	17.1	18.2	44.4	*61.7*	39.4	2.7	5.4	12.3	1.7	1.1
Jordan	91.1	80.8	205.2	224.2	–7.9	–2.8	6.3	8.0	1.7	1.2
Kazakhstan	..	67.0	..	135.5	..	–3.1	..	25.7	..	12.4
Kenya	38.1	42.4	68.5	92.8	–9.1	2.2	3.6	5.4	0.7	0.0
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	53.4	69.1	102.7	152.6	121.6	7.1	5.6	11.4	0.7	1.5
Kuwait	59.8	72.8	112.9	..	..	..	19.3	39.9	1.3	1.1
Kyrgyz Republic	..	61.6	..	91.2	..	–2.1	..	11.1	..	3.5
Lao PDR	30.5	50.4	40.2	..	..	..	3.7	1.4	0.7	1.4
Latvia	..	72.9	..	*185.6*	..	2.5	*1.7*	23.8	*0.5*	7.2
Lebanon	106.5	48.8	..	..	..	–3.1	..	..	..	..
Lesotho	118.0	120.9	..	..	–13.5	–1.6	9.4	17.9	2.7	14.7
Liberia	143.1	173.1	..	..	..	..	..	..	..	..
Libya	64.2	*62.0*	..	..	..	..	7.3	*2.2*	0.9	*1.2*
Lithuania	..	90.6	..	191.8	..	8.9	..	13.5	..	3.8
Macedonia, FYR	*103.8*	81.7	*168.9*	161.6	..	5.9	..	42.0	..	13.0
Madagascar	31.5	45.7	53.7	81.9	–24.8	2.5	1.8	0.4	0.7	0.2
Malawi	52.7	49.2	70.6	87.6	–32.8	–2.8	3.2	..	0.0	..
Malaysia	133.4	184.0	232.3	..	125.4	3.7	10.3	6.6	5.3	5.7
Mali	39.7	52.8	63.4	75.3	121.4	1.2	2.0	..	0.2	..
Mauritania	84.1	61.1	134.0	103.4	–25.5	–1.8	48.8	..	0.7	..
Mauritius	118.0	78.1	219.8	174.2	..	0.0	8.0	19.7	1.7	1.1
Mexico	32.1	54.2	76.9	143.8	223.6	9.8	9.2	7.9	1.0	4.6
Moldova	..	99.0	..	175.3	..	12.2	..	18.0	..	10.1
Mongolia	..	67.8	..	143.1	..	..	..	8.4	..	6.0
Morocco	43.3	52.8	86.5	113.0	30.4	3.1	5.5	10.3	0.6	8.5
Mozambique	40.8	49.0	68.9	89.4	..	2.4	0.4	16.9	0.4	13.3
Myanmar	..	..	..	..	17.1	..	..	..	..	..
Namibia	80.7	94.8	166.1	188.8	..	–1.1	13.9	..	4.3	..
Nepal	24.1	39.7	..	..	..	..	3.5	3.2	0.0	0.0
Netherlands	87.6	114.9	230.9	*354.0*	57.8	3.8	29.8	105.5	8.3	26.0
New Zealand	43.3	53.7	121.0	..	69.3	2.6	17.8	15.0	11.5	8.5
Nicaragua	95.9	..	183.0	..	60.2	6.4	9.0	..	0.0	..
Niger	27.0	35.3	49.9	59.3	–46.9	–2.5	2.8	..	1.6	..
Nigeria	67.5	73.2	90.8	*94.7*	–39.9	2.4	5.9	*13.0*	2.1	*2.9*
Norway	53.1	54.3	127.8	*119.5*	14.8	1.7	11.9	31.4	2.1	3.6
Oman	77.7	*80.2*	127.4	..	..	..	3.8	*2.0*	1.4	*0.4*
Pakistan	32.6	33.8	..	..	–13.1	–1.7	4.2	2.8	0.6	0.7
Panama	35.4	38.1	..	..	..	–1.6	106.6	46.3	2.6	6.0
Papua New Guinea	73.6	97.3	123.9	143.1	–8.1	0.1	5.7	15.4	4.8	2.2
Paraguay	43.9	43.5	82.8	82.7	142.3	–2.4	5.4	5.2	1.5	2.3
Peru	25.5	29.1	..	..	45.9	3.9	3.2	5.1	0.2	2.2
Philippines	47.7	88.9	84.7	..	142.3	3.8	4.4	42.0	1.2	2.7
Poland	43.9	49.0	75.2	*111.1*	..	9.1	11.0	10.5	0.2	4.5
Portugal	58.3	56.4	140.8	144.4	113.1	3.8	11.4	46.3	3.9	12.9
Puerto Rico	..	..	..	..	32.8	–0.4	..	..	..	..

6.1 Integration with the global economy

	Trade in goods				Change in trade	Growth in real trade less growth in real GDP	Gross private capital flows		Gross foreign direct investment	
	% of GDP		% of goods GDP		% of GDP	percentage points	% of GDP		% of GDP	
	1990	2001	1990	2001	1990–2000	1990–2001	1990	2001	1990	2001
Romania	32.8	69.6	45.2	126.3	..	8.1	2.9	9.1	0.0	3.0
Russian Federation	..	50.6	..	97.7	..	0.5	..	8.1	..	1.6
Rwanda	15.4	19.7	26.9	31.7	63.4	1.5	2.8	0.9	0.3	0.3
Saudi Arabia	65.4	53.3	106.7	..	..	..	9.8	9.3	1.8	0.0
Senegal	34.7	55.8	90.0	124.5	–21.0	–1.1	4.8	*8.8*	1.3	*4.0*
Sierra Leone	44.2	25.9	..	..	–71.1	–15.4	11.0	..	5.0	..
Singapore	309.5	277.6	891.3	..	..	..	54.6	60.2	20.7	22.0
Slovak Republic	*110.8*	133.9	*192.1*	302.4	..	9.0	..	*29.6*	..	*11.8*
Slovenia	*102.4*	103.1	*196.5*	*209.6*	..	0.3	*3.4*	15.6	*0.9*	3.8
Somalia	26.7	..	33.2	..	..	..	..	..	..	..
South Africa	37.5 [a]	50.9 [a]	75.2 [a]	..	22.8	3.9	2.2	22.8	0.2	10.9
Spain	28.1	43.4	70.6	119.6	161.7	6.8	11.4	28.3	3.4	8.7
Sri Lanka	57.3	67.5	..	..	40.1	2.6	13.1	13.0	0.5	1.1
Sudan	7.5	25.6	..	43.8	–30.5	..	0.3	5.4	0.0	4.6
Swaziland	138.2	130.9	..	..	37.9	–0.5	10.7	12.9	5.0	3.6
Sweden	46.9	65.7	119.8	190.4	67.0	5.0	34.2	45.2	7.0	9.6
Switzerland	58.4	67.2	..	..	50.6	3.3	15.9	46.0	5.8	8.9
Syrian Arab Republic	53.7	45.1	102.4	78.0	–29.8	0.1	18.0	*16.9*	0.0	*1.5*
Tajikistan	..	127.0	..	203.0	..	..	..	..	..	..
Tanzania	31.9	26.1	47.8	41.1	..	0.7	0.2	3.3	0.0	*2.1*
Thailand	65.7	110.9	132.2	*213.9*	99.6	2.8	13.5	9.1	3.0	3.5
Togo	52.1	83.6	92.6	138.0	–22.3	–0.8	9.6	*17.4*	1.1	*5.7*
Trinidad and Tobago	65.9	93.3	130.7	204.0	43.4	2.0	11.4	..	3.1	..
Tunisia	73.5	80.8	161.6	199.6	9.3	0.2	9.5	6.2	0.6	2.3
Turkey	23.4	48.6	44.5	101.8	..	7.1	4.3	15.1	0.5	2.5
Turkmenistan	..	79.3	..	..	..	3.6	..	..	..	..
Uganda	10.2	36.1	14.7	59.6	..	6.8	1.1	4.2	0.0	2.5
Ukraine	..	85.2	..	143.4	..	4.0	..	11.9	..	2.2
United Arab Emirates	101.8	..	159.6	..	..	..	..	..	..	..
United Kingdom	41.2	42.5	102.6	126.6	57.2	4.1	35.3	69.2	7.4	12.7
United States	15.8	19.0	44.4	*68.1*	99.1	5.2	5.7	11.7	2.8	3.1
Uruguay	32.7	27.4	85.0	101.6	90.9	3.8	12.7	25.1	0.0	1.7
Uzbekistan	..	53.9	..	*71.9*	..	–2.8	..	..	..	..
Venezuela, RB	51.1	36.4	90.8	65.0	12.1	3.7	49.9	10.8	1.7	3.1
Vietnam	79.7	93.6	129.7	..	..	23.9	..	7.6	..	4.0
West Bank and Gaza	..	..	..	..	..	2.0	..	..	..	..
Yemen, Rep.	46.9	58.9	90.0	100.7	..	4.1	16.2	*8.1*	2.7	*2.2*
Yugoslavia, Fed. Rep.	..	62.1	..	..	..	..	..	..	..	..
Zambia	76.9	50.3	102.3	*83.6*	–45.1	1.8	64.7	*9.3*	6.2	*3.8*
Zimbabwe	40.7	36.5	74.5	*98.9*	139.6	5.3	1.7	..	0.1	..
World	**32.5 w**	**40.0 w**	**81.5 w**	***110.7* w**			**10.3 w**	**21.6 w**	**2.7 w**	**5.1 w**
Low income	27.4	39.8	..	..			3.0	*5.1*	0.5	*1.7*
Middle income	35.5	50.8	74.8	93.0			6.8	12.2	1.0	4.3
Lower middle income	37.6	50.3	66.9	80.5			5.0	12.1	0.9	4.3
Upper middle income	33.4	51.3	86.4	*118.6*			8.6	12.4	1.1	4.3
Low & middle income	33.8	48.9	74.4	93.7			6.0	11.8	0.9	4.2
East Asia & Pacific	47.0	61.0	77.8	69.7			5.0	11.1	1.7	4.6
Europe & Central Asia	..	65.9	..	119.4			..	13.2	..	3.9
Latin America & Carib.	23.3	37.6	*66.2*	110.4			7.9	12.1	0.9	4.4
Middle East & N. Africa	48.1	45.4	84.2	78.5			6.2	9.7	0.8	1.3
South Asia	16.5	23.4	..	..			1.4	*3.2*	0.1	*0.6*
Sub-Saharan Africa	42.3	56.0	77.1	*97.5*			5.1	17.0	1.0	8.1
High income	32.3	37.9	82.3	*112.3*			11.1	23.6	3.0	5.3
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).

Integration with the global economy 6.1

About the data

The growing integration of societies and economies has helped reduce poverty in many countries. Between 1990 and 1999 the number of poor people in developing countries declined by about 125 million. Although global integration is a powerful force in reducing poverty, 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 with the global economy and gain better access to rich country markets.

One indication of increasing global economic integration is the growing importance of trade in the world economy. 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 gross domestic product (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 both total GDP and goods GDP (GDP less services such as storage, transport, communications, retail trade, business services, public administration, restaurants and hotels, and social, community, and personal services). As a result of the growing share of services in GDP, trade as a share of total GDP appears to be declining for some economies. Comparing merchandise trade with 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 transport, travel, finance, insurance, royalties, construction, communications, 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 with the global economy by liberalizing trade, lowering barriers to foreign investment, and harnessing their abundant labor to gain a competitive advantage in labor-intensive manufactures and services.

The change in trade gives an indication of the effectiveness of trade policy. This indicator measures the effect of trade on growth using the decade-over-decade change in a country's trade as a share of its GDP.

The indicators on 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 the data between countries and over time is affected by the accuracy and completeness of balance of payments records and by their level of detail.

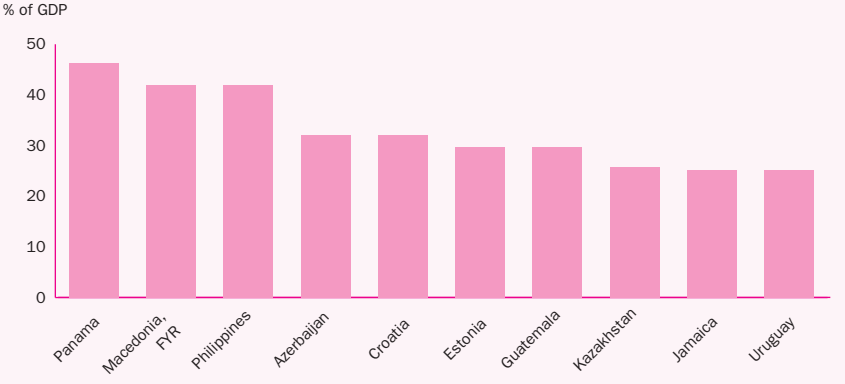
Trade and capital flows are converted to U.S. dollars at the International Monetary Fund's average official exchange rate for the year shown. An alternative conversion factor is applied if the official exchange rate diverges by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies and traded products.

Definitions

• **Trade in goods as a share of GDP** is the sum of merchandise exports and imports divided by the value of GDP, all in current 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.

6.1a

Top 10 low- and middle-income recipients of gross private capital flows in 2001



Private capital flows to low- and middle-income economies continued to grow in 2001, with Latin America and the Caribbean and Europe Central Asia capturing the largest shares.

Source: International Monetary Fund's Balance of Payments database.

Data sources

The data on merchandise trade are from the World Trade Organization. The data on GDP come from the World Bank's national accounts files, 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.

6.2 Direction and growth of merchandise trade

Direction of trade (% of world trade), 2001

	High-income importers						
Source of exports	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
High-income economies	30.1	3.2	11.8	6.1	51.2	7.0	58.2
Industrial economies	28.4	2.0	9.6	5.7	45.7	5.1	50.8
European Union	22.9	0.7	3.5	2.1	29.1	1.7	30.8
Japan	1.1		2.0	0.3	3.3	1.5	4.9
United States	2.6	0.9		3.1	6.6	1.4	8.0
Other industrial economies	1.9	0.4	4.1	0.2	6.6	0.4	7.0
Other high-income economies	1.7	1.2	2.2	0.4	5.5	1.9	7.5
Low- and middle-income economies	6.3	2.0	6.2	0.7	15.2	3.4	18.6
East Asia & Pacific	1.4	1.4	1.7	0.2	4.8	2.3	7.0
Europe & Central Asia	2.5	0.1	0.2	0.1	2.9	0.2	3.1
Latin America & Caribbean	0.7	0.1	3.3	0.2	4.2	0.2	4.4
Middle East & N. Africa	0.9	0.3	0.4	0.1	1.7	0.5	2.2
South Asia	0.3	0.0	0.3	0.0	0.6	0.2	0.8
Sub-Saharan Africa	0.5	0.0	0.3	0.0	0.8	0.1	0.9
World	36.4	5.2	18.0	6.8	66.4	10.4	76.8

	Low- and middle-income importers							
Source of exports	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low & middle income	World
High-income economies	5.8	3.2	4.1	1.5	0.7	0.9	17.1	75.3
Industrial economies	3.1	3.1	3.8	1.4	0.4	0.7	12.9	63.7
European Union	0.8	2.8	0.9	0.9	0.2	0.5	6.5	37.4
Japan	1.2	0.1	0.3	0.1	0.1	0.1	1.7	6.6
United States	0.7	0.2	2.6	0.2	0.1	0.1	3.9	11.9
Other industrial economies	0.3	0.1	0.1	0.1	0.0	0.0	0.8	7.8
Other high-income economies	2.8	0.1	0.2	0.1	0.3	0.1	4.2	11.6
Low- and middle-income economies	1.5	1.6	1.2	0.5	0.4	0.4	6.1	24.7
East Asia & Pacific	0.8	0.2	0.2	0.1	0.2	0.1	1.7	8.8
Europe & Central Asia	0.1	1.3	0.0	0.1	0.0	0.0	1.7	4.8
Latin America & Caribbean	0.1	0.1	0.9	0.1	0.0	0.0	1.3	5.7
Middle East & N. Africa	0.2	0.1	0.0	0.1	0.1	0.1	0.8	3.0
South Asia	0.1	0.0	0.0	0.0	0.1	0.0	0.3	1.1
Sub-Saharan Africa	0.1	0.0	0.0	0.0	0.0	0.2	0.4	1.3
World	7.3	4.3	5.4	2.1	1.2	1.3	23.2	100.0

Direction and growth of merchandise trade 6.2

Nominal growth of trade (annual % growth), 1991–2001

	High-income importers						
Source of exports	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
High-income economies	3.5	2.9	6.8	4.5	4.3	5.4	4.4
Industrial economies	3.4	1.9	7.2	4.5	4.2	4.5	4.2
European Union	3.6	3.2	8.5	3.1	4.0	6.9	4.1
Japan	0.1		2.9	–0.5	1.6	2.6	1.9
United States	3.9	1.8		6.4	4.6	4.7	4.6
Other industrial economies	3.3	0.3	8.8	3.5	6.1	3.2	5.9
Other high-income economies	5.6	4.7	5.5	4.1	5.3	8.4	6.0
Low- and middle-income economies	7.0	6.7	12.3	9.6	8.9	8.5	8.9
East Asia & Pacific	12.8	9.8	15.7	13.8	12.7	8.1	11.0
Europe & Central Asiaa	9.8	2.1	12.1	5.2	9.6	8.6	9.5
Latin America & Caribbean	3.5	–1.0	12.6	8.9	9.8	9.4	9.7
Middle East & N. Africa	2.5	3.9	4.4	2.7	3.1	7.1	3.9
South Asia	7.0	0.5	12.6	7.5	8.2	9.6	8.5
Sub-Saharan Africa	6.1	9.0	9.1	7.5	7.2	24.6	8.0
World	4.0	4.2	8.4	4.9	5.2	6.3	5.3

	Low- and middle-income importers							
Source of exports	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low & middle income	World
High-income economies	9.5	7.6	8.6	1.0	5.8	1.7	7.1	4.9
Industrial economies	8.0	7.7	8.6	0.8	3.1	1.7	6.4	4.6
European Union	8.4	8.7	7.6	0.9	3.5	1.8	6.1	4.4
Japan	7.5	–1.1	3.2	–2.2	–1.2	–2.7	4.5	2.5
United States	9.5	0.5	9.9	0.6	4.0	3.8	8.2	5.7
Other industrial economies	6.1	8.5	6.0	4.0	6.7	2.7	4.7	5.8
Other high-income economies	11.4	6.8	7.2	1.3	11.1	2.2	9.9	7.2
Low- and middle-income economies	15.8	13.7	11.0	5.7	11.1	11.4	9.6	9.0
East Asia & Pacific	17.0	7.1	20.8	9.2	14.4	16.4	15.1	11.7
Europe & Central Asia [a]	1.7	10.3	9.1	3.9	3.5	8.3	8.0	9.0
Latin America & Caribbean	12.7	8.3	10.0	5.1	9.9	7.7	9.2	9.6
Middle East & N. Africa	18.2	3.0	0.3	4.6	7.9	14.3	7.5	4.7
South Asia	15.5	0.1	24.1	5.2	12.1	11.6	8.8	8.6
Sub-Saharan Africa	22.0	16.3	16.7	9.5	18.2	12.2	14.7	9.6
World	10.5	8.8	9.1	2.0	7.4	4.0	7.7	5.8

a. Data are for 1993–2001.

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 data are from the International Monetary Fund's (IMF) *Direction of Trade Statistics Yearbook* and Direction of Trade database, which cover 186 countries. All 33 high-income countries and 22 of the 153 developing countries report trade on a timely basis, covering about 80 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 smuggling, confidentiality, different exchange rates, overreporting of transit trade, inclusion or exclusion of freight rates, and different points of valuation and times of recording.

In addition, estimates of trade within the European Union (EU) have been significantly affected by changes in reporting methods following the creation of a customs union. The new system for collecting data on trade between EU members—Intrastat, introduced in 1993—has less exhaustive coverage than the previous customs-based system and has resulted in some asymmetry problems (estimated imports are about 5 percent less than exports). Despite these issues, only a small portion of world trade is estimated to be omitted from the IMF's *Direction of Trade Statistics Yearbook* and Direction of Trade database.

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) for 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 the 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.

Definitions

• **Merchandise trade** includes all trade in goods; trade in services is excluded. • **High-income economies** are those classified as such by the World Bank. • **Industrial economies** are those classified as such in the IMF's *Direction of Trade Statistics Yearbook*. They 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 Aruba, The Bahamas, Bermuda, Brunei, Cyprus, Faeroe Islands, French Polynesia, Greenland, Guam, Hong Kong (China), Israel, the Republic of Korea, Kuwait, Macao (China), Netherlands Antilles, New Caledonia, Qatar, Singapore, Slovenia, Taiwan (China), and the United Arab Emirates. • **Low- and middle-income regional groupings** are based on World Bank classifications and may differ from those used by other organizations.

