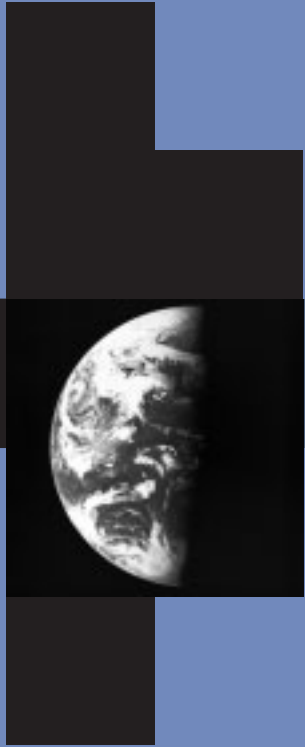


6 | GLOBAL LINKS



In the past 20 years the global economy has become increasingly integrated. International financial flows have grown. More people are on the move. And countries are exchanging more goods and services. In 2002 trade in goods and services as a share of world output reached 54 percent, up from 31 percent in 1980 (figure 6a). Several rounds of tariff reductions and expanding trade in services have spurred growth in trade among high-income economies. Developing economies' trade has recovered from a slowdown in the 1980s. Since 1992 the share of trade in their output, measured in constant dollars, has been growing as fast or faster than that of the high-income economies.

Still, there are many obstacles to global integration. National policies that protect home industries from competition or subsidize their output distort patterns of trade and prevent developing countries from reaching their full potential. The movement of people, an important mode of trade in services, remains particularly restricted. Risk and uncertainty also inhibit the flow of finance, while development assistance may be directed more by political considerations than by development opportunities. Table 6.1 highlights additional trends in global integration.

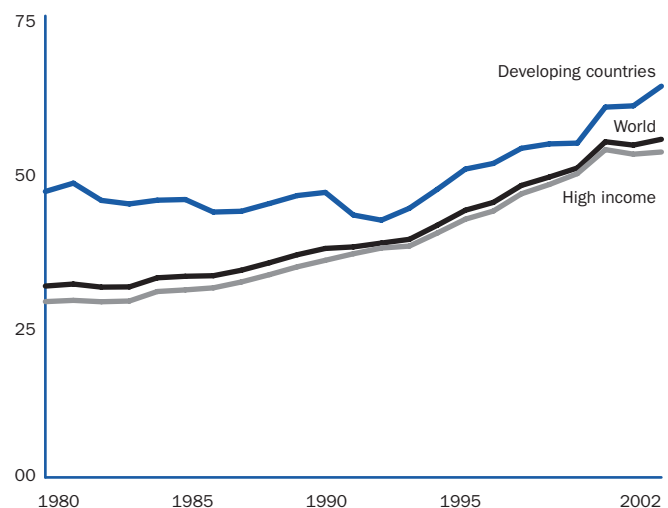
Movement of goods

High-income countries continue to dominate the global scene. They account for more than three-quarters of the world's gross domestic product (GDP) and for three-quarters of world trade. They also remain the most important markets for low- and middle-income economies. In 2002, 17 percent of world trade moved from high-income countries to low- and middle-income economies. Trade between developing economies is still relatively small, but it is

6a

More than half of world output is globally traded

Trade of goods and services as % of GDP (constant US\$)



Source: World Bank staff estimates.

growing in importance. In 2002 the movement of goods between low- and middle-income economies accounted for 6 percent of world trade, but in the period 1992–2002 the nominal value of trade between developing economies grew faster than that between high-income countries and between high-income and developing economies (table 6.2).

The types of goods traded by developing economies have been shifting. Exports of manufactures have grown at nearly twice the rate of agricultural exports and account for more than half of exports from developing economies. In 2002, 68 percent of imports to high-income Organisation for Economic Co-operation and Development (OECD) countries from middle-income countries were manufactured goods, up from 46 percent in 1992. Low-income economies also saw significant increases, with shares rising from 38 percent in 1992 to 54 percent in 2002. Both middle- and low-income economies experienced declines in the value of exports of agricultural raw materials (table 6.3), during a period when many commodity prices were falling (table 6.4).

Yet trade barriers continue to be a significant problem. The World Trade Organization's Fifth Ministerial Meeting in Cancun in September 2003, which was supposed to move the Doha Round development agenda forward, produced disappointing results. Some 70 percent of the world's poor live in rural areas and earn incomes from agriculture, while two-thirds of the world's agricultural trade originates in OECD countries. This occurs in part because rich countries subsidize their producers. Subsidies in OECD countries amount to \$330 billion—with some \$250 billion going directly to producers.

In addition, agricultural exports from developing countries to high-income economies are four to seven times greater than manufacturing exports. Reduced protection in agriculture would account for two-thirds of the gains from full global liberalization of all merchandise trade. Although tariffs on manufactured goods are lower on average in high-income countries than in developing economies, rich countries place substantially lower tariffs on products from other industrial countries than on those from developing economies. But both high-income and developing economies distort trade through tariffs. Latin American exporters of manufactures face tariffs in other markets in the region that are seven times higher than in high-income countries. Tariffs are six times higher in Sub-Saharan Africa than in high-income countries and twice as high in South Asia. Protection also comes through nontariff barriers. Table 6.6 includes new estimates of the ad valorem equivalents of nontariff barriers.

Financial flows and aid

The downturn in foreign direct investment (FDI) that began in 2000 continued through 2002. World FDI grew from \$202 billion in 1990 to a peak of \$1.5 trillion in 2000 and then dropped off to \$631 billion in 2002. Middle-income economies, which

6b

Aid after Monterrey

Official development assistance (ODA) declined from 0.34 percent of donor countries' gross national income (GNI) in 1990 to 0.22 percent in 2001 (table 6.9). At the United Nations Conference on Financing for Development in Monterrey, Mexico, in March 2002, donor countries agreed to scale up their commitment on aid to developing economies to help them achieve the Millennium Development Goals. Between 2001 and 2002, ODA flows began to increase, reaching 0.23 percent of donors' GNI in 2002. In coming years aid flows will continue to rise and by 2006, if countries keep their commitments, aid is expected to reach 0.29 percent of donor GNI.

Will aid flows be enough to reach the Monterrey goals?

Country	Net ODA 2002	ODA as % of GNI	
	(\$ millions)	2002	2006
Austria	520	0.26	0.33
Belgium	1,072	0.43	0.46
Denmark	1,643	0.96	0.83
Finland	462	0.35	0.42
France ^a	5,486	0.38	0.47
Germany	5,324	0.27	0.33
Greece	276	0.21	0.33
Ireland ^a	398	0.40	0.63
Italy	2,332	0.20	0.33
Luxembourg	147	0.77	1.00
Netherlands	3,338	0.81	0.80
Portugal	323	0.27	0.33
Spain	1,712	0.26	0.33
Sweden	1,991	0.83	0.87
United Kingdom	4,924	0.31	0.40
EU members, total	29,949	0.35	0.42
Australia ^b	989	0.26	0.26
Canada	2,006	0.28	0.34
Japan	9,283	0.23	0.26
New Zealand	122	0.22	0.26
Norway	1,696	0.89	1.00
Switzerland ^a	939	0.32	0.36
United States ^c	13,290	0.13	0.17
DAC members, total	58,274	0.23	0.29

Estimates are based on commitments made by donor countries at the United Nations International Conference on Financing for Development in March 2002.

a. ODA/GNI ratio for 2006 interpolated between 2002 and year target scheduled to be attained. b. Estimated ODA/GNI of 0.26 percent in 2003/04. Since aid volumes are determined in annual budgets, the same ratio is assumed in forward years. c. For 2006, assumes additional \$5 billion from the Millennium Challenge Account, \$2 billion from the Emergency Plan for AIDS Relief, phased spending from Iraq and Afghanistan reconstruction supplements, and 2 percent annual inflation to deflate from 2006 to 2002 prices.

Source: Organisation for Economic Co-operation and Development, Development Assistance Committee.

receive the largest share of FDI flows to developing countries, were hit hardest. FDI fell from \$164 billion in 2001 to \$134 billion. Flows to low-income economies increased slightly from \$11 billion to \$13 billion. The largest drops occurred in Latin America and the Caribbean, Middle East and North Africa, and Sub-Saharan Africa. China's growth led to an increase in FDI flows in East Asia and Pacific, as did India's strength in South Asia (table 6.7).

Aid—which consists of official development assistance (ODA) and official aid to transition and certain high-income countries—continues to be a major source of financing for developing economies. Net aid flows reached \$70 billion in 2002, up from \$54 billion in 1997. More than a quarter of net aid flows went to Sub-Saharan Africa, which was equivalent to 32 percent of the region's gross capital formation, compared with an average of 4.4 percent for all developing economies (table 6.10).

The poorest countries are not the only recipients of aid. In 2002, excluding unallocated aid, middle-income countries received almost half of total net aid. In dollar terms the largest aid recipients in 2002 were Pakistan (\$2.1 billion), Mozambique (\$2.1 billion), Serbia and Montenegro (\$1.9 billion), West Bank and Gaza (\$1.6 billion), and China (\$1.5 billion). The largest recipients of aid per capita were several small island states, as well as West Bank and Gaza (\$500), Serbia and Montenegro (\$237), Bosnia and Herzegovina (\$143), Macedonia, FYR (\$136), and Mauritania (\$128). Only Mauritania is classified by the World Bank as a low-income economy.

Movement of people

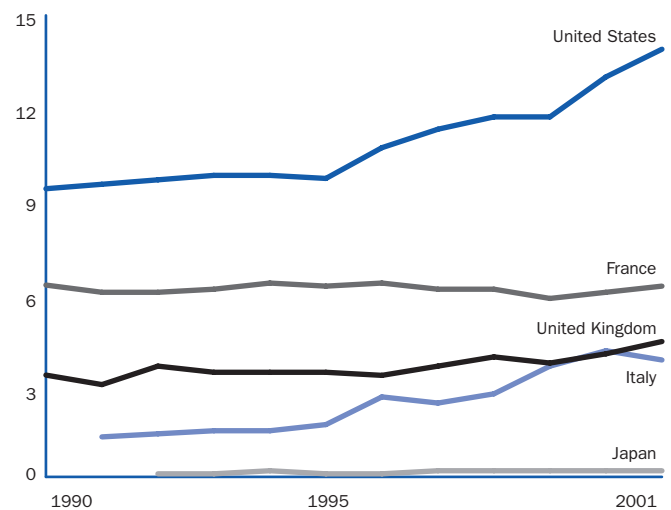
The movement of people across borders can be important to both high-income and developing economies. Rich countries benefit from access to a larger labor force. And poor countries gain from higher salaries and remittances. In 2001 remittances—current transfers by migrants who are employed or intend to remain employed for more than a year in a country in which they are considered residents—totaled \$70 billion, roughly equivalent to net aid flows. The total is even higher when net income flows are included. In addition, workers often bring back skills to their country of origin.

Not all migrant flows are well recorded. Records are especially weak for illegal immigration, movements within countries, and flows between developing countries. But migration to OECD

6c

Immigrant labor plays an important role in some high-income economies

Foreign labor as share of total labor force (%)



Recent inflows have pushed up the share of the foreign labor force in the United States and Italy. In Japan foreign workers make up less than a quarter of a percent of the labor force.

Source: Table 6.13.

countries, seen in table 6.13, has become an important feature of the global labor market. In 2001 some 1 million migrants entered the United States and 350,000 entered Japan. Foreign and foreign-born persons now make up about 38 percent of the population in Luxembourg and 9 percent each in Austria and Germany.

International tourism also plays a key role in movements of people. Although most travelers still come from high-income countries, there has been rapid growth in travelers from the developing world. While global tourism receipts have grown at an average annual rate of 5 percent since 1990, in the developing world these have grown more than 9 percent. Global tourism receipts reached \$473 billion in 2002, up from \$265 billion in 1990. During the same period receipts in the developing world grew from \$48 billion to \$138 billion (table 6.14). Tourism is a significant export earner and an important factor in the balance of payments of most nations. And it has become an important source of employment.



6.1

Integration with the global economy

	Trade in goods				Ratio of commercial service exports to merchandise exports		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	2002	1990	2002	1990	2002	1990-2002	1990	2002	1990	2002
Afghanistan	..	..	..	..	..	..	..	..	..	..	..
Albania	29.0	38.2	34.5	69.4	13.7	167.3	5.5	18.0	6.3	0.0	2.8
Algeria	36.6	53.5	55.0	82.2	3.7	..	-0.5	2.6	..	0.0	..
Angola	53.5	101.3	91.0	133.4	1.7	2.7	..	10.1	30.7	3.3	22.7
Argentina	11.6	33.7	27.0	74.4	18.3	11.4	5.1	8.2	39.4	1.3	9.0
Armenia	..	63.3	..	94.9	..	34.7	-10.4	..	12.3	..	4.7
Australia	26.3	33.5	68.7	96.5	24.7	25.8	3.4	9.3	20.0	3.7	6.3
Austria	55.9	76.8	140.5	209.0	55.1	44.0	4.1	9.8	41.9	1.5	3.8
Azerbaijan	..	62.9	..	..	..	14.8	18.3	..	54.3	..	49.0
Bangladesh	17.6	29.4	..	..	17.7	5.0	5.3	0.9	2.6	0.0	0.1
Belarus	..	119.4	..	232.0	..	15.7	-3.4	..	7.1	..	3.2
Belgium	120.4	177.2	321.7	542.2	22.6	21.8	2.3	5.1	49.3	5.1	10.7
Benin	30.0	37.8	60.8	65.1	38.0	36.5	-2.0	10.7	11.4	3.7	3.9
Bolivia	33.1	39.5	57.0	77.6	14.3	16.8	1.3	3.1	17.2	0.7	8.7
Bosnia and Herzegovina	..	78.1	..	..	..	31.6	-4.0	..	29.5	..	5.2
Botswana	98.4	84.6	..	..	10.3	..	-1.1	9.0	..	4.4	..
Brazil	11.7	24.3	..	..	11.8	14.7	4.8	1.9	13.2	0.4	4.4
Bulgaria	48.9	88.1	70.8	185.9	16.6	44.4	5.6	39.2	16.5	0.0	4.1
Burkina Faso	22.0	23.8	43.3	46.4	22.1	19.5	-2.7	1.0	4.3	0.0	0.4
Burundi	27.0	22.1	35.1	..	8.7	12.5	8.1	3.7	3.2	0.1	0.0
Cambodia	22.4	94.9	33.6	..	57.8	39.5	8.5	3.2	5.5	1.7	1.6
Cameroon	30.5	38.6	..	..	18.4	..	2.4	15.5	..	1.1	..
Canada	43.7	67.1	115.1	..	14.4	14.4	4.2	8.1	13.4	2.7	7.3
Central African Republic	18.4	25.1	26.4	37.7	14.5	..	..	2.2	..	0.5	..
Chad	27.2	48.0	54.9	84.7	12.5	..	4.6	5.6	..	0.0	..
Chile	53.1	55.2	100.5	111.2	21.3	21.1	3.2	15.0	23.6	2.2	5.5
China	32.5	49.0	47.4	73.8	9.3	12.1	4.5	2.5	8.0	1.2	4.7
Hong Kong, China	221.5	252.8	772.3	2,020.6	..	22.5	3.5	..	92.4	..	29.6
Colombia	30.7	30.6	..	..	22.9	14.9	3.3	3.1	10.8	1.3	3.6
Congo, Dem. Rep.	43.5	38.4	74.5	50.6	..	..	7.1	..	..	..	..
Congo, Rep.	57.2	101.7	107.0	141.9	6.7	7.1	1.6	6.6	37.4	0.0	19.4
Costa Rica	60.2	73.8	..	..	40.3	35.3	3.8	7.0	10.5	2.9	4.8
Côte d'Ivoire	47.9	63.9	86.0	137.1	13.8	11.5	0.4	3.5	9.8	0.4	2.3
Croatia	88.8	69.6	164.8	140.3	..	113.3	4.1	..	31.4	..	6.7
Cuba	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	83.6	113.9	..	232.4	..	18.3	9.4	..	28.6	..	13.8
Denmark	52.6	61.9	144.1	171.2	34.5	47.7	3.0	15.1	12.1	2.0	6.7
Dominican Republic	73.2	65.0	163.2	146.0	50.1	57.2	-0.3	5.0	6.9	1.9	4.6
Ecuador	44.2	47.1	..	..	18.7	18.2	2.0	11.0	21.1	1.2	5.2
Egypt, Arab Rep.	36.8	18.8	72.9	35.6	138.4	208.3	-2.1	6.8	6.6	1.7	0.8
El Salvador	38.4	57.3	87.6	146.9	51.7	25.0	6.9	2.0	15.3	0.8	1.6
Eritrea	37.6	60.4	65.0	104.4	484.7	386.6	1.0	32.5	9.8	..	4.4
Estonia	..	156.7	..	361.6	..	45.6	10.0	3.7	30.1	2.0	8.1
Ethiopia	16.0	33.2	25.5	62.0	87.4	108.5	2.2	1.6	3.1	0.0	..
Finland	39.0	59.6	86.3	141.0	17.2	14.3	5.0	17.3	38.8	3.6	13.4
France	37.1	46.2	101.6	148.5	34.6	25.9	4.0	20.6	20.2	3.9	8.0
Gabon	52.5	73.2	97.7	..	9.7	..	-1.8	18.0	..	8.4	..
Gambia, The	69.1	67.3	134.4	116.3	170.6	..	-1.2	0.9	..	0.0	..
Georgia	..	30.9	..	66.7	..	108.5	13.9	..	9.6	..	5.0
Germany	46.5	55.8	108.8	161.3	12.2	16.2	4.0	9.8	21.7	1.8	5.4
Ghana	35.7	75.2	58.0	129.3	8.8	29.3	4.4	2.7	4.4	0.3	0.8
Greece	33.2	31.3	83.5	89.1	80.4	194.4	3.8	3.9	22.6	1.2	1.0
Guatemala	36.8	35.7	..	..	26.9	47.0	3.2	2.9	24.6	0.6	9.8
Guinea	49.5	42.7	85.5	63.6	13.6	5.8	-1.0	3.9	2.1	0.6	0.0
Guinea-Bissau	43.0	61.6	53.3	86.1	19.4	..	3.8	23.0	..	0.0	..
Haiti	17.2	41.0	..	..	26.7	..	5.4	1.1	..	0.3	..