Data sources

Intercountry 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	
	1991	2001[a]	1991	2001[a]	1991	2001	1991	2001
$ billions								
Food	38.5	55.1	18.4	23.8	0.4	1.3	12.6	19.4
Cereals	14.6	14.1	4.2	4.6	0.1	1.0	6.1	6.1
Agricultural raw materials	9.6	15.9	3.1	4.9	0.7	1.1	3.7	5.8
Ores and nonferrous metals	9.6	16.2	2.9	6.3	0.5	2.2	4.2	3.6
Fuels	9.3	17.4	3.8	6.0	0.4	0.5	3.4	5.2
Crude petroleum	0.7	0.9	0.3	0.2	0.0	0.0	0.0	0.0
Petroleum products	6.7	12.8	3.2	5.2	0.2	0.5	2.4	4.3
Manufactured goods	341.4	670.6	171.8	327.3	64.3	96.4	75.7	175.7
Chemical products	45.2	94.5	25.9	49.1	4.1	8.0	10.1	23.5
Mach. and transport equip.	198.5	391.2	94.5	181.7	42.7	64.9	47.3	108.6
Other	97.6	184.9	51.4	96.5	17.5	23.5	18.2	43.7
Miscellaneous goods	10.3	16.7	4.4	4.4	0.7	2.9	4.9	8.6
Total	**419.9**	**795.8**	**204.3**	**372.7**	**67.0**	**104.5**	**104.4**	**218.3**
% of total exports								
Food	9.2	6.9	9.0	6.4	0.6	1.3	12.0	8.9
Cereals	3.5	1.8	2.0	1.2	0.1	0.9	5.8	2.8
Agricultural raw materials	2.3	2.0	1.5	1.3	1.0	1.1	3.5	2.7
Ores and nonferrous metals	2.3	2.0	1.4	1.7	0.8	2.1	4.0	1.6
Fuels	2.2	2.2	1.8	1.6	0.6	0.5	3.2	2.4
Crude petroleum	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.6	1.6	1.6	1.4	0.4	0.4	2.3	1.9
Manufactured goods	81.3	84.3	84.1	87.8	96.0	92.3	72.4	80.5
Chemical products	10.8	11.9	12.7	13.2	6.1	7.6	9.7	10.7
Mach. and transport equip.	47.3	49.2	46.2	48.8	63.8	62.1	45.3	49.7
Other	23.3	23.2	25.1	25.9	26.1	22.5	17.4	20.0
Miscellaneous goods	2.4	2.1	2.2	1.2	1.0	2.8	4.7	4.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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	
	1991	2001 [a]	1991	2001 [a]	1991	2001	1991	2001
$ billions								
Food	69.6	95.7	37.5	44.6	11.1	17.3	15.4	24.9
Cereals	1.9	3.5	0.5	1.2	0.6	0.6	0.2	0.7
Agricultural raw materials	19.8	22.8	10.3	12.4	5.1	3.7	2.3	4.3
Ores and nonferrous metals	32.8	50.5	15.5	21.4	9.8	10.1	4.6	10.5
Fuels	158.5	230.4	74.0	91.0	31.0	34.2	41.2	76.2
Crude petroleum	111.3	166.6	50.7	63.3	19.0	21.0	32.2	60.9
Petroleum products	25.6	31.6	11.4	13.5	4.1	2.0	8.4	13.2
Manufactured goods	205.5	745.2	91.8	268.9	20.3	80.5	75.0	334.2
Chemical products	15.8	38.7	8.7	16.6	2.1	4.0	3.1	12.7
Mach. and transport equip.	54.4	317.0	19.0	103.6	3.2	31.3	27.4	155.5
Other	135.3	389.5	64.1	148.7	15.0	45.2	44.5	166.0
Miscellaneous goods	7.1	14.6	4.0	1.9	0.5	1.7	2.6	11.0
Total	**493.6**	**1,159.5**	**233.0**	**440.1**	**77.9**	**147.4**	**141.1**	**461.2**
% of total imports								
Food	14.1	8.3	16.1	10.1	14.3	11.8	10.9	5.4
Cereals	0.4	0.3	0.2	0.3	0.8	0.4	0.1	0.1
Agricultural raw materials	4.0	2.0	4.4	2.8	6.5	2.5	1.6	0.9
Ores and nonferrous metals	6.7	4.4	6.6	4.9	12.5	6.8	3.3	2.3
Fuels	32.1	19.9	31.8	20.7	39.8	23.2	29.2	16.5
Crude petroleum	22.6	14.4	21.8	14.4	24.4	14.2	22.8	13.2
Petroleum products	5.2	2.7	4.9	3.1	5.2	1.4	6.0	2.9
Manufactured goods	41.6	64.3	39.4	61.1	26.1	54.6	53.2	72.5
Chemical products	3.2	3.3	3.7	3.8	2.6	2.7	2.2	2.8
Mach. and transport equip.	11.0	27.3	8.2	23.5	4.1	21.3	19.4	33.7
Other	27.4	33.6	27.5	33.8	19.3	30.6	31.5	36.0
Miscellaneous goods	1.4	1.3	1.7	0.4	0.7	1.1	1.8	2.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

a. Data for Portugal are for 2000.

OECD trade with low- and middle-income economies 6.3

About the data

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

For developing countries a key issue is better access to rich country markets. What do developing countries stand to gain? Improved access to rich country markets could increase their exports by $9 billion a year in textiles alone, and another $22.3 billion in other manufactures. 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 manufactures, 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 manufactures in goods imports from developing countries has grown dramatically, from about 42 percent in 1991 to 64 percent in 2001. At the same time developing countries have increased their imports of manufactured goods from high-income countries—particularly capital-intensive goods such as machinery and transport equipment.

Moreover, trade between developing countries has grown substantially over the past decade, with 40 percent of exports going to other developing countries. This growth has resulted from many factors, including developing countries' increasing share of world output and the liberalization of their trade. Yet trade barriers remain high (more than 70 percent of the tariff burden faced by manufactured goods from developing countries is imposed by other developing countries). The growing trade between developing countries strengthens the case for reducing these barriers. Despite the growth in trade between developing countries, high-income OECD countries remain the developing world's most important partners.

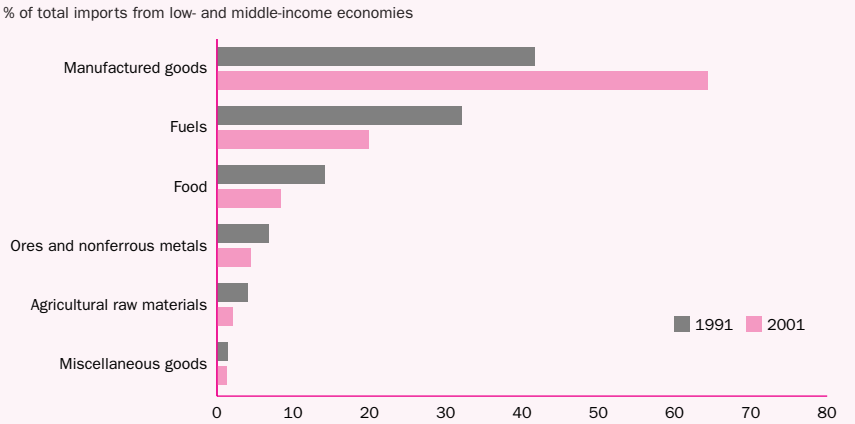
The aggregate flows in the table were compiled from intercountry flows recorded in the United Nations Statistics Division's Commodity Trade (COMTRADE) database. Partner country reports by high-income OECD countries were used for both exports and imports. Exports are recorded free on board (f.o.b.); imports 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 2001 were Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, the Republic of Korea, 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.

6.3a

Manufactures account for a growing share of high-income OECD countries' imports from low- and middle-income economies



Source: Table 6.3 based on COMTRADE database.

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*.

6.4 Primary commodity prices

	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001	2002
World Bank commodity price index (1990 = 100)											
Non-energy commodities	156	159	100	104	103	114	99	89	89	82	86
Agriculture	163	175	100	112	113	124	108	93	90	83	90
Beverages	203	230	100	129	113	165	141	108	91	75	88
Food	166	177	100	100	111	112	105	88	87	90	94
Raw materials	130	133	100	116	114	110	88	89	94	81	86
Fertilizers	108	164	100	89	108	116	123	115	109	103	104
Metals and minerals	144	120	100	87	80	87	76	74	85	78	75
Petroleum	19	205	100	64	80	81	57	79	127	111	113
Steel products [a]	111	100	100	91	86	86	75	69	79	70	70
MUV G-5 index	28	79	100	117	111	103	100	99	97	96	96
Commodity prices (1990 prices)											
Agricultural raw materials											
Cotton (cents/kg)	225	260	182	182	159	169	145	118	134	110	106
Logs, Cameroon ($/cu. m) [a]	153	319	343	290	255	275	288	271	283	277	..
Logs, Malaysian ($/cu. m)	154	248	177	218	227	230	163	188	195	166	169
Rubber (cents/kg)	145	181	86	135	125	98	72	63	71	63	80
Sawnwood, Malaysian ($/cu. m)	625	503	533	632	666	641	486	605	613	502	547
Tobacco ($/mt)	3,836	2,889	3,392	2,259	2,746	3,412	3,349	3,061	3,058	3,130	2,852
Beverages (cents/kg)											
Cocoa	240	330	127	122	131	156	168	114	93	111	184
Coffee, robustas	330	412	118	237	162	168	183	150	94	63	69
Coffee, Arabica	409	440	197	285	242	403	299	231	197	143	141
Tea, avg., 3 auctions	298	211	206	127	149	199	205	185	193	167	156
Energy											
Coal, Australian ($/mt)	..	50.01	39.67	33.64	34.21	33.92	29.35	26.13	26.97	33.68	28.05
Coal, U.S. ($/mt)	..	54.71	41.67	33.47	33.44	35.16	34.52	33.38	33.97	46.75	41.49
Natural gas, Europe ($/mmbtu)	..	4.32	2.55	2.33	2.55	2.65	2.43	2.14	3.97	4.23	3.16
Natural gas, U.S. ($/mmbtu)	0.59	1.97	1.70	1.47	2.45	2.40	2.09	2.28	4.43	4.12	3.48
Petroleum ($/bbl)	4.31	46.80	22.88	14.68	18.35	18.52	13.12	18.19	29.01	25.38	25.84

About the data

Primary commodities—raw or partially processed materials that will be transformed into finished goods—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 trade journals, international study groups, government market surveys, newspaper and wire service reports, 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.

6.4 Primary commodity prices

	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001	2002
Commodity prices (continued)											
(1990 prices)											
Fertilizers ($/mt)											
Phosphate rock	39	59	40	30	35	40	43	44	45	44	42
TSP	152	229	132	128	158	166	174	155	142	132	138
Food											
Fats and oils ($/mt)											
Coconut oil	1,417	855	336	573	675	635	661	742	462	332	436
Groundnut oil	1,350	1,090	964	847	806	976	913	793	733	709	712
Palm oil	927	741	290	537	477	527	674	439	319	298	405
Soybeans	417	376	247	221	274	285	244	203	218	204	220
Soybean meal	367	333	200	168	240	266	171	153	194	189	182
Soybean oil	1,021	759	447	534	496	546	628	430	347	369	471
Grains ($/mt)											
Grain sorghum	185	164	104	102	135	106	98	85	90	99	105
Maize	208	159	109	106	149	113	102	91	91	93	103
Rice	450	521	271	274	305	293	305	250	208	180	199
Wheat	196	219	136	151	187	154	127	113	117	132	154
Other food											
Bananas ($/mt)	590	481	541	380	422	500	491	376	436	608	548
Beef (cents/kg)	465	350	256	163	160	179	173	186	199	222	221
Oranges ($/mt)	599	496	531	454	442	443	444	434	373	621	597
Sugar, EU domestic (cents/kg)	40	62	58	59	61	61	60	60	57	55	57
Sugar, U.S. domestic (cents/kg)	59	84	51	43	44	47	49	47	44	49	48
Sugar, world (cents/kg)	29	80	28	25	24	24	20	14	19	20	16
Metals and minerals											
Aluminum ($/mt)	1,982	1,848	1,639	1,543	1,353	1,545	1,363	1,370	1,592	1,505	1,400
Copper ($/mt)	5,038	2,770	2,661	2,509	2,062	2,200	1,661	1,583	1,863	1,645	1,617
Iron ore (cents/dmtu)	35	36	32	24	27	29	31	28	30	31	30
Lead (cents/kg)	108	115	81	54	70	60	53	51	47	50	47
Nickel ($/mt)	10,148	8,274	8,864	7,031	6,741	6,694	4,648	6,050	8,876	6,196	7,021
Tin (cents/kg)	1,310	2,129	609	531	554	546	556	544	559	467	421
Zinc (cents/kg)	105	97	151	88	92	127	103	108	116	92	81

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** includes beverages, food, and agricultural raw material. • **Beverages** include cocoa, coffee, and tea. • **Food** includes rice, wheat, maize, sorghum, soybeans, soybean oil, soybean meal, palm oil, coconut oil, groundnut oil, bananas, beef, oranges, and sugar. • **Agricultural raw materials** include cotton, timber (logs and sawnwood), 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 (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 http://www.worldbank.org/prospects.

6.5 Regional trade blocs

Merchandise exports within bloc

$ millions

	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001
High-income and low- and middle-income economies										
APEC [a]	58,633	357,697	901,560	1,688,707	1,755,116	1,869,192	1,734,386	1,896,217	2,262,159	2,075,735
CEFTA	1,157	7,766	4,235	12,118	12,874	13,169	14,234	13,226	15,108	16,488
European Union	76,451	456,857	981,260	1,259,699	1,273,430	1,162,419	1,226,988	1,404,833	1,418,149	1,406,859
NAFTA	22,078	102,218	226,273	394,472	437,804	496,423	521,649	581,162	676,440	639,138
Latin America and the Caribbean										
ACS	758	4,892	5,401	11,013	10,847	11,985	12,547	11,663	13,908	13,631
Andean Group	97	1,161	1,312	4,812	4,762	5,524	5,408	3,929	5,136	5,444
CACM	287	1,174	671	1,595	1,723	1,973	2,038	2,161	2,541	2,648
CARICOM	52	576	448	867	900	968	1,020	1,136	1,050	1,176
Central American Group of Four	176	692	399	1,026	1,106	1,299	1,171	1,335	1,602	1,607
Group of Three	59	706	1,046	3,460	3,131	3,944	3,921	2,912	3,731	4,177
LAIA	1,263	10,981	12,331	35,299	38,384	44,814	42,974	34,785	42,833	40,921
MERCOSUR	451	3,424	4,127	14,199	17,075	20,772	20,352	15,313	17,910	15,295
OECS	..	8	29	39	33	34	36	37	38	40
Africa										
CEMAC	22	75	139	120	164	161	153	127	103	120
CEPGL	3	2	7	8	9	6	8	9	10	11
COMESA	412	616	963	1,386	1,610	1,545	1,501	1,348	1,519	1,622
Cross-Border Initiative	209	447	613	1,002	1,191	1,144	1,156	964	1,060	987
ECCAS	162	89	163	163	212	211	198	179	200	219
ECOWAS	86	692	1,557	1,936	2,293	2,244	2,361	2,382	2,969	2,898
Indian Ocean Commission	5	8	20	61	67	70	90	86	93	103
MRU	1	7	0	1	4	7	8	8	10	11
SADC	483	617	1,630	3,373	3,963	4,471	3,865	4,224	4,380	3,626
UDEAC	22	75	139	120	163	160	152	126	102	119
UEMOA	52	460	621	560	667	707	752	805	744	761
Middle East and Asia										
Arab Common Market	102	661	911	1,368	1,149	1,146	978	951	1,312	1,722
ASEAN	1,456	13,350	28,648	81,911	86,925	88,773	72,352	80,418	101,848	91,675
Bangkok Agreement	132	1,464	4,476	12,066	13,092	13,640	13,175	14,910	17,235	16,719
EAEC	9,197	98,532	281,067	636,973	651,379	673,244	551,553	614,945	776,209	706,378
ECO	63	15,891	1,243	4,746	4,773	4,929	4,031	3,903	4,495	4,422
GCC	156	4,632	6,906	6,832	7,624	8,124	7,358	7,306	9,234	9,137
SAARC	93	613	863	2,024	2,144	2,004	2,834	2,615	2,798	3,094
UMA	60	109	958	1,109	1,115	924	881	919	1,076	1,140

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 Principe; **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,

6.5 Regional trade blocs

Merchandise exports within bloc

% of total bloc exports

	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001
High-income and low- and middle-income economies										
APEC [a]	57.8	57.9	68.3	71.8	71.9	71.6	69.7	71.8	73.1	72.6
CEFTA	12.9	14.8	9.9	14.6	14.4	13.4	13.0	12.1	12.1	12.3
European Union	59.5	60.8	65.9	62.4	61.4	55.5	57.0	63.3	62.1	61.3
NAFTA	36.0	33.6	41.4	46.2	47.6	49.1	51.7	54.6	55.7	55.5
Latin America and the Caribbean										
ACS	9.6	8.7	8.4	8.5	6.9	6.9	7.2	5.8	5.6	5.9
Andean Group	1.8	3.8	4.1	12.0	9.7	10.8	12.8	8.8	8.4	10.9
CACM	26.0	24.4	15.4	21.7	22.0	18.1	16.1	12.8	13.7	15.0
CARICOM	4.2	5.3	8.1	12.1	13.0	14.4	17.3	16.9	14.6	13.3
Central American Group of Four	20.1	18.1	13.7	22.0	22.0	19.9	16.3	14.0	14.8	14.8
Group of Three	1.1	1.8	2.0	3.2	2.4	2.7	2.6	1.7	1.7	2.1
LAIA	9.9	13.7	10.8	17.1	16.2	17.0	16.7	12.7	12.9	13.0
MERCOSUR	9.4	11.6	8.9	20.3	22.6	24.8	25.0	20.6	20.9	17.3
OECS	..	9.1	8.1	12.6	10.6	10.7	12.0	13.1	10.0	5.3
Africa										
CEMAC	4.8	1.6	2.3	2.1	2.3	2.0	2.3	1.7	1.0	1.2
CEPGL	0.4	0.1	0.5	0.5	0.5	0.4	0.6	0.7	0.8	0.8
COMESA	9.1	6.1	6.6	7.7	8.0	7.8	8.7	7.4	5.6	6.9
Cross-Border Initiative	9.3	8.8	10.3	11.9	12.4	12.7	13.8	12.1	10.7	10.3
ECCAS	9.6	1.4	1.4	1.5	1.6	1.5	1.8	1.3	1.1	1.3
ECOWAS	2.9	10.1	7.9	9.0	8.5	8.6	10.6	10.9	9.6	9.7
Indian Ocean Commission	8.4	3.9	4.1	6.0	5.4	3.9	4.7	4.8	4.3	3.9
MRU	0.2	0.8	0.0	0.1	0.3	0.5	0.5	0.6	0.6	0.6
SADC	8.0	2.0	4.8	8.7	9.4	10.4	10.4	11.9	11.7	10.2
COMESA	4.9	1.6	2.3	2.1	2.3	2.0	2.3	1.7	1.0	1.2
UDEAC	4.9	1.6	2.3	2.1	2.3	2.0	2.3	1.7	1.0	1.2
UEMOA	6.5	9.6	13.0	10.3	9.6	11.8	11.0	13.2	13.3	13.9
Middle East and Asia										
Arab Common Market	2.2	2.4	2.7	6.7	4.4	4.1	4.8	3.3	3.0	4.5
ASEAN	22.9	18.7	19.8	25.4	25.4	24.9	21.9	22.4	23.9	23.3
Bangkok Agreement	2.7	3.7	3.7	5.0	5.2	5.1	5.0	5.2	5.2	5.5
EAEC	28.9	35.6	39.7	48.1	49.0	48.0	42.2	44.0	46.8	46.9
ECO	1.5	73.2	3.2	7.9	7.1	7.5	6.8	5.7	5.4	5.4
GCC	2.9	3.0	8.0	6.8	6.4	6.5	8.0	6.7	5.5	5.7
SAARC	3.2	4.8	3.2	4.4	4.3	4.0	5.2	4.6	4.3	4.8
UMA	1.4	0.3	2.9	3.8	3.4	2.7	3.3	2.5	2.2	2.5

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 Principe; **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, Reunion, 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.

6.5 Regional trade blocs

Total merchandise exports by bloc

% of world exports

	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001
High-income and low- and middle-income economies										
APEC [a]	36.0	33.7	39.0	46.3	46.0	47.3	46.1	46.6	48.5	46.5
CEFTA	3.2	2.9	1.3	1.6	1.7	1.8	2.0	1.9	2.0	2.2
European Union	45.6	41.0	44.0	39.7	39.1	37.9	39.9	39.2	35.8	37.4
NAFTA	21.7	16.6	16.2	16.8	17.3	18.3	18.7	18.8	19.0	18.7
Latin America and the Caribbean										
ACS	2.8	3.1	1.9	2.6	3.0	3.1	3.2	3.5	3.9	3.7
Andean Group	1.9	1.7	0.9	0.8	0.9	0.9	0.8	0.8	1.0	0.8
CACM	0.4	0.3	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3
CARICOM	0.4	0.6	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Central American Group of Four	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Group of Three	1.8	2.1	1.5	2.1	2.5	2.7	2.8	3.0	3.3	3.2
LAIA	4.5	4.4	3.4	4.1	4.5	4.8	4.8	4.8	5.2	5.1
MERCOSUR	1.7	1.6	1.4	1.4	1.4	1.5	1.5	1.3	1.3	1.4
OECS	..	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Africa										
CEMAC	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2
CEPGL	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COMESA	1.6	0.6	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4
Cross-Border Initiative	0.8	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2
ECCAS	0.6	0.3	0.3	0.2	0.3	0.3	0.2	0.2	0.3	0.3
ECOWAS	1.1	0.4	0.6	0.4	0.5	0.5	0.4	0.4	0.5	0.5
Indian Ocean Commission	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRU	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SADC	2.2	1.6	1.0	0.8	0.8	0.8	0.7	0.6	0.6	0.6
UDEAC	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2
UEMOA	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Middle East and Asia										
Arab Common Market	1.6	1.5	1.0	0.4	0.5	0.5	0.4	0.5	0.7	0.6
ASEAN	2.3	3.9	4.3	6.4	6.5	6.4	6.1	6.3	6.7	6.4
Bangkok Agreement	1.8	2.2	3.6	4.8	4.8	4.9	4.9	5.0	5.2	4.9
EAEC	11.3	15.1	20.9	26.1	25.1	25.4	24.2	24.7	26.0	24.5
ECO	1.5	1.2	1.1	1.2	1.3	1.2	1.1	1.2	1.3	1.3
GCC	1.9	8.5	2.5	2.0	2.2	2.3	1.7	1.9	2.7	2.6
SAARC	1.1	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1
UMA	1.5	2.3	1.0	0.6	0.6	0.6	0.5	0.6	0.8	0.7

Regional trade blocs 6.5

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 trade bloc, and more than a third of the world's trade takes place within such arrangements. While trade blocs vary widely in structure, they all have the same main objective: to reduce 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 protections 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 differing product standards, discrimination in public procurement, and cumbersome and costly border formalities.

Membership in a regional trade bloc 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.

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. Although Asia Pacific Economic Cooperation (APEC) has no preferential arrangements, it is included in the table because of the volume of trade between its members.

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.

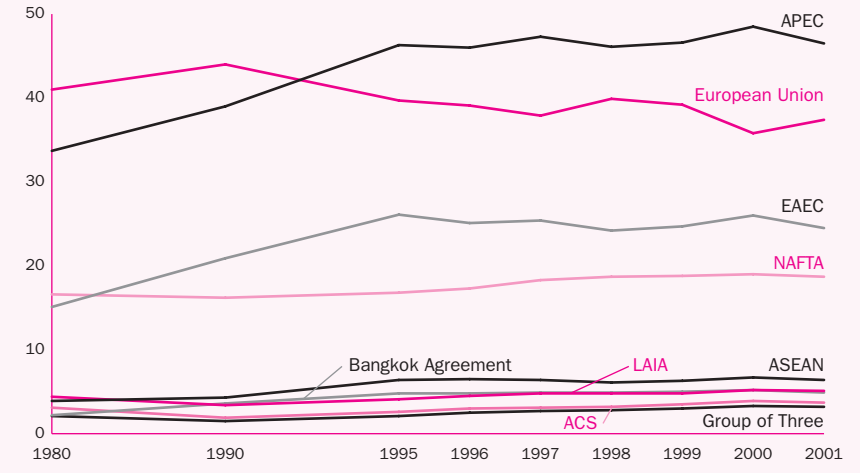
Definitions

• **Merchandise exports within bloc** are the sum of merchandise 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 merchandise exports by the bloc. • **Total merchandise exports by bloc as a share of world exports** are the ratio of the bloc's total merchandise exports (within the bloc and to the rest of the world) to total merchandise exports by all economies in the world.

6.5a

Exports within several trade blocs have remained a steady share of world exports

Merchandise exports within bloc as % of world exports



Note: For the full names and memberships of the trade blocs shown, see the note to table 6.5.
Source: Table 6.5.