	Trade in goods				Ratio of commercial service exports to merchandise exports		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	2002	1990	2002	1990	2002	1990-2002	1990	2002	1990	2002
Honduras	57.9	64.1	106.4	126.7	14.5	36.4	-0.4	7.2	5.6	1.4	2.2
Hungary	61.5	109.3	102.4	..	26.8	22.5	8.8	4.6	19.3	0.0	3.9
India	..	..	..	..	25.7	49.9	..	..	..	..	..
Indonesia	41.5	51.1	68.1	82.6	9.7	11.3	0.8	4.1	5.4	1.0	2.1
Iran, Islamic Rep.	32.9	43.1	61.8	86.0	1.8	5.6	-7.9	2.6	2.4	0.0	0.0
Iraq	41.2	..	..	..	..	..	..	..	..	..	..
Ireland	93.9	114.1	186.7	255.2	13.8	31.9	7.1	22.2	278.2	2.2	47.1
Israel	55.0	62.7	..	..	37.6	36.7	1.4	6.5	10.8	0.7	3.0
Italy	32.0	41.7	83.3	121.1	28.5	23.7	3.5	10.6	13.7	1.3	2.7
Jamaica	67.2	58.5	162.2	174.2	84.2	170.9	-1.1	8.4	27.1	3.0	7.1
Japan	17.1	18.9	44.1	64.2	14.4	15.6	2.6	5.4	15.3	1.7	1.4
Jordan	91.1	82.8	205.2	221.3	134.4	53.7	-2.6	6.3	7.8	1.7	0.9
Kazakhstan	..	65.8	..	128.9	..	14.8	-3.0	..	34.2	..	12.3
Kenya	38.1	43.6	68.5	100.6	75.0	37.8	1.4	3.6	5.4	0.7	0.0
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	53.4	66.0	102.7	152.0	14.1	16.7	6.9	5.6	7.4	0.7	1.0
Kuwait	59.8	68.9	112.9	..	15.0	8.9	..	19.3	18.9	1.3	0.5
Kyrgyz Republic	..	67.1	..	99.3	..	24.3	-2.1	..	11.6	..	1.4
Lao PDR	30.5	43.4	40.2	..	13.5	42.5	..	3.7	1.4	0.7	1.4
Latvia	..	75.4	..	202.6	..	54.1	7.3	1.7	29.5	0.5	5.0
Lebanon	106.5	43.3	..	..	..	..	-2.5	..	..	..	..
Lesotho	119.3	149.8	..	..	54.9	7.7	0.6	9.6	10.5	2.8	10.3
Liberia	374.1	159.3	..	..	..	..	..	..	..	..	..
Libya	64.2	87.1	..	..	0.6	..	..	7.3	..	0.9	..
Lithuania	..	96.4	..	212.0	..	26.1	8.8	..	13.3	..	5.3
Macedonia, FYR	103.8	80.0	168.9	150.4	..	19.8	5.4	..	14.6	..	2.0
Madagascar	31.5	44.0	53.7	91.2	40.5	20.1	1.5	1.8	1.2	0.7	0.2
Malawi	52.7	60.6	70.6	108.9	8.8	10.3	-2.1	3.2	3.2	0.0	0.3
Malaysia	133.4	182.4	232.3	347.4	12.8	15.8	3.3	10.3	19.9	5.3	5.8
Mali	39.7	60.7	63.4	87.4	19.7	14.8	2.7	2.0	22.9	0.2	12.2
Mauritania	84.1	76.8	134.0	133.9	3.0	..	-1.2	48.8	..	0.7	..
Mauritius	118.0	86.6	219.8	193.5	40.0	64.5	0.1	8.0	26.9	1.7	0.6
Mexico	32.1	52.4	78.9	148.7	17.7	7.8	9.2	9.2	6.3	1.0	2.4
Moldova	..	105.9	..	191.0	..	29.9	11.7	..	17.8	..	6.8
Mongolia	..	101.5	..	227.6	7.3	35.7	..	..	13.4	..	6.8
Morocco	43.3	54.2	86.5	116.8	43.9	51.7	2.7	5.5	3.3	0.6	1.4
Mozambique	40.8	56.2	68.9	93.3	81.7	36.5	0.6	0.4	10.0	0.4	7.4
Myanmar	..	..	..	..	29.0	13.4	..	..	..	..	..
Namibia	95.6	87.7	190.3	182.7	9.7	21.0	-0.6	16.5	26.8	5.0	4.8
Nepal	24.1	35.8	..	..	81.5	53.3	..	3.5	3.2	0.0	0.0
Netherlands	87.6	111.1	230.9	332.6	21.6	22.3	3.6	29.8	69.1	8.3	15.0
New Zealand	43.3	49.0	121.0	..	25.7	35.1	2.3	17.8	9.2	11.5	4.0
Nicaragua	..	59.7	..	138.9	10.4	45.2	..	..	9.8	..	4.3
Niger	27.0	33.8	49.9	57.2	7.8	..	-2.6	2.8	..	1.6	..
Nigeria	67.5	52.0	90.8	95.0	7.1	..	2.1	5.9	..	2.1	..
Norway	52.8	50.3	126.6	112.9	36.6	31.4	1.5	11.9	38.3	2.1	5.2
Oman	77.7	84.6	127.4	..	1.2	3.1	..	3.8	5.0	1.4	0.2
Pakistan	32.6	35.8	..	..	21.7	15.5	-1.5	4.2	5.3	0.6	1.4
Panama	35.4	31.1	..	..	266.7	266.4	-2.0	106.6	69.4	2.6	7.4
Papua New Guinea	73.6	94.2	123.9	147.6	16.8	18.4	0.7	5.7	15.8	4.8	2.2
Paraguay	43.9	50.8	82.8	106.6	42.1	49.1	-3.8	5.4	19.1	1.5	8.3
Peru	22.3	26.9	..	..	22.1	18.6	3.6	3.2	10.8	0.2	4.2
Philippines	47.7	91.7	84.7	194.1	35.7	8.4	3.1	4.4	41.2	1.2	1.5
Poland	43.9	50.9	75.2	121.0	22.3	24.5	9.9	11.0	10.2	0.2	3.7
Portugal	58.3	52.7	140.8	151.0	30.8	37.9	3.7	11.4	37.6	3.9	7.1
Puerto Rico	..	..	..	..	..	..	-0.4	..	..	..	..



6.1 Integration with the global economy

	Trade in goods				Ratio of commercial service exports to merchandise exports		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	2002	1990	2002	1990	2002	1990-2002	1990	2002	1990	2002
Romania	32.8	69.3	45.2	117.7	12.3	16.8	8.5	2.9	8.5	0.0	2.5
Russian Federation	16.5	48.3	35.0	105.1	..	12.6	2.6	..	12.2	..	1.9
Rwanda	15.4	14.9	26.9	23.6	28.0	84.9	0.6	2.8	0.9	0.3	0.2
Saudi Arabia	58.6	56.4	107.5	99.8	6.8	7.0	..	8.8	13.9	1.6	0.5
Senegal	34.7	51.9	90.0	141.8	46.8	..	0.1	4.8	..	1.3	..
Serbia and Montenegro	..	54.8	..	..	..	..	..	..	..	..	..
Sierra Leone	44.2	39.7	..	..	32.8	..	-13.4	11.0	..	5.0	..
Singapore	307.6	277.8	..	921.3	24.1	23.6	..	54.2	47.8	20.6	11.7
Slovak Republic	110.8	130.2	192.1	302.5	..	15.4	8.4	..	29.6	..	11.8
Slovenia	102.4	92.9	196.5	206.2	18.3	24.1	3.1	3.4	21.2	0.9	10.2
Somalia	26.7	..	33.2	..	..	..	..	..	..	..	..
South Africa	37.4 ^a	56.6 ^a	73.6 ^a	136.6 ^a	14.0	14.8	3.2	2.2	10.1	0.2	1.4
Spain	28.1	41.9	70.6	117.3	49.7	52.1	6.5	11.4	26.9	3.4	6.2
Sri Lanka	57.3	65.2	..	..	22.2	26.5	2.6	13.1	3.6	0.5	1.5
Sudan	4.1	26.5	..	..	35.9	2.5	5.8	0.2	7.5	0.0	4.6
Swaziland	138.2	144.6	217.1	195.5	18.3	13.8	-0.6	10.7	19.6	5.0	8.5
Sweden	45.5	61.3	112.0	167.8	23.4	29.0	4.6	33.1	29.3	6.8	14.5
Switzerland	58.4	64.1	..	246.7	28.6	31.7	3.1	15.9	59.9	5.8	9.2
Syrian Arab Republic	53.7	51.8	102.4	90.0	17.6	26.7	3.6	18.0	16.8	0.0	1.5
Tajikistan	..	119.9	..	152.7	..	8.2	..	..	10.6	..	3.0
Tanzania	31.9	27.3	47.8	43.0	39.5	69.6	0.5	0.2	3.4	0.0	2.6
Thailand	65.7	105.6	132.2	205.0	27.3	22.1	2.9	13.5	13.6	3.0	0.8
Togo	52.1	78.0	92.6	126.4	42.6	12.4	-0.5	9.6	14.4	1.1	6.2
Trinidad and Tobago	65.9	89.7	149.7	214.8	15.5	12.3	2.5	11.4	20.5	3.1	11.6
Tunisia	73.5	77.7	161.6	196.2	44.7	38.3	0.3	9.5	10.6	0.6	3.8
Turkey	23.4	45.9	44.5	105.5	60.8	42.6	6.8	4.3	7.7	0.5	0.7
Turkmenistan	..	70.4	..	..	..	..	3.8	..	..	..	..
Uganda	10.2	36.7	..	..	0.0	52.1	6.8	1.1	4.5	0.0	2.6
Ukraine	..	84.3	..	145.7	..	25.5	3.8	..	11.8	..	1.7
United Arab Emirates	101.8	..	159.6	..	..	..	..	..	..	..	..
United Kingdom	41.2	39.9	102.6	123.9	29.1	44.0	3.9	35.3	60.3	7.4	23.8
United States	15.8	18.3	44.8	66.8	33.8	39.3	4.5	5.7	9.2	2.8	2.4
Uruguay	32.7	31.5	85.0	104.6	27.2	40.4	2.9	12.7	81.7	0.0	1.7
Uzbekistan	..	80.0	..	130.5	..	..	-1.2	..	..	..	..
Venezuela, RB	51.1	41.0	90.8	86.3	6.4	3.5	3.1	49.9	15.4	1.7	3.1
Vietnam	79.7	101.3	129.7	..	..	17.8	..	..	5.8	..	4.0
West Bank and Gaza	..	..	..	..	..	..	-3.2	..	..	..	..
Yemen, Rep.	46.9	58.4	90.0	97.1	11.8	4.0	3.1	16.2	3.6	2.7	1.1
Zambia	76.9	60.6	102.3	113.2	7.2	11.8	2.0	64.7	9.3	6.2	3.8
Zimbabwe	40.7	38.5	74.5	97.5	14.7	..	4.8	1.7	..	0.1	..
World	32.5 w	40.3 w	80.2 w	116.0 w	21.5	23.1 w		10.1 w	20.8 w	2.7 w	6.0 w
Low income	26.9	37.3	..	..	14.6	19.4		3.0	4.4	0.5	1.7
Middle income	35.2	54.9	74.6	116.8	16.5	15.6		6.8	12.4	1.0	3.7
Lower middle income	30.6	49.2	63.2	98.0	18.7	16.8		4.1	11.0	0.8	3.6
Upper middle income	45.0	66.2	86.4	146.8	13.7	13.9		12.2	15.1	1.5	3.9
Low & middle income	33.4	51.8	74.5	115.0	16.2	16.1		6.0	11.1	0.9	3.3
East Asia & Pacific	47.0	63.4	78.5	104.6	14.1	13.6		5.0	10.2	1.7	4.1
Europe & Central Asia	28.8	64.3	53.3	132.1	29.6	21.7		..	13.9	..	3.7
Latin America & Carib.	23.1	41.2	66.4	132.0	17.5	13.4		7.9	13.7	0.9	4.0
Middle East & N. Africa	46.6	50.5	84.0	90.9	11.6	12.2		6.0	10.3	0.8	0.9
South Asia	16.5	24.2	..	..	24.6	39.5		1.4	3.2	0.1	0.7
Sub-Saharan Africa	40.8	55.3	77.1	119.7	13.9	10.1		4.9	9.6	1.0	2.2
High income	32.3	37.6	80.9	117.2	23.2	25.5		10.9	22.9	3.0	6.6
Europe EMU	44.9	56.3	112.6	141.9	24.4	23.7		14.1	49.3	2.9	14.8

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

About the data

The growing integration of societies and economies has helped reduce poverty in many countries. Between 1990 and 2000 the number of people living on less than \$1 a day declined by about 137 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.

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.
- **Ratio of commercial service exports to merchandise exports** is total service exports minus exports of government services not included elsewhere over the f.o.b. value of goods provided to the rest of the world, all in current U.S. dollars.
- **Growth in real trade less growth in real GDP** is the difference between annual growth in trade of goods and services and annual growth in GDP. Growth rates are calculated using constant price series taken from national accounts and are expressed as a percentage.
- **Gross private capital flows** are the sum of the absolute values of direct, portfolio, and other investment inflows and outflows recorded in the balance of payments financial account, excluding changes in the assets and liabilities of monetary authorities and general government. The indicator is calculated as a ratio to GDP in U.S. dollars.
- **Gross foreign direct investment** is the sum of the absolute values of inflows and outflows of foreign direct investment recorded in the balance of payments financial account. It includes equity capital, reinvestment of earnings, other long-term capital, and short-term capital. This indicator differs from the standard measure of foreign direct investment, which captures only inward investment (see table 6.7). The indicator is calculated as a ratio to GDP in U.S. dollars.

Data sources

The data on merchandise trade are from the World Trade Organization. The data on GDP come from the World Bank'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, 2002

Source of exports	High-income importers						
	% of world trade						
	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
High-income economies	29.9	2.9	11.5	5.9	50.2	7.2	57.4
Industrial economies	28.4	1.8	9.3	5.5	45.0	5.1	50.1
European Union	23.3	0.6	3.6	2.1	29.6	1.7	31.3
Japan	1.0		1.9	0.3	3.2	1.6	4.8
United States	2.3	0.8		2.9	6.0	1.3	7.3
Other industrial economies	1.8	0.4	3.9	0.2	6.3	0.4	6.7
Other high-income economies	1.6	1.1	2.2	0.4	5.2	2.0	7.3
Low- and middle-income economies	6.4	1.9	6.3	0.8	15.5	3.6	19.1
East Asia & Pacific	1.4	1.4	1.9	0.4	5.1	2.5	7.6
Europe & Central Asia	2.7	0.0	0.2	0.2	3.2	0.2	3.4
Latin America & Caribbean	0.6	0.1	3.2	0.1	4.1	0.2	4.3
Middle East & N. Africa	0.9	0.3	0.3	0.1	1.6	0.4	2.0
South Asia	0.3	0.0	0.3	0.0	0.6	0.2	0.8
Sub-Saharan Africa	0.5	0.1	0.3	0.0	0.9	0.1	1.0
World	36.3	4.8	17.8	6.8	65.7	10.8	76.5

Source of exports	Low- and middle-income importers							
	% of world trade							
	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	6.3	3.4	1.7	1.6	0.7	0.8	17.2	74.6
Industrial economies	3.2	3.3	1.5	1.4	0.5	0.7	12.9	63.0
European Union	0.9	3.0	0.5	1.0	0.3	0.5	6.8	38.1
Japan	1.3	0.1	0.2	0.1	0.1	0.1	1.8	6.5
United States	0.8	0.2	0.8	0.2	0.1	0.1	3.6	10.9
Other industrial economies	0.3	0.1	0.1	0.1	0.1	0.0	0.7	7.5
Other high-income economies	3.1	0.1	0.1	0.1	0.2	0.1	4.3	11.6
Low- and middle-income economies	1.7	1.6	1.0	0.6	0.4	0.4	6.3	25.4
East Asia & Pacific	0.9	0.2	0.1	0.2	0.2	0.1	1.9	9.5
Europe & Central Asia	0.2	1.1	0.0	0.2	0.0	0.0	1.6	5.1
Latin America & Caribbean	0.1	0.0	0.7	0.1	0.0	0.0	1.3	5.6
Middle East & N. Africa	0.2	0.1	0.0	0.1	0.1	0.0	0.7	2.7
South Asia	0.1	0.0	0.0	0.1	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	1.4
World	8.0	4.9	2.7	2.2	1.1	1.3	23.5	100.0

Nominal growth of trade, 1992–2002

Source of exports	High-income importers						
	annual % growth						
	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
High-income economies	3.3	2.4	6.1	4.2	3.9	4.8	4.0
Industrial economies	3.2	1.6	6.5	4.3	3.9	3.9	3.9
European Union	3.5	3.3	8.3	3.3	4.0	5.6	4.0
Japan	-0.9		2.2	-0.1	0.9	2.5	1.4
United States	2.9	0.7		5.7	3.8	3.8	3.8
Other industrial economies	2.9	0.8	7.7	4.2	5.4	3.5	5.3
Other high-income economies	4.5	3.8	4.6	3.7	4.3	7.5	5.1
Low- and middle-income economies	7.0	6.9	11.7	9.3	8.7	8.0	8.6
East Asia & Pacific	12.1	9.3	14.4	13.0	12.0	8.0	10.5
Europe & Central Asia	11.2	0.2	12.7	11.7	11.0	10.9	11.0
Latin America & Caribbean	2.4	-0.5	12.3	10.0	9.4	9.7	9.4
Middle East & N. Africa	2.7	3.0	3.7	4.0	3.0	4.4	3.3
South Asia	6.1	0.0	10.9	7.3	7.4	9.5	7.8
Sub-Saharan Africa	6.6	17.6	5.6	4.9	6.7	16.8	7.3
World	3.9	3.9	7.7	4.7	4.9	5.7	5.0

Source of exports	Low- and middle-income importers							
	annual % growth							
	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	8.7	7.5	2.9	0.9	5.1	1.3	6.5	4.5
Industrial economies	7.3	7.8	3.0	0.7	4.0	1.0	5.8	4.2
European Union	7.2	8.6	3.1	1.5	4.6	1.5	6.5	4.4
Japan	7.1	4.0	-0.1	-3.2	-0.4	-3.5	4.0	2.1
United States	8.2	1.8	3.9	-2.0	5.4	1.1	6.0	4.5
Other industrial economies	6.0	2.4	1.5	4.3	4.5	3.1	4.2	5.2
Other high-income economies	10.5	-1.0	2.8	1.7	7.5	1.2	8.7	6.3
Low- and middle-income economies	14.9	3.2	7.1	6.3	10.2	9.0	9.2	8.7
East Asia & Pacific	16.5	10.7	16.7	10.0	14.7	15.8	14.3	11.2
Europe & Central Asia	6.3	8.7	7.0	5.7	8.3	10.9	7.8	9.9
Latin America & Caribbean	12.9	6.1	7.0	4.8	14.8	5.3	8.1	9.1
Middle East & N. Africa	16.1	2.9	-2.1	6.0	4.6	8.7	6.7	4.1
South Asia	15.5	5.2	19.0	4.6	9.8	11.5	9.7	8.3
Sub-Saharan Africa	27.6	17.5	10.0	5.7	8.7	11.4	13.5	8.8
World	9.7	6.0	4.2	2.1	6.7	3.3	7.1	5.4



6.2

Direction and growth of merchandise trade

About the data

The 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 database. All high-income countries and 22 of the 156 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 problems of asymmetry (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 cost, insurance, and freight (c.i.f.) valuations, and exports at free on board (f.o.b.) valuations, the IMF adjusts country reports of import values by dividing them 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.