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

		All products					Primary products		Manufactured products	
	Year	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	14.5	56.1	0.0	15.7	12.8	17.2	15.2
	2001	11.8	6.9	11.8	38.3	0.0	11.8	10.8	11.3	12.0
Algeria	1993	22.9	16.5	15.5	46.8	0.0	15.5	8.9	22.9	18.7
	2001	22.4	14.3	15.0	50.3	0.0	15.0	11.3	22.6	16.7
Argentina	1992	12.2	7.7	12.8	31.0	0.0	12.8	5.8	12.3	13.6
	2001	11.6	7.2	9.2	39.1	0.0	9.2	4.8	11.7	9.7
Armenia	2001	3.3	4.7	2.5	0.0	0.0	2.5	3.4	2.8	1.2
Australia	1991	13.1	14.3	9.5	30.5	1.2	9.5	1.6	14.2	10.5
	2001	5.4	6.7	3.9	6.5	1.5	3.9	0.8	5.8	4.4
Bangladesh	1989	106.2	79.2	88.2	98.5	1.0	88.2	53.6	108.7	109.6
	2000	21.6	13.6	21.0	52.9	0.0	21.0	18.6	21.5	22.3
Belarus	1996	12.4	8.7	8.9	31.4	0.0	8.9	6.5	12.9	10.5
	1997	13.1	8.3	9.6	32.5	0.0	9.6	7.0	13.8	11.2
Benin	2001	14.7	6.7	14.0	59.1	0.0	14.0	12.8	14.5	12.8
Bhutan	1996	17.7	14.1	15.3	51.9	5.3	15.3	9.7	17.0	16.8
Bolivia	1993	9.7	1.1	9.4	0.0	0.0	9.4	10.0	9.7	9.3
	1999	9.5	1.6	9.0	0.0	0.0	9.0	10.0	9.4	8.9
Bosnia and Herzegovina	2001	7.6	4.4	6.6	0.0	0.0	6.6	5.7	7.5	6.9
Brazil	1989	42.2	17.2	32.0	92.4	0.2	32.0	18.6	42.4	37.1
	2001	12.9	7.2	11.1	46.3	0.0	11.1	4.7	12.9	12.5
Bulgaria	2001	13.8	11.3	10.9	30.0	1.5	10.9	11.8	12.0	10.8
Burkina Faso	1993	25.6	10.0	19.9	73.6	0.0	19.9	23.1	25.5	20.3
	2001	12.8	7.0	10.1	45.9	0.0	10.1	14.8	12.4	8.9
Cameroon	1994	19.4	10.5	14.0	54.7	0.0	14.0	14.9	18.6	13.6
	2001	18.0	9.6	13.1	48.6	0.1	13.1	18.5	17.4	12.0
Canada	1989	8.6	7.4	6.1	14.6	3.4	6.1	2.6	9.2	6.6
	2001	4.5	6.7	0.9	9.6	4.8	0.9	0.5	4.7	0.9
Central African Republic	1995	18.3	10.7	13.7	53.6	0.4	13.7	13.7	16.8	13.1
	2001	18.4	9.9	16.0	52.4	0.2	16.0	26.9	17.5	11.9
Chad	1995	15.9	10.9	16.3	44.9	0.0	16.3	15.9	15.5	13.4
	2001	17.0	9.4	12.7	44.6	0.1	12.7	24.9	16.7	11.4
Chile	1992	11.0	0.5	11.0	0.0	0.0	11.0	11.0	11.0	10.9
	2001	8.0	0.0	8.0	0.0	0.0	8.0	8.0	8.0	8.0
China †	1992	41.2	30.6	32.5	78.2	0.0	32.5	14.0	41.6	35.6
	2001	15.3	10.0	14.3	40.5	0.5	14.3	18.6	15.0	12.9
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	6.4	1.6	0.0	6.4	7.5	5.5	6.1
	2001	11.8	6.2	11.0	23.2	0.0	11.0	12.7	11.6	10.5
Congo, Rep	1994	20.9	9.3	16.4	64.0	0.0	16.4	20.5	20.2	14.6
	2001	18.6	9.6	16.1	52.5	0.1	16.1	21.9	17.8	14.4
Costa Rica	1995	10.3	8.1	8.5	29.5	0.0	8.5	10.5	9.9	8.0
	2001	6.3	7.5	4.3	0.5	0.0	4.3	7.8	5.6	3.8
Côte d'Ivoire	1993	25.4	12.1	22.1	75.6	0.0	22.1	21.6	25.0	22.5
	2001	12.6	6.9	9.6	44.3	0.0	9.6	10.6	12.3	9.1
Croatia	2001	12.0	7.4	9.8	30.8	0.1	9.8	6.1	11.7	11.1
Cuba	1993	13.1	8.0	10.2	25.8	0.0	10.2	8.3	12.9	11.5
	1997	11.4	6.6	8.2	9.6	0.0	8.2	5.2	11.3	9.7
Czech Republic	1996	6.9	6.2	5.8	5.4	0.0	5.8	4.1	6.6	6.2
	1999	6.5	9.3	5.8	5.4	0.0	5.8	5.1	5.3	5.8
Dominican Republic	1997	15.0	9.1	16.3	33.8	0.0	16.3	10.4	14.6	17.7
	2000	19.5	10.0	20.3	55.0	0.1	20.3	13.8	19.0	21.9
Ecuador	1993	8.7	6.0	8.2	20.7	0.0	8.2	6.4	8.6	8.3
	1999	12.9	6.3	11.3	37.0	0.0	11.3	10.6	12.8	11.2
Egypt, Arab Rep.	1995	25.6	33.2	16.7	53.1	1.2	16.7	7.6	25.6	22.2
	1998	20.5	39.5	13.8	47.4	9.5	13.8	7.5	20.2	17.5
El Salvador	1995	10.3	7.8	9.3	27.8	0.0	9.3	10.2	9.8	8.7
	2001	7.4	8.4	6.4	10.1	0.0	6.4	7.6	6.7	5.5
Equatorial Guinea	1998	19.9	9.7	15.3	60.1	0.2	15.3	23.7	18.4	13.6
	2001	18.7	9.6	13.7	53.5	0.0	13.7	21.4	17.5	12.5
Ethiopia	1995	32.1	23.5	19.0	71.5	0.2	19.0	18.4	31.6	18.0
	2001	17.2	12.3	11.0	45.7	0.2	11.0	11.7	16.6	10.5
European Union	1988	3.7	5.9	3.7	4.1	12.8	3.7	2.7	2.5	4.3
	2001	3.9	4.9	2.6	2.6	7.4	2.6	1.7	3.2	2.9
Estonia	1995	0.1	1.0	0.4	0.1	0.0	0.4	0.0	0.1	0.5
Finland	1988	10.3	11.0	6.2	24.4	1.0	6.2	3.0	10.4	6.9
	1990	10.7	11.3	6.3	25.0	1.1	6.3	2.7	10.7	7.2
† Taiwan, China	1989	12.3	9.5	9.9	16.6	0.5	9.9	8.4	11.1	10.4
	2001	7.6	8.0	3.5	8.8	1.6	3.5	6.2	6.6	2.9

Tariff barriers 6.6

	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 %
Gabon	1995	20.6	9.6	16.2	61.9	0.0	16.2	20.0	19.6	15.1
	2001	18.8	9.7	15.2	53.3	0.1	15.2	20.2	17.9	14.0
Georgia	1999	9.9	3.2	9.9	0.0	1.0	9.9	12.0	9.5	8.3
Ghana	1993	14.4	8.5	9.5	42.1	0.0	9.5	16.2	13.7	8.7
	2000	14.0	10.7	9.7	41.1	0.0	9.7	28.2	13.0	8.9
Guatemala	1995	10.0	7.5	8.6	25.7	0.0	8.6	10.2	9.5	8.0
	2001	7.0	7.7	5.6	9.6	0.0	5.6	7.4	6.6	5.0
Guinea-Bissau	2001	14.0	7.1	14.3	56.0	0.0	14.3	19.6	13.3	10.3
Guyana	1996	22.4	12.5	17.6	47.4	39.3	17.6	15.8	21.1	16.9
	2001	11.7	10.4	9.9	27.7	0.5	9.9	12.6	10.6	9.2
Honduras	1995	9.7	7.5	8.4	25.3	0.0	8.4	12.9	9.2	7.5
	2001	7.3	7.0	7.5	9.5	1.9	7.5	11.6	6.7	6.6
Hungary	1991	12.6	10.9	10.0	18.9	0.0	10.0	5.5	12.3	11.7
	1997	8.2	14.7	4.5	10.5	0.0	4.5	6.8	4.5	3.8
Iceland	1993	3.6	7.5	3.1	5.5	0.0	3.1	5.7	3.5	2.6
	2001	5.2	8.1	3.4	5.3	0.0	3.4	4.2	4.8	2.8
India	1990	79.0	43.6	56.2	97.1	0.9	56.2	25.4	79.9	70.8
	2001	30.9	12.4	28.2	91.8	0.1	28.2	28.5	30.6	29.0
Indonesia	1989	22.0	19.7	13.2	50.5	0.3	13.2	5.9	22.1	15.1
	2000	8.4	10.8	5.4	11.2	0.0	5.4	2.8	8.9	6.6
Iran, Islamic Rep.	2000	4.9	4.2	3.1	0.6	0.0	3.1	0.9	5.0	3.8
Israel	1993	7.8	12.3	4.0	15.8	0.0	4.0	1.9	7.9	4.4
Jamaica	1996	21.3	8.8	19.8	45.1	41.9	19.8	14.2	20.7	20.9
	2001	10.7	11.0	10.3	36.6	0.3	10.3	9.5	9.7	10.1
Japan	1988	6.0	8.1	3.6	8.7	11.3	3.6	4.4	4.7	2.7
	2001	5.1	7.5	2.1	7.6	2.1	2.1	2.5	3.9	1.7
Jordan	2000	22.8	16.6	18.6	63.1	0.4	18.6	16.9	22.1	19.8
	2001	16.2	15.6	13.5	46.1	0.3	13.5	13.9	15.4	13.3
Kenya	1994	32.1	13.7	21.5	88.3	0.1	21.5	17.0	31.9	23.3
	2001	20.2	13.6	15.5	44.3	0.1	15.5	19.6	19.9	12.5
Korea, Rep.	1988	18.8	7.9	13.8	73.0	10.3	13.8	8.2	18.6	17.0
	1999	8.7	5.9	6.0	4.8	0.8	6.0	5.6	7.8	6.1
Kyrgyz Republic	1995	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	0.0
Lao PDR	2000	9.4	7.5	14.2	11.4	2.1	14.2	14.7	8.6	12.7
Latvia	1996	4.4	7.5	2.5	2.2	0.0	2.5	1.5	3.2	2.6
	2001	4.0	7.4	2.6	2.9	0.0	2.6	4.3	2.4	1.6
Lebanon	1999	12.6	9.9	12.0	24.0	0.1	12.0	11.9	12.4	12.3
	2001	8.3	11.2	12.0	13.0	0.7	12.0	21.3	6.8	6.2
Libya	1996	27.4	37.1	21.3	58.8	0.4	21.3	9.7	27.3	25.6
Lithuania	1995	3.9	8.6	2.8	7.1	0.0	2.8	3.7	2.5	1.8
	1997	3.9	8.0	2.4	6.5	0.0	2.4	3.3	2.8	1.8
Macedonia, FYR	2001	15.9	11.6	13.8	47.4	0.0	13.8	16.4	14.9	12.4
Madagascar	1995	7.7	5.9	5.3	6.0	0.0	5.3	2.9	7.7	6.3
Malawi	1994	31.6	14.5	23.1	87.5	0.0	23.1	12.9	31.7	26.6
	2001	12.6	10.5	8.2	40.1	0.0	8.2	16.1	12.2	7.1
Malaysia	1988	17.0	15.1	9.9	46.4	6.7	9.9	4.6	17.3	10.8
	1997	9.2	33.3	5.8	24.7	0.4	5.8	10.0	10.2	5.5
Maldives	2000	22.1	15.8	19.6	65.2	0.0	19.6	14.9	23.2	21.5
	2001	22.1	15.8	19.6	65.2	0.0	19.6	14.9	23.2	21.5
Mali	1995	16.4	12.8	9.8	43.1	0.0	9.8	13.4	16.1	8.5
	2001	12.9	6.9	9.4	46.7	0.0	9.4	13.9	12.5	8.4
Malta	1997	8.7	5.6	8.8	6.0	0.0	8.8	6.2	8.9	9.3
	2000	8.8	5.7	9.8	6.9	0.4	9.8	6.8	8.8	10.3
Mauritania	2001	12.1	7.4	9.0	40.4	0.0	9.0	6.8	12.1	10.5
Mauritius	1995	36.2	28.4	20.7	64.7	0.0	20.7	25.7	37.2	22.9
	1998	31.2	27.8	24.5	58.0	0.0	24.5	15.3	32.0	27.0
Mexico	1991	13.4	4.3	12.0	20.9	0.0	12.0	8.3	13.4	13.0
	2001	16.2	9.3	15.4	50.8	0.5	15.4	19.9	16.1	14.7
Moldova	1996	6.5	9.3	2.1	20.6	1.2	2.1	0.8	4.7	2.7
	2001	4.5	5.5	2.6	0.1	0.7	2.6	1.6	3.9	2.7
Morocco	1993	66.6	29.5	45.3	96.8	0.1	45.3	30.2	67.3	55.2
	2001	32.6	20.5	25.4	79.1	0.0	25.4	29.0	31.1	24.6
Mozambique	1994	5.0	0.0	5.0	0.0	0.0	5.0	5.0	5.0	5.0
	2001	13.4	11.3	13.8	31.2	0.0	13.8	17.9	13.2	11.2
Nepal	1993	22.0	17.8	17.5	59.9	0.1	17.5	9.3	23.1	21.0
	2000	14.7	13.4	16.8	18.3	0.5	16.8	13.6	14.3	19.9
New Zealand	1992	10.5	11.0	8.5	36.2	2.7	8.5	4.0	11.0	9.4
	2000	3.4	4.4	2.4	0.0	5.8	2.4	0.5	3.6	2.8
Nicaragua	1995	7.4	7.9	5.0	19.5	0.0	5.0	7.1	7.3	4.6
	2001	3.8	5.9	3.0	0.2	0.0	3.0	4.2	3.4	2.6

6.6 Tariff barriers

		All products					Primary products		Manufactured products	
	Year	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 %
Niger	2001	14.5	6.7	13.2	57.6	0.0	13.2	12.9	14.4	12.0
Nigeria	1988	26.0	16.7	23.8	63.0	0.3	23.8	32.4	25.3	21.4
	1995	21.8	15.7	20.0	9.7	80.5	20.0	20.8	19.9	19.6
Norway	1988	1.9	5.2	0.8	5.0	8.0	0.8	0.2	2.0	0.8
	2001	3.3	14.0	1.6	4.0	8.4	1.6	2.1	2.7	1.5
Oman	1992	5.5	8.2	7.6	1.5	0.0	7.6	14.2	5.1	5.4
	1997	4.7	1.2	4.5	0.0	0.0	4.5	3.6	4.9	4.9
Pakistan	1995	50.8	21.6	46.3	92.3	3.5	46.3	24.0	51.5	50.8
	2001	20.6	19.2	14.7	58.5	0.5	14.7	8.5	20.5	16.8
Panama	1997	15.2	13.2	10.5	36.5	0.1	10.5	9.6	14.6	11.0
	2001	9.3	7.2	7.1	1.2	0.2	7.1	6.0	8.8	7.5
Papua New Guinea	1997	21.2	18.5	15.3	33.4	1.4	15.3	21.8	19.4	13.7
Paraguay	1991	15.8	11.4	12.6	42.3	0.0	12.6	3.6	15.7	14.5
	2001	10.7	6.2	12.6	29.2	0.0	12.6	9.6	10.6	11.9
Peru	1993	17.4	4.2	15.9	23.5	0.0	15.9	15.5	17.2	16.1
	2000	13.1	2.9	12.9	12.3	0.0	12.9	13.9	12.9	12.3
Philippines	1988	28.0	14.2	22.4	77.2	0.1	22.4	18.5	27.5	23.4
	2001	7.0	7.3	4.0	6.9	0.0	4.0	5.9	6.5	3.4
Poland	1991	12.2	9.0	10.4	24.6	0.0	10.4	8.2	12.2	11.2
	2000	10.0	9.8	7.3	14.3	4.5	7.3	6.2	8.3	7.7
Romania	1991	19.2	8.3	12.0	55.7	0.0	12.0	8.1	18.9	17.9
	2001	18.1	15.9	13.7	45.9	0.0	13.7	11.4	15.7	14.1
Russian Federation	1993	7.8	9.9	6.3	3.3	0.0	6.3	3.9	9.3	7.4
	2001	11.1	5.4	8.4	11.0	17.3	8.4	7.6	11.0	8.7
Rwanda	1993	28.5	26.9	25.7	60.2	1.2	25.7	35.8	27.5	21.9
	2001	10.0	7.6	8.1	13.1	0.0	8.1	12.4	9.2	6.4
Saudi Arabia	1994	12.5	3.3	10.9	10.2	0.1	10.9	9.1	12.6	11.5
	2000	12.3	3.1	10.5	8.2	4.0	10.5	7.9	12.4	11.4
Senegal	2001	14.0	6.8	8.5	53.5	0.0	8.5	6.5	13.8	10.3
Singapore	1989	0.5	2.2	0.5	0.1	1.1	0.5	2.5	0.5	0.6
	2001	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Slovenia	1999	11.9	6.6	11.5	21.0	3.2	11.5	7.5	11.7	12.1
	2001	11.4	7.0	9.9	23.1	0.0	9.9	7.4	11.1	10.4
Solomon Islands	1995	37.5	48.5	34.6	52.2	1.8	34.6	35.9	36.8	34.1
South Africa	1988	12.7	11.8	12.1	32.4	18.8	12.1	3.6	12.8	12.3
	2001	11.0	11.7	5.0	32.9	2.2	5.0	1.9	11.1	5.8
Sri Lanka	1990	28.3	24.5	26.9	51.6	1.4	26.9	32.3	27.7	24.2
	2001	9.8	9.3	7.2	21.8	0.7	7.2	14.6	9.2	5.2
Sudan	1996	5.3	11.9	4.4	8.9	0.0	4.4	3.4	4.7	4.0
Switzerland	1990	0.0	0.0	0.0	0.0	53.1	0.0	0.0	0.0	0.0
	2001	0.0	0.0	0.0	0.0	38.9	0.0	0.0	0.0	0.0
Tanzania	1993	14.4	10.7	15.6	42.6	0.0	15.6	19.9	13.8	15.0
	2000	18.2	8.4	14.5	71.2	0.0	14.5	16.1	18.0	13.6
Thailand	1989	38.5	19.5	33.0	72.9	21.8	33.0	24.3	39.0	34.9
	2000	17.0	14.3	9.7	47.1	1.2	9.7	7.7	15.9	10.1
Togo	2001	14.5	6.7	12.6	58.2	0.0	12.6	10.5	14.4	12.5
Trinidad and Tobago	1991	19.9	14.9	12.9	40.3	0.0	12.9	10.9	18.5	14.1
	2001	11.2	10.6	4.6	36.5	0.6	4.6	3.2	10.2	5.8
Tunisia	1990	28.4	10.0	26.6	97.3	0.0	26.6	17.4	28.6	28.5
	1998	30.6	12.6	26.3	91.9	0.0	26.3	18.5	30.5	27.9
Turkey	1993	7.4	5.0	6.1	5.9	0.0	6.1	7.9	7.6	5.3
	1999	8.4	14.7	5.4	9.8	0.7	5.4	5.5	6.3	5.3
Turkmenistan	1998	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	1994	17.0	9.3	13.9	54.5	0.0	13.9	17.4	16.7	12.3
	2001	8.2	5.7	6.9	0.0	0.0	6.9	6.0	8.0	6.3
Ukraine	1995	9.1	9.5	9.8	14.7	0.0	9.8	15.7	7.5	6.3
	1997	10.5	11.0	5.3	24.1	0.0	5.3	3.4	8.1	7.2
United States	1989	5.6	6.8	3.8	8.1	12.4	3.8	2.0	5.9	4.1
	2001	4.0	11.1	1.8	5.7	7.6	1.8	1.2	3.9	1.9
Uruguay	1992	7.5	5.8	5.9	0.0	0.0	5.9	5.8	7.4	5.8
	2001	11.0	8.0	6.6	40.7	0.0	6.6	2.1	11.1	8.4
Uzbekistan	2001	9.6	12.2	4.2	24.1	0.0	4.2	4.6	9.7	4.3
Venezuela, RB	1992	15.7	11.4	16.4	47.7	0.4	16.4	14.7	15.4	16.5
	2000	12.6	5.9	13.5	25.6	0.0	13.5	13.6	12.5	13.3
Vietnam	1994	12.7	17.8	18.4	32.4	1.0	18.4	46.5	11.8	12.9
	2001	15.0	18.5	15.1	35.9	0.0	15.1	21.7	13.4	9.3
Zambia	1993	25.2	11.1	17.9	90.9	0.0	17.9	12.4	24.4	20.0
	1997	14.7	8.8	13.1	31.7	0.0	13.1	13.9	14.5	12.9
Zimbabwe	1996	40.8	15.0	38.2	94.4	1.5	38.2	40.4	41.3	38.8
	2001	19.0	18.6	15.6	37.5	1.7	15.6	20.8	17.6	15.3

Tariff barriers 6.6

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 these countries. If trade in services (retailing, business, financial, and telecommunications 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 other high-income countries. But protection is also an issue for developing countries, which maintain 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 reducing poverty, lowering maternal and child mortality, and improving educational attainment—and falling short by a large margin.

Countries use a combination of tariff and nontariff measures to regulate their imports. 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 often 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 tariff rates used in calculating the indicators in the table 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. Where these rates were not available, most-favored-nation rates, which are equal to or higher than effectively applied rates, are used.

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 often 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—are not included in the 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 the table were calculated from data supplied by the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO). 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 that are members of the European Union have not been included. Instead, 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 the table were calculated by World Bank staff using the World Integrated Trade Solution (WITS) system. Tariff data were provided by UNCTAD and the WTO. 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	
					Bonds		Equity			
	$ millions		$ millions		$ millions		$ millions		$ millions	
	1990	2001	1990	2001	1990	2001	1990	2001	1990	2001
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania	31	203	0	207	0	0	0	0	31	–4
Algeria	–424	243	0	1,196	–16	0	0	0	–409	–953
Angola	235	897	–335	1,119	0	0	0	0	570	–222
Argentina	–135	–3,897	1,836	3,214	–857	–3,815	80	–81	–1,195	–3,216
Armenia	..	74	..	70	..	0	..	0	..	4
Australia	..	..	8,111	4,394	..	..	..	..	..	..
Austria	..	..	653	5,898	..	..	..	..	..	..
Azerbaijan	..	216	..	227	..	0	..	0	..	–11
Bangladesh	59	304	3	78	0	0	0	–4	55	230
Belarus	..	83	..	96	..	0	..	0	..	–13
Belgium [a]	..	..	8,047	73,635	..	..	..	..	..	..
Benin	62	131	62	131	0	0	0	0	0	0
Bolivia	3	637	27	662	0	0	0	0	–24	–26
Bosnia and Herzegovina	..	226	0	222	..	0	..	0	..	4
Botswana	77	55	96	57	0	0	0	0	–19	–2
Brazil	666	23,336	989	22,636	129	1,704	103	2,482	–555	–3,485
Bulgaria	–42	1,043	4	692	65	202	0	–9	–111	158
Burkina Faso	–1	26	0	26	0	0	0	0	–1	0
Burundi	–5	0	1	0	0	0	0	0	–6	0
Cambodia	0	113	0	113	0	0	0	0	0	0
Cameroon	–124	–16	–113	75	0	0	0	0	–12	–91
Canada	..	..	7,581	27,438	..	..	..	..	..	..
Central African Republic	0	8	1	8	0	0	0	0	–1	0
Chad	8	80	9	80	0	0	0	0	–1	–1
Chile	2,216	5,727	661	4,476	–7	1,527	367	–219	1,194	–57
China	8,258	43,238	3,487	44,241	–48	400	151	3,015	4,668	–4,417
Hong Kong, China	..	..	..	22,834	..	..	..	..	..	..
Colombia	345	3,597	500	2,328	–4	1,961	0	–43	–151	–650
Congo, Dem. Rep.	–27	32	–15	32	0	0	0	0	–12	0
Congo, Rep.	–93	59	7	59	0	0	0	0	–100	0
Costa Rica	22	630	163	454	–42	208	0	0	–99	–32
Côte d'Ivoire	57	137	48	246	–1	0	0	1	10	–110
Croatia	..	2,236	..	1,512	..	790	..	6	..	–72
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	741	5,194	72	4,924	0	–263	0	616	669	–83
Denmark	..	..	1,132	7,238	..	..	..	..	..	..
Dominican Republic	129	1,729	133	1,198	0	480	0	0	–3	50
Ecuador	184	1,444	126	1,330	0	0	0	1	58	113
Egypt, Arab Rep.	668	2,068	734	510	–1	1,500	0	39	–65	19
El Salvador	7	674	2	268	0	351	0	0	6	55
Eritrea	..	34	..	34	..	0	..	0	..	0
Estonia	..	624	..	539	..	62	..	32	..	–9
Ethiopia	–45	10	12	20	0	0	0	0	–57	–10
Finland	..	..	812	3,739	..	..	..	..	..	..
France	..	..	13,183	52,504	..	..	..	..	..	..
Gabon	103	170	74	200	0	0	0	0	29	–30
Gambia, The	–8	36	0	36	0	0	0	0	–8	0
Georgia	..	173	..	160	..	0	..	0	..	13
Germany	..	..	2,532	31,526	..	..	..	..	..	..
Ghana	–5	244	15	89	0	0	0	0	–20	154
Greece	..	..	1,005	1,585	..	..	..	..	..	..
Guatemala	44	403	48	456	–11	–31	0	0	7	–22
Guinea	–1	1	18	2	0	0	0	0	–19	0
Guinea-Bissau	2	30	2	30	0	0	0	0	0	0
Haiti	0	3	0	3	0	0	0	0	0	0

6.7 Global financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
					Bonds		Equity			
	$ millions		$ millions		$ millions		$ millions		$ millions	
	1990	2001	1990	2001	1990	2001	1990	2001	1990	2001
Honduras	75	126	44	195	0	0	0	0	32	–69
Hungary	28	3,952	311	2,440	921	94	175	134	–1,379	1,284
India	1,947	3,534	237	3,403	147	–131	105	1,739	1,458	–1,477
Indonesia	3,386	–7,312	1,093	–3,278	26	–1,376	463	164	1,804	–2,822
Iran, Islamic Rep.	–392	1,049	–362	33	0	0	0	0	–30	1,016
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	627	9,865	..	..	..	..	..	..
Israel	..	..	151	3,224	..	..	..	..	..	..
Italy	..	..	6,411	14,874	..	..	..	..	..	..
Jamaica	92	1,385	138	614	0	819	0	0	–46	–48
Japan	..	..	1,777	6,191	..	..	..	..	..	..
Jordan	252	–114	38	100	0	–45	0	–145	214	–25
Kazakhstan	..	4,947	..	2,763	..	0	..	55	..	2,128
Kenya	122	–37	57	5	0	0	0	0	65	–43
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	1,038	9,279	788	3,198	151	530	518	10,165	–418	–4,614
Kuwait	..	..	..	–39	..	..	..	..	..	..
Kyrgyz Republic	..	–73	..	5	..	0	..	0	..	–78
Lao PDR	6	24	6	24	0	0	0	0	0	0
Latvia	..	880	..	177	..	179	..	6	..	518
Lebanon	13	2,757	7	249	0	2,500	0	0	6	7
Lesotho	17	113	17	117	0	0	0	0	0	–4
Liberia	0	13	0	13	0	0	0	0	0	0
Libya	..	..	..	..	..	..	..	..	..	..
Lithuania	..	521	..	446	..	179	..	–16	..	–88
Macedonia, FYR	..	466	..	443	..	0	..	0	..	23
Madagascar	7	9	22	11	0	0	0	0	–15	–2
Malawi	25	58	23	58	0	0	0	0	2	0
Malaysia	908	855	2,332	554	–1,239	1,464	432	–650	–617	–513
Mali	5	103	6	103	0	0	0	0	–1	0
Mauritania	5	27	7	30	0	0	0	0	–1	–3
Mauritius	86	–75	41	–48	0	0	0	0	45	–27
Mexico	9,600	28,079	2,549	24,731	661	–1,651	1,995	150	4,396	4,849
Moldova	..	70	..	94	..	–25	..	4	..	–2
Mongolia	..	62	..	63	..	0	..	0	..	–1
Morocco	341	2,633	165	2,658	0	–29	0	–8	176	12
Mozambique	35	450	9	480	0	0	0	0	26	–30
Myanmar	153	145	161	208	0	0	0	0	–8	–63
Namibia	..	..	..	..	..	..	..	..	..	..
Nepal	–8	19	6	19	0	0	0	0	–14	0
Netherlands	..	..	10,676	51,239	..	..	..	..	..	..
New Zealand	..	..	1,735	1,731	..	..	..	..	..	..
Nicaragua	20	13	0	132	0	0	0	0	20	–120
Niger	51	7	41	13	0	0	0	0	10	–6
Nigeria	467	920	588	1,104	0	0	0	0	–121	–184
Norway	..	..	1,003	2,166	..	..	..	..	..	..
Oman	–257	–867	142	42	0	0	0	–3	–400	–905
Pakistan	182	–308	245	383	0	–45	0	–130	–63	–516
Panama	130	1,799	136	513	–2	1,014	0	0	–4	273
Papua New Guinea	204	2	155	63	0	0	0	0	49	–61
Paraguay	68	–14	77	79	0	0	0	0	–9	–93
Peru	59	1,400	41	1,064	0	0	0	42	18	294
Philippines	779	2,076	530	1,792	395	761	139	383	–286	–859
Poland	71	9,611	89	5,713	0	667	0	–307	–18	3,537
Portugal	..	..	2,610	5,945	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..

6.7 Global financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
					Bonds		Equity			
	$ millions		$ millions		$ millions		$ millions		$ millions	
	1990	2001	1990	2001	1990	2001	1990	2001	1990	2001
Romania	4	2,633	0	1,157	0	375	0	8	4	1,094
Russian Federation	5,556	1,488	0	2,469	310	–679	0	543	5,246	–845
Rwanda	6	5	8	5	0	0	0	0	–2	0
Saudi Arabia	..	..	..	..	..	..	..	..	..	..
Senegal	42	167	57	126	0	0	0	0	–15	41
Sierra Leone	36	4	32	4	0	0	0	0	4	0
Singapore	..	..	5,575	8,609	..	..	..	..	..	..
Slovak Republic	278	303	0	1,475	0	–283	0	0	278	–889
Slovenia	..	..	..	503	..	..	..	..	..	..
Somalia	6	0	6	0	0	0	0	0	0	0
South Africa	..	6,627	..	7,162	..	1,938	..	–962	..	–1,511
Spain	..	..	13,984	21,540	..	..	..	..	..	..
Sri Lanka	54	243	43	172	0	159	0	0	10	–88
Sudan	0	574	0	574	0	0	0	0	0	0
Swaziland	28	35	30	21	0	0	0	0	–2	14
Sweden	..	..	1,982	13,085	..	..	..	..	..	..
Switzerland	..	..	5,987	8,628	..	..	..	..	..	..
Syrian Arab Republic	63	204	72	205	0	0	0	0	–9	–1
Tajikistan	..	39	..	22	..	0	..	0	..	17
Tanzania	3	197	0	224	0	0	0	0	3	–28
Thailand	4,371	–3,052	2,444	3,820	–87	–1,605	440	18	1,574	–5,285
Togo	18	67	18	67	0	0	0	0	0	0
Trinidad and Tobago	–68	830	109	835	–52	0	0	0	–126	–5
Tunisia	–116	1,108	76	457	–60	453	5	–15	–137	213
Turkey	1,836	906	684	3,266	597	–493	89	–79	466	–1,788
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	16	147	0	145	0	0	0	0	16	2
Ukraine	..	426	..	792	..	–133	..	–734	..	502
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	33,504	63,109	..	..	..	..	..	..
United States	..	..	48,490	130,800	..	..	..	..	..	..
Uruguay	–192	796	0	318	–16	512	0	0	–176	–34
Uzbekistan	..	46	..	71	..	0	..	0	..	–25
Venezuela, RB	–126	2,644	451	3,448	345	240	0	–74	–922	–970
Vietnam	16	710	16	1,300	0	0	0	0	0	–590
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	30	–210	–131	–205	0	0	0	0	161	–5
Yugoslavia, Fed. Rep.	–837	10	67	0	0	0	0	0	–904	10
Zambia	194	126	203	72	0	0	0	0	–9	54
Zimbabwe	85	–28	–12	5	–30	0	0	0	127	–33
World	.. s	.. s	202,547 s	746,470 s	.. s	.. s	.. s	.. s	.. s	.. s
Low income	7,242	2,737	2,610	8,977	142	–1,711	568	1,040	3,923	–5,569
Middle income	36,978	165,240	21,494	161,690	889	11,791	3,979	4,918	10,617	–13,159
Lower middle income	20,486	79,848	9,157	82,262	1,140	6,513	827	2,843	9,362	–11,770
Upper middle income	16,493	85,392	12,337	79,427	–251	5,279	3,152	2,075	1,255	–1,389
Low & middle income	44,220	167,977	24,103	170,666	1,032	10,080	4,546	5,958	14,539	–18,728
East Asia & Pacific	18,210	36,817	10,341	48,913	–952	–357	1,625	2,930	7,197	–14,668
Europe & Central Asia	7,668	36,162	1,227	30,130	1,893	671	264	258	4,284	5,103
Latin America & Carib.	14,050	72,067	8,177	69,309	101	3,467	2,545	2,258	3,227	–2,967
Middle East & N. Africa	595	7,462	2,810	5,460	–126	4,379	5	–132	–2,094	–2,245
South Asia	2,240	3,798	542	4,066	147	–18	105	1,606	1,446	–1,856
Sub-Saharan Africa	1,458	11,670	1,008	12,788	–31	1,938	2	–961	480	–2,095
High income	..	..	178,443	575,804	..	..	..	..	..	..
Europe EMU	..	..	60,540	272,350	..	..	..	..	..	..

a. Includes Luxembourg.

Global financial flows 6.7

About the data

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 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. But 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 market and official 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 sources, in the classification of economies, 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 (installments) 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, as well as 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 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 2003*.

6.8 Net financial flows from Development Assistance Committee members

Net flows to part I countries

	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		
$ millions, 2001												
Australia	873	660	..	212	56	43	357	–314	..	..	211	1,183
Austria	533	334	7	191	13	279	277	..	..	2	57	882
Belgium	867	507	–4	365	7	–712	530	–1,383	..	142	141	304
Canada	1,533	1,222	–22	333	–98	–12	633	–601	..	–44	116	1,538
Denmark	1,634	1,048	–14	600	–4	998	998	..	..	..	17	2,645
Finland	389	229	–4	165	5	915	624	–70	..	361	9	1,317
France	4,198	2,920	–325	1,602	–39	12,168	8,049	3,838	..	280	..	16,327
Germany	4,990	2,858	–5	2,136	–663	737	1,798	–748	–863	551	808	5,872
Greece	202	81	1	119	..	..	..	..	..	..	..	202
Ireland	287	184	..	102	..	347	..	347	..	..	101	735
Italy	1,627	546	–104	1,185	55	–1,903	1,221	–3,617	..	494	32	–189
Japan	9,847	4,742	2,716	2,389	–854	5,380	6,473	–354	–355	–384	235	14,608
Luxembourg	141	106	..	35	..	..	..	..	..	..	5	146
Netherlands	3,172	2,392	–167	948	42	–6,886	2,526	–8,462	–1,133	182	240	–3,432
New Zealand	112	85	..	27	..	16	16	..	..	..	11	139
Norway	1,346	938	2	406	..	–71	–131	..	..	60	210	1,485
Portugal	268	166	18	85	–1	1,503	1,273	..	..	230	5	1,775
Spain	1,737	966	184	588	146	9,640	10,160	..	..	–520	..	11,523
Sweden	1,666	1,185	20	461	1	1,394	507	..	..	888	16	3,077
Switzerland	908	643	1	263	6	–1,252	–1,107	..	–1	–144	180	–158
United Kingdom	4,579	2,643	–21	1,957	23	4,669	8,164	–3,001	..	–493	327	9,597
United States	11,429	8,954	–670	3,145	755	21,864	24,236	–1,773	–1,729	1,130	4,569	38,618
Total	**52,336**	**33,409**	**1,613**	**17,314**	**–549**	**49,117**	**66,602**	**–16,138**	**–4,082**	**2,735**	**7,289**	**108,193**

Net flows to part II countries

	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		
$ millions, 2001											
Australia	5	2	..	3	3	–4,110	–2,816	–1,294	..	..	–4,102
Austria	212	161	..	50	..	2,453	2,453	..	..	6	2,671
Belgium	88	5	..	84	–16	–1,252	348	–1,614	14	10	–1,170
Canada	152	152	..	..	–67	4,548	4,489	59	..	..	4,633
Denmark	181	101	12	68	29	565	..	565	..	2	777
Finland	61	31	1	28	–3	1,106	307	787	12	..	1,164
France	1,334	1,021	–11	323	–75	21,705	5,400	16,615	–311	..	22,964
Germany	687	317	–72	442	3,258	10,925	5,685	5,975	–735	90	14,960
Greece	9	7	..	2	..	..	..	..	..	..	9
Ireland	..	..	..	..	..	3	..	3	..	..	3
Italy	281	22	–1	260	27	–1,030	634	–1,652	–12	..	–721
Japan	84	138	–113	59	–651	3,168	5,671	–3,670	1,167	..	2,602
Luxembourg	9	3	..	6	..	..	..	..	..	..	9
Netherlands	214	103	–7	117	–15	3,432	4,656	–1,175	–50	..	3,631
New Zealand	..	..	..	..	..	..	..	..	..	..	0
Norway	32	29	..	2	3	542	550	..	–8	..	577
Portugal	28	1	..	27	13	384	374	..	10	..	425
Spain	14	16	–2	..	..	1,056	1,056	..	..	..	1,070
Sweden	119	113	..	6	–1	295	361	..	–66	..	413
Switzerland	63	53	2	7	1	5,665	5,661	..	4	7	5,735
United Kingdom	461	87	..	374	..	–4,737	–2,074	–2,528	–135	4	–4,272
United States	1,542	1,605	–145	83	–266	19,371	15,972	3,360	39	3,031	23,678
Total	**5,574**	**3,967**	**–335**	**1,942**	**2,240**	**64,088**	**48,728**	**15,431**	**–70**	**3,151**	**75,053**

Note: Data may not sum to totals because of gaps in reporting.

Net financial flows from Development Assistance Committee members

6.8

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. This 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 recipient economies. In this capacity DAC monitors the flow of all financial resources, but its main concern is official development assistance (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 nonconcessional flows from official creditors, which are classified as "other official flows," and military aid, which is not recorded in DAC statistics. The definition includes food aid, capital projects, emergency relief, technical cooperation, and postconflict peacekeeping efforts. 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).

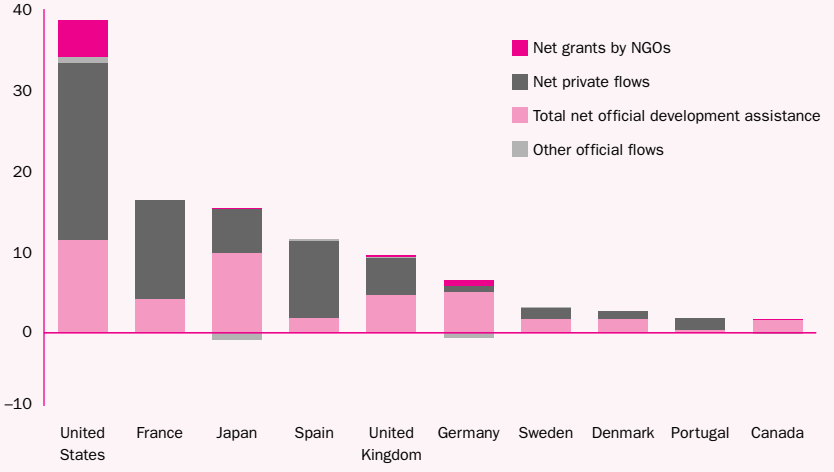
DAC maintains a list of countries and territories that are aid recipients. Part I of the list comprises developing countries and territories considered by DAC members to be eligible for ODA. Part II comprises economies in transition: more advanced countries of Central and Eastern Europe, the countries of the former Soviet Union, and certain advanced developing countries and territories. Flows to these recipients that meet the criteria for 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 of principal 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 two 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.

6.8a

Official development assistance is one of several sources of financing to developing countries

Total net flows to recipient countries ($ billions), 2001



Source: Organisation for Economic Co-operation and Development data.

Definitions

• **Official development assistance** comprises grants and loans (net of repayments of principal) that meet the DAC definition of ODA and are made to countries and territories in part I of the DAC list of aid recipients. • **Official aid** comprises grants and loans (net of repayments) that meet the criteria for 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). • **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 in donor countries. 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.

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 its annual *Development Cooperation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and to registered users at http://www.oecd.org/dac/htm/online.htm.

6.9 Aid flows from Development Assistance Committee members

Net flows to part I countries

	Net official development assistance									Untied aid [a]	
	$ millions		% of GNI		average annual % change in volume [b] 1995–96 to 2000–2001	Per capita of donor country [b] $		% of general government disbursement		% of bilateral ODA commitments	
	1996	2001	1996	2001		1996	2001	1996	2001	1996	2001
Australia	1,074	873	0.27	0.25	0.6	46	49	0.76	0.74	78.1	59.3
Austria	557	533	0.24	0.29	0.2	51	66	0.46	0.57	..	..
Belgium	913	867	0.34	0.37	3.5	67	85	0.68	0.82	..	89.8
Canada	1,795	1,533	0.32	0.22	–2.6	59	51	0.68	0.57	31.5	31.7
Denmark	1,772	1,634	1.04	1.03	4.4	265	306	1.72	2.00	61.3	93.3
Finland	408	389	0.33	0.32	5.0	61	75	0.59	0.72	60.2	87.5
France	7,451	4,198	0.48	0.32	–6.6	95	72	0.93	0.66	38.7	66.6
Germany	7,601	4,990	0.32	0.27	–1.2	67	62	0.67	0.59	60.0	84.6
Greece	184	202	0.15	0.17	24.3	14	19	0.33	0.40	..	17.3
Ireland	179	287	0.31	0.33	11.9	43	74	0.67	0.92	..	100.0
Italy	2,416	1,627	0.20	0.15	–2.3	34	28	0.38	0.32	..	7.8
Japan	9,439	9,847	0.20	0.23	3.0	73	89	0.58	0.64	98.9	81.1
Luxembourg	82	141	0.44	0.82	18.1	156	325	1.05	1.89	94.4	..
Netherlands	3,246	3,172	0.81	0.82	5.0	161	195	1.73	1.97	82.2	91.2
New Zealand	122	112	0.21	0.25	5.6	22	30	0.49	0.61	..	..
Norway	1,311	1,346	0.84	0.83	1.7	278	299	1.82	1.95	88.4	98.9
Portugal	218	268	0.21	0.25	6.7	18	26	0.47	0.58	100.0	57.7
Spain	1,251	1,737	0.22	0.30	7.3	25	43	0.50	0.79	0.0	68.9
Sweden	1,999	1,666	0.84	0.81	4.4	173	207	1.27	1.52	78.9	86.5
Switzerland	1,026	908	0.34	0.34	3.0	108	123	..	..	92.9	96.1
United Kingdom	3,199	4,579	0.27	0.32	5.8	58	80	0.66	0.84	86.1	93.9
United States	9,377	11,429	0.12	0.11	3.2	38	39	0.37	0.36	28.4	..
Total or average	**55,622**	**52,336**	**0.25**	**0.22**	**1.8**	**59**	**63**	**0.63**	**0.61**	**71.3**	**79.1**

Net flows to part II countries

	Net official aid						
	$ millions		% of GNI		average annual % change in volume [b] 1995–96 to 2000–01	Per capita of donor country [b] $	
	1996	2001	1996	2001		1996	2001
Australia	10	5	0.00	0.00	2.8	0	0
Austria	226	212	0.10	0.11	0.7	21	26
Belgium	70	88	0.03	0.04	7.0	5	9
Canada	181	152	0.03	0.02	–5.4	6	5
Denmark	120	181	0.07	0.11	10.3	18	34
Finland	57	61	0.05	0.05	3.6	9	12
France	711	1,334	0.05	0.10	22.4	9	23
Germany	1,329	687	0.06	0.04	–20.0	12	8
Greece	2	9	0.00	0.01	66.2	0	1
Ireland	1	0	0.00	0.00	–61.8	0	0
Italy	294	281	0.02	0.03	7.0	4	5
Japan	184	84	0.00	0.00	–35.9	1	1
Luxembourg	2	9	0.01	0.05	12.5	4	20
Netherlands	13	214	0.00	0.06	16.8	1	13
New Zealand	0	0	0.00	0.00	–1.4	0	0
Norway	50	32	0.03	0.02	–11.0	11	7
Portugal	18	28	0.02	0.03	10.8	1	3
Spain	98	14	0.02	0.00	–31.5	2	0
Sweden	178	119	0.07	0.06	–0.5	15	15
Switzerland	97	63	0.03	0.02	–3.7	10	9
United Kingdom	362	461	0.03	0.03	1.8	7	8
United States	1,694	1,542	0.02	0.02	4.6	7	5
Total or average	**5,696**	**5,574**	**0.03**	**0.02**	**0.2**	**6**	**7**

a. Excluding administrative costs and technical cooperation. b. At 2000 exchange rates and prices.

Aid flows from Development Assistance Committee members

6.9

About the data

Effective aid supports institutional development and policy reforms, which are at the heart of successful development. To be effective, especially in reducing global poverty, aid requires partnerships between recipient countries, aid agencies, and donor countries. It also requires improvements in economic policies and institutions. Where traditional methods of nurturing such reforms have failed, aid agencies need to find alternative approaches and new opportunities.