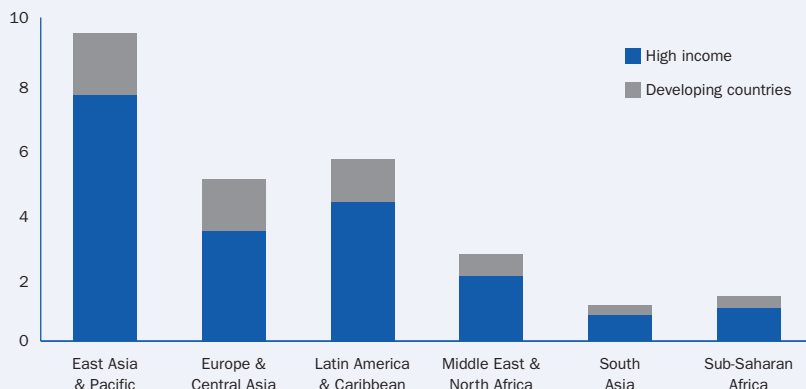
Definitions

• **Merchandise trade** includes all trade in goods; trade in services is excluded. • **High-income economies** are those classified as such by the World Bank (see inside front cover). • **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 Antigua and Barbuda, Aruba, The Bahamas, Bahrain, Barbados, Bermuda, Brunei, Cyprus, Faeroe Islands, French Polynesia, Greenland, Guam, Hong Kong (China), Israel, the Republic of Korea, Kuwait, Macao (China), Malta, 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.

6.2a

Rich markets for developing country exports

Developing economy exports as % of world trade, 2002



High-income countries continue to be the principal trading partners of developing countries. Yet trade between and within developing countries continues to grow. At 9.5 percent, East Asia and Pacific is the developing region with the largest exports as a share of world trade. Sub-Saharan Africa's share, although small, has been growing.

Source: International Monetary Fund, Direction of Trade database.

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.

Exports to low-income economies

	High-income OECD countries		European Union		Japan		United States	
	1992	2002	1992	2002 ^a	1992	2002	1992	2002
\$ billions								
Food	6.1	8.2	3.4	4.2	0.1	0.1	1.7	2.2
Cereals	2.7	2.2	1.0	0.9	0.0	0.0	1.2	1.0
Agricultural raw materials	1.9	2.9	0.4	0.7	0.2	0.2	0.6	0.9
Ores and nonferrous metals	1.4	2.1	0.6	0.8	0.1	0.2	0.3	0.2
Fuels	1.9	2.1	0.8	0.8	0.1	0.1	0.2	0.2
Crude petroleum	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.3	1.4	0.8	0.7	0.1	0.1	0.2	0.2
Manufactured goods	57.4	69.6	30.0	34.4	12.9	13.1	6.3	8.7
Chemical products	8.1	10.3	4.5	5.6	1.0	1.1	1.3	1.5
Mach. and transport equip.	33.6	38.2	16.4	17.5	9.0	8.5	4.2	5.6
Other	15.7	21.1	9.1	11.3	2.9	3.4	0.9	1.7
Miscellaneous goods	1.5	3.3	0.6	1.2	0.1	0.3	0.3	0.7
Total	70.3	88.2	35.8	42.1	13.4	14.1	9.3	12.9
% of total exports								
Food	8.7	9.3	9.5	10.0	0.6	0.4	18.0	17.0
Cereals	3.8	2.5	2.7	2.2	0.1	0.2	13.3	7.5
Agricultural raw materials	2.8	3.2	1.2	1.7	1.6	1.7	6.7	7.3
Ores and nonferrous metals	2.0	2.4	1.6	2.0	0.7	1.8	2.8	1.3
Fuels	2.7	2.4	2.4	1.8	0.6	0.9	1.7	1.3
Crude petroleum	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.8	1.6	2.3	1.8	0.6	0.7	1.7	1.3
Manufactured goods	81.7	78.9	83.6	81.7	95.9	93.0	67.9	67.8
Chemical products	11.6	11.7	12.5	13.2	7.2	8.1	13.5	11.3
Mach. and transport equip.	47.8	43.3	45.7	41.6	67.0	60.4	45.3	43.4
Other	22.3	23.9	25.4	26.9	21.7	24.4	9.1	13.1
Miscellaneous goods	2.2	3.8	1.7	2.8	0.6	2.2	2.8	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Imports from low-income economies

\$ billions								
Food	11.5	17.5	7.1	9.5	2.1	2.8	1.6	3.9
Cereals	0.1	0.4	0.1	0.2	0.0	0.0	0.0	0.1
Agricultural raw materials	4.4	5.0	2.5	2.8	0.8	0.6	0.7	0.8
Ores and nonferrous metals	5.1	5.6	2.0	2.4	2.1	2.3	0.4	0.2
Fuels	29.4	37.0	8.4	9.0	8.8	8.6	9.2	11.8
Crude petroleum	22.2	26.8	7.9	7.7	3.6	3.0	8.8	10.8
Petroleum products	2.3	3.0	0.3	0.5	0.9	0.7	0.5	1.0
Manufactured goods	31.6	76.0	16.0	32.8	3.9	7.6	8.8	28.9
Chemical products	1.3	4.1	0.7	1.6	0.1	0.6	0.2	1.2
Mach. and transport equip.	1.9	9.3	1.0	3.9	0.1	1.9	0.4	2.6
Other	28.5	62.5	14.3	27.4	3.6	5.1	8.2	25.1
Miscellaneous goods	0.4	1.0	0.2	0.4	0.1	0.1	0.1	0.3
Total	82.4	142.0	36.2	56.8	17.8	22.1	20.9	45.9
% of total imports								
Food	13.9	12.3	19.6	16.7	11.9	12.6	7.6	8.5
Cereals	0.2	0.3	0.3	0.3	0.0	0.1	0.1	0.2
Agricultural raw materials	5.4	3.5	6.9	4.9	4.6	2.8	3.5	1.8
Ores and nonferrous metals	6.2	3.9	5.6	4.2	11.9	10.4	2.0	0.5
Fuels	35.7	26.1	23.2	15.9	49.5	39.2	44.2	25.7
Crude petroleum	26.9	18.9	21.9	13.6	20.4	13.7	41.9	23.4
Petroleum products	2.7	2.1	0.9	0.9	5.3	3.2	2.2	2.2
Manufactured goods	38.4	53.5	44.1	57.7	21.7	34.4	42.3	62.8
Chemical products	1.5	2.9	1.8	2.8	0.8	2.6	1.0	2.5
Mach. and transport equip.	2.3	6.6	2.9	6.8	0.6	8.8	1.9	5.6
Other	34.6	44.0	39.4	48.2	20.3	23.0	39.3	54.6
Miscellaneous goods	0.5	0.7	0.6	0.7	0.4	0.7	0.4	0.7
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

Exports to middle-income economies

	High-income OECD countries		European Union		Japan		United States	
	1992	2002	1992	2002 ^a	1992	2002	1992	2002
\$ billions								
Food	35.8	44.7	16.7	19.9	0.3	0.3	13.0	16.7
Cereals	13.8	10.6	4.7	3.4	0.1	0.0	5.8	5.5
Agricultural raw materials	7.4	14.1	2.3	4.9	0.5	1.0	3.0	5.1
Ores and nonferrous metals	6.4	15.0	2.2	5.8	0.6	2.0	2.0	3.5
Fuels	8.1	14.5	2.8	4.7	0.5	0.5	3.3	5.1
Crude petroleum	0.9	1.2	0.5	0.4	0.0	0.0	0.0	0.0
Petroleum products	5.4	9.8	2.2	3.7	0.4	0.5	2.2	3.9
Manufactured goods	311.1	619.2	139.4	307.9	60.7	92.5	85.3	153.8
Chemical products	38.5	86.5	20.5	45.4	3.4	8.1	10.6	20.0
Mach. and transport equip.	185.0	361.1	77.3	169.9	41.7	62.6	53.9	93.8
Other	87.5	171.6	41.6	92.6	15.6	21.8	20.8	39.9
Miscellaneous goods	10.3	22.6	3.2	6.6	0.6	3.3	5.2	9.1
Total	379.0	730.0	166.6	349.8	63.2	99.6	111.8	193.2
% of total exports								
Food	9.5	6.1	10.0	5.7	0.5	0.3	11.6	8.6
Cereals	3.6	1.5	2.8	1.0	0.1	0.0	5.2	2.8
Agricultural raw materials	2.0	1.9	1.4	1.4	0.8	1.0	2.7	2.6
Ores and nonferrous metals	1.7	2.1	1.3	1.7	1.0	2.0	1.8	1.8
Fuels	2.1	2.0	1.7	1.4	0.7	0.5	3.0	2.6
Crude petroleum	0.2	0.2	0.3	0.1	0.0	0.0	0.0	0.0
Petroleum products	1.4	1.3	1.3	1.0	0.6	0.5	2.0	2.0
Manufactured goods	82.1	84.8	83.7	88.0	96.1	92.9	76.3	79.6
Chemical products	10.2	11.9	12.3	13.0	5.3	8.1	9.5	10.4
Mach. and transport equip.	48.8	49.5	46.4	48.6	66.0	62.9	48.2	48.5
Other	23.1	23.5	25.0	26.5	24.7	21.9	18.6	20.7
Miscellaneous goods	2.7	3.1	1.9	1.9	0.9	3.3	4.7	4.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Imports from middle-income economies

	High-income OECD countries		European Union		Japan		United States	
	1992	2002	1992	2002 ^a	1992	2002	1992	2002
\$ billions								
Food	59.5	81.8	30.0	36.5	10.0	14.5	14.2	22.4
Cereals	2.1	4.4	0.4	1.9	0.6	0.5	0.2	0.6
Agricultural raw materials	15.2	17.9	7.3	9.6	4.2	2.9	1.9	3.8
Ores and nonferrous metals	24.8	39.6	12.4	17.3	6.0	7.0	4.2	8.9
Fuels	122.7	182.3	61.1	76.4	20.5	24.1	30.6	61.2
Crude petroleum	87.9	134.7	41.6	52.7	14.5	17.4	23.4	49.7
Petroleum products	19.6	24.9	9.2	11.6	2.4	1.2	6.8	9.8
Manufactured goods	196.1	730.2	75.6	254.1	19.0	75.6	85.1	335.6
Chemical products	13.9	34.7	7.2	15.0	1.8	3.5	3.3	11.3
Mach. and transport equip.	59.6	333.8	17.5	107.5	3.7	32.1	33.6	164.8
Other	122.6	361.6	50.9	131.6	13.5	39.9	48.2	159.5
Miscellaneous goods	7.4	15.7	3.3	2.2	0.6	1.6	3.2	11.5
Total	425.7	1,067.4	189.7	396.1	60.4	125.7	139.2	443.3
% of total imports								
Food	14.0	7.7	15.8	9.2	16.6	11.5	10.2	5.1
Cereals	0.5	0.4	0.2	0.5	1.1	0.4	0.2	0.1
Agricultural raw materials	3.6	1.7	3.9	2.4	7.0	2.3	1.3	0.9
Ores and nonferrous metals	5.8	3.7	6.5	4.4	10.0	5.6	3.0	2.0
Fuels	28.8	17.1	32.2	19.3	33.9	19.2	22.0	13.8
Crude petroleum	20.6	12.6	21.9	13.3	24.0	13.8	16.8	11.2
Petroleum products	4.6	2.3	4.8	2.9	4.0	1.0	4.9	2.2
Manufactured goods	46.1	68.4	39.9	64.1	31.4	60.2	61.1	75.7
Chemical products	3.3	3.3	3.8	3.8	3.0	2.8	2.3	2.5
Mach. and transport equip.	14.0	31.3	9.2	27.1	6.1	25.6	24.2	37.2
Other	28.8	33.9	26.8	33.2	22.4	31.8	34.6	36.0
Miscellaneous goods	1.7	1.5	1.7	0.6	1.0	1.3	2.3	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a. Data for Belgium, Greece, and Luxembourg are for 2001.

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 prodevelopment outcome from trade remains a major challenge. Meeting this challenge will require strengthening international consultation. Negotiations after the Doha meetings have been launched 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.

Trade flows between high-income OECD members and low- and middle-income economies reflect the changing mix of exports to and imports from developing economies. While food imports from middle-income countries have continued to fall as a share of OECD imports, food imports from low-income countries to high-income countries have increased as a share of U.S. and Japanese imports. The share of manufactures in total goods imports to high-income countries has grown dramatically for both low- and middle-income countries. Moreover, trade between developing countries has grown substantially over the past decade. 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.). 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 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.

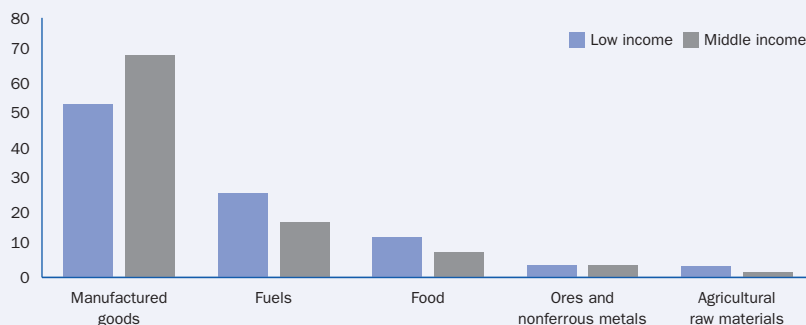
Definitions

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-income 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-income and middle-income economies as recorded in the United Nations Statistics Division's COMTRADE database. • **High-income OECD countries** in 2002 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

Manufactured goods from developing countries dominated imports by OECD countries in 2002

Imports by high-income OECD countries (% of total imports)



Source: United Nations Statistics Division, 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	1997	1998	1999	2000	2001	2002	2003
World Bank commodity price index (1990 = 100)											
Non-energy commodities	156	159	100	104	114	99	89	89	84	89	91
Agriculture	163	175	100	112	124	108	93	90	85	93	95
Beverages	203	230	100	129	165	141	108	91	76	91	87
Food	166	177	100	100	112	105	88	87	91	97	96
Raw materials	130	133	100	116	110	88	89	94	82	89	98
Fertilizers	108	164	100	88	116	123	115	109	105	108	106
Metals and minerals	144	120	100	87	87	76	74	85	80	78	82
Petroleum	19	204	100	64	81	57	80	127	113	117	126
Steel products ^a	111	100	100	91	86	75	69	79	71	73	79
MUV G-5 index	28	79	100	117	104	100	99	97	94	93	100

Commodity prices (1990 prices)

Agricultural raw materials

Cotton (cents/kg)	225	260	182	182	169	145	118	134	112	109	140
Logs, Cameroon (\$/cu. m) ^a	153	319	343	290	275	287	271	283	282	..	..
Logs, Malaysian (\$/cu. m)	154	248	177	218	230	163	188	195	169	175	187
Rubber (cents/kg)	145	181	86	135	98	72	63	71	64	83	106
Sawnwood, Malaysian (\$/cu. m)	625	503	533	632	641	486	605	614	510	565	551
Tobacco (\$/mt)	3,836	2,888	3,392	2,258	3,411	3,349	3,064	3,063	3,185	2,947	2,643

Beverages (cents/kg)

Cocoa	240	330	127	122	156	168	114	93	113	191	175
Coffee, robustas	330	411	118	237	168	183	150	94	64	71	81
Coffee, Arabica	409	440	197	285	403	299	231	198	146	146	142
Tea, avg., 3 auctions	298	211	206	127	199	205	185	193	169	162	152

Energy

Coal, Australian (\$/mt)	..	49.67	39.67	33.63	33.90	29.34	26.08	27.01	34.26	29.05	27.83
Coal, U.S. (\$/mt)	..	54.69	41.67	33.46	35.15	34.51	33.41	34.02	47.56	42.97	..
Natural gas, Europe (\$/mmbtu)	..	4.31	2.55	2.33	2.65	2.43	2.15	3.97	4.30	3.28	3.91
Natural gas, U.S. (\$/mmbtu)	0.59	1.97	1.70	1.47	2.40	2.09	2.28	4.44	4.19	3.60	5.49
Petroleum (\$/bbl)	4.31	46.78	22.88	14.68	18.52	13.12	18.20	29.05	25.82	26.76	28.90

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.