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 separate 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 recipients' perceived aid receipts for two main reasons. First, aid flows include expenditure items about which recipients may have no precise information, such as development-oriented research, stipends and tuition costs for aid-financed students in donor countries, or payment of experts hired by donor countries. Second, donors record their concessional funding (usually grants) to multilateral agencies when they make payments, while the agencies make funds available to recipients with a time lag and in many cases in the form of soft loans where donors' grants have been used to reduce the interest burden over the life of the loan.

Aid as a share of gross national income (GNI), aid per capita, and ODA as a share of the general government disbursements of the donor 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 United Nations System of National Accounts (adopted in 1993), which replaced gross national product (GNP) with GNI. Because GNI includes items not included in GNP, ratios of ODA to GNI are slightly smaller than the previously reported ratios of ODA to GNP.

The proportion of untied aid is reported here because tying arrangements may prevent recipients from obtaining the best value for their money and so reduce the value of the aid received. Tying arrangements require recipients to purchase goods and services from the donor country or from a specified group of countries. They 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.

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 2000 exchange rates and prices. • **Aid as a percentage of general government disbursements** shows the donor's contributions of ODA as a share of public spending. • **Untied aid** is the share of ODA that is not subject to restrictions by donors on procurement sources.

6.9a Official development assistance from selected non-DAC donors, 1997–2001

Net disbursements ($ millions)

	1997	1998	1999	2000	2001
OECD members (non-DAC)					
Czech Republic	..	16	15	16	26
Iceland	8	7	8	9	10
Korea, Rep.	186	183	317	212	265
Poland	..	19	20	29	36
Slovak Republic	..	..	7	6	8
Turkey	77	69	120	82	64
Arab countries					
Kuwait	373	278	147	165	73
Saudi Arabia	251	288	185	295	490
United Arab Emirates	115	63	92	150	127
Other donors					
Estonia	..	0	0	1	0
Israel	89	87	114	164 [a]	76 [a]

Note: China also provides aid but does not disclose the amount.
a. The figure for 2000 includes $66.8 million—and that for 2001, $50.1 million—for first-year sustenance expenses for people arriving from developing countries (many of which are experiencing civil war or severe unrest) or who have left their country for humanitarian or political reasons.
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 its annual *Development Co-operation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and to registered users at http://www.oecd.org/dac/htm/online.htm.

6.10 Aid dependency

	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
					Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	$ millions		$									
	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001
Afghanistan	183	402	8	15	..	..	..	..	..	..	..	..
Albania	228	269	72	85	8.3	6.3	54.7	33.6	20.3	15.0	28.5	..
Algeria	304	182	11	6	0.7	0.3	2.6	1.3	2.5	1.2	2.2	1.1
Angola	473	268	40	20	8.1	3.4	18.1	8.3	7.9	3.6	..	..
Argentina	135	151	4	4	0.1	0.1	0.3	0.4	0.3	0.4	0.3	0.3
Armenia	293	212	78	56	18.3	9.7	91.8	53.8	31.8	20.9	..	..
Australia												
Austria												
Azerbaijan	96	226	12	28	3.1	4.3	10.5	19.3	5.3	8.9	18.1	..
Bangladesh	1,236	1,024	10	8	3.0	2.2	15.2	9.5	15.8	9.8	..	..
Belarus	77	39	8	4	0.5	0.3	2.2	1.4	1.0	0.4	1.6	1.1
Belgium												
Benin	288	273	51	42	13.3	11.6	76.3	60.1	36.1	36.0	..	..
Bolivia	832	729	110	86	11.6	9.4	69.2	70.5	42.3	31.3	48.9	34.2
Bosnia and Herzegovina	845	639	239	157	33.5	12.8	73.6	..	33.8	23.8	..	..
Botswana	75	29	48	17	1.6	0.6	6.2	2.5	2.9	1.0	4.3	..
Brazil	288	349	2	2	0.0	0.1	0.2	0.3	0.3	0.4	..	..
Bulgaria	182	346	22	43	1.9	2.6	22.6	12.5	2.8	3.7	3.8	7.4
Burkina Faso	420	389	41	34	16.9	15.7	61.8	61.7	55.0	57.4	..	..
Burundi	111	131	18	19	12.5	19.3	102.3	274.3	69.9	80.7	44.6	..
Cambodia	422	409	38	33	13.6	12.4	51.8	67.1	30.5	20.1	..	..
Cameroon	412	398	30	26	4.8	5.0	29.4	26.3	16.7	13.3	..	..
Canada												
Central African Republic	170	76	49	20	16.2	7.9	369.9	56.0	70.7	49.5	..	..
Chad	296	179	43	23	18.8	11.2	123.7	26.9	57.1	18.1	..	..
Chile	196	58	14	4	0.3	0.1	1.1	0.4	0.8	0.2	1.4	0.4
China	2,646	1,460	2	1	0.3	0.1	0.8	0.3	1.5	0.5	4.1	..
Hong Kong, China	13	4	2	1	0.0	0.0	0.0	0.0	0.0	0.0	..	..
Colombia	189	380	5	9	0.2	0.5	0.9	3.1	1.0	1.9	1.3	..
Congo, Dem. Rep.	166	251	4	5	3.1	5.3	10.3	95.1	9.0	18.1	24.7	..
Congo, Rep.	429	75	160	24	26.4	3.9	62.7	10.0	15.6	3.6	56.8	10.5
Costa Rica	–10	2	–3	1	–0.1	0.0	–0.5	0.1	–0.2	0.0	–0.4	0.1
Côte d'Ivoire	965	187	67	11	8.6	1.9	65.6	18.2	19.3	4.3	35.6	10.6
Croatia	133	113	29	26	0.7	0.6	3.1	2.3	1.3	1.0	1.5	1.3
Cuba	57	51	5	5	..	..	..	..	..	..	..	..
Czech Republic	129	314	12	31	0.2	0.6	0.6	1.8	0.4	0.7	0.6	1.4
Denmark												
Dominican Republic	100	105	13	12	0.8	0.5	3.9	2.1	1.3	0.9	4.8	..
Ecuador	253	171	22	13	1.4	1.1	7.7	3.8	4.1	2.1	..	..
Egypt, Arab Rep.	2,199	1,255	37	19	3.2	1.3	19.6	8.2	11.6	5.6	10.0	..
El Salvador	302	234	52	37	2.9	1.7	19.3	10.7	8.2	3.7	..	66.9
Eritrea	159	280	43	67	24.6	40.8	71.6	115.2	27.3	52.3	..	..
Estonia	59	69	42	50	1.4	1.3	4.9	4.5	1.7	1.2	4.0	4.1
Ethiopia	818	1,080	14	16	13.7	17.5	80.6	96.0	55.9	53.6	..	..
Finland												
France												
Gabon	127	9	114	7	2.6	0.2	9.4	0.6	4.7	0.3	..	..
Gambia, The	37	51	32	38	9.5	13.3	44.1	72.8	12.3	14.1	..	..
Georgia	310	290	57	55	10.3	9.2	93.3	49.2	..	22.1	..	82.7
Germany												
Ghana	651	652	37	33	9.6	12.7	32.2	51.2	25.5	19.2	..	..
Greece												
Guatemala	194	225	19	19	1.3	1.1	9.7	7.1	5.1	3.5	..	..
Guinea	299	272	44	36	7.9	9.4	44.6	41.3	28.4	27.4	..	..
Guinea-Bissau	181	59	164	48	71.8	32.0	290.0	135.6	172.7	52.5	..	..
Haiti	370	166	50	20	12.8	4.4	45.2	14.4	46.8	13.2	140.8	..

Aid dependency 6.10

	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
					Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	$ millions		$									
	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001
Honduras	359	678	62	103	9.4	10.9	28.2	34.7	14.1	18.3	..	..
Hungary	204	418	20	41	0.5	0.8	1.7	3.0	0.9	1.1	1.0	..
India	1,897	1,705	2	2	0.5	0.4	2.2	1.6	3.2	2.2	3.3	2.0
Indonesia	1,123	1,501	6	7	0.5	1.1	1.6	6.1	1.7	2.5	3.4	4.3
Iran, Islamic Rep.	169	115	3	2	0.2	0.1	0.8	0.3	0.9	0.5	0.5	..
Iraq	348	122	16	5	..	..	..	..	..	..	..	..
Ireland												
Israel	2,217	172	389	27	2.3	0.2	9.4	..	5.2	0.3	4.7	0.3
Italy												
Jamaica	58	54	23	21	0.9	0.7	3.1	2.3	1.4	1.0	2.2	1.8
Japan												
Jordan	507	432	117	86	7.5	4.9	24.0	18.9	8.7	6.7	21.6	15.1
Kazakhstan	125	148	8	10	0.6	0.7	3.7	2.6	1.6	1.2	..	4.6
Kenya	597	453	22	15	6.6	4.0	38.4	31.1	16.1	10.8	22.3	..
Korea, Dem. Rep.	26	119	1	5	..	..	..	..	..	..	..	..
Korea, Rep.	–149	–111	–3	–2	0.0	0.0	–0.1	–0.1	–0.1	–0.1	–0.2	..
Kuwait	3	4	1	2	0.0	0.0	0.1	0.1	0.0	0.0	0.0	..
Kyrgyz Republic	231	188	50	38	12.9	12.9	50.1	75.2	21.4	29.2	56.5	..
Lao PDR	332	243	69	45	17.8	14.5	61.2	62.5	42.5	40.6	..	..
Latvia	72	106	29	45	1.4	1.4	7.5	5.1	2.3	2.4	4.5	4.8
Lebanon	232	241	57	55	1.7	1.4	6.0	7.7	2.9	..	4.7	..
Lesotho	104	54	55	26	8.2	5.5	18.9	18.4	8.9	6.9	21.9	..
Liberia	173	37	62	11	..	8.3	..	..	..	..	..	..
Libya	8	10	2	2	..	..	0.2	..	0.1	..	..	..
Lithuania	91	130	25	37	1.2	1.1	4.7	5.0	1.8	1.8	4.6	4.1
Macedonia, FYR	106	248	53	121	2.4	7.3	11.9	43.3	5.7	12.4	..	..
Madagascar	357	354	26	22	9.3	7.8	76.7	49.6	30.5	188.8	51.4	..
Malawi	492	402	52	38	20.5	23.4	174.9	210.2	42.8	38.3	..	..
Malaysia	–457	27	–22	1	–0.5	0.0	–1.1	0.1	–0.5	0.0	–2.1	..
Mali	491	350	50	32	19.1	13.9	81.9	62.7	49.1	28.4	..	..
Mauritania	272	262	116	95	25.7	26.6	131.3	97.4	43.7	56.6	..	..
Mauritius	20	22	17	18	0.5	0.5	1.9	2.0	0.7	0.8	2.0	2.1
Mexico	287	75	3	1	0.1	0.0	0.4	0.1	0.2	0.0	0.6	..
Moldova	36	119	8	28	2.1	7.5	8.9	40.2	2.8	9.7	7.6	35.4
Mongolia	201	212	87	88	19.4	20.6	71.8	67.5	33.5	28.7	90.8	65.9
Morocco	650	517	24	18	1.8	1.6	9.1	6.1	5.3	3.8	..	..
Mozambique	888	935	55	52	33.2	28.1	143.2	62.3	74.9	20.3	..	..
Myanmar	43	127	1	3	..	..	..	..	1.8	4.1	0.3	..
Namibia	188	109	116	61	5.3	3.4	23.3	14.4	8.0	5.1	14.8	..
Nepal	391	388	19	16	8.6	6.7	31.8	28.8	23.8	19.1	51.0	39.4
Netherlands												
New Zealand												
Nicaragua	934	928	205	178	58.4	..	180.0	..	57.2	41.3	137.9	..
Niger	255	249	27	22	13.0	12.8	132.7	111.0	51.2	47.9	..	..
Nigeria	190	185	2	1	0.6	0.5	3.8	1.6	1.3	1.0	..	..
Norway												
Oman	62	2	28	1	0.5	..	..	..	1.0	0.0	1.3	0.0
Pakistan	884	1,938	7	14	1.4	3.4	7.3	20.7	5.1	13.1	6.2	16.2
Panama	49	28	18	10	0.6	0.3	2.0	1.0	0.5	0.3	2.2	..
Papua New Guinea	381	203	82	39	7.6	7.2	32.2	..	13.9	11.0	27.1	..
Paraguay	89	61	18	11	0.9	0.9	3.9	3.6	1.7	1.7	5.9	4.8
Peru	329	451	14	17	0.6	0.9	2.6	4.5	2.6	4.0	3.3	4.6
Philippines	901	577	13	7	1.0	0.8	4.5	4.5	2.0	1.5	5.9	4.2
Poland	1,167	966	30	25	0.9	0.6	4.1	2.5	2.7	1.6	2.1	1.5
Portugal												
Puerto Rico												

6.10 Aid dependency

	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
					Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	$ millions		$									
	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001
Romania	233	648	10	29	0.7	1.7	2.7	7.6	1.8	3.7	2.1	5.3
Russian Federation	1,282	1,110	9	8	0.3	0.4	1.2	1.6	1.3	1.3	..	1.5
Rwanda	467	291	69	33	34.1	17.3	234.9	92.7	120.6	62.0	..	..
Saudi Arabia	23	27	1	1	0.0	0.0	0.1	0.1	0.0	0.1	..	..
Senegal	580	419	68	43	12.7	9.2	67.5	45.0	32.0	21.7	58.8	41.6
Sierra Leone	184	334	40	65	20.0	45.8	195.2	563.9	51.2	110.1	132.3	..
Singapore	15	1	4	0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Slovak Republic	98	164	18	30	0.5	0.8	1.3	2.5	0.7	0.9	1.1	2.1
Slovenia	82	126	41	63	0.4	0.7	1.9	..	0.8	1.1	1.1	1.7
Somalia	88	149	12	16	..	..	..	..	..	..	..	..
South Africa	364	428	9	10	0.3	0.4	1.5	2.5	1.0	1.2	0.8	1.3
Spain												
Sri Lanka	487	330	28	18	3.6	2.0	14.4	9.4	7.5	4.4	12.6	8.0
Sudan	220	172	8	5	3.0	1.5	12.1	7.8	14.3	6.5	..	..
Swaziland	33	29	36	27	2.3	2.3	7.8	12.5	2.4	2.6	..	..
Sweden												
Switzerland												
Syrian Arab Republic	219	153	15	9	1.6	0.8	6.6	3.7	3.1	2.1	1.6	..
Tajikistan	103	159	17	25	10.5	15.5	44.0	..	11.7	18.4	..	129.1
Tanzania	877	1,233	29	36	13.8	13.3	81.2	77.7	38.6	53.5	..	..
Thailand	830	281	14	5	0.5	0.3	1.1	1.0	0.9	0.4	2.8	1.2
Togo	157	47	39	10	10.9	3.8	57.1	17.9	18.7	6.8	..	..
Trinidad and Tobago	17	–2	13	–1	0.3	0.0	1.2	–0.1	0.6	0.0	..	..
Tunisia	124	378	14	39	0.7	2.0	2.5	6.9	1.3	3.3	1.9	..
Turkey	238	167	4	3	0.1	0.1	0.5	0.7	0.4	0.3	0.5	0.2
Turkmenistan	24	72	5	13	1.0	1.2	..	3.3	1.2	2.3	..	..
Uganda	676	783	34	34	11.3	14.1	69.6	68.9	40.5	48.3	..	64.6
Ukraine	398	519	8	11	0.9	1.4	3.9	6.8	1.8	2.4	..	4.7
United Arab Emirates	7	3	3	1	0.0	..	..	..	..	..	0.1	..
United Kingdom												
United States												
Uruguay	35	15	11	5	0.2	0.1	1.1	0.6	0.8	0.3	0.6	0.3
Uzbekistan	88	153	4	6	0.6	1.4	2.2	7.0	1.8	4.5	..	..
Venezuela, RB	38	45	2	2	0.1	0.0	0.3	0.2	0.2	0.2	0.3	0.1
Vietnam	939	1,435	13	18	3.9	4.4	13.6	14.2	7.3	7.7	16.5	18.0
West Bank and Gaza	550	865	218	280	13.2	19.6	42.9	..	..	..	..	..
Yemen, Rep.	247	426	16	24	4.8	5.0	18.6	22.5	7.0	9.1	10.8	..
Yugoslavia, Fed. Rep. [a]	70	1,306	7	123	..	12.1	..	89.2	1.6	25.0	..	..
Zambia	610	374	66	36	19.9	10.7	145.1	51.2	35.8	20.9	..	..
Zimbabwe	371	159	32	12	4.5	1.8	23.4	22.5	10.5	7.3	12.5	..
World	**62,264 s**	**58,244 s**	**11 w**	**10 w**	**0.2 w**	**0.2 w**	**0.9 w**	**0.9 w**	**0.8 w**	**0.6 w**	**..**	**..**
Low income	25,309	25,342	11	10	2.5	2.4	10.2	11.0	8.9	8.1	..	..
Middle income	21,799	20,284	9	8	0.5	0.4	1.7	1.6	1.6	1.2	..	..
Lower middle income	17,598	16,086	9	7	0.7	0.6	2.3	2.1	2.5	1.9	..	..
Upper middle income	3,532	3,672	7	7	0.2	0.2	0.7	0.8	0.6	0.5	..	..
Low & middle income	59,015	57,217	12	11	1.0	0.9	3.9	3.8	3.6	2.9	..	..
East Asia & Pacific	8,040	7,394	5	4	0.6	0.5	1.4	1.3	1.6	1.2	..	..
Europe & Central Asia	8,670	9,783	18	21	0.8	1.0	3.3	4.4	2.4	2.3	..	..
Latin America & Carib.	7,446	5,992	15	11	0.4	0.3	1.9	1.6	1.9	1.2	..	..
Middle East & N. Africa	5,956	4,838	22	16	1.0	0.7	5.0	3.2	3.5	2.7	..	..
South Asia	5,169	5,871	4	4	1.0	1.0	4.6	4.4	5.5	5.1	..	..
Sub-Saharan Africa	16,552	13,933	28	21	5.2	4.6	27.3	23.4	14.2	10.9	..	..
High income	3,249	1,027	4	1	0.0	0.0	0.1	0.0	0.1	0.0	..	..
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. The 2001 data exclude aid from the World Food Programme.

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.

6.10 Aid dependency

About the data

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 the 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 6.9a). The 2001 data exclude aid from the World Food Programme because the organization implemented an annual program budget in 2002, and the 2001 data are not yet consistent with the DAC reporting system.

The data in the table do not distinguish among different types of aid (program, project, or food aid; emergency assistance; postconflict peacekeeping assistance; or technical cooperation), each of which may have a very different effect on the economy. Expenditures on technical cooperation 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 ODA 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 may overstate the real value of aid to the recipient. 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 countries and territories in part I of the DAC list of aid recipients. It includes loans with a grant element of at least 25 percent (calculated at a rate of discount of 10 percent). • **Net official aid** refers to aid flows (net of repayments) from official donors to countries and territories in part II of the DAC list of aid recipients: more advanced countries of Central and Eastern Europe, the countries of the former Soviet Union, and certain advanced developing countries and territories. 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 its annual *Development Cooperation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and to registered users at http://www.oecd.org/dac/htm/online.htm. 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

	Total	Ten major DAC donors										Other DAC donors
		United States	Japan	France	Germany	United Kingdom	Netherlands	Canada	Sweden	Denmark	Norway	
$ millions, 2001												
Afghanistan	322.9	7.7	0.6	9.6	44.1	35.4	72.0	14.2	20.6	2.4	39.7	76.5
Albania	149.8	42.3	6.7	2.0	24.6	5.3	11.5	2.5	3.8	3.9	3.0	44.2
Algeria	24.8	0.2	–4.0	63.5	0.6	0.2	0.5	–0.2	1.7	0.0	2.1	–39.9
Angola	179.4	34.0	20.7	5.9	9.9	7.9	20.5	2.3	13.4	3.0	17.5	44.4
Argentina	10.1	–0.5	16.5	5.9	9.2	0.0	0.5	0.7	0.2	0.0	0.0	–22.5
Armenia	124.2	78.0	5.2	4.1	16.8	2.4	7.9	0.4	0.9	0.3	2.4	5.9
Australia												
Austria												
Azerbaijan	148.4	30.9	101.0	1.5	6.8	1.2	2.6	0.3	0.1	..	2.7	1.4
Bangladesh	578.4	87.1	125.6	13.1	30.1	124.5	43.2	30.3	28.4	41.8	20.6	33.7
Belarus	22.1	8.8	0.3	1.1	6.1	0.1	1.7	0.1	1.5	0.7	0.1	1.6
Belgium												
Benin	144.5	27.4	8.3	42.5	21.9	0.1	8.0	1.8	0.1	22.9	0.1	11.4
Bolivia	530.2	119.1	65.9	8.4	51.7	45.6	73.3	8.8	20.2	26.4	3.2	107.6
Bosnia and Herzegovina	376.7	135.1	9.6	2.1	27.0	6.1	52.9	10.6	29.0	7.9	16.9	79.5
Botswana	24.2	–0.3	7.2	0.4	5.6	2.8	2.8	0.1	0.4	1.0	3.6	0.6
Brazil	156.8	–70.8	106.1	14.6	47.0	12.1	15.2	4.0	2.1	1.6	2.4	22.5
Bulgaria	173.4	39.8	48.4	11.0	37.1	5.3	4.3	0.4	0.2	4.6	0.1	22.4
Burkina Faso	220.9	13.1	20.4	44.0	23.6	1.7	44.4	5.9	6.0	28.8	0.3	32.7
Burundi	54.7	4.9	0.3	4.7	3.3	1.7	11.7	2.3	2.5	..	5.7	17.9
Cambodia	264.8	22.4	120.2	21.4	18.7	11.7	8.2	8.0	16.9	4.9	5.6	26.8
Cameroon	274.6	4.8	41.3	59.3	46.1	10.7	13.2	5.4	0.0	12.0	1.0	80.9
Canada												
Central African Republic	47.9	2.4	15.1	20.9	7.1	..	0.3	0.5	0.8	..	..	0.9
Chad	72.8	4.5	0.1	39.5	16.7	0.2	1.8	0.4	0.1	..	0.1	9.3
Chile	39.6	–18.1	21.9	8.0	18.0	..	4.0	0.7	2.3	0.0	0.8	2.2
China	1,075.1	4.8	686.1	42.8	163.8	50.7	26.5	24.3	10.1	10.2	9.7	46.0
Hong Kong, China	3.6	0.0	2.5	0.7	0.2	..	0.1	..	..	..	..	0.1
Colombia	372.3	274.7	7.1	8.2	15.0	2.6	15.5	4.8	6.2	0.0	7.4	30.8
Congo, Dem. Rep.	143.4	20.2	0.3	7.9	12.9	17.0	12.0	6.4	5.5	0.2	3.9	57.0
Congo, Rep.	29.6	10.6	0.2	11.2	1.7	..	1.4	0.3	1.7	..	0.3	2.2
Costa Rica	6.1	–29.6	–3.1	14.2	0.7	1.4	15.2	1.6	0.3	0.2	0.4	4.9
Côte d'Ivoire	158.5	2.0	4.3	110.4	19.0	1.2	7.6	1.5	0.1	..	0.2	12.3
Croatia	74.4	28.5	3.2	1.4	1.6	2.5	3.0	2.8	6.2	..	18.1	7.2
Cuba	33.7	3.6	1.9	1.4	2.2	3.2	1.1	2.6	0.8	0.1	1.7	15.2
Czech Republic	29.7	0.5	1.2	5.5	9.8	1.2	3.1	0.3	0.2	2.1	0.0	5.7
Denmark												
Dominican Republic	101.9	29.7	42.4	4.4	8.2	–0.9	2.4	0.8	0.1	0.3	0.4	14.1
Ecuador	147.6	55.2	16.5	5.1	13.7	1.0	13.6	6.2	0.4	0.9	2.8	32.2
Egypt, Arab Rep.	1,090.3	630.1	52.7	201.5	106.3	3.6	20.3	9.6	1.9	25.2	0.9	38.4
El Salvador	231.1	50.9	58.2	1.1	25.8	3.1	9.5	5.3	8.3	1.2	2.6	65.2
Eritrea	151.4	28.9	3.5	5.2	4.7	4.9	11.9	1.4	7.4	13.9	4.6	65.1
Estonia	25.6	0.5	0.9	0.9	2.4	0.1	1.8	0.2	5.2	7.3	2.5	3.8
Ethiopia	367.1	94.4	52.4	6.6	25.9	27.6	44.2	12.4	20.6	2.8	16.3	64.0
Finland												
France												
Gabon	–8.0	2.3	1.6	–14.0	0.5	..	0.8	0.9	..	..	..	0.0
Gambia, The	13.4	1.6	3.1	0.5	2.2	3.8	0.7	0.3	0.4	0.1	0.2	0.6
Georgia	151.6	94.3	15.5	1.9	20.1	5.7	3.3	0.6	2.0	0.1	3.1	5.0
Germany												
Ghana	396.0	53.5	34.6	4.5	23.8	97.8	114.2	11.2	2.0	39.7	0.5	14.0
Greece												
Guatemala	201.2	63.6	45.7	1.6	15.5	0.6	21.2	5.0	12.4	2.0	10.0	23.7
Guinea	120.3	34.9	17.4	20.4	17.9	1.1	2.3	7.7	0.6	..	3.0	15.1
Guinea-Bissau	30.4	0.1	0.2	3.9	0.7	0.0	8.0	0.1	2.1	0.2	0.0	15.2
Haiti	136.0	81.1	8.6	13.7	4.7	0.2	4.8	13.1	0.2	0.1	2.1	7.5