	1970	1980	1990	1995	1997	1998	1999	2000	2001	2002	2003
Commodity prices (continued)											
(1990 prices)											
Fertilizers (\$/mt)											
Phosphate rock	39	59	40	30	40	43	44	45	44	43	38
TSP	152	229	132	128	166	174	156	142	135	143	149
Food											
Fats and oils (\$/mt)											
Coconut oil	1,417	855	336	572	634	660	742	463	337	452	467
Groundnut oil	1,350	1,090	964	847	976	913	793	734	721	738	1,242
Palm oil	927	740	290	536	527	674	439	319	303	419	443
Soybeans	417	376	247	221	285	244	203	218	208	228	264
Soybean meal	367	332	200	168	266	171	153	194	192	188	211
Soybean oil	1,021	758	447	534	545	628	430	348	375	488	554
Grains (\$/mt)											
Grain sorghum	185	164	104	102	106	98	85	91	101	109	107
Maize	208	159	109	105	113	102	91	91	95	107	105
Rice	450	521	271	274	293	305	250	208	183	206	198
Wheat	196	219	136	151	154	127	113	117	134	159	146
Other food											
Bananas (\$/mt)	590	481	541	380	499	491	376	436	618	568	375
Beef (cents/kg)	465	350	256	163	179	173	186	199	226	226	198
Oranges (\$/mt)	599	496	531	454	443	444	434	374	631	606	682
Sugar, EU domestic (cents/kg)	40	62	58	59	61	60	60	57	56	59	60
Sugar, U.S. domestic (cents/kg)	59	84	51	43	47	49	47	44	50	50	47
Sugar, world (cents/kg)	29	80	28	25	24	20	14	19	20	16	16
Metals and minerals											
Aluminum (\$/mt)	1,982	1,847	1,639	1,542	1,545	1,363	1,371	1,594	1,531	1,449	1,431
Copper (\$/mt)	5,038	2,769	2,661	2,508	2,199	1,660	1,584	1,866	1,673	1,674	1,779
Iron ore (cents/dmtu)	35	36	32	24	29	31	28	30	32	31	31
Lead (cents/kg)	108	115	81	54	60	53	51	47	50	49	51
Nickel (\$/mt)	10,148	8,271	8,864	7,028	6,691	4,647	6,055	8,888	6,303	7,271	9,627
Tin (cents/kg)	1,310	2,128	609	531	545	556	544	559	475	436	489
Zinc (cents/kg)	105	97	151	88	127	103	108	116	94	84	83

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 oils, equally weighted. • **Steel products price index** is the composite price index for eight steel products based on quotations free on board (f.o.b.) 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>.



Merchandise exports within bloc

	\$ millions									
	1970	1980	1990	1995	1997	1998	1999	2000	2001	2002
High-income and low- and middle-income economies										
APEC ^a	58,633	357,697	901,560	1,688,708	1,869,192	1,734,386	1,896,213	2,262,159	2,070,710	2,166,764
CEFTA	1,157	7,766	4,235	12,118	13,169	14,234	13,226	15,123	17,054	19,180
European Union	76,451	456,857	981,260	1,259,699	1,159,112	1,223,801	1,396,574	1,407,525	1,396,252	1,473,375
NAFTA	22,078	102,218	226,273	394,472	496,423	521,649	581,161	676,440	639,138	626,985
Latin America and the Caribbean										
ACS	758	4,892	5,398	11,049	12,032	12,505	11,252	15,773	14,984	16,937
Andean Group	97	1,161	1,312	4,812	5,524	5,408	3,929	4,785	5,461	5,026
CACM	287	1,174	667	1,594	1,993	2,010	2,175	2,418	2,394	2,598
CARICOM	52	576	448	867	968	1,020	1,136	1,050	1,202	1,221
Central American Group of Four	176	692	399	1,026	1,302	1,230	1,369	1,582	1,546	1,678
Group of Three	59	706	1,046	3,460	3,944	3,921	2,912	3,544	4,178	3,647
LAIA	1,263	10,981	12,331	35,299	44,700	42,959	34,785	42,593	40,755	35,755
MERCOSUR	451	3,424	4,127	14,199	20,680	20,352	15,313	17,884	15,244	10,341
OECS	..	8	29	39	34	36	37	38	40	43
Africa										
CEMAC	22	75	139	120	161	153	127	102	120	131
CEPGL	3	2	7	8	6	8	9	10	11	12
COMESA	392	609	910	1,244	1,391	1,342	1,357	1,556	1,639	1,801
Cross-Border Initiative	209	447	613	1,002	1,144	1,156	964	1,066	947	1,019
ECCAS	162	89	163	163	211	198	179	196	217	236
ECOWAS	86	692	1,557	1,936	2,244	2,350	2,364	2,873	2,794	3,009
Indian Ocean Commission	23	39	73	127	75	95	91	105	135	136
MRU	1	7	0	1	7	2	4	5	4	5
SADC	483	617	1,630	3,373	4,471	3,865	4,224	4,452	4,132	4,268
UDEAC	22	75	139	120	160	152	126	101	119	130
UEMOA	52	460	621	560	707	752	805	741	776	875
Middle East and Asia										
Arab Common Market	102	661	911	1,368	1,146	978	951	1,312	1,728	1,857
ASEAN	1,456	13,350	28,648	81,911	88,773	72,352	80,415	101,848	90,105	95,473
Bangkok Agreement	132	1,464	4,476	12,066	13,684	12,851	14,463	16,844	16,733	18,299
EAEG	9,197	98,532	281,067	634,606	669,833	549,010	612,415	772,420	698,550	779,364
ECO	63	15,891	1,243	4,746	4,929	4,031	3,903	4,485	4,457	4,915
GCC	156	4,632	6,906	6,832	8,124	7,358	7,306	7,218	6,959	6,922
SAARC	99	613	863	2,024	2,174	2,466	2,180	2,614	2,828	2,999
UMA	60	109	958	1,109	924	881	919	1,104	1,136	1,178

Note: Regional bloc memberships are as follows: **Asia Pacific Economic Cooperation (APEC)**, Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, the Russian Federation, Singapore, Taiwan (China), Thailand, the United States, and Vietnam; **Central European Free Trade Area (CEFTA)**, Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia; **European Union (EU; formerly European Economic Community and European Community)**, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom; **North American Free Trade Area (NAFTA)**, Canada, Mexico, and the United States; **Association of Caribbean States (ACS)**, Antigua and Barbuda, the Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and República Bolivariana de Venezuela; **Andean Group**, Bolivia, Colombia, Ecuador, Peru, and República Bolivariana de Venezuela; **Central American Common Market (CACM)**, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; **Caribbean Community and Common Market (CARICOM)**, Antigua and Barbuda, the Bahamas (part of the Caribbean Community but not of the Common Market), Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago; **Central American Group of Four**, El Salvador, Guatemala, Honduras, and Nicaragua; **Group of Three**, Colombia, Mexico, and República Bolivariana de Venezuela; **Latin American Integration Association (LAIA; formerly Latin American Free Trade Area)**, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and República Bolivariana de Venezuela; **Southern Cone Common Market (MERCOSUR)**, Argentina, Brazil, Paraguay, and Uruguay; **Organization of Eastern Caribbean States (OECS)**, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; **Economic and Monetary Community of Central Africa (CEMAC)**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, Gabon, and São Tomé and Príncipe; **Economic Community of the Countries of the Great Lakes (CEPGL)**, Burundi, the Democratic Republic of Congo, and Rwanda; **Common Market for Eastern and Southern Africa (COMESA)**, Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, the Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Tanzania, Zambia,

Merchandise exports within bloc

	% of total bloc exports									
	1970	1980	1990	1995	1997	1998	1999	2000	2001	2002
High-income and low- and middle-income economies										
APEC ^a	57.8	57.9	68.3	71.8	71.6	69.7	71.8	73.1	72.6	73.3
CEFTA	12.9	14.8	9.9	14.6	13.4	13.0	12.1	12.2	12.4	12.2
European Union	59.5	60.8	65.9	62.4	55.4	56.8	62.9	61.6	60.8	60.6
NAFTA	36.0	33.6	41.4	46.2	49.1	51.7	54.6	55.7	55.5	56.7
Latin America and the Caribbean										
ACS	9.6	8.7	8.4	8.5	7.0	7.2	5.6	6.4	6.5	7.1
Andean Group	1.8	3.8	4.1	12.0	10.8	12.8	8.8	7.9	10.3	9.5
CACM	26.1	24.4	15.3	21.8	18.7	15.8	13.6	14.8	15.5	11.1
CARICOM	4.2	5.3	8.1	12.1	14.4	17.3	16.9	14.7	14.0	12.5
Central American Group of Four	20.1	18.1	13.7	22.2	20.2	17.1	14.6	15.1	14.8	12.8
Group of Three	1.1	1.8	2.0	3.2	2.7	2.6	1.7	1.7	2.1	1.8
LAIA	9.9	13.7	10.8	17.1	17.0	16.7	12.7	12.8	12.8	11.1
MERCOSUR	9.4	11.6	8.9	20.3	24.8	25.0	20.6	20.8	17.2	11.6
OECS	..	9.1	8.1	12.6	10.7	12.0	13.1	10.0	5.3	3.8
Africa										
CEMAC	4.8	1.6	2.3	2.1	2.0	2.3	1.7	1.0	1.3	1.5
CEPGL	0.4	0.1	0.5	0.5	0.4	0.6	0.8	0.8	0.8	0.7
COMESA	8.7	6.0	6.3	7.0	7.1	7.7	7.4	5.7	7.0	6.4
Cross-Border Initiative	9.3	8.8	10.3	11.9	12.7	13.9	12.1	10.6	10.0	10.2
ECCAS	9.6	1.4	1.4	1.5	1.5	1.8	1.3	1.1	1.3	1.3
ECOWAS	2.9	10.1	7.9	9.0	8.6	10.7	10.4	9.5	9.6	10.6
Indian Ocean Commission	8.4	3.9	4.1	6.0	3.9	4.7	4.8	4.2	5.5	5.3
MRU	0.2	0.8	0.0	0.1	0.5	0.1	0.4	0.4	0.3	0.2
SADC	8.0	2.0	4.8	8.7	10.4	10.4	11.9	11.9	10.2	9.3
COMESA	4.9	1.6	2.3	2.1	2.0	2.3	1.7	1.0	1.3	1.5
UDEAC	4.9	1.6	2.3	2.1	2.0	2.3	1.7	1.0	1.3	1.5
UEMOA	6.5	9.6	13.0	10.3	11.8	11.0	13.1	13.1	14.3	12.3
Middle East and Asia										
Arab Common Market	2.2	2.4	2.7	6.7	4.1	4.8	3.3	3.0	4.5	4.8
ASEAN	22.9	18.7	19.8	25.4	24.9	21.9	22.4	23.9	23.3	23.7
Bangkok Agreement	2.7	3.7	3.7	5.0	5.1	5.0	5.1	5.1	5.5	5.6
EAEU	28.9	35.6	39.7	47.9	47.8	42.0	43.8	46.6	46.6	48.2
ECO	1.5	73.2	3.2	7.9	7.5	6.8	5.8	5.6	5.5	5.9
GCC	2.9	3.0	8.0	6.8	6.5	8.0	6.7	4.5	4.5	4.6
SAARC	3.2	4.8	3.2	4.4	4.2	4.8	4.0	4.1	4.3	4.2
UMA	1.4	0.3	2.9	3.8	2.7	3.3	2.5	2.3	2.6	2.7

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 the Congo, the Republic of Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe; **Economic Community of West African States (ECOWAS)**, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo; **Indian Ocean Commission**, Comoros, Madagascar, Mauritius, 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 the 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	1997	1998	1999	2000	2001	2002
High-income and low- and middle-income economies										
APEC ^a	36.0	33.7	39.0	46.3	47.3	46.1	46.6	48.6	46.5	46.0
CEFTA	3.2	2.9	1.3	1.6	1.8	2.0	1.9	2.0	2.2	2.4
European Union	45.6	41.0	44.0	39.7	37.9	39.9	39.2	35.9	37.4	37.9
NAFTA	21.7	16.6	16.2	16.8	18.3	18.7	18.8	19.1	18.8	17.2
Latin America and the Caribbean										
ACS	2.8	3.1	1.9	2.6	3.1	3.2	3.5	3.8	3.7	3.7
Andean Group	1.9	1.7	0.9	0.8	0.9	0.8	0.8	1.0	0.9	0.8
CACM	0.4	0.3	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.4
CARICOM	0.4	0.6	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Central American Group of Four	0.3	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Group of Three	1.8	2.1	1.5	2.1	2.7	2.8	3.0	3.3	3.2	3.1
LAIA	4.5	4.4	3.4	4.1	4.8	4.8	4.8	5.2	5.2	5.0
MERCOSUR	1.7	1.6	1.4	1.4	1.5	1.5	1.3	1.3	1.4	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	0.2	0.2	0.1
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	0.3	0.3	0.4	0.4	0.4
Cross-Border Initiative	0.8	0.3	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2
ECCAS	0.6	0.3	0.3	0.2	0.3	0.2	0.2	0.3	0.3	0.3
ECOWAS	1.1	0.4	0.6	0.4	0.5	0.4	0.4	0.5	0.5	0.4
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	0.7	0.6	0.6	0.7	0.7
UDEAC	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1
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	0.4	0.5	0.7	0.6	0.6
ASEAN	2.0	3.7	4.1	6.1	6.6	5.8	5.6	6.9	6.0	6.3
Bangkok Agreement	1.6	2.1	3.5	4.6	5.0	4.6	4.5	5.4	4.7	5.1
EAEC	11.3	15.1	20.9	26.1	25.4	24.2	24.7	26.1	24.4	25.2
ECO	1.5	1.2	1.1	1.2	1.2	1.1	1.2	1.3	1.3	1.3
GCC	1.9	8.5	2.5	2.0	2.3	1.7	1.9	2.5	2.5	2.3
SAARC	1.1	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1
UMA	1.5	2.3	1.0	0.6	0.6	0.5	0.6	0.8	0.7	0.7

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 the 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 (COM-TRADE)* 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.

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.



Year	All products								Primary products		Manufactured products	
	Binding coverage	Simple mean bound rate	Simple mean tariff	%		Share of lines with international peaks	Share of lines with specific rates	Ad valorem equivalent of nontariff barriers ^a	Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
				Weighted mean tariff	Share of lines with international peaks							
Albania	1997	..	..	17.7	16.0	59.8	0.0	..	15.7	12.8	17.2	15.2
	2001	100.0	7.0	11.8	12.4	40.0	0.0	0.6	12.1	10.6	11.6	11.6
Algeria	1993	..	..	20.9	16.1	43.7	0.0	..	22.5	8.9	21.7	18.7
	2002	..	..	18.8	15.3	43.5	0.0	1.1	19.7	12.8	18.3	13.1
Argentina	1992	..	..	14.9	13.4	36.8	0.0	..	8.1	5.8	14.8	13.6
	2002	100.0	31.9	14.6	11.9	50.3	0.0	4.7	10.9	8.0	14.8	12.2
Australia	1991 ^b	..	..	14.4	10.3	36.3	0.7	..	3.0	1.7	14.1	10.5
	2002 ^b	97.0	9.9	5.9	3.9	8.4	0.7	0.6	1.5	0.8	5.6	4.3
Bangladesh	1989	..	..	110.5	131.0	98.9	1.0	..	79.8	53.6	108.6	109.6
	2002	16.1	163.8	19.3	23.0	45.9	0.0	1.7	22.4	20.1	19.3	21.1
Belarus	1996	..	..	11.8	7.8	30.2	0.0	..	9.4	6.5	12.6	10.5
	2002	..	..	11.1	8.0	19.4	1.1	0.0	11.1	7.0	11.6	10.3
Belize	1996	22.0	21.1	48.8	42.2	..	23.0	10.5	20.4	18.8	..	..
	2001	98.0	58.2	12.6	13.3	41.7	0.0	..	19.7	9.9	11.6	11.2
Benin	2001	..	..	14.5	15.5	57.9	0.0	..	15.5	12.9	14.1	12.4
	2002	39.4	28.3	14.5	15.5	57.6	0.0	..	15.5	12.9	14.0	12.4
Bhutan	1996	..	..	16.1	14.4	52.2	2.7	..	21.2	9.7	17.0	16.8
	2002	..	..	16.3	14.3	45.4	0.0	..	24.4	14.3	16.4	15.0
Bolivia	1993	..	..	9.7	9.2	0.0	0.0	..	10.0	10.0	9.7	9.3
	2001	100.0	40.0	9.4	8.8	0.0	0.0	0.8	9.8	9.1	9.3	8.8
Brazil	1989	..	..	43.5	35.6	92.9	0.2	..	31.5	18.6	44.0	37.1
	2002	99.9	31.4	14.9	9.9	43.1	0.0	2.4	10.9	4.8	15.1	12.0
Burkina Faso	1993	..	..	25.9	23.5	75.3	0.0	..	27.5	23.1	25.5	20.3
	2002	39.2	41.9	13.1	11.2	48.1	0.0	..	15.0	15.2	12.8	9.2
Cameroon	1994	..	..	19.2	15.3	52.7	0.0	..	23.9	14.9	18.8	13.6
	2002	13.6	79.9	18.7	15.8	51.7	0.0	0.1	21.7	18.1	18.0	13.9
Canada	1989 ^b	..	..	10.8	6.4	18.4	2.4	..	4.3	2.6	10.5	6.6
	2002 ^b	100.0	5.1	5.1	1.1	13.0	3.3	1.5	1.9	0.5	4.7	1.0
Central African Republic	1995	..	..	17.1	14.3	50.0	0.7	..	19.1	13.7	16.8	13.1
	2002	62.5	36.2	18.3	20.0	51.3	0.0	..	24.3	25.5	17.7	13.4
Chad	1995 ^b	..	..	15.9	17.0	44.2	0.0	..	19.0	15.9	15.6	13.4
	2002	13.7	79.9	16.8	14.2	43.8	0.0	..	21.4	24.0	16.5	13.3
Chile	1992	..	..	11.0	11.0	0.0	0.0	..	11.0	11.0	11.0	10.9
	2002	100.0	25.1	7.0	7.0	0.0	0.0	1.0	7.0	7.0	7.0	6.9
China	1992	..	..	41.6	35.3	79.5	0.0	..	36.3	14.0	40.6	35.6
	2001	..	..	15.1	12.8	41.7	0.7	1.5	16.0	19.2	15.0	12.8
Colombia	1991	..	..	5.6	4.3	0.3	0.0	..	7.0	7.5	5.8	6.1
	2002	100.0	42.9	12.8	10.1	23.0	0.0	3.4	12.9	13.2	12.7	10.8
Congo, Rep.	1994	..	..	20.8	16.6	61.4	0.0	..	24.4	20.5	20.3	14.6
	2002	16.3	27.5	19.6	18.0	55.2	0.0	..	23.7	21.3	18.8	16.1
Costa Rica	1995 ^b	..	..	10.4	8.7	29.8	0.0	..	12.9	10.5	9.9	8.0
	2001	..	..	6.6	5.8	0.1	0.0	0.2	10.4	7.9	6.1	3.7
Côte d'Ivoire	1993	..	..	24.3	23.1	73.0	0.0	..	26.5	21.6	24.1	22.5
	2002	33.1	11.1	12.8	12.0	45.7	0.0	2.0	14.8	10.7	12.6	10.3
Cuba	1993	..	..	14.1	12.3	30.5	0.0	..	12.1	7.2	14.0	12.9
	2002	30.9	21.2	12.3	9.4	12.5	0.1	..	11.5	5.8	12.0	11.0
Czech Republic	1996	..	..	6.4	5.4	2.4	0.0	..	5.9	4.1	6.5	6.2
	2002	..	..	5.0	4.1	3.4	0.0	1.1	5.5	3.9	5.0	4.3
Dominican Republic	1997	..	..	15.7	17.4	33.1	0.0	..	18.0	10.4	15.2	17.7
	2001	100.0	34.9	9.7	10.1	29.1	0.1	..	13.1	8.0	9.4	9.8
Ecuador	1993	..	..	9.4	6.4	19.8	0.0	..	9.1	6.4	9.3	8.3
	2002	99.8	21.7	12.5	10.5	22.8	0.0	..	12.3	10.8	12.3	10.7
Egypt, Arab Rep.	1995	..	..	23.3	17.1	53.5	0.6	..	25.9	7.6	24.0	22.2
	2002	98.9	37.2	18.4	13.4	44.6	10.0	0.1	18.2	6.6	19.0	16.4
El Salvador	1995	..	..	10.4	8.8	28.0	0.0	..	12.8	10.2	9.8	8.7
	2001	100.0	36.6	7.5	6.1	12.1	0.0	6.9	10.6	8.0	6.9	6.0
Equatorial Guinea	1998	..	..	19.4	13.3	56.7	0.2	..	24.6	23.6	18.5	13.6
	2002	..	..	18.6	14.0	51.0	0.1	..	24.1	23.0	17.9	13.1
Ethiopia ^c	1995	..	..	35.2	16.9	75.8	0.2	..	36.9	18.4	32.3	18.0
	2001	..	..	21.3	16.5	57.8	0.3	0.0	22.0	6.3	20.3	15.2
European Union	1988 ^b	..	..	2.6	3.0	1.7	12.4	..	5.8	2.7	2.6	4.3
	2002 ^b	100.0	4.1	3.1	2.4	1.3	4.7	1.5	3.4	1.5	2.9	2.9
Gabon	1995	..	..	20.5	16.1	60.3	0.0	..	24.4	20.2	19.9	15.2
	2002	100.0	21.4	20.2	15.8	58.6	0.0	0.2	24.1	20.2	19.6	13.5
Ghana	1993	..	..	15.3	10.5	45.1	0.0	..	19.4	14.1	13.8	9.2
	2000	14.3	92.4	15.2	9.5	47.3	0.0	0.1	21.4	28.2	14.0	8.9
Guatemala	1995	..	..	10.0	8.4	25.8	0.0	..	12.6	10.2	9.4	8.0
	2001	34.6	36.6	7.8	5.8	14.3	0.0	0.0	9.8	7.9	7.2	5.8
Guinea-Bissau	2001	..	..	14.1	16.1	55.1	0.0	..	17.0	18.6	13.4	12.4
	2002	97.7	48.7	13.6	13.9	51.8	0.0	..	16.3	15.2	12.6	10.4
Guyana	1996	..	..	22.6	20.6	47.8	43.6	..	28.0	15.5	21.0	19.0
	2001	100.0	56.7	12.2	10.6	40.2	0.4	..	20.1	14.5	11.3	9.8

	Year	All products							Primary products		Manufactured products	
		Binding coverage	Simple mean bound rate	Simple mean tariff	% Weighted mean tariff	Share of lines with international peaks	Share of lines with specific rates	Ad valorem equivalent of nontariff barriers ^a	Simple mean tariff	% Weighted mean tariff	Simple mean tariff	% Weighted mean tariff
Honduras	1995	..	..	9.8	10.3	25.6	0.0	..	13.0	12.9	9.2	7.5
	2001	100.0	32.5	7.5	7.3	11.9	0.7	0.0	10.7	11.4	7.1	6.2
Hungary	1991 ^b	..	..	12.0	9.6	15.0	0.0	..	13.5	5.5	12.1	11.7
	2002	96.3	9.7	8.3	7.5	4.8	0.0	1.0	18.0	7.2	7.7	8.0
India	1990 ^b	..	..	76.6	49.8	98.4	0.5	..	69.8	25.4	79.9	70.8
	2001 ^b	73.8	49.8	31.0	21.0	94.9	0.2	3.2	32.8	22.7	30.8	28.4
Indonesia	1989 ^b	..	..	18.7	12.0	48.5	0.1	..	18.1	5.9	19.2	15.1
	2001 ^b	96.6	37.5	6.0	3.9	1.9	0.0	0.5	6.0	2.4	6.2	5.2
Jamaica	1996	..	..	21.7	21.8	46.0	45.7	..	23.7	14.2	20.7	20.9
	2001	100.0	49.8	9.1	7.8	38.9	0.2	..	15.3	9.5	8.5	10.1
Japan	1988 ^b	..	..	4.0	3.4	8.6	8.4	..	8.3	4.4	3.5	2.7
	2002 ^b	99.6	2.9	2.9	2.2	6.9	1.4	1.6	5.2	2.5	2.4	1.7
Jordan	2000	..	..	24.0	20.7	63.7	0.4	..	28.0	17.0	23.3	19.8
	2002	100.0	16.3	16.2	11.3	43.9	0.1	10.2	21.8	11.7	15.9	13.1
Kenya	1994 ^b	..	..	32.4	25.5	91.0	0.0	..	32.4	17.0	31.9	23.3
	2001	14.6	95.6	20.0	14.4	41.3	0.1	0.3	20.9	15.3	19.6	12.5
Korea, Rep.	1988	..	..	18.7	14.7	76.8	10.6	..	19.3	8.2	18.6	17.0
	2002	94.5	16.1	7.9	5.7	3.1	0.7	0.0	12.0	6.1	7.4	4.7
Kyrgyz Republic	1995	..	..	0.0	0.0	0.0	9.6	..	0.0	0.0	0.0	0.0
	2002	99.9	7.4	8.4	7.8	9.9	0.0	..	8.2	6.3	8.2	7.1
Lao PDR	2000	..	..	8.7	14.5	8.3	0.6	..	15.6	14.7	8.6	12.6
	2001 ^b	..	..	8.6	12.2	7.9	0.0	..	15.9	17.3	8.8	11.9
Latvia	1996	..	..	3.6	3.0	0.5	0.0	..	6.5	1.5	3.3	2.6
	2001	100.0	12.7	3.4	2.5	0.7	0.0	0.4	8.2	5.4	2.7	1.5
Lebanon	1999	..	..	15.3	13.1	31.2	0.1	..	13.1	11.2	14.4	12.7
	2002	..	..	6.4	8.0	9.8	0.0	3.7	13.7	10.2	5.9	6.6
Libya	1996	..	..	21.8	17.0	57.9	0.2	..	24.9	9.6	22.5	25.6
	2002	..	..	18.8	15.9	45.7	0.7	..	18.1	15.7	19.9	29.0
Lithuania	1995 ^b	..	..	3.0	2.1	4.3	0.0	..	6.2	3.7	2.6	1.8
	2002 ^b	100.0	9.3	0.7	0.5	1.3	0.0	0.4	3.5	1.5	0.5	0.3
Madagascar	1995	..	..	7.9	4.8	8.0	0.0	..	6.3	2.9	7.6	6.3
	2001	29.7	27.4	5.5	2.9	6.5	0.0	0.6	6.1	1.4	5.4	4.3
Malawi	1994	..	..	32.7	29.9	89.3	0.0	..	29.1	12.9	31.9	26.6
	2001 ^b	26.1	82.7	13.8	12.5	43.0	0.0	..	12.8	11.1	12.8	11.7
Malaysia	1988 ^b	..	..	14.4	11.5	50.7	5.5	..	10.8	4.6	14.9	10.8
	2001 ^b	83.7	14.5	7.5	4.6	19.5	0.4	1.7	4.4	2.4	8.1	4.7
Mali	1995	..	..	16.5	9.5	43.1	0.0	..	19.5	13.4	16.0	8.5
	2002	40.1	28.8	12.9	11.4	46.7	0.0	..	15.1	12.1	12.6	9.9
Mauritius	1995 ^b	..	..	35.7	22.5	63.7	0.0	..	26.0	25.7	37.2	22.9
	2002	14.9	114.8	25.1	15.8	40.2	0.1	0.0	20.1	9.0	25.8	14.4
Mexico	1991	..	..	14.7	12.7	20.9	0.0	..	13.4	8.3	14.6	13.0
	2002 ^b	99.9	34.9	16.2	4.9	43.7	0.4	1.8	14.5	7.0	15.8	4.7
Moldova	1996	..	..	6.4	3.3	19.7	0.0	..	11.3	1.5	4.7	2.3
	2001	..	..	5.3	3.9	0.0	0.2	..	8.9	2.6	4.5	2.9
Morocco	1993	..	..	64.6	47.0	97.9	0.0	..	55.0	30.2	65.0	55.2
	2002	100.0	41.2	27.7	28.2	76.9	0.0	0.5	35.7	27.7	28.0	26.2
Mozambique	1994	..	..	5.0	5.0	0.0	0.0	..	5.0	5.0	5.0	5.0
	2002 ^b	100.0	99.6	12.3	9.4	36.4	0.0	..	14.8	11.0	11.6	8.7
Nepal	1993	..	..	21.8	18.1	60.8	0.1	..	11.8	9.3	22.9	21.0
	2002	..	..	13.1	14.3	14.8	0.1	..	16.0	8.3	13.8	17.8
New Zealand	1992	..	..	10.5	8.5	37.5	1.5	..	5.5	4.0	10.7	9.4
	2002 ^b	99.9	10.3	4.3	2.8	9.8	7.1	2.2	1.7	0.5	4.2	3.6
Nicaragua	1995 ^b	..	..	7.9	4.0	20.5	0.0	..	7.7	7.1	7.4	4.6
	2002 ^b	100.0	41.7	4.4	2.3	0.0	0.0	..	6.2	3.6	4.1	2.5
Niger	2001	..	..	14.6	14.1	57.5	0.0	..	15.1	12.9	14.2	12.7
	2002	96.8	44.3	14.5	14.1	57.2	0.0	..	15.1	12.9	14.2	12.7
Nigeria	1988	..	..	25.5	20.0	63.8	0.1	..	33.3	32.4	25.3	21.4
	2002	19.0	118.8	26.6	15.8	56.3	0.7	0.4	40.1	20.6	24.9	15.5
Norway	1988 ^b	..	..	2.1	1.0	5.8	6.4	..	0.6	0.2	2.1	0.8
	2002 ^b	100.0	3.0	0.8	0.7	1.9	7.0	0.3	2.4	2.1	0.6	0.2
Oman	1992	..	..	5.2	5.1	0.8	0.0	..	7.2	14.2	5.1	5.4
	2002	100.0	13.8	7.7	6.7	0.2	2.3	0.9	9.5	31.6	7.6	6.5
Pakistan	1995	..	..	50.1	45.5	93.9	3.5	..	43.4	24.0	51.1	50.8
	2002	38.0	60.5	16.9	15.2	54.9	0.0	..	17.9	11.2	17.5	19.1
Panama	1997	..	..	12.1	9.7	35.3	0.2	..	17.8	9.6	11.8	11.0
	2001	100.0	23.5	7.9	5.7	0.1	0.2	..	11.4	5.9	7.7	7.4
Papua New Guinea	1997	..	..	19.1	13.4	32.2	0.4	..	33.2	21.8	18.5	13.7
	2002	100.0	31.7	6.3	2.7	21.9	0.3	..	17.5	6.7	5.8	3.2
Paraguay	1991	..	..	16.1	13.9	44.0	0.0	..	14.1	3.6	15.7	14.5
	2001	100.0	33.5	13.9	12.5	33.2	0.0	1.7	12.8	8.2	13.6	11.9
Peru	1993	..	..	18.2	16.8	25.6	0.0	..	18.3	15.8	18.0	16.6
	2000	100.0	30.1	13.4	12.6	14.6	0.0	1.7	15.6	13.9	13.0	12.3



6.6 | Tariff barriers

Year	All products								Primary products		Manufactured products	
	Binding coverage	Simple mean bound rate	Simple mean tariff	%		Share of lines with international peaks	Share of lines with specific rates	Ad valorem equivalent of nontariff barriers ^a	Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
				Weighted mean tariff	Share of lines with international peaks							
Philippines	1988	..	..	27.7	21.1	74.7	0.1	..	29.9	18.5	27.9	23.4
	2002	66.8	25.6	4.8	2.8	0.3	0.0	0.4	6.7	5.4	5.0	2.6
Poland	1991	..	..	11.8	9.5	24.0	0.0	..	11.9	8.2	12.2	11.2
	2003 ^b	..	..	4.0	2.0	7.1	4.7	1.2	12.4	4.0	3.1	1.4
Romania	1991	..	..	19.2	10.7	54.8	0.0	..	20.0	8.1	18.9	17.9
	2001 ^b	100.0	40.4	11.3	7.3	26.2	0.0	2.5	18.0	11.2	10.6	7.2
Russian Federation	1993	..	..	8.9	7.2	2.3	0.0	..	3.1	3.9	9.5	7.4
	2002	..	..	9.9	8.4	10.0	16.8	..	9.7	8.3	10.5	8.9
Rwanda	1993	..	..	39.6	29.6	65.9	1.1	..	60.7	24.9	37.4	25.5
	2001 ^b	100.0	89.3	10.0	6.6	12.1	0.0	1.4	13.2	6.8	9.5	5.9
Saudi Arabia	1994	..	..	12.3	11.1	9.6	0.1	..	12.0	9.1	12.4	11.5
	2000	..	..	12.3	11.4	8.6	3.5	0.9	11.7	7.9	12.2	11.4
Senegal	2001	..	..	14.0	8.6	53.6	0.0	..	14.5	8.3	13.8	10.4
	2002	100.0	30.0	13.9	8.4	52.9	0.0	0.0	14.4	8.2	13.7	9.9
Singapore	1989	..	..	0.4	0.2	0.0	0.3	..	0.2	2.5	0.4	0.6
	2002	69.2	6.9	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Slovenia	1999	..	..	11.9	10.9	23.7	2.5	..	9.5	7.5	11.7	12.1
	2001	100.0	24.3	11.6	10.2	26.3	0.0	0.6	9.8	7.5	11.2	10.5
South Africa ^d	1988	..	..	11.4	7.7	31.9	19.9	..	4.8	3.6	11.8	12.3
	2001 ^b	98.0	17.8	9.8	3.6	38.0	1.6	0.5	7.5	2.0	9.5	5.8
Sri Lanka	1990	..	..	27.1	31.5	53.6	0.8	..	32.4	32.3	26.6	24.2
	2001 ^b	22.6	42.7	8.4	4.2	18.1	0.4	0.0	13.9	11.3	8.7	5.0
Switzerland ^e	1990	..	..	..	..	..	51.7	..	..	..	..	..
	2001	99.8	1.7	1.9	0.8	..	39.2	1.2	15.0	9.5	1.1	0.2
Taiwan, China	1989	..	..	11.1	9.7	13.7	0.6	..	14.5	8.6	10.8	10.5
	2002	..	..	6.9	3.3	7.5	2.1	..	9.7	4.1	6.4	3.0
Tanzania	1993	..	..	16.7	19.0	45.6	0.0	..	22.7	19.9	15.3	15.0
	2000	13.3	120.0	19.1	15.4	74.7	0.0	0.0	19.9	13.2	18.4	13.0
Thailand	1989	..	..	38.7	31.7	76.5	18.7	..	30.0	24.3	39.0	34.9
	2001 ^b	74.7	25.7	14.7	8.7	49.4	0.4	0.3	16.2	4.7	14.6	9.7
Togo	2001	..	..	14.5	11.5	58.7	0.0	..	14.7	10.5	14.2	11.2
	2002	13.7	80.0	14.5	11.5	58.4	0.0	..	14.7	10.5	14.1	11.2
Trinidad and Tobago	1991	..	..	18.5	11.2	40.6	0.0	..	24.8	10.9	17.8	14.1
	2002	100.0	55.7	9.6	2.9	38.1	0.0	0.2	15.5	5.8	9.2	4.7
Tunisia	1990	..	..	28.6	29.9	98.1	0.0	..	25.1	17.4	28.3	28.5
	2002	57.4	57.7	30.2	27.4	86.4	0.0	0.8	44.7	26.7	28.7	25.5
Turkey	1993 ^b	..	..	7.5	5.7	6.1	0.0	..	6.3	7.9	7.4	5.3
	1999	49.5	28.4	7.1	4.5	6.4	0.4	0.2	16.6	5.5	6.2	5.3
Turkmenistan	1998	..	..	0.0	0.0	0.0	0.0	..	0.0	0.0	0.0	0.0
	2002	..	..	5.5	1.7	12.2	3.3	..	16.0	13.2	3.7	1.1
Uganda	1994 ^b	..	..	17.5	15.0	57.3	0.0	..	19.4	17.4	16.8	12.3
	2002 ^b	15.7	73.3	8.0	6.8	0.0	0.0	0.1	10.0	8.8	7.7	6.1
Ukraine	1995	..	..	8.0	4.3	11.5	0.0	..	8.9	2.7	7.3	4.3
	2002	..	..	7.9	4.4	10.5	6.9	0.0	7.1	1.5	7.9	6.4
United States	1989 ^b	..	..	5.9	5.2	9.6	13.2	..	2.5	2.0	5.5	4.1
	2002 ^b	100.0	3.6	4.1	2.6	7.0	7.5	1.6	2.7	1.1	3.8	2.0
Uruguay	1992	..	..	6.7	6.7	0.0	0.0	..	7.9	5.8	7.0	5.8
	2001 ^b	100.0	31.7	13.3	6.5	38.9	0.0	1.9	8.9	2.8	13.4	8.1
Venezuela, RB	1992	..	..	17.4	12.9	48.2	0.4	..	16.3	14.7	17.1	16.5
	2000	..	..	13.5	11.3	25.1	0.0	1.4	13.5	13.6	13.4	13.3
Vietnam	1994	..	..	14.1	13.0	36.7	0.8	..	20.9	46.7	13.9	13.1
	2001	..	..	15.0	17.4	37.9	0.0	..	19.6	20.7	14.7	16.3
Zambia	1993	..	..	26.2	18.1	94.1	0.0	..	30.0	12.4	25.2	20.0
	2002	17.1	106.4	13.9	8.4	36.5	2.3	0.2	17.3	12.6	13.3	8.3
Zimbabwe	1996 ^b	..	..	41.2	37.3	95.9	0.4	..	34.2	40.4	41.3	38.8
	2001	21.4	94.3	20.4	12.0	45.7	1.4	..	20.7	7.0	20.6	14.2

a. Ad valorem equivalents of nontariff barriers are calculated for the year 2000 only. b. Rates are either partially or fully recorded applied rates. All other simple and weighted tariff rates are most favored nation rates. c. Excludes Eritrea. d. Data refer to South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland). e. Data for Switzerland include all specific rates converted to their ad valorem equivalents.