Distribution of net aid by Development Assistance Committee members

	Total	Ten major DAC donors										Other DAC donors
$ millions, 2001		United States	Japan	France	Germany	United Kingdom	Netherlands	Canada	Sweden	Denmark	Norway	
Honduras	422.3	201.3	76.3	4.1	17.3	1.2	10.1	6.0	31.3	3.4	21.8	49.6
Hungary	54.5	2.5	7.4	5.8	18.9	2.5	2.8	0.3	0.4	0.4	0.1	13.5
India	904.5	–17.3	528.9	–8.9	57.5	173.9	73.5	13.4	11.2	19.0	11.6	41.8
Indonesia	1,375.4	141.0	860.1	26.1	29.9	23.4	119.7	18.8	3.7	3.7	4.6	144.4
Iran, Islamic Rep.	90.8	..	34.4	6.8	32.6	2.5	3.8	..	0.0	0.1	3.7	7.0
Iraq	100.8	..	0.0	1.9	46.0	12.6	16.9	..	3.9	..	10.7	8.8
Ireland												
Israel	148.5	190.3	0.5	3.6	–47.7	..	0.7	0.1	0.0	..	..	0.9
Italy												
Jamaica	–1.0	–17.8	–4.3	–1.0	–4.7	6.7	1.8	19.8	0.4	..	0.3	–2.1
Japan												
Jordan	302.1	155.9	42.7	1.6	59.7	8.5	0.7	1.7	0.7	3.0	2.0	25.5
Kazakhstan	122.7	56.0	43.9	0.7	8.2	0.9	2.2	1.3	0.6	0.1	1.0	7.9
Kenya	270.5	43.4	46.7	9.9	32.5	55.1	23.1	3.8	13.6	12.3	4.0	26.1
Korea, Dem. Rep.	52.3	0.3	..	0.3	27.0	1.1	0.1	1.5	3.4	..	3.5	15.2
Korea, Rep.	–108.6	–44.3	–79.1	10.1	3.9	..	0.1	..	..	..	..	0.7
Kuwait	2.9	..	0.1	1.0	1.8	..	0.0	..	..	..	..	0.0
Kyrgyz Republic	71.3	28.1	23.2	0.2	7.4	2.4	1.8	0.8	0.9	0.7	0.5	5.4
Lao PDR	149.9	4.5	75.5	10.7	13.6	1.1	2.7	0.6	12.1	3.2	4.8	21.0
Latvia	49.6	1.7	1.2	0.9	4.6	0.1	2.1	0.5	12.7	21.3	0.7	3.8
Lebanon	101.7	46.8	7.4	27.1	5.6	0.4	0.5	1.5	0.9	..	4.3	7.3
Lesotho	29.5	1.7	5.2	–0.2	4.4	4.1	0.7	0.2	..	3.2	0.3	9.9
Liberia	15.6	12.6	0.1	1.5	–6.5	1.2	2.3	0.3	1.1	0.0	0.7	2.4
Libya	4.3	..	0.2	1.1	1.5	..	0.1	..	..	..	..	1.5
Lithuania	48.4	–1.2	1.8	1.3	6.8	0.2	2.0	0.2	14.8	19.7	0.6	2.2
Macedonia, FYR	164.2	37.3	20.2	1.0	12.2	7.4	43.9	10.8	6.2	0.4	6.3	18.6
Madagascar	137.9	37.2	25.5	41.7	10.0	2.5	1.5	0.2	..	0.1	4.2	15.1
Malawi	195.8	30.6	18.3	0.5	19.8	66.5	13.1	11.0	2.3	21.6	9.6	2.7
Malaysia	24.9	0.7	13.1	–3.3	4.1	0.1	0.6	0.6	0.0	10.8	0.5	–2.2
Mali	208.5	24.8	23.1	60.8	19.3	1.1	41.5	9.0	4.4	0.1	6.7	17.9
Mauritania	81.3	6.2	29.6	18.6	9.7	1.0	3.5	1.0	0.4	..	0.4	11.0
Mauritius	8.1	–0.4	1.3	3.2	–1.2	2.3	0.1	0.1	..	..	0.6	2.0
Mexico	40.7	41.8	–11.1	–2.7	14.2	1.3	2.7	1.5	0.3	–0.4	0.4	–7.3
Moldova	78.8	43.5	8.2	1.1	1.9	2.5	15.2	0.1	2.6	..	1.0	2.9
Mongolia	141.1	12.7	81.5	0.4	24.9	2.1	2.5	0.8	2.6	1.1	5.7	6.7
Morocco	342.1	–12.7	101.6	174.4	29.3	0.2	1.0	3.2	0.6	–0.7	0.1	45.2
Mozambique	720.2	91.8	33.5	15.3	40.7	185.2	86.6	13.9	42.6	48.3	32.6	129.7
Myanmar	89.2	2.9	69.9	1.2	1.8	1.7	2.2	1.3	0.6	1.0	2.8	3.8
Namibia	77.5	13.9	3.2	3.2	18.4	3.5	5.0	0.2	8.6	2.8	3.7	15.0
Nepal	270.2	20.2	84.4	–0.6	37.9	33.2	13.4	4.3	13.6	26.1	11.5	26.2
Netherlands												
New Zealand												
Nicaragua	714.7	100.6	62.0	2.8	31.8	1.0	18.5	6.5	22.7	28.0	14.6	426.3
Niger	113.6	8.0	13.0	37.0	15.7	0.5	4.2	2.3	..	5.6	2.6	24.6
Nigeria	107.5	24.7	8.9	14.8	13.3	32.8	2.8	4.5	0.7	–3.5	1.1	7.6
Norway												
Oman	8.1	–4.0	11.6	0.5	0.1	0.0	0.0	..	..	..	..	0.0
Pakistan	1,110.1	775.6	211.4	13.9	20.1	27.4	18.0	13.9	1.1	–0.8	5.5	24.0
Panama	17.1	0.8	3.5	0.4	1.7	0.3	0.6	0.7	..	1.7	..	7.4
Papua New Guinea	198.0	1.1	26.2	0.3	3.3	..	1.2	..	0.1	..	0.1	165.7
Paraguay	58.3	7.0	34.8	0.0	3.6	0.1	1.1	0.2	1.4	..	0.6	9.5
Peru	425.4	161.6	156.5	3.2	24.2	7.5	24.5	9.5	2.7	1.9	2.2	31.8
Philippines	505.0	83.0	298.2	0.7	19.1	6.0	20.6	14.4	2.5	5.5	1.7	53.2
Poland	486.9	8.0	–3.9	182.9	39.4	4.5	2.7	112.7	3.5	16.2	0.3	120.9
Portugal												
Puerto Rico												

6.11 Distribution of net aid by Development Assistance Committee members

	Total	Ten major DAC donors										Other DAC donors
		United States	Japan	France	Germany	United Kingdom	Netherlands	Canada	Sweden	Denmark	Norway	
$ millions, 2001												
Romania	142.1	41.8	9.7	24.5	24.8	6.8	8.1	3.3	0.5	5.2	0.1	17.3
Russian Federation	906.6	659.3	4.5	14.2	64.1	38.3	9.9	18.1	32.5	14.3	18.7	32.6
Rwanda	148.9	31.1	1.0	6.1	14.6	36.8	19.2	6.7	8.4	2.7	2.0	20.3
Saudi Arabia	10.5	..	7.2	2.9	0.4	..	0.0	..	..	..	..	0.0
Senegal	223.7	28.8	22.4	102.4	16.7	1.0	12.0	8.6	0.1	1.4	1.1	29.3
Sierra Leone	166.8	26.4	0.0	2.0	12.0	51.1	38.1	2.8	3.5	0.2	9.3	21.5
Singapore	0.7	..	2.4	1.3	–3.4	0.2	0.1	0.1	..	..	..	0.1
Slovak Republic	33.8	3.1	2.4	3.0	6.1	2.3	3.5	1.0	0.2	3.8	0.2	8.2
Slovenia	0.0	0.7	0.4	0.7	–6.7	0.2	0.8	1.0	0.5	..	0.0	2.5
Somalia	88.5	17.8	..	0.5	1.1	3.6	13.1	0.5	5.6	0.4	12.4	33.5
South Africa	313.3	85.9	13.4	1.3	36.9	41.8	34.8	7.5	26.5	15.3	17.0	33.0
Spain												
Sri Lanka	279.9	–9.7	184.7	0.8	31.1	15.0	15.8	2.8	18.3	–0.5	15.2	6.5
Sudan	107.6	17.5	0.7	1.8	11.3	9.9	23.6	4.7	7.9	1.5	13.1	15.7
Swaziland	4.2	–0.1	6.5	0.0	–1.3	–3.2	1.1	0.1	..	0.4	0.1	0.5
Sweden												
Switzerland												
Syrian Arab Republic	92.3	0.0	–19.5	14.6	83.3	0.1	2.8	0.1	0.1	..	0.9	9.8
Tajikistan	63.5	40.4	4.6	0.0	4.7	0.9	0.6	0.8	1.0	0.2	0.8	9.3
Tanzania	943.8	25.9	260.4	13.1	48.2	290.1	75.1	8.4	47.3	66.6	34.9	73.7
Thailand	270.9	24.7	209.6	–10.3	7.7	–0.2	3.3	2.6	3.2	11.8	1.4	16.9
Togo	28.5	2.3	2.9	10.3	7.3	0.5	1.0	0.2	0.3	..	0.0	3.6
Trinidad and Tobago	4.3	1.2	1.2	0.9	0.1	0.3	0.1	0.5	..	..	..	0.1
Tunisia	183.7	–18.8	88.5	87.6	8.0	0.1	0.1	0.1	0.4	..	0.0	17.8
Turkey	–31.4	–59.5	–64.6	3.1	66.3	–0.2	2.4	0.0	0.8	0.0	2.9	17.5
Turkmenistan	33.1	14.1	16.4	0.3	0.9	0.1	0.2	0.0	1.0	..	0.0	0.1
Uganda	386.3	66.5	14.6	6.5	33.2	82.2	40.8	2.6	29.4	58.7	19.7	32.1
Ukraine	342.5	247.0	7.1	4.3	33.5	13.7	3.6	13.8	5.9	6.2	0.2	7.3
United Arab Emirates	2.5	..	0.1	1.9	0.5	..	..	..	..	..	..	0.0
United Kingdom												
United States												
Uruguay	10.7	–1.7	5.9	1.4	4.2	..	0.1	0.2	0.1	..	0.0	0.5
Uzbekistan	106.7	50.2	30.9	3.7	13.7	0.8	1.1	0.3	0.0	..	0.8	5.0
Venezuela, RB	33.5	10.6	3.1	3.3	2.9	0.1	0.3	0.6	0.1	..	0.1	12.4
Vietnam	822.1	8.7	459.5	61.8	37.9	23.7	36.2	11.8	34.9	60.2	5.7	81.6
West Bank and Gaza	280.2	84.3	21.5	12.7	17.9	17.0	14.0	0.5	21.9	5.0	37.5	47.9
Yemen, Rep.	99.8	28.5	4.9	1.6	27.3	3.3	28.7	0.4	0.6	0.1	0.1	4.4
Yugoslavia, Fed. Rep.	631.1	210.2	0.1	21.4	78.3	17.0	51.6	0.3	35.0	0.9	35.8	180.5
Zambia	274.1	29.0	47.0	7.7	13.8	55.8	29.6	8.9	17.5	22.6	20.8	21.3
Zimbabwe	148.6	16.0	29.0	2.0	10.2	18.1	23.5	3.0	8.2	17.9	10.2	10.5
World	**38,660.0 s**	**9,743.4 s**	**7,482.5 s**	**3,606.6 s**	**3,104.2 s**	**2,708.4 s**	**2,320.7 s**	**1,351.4 s**	**1,317.8 s**	**1,147.4 s**	**969.8 s**	**4,907.9 s**
Low income	15,383.8	2,774.3	3,739.0	940.4	1,082.8	1,576.7	1,247.7	311.5	444.9	594.0	394.9	2,277.7
Middle income	12,714.5	3,512.7	2,642.7	1,210.8	1,448.9	453.0	632.0	356.7	349.3	265.3	298.2	1,544.9
Lower middle income	10,787.8	3,388.6	2,400.5	803.2	1,185.2	341.2	553.4	189.4	295.4	151.8	244.9	1,234.1
Upper middle income	1,543.4	44.0	240.4	388.4	203.8	91.8	65.4	132.4	49.8	85.5	35.5	206.3
Low & middle income	37,836.4	9,561.9	7,554.5	2,904.0	3,149.7	2,707.7	2,273.1	1,350.1	1,317.2	1,147.4	969.5	4,901.3
East Asia & Pacific	5,649.9	535.2	2,987.6	214.8	355.6	134.6	232.3	90.5	93.1	116.5	50.8	839.0
Europe & Central Asia	4,895.7	1,944.0	306.9	301.9	544.0	153.0	251.6	198.1	202.9	154.5	125.9	712.9
Latin America & Carib.	4,465.3	1,473.3	738.2	111.9	334.3	190.1	269.6	137.8	139.3	76.0	87.1	907.8
Middle East & N. Africa	2,815.1	920.6	352.4	623.8	422.9	48.8	91.3	29.6	37.6	33.1	65.0	190.1
South Asia	3,523.6	863.7	1,156.8	27.9	221.8	409.7	242.8	79.6	93.5	100.3	104.8	222.9
Sub-Saharan Africa	8,335.5	1,374.8	849.0	978.8	684.2	1,185.6	830.0	201.4	346.5	412.0	321.6	1,151.5
High income	823.6	181.4	–72.0	702.6	–45.6	0.7	47.6	1.4	0.6	0.0	0.3	6.7
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.

Distribution of net aid by Development Assistance Committee members

6.11

About the data

The data in the table show net bilateral aid to low- and middle-income economies from members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). The DAC compilation of the data 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.

The data in the table are based on donor country reports of bilateral programs, which may differ from reports by recipient countries. Recipients may lack access to information on such aid expenditures as development-oriented research, stipends and tuition costs for aid-financed students in donor countries, or payment of experts hired by donor countries. Moreover, a full accounting would include donor country contributions to multilateral institutions, the flow of resources from multilateral institutions to recipient countries, and flows from countries that are not members of DAC.

The expenditures that countries report as official development assistance (ODA) have changed. For example, some DAC members have reported as ODA the aid provided to refugees during the first 12 months of their stay within the donor's borders.

Some of the aid recipients shown in the table are also aid donors. See table 6.9a for a summary of ODA from non-DAC countries.

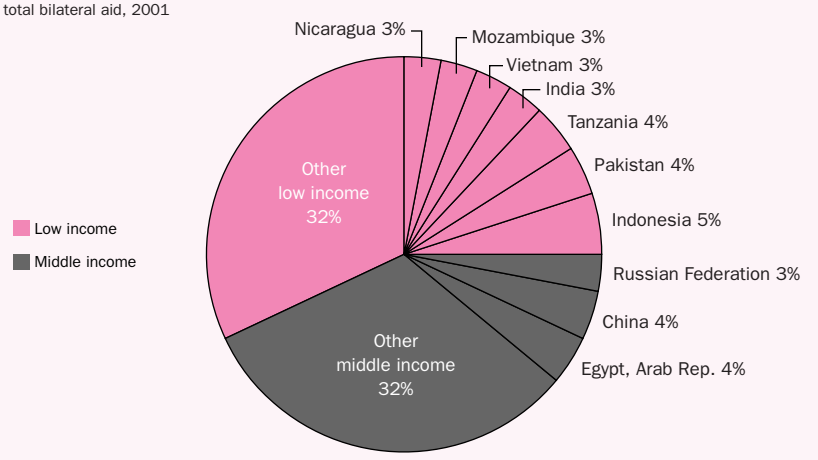
Definitions

• **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.

6.11a

A large share of bilateral aid goes to middle-income countries

% of total bilateral aid, 2001



Note: The countries shown are the top 10 recipients of bilateral aid. Aid to the Russian Federation and many other middle-income economies is not classified as official development assistance. The figure excludes aid to high-income countries (less than 1 percent of bilateral aid) and unallocated aid.
Source: OECD data.

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 its annual *Development Cooperation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and to registered users at http://www.oecd.org/dac/htm/online.htm.

6.12 Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Concessional	Non-concessional	Concessional	Non-concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
$ millions, 2001													
Afghanistan	..	..	..	..	..	..	..	3.9	0.8	9.0	*6.7*	13.6	27.2
Albania	34.3	0.0	4.1	–5.6	0.0	1.4	16.4	1.6	0.5	0.5	..	3.4	56.5
Algeria	0.0	–93.9	0.0	–140.6	0.0	42.8	–182.8	0.7	1.2	0.9	*2.4*	4.9	–366.8
Angola	10.8	0.0	0.0	0.0	–0.1	–1.5	2.7	1.0	1.7	7.2	*38.4*	9.8	31.6
Argentina	0.0	653.3	0.0	9,218.3	0.0	1,191.1	0.1	..	0.0	1.1	..	8.3	11,072.2
Armenia	55.0	–0.4	10.6	–7.2	0.0	–2.3	10.7	0.5	0.3	0.9	*2.6*	4.3	72.2
Australia													
Austria													
Azerbaijan	27.6	0.0	10.2	–39.3	0.0	–1.7	5.5	2.2	0.8	0.8	*2.4*	4.1	10.2
Bangladesh	217.9	–5.2	–60.1	0.0	122.7	0.2	22.9	12.2	13.7	12.8	*8.9*	14.0	351.3
Belarus	0.0	–7.3	0.0	–29.7	0.0	–16.3	–3.0	0.3	0.1	..	..	1.7	–54.2
Belgium													
Benin	43.6	0.0	0.5	0.0	25.0	–0.1	13.5	0.9	1.9	1.8	*1.9*	3.2	90.3
Bolivia	101.3	–0.2	3.6	0.0	68.4	–40.0	77.8	1.2	2.7	1.4	*5.7*	3.6	219.8
Bosnia and Herzegovina	61.7	–5.3	0.0	10.1	0.0	15.5	–177.4	0.2	0.1	0.4	..	23.4	–71.3
Botswana	–0.5	–4.5	0.0	0.0	–1.6	–13.3	–4.1	0.7	1.0	0.7	..	2.4	–19.1
Brazil	0.0	810.2	0.0	6,718.3	0.0	728.1	–12.5	0.3	1.2	1.6	..	123.9	8,371.3
Bulgaria	0.0	55.8	0.0	–167.6	0.0	–9.5	–15.4	0.7	0.1	..	..	1.7	–134.2
Burkina Faso	69.0	0.0	14.5	0.0	13.8	0.0	18.5	3.9	1.4	3.6	*1.1*	4.5	129.2
Burundi	2.2	0.0	–4.4	0.0	–0.3	–0.2	–0.9	4.5	0.8	2.5	*2.1*	7.2	11.5
Cambodia	39.6	0.0	10.6	–1.3	41.4	0.0	4.5	3.9	3.1	3.6	*10.2*	4.9	110.2
Cameroon	12.3	–8.6	20.3	–2.0	13.5	4.1	0.8	1.9	1.3	2.2	*0.4*	3.4	49.2
Canada													
Central African Republic	–5.5	0.0	10.2	0.0	0.0	0.0	–1.1	1.2	0.8	2.0	*1.6*	4.2	11.6
Chad	20.2	9.1	15.7	0.0	9.4	0.0	0.7	2.4	0.9	2.3	*3.5*	5.3	66.0
Chile	–0.7	–79.9	0.0	0.0	–1.3	11.7	–0.4	3.2	0.1	0.8	..	1.6	–65.0
China	223.7	663.1	0.0	0.0	0.0	643.7	–137.8	8.9	3.6	12.5	*7.5*	11.6	1,429.4
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..	0.0	0.0
Colombia	–0.7	136.1	0.0	0.0	–12.3	649.4	345.0	0.2	0.7	1.0	*3.2*	5.4	1,124.6
Congo, Dem. Rep.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7	1.7	18.0	*2.1*	42.8	66.2
Congo, Rep.	32.4	–48.2	0.0	–1.2	0.0	–0.7	0.0	2.1	0.3	1.0	*0.1*	7.7	–6.7
Costa Rica	–0.2	–18.6	0.0	0.0	–11.0	–34.9	43.9	0.1	0.2	0.7	..	2.3	–17.4
Côte d'Ivoire	5.0	–72.1	–66.7	0.0	0.1	–26.4	0.4	1.7	1.0	2.7	*0.8*	10.3	–144.0
Croatia	0.0	56.9	0.0	–30.8	0.0	5.6	1.4	0.2	..	..	..	10.1	43.4
Cuba	..	..	..	..	..	..	..	0.9	0.6	0.9	*2.0*	2.3	4.6
Czech Republic	0.0	–41.2	0.0	0.0	0.0	0.0	177.7	0.1	..	..	..	1.2	137.8
Denmark													
Dominican Republic	–0.7	25.6	0.0	0.0	–10.2	107.1	–1.6	0.1	1.0	0.9	*1.0*	1.9	124.0
Ecuador	–1.1	48.3	0.0	48.1	–16.0	68.4	–52.2	0.2	1.0	0.9	*2.3*	2.3	99.8
Egypt, Arab Rep.	2.5	–55.1	0.0	0.0	17.8	–1.0	–28.1	1.7	3.2	3.4	*9.1*	6.7	–49.0
El Salvador	–0.8	25.2	0.0	0.0	–17.9	128.4	0.6	–0.1	1.0	0.8	*0.9*	1.5	138.6
Eritrea	78.2	0.0	0.0	0.0	5.6	0.0	5.8	3.7	2.7	2.1	*1.7*	3.4	101.5
Estonia	0.0	–2.5	0.0	–4.9	0.0	–2.7	–3.4	0.1	0.1	..	..	0.2	–13.2
Ethiopia	433.1	0.0	32.4	0.0	24.7	–18.5	14.9	17.0	3.3	19.4	*36.0*	32.7	559.0
Finland													
France													
Gabon	0.0	–9.1	0.0	–11.1	0.0	–31.7	–0.6	0.1	0.2	0.8	*0.0*	3.2	–48.2
Gambia, The	6.9	0.0	8.5	0.0	3.1	0.0	6.3	1.9	0.4	0.9	*1.6*	1.7	29.7
Georgia	63.1	0.0	30.8	–11.8	0.0	5.8	–6.4	1.2	0.3	0.6	*2.0*	5.9	89.5
Germany													
Ghana	158.9	–3.3	1.5	0.0	46.2	–8.5	4.1	4.0	2.8	3.0	*1.5*	5.0	213.6
Greece													
Guatemala	0.0	34.7	0.0	0.0	–4.9	64.9	–7.8	0.4	0.6	1.1	*2.7*	0.8	89.8
Guinea	62.5	0.0	17.7	0.0	2.3	–0.5	–1.8	1.2	0.8	3.4	*1.3*	31.5	117.0
Guinea-Bissau	2.4	0.0	0.0	0.0	1.1	0.0	–1.8	1.0	0.5	1.0	*0.2*	1.7	5.8
Haiti	0.8	0.0	0.0	0.0	5.3	0.0	–0.1	2.5	2.9	2.2	*6.1*	1.4	14.9

Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Concessional	Non-concessional	Concessional	Non-concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
$ millions, 2001													
Honduras	94.5	–5.0	13.2	0.0	94.1	–14.4	10.7	0.1	1.4	1.1	*0.9*	1.0	196.6
Hungary	0.0	–10.3	0.0	0.0	0.0	–12.2	7.5	0.4	..	..	..	1.8	–12.8
India	771.1	–79.0	0.0	0.0	0.0	91.2	103.4	17.7	11.1	30.8	*27.0*	32.4	1,136.7
Indonesia	12.3	–280.0	0.0	–1,357.5	10.5	230.4	–21.7	3.8	6.8	5.1	*0.0*	16.3	–1,373.9
Iran, Islamic Rep.	0.0	–25.4	0.0	0.0	0.0	0.0	0.0	1.2	2.1	1.8	*0.1*	17.2	–3.1
Iraq	..	..	..	..	..	..	..	0.8	0.3	2.4	*0.1*	5.9	9.4
Ireland													
Israel	..	..	..	..	..	..	..	..	..	..	..	0.5	0.5
Italy													
Jamaica	0.0	39.5	0.0	–18.4	–4.7	–9.0	–9.3	0.1	0.0	0.8	..	1.3	0.3
Japan													
Jordan	–2.6	106.4	0.0	–12.5	0.0	0.0	38.3	0.5	0.9	0.8	*1.2*	82.7	214.5
Kazakhstan	0.0	66.6	0.0	0.0	1.3	2.9	18.0	0.8	0.7	0.8	..	2.0	93.2
Kenya	80.9	–22.5	–23.7	0.0	7.1	–15.1	–15.5	5.2	2.1	4.7	*19.4*	25.4	48.6
Korea, Dem. Rep.	..	..	..	..	..	..	..	0.7	0.7	1.1	*0.6*	4.8	7.3
Korea, Rep.	–3.5	–140.2	0.0	–5,681.2	0.0	–29.9	0.1	–0.4	..	..	..	1.0	–5,854.1
Kuwait	..	..	..	..	..	..	..	..	..	..	..	0.7	0.7
Kyrgyz Republic	26.7	0.0	4.8	–6.8	58.3	–8.5	6.3	1.2	0.5	0.9	..	1.9	85.1
Lao PDR	26.9	0.0	–3.6	0.0	38.9	0.0	11.4	1.5	1.9	2.3	*1.0*	2.7	82.0
Latvia	0.0	10.7	0.0	–9.7	0.0	–14.1	21.2	0.2	0.1	..	..	0.4	8.8
Lebanon	0.0	23.9	0.0	0.0	0.0	0.0	53.9	0.6	1.1	0.8	..	50.1	130.3
Lesotho	9.5	–0.8	4.6	0.0	3.8	–2.4	–3.5	0.5	0.3	0.7	*1.2*	0.8	13.5
Liberia	0.0	0.0	0.0	–0.6	0.0	0.0	0.0	2.1	0.8	1.8	*12.7*	8.0	12.1
Libya	..	..	..	..	..	..	..	..	..	..	..	5.2	5.2
Lithuania	0.0	26.7	0.0	–34.0	0.0	–6.3	21.4	0.2	0.1	..	..	0.4	8.5
Macedonia, FYR	14.9	4.5	0.0	–7.6	0.0	–13.8	–0.7	0.6	..	0.8	..	6.1	4.7
Madagascar	86.8	0.0	28.1	0.0	19.0	0.0	12.0	5.9	1.8	3.6	*2.7*	2.1	159.2
Malawi	98.6	–4.5	–4.0	0.0	8.8	–0.7	0.0	1.7	2.5	4.3	*1.8*	3.1	109.7
Malaysia	0.0	–22.5	0.0	0.0	0.0	–24.5	–2.3	0.4	0.1	0.7	..	1.9	–46.3
Mali	64.6	0.0	8.4	0.0	5.8	0.0	10.8	2.6	2.1	4.9	*2.0*	3.8	103.0
Mauritania	45.4	0.0	17.9	0.0	4.3	0.0	–12.4	0.8	1.3	1.3	*2.2*	1.4	59.9
Mauritius	–0.6	–8.2	0.0	0.0	–0.3	–4.0	–3.8	0.2	0.2	0.6	..	1.0	–14.9
Mexico	0.0	–560.6	0.0	0.0	–0.4	300.4	0.0	0.5	1.6	1.4	..	8.3	–248.9
Moldova	14.2	–3.1	11.8	–14.3	0.0	3.2	–7.7	0.9	0.2	0.7	..	1.4	7.2
Mongolia	23.5	0.0	–1.7	0.0	30.4	0.0	0.7	1.2	2.2	1.1	..	3.4	60.8
Morocco	–1.4	–218.3	0.0	0.0	5.1	–5.3	99.4	1.1	0.8	1.8	*2.2*	3.7	–113.2
Mozambique	48.7	0.0	10.5	0.0	48.9	–3.9	4.4	6.5	5.8	8.4	*3.4*	4.0	133.2
Myanmar	0.0	0.0	0.0	0.0	0.0	0.0	–0.2	15.6	1.5	6.5	..	9.2	32.6
Namibia	..	..	..	..	..	..	..	0.3	0.6	0.8	*0.3*	4.8	6.5
Nepal	29.6	0.0	–4.3	0.0	34.1	0.0	4.3	8.4	4.9	6.0	*6.3*	11.4	94.5
Netherlands													
New Zealand													
Nicaragua	61.8	–4.6	–5.1	0.0	105.3	–8.5	0.2	1.5	2.4	1.0	*8.4*	1.8	155.9
Niger	61.5	0.0	10.1	0.0	8.3	0.0	–4.2	5.0	2.3	5.9	*3.0*	4.1	93.0
Nigeria	1.3	–189.1	0.0	0.0	10.1	–78.0	–1.7	8.6	5.6	22.8	..	21.0	–199.4
Norway													
Oman	0.0	–1.4	0.0	0.0	0.0	0.0	285.7	..	0.0	0.5	..	1.2	286.1
Pakistan	530.6	–161.4	37.9	297.5	432.5	9.7	8.7	5.9	3.3	12.4	*2.7*	24.7	1,201.8
Panama	0.0	0.0	0.0	–33.3	–10.6	44.7	4.4	0.2	0.4	0.6	..	1.4	7.8
Papua New Guinea	–3.2	40.3	0.0	70.9	–3.9	30.3	–2.4	0.3	0.5	1.1	..	1.9	135.8
Paraguay	–1.5	13.0	0.0	0.0	–10.2	32.7	–11.3	0.1	0.7	0.8	..	0.5	24.9
Peru	0.0	35.4	0.0	–153.4	–6.4	278.3	507.0	0.6	1.6	1.0	*3.9*	5.6	669.5
Philippines	1.7	–193.7	0.0	–7.7	14.4	94.9	–0.1	2.9	2.9	2.9	..	6.0	–75.8
Poland	0.0	93.4	0.0	0.0	0.0	0.0	0.0	0.3	0.1	..	..	1.3	95.1
Portugal													
Puerto Rico													

6.12 Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	World Bank		IMF		Regional development banks								
$ millions, 2001	IDA	IBRD	Concessional	Non-concessional	Concessional	Non-concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
Romania	0.0	31.4	0.0	–50.6	0.0	4.5	207.6	0.6	0.5	0.7	..	2.1	196.8
Russian Federation	0.0	23.5	0.0	–3,816.7	0.0	26.8	0.0	0.5	0.6	..	..	17.3	–3,748.0
Rwanda	50.1	0.0	11.0	–0.9	10.2	0.0	–2.1	2.7	1.6	2.8	*20.0*	8.5	83.9
Saudi Arabia	..	..	..	..	..	..	..	..	..	0.4	..	15.9	16.3
Senegal	109.4	–1.3	7.1	0.0	20.9	–3.6	18.3	2.3	2.2	2.5	*3.0*	2.8	160.5
Sierra Leone	67.2	0.0	32.0	–47.7	12.4	–0.3	–1.1	3.1	0.5	2.8	*0.0*	5.6	74.3
Singapore	..	..	..	..	..	..	..	..	..	..	..	0.2	0.2
Slovak Republic	0.0	31.7	0.0	0.0	0.0	–1.1	64.4	0.3	..	..	..	1.1	96.4
Slovenia	..	..	..	..	..	..	..	0.1	..	..	..	1.0	1.0
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.2	5.6	*0.7*	11.5	20.8
South Africa	0.0	4.0	0.0	0.0	0.0	0.0	0.0	1.5	1.6	2.0	..	7.1	16.1
Spain													
Sri Lanka	11.9	–4.3	–71.3	131.6	59.3	0.2	1.3	3.2	1.4	0.8	*2.5*	9.0	143.0
Sudan	–0.9	–0.5	0.0	0.0	0.0	0.0	–0.2	2.2	2.5	6.4	*6.7*	18.3	27.8
Swaziland	–0.3	0.0	0.0	0.0	1.6	5.2	8.0	0.3	0.2	0.6	..	1.4	17.0
Sweden													
Switzerland													
Syrian Arab Republic	–1.5	–7.9	0.0	0.0	0.0	0.0	–43.6	0.9	2.5	0.9	*4.6*	28.5	–20.1
Tajikistan	34.8	0.0	15.3	–11.9	2.9	0.0	28.2	2.5	0.6	1.1	*4.9*	2.5	76.0
Tanzania	99.6	–3.5	48.6	0.0	9.3	0.0	4.2	5.2	4.1	5.9	*2.5*	29.9	203.3
Thailand	–3.4	105.5	0.0	–1,289.0	–2.2	70.5	–15.2	1.0	0.7	1.2	*0.0*	6.5	–1,124.4
Togo	1.4	0.0	0.0	0.0	0.0	0.0	12.0	2.3	1.2	1.6	..	2.1	20.6
Trinidad and Tobago	0.0	1.3	0.0	0.0	2.8	–8.9	–5.4	0.0	..	..	..	0.5	–9.7
Tunisia	–2.1	146.9	0.0	–31.5	0.0	47.4	120.1	0.5	0.8	0.8	..	2.4	285.3
Turkey	–5.9	1,105.7	0.0	10,219.8	0.0	0.0	547.3	0.8	0.7	0.9	..	5.6	11,874.9
Turkmenistan	0.0	2.2	0.0	0.0	0.0	–3.0	–0.7	0.9	0.7	1.0	..	1.0	2.1
Uganda	292.8	0.0	–3.3	0.0	34.1	–2.6	–0.4	4.3	4.8	5.4	*8.6*	17.6	352.6
Ukraine	0.0	304.8	0.0	–89.7	0.0	–22.9	–15.3	1.2	0.3	..	..	4.0	182.4
United Arab Emirates	..	..	..	..	..	..	..	–0.4	..	..	..	0.9	0.5
United Kingdom													
United States													
Uruguay	0.0	–7.8	0.0	0.0	–1.7	157.2	–3.8	0.3	0.1	0.9	..	1.0	146.1
Uzbekistan	0.0	31.2	0.0	–44.7	4.5	45.5	0.1	1.2	0.7	1.6	..	1.4	41.3
Venezuela, RB	0.0	–133.3	0.0	–198.1	0.0	119.1	102.9	0.2	0.6	0.8	*0.2*	2.9	–104.9
Vietnam	276.7	0.0	67.0	–5.1	138.9	0.0	14.1	7.4	3.9	4.4	*10.1*	7.1	514.3
West Bank and Gaza	..	..	..	..	..	..	..	2.4	1.2	1.5	*1.1*	211.9	217.0
Yemen, Rep.	59.8	0.0	113.0	–44.5	0.0	0.0	–16.2	5.7	4.0	3.8	*7.1*	8.9	134.5
Yugoslavia, Fed. Rep.	0.0	0.0	0.0	127.3	0.0	0.0	5.9	1.8	1.6	0.1	*0.2*	50.8	187.5
Zambia	121.6	–7.8	53.5	0.0	10.9	0.0	6.2	2.8	1.1	3.4	*4.2*	14.2	206.0
Zimbabwe	–2.2	–10.9	–1.3	–7.6	0.0	–2.0	1.2	1.7	1.6	3.4	..	5.1	–10.9
World	**.. s**	**.. s**	**.. s**	**.. s**	**.. s**	**.. s**	**.. s**	**287.0 s**	**313.6 s**	**605.2 s**	***357.3* s**	**1,920.3 s**	**.. s**
Low income	4,458.5	–363.3	473.4	–1,378.0	1,393.5	279.2	183.1	230.1	136.4	285.4	*298.0*	560.7	6,258.9
Middle income	556.8	2,862.2	–51.3	20,418.6	209.1	4,609.4	2,086.6	52.5	53.0	69.0	*59.4*	850.8	31,716.6
Lower middle income	557.3	2,053.8	–51.3	4,804.0	234.5	2,186.8	1,359.5	43.2	43.0	56.0	*55.8*	562.6	11,849.4
Upper middle income	–0.5	808.3	0.0	15,614.6	–25.5	2,422.6	727.0	9.3	7.3	12.2	*0.2*	251.8	19,827.3
Low & middle income	5,015.3	2,498.9	422.1	19,040.6	1,602.6	4,888.6	2,269.7	286.7	313.6	605.2	*357.3*	1,913.6	38,856.8
East Asia & Pacific	600.5	308.9	72.3	–2,589.8	269.0	1,045.8	–152.6	51.2	30.5	46.6	*29.6*	91.7	–226.0
Europe & Central Asia	326.3	1,774.8	87.6	5,974.2	67.0	–3.2	897.8	21.1	9.8	16.0	*12.2*	144.9	9,316.4
Latin America & Carib.	261.3	1,013.7	6.2	15,581.5	212.9	3,797.6	1,029.6	14.4	22.3	25.4	*37.3*	213.8	22,178.7
Middle East & N. Africa	63.1	–124.7	117.6	–231.1	24.7	83.8	321.0	16.4	18.5	21.1	*28.8*	448.6	758.9
South Asia	1,566.5	–91.8	–97.7	429.1	656.9	169.8	84.0	53.1	36.5	73.4	*55.6*	107.1	2,986.9
Sub-Saharan Africa	2,197.7	–382.1	236.1	–123.3	372.2	–205.4	89.8	126.5	75.6	181.2	*190.6*	562.4	3,130.8
High income	..	..	..	..	..	..	..	0.3	0.0	0.0	*0.0*	6.7	..
Europe EMU													

Note: The aggregates for the regional development banks, United Nations, and total net financial flows include amounts for economies not specified elsewhere. Because the World Food Programme implemented an annual program budget in 2002, its 2001 data are not yet consistent with the Development Assistance Committee's reporting system. The World Food Programme data in the table are for 2000 and are not included in the total column.

Net financial flows from multilateral institutions 6.12

About the data

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 the data comes 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 from bilateral donors are defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) 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 flows from multilateral development agencies are credits provided through their concessional lending facilities. The cost of these loans is reduced through subsidies provided by donors or drawn from other resources available to the agencies. Grants provided by multilateral agencies are not included in the net flows.

All concessional lending by the World Bank is carried out by the International Development Association (IDA). 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 July 1, 2002, the GNI per capita cutoff has been set at $745, measured in 2001 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 lending by the International Bank for Reconstruction and Development (IBRD). 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 Poverty Reduction and Growth Facility, which replaced the Enhanced Structural Adjustment Facility in 1999, and through the IMF Trust Fund. Eligibility is based principally on a country's per capita income and eligibility under IDA, the World Bank's concessional window.

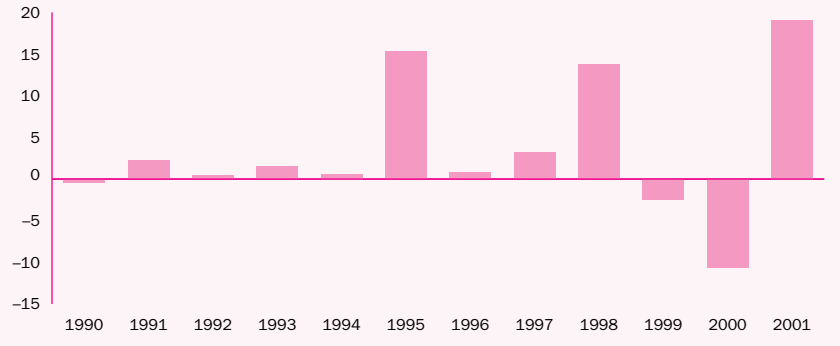
Regional development banks also maintain concessional windows for funds. Loans from the major regional development banks—the African Development Bank, Asian Development Bank, and Inter-American Development Bank—are recorded in the table according to each institution's classification.

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.

6.12a

The International Monetary Fund responds to financial crises in developing countries

Net nonconcessional financial flows from the IMF ($ billions)



Financial crises in Mexico (1994–95), East Asia (1997–98), and Latin America (2001) led to large disbursements of nonconcessional lending by the International Monetary Fund.

Source: World Bank, Debtor Reporting System.

Definitions

• **Net financial flows** 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. • **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, mainly to meet their balance of payments needs. It provides concessional assistance through the Poverty Reduction and Growth Facility and the IMF Trust Fund. • **Regional development banks** include the African Development Bank, in Abidjan, Côte d'Ivoire, which lends to all of Africa, including North Africa; the Asian Development Bank, in Manila, Philippines, which serves countries in South and Central Asia and East Asia and Pacific; the European Bank for Reconstruction and Development, in London, England, which serves countries in Europe and Central Asia; the European Development Fund, in Brussels, Belgium, which serves countries in Africa, the Caribbean, and the Pacific; and the Inter-American Development Bank, 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 Programme 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 2003* and electronically as *GDF Online*. The data on aid from United Nations agencies come from the DAC annual *Development Cooperation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and to registered users at http://www.oecd.org/dac/htm/online.htm.

6.13 Foreign labor and population in selected OECD countries

	Foreign population [a]				Foreign labor force [b]		Inflows of foreign population			
	thousands		% of total population		% of total labor force		Total thousands [c]		Asylum seekers thousands	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Austria	456	758	5.9	9.3	7.4	10.5	..	66	23	18
Belgium	905	862	9.1	8.4	7.1	*8.9*	50	69	13	43
Denmark	161	259	3.1	4.8	2.4	3.4	15	*20*	5	10
Finland	26	91	0.5	1.8	..	*1.5*	6	9	3	3
France	3,597	*3,263*	6.3	*5.6*	6.2	6.0	102 [d]	119 [d]	55	39
Germany	5,343	7,297	8.4	8.9	..	8.8 [e]	842	649	193	79
Ireland	80	127	2.3	3.3	2.6	3.7	..	24 [d]	0	11
Italy	781	1,388	1.4	2.4	*1.3*	3.6	..	272 [d]	5	25
Japan	1,075	1,686	0.9	1.3	*0.1*	0.2	224	346	..	0
Luxembourg	113	165	29.4	37.3	45.2 [e]	57.3 [e]	9	11	0	1
Netherlands	692	668	4.6	4.2	3.1 [e]	*3.4* [e]	81	91	21	44
Norway	143	184	3.4	4.1	2.3	4.9	16	28	4	11
Portugal	108	208	1.1	2.1	1.0	2.0	*14* [d]	16 [d]	0	0
Spain	279	896	0.7	2.2	0.6	*1.2*	..	..	9	8
Sweden	484	477	5.6	5.4	5.4	5.0	53	34	29	16
Switzerland	1,100	1,384	16.3	19.3	18.9	18.3	101	87	36	18
United Kingdom	1,723	2,342	3.2	4.0	3.3	4.4	*204*	289	38	99

	Foreign population [a]				Foreign labor force [b]		Inflows of foreign population			
	thousands		% of total population		% of total labor force		Total thousands [c, d]		Asylum seekers thousands	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Australia	3,886	4,517	22.8	23.6	*25.7*	24.5	121	316	4	12
Canada	*4,343*	..	*16.1*	..	*18.5*	..	214	313	37	36
United States	19,767 [f]	28,400 [g]	7.9 [f]	10.4 [g]	9.4	12.4	1,536	3,590	74	57

a. Data are from population registers or from registers of foreigners, except for Australia, Canada, France, and the United States (censuses), Portugal and Spain (residence permits), and Ireland and the United Kingdom (labor force surveys), and refer to the population on December 31 of the year indicated. b. Data include the unemployed, except in Italy, Luxembourg, the Netherlands, Norway, and the United Kingdom. Cross-border 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 2000).

Foreign labor and population in selected OECD countries

6.13

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 employment, greatly affect the recording and measurement of migration and reduce the international comparability of raw data. 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.