About the data

Poor people in developing countries work primarily in agriculture and labor-intensive manufactures, 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—even more if trade in services (retailing, business, financial, and telecommunications services) were also liberalized.

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—reducing poverty, lowering maternal and child mortality rates, improving educational attainment—and falling far short.

Countries use a combination of tariff and nontariff measures to regulate 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, include 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.

Estimates of ad valorem equivalents of nontariff barriers are given at the six-digit level of the Harmonized System, which provides the simple averages of core nontariff barriers, including quantity control measures such as nonautomatic licensing, quotas, prohibitions, and export restraint arrangements but excluding tariff-quotas and enterprise-specific restrictions; financial measures, which include advance payment requirements, multiple exchange rates, and restrictive official foreign exchange allocation and exclude regulations on terms of payment, transfer delays, and queuing; and price control measures, which affect the cost of imports based on differences between domestic prices and for-

eign prices. They include administrative price fixing, voluntary export price restraints, variable charges, antidumping measures, and countervailing measures.

Countries typically maintain a hierarchy of trade preferences applicable to specific trading partners. The tariff rates used in calculating the indicators in the table are most favored nation rates unless they are specified as applied rates. Effectively applied rates are those in effect for partners in preferential trade agreements such as the North American Free Trade Agreement. The difference between most favored nation and applied rates can be substantial. For example, the weighted average of Slovenia's 2001 most favored nation rates is 10.2 percent, while the effectively applied rate in 2000 averaged less than 2 percent. As more countries report their free trade agreements, suspensions of tariffs, or other special preferences, *World Development Indicators* will include their effectively applied rates.

Three measures of average tariffs are shown: the simple and the weighted mean rates and simple bound rates. The most favored nation or applied rates are calculated using all traded items, while bound rates are based on all products in a country's tariff schedule. Weighted mean tariffs are weighted by the value of the country's trade with each trading partner. 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. Bound rates have resulted from trade negotiations that are incorporated into a country's schedule of concessions and are thus enforceable. If a contracting party raises a tariff to a higher level than its bound rate, beneficiaries of the earlier binding have a right to receive compensation, usually as reduced tariffs on other products they export to the country. If the beneficiaries are not compensated, they may retaliate by raising their own tariffs against an equivalent value of the original country's exports. Specific duties (not expressed as a proportion of declared value) are not included in the table, except for Switzerland. Work is under way to complete the estimations for ad valorem equivalents of specific duties for all countries.

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 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 commodity groups and import weights. Import weights were calculated 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, data for the European Union are shown instead of data for individual members.

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 5–8 excluding division 68.
- **Binding coverage** is the percentage of product lines with an agreed bound rate.
- **Simple mean bound rate** is the unweighted average of all the lines in the tariff schedule in which bound rates have been set.
- **Simple mean tariff** is the unweighted average of effectively applied rates or most favored nation rates for all products subject to tariffs calculated for all traded goods.
- **Weighted mean tariff** is the average of effectively applied rates or most favored nation rates weighted by the product import shares corresponding to each partner country.
- **Share of lines with international peaks** is the share of lines in the tariff schedule with tariff rates that exceed 15 percent.
- **Share of lines with specific rates** is the share of lines in the tariff schedule that are set on a per unit basis or that combine ad valorem and per unit rates.
- **Ad valorem equivalent of nontariff barriers** are the simple average of core nontariff barriers transformed into a price effect using import demand elasticities; they are calculated for traded products only.

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 private financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		\$ millions				\$ millions	
	1990	2002	1990	2002	Bonds		Equity		1990	2002
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania	..	136	..	135	..	0	..	0	..	1
Algeria	-424	1,023	0	1,065	-16	0	0	0	-409	-42
Angola	235	1,420	-335	1,312	0	0	0	0	570	108
Argentina	-216	681	1,836	785	-857	86	0	-99	-1,195	-91
Armenia	..	108	..	111	..	0	..	1	..	-4
Australia	..	..	8,111	16,622	..	..	..	..	..	..
Austria	..	..	653	886	..	..	..	..	..	..
Azerbaijan	..	1,313	..	1,392	..	0	..	0	..	-79
Bangladesh	59	132	3	47	0	0	0	0	55	85
Belarus	..	227	..	247	..	0	..	0	..	-21
Belgium	..	..	8,047	..	..	..	..	..	..	..
Benin	62	41	62	41	0	0	0	0	0	0
Bolivia	3	601	27	677	0	0	0	0	-24	-76
Bosnia and Herzegovina	..	299	0	293	..	0	..	0	..	6
Botswana	77	35	96	37	0	0	0	0	-19	-2
Brazil	666	9,861	989	16,566	129	1,519	103	1,981	-555	-10,205
Bulgaria	..	808	..	600	..	-79	..	-23	..	310
Burkina Faso	0	8	1	8	0	0	0	0	-1	0
Burundi	-5	-2	1	0	0	0	0	0	-6	-2
Cambodia	0	54	0	54	0	0	0	0	0	0
Cameroon	-124	38	-113	86	0	0	0	0	-12	-49
Canada	..	..	7,581	20,501	..	..	..	..	..	..
Central African Republic	0	4	1	4	0	0	0	0	-1	0
Chad	9	900	9	901	0	0	0	0	-1	-1
Chile	2,216	2,781	661	1,713	-7	1,614	367	-317	1,194	-230
China	8,107	47,107	3,487	49,308	-48	-1,289	0	2,249	4,668	-3,161
Hong Kong, China	..	..	..	12,794	..	..	..	..	..	..
Colombia	345	947	500	2,023	-4	68	0	17	-151	-1,161
Congo, Dem. Rep.	-27	32	-15	32	0	0	0	0	-12	0
Congo, Rep.	-100	331	0	331	0	0	0	0	-100	0
Costa Rica	22	602	163	662	-42	-44	0	0	-99	-16
Côte d'Ivoire	57	117	48	230	-1	0	0	1	10	-114
Croatia	..	3,604	..	980	..	-27	..	78	..	2,573
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	10,382	..	9,323	..	180	..	-265	..	1,143
Denmark	..	..	1,132	6,410	..	..	..	..	..	..
Dominican Republic	129	1,351	133	961	0	-20	0	0	-3	410
Ecuador	184	2,103	126	1,275	0	0	0	1	58	826
Egypt, Arab Rep.	668	437	734	647	-1	0	0	-212	-65	3
El Salvador	7	1,419	2	208	0	1,252	0	0	6	-40
Eritrea	..	21	..	21	..	0	..	0	..	0
Estonia	..	1,586	..	285	..	219	..	0	..	1,083
Ethiopia	-45	71	12	75	0	0	0	0	-57	-4
Finland	..	..	812	8,156	..	..	..	..	..	..
France	..	..	13,183	52,020	..	..	..	..	..	..
Gabon	103	139	74	123	0	0	0	0	29	16
Gambia, The	-8	42	0	43	0	0	0	0	-8	0
Georgia	..	149	..	165	..	0	..	0	..	-17
Germany	..	..	3,005	37,296	..	..	..	..	..	..
Ghana	-5	27	15	50	0	0	0	0	-20	-23
Greece	..	..	1,005	53	..	..	..	..	..	..
Guatemala	44	61	48	110	-11	-31	0	0	7	-19
Guinea	-1	0	18	0	0	0	0	0	-19	0
Guinea-Bissau	2	1	2	1	0	0	0	0	0	0
Haiti	0	6	0	6	0	0	0	0	0	0

Global private financial flows

6.7

GLOBAL LINKS

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		\$ millions				\$ millions	
	1990	2002	1990	2002	Bonds		Equity		1990	2002
Honduras	75	100	44	143	0	0	0	0	32	-43
Hungary	-147	221	311	854	921	-742	0	-137	-1,379	247
India	1,842	4,944	237	3,030	147	-272	0	967	1,458	1,219
Indonesia	2,923	-6,966	1,093	-1,513	26	-406	0	877	1,804	-5,924
Iran, Islamic Rep.	-392	816	-362	37	0	0	0	0	-30	779
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	627	24,697	..	..	..	..	..	..
Israel	..	..	151	1,649	..	..	..	..	..	..
Italy	..	..	6,411	14,699	..	..	..	..	..	..
Jamaica	92	540	138	481	0	70	0	0	-46	-11
Japan	..	..	1,777	9,087	..	..	..	..	..	..
Jordan	252	-31	38	56	0	-11	0	-52	214	-24
Kazakhstan	..	4,431	..	2,583	..	-50	..	39	..	1,859
Kenya	122	39	57	50	0	0	0	0	65	-12
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	..	..	788	1,972	..	..	..	..	..	..
Kuwait	..	..	0	7	..	..	..	..	..	..
Kyrgyz Republic	..	-54	..	5	..	0	..	0	..	-59
Lao PDR	6	25	6	25	0	0	0	0	0	0
Latvia	..	496	..	382	..	0	..	22	..	91
Lebanon	13	4,803	7	257	0	4,626	0	4	6	-84
Lesotho	17	73	17	81	0	0	0	0	0	-8
Liberia	0	-65	0	-65	0	0	0	0	0	0
Libya	..	..	..	..	..	..	..	..	..	..
Lithuania	..	760	..	712	..	-200	..	6	..	242
Macedonia, FYR	..	113	..	77	..	0	..	0	..	35
Madagascar	7	8	22	8	0	0	0	0	-15	0
Malawi	26	6	23	6	0	0	1	0	2	0
Malaysia	476	4,807	2,332	3,203	-1,239	1,962	0	-250	-617	-110
Mali	5	102	6	102	0	0	0	0	-1	0
Mauritania	5	16	7	12	0	0	0	0	-1	4
Mauritius	86	-43	41	28	0	0	0	0	45	-71
Mexico	9,600	10,261	2,549	14,622	661	-3,899	1,995	-104	4,396	-359
Moldova	..	77	..	111	..	-43	..	2	..	8
Mongolia	..	78	..	78	..	0	..	0	..	0
Morocco	483	15	165	428	0	-31	0	-14	318	-369
Mozambique	35	381	9	406	0	0	0	0	26	-25
Myanmar	155	69	163	129	0	0	0	0	-8	-60
Namibia	..	..	..	..	..	..	..	..	..	..
Nepal	-14	9	0	10	0	0	0	0	-14	0
Netherlands	..	..	10,676	28,534	..	..	..	..	..	..
New Zealand	..	..	1,735	823	..	..	..	..	..	..
Nicaragua	20	206	0	174	0	0	0	0	20	32
Niger	51	0	41	8	0	0	0	0	10	-8
Nigeria	467	639	588	1,281	0	-452	0	0	-121	-190
Norway	..	..	1,003	1,008	..	..	..	..	..	..
Oman	-257	-1,131	142	40	0	-225	0	-13	-400	-933
Pakistan	182	379	245	823	0	-178	0	79	-63	-345
Panama	129	180	136	57	-2	13	-1	0	-4	110
Papua New Guinea	204	-46	155	50	0	0	0	0	49	-96
Paraguay	68	34	77	-22	0	0	0	0	-9	56
Peru	59	3,131	41	2,391	0	720	0	-9	18	30
Philippines	639	3,549	530	1,111	395	1,540	0	410	-286	488
Poland	71	5,075	89	4,131	0	1,307	0	-830	-18	468
Portugal	..	..	2,610	4,235	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..



6.7

Global private financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		\$ millions				\$ millions	
	1990	2002	1990	2002	Bonds		Equity		1990	2002
Romania	4	3,173	0	1,144	0	-28	0	21	4	2,037
Russian Federation	..	8,011	..	3,009	..	2,745	..	2,626	..	-370
Rwanda	6	3	8	3	0	0	0	0	-2	0
Saudi Arabia	..	..	..	..	..	..	..	..	..	..
Senegal	43	94	57	93	0	0	1	0	-15	1
Serbia and Montenegro	..	507	..	475	..	0	..	0	..	32
Sierra Leone	36	5	32	5	0	0	0	0	4	0
Singapore	..	..	5,575	6,097	..	..	..	..	..	..
Slovak Republic	..	5,460	..	4,012	..	-189	..	0	..	1,637
Slovenia	..	..	..	1,865	..	..	..	..	..	..
Somalia	6	0	6	0	0	0	0	0	0	0
South Africa	..	783	..	739	..	3,187	..	-388	..	-2,754
Spain	..	..	13,984	21,284	..	..	..	..	..	..
Sri Lanka	54	206	43	242	0	0	0	0	10	-36
Sudan	0	633	0	633	0	0	0	0	0	0
Swaziland	26	45	30	45	0	0	-2	0	-2	0
Sweden	..	..	1,982	11,828	..	..	..	..	..	..
Switzerland	..	..	5,987	3,599	..	..	..	..	..	..
Syrian Arab Republic	63	224	72	225	0	0	0	0	-9	-1
Tajikistan	..	-10	..	9	..	0	..	2	..	-20
Tanzania	5	214	0	240	0	0	0	0	5	-26
Thailand	4,371	-1,992	2,444	900	-87	-1,010	440	207	1,574	-2,089
Togo	23	75	18	75	0	0	4	0	0	0
Trinidad and Tobago	-68	736	109	736	-52	0	0	0	-126	0
Tunisia	-116	1,625	76	795	-60	650	5	6	-137	174
Turkey	1,836	7,582	684	1,037	597	956	89	-16	466	5,605
Turkmenistan	..	..	..	100	..	..	..	0	..	..
Uganda	16	149	0	150	0	0	0	0	16	-1
Ukraine	..	-576	..	693	..	101	..	-1,958	..	588
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	33,504	28,180	..	..	..	..	..	..
United States	..	..	48,490	39,633	..	..	..	..	..	..
Uruguay	-192	107	0	177	-16	77	0	-39	-176	-108
Uzbekistan	..	-11	..	65	..	0	..	0	..	-76
Venezuela, RB	-126	-1,639	451	690	345	-1,066	0	75	-922	-1,337
Vietnam	180	759	180	1,400	0	0	0	0	0	-641
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	30	114	-131	114	0	0	0	0	161	0
Zambia	194	186	203	197	0	0	0	0	-9	-12
Zimbabwe	85	-3	-12	26	-30	0	0	0	127	-29
World	.. s	.. s	202,476 s	630,827 s	.. s	.. s	.. s	.. s	.. s	.. s
Low income	6,820	7,151	2,764	12,941	142	-1,351	6	1,927	3,908	-6,365
Middle income	36,872	146,679	21,269	134,145	933	14,090	2,997	3,018	11,673	-4,574
Lower middle income	21,964	98,852	10,180	91,104	1,270	10,259	636	4,887	9,878	-7,397
Upper middle income	14,908	47,828	11,089	43,041	-336	3,832	2,361	-1,869	1,795	2,824
Low & middle income	43,692	153,831	24,032	147,086	1,076	12,739	3,004	4,945	15,581	-10,939
East Asia & Pacific	17,179	47,524	10,512	54,834	-952	798	439	3,493	7,180	-11,601
Europe & Central Asia	7,490	53,739	1,227	32,931	1,893	4,149	89	-433	4,281	17,092
Latin America & Carib.	13,199	34,544	8,181	44,682	145	498	2,464	1,507	2,408	-12,143
Middle East & N. Africa	2,266	5,359	2,604	2,653	-126	5,010	5	-281	-217	-2,023
South Asia	2,129	5,697	536	4,164	147	-450	1	1,046	1,446	938
Sub-Saharan Africa	1,429	6,968	972	7,822	-31	2,735	6	-387	482	-3,202
High income	..	..	178,443	483,741	..	..	..	..	..	..
Europe EMU	..	..	60,540	320,893	..	..	..	..	..	..

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, and 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 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 2004*.

**6.8**

Net financial flows from Development Assistance Committee members

Net flows to part I countries

	Official development assistance				Other official flows 2002	Private flows					Net grants by NGOs 2002	Total net flows 2002
	Total	Bilateral grants	Bilateral loans	Contributions to multilateral institutions		Total	Foreign direct investment	Bilateral portfolio investment	Multilateral portfolio investment	Private export credits		
	2002	2002	2002	2002		2002	2002	2002	2002	2002		
\$ millions												
Australia	989	774	..	215	31	-433	-103	-331	..	..	248	834
Austria	520	367	-2	156	-36	1,325	1,029	..	..	296	57	1,866
Belgium	1,072	736	-25	360	106	86	555	..	..	-469	74	1,337
Canada	2,006	1,527	-24	503	-424	188	829	-604	..	-37	276	2,046
Denmark	1,643	1,019	19	605	-3	-63	-63	..	..	..	..	1,577
Finland	462	248	4	211	3	-676	-5	-720	..	48	10	-200
France	5,486	3,874	-259	1,871	635	-1,392	2,915	-2,859	..	-1,448	..	4,729
Germany	5,324	3,904	-576	1,997	3,710	-1,124	1,760	-2,496	-676	287	823	8,733
Greece	276	107	..	169	..	40	40	..	..	..	6	322
Ireland	398	267	..	131	..	986	..	986	..	..	86	1,469
Italy	2,332	1,083	-77	1,326	-370	-563	639	-3,250	..	2,048	..	1,399
Japan	9,283	4,373	2,320	2,591	-4,208	-573	6,362	-3,077	-2,804	-1,054	157	4,659
Luxembourg	147	116	..	31	..	..	..	..	..	..	2	148
Netherlands	3,338	2,585	-136	889	229	-5,310	281	-7,395	946	859	257	-1,487
New Zealand	122	92	..	30	2	17	17	..	..	..	23	164
Norway	1,696	1,143	2	551	..	131	23	..	..	109	452	2,279
Portugal	323	183	3	137	-1	-150	-360	..	..	210	..	171
Spain	1,712	769	229	714	54	6,404	6,540	..	..	-136	..	8,171
Sweden	1,991	1,242	8	741	2	199	296	..	..	-97	19	2,211
Switzerland	939	750	15	174	3	1,089	1,222	..	..	-133	202	2,234
United Kingdom	4,924	3,384	121	1,419	-4	13,547	13,940	840	..	-1,233	353	18,820
United States	13,290	11,251	-681	2,720	227	5,173	12,928	-7,930	-590	765	5,720	24,410
Total	58,274	39,793	941	17,540	-45	18,899	48,844	-26,835	-3,124	14	8,765	85,893

Net flows to part II countries

	Official aid				Other official flows 2002	Private flows				Net grants by NGOs 2002	Total net flows 2002	
	Total	Bilateral grants	Bilateral loans	Contributions to multilateral institutions		Total	Foreign direct investment	Bilateral portfolio investment	Private export credits			
	2002	2002	2002	2002		2002	2002	2002	2002			
\$ millions												
Australia	7	4	..	4	13	1,747	572	1,174	..	248	2,015	
Austria	196	142	0	55	..	3,215	3,215	..	..	8	3,420
Belgium	97	6	6	85	-24	-2,527	-2,497	0	-30	10	-2,443	
Canada	104	104	..	..	-106	5,603	5,534	76	-7	..	5,602
Denmark	167	90	5	72	19	431	431	..	..	..	617
Finland	67	33	-1	35	-1	1,043	390	519	134	0	1,109	
France	1,464	1,083	-20	401	21	4,352	1,925	2,626	-199	..	5,837	
Germany	780	347	-81	514	-505	10,980	7,734	4,692	-1,446	78	11,333	
Greece	16	16	..	..	..	216	216	..	..	1	234
Ireland	26	1	..	25	..	..	..	..	..	..	26
Italy	..	..	..	..	25	-199	197	-469	73	..	-173
Japan	99	123	-66	43	-896	6,150	6,182	-349	318	..	5,353	
Luxembourg	10	3	..	7	..	..	..	..	..	..	10
Netherlands	211	138	-6	79	..	-1,061	2,775	-4,066	230	..	-850	
New Zealand	1	0	..	0	..	..	..	..	..	..	1
Norway	45	43	..	2	0	1,084	1,082	..	1	..	1,129	
Portugal	33	1	..	32	-2	71	57	..	14	..	102	
Spain	11	11	..	..	..	206	206	..	..	..	218
Sweden	107	100	0	7	-2	-1,261	-1,288	0	27	..	-1,155	
Switzerland	66	57	1	9	2	1,302	1,320	0	-17	9	1,379	
United Kingdom	494	92	-4	407	..	8,121	5,350	2,880	-110	6	8,621	
United States	2,313	2,418	-173	69	-52	4,182	21,372	-17,120	-70	3,146	9,589	
Total	6,317	4,813	-342	1,846	-1,508	43,655	54,774	-10,036	-1,083	3,508	51,972	

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

About the data

The high-income members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) are the main source of official external finance for developing countries. 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 post-conflict 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.

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.

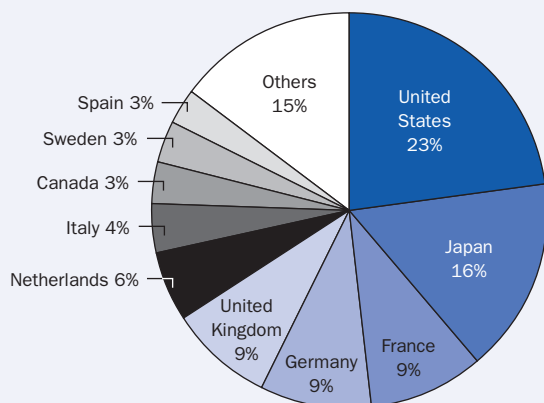
• **Private export credits** are loans extended to recipient countries by the private sector in DAC member countries to promote trade; they may be supported by an official guarantee. • **Net grants by NGOs** are private grants by nongovernmental organizations, net of subsidies from the official sector.

• **Total net flows** comprise ODA or official aid flows, other official flows, private flows, and net grants by NGOs.

6.8a

Who were the largest donors in 2002?

Official development assistance



Disbursements from three countries made up almost half of total net ODA flows in 2002. The top five contributed two-thirds of the total amount.

Source: Organisation for Economic Co-operation and Development, Development Assistance Committee.

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 electronically on the OECD's *International Development Statistics* CD-ROM and to registered users at <http://www.oecd.org/dataoecd/50/17/5037721.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	Per capita of donor country ^b		% of general government disbursement		% of bilateral ODA commitments		
	1997	2002	1997	2002	1996-97 to 2001-02	1997	2002	1997	2002	1997	2002	
Australia	1,061	989	0.27	0.26	2.4	43	47	0.70	0.68	63.1	56.7	
Austria	495	520	0.24	0.26	5.2	51	61	0.44	0.49	60.6	69.0	
Belgium	764	1,072	0.31	0.43	7.1	63	97	0.61	0.87	49.9	..	
Canada	2,045	2,006	0.34	0.28	-0.6	65	64	0.72	0.67	33.4	61.4	
Denmark	1,637	1,643	0.97	0.96	2.8	266	286	1.67	1.71	71.6	82.1	
Finland	379	462	0.32	0.35	5.1	63	83	0.55	0.70	76.8	82.5	
France	6,307	5,486	0.45	0.38	-2.6	89	86	0.82	0.72	65.1	91.5	
Germany	5,857	5,324	0.28	0.27	-0.5	58	60	0.56	0.55	73.6	86.6	
Greece	173	276	0.14	0.21	9.6	14	23	0.30	0.44	..	13.9	
Ireland	187	398	0.31	0.40	14.3	47	93	0.63	0.97	..	100.0	
Italy	1,266	2,332	0.11	0.20	4.6	19	37	0.21	0.41	45.6	..	
Japan	9,358	9,283	0.21	0.23	3.0	70	76	0.61	0.60	99.6	82.8	
Luxembourg	95	147	0.55	0.77	13.5	198	316	1.25	1.57	95.1	..	
Netherlands	2,947	3,338	0.81	0.81	3.6	170	190	1.62	1.68	90.0	88.6	
New Zealand	154	122	0.26	0.22	3.5	28	28	0.56	0.54	..	76.0	
Norway	1,306	1,696	0.84	0.89	2.8	291	333	1.76	1.87	91.1	99.1	
Portugal	250	323	0.25	0.27	6.7	23	28	0.53	0.57	99.0	33.0	
Spain	1,234	1,712	0.24	0.26	9.5	28	38	0.53	0.66	0.0	59.9	
Sweden	1,731	1,991	0.79	0.83	5.2	151	207	1.11	1.42	74.5	78.5	
Switzerland	911	939	0.34	0.32	2.3	114	118	..	..	94.9	95.1
United Kingdom	3,433	4,924	0.26	0.31	6.5	56	78	0.63	0.77	71.7	100.0	
United States	6,878	13,290	0.09	0.13	6.8	28	46	0.24	0.36	..	..
Total or average	48,465	58,274	0.22	0.23	3.5	53	65	0.54	0.59	83.2	84.8	

Net flows to part II countries

	Net official aid							
	\$ millions		% of GNI		average annual % change in volume ^b	Per capita of donor country ^b		
	1997	2002	1997	2002	1996-97 to 2001-02	1997	2002	
Australia	0	7	0.00	0.00	10.7	0	0	
Austria	181	196	0.09	0.10	4.8	19	23	
Belgium	59	97	0.02	0.04	12.0	5	9	
Canada	157	104	0.03	0.01	-4.3	5	3	
Denmark	133	167	0.08	0.10	10.3	22	29	
Finland	71	67	0.06	0.05	3.3	12	12	
France	574	1,464	0.04	0.10	22.2	8	23	
Germany	660	780	0.03	0.04	-1.0	7	9	
Greece	9	16	0.01	0.01	20.6	1	1	
Ireland	1	26	0.00	0.03	94.4	0	6	
Italy	241	..	0.02	..	..	4	..
Japan	84	99	0.00	0.00	-4.5	1	1	
Luxembourg	2	10	0.01	0.05	38.1	5	22	
Netherlands	7	211	0.00	0.05	88.8	0	12	
New Zealand	0	1	0.00	0.00	86.8	0	0	
Norway	55	45	0.04	0.02	-6.6	12	9	
Portugal	18	33	0.02	0.03	13.5	2	3	
Spain	3	11	0.00	0.00	-20.9	0	0	
Sweden	148	107	0.07	0.04	-1.7	13	11	
Switzerland	75	66	0.03	0.02	-2.5	9	8	
United Kingdom	337	494	0.03	0.03	5.4	6	8	
United States	2,516	2,313	0.03	0.02	-3.4	10	8	
Total or average	5,331	6,317	0.02	0.03	3.3	6	7	

a. Excluding administrative costs and technical cooperation. b. At 2001 exchange rates and prices.

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 among 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 separately from those to part II recipients—official aid (see *About the data* for table 6.8 for more information on the distinction between the two types of aid flows).

Measures of aid flows from the perspective of donors differ from aid receipts from the perspective of recipients 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 2001 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, 1998–2002

Net disbursements (\$ millions)

Donor	1998	1999	2000	2001	2002
OECD members (non-DAC)					
Czech Republic	16	15	16	26	45
Iceland	7	8	9	10	13
Korea, Rep.	183	317	212	265	279
Poland	19	20	29	36	14
Slovak Republic	..	7	6	8	7
Turkey	69	120	82	64	73
Arab countries					
Kuwait	278	147	165	73	20
Saudi Arabia	288	185	295	490	2,478
United Arab Emirates	63	92	150	127	156
Other donors					
Israel	87	114	164 ^a	76 ^a	114 ^a
Other ^b	27	0	1	2	3
Total	1,037	1,026	1,128	1,178	3,201

Note: China also provides aid but does not disclose the amount.

a. These figures include \$66.8 million in 2000, \$50.1 million in 2001, and \$87.8 million in 2002 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. b. Includes Estonia, Latvia, Lithuania, and Taiwan, China.

Source: Organisation for Economic Co-operation and Development.

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 electronically on the OECD's *International Development Statistics* CD-ROM and to registered users at <http://www.oecd.org/dataoecd/50/17/5037721.htm>.



	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1997	2002	1997	2002	1997	2002	1997	2002	1997	2002	1997	2002
Afghanistan	230	1,285	10	46	..	..	..	..	..	..	..	..
Albania	166	317	53	101	7.5	6.4	75.8	28.8	20.2	15.1	25.3	..
Algeria	250	361	9	12	0.5	0.7	2.2	2.1	..	..	1.7	1.1
Angola	355	421	31	32	5.5	4.3	18.2	11.6	5.7	4.5	..	..
Argentina	105	0	3	0	0.0	0.0	0.2	0.0	0.2	0.0	0.2	0.3
Armenia	166	293	52	96	9.6	12.0	53.2	59.2	16.8	25.4	..	..
Australia												
Austria												
Azerbaijan	184	349	23	43	4.7	6.1	13.6	17.5	8.6	9.9	24.2	..
Bangladesh	1,011	913	8	7	2.3	1.8	11.5	8.3	12.6	9.6	..	..
Belarus	55	39	5	4	0.4	0.3	1.5	1.3	0.6	0.4	1.2	1.1
Belgium												
Benin	221	220	38	34	10.4	8.3	55.7	45.9	27.8	26.3	..	..
Bolivia	700	681	89	77	9.1	9.0	45.0	59.2	29.7	28.9	40.0	34.2
Bosnia and Herzegovina	862	587	236	143	26.1	10.0	59.2	53.4	..	12.1	..	..
Botswana	122	38	77	22	2.4	0.8	8.3	2.9	3.9	1.3	..	..
Brazil	288	376	2	2	0.0	0.1	0.2	0.4	0.3	0.5	0.1	..
Bulgaria	220	381	26	48	2.2	2.5	21.5	12.5	3.5	3.9	6.5	7.4
Burkina Faso	368	473	35	40	14.2	15.2	56.5	82.8	..	65.1	..	..
Burundi	56	172	9	24	6.0	24.2	72.9	303.8	35.5	107.7	24.5	..
Cambodia	335	487	30	39	10.1	12.7	66.0	54.7	25.6	16.7	..	..
Cameroon	499	632	35	40	5.9	7.3	33.9	37.6	..	..	..	..
Canada												
Central African Republic	91	60	26	16	9.2	5.8	92.6	38.6	..	..	..	..
Chad	228	233	32	28	14.5	11.8	102.0	19.8	..	..	..	..
Chile	129	-23	9	-1	0.2	-0.0	0.6	-0.2	0.5	-0.1	0.8	0.4
China	2,054	1,476	2	1	0.2	0.1	0.6	0.3	1.1	0.4	2.8	..
Hong Kong, China	8	4	1	1	0.0	0.0	0.0	0.0	..	0.0	..	..
Colombia	196	441	5	10	0.2	0.6	0.9	3.6	0.9	2.3	1.1	..
Congo, Dem. Rep.	158	807	3	16	5.5	14.7	102.8	199.5	..	..	26.2	..
Congo, Rep.	270	420	86	115	16.2	19.1	52.0	59.7	14.0	16.9	30.8	10.5
Costa Rica	-8	5	-2	1	-0.1	0.0	-0.3	0.1	-0.1	0.1	-0.3	0.1
Côte d'Ivoire	446	1,069	30	65	4.1	9.6	26.4	87.4	9.0	23.0	17.4	9.6
Croatia	40	166	9	37	0.2	0.8	0.7	2.7	0.3	1.2	0.5	1.3
Cuba	65	61	6	5	0.3	..	3.7	..	..	..	..	..
Czech Republic	117	393	11	38	0.2	0.6	0.7	2.0	0.3	0.7	0.6	1.4
Denmark												
Dominican Republic	71	157	9	18	0.5	0.8	2.3	3.1	0.8	1.4	2.8	..
Ecuador	155	216	13	17	0.7	1.0	3.0	3.2	2.1	2.4	..	..
Egypt, Arab Rep.	1,985	1,286	33	19	2.6	1.4	14.4	8.5	9.0	6.3	8.6	..
El Salvador	279	233	47	36	2.5	1.7	16.5	10.0	6.3	3.7	..	67.8
Eritrea	123	230	33	54	14.3	30.8	57.5	135.6	..	40.7	..	..
Estonia	66	69	47	51	1.5	1.1	4.6	3.4	1.5	1.0	4.5	4.1
Ethiopia	579	1,307	10	19	8.4	21.7	53.3	105.2	39.6	63.0	38.7	..
Finland												
France												
Gabon	39	72	33	55	0.8	1.7	2.4	5.1	1.4	2.5	..	..
Gambia, The	39	61	33	44	9.7	17.3	55.1	79.0	13.2	..	..	..
Georgia	242	313	45	60	6.5	9.2	58.0	43.6	16.4	20.5	39.8	74.6
Germany												
Ghana	494	653	27	32	7.3	10.8	28.9	53.8	17.7	18.6	..	..
Greece												
Guatemala	264	249	25	21	1.5	1.1	10.9	5.7	5.9	3.5	..	..
Guinea	381	250	55	32	10.4	7.9	42.7	46.4	39.9	23.2	..	..
Guinea-Bissau	124	59	99	41	48.9	30.5	212.4	198.7	120.8	..	..	..
Haiti	325	156	43	19	9.9	4.5	40.3	22.1	35.9	..	93.4	..