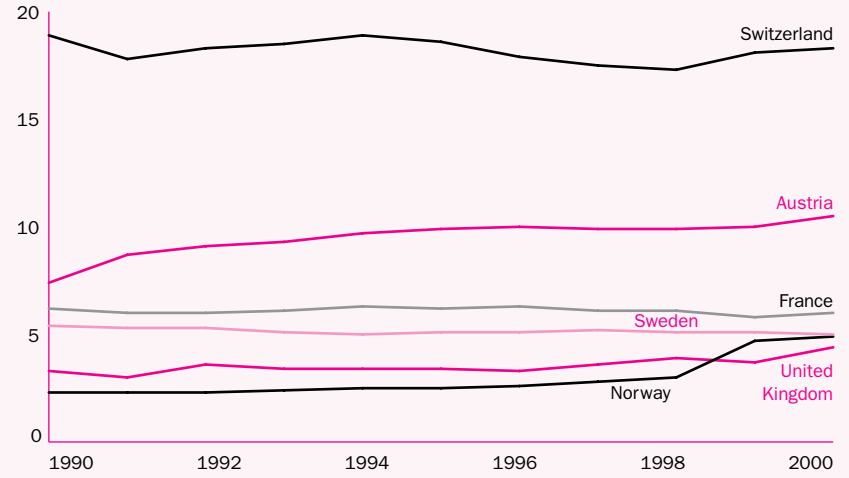
Definitions

• **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. • **Asylum seekers** are those who apply for permission to remain in a country for humanitarian reasons.

6.13a

Foreign labor levels have remained steady over the past decade in many OECD countries

% of total labor force, 1990–2000



Source: Organisation for Economic Co-operation and Development.

Data sources

International migration data are collected by the OECD through information provided by national correspondents to the Continuous Reporting System on Migration (SOPEMI) network, which provides an annual overview of trends and policies. The data appear in the OECD's *Trends in International Migration 2002*.

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	2001	1990	2000	1990	2001	1990	2001	1990	2001	1990	2001
Afghanistan	..	..	..	..	..	..	..	..	1	..	..	..
Albania	30	34	..	*18*	4	*389*	1.1	*55.3*	4	258	0.8	14.5
Algeria	1,137	901	3,828	*903*	64	*102*	0.5	*0.5*	149	*193*	1.5	*2.0*
Angola	67	67	..	..	13	*18*	0.3	*0.2*	38	*127*	1.1	*2.2*
Argentina	1,930	2,629	2,398	*4,786*	1,131	2,534	7.6	8.2	1,505	3,890	22.0	14.1
Armenia	..	*45*	..	..	..	*45*	..	*10.1*	..	*37*	..	*3.8*
Australia	2,215	4,817	2,170	*3,210*	4,088	7,625	8.2	9.5	4,535	5,812	8.5	7.4
Austria	19,011	18,180	8,527	*3,954*	13,417	10,118	21.1	10.1	7,748	8,886	12.6	8.9
Azerbaijan	..	766	..	*1,204*	228	*63*	..	*3.0*	..	*132*	..	*6.5*
Bangladesh	115	207	388	*1,103*	11	48	0.6	0.7	78	163	1.9	1.6
Belarus	..	..	..	..	..	*19*	..	*0.2*	..	*133*	..	*1.6*
Belgium	*5,204*	6,452	3,835	*7,773*	3,721	6,917	2.7	3.2	5,477	9,766	4.1	4.8
Benin	110	..	*418*	..	28	..	7.7	..	12	..	2.6	..
Bolivia	254	300	242	196	91	156	9.3	10.3	130	118	12.0	5.9
Bosnia and Herzegovina	*1*	*89*	..	..	..	*21*	..	*1.7*	..	..	..	..
Botswana	543	*995*	192	..	117	*313*	5.8	*10.4*	56	*143*	2.8	*6.0*
Brazil	1,091	4,773	1,188	*2,679*	1,444	3,701	4.1	5.5	1,559	3,199	5.5	4.4
Bulgaria	*1,322*	3,186	2,395	*2,592*	320	1,201	4.6	16.0	189	569	2.4	6.6
Burkina Faso	74	*126*	..	..	11	..	3.2	..	32	..	4.2	..
Burundi	109	*26*	24	*16*	4	..	4.5	..	17	*14*	5.3	*9.3*
Cambodia	17	*466*	..	*49*	*50*	*228*	*15.9*	*15.1*	..	*19*	..	*1.0*
Cameroon	89	*59*	..	..	53	*39*	2.4	*1.4*	279	..	14.5	..
Canada	15,209	19,697	20,415	*18,368*	6,339	10,774	4.2	3.5	10,931	11,624	7.3	4.3
Central African Republic	*8*	*10*	..	..	3	..	1.4	..	51	..	12.4	..
Chad	9	56	24	..	8	..	3.0	..	70	..	14.4	..
Chile	943	1,723	768	*1,567*	540	788	5.3	3.5	426	1,040	4.6	4.9
China	..	33,167	*2,134*	10,473	2,218	17,792	3.9	5.9	470	*13,114*	1.0	*5.2*
Hong Kong, China	6,581	13,725	2,043	*4,175*	5,032	8,241	5.0	3.5	..	12,494	..	5.6
Colombia	813	616	781	*1,098*	406	1,209	4.7	8.1	454	1,160	6.6	7.3
Congo, Dem. Rep.	55	*103*	..	*50*	7	..	0.3	..	16	..	0.6	..
Congo, Rep.	33	*19*	..	..	8	*12*	0.5	*0.7*	113	*58*	8.8	*4.2*
Costa Rica	435	1,132	191	*353*	275	1,278	14.0	18.4	148	361	6.3	4.9
Côte d'Ivoire	196	..	2	..	51	*57*	1.5	*1.3*	169	*226*	4.9	*6.2*
Croatia	7,049	6,544	..	..	1,704	3,335	..	34.6	729	606	..	5.7
Cuba	327	1,736	12	*56*	243	1,692	..	..	..	..	..	..
Czech Republic	..	5,194	3,510	*39,977*	419	2,979	..	7.4	455	1,388	..	3.3
Denmark	..	2,028	3,929	*4,841*	3,322	3,923	6.8	5.0	3,676	4,684	8.9	6.9
Dominican Republic	1,305	2,778	*137*	*364*	900	2,689	49.1	32.3	144	286	6.4	2.8
Ecuador	362	609	181	*386*	188	430	5.8	7.4	175	340	6.9	5.0
Egypt, Arab Rep.	2,411	4,357	2,012	*2,886*	1,100	3,800	12.0	22.5	129	1,132	0.9	5.2
El Salvador	194	735	525	*787*	18	235	1.8	5.9	61	*171*	3.8	*3.0*
Eritrea	*169*	113	..	..	..	74	..	50.2	..	..	..	..
Estonia	*372*	1,320	..	*1,780*	*27*	507	*4.1*	10.2	*19*	191	*2.7*	3.7
Ethiopia	79	*136*	89	..	25	*68*	3.7	*6.9*	11	*74*	1.0	*3.8*
Finland	..	2,826	1,169	*5,314*	1,167	1,441	3.7	3.0	2,791	1,854	8.3	4.8
France	52,497	76,506	19,430	*16,709*	20,184	29,979	7.1	8.1	12,423	17,718	4.4	5.0
Gabon	109	169	161	..	3	7	0.1	0.2	137	170	7.6	8.7
Gambia, The	100	*96*	..	..	26	..	15.5	..	8	..	4.2	..
Georgia	..	302	..	*373*	..	*413*	..	*62.1*	..	*110*	..	*9.3*
Germany	17,045	17,861	56,261	*73,400*	14,288	17,225	3.0	2.6	33,771	46,222	8.0	7.5
Ghana	146	439	..	..	81	448	8.2	18.8	13	*100*	0.9	*3.0*
Greece	8,873	*13,096*	1,651	..	2,587	*9,219*	19.9	*31.3*	1,090	4,181	5.6	10.1
Guatemala	509	835	289	*391*	185	493	11.8	12.7	100	*182*	5.5	*3.3*
Guinea	..	37	..	..	30	14	3.6	1.7	30	15	3.1	1.7
Guinea-Bissau	..	8	..	..	..	..	..	..	..	..	..	..
Haiti	144	*140*	..	..	46	*54*	*15.2*	*10.9*	37	..	*5.3*	..

Travel and tourism 6.14

	International tourism				International tourism receipts				International tourism expenditures			
	Inbound tourists thousands		Outbound tourists thousands		$ millions		% of exports		$ millions		% of imports	
	1990	2001	1990	2000	1990	2001	1990	2001	1990	2001	1990	2001
Honduras	290	518	196	*235*	29	*262*	2.8	*10.6*	38	157	3.4	4.5
Hungary	20,510	15,340	13,596	*10,622*	824	3,933	6.8	11.0	477	1,309	4.3	3.7
India	1,707	2,537	2,281	*3,811*	1,513	3,042	6.6	4.7	393	*2,567*	1.2	*3.4*
Indonesia	2,178	5,154	688	..	2,105	5,411	7.2	8.6	836	*3,197*	3.0	*5.8*
Iran, Islamic Rep.	154	1,402	788	*1,450*	61	1,122	0.3	4.7	340	*1,350*	1.5	*8.9*
Iraq	748	127	239	..	..	..	..	..	..	..	..	..
Ireland	3,666	6,448	1,798	*3,576*	1,883	3,547	7.0	3.6	1,163	*2,957*	4.7	*3.9*
Israel	1,063	1,196	883	*3,203*	1,396	2,166	8.1	5.5	1,442	2,896	7.1	6.7
Italy	26,679	39,055	16,152	*18,962*	16,458	25,787	7.5	8.6	10,304	14,215	4.7	5.0
Jamaica	989	1,277	..	..	740	1,233	33.4	36.8	114	*209*	4.8	*4.7*
Japan	3,236	4,772	10,997	*16,358*	3,578	3,301	1.1	0.7	24,928	26,530	8.4	6.3
Jordan	572	1,478	1,143	*1,560*	512	700	20.4	18.5	336	420	9.4	7.0
Kazakhstan	..	1,845	..	..	..	396	..	3.8	..	474	..	4.4
Kenya	814	841	210	..	443	308	19.9	10.3	38	*132*	1.4	*3.5*
Korea, Dem. Rep.	115	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	2,959	5,147	1,561	5,508	3,559	6,283	4.9	3.5	3,166	6,887	4.1	4.0
Kuwait	15	*79*	..	..	132	*98*	1.6	*0.5*	1,837	*2,451*	25.6	*21.5*
Kyrgyz Republic	..	*69*	..	*32*	..	*15*	..	*2.6*	..	*16*	..	*2.4*
Lao PDR	14	169	..	..	3	104	2.9	21.8	1	*17*	0.5	*2.9*
Latvia	..	591	..	*2,256*	*7*	120	*0.6*	3.5	*13*	224	*1.3*	5.3
Lebanon	*210*	837	..	*1,650*	..	837	..	43.6	..	..	..	..
Lesotho	171	*231*	..	..	17	*24*	17.0	*9.5*	12	*9*	1.6	*1.2*
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	96	*174*	425	..	6	*28*	0.1	*0.4*	424	*150*	4.7	*3.1*
Lithuania	..	1,271	..	*3,482*	..	384	..	6.4	..	218	..	3.3
Macedonia, FYR	562	99	..	..	45	23	..	1.7	..	..	..	..
Madagascar	53	170	34	..	40	*119*	8.5	*10.0*	40	*114*	4.9	*7.5*
Malawi	130	*228*	..	..	16	*27*	3.6	*5.5*	16	..	2.9	..
Malaysia	7,446	12,775	14,920	*26,067*	1,667	*4,936*	5.1	*4.4*	1,450	*1,973*	4.6	*2.6*
Mali	44	89	..	..	47	*71*	11.2	*11.3*	62	*41*	7.5	*4.4*
Mauritania	..	*30*	..	..	9	*28*	1.9	*7.7*	23	*55*	4.4	*13.3*
Mauritius	292	660	89	*154*	244	625	14.2	22.0	94	*182*	4.9	*6.7*
Mexico	17,176	19,811	7,357	11,081	5,467	8,401	11.2	4.9	5,519	5,702	10.6	3.1
Moldova	*226*	16	*49*	*37*	*4*	46	..	6.2	..	88	..	8.0
Mongolia	147	192	..	..	5	*36*	1.0	*6.8*	1	*41*	0.1	*6.2*
Morocco	4,024	4,223	1,202	*1,612*	1,259	2,460	20.2	22.0	184	354	2.4	2.9
Mozambique	..	..	..	..	..	..	..	..	..	..	..	..
Myanmar	21	205	..	..	9	45	1.4	1.7	16	*25*	1.4	*1.0*
Namibia	*213*	861	..	..	85	..	7.0	..	63	..	4.0	..
Nepal	255	363	82	*122*	64	137	16.9	10.1	45	*73*	5.9	*3.8*
Netherlands	5,795	9,500	9,000	*14,180*	4,155	6,722	2.6	2.6	7,376	12,016	5.0	5.0
New Zealand	..	1,910	717	*1,185*	1,030	2,252	8.8	12.3	958	1,340	8.2	8.0
Nicaragua	106	483	173	*452*	12	109	3.1	11.7	15	76	2.2	3.8
Niger	21	52	18	*10*	17	*24*	3.2	*7.5*	44	*28*	6.0	*6.1*
Nigeria	190	955	56	..	25	156	0.2	0.7	576	*730*	8.3	*5.2*
Norway	1,955	4,244	2,667	..	1,570	2,042	3.3	2.6	3,679	4,305	9.5	8.8
Oman	149	562	..	..	69	118	1.2	1.0	47	*341*	1.4	*5.5*
Pakistan	424	500	..	..	156	92	2.5	0.9	440	255	4.7	2.0
Panama	214	519	151	*221*	172	626	3.9	8.1	99	176	2.4	2.2
Papua New Guinea	41	54	66	106	41	101	3.0	4.8	50	*53*	3.3	*2.9*
Paraguay	280	295	*264*	*281*	128	*101*	5.1	*3.6*	103	91	4.7	2.7
Peru	317	1,010	329	781	217	865	5.3	10.1	295	576	7.2	6.1
Philippines	1,025	1,797	1,137	*1,755*	1,306	1,723	11.4	5.0	111	*1,005*	0.8	*2.8*
Poland	*11,350*	15,000	22,131	*55,097*	358	4,815	1.9	9.4	423	3,500	2.8	6.0
Portugal	8,020	12,167	2,268	..	3,555	5,479	16.5	15.8	867	2,105	3.2	4.7
Puerto Rico	2,560	3,551	996	*1,134*	1,366	2,728	..	..	630	1,004	..	..

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	2001	1990	2000	1990	2001	1990	2001	1990	2001	1990	2001
Romania	3,099	2,820	11,247	*6,274*	106	362	1.7	2.7	103	449	1.0	2.7
Russian Federation	*3,009*	*21,169*	*4,150*	18,371	..	*7,510*	..	*8.9*	..	*7,434*	..	*14.1*
Rwanda	16	..	..	..	10	*24*	6.9	*21.9*	23	*20*	6.4	*4.7*
Saudi Arabia	2,209	*6,295*	..	..	..	..	..	..	..	..	..	..
Senegal	246	*389*	..	..	167	*140*	11.5	*10.5*	105	*54*	5.7	*3.0*
Sierra Leone	98	24	..	..	19	*8*	9.1	*11.0*	4	*6*	1.9	*2.5*
Singapore	4,842	6,726	1,237	*3,971*	4,937	*6,018*	7.3	*3.6*	1,893	4,647	2.9	3.6
Slovak Republic	822	1,219	*188*	*343*	70	639	..	4.2	181	287	..	1.7
Slovenia	*616*	1,219	..	..	*671*	996	*8.5*	8.8	*282*	519	*4.1*	4.5
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	1,029	5,908	616	*3,363*	992	*2,707*	3.6	*7.4*	1,117	*2,004*	5.3	*6.1*
Spain	34,085	49,519	10,698	*4,794*	18,593	32,873	22.2	18.7	4,254	5,974	4.2	3.3
Sri Lanka	298	337	297	524	132	211	5.8	3.4	74	245	2.5	3.4
Sudan	33	50	*203*	..	21	56	4.2	3.3	51	*55*	5.8	*2.7*
Swaziland	263	*281*	..	..	30	*34*	4.6	*3.4*	35	*36*	4.6	*2.9*
Sweden	..	2,894	6,232	*10,500*	2,906	4,162	4.1	4.2	6,286	6,803	8.9	8.0
Switzerland	13,200	10,700	9,627	*12,009*	7,411	7,618	7.6	6.2	5,873	6,180	6.1	5.6
Syrian Arab Republic	562	1,318	1,041	..	320	*1,082*	6.4	*15.8*	249	610	8.4	10.2
Tajikistan	..	4	..	..	..	0	..	0.0	..	..	..	..
Tanzania	..	501	301	..	65	725	12.1	51.7	23	330	1.6	15.1
Thailand	5,299	10,133	883	1,909	4,326	6,731	14.8	8.8	854	2,179	2.4	3.1
Togo	103	57	..	..	58	*5*	8.7	*1.2*	40	*3*	4.7	*0.5*
Trinidad and Tobago	195	*399*	254	..	95	*210*	4.2	*6.2*	122	..	8.6	..
Tunisia	3,204	5,387	1,727	*1,480*	948	1,605	18.2	16.9	179	*263*	3.0	*2.8*
Turkey	4,799	10,783	2,917	*4,758*	3,225	8,932	15.3	17.7	520	1,738	2.0	3.8
Turkmenistan	..	..	..	*357*	..	..	..	..	..	..	..	..
Uganda	69	205	..	..	10	*149*	4.1	*20.5*	8	*141*	1.2	*9.4*
Ukraine	..	5,791	..	*7,399*	..	2,725	..	12.9	..	2,179	..	10.6
United Arab Emirates	973	*3,907*	..	..	315	*1,012*	..	..	..	..	..	..
United Kingdom	18,013	22,833	31,150	*53,881*	13,762	16,283	5.8	4.2	17,560	36,483	6.6	8.7
United States	39,362	45,491	44,623	*58,386*	43,007	72,295	8.0	7.2	37,349	60,117	6.1	4.4
Uruguay	..	1,892	..	*778*	238	561	11.0	17.1	111	252	6.7	6.8
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	525	*469*	309	*891*	496	*563*	2.6	*1.6*	1,023	1,801	10.8	8.2
Vietnam	250	*1,383*	..	*168*	85	..	..	..	..	..	..	..
West Bank and Gaza	..	*330*	..	..	..	*155*	..	..	..	..	..	..
Yemen, Rep.	52	76	..	..	20	38	1.3	0.9	64	*136*	2.9	*4.8*
Yugoslavia, Fed. Rep.	1,186	351	..	..	*134*	40	..	1.4	..	..	..	..
Zambia	141	*457*	..	..	41	*85*	3.0	*9.7*	54	..	2.8	..
Zimbabwe	605	*1,868*	200	*331*	60	*125*	3.0	*5.9*	66	*110*	3.3	*4.8*
World	**481,270 t**	**696,494 t**	**508,753 t**	***644,804* t**	**265,316 t**	**457,890 t**	**6.1 w**	**5.9 w**	**269,195 t**	**418,340 t**	**6.3 w**	**5.6 w**
Low income	13,437	28,833	..	..	*10,970*	16,709	4.9	6.5	..	*13,100*	3.8	*5.1*
Middle income	*133,372*	232,474	149,300	*236,011*	43,817	125,609	7.3	8.2	28,764	*70,989*	5.0	*4.7*
Lower middle income	*64,533*	125,664	*43,815*	*63,822*	22,403	71,418	8.0	8.9	..	*34,596*	2.7	*4.6*
Upper middle income	85,421	105,950	..	*177,268*	21,710	54,168	6.5	7.4	17,542	31,535	7.5	4.7
Low & middle income	*151,524*	264,322	..	*294,863*	51,846	142,306	6.8	8.0	35,180	*84,218*	4.8	*4.8*
East Asia & Pacific	..	67,164	21,567	*45,404*	12,218	38,207	7.3	6.7	3,946	*22,600*	2.3	*4.7*
Europe & Central Asia	*64,476*	98,720	..	*176,460*	9,975	40,747	7.4	11.1	..	*21,727*	2.6	*4.6*
Latin America & Carib.	33,957	49,861	17,586	*28,743*	15,622	32,562	8.2	7.1	13,049	21,299	9.0	5.0
Middle East & N. Africa	16,544	27,419	..	..	..	..	..	..	3,288	*6,937*	..	..
South Asia	3,054	4,496	3,503	*6,255*	1,968	3,873	5.8	4.3	1,048	*3,491*	2.1	*3.3*
Sub-Saharan Africa	7,168	*17,931*	..	..	3,093	*7,030*	3.8	*6.0*	3,683	*5,507*	5.5	*5.7*
High income	311,961	426,407	275,794	*331,292*	212,121	319,585	6.0	5.4	232,094	336,785	6.5	5.7
Europe EMU	184,004	253,706	..	..	100,058	149,258	6.6	6.2	88,497	127,959	6.0	5.8

Travel and tourism 6.14

About the data

Tourism is defined as the activities of people traveling to and staying in places outside their usual environment for no more than one consecutive year for leisure, business, and other purposes not related to an activity remunerated from within the place visited. The social and economic phenomenon of tourism has grown substantially over the past quarter of a century.

In the past, descriptions of tourism focused on the characteristics of visitors, such as the purpose of their visit and the conditions in which they traveled and stayed. Now there is a growing awareness of the direct, indirect, and induced effects of tourism on employment, value added, personal income, government income, and the like.

Statistical information on tourism is based mainly on data on arrivals and overnight stays along with balance of payments information. But these do not completely capture the economic phenomenon of tourism. Thus governments, businesses, and citizens may not receive the information needed for effective public policies and efficient business operations. 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. Credible data are needed on the scale and significance of tourism. Information on the role tourism plays in national economies throughout the world is particularly deficient.

The data in the table are from the World Tourism Organization. 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.

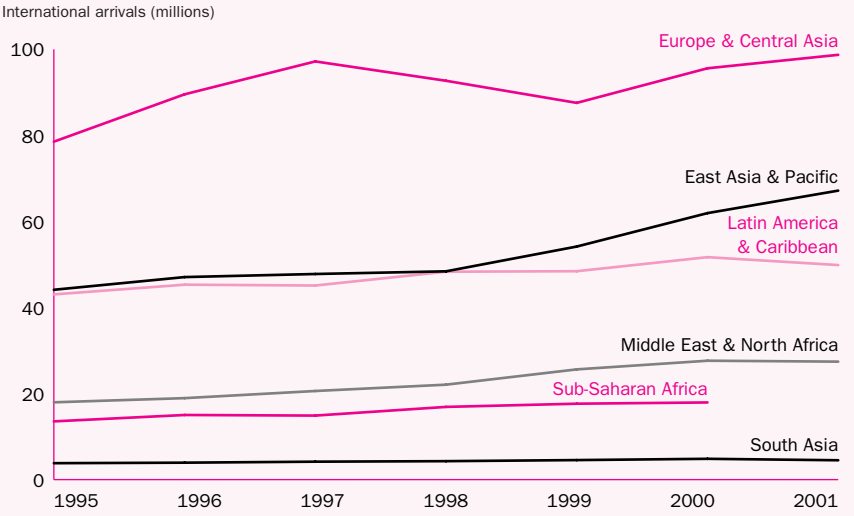
Regional and income group aggregates are based on the World Bank's classification of countries and differ from those shown in the World Tourism Organization's Yearbook of Tourism Statistics. Countries not shown in the table but for which data are available are included in the regional and income group 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.

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.

6.14a

Tourism continues to rise



Tourism has grown fastest in the Middle East and North Africa and in East Asia and Pacific.

Source: World Tourism Organization data.

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.