	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1997	2002	1997	2002	1997	2002	1997	2002	1997	2002	1997	2002
Honduras	297	435	50	64	6.6	6.8	19.5	23.8	10.6	11.9	..	..
Hungary	180	471	18	46	0.4	0.7	1.5	3.0	0.7	1.0	0.9	1.9
India	1,648	1,463	2	1	0.4	0.3	1.8	1.3	2.6	1.6	2.6	2.1
Indonesia	810	1,308	4	6	0.4	0.8	1.2	5.3	1.1	2.1	2.1	4.3
Iran, Islamic Rep.	200	116	3	2	0.2	0.1	0.9	0.3	1.1	0.4	0.5	..
Iraq	220	116	10	5	..	..	..	..	..	..	..	..
Ireland												
Israel	1,196	754	205	115	1.2	0.7	4.8	4.0	2.8	1.5	2.5	0.3
Italy												
Jamaica	72	24	28	9	1.1	0.3	3.3	0.9	1.6	0.4	2.7	1.8
Japan												
Jordan	462	534	104	103	6.6	5.8	24.8	25.0	8.2	8.1	19.5	15.1
Kazakhstan	140	188	9	13	0.6	0.8	4.1	2.8	1.6	1.5	3.2	4.6
Kenya	448	393	16	13	4.3	3.2	27.1	23.5	11.1	10.3	17.2	..
Korea, Dem. Rep.	88	267	4	12	..	..	..	..	..	..	..	..
Korea, Rep.	-160	-82	-3	-2	-0.0	-0.0	-0.1	-0.1	-0.1	-0.0	-0.2	..
Kuwait	0	5	0	2	0.0	0.0	0.0	0.1	0.0	0.0	0.0	..
Kyrgyz Republic	240	186	51	37	14.1	12.0	62.5	62.7	27.0	24.4	60.6	70.0
Lao PDR	329	278	67	50	19.3	17.3	69.4	..	44.4	..	..	..
Latvia	81	86	33	37	1.4	1.0	6.3	3.8	2.3	1.7	4.6	4.8
Lebanon	251	456	61	103	1.6	2.5	6.4	14.7	3.1	5.9	4.0	..
Lesotho	92	76	54	43	6.8	8.7	17.1	26.7	7.6	9.5	18.1	..
Liberia	76	52	26	16	28.8	11.0	..	..	..	..	..	..
Libya	7	10	1	2	..	..	0.2	0.4	0.1	..	..	..
Lithuania	104	147	29	42	1.1	1.1	4.2	4.7	1.6	1.7	3.9	4.1
Macedonia, FYR	98	277	49	136	2.7	7.4	12.5	37.0	5.1	12.4	..	..
Madagascar	834	373	59	23	24.1	8.6	183.5	59.4	69.8	33.8	147.4	..
Malawi	344	377	36	35	13.8	20.2	111.3	160.0	35.9	44.9	..	..
Malaysia	-240	86	-11	4	-0.3	0.1	-0.6	0.4	-0.2	0.1	-1.2	..
Mali	429	472	43	42	17.7	15.1	84.1	69.1	44.4	31.8	..	..
Mauritania	238	355	98	128	22.8	45.4	123.5	116.5	42.8	..	..	..
Mauritius	43	24	38	20	1.0	0.5	3.6	2.4	1.6	0.8	4.5	2.1
Mexico	105	136	1	1	0.0	0.0	0.1	0.1	0.1	0.1	0.2	..
Moldova	65	142	15	33	3.3	8.0	14.2	38.4	4.3	10.2	8.1	33.4
Mongolia	251	208	108	85	28.1	18.6	96.8	60.8	43.6	21.6	112.4	65.7
Morocco	464	636	17	21	1.4	1.8	6.7	7.8	3.9	4.4	4.5	..
Mozambique	948	2,058	57	112	29.5	60.4	135.6	127.9	80.3	103.4	..	..
Myanmar	50	121	1	2	..	..	..	..	1.9	..	0.3	..
Namibia	166	135	96	68	4.1	4.2	22.6	19.3	7.1	8.3	12.6	..
Nepal	402	365	19	15	8.2	6.6	32.2	26.8	20.7	24.2	49.5	37.6
Netherlands												
New Zealand												
Nicaragua	411	517	88	97	24.1	13.6	66.0	40.3	21.8	23.7	60.4	84.9
Niger	333	298	34	26	18.3	13.8	166.1	107.7	..	..	..	..
Nigeria	200	314	2	2	0.6	0.8	3.2	3.1	1.1	1.8	..	..
Norway												
Oman	65	41	29	16	0.4	0.2	2.3	1.6	0.9	..	1.4	0.0
Pakistan	596	2,144	5	15	1.0	3.6	5.3	24.7	3.8	14.3	4.5	15.2
Panama	46	35	17	12	0.5	0.3	1.7	1.1	0.4	0.4	2.0	..
Papua New Guinea	346	203	73	38	7.4	7.5	33.5	..	12.6	..	24.0	..
Paraguay	108	57	22	10	1.1	1.0	4.8	3.8	2.1	2.0	6.8	4.8
Peru	395	491	16	18	0.7	0.9	2.8	4.7	2.9	4.2	3.9	4.6
Philippines	689	560	10	7	0.8	0.7	3.4	3.7	1.3	1.3	4.3	4.2
Poland	861	1,160	22	30	0.6	0.6	2.4	3.2	1.8	1.7	1.5	1.5
Portugal												
Puerto Rico												



	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1997	2002	1997	2002	1997	2002	1997	2002	1997	2002	1997	2002
Romania	219	701	10	31	0.6	1.5	3.0	6.6	1.7	3.6	2.0	5.3
Russian Federation	793	1,301	5	9	0.2	0.4	0.9	1.8	0.8	1.3	..	1.5
Rwanda	230	356	32	44	12.5	20.8	89.8	109.2	45.8	77.1	..	..
Saudi Arabia	11	27	1	1	0.0	0.0	0.0	0.1	0.0	0.1	..	..
Senegal	423	449	48	46	9.8	9.2	54.2	45.3	24.8	19.9	50.5	41.0
Serbia and Montenegro	97	1,931	9	237	..	12.4	4.8	76.6	1.9	27.5	..	..
Sierra Leone	119	353	25	68	14.3	47.0	278.9	514.7	..	..	81.3	..
Singapore	3	7	1	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Slovak Republic	71	189	13	35	0.3	0.8	1.0	2.6	0.5	1.0	0.8	2.1
Slovenia	99	171	50	87	0.5	0.8	2.3	3.3	0.9	1.3	1.4	1.7
Somalia	81	194	10	21	..	..	..	..	..	..	..	..
South Africa	496	657	12	14	0.3	0.6	2.0	4.0	1.3	1.8	1.1	1.3
Spain												
Sri Lanka	331	344	19	18	2.2	2.1	9.0	9.9	4.7	4.6	8.5	7.6
Sudan	139	351	5	11	1.3	2.7	6.6	13.3	8.7	9.7	..	..
Swaziland	28	25	29	23	1.8	2.0	9.6	11.6	2.1	1.9	..	..
Sweden												
Switzerland												
Syrian Arab Republic	197	81	13	5	1.4	0.4	6.4	1.8	3.2	1.1	1.2	..
Tajikistan	86	168	14	27	8.0	14.6	39.5	61.2	9.8	18.2	..	..
Tanzania	945	1,233	30	35	12.5	13.2	82.5	78.7	44.4	53.3	..	..
Thailand	626	296	11	5	0.4	0.2	1.2	1.0	0.8	0.4	2.1	1.2
Togo	125	51	31	11	8.5	3.8	51.3	17.0	16.4	6.9	..	..
Trinidad and Tobago	33	-7	26	-6	0.6	-0.1	1.6	-0.5	0.9	-0.1	..	..
Tunisia	194	475	21	49	1.1	2.4	3.9	9.0	2.0	4.1	3.2	..
Turkey	7	636	0	9	0.0	0.4	0.0	2.1	0.0	1.0	0.0	0.2
Turkmenistan	12	41	3	8	0.4	..	1.2	1.7	0.7	..	..	..
Uganda	813	638	38	26	13.0	11.2	77.2	50.7	46.0	35.4	..	65.5
Ukraine	268	484	5	10	0.5	1.2	2.5	6.1	1.2	2.2	..	4.7
United Arab Emirates	2	4	1	1	0.0	..	0.0	..	..	..	0.0	..
United Kingdom												
United States												
Uruguay	34	13	11	4	0.2	0.1	1.0	0.9	0.7	0.5	0.5	0.3
Uzbekistan	140	189	6	7	1.3	2.4	5.7	11.8	3.0	6.5	..	..
Venezuela, RB	9	57	0	2	0.0	0.1	0.0	0.4	0.0	0.3	0.0	0.1
Vietnam	998	1,277	13	16	3.8	3.6	13.1	11.3	7.0	5.7	16.5	16.2
West Bank and Gaza	603	1,616	230	500	13.1	42.9	35.9	1,349.0	..	..	..	..
Yemen, Rep.	356	584	22	31	5.6	6.3	20.8	35.1	9.5	12.2	16.1	..
Zambia	610	641	66	63	16.5	18.1	107.0	99.4	37.3	36.6	..	..
Zimbabwe	336	201	28	15	4.2	..	22.0	29.2	..	..	11.1	..
World	54,482 s	69,814 s	9 w	11 w	0.2 w	0.2 w	0.8 w	1.0 w	0.7 w	0.7 w	..	..
Low income	21,534	29,622	9	12	2.1	2.7	8.9	13.1	7.9	9.5	..	..
Middle income	18,914	25,382	7	9	0.4	0.5	1.4	1.9	1.3	1.4	..	..
Lower middle income	15,853	19,979	7	8	0.5	0.6	1.7	2.1	1.8	1.9	..	..
Upper middle income	2,578	4,018	8	12	0.2	0.2	0.7	1.2	0.4	0.6	..	..
Low & middle income	52,324	67,945	11	13	0.9	1.1	3.4	4.4	3.0	3.3	..	..
East Asia & Pacific	6,939	7,340	4	4	0.5	0.4	1.3	1.2	1.4	1.1	..	..
Europe & Central Asia	7,121	12,819	15	27	0.7	1.1	2.7	5.3	1.8	2.7	..	..
Latin America & Carib.	5,399	5,108	11	10	0.3	0.3	1.2	1.6	1.2	1.1	..	..
Middle East & N. Africa	5,440	6,527	20	21	0.9	1.0	4.5	4.3	3.2	3.4	..	..
South Asia	4,313	6,615	3	5	0.8	1.0	3.6	4.9	4.5	5.3	..	..
Sub-Saharan Africa	14,976	19,406	24	28	4.5	6.3	24.5	32.2	12.4	15.3	..	..
High income												
Europe EMU												

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

About the data

Ratios of aid to gross national income (GNI), gross capital formation, imports, and government 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 a donor's interest as they do about a recipient's 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.

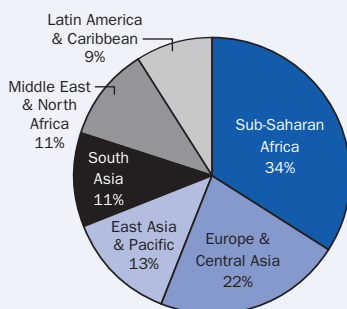
As defined here, aid includes official development assistance (ODA) and official aid (see *About the data* for table 6.8). The data cover loans and grants from Development Assistance Committee (DAC) member countries, multilateral organizations, and non-DAC donors. They do not reflect aid given by recipient countries to other developing countries. As a result, some countries that are net donors (such as Saudi Arabia) are shown in the table as aid recipients (see table 6.9a).

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 very different effects on the economy.

6.10a

Where did aid go in 2002?

Net aid



East Asia and Pacific has received a smaller share of total net aid flows, declining from 16 to 13 percent, while flows to Europe and Central Asia increased from 16 to 22 percent.

Source: Organisation for Economic Co-operation and Development, Development Assistance Committee.

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 since 1990 to include only regular budgetary expenditures (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 (IMF) databases. The aggregates also refer to World Bank definitions. Therefore the ratios shown may 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/dataoecd/50/17/5037721.htm>. The data on population, GNI, gross capital formation, imports of goods and services, and central government expenditure are from World Bank and IMF 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	Norway	Denmark	
\$ millions	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002
Afghanistan	985.9	367.6	31.7	11.9	92.6	130.8	88.3	35.8	27.5	60.9	7.8	131.2
Albania	177.2	61.8	4.0	3.0	24.7	4.9	11.6	1.3	4.0	5.8	3.3	52.9
Algeria	122.8	5.2	-2.2	89.6	-3.9	..	0.4	0.4	0.7	3.2	0.0	29.6
Angola	286.4	105.6	27.2	9.9	16.5	10.2	27.7	2.6	14.1	22.2	1.0	49.4
Argentina	51.9	1.6	12.9	11.7	13.1	..	0.3	2.1	0.2	0.1	0.0	10.0
Armenia	171.4	114.3	11.4	3.8	19.9	1.7	7.2	0.7	1.1	3.3	0.2	7.8
Australia												
Austria												
Azerbaijan	232.2	61.5	141.8	2.9	9.8	0.5	4.1	0.8	0.4	3.5	..	6.9
Bangladesh	520.8	72.1	122.7	7.3	30.0	101.8	44.3	30.9	15.0	16.6	37.3	42.7
Belarus	26.0	8.4	0.2	2.8	6.8	0.1	1.0	0.1	2.9	0.2	1.0	2.6
Belgium												
Benin	140.1	23.4	4.5	40.5	24.0	0.1	2.4	2.4	0.1	0.1	23.6	19.0
Bolivia	482.2	127.7	37.5	33.9	71.9	14.2	62.6	14.6	16.4	3.3	30.6	69.4
Bosnia and Herzegovina	292.3	75.8	14.7	2.4	19.4	7.3	37.3	6.9	27.0	23.8	0.4	77.2
Botswana	36.7	22.4	-0.1	0.6	4.5	2.2	1.9	0.2	0.6	3.2	0.8	0.6
Brazil	197.6	-37.1	117.6	20.5	31.9	16.6	14.7	6.0	2.0	2.9	0.4	22.1
Bulgaria	189.2	47.5	36.7	14.9	49.2	7.0	7.9	1.3	0.2	0.5	3.3	20.7
Burkina Faso	229.9	16.2	10.0	53.9	19.4	0.3	37.3	8.6	7.5	0.4	23.0	53.3
Burundi	84.7	21.2	0.1	7.1	2.7	1.2	9.6	1.8	3.6	10.2	..	27.2
Cambodia	272.8	44.4	98.6	24.6	18.4	13.2	9.3	4.9	14.5	3.1	6.6	35.0
Cameroon	436.2	13.1	7.5	119.0	67.0	43.5	7.5	80.3	0.0	5.7	17.0	75.5
Canada												
Central African Republic	39.6	0.8	12.9	16.5	7.1	0.4	0.4	0.1	0.2	..	..	1.2
Chad	67.0	7.0	0.1	34.8	13.0	..	0.8	0.5	0.0	..	..	10.8
Chile	-13.8	-18.4	-39.6	11.8	18.7	0.3	3.3	1.6	0.9	0.5	0.0	7.1
China	1,212.8	17.0	828.7	77.2	149.9	36.1	17.9	30.0	6.4	12.2	6.3	31.1
Hong Kong, China	4.0	..	2.2	1.6	0.0	..	0.1	..	..	..	..	0.1
Colombia	426.1	306.3	4.3	13.0	21.4	3.2	15.2	6.1	6.9	7.7	0.2	41.9
Congo, Dem. Rep.	351.0	80.0	0.9	0.8	21.1	14.9	135.0	9.8	7.7	12.5	..	68.4
Congo, Rep.	41.4	5.9	0.2	23.7	2.6	0.3	0.2	0.4	2.2	0.4	..	5.6
Costa Rica	4.5	-23.7	-2.8	4.8	3.1	-0.1	6.2	3.7	1.1	0.5	0.0	11.7
Côte d'Ivoire	831.1	53.1	5.2	531.3	31.1	11.7	24.3	78.7	0.2	0.5	0.7	94.2
Croatia	82.1	49.5	0.5	2.5	2.2	2.1	1.6	1.1	5.5	13.2	0.1	3.7
Cuba	49.6	4.6	3.7	2.8	4.3	0.6	1.7	5.4	1.9	1.2	..	23.5
Czech Republic	48.5	2.5	1.6	8.3	16.3	1.3	1.2	0.3	1.2	0.3	2.4	13.1
Denmark												
Dominican Republic	138.2	15.7	42.7	5.9	8.0	25.9	1.4	1.0	0.2	0.4	0.4	36.6
Ecuador	205.1	65.0	28.3	6.8	16.4	0.6	10.5	9.2	0.6	2.3	4.8	60.6
Egypt, Arab Rep.	1,124.2	845.8	12.9	100.1	61.9	12.2	17.1	10.3	2.2	0.6	16.1	44.9
El Salvador	217.9	62.0	32.9	3.0	15.2	11.1	8.4	3.3	5.3	1.7	1.3	73.8
Eritrea	120.7	44.9	4.3	4.3	3.7	1.2	12.6	1.1	4.2	13.5	10.2	20.8
Estonia	16.9	-7.7	0.6	1.3	2.4	0.2	0.6	0.3	3.4	0.7	12.2	3.1
Ethiopia	489.2	156.4	50.5	10.2	40.6	43.7	34.8	6.9	21.3	28.5	2.7	93.7
Finland												
France												
Gabon	49.5	2.3	3.8	41.0	0.5	0.2	0.3	0.9	..	..	..	0.5
Gambia, The	17.5	2.8	8.2	0.4	1.8	1.7	0.3	0.6	0.5	0.7	0.2	0.4
Georgia	209.6	133.3	18.6	1.9	21.0	3.9	8.9	0.7	2.0	4.4	0.3	14.4
Germany												
Ghana	406.2	68.9	23.6	10.2	34.0	123.7	59.6	12.4	1.4	0.7	51.5	20.4
Greece												
Guatemala	199.6	64.7	29.4	1.4	19.0	0.6	20.6	10.2	11.3	11.5	1.9	29.0
Guinea	125.6	47.7	18.6	22.6	15.4	2.7	4.0	4.3	0.5	0.6	..	9.4
Guinea-Bissau	25.8	3.8	0.1	4.0	1.4	..	3.6	0.3	1.8	0.0	0.3	10.5
Haiti	125.4	69.9	9.3	17.2	4.3	0.2	4.2	10.2	0.4	1.7	0.1	8.1

Distribution of net aid by Development Assistance Committee members

	Total 2002	Ten major DAC donors										Other DAC donors 2002
		United States	Japan	France	Germany	United Kingdom	Netherlands	Canada	Sweden	Norway	Denmark	
		2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	
Honduras	297.9	97.3	94.9	3.9	13.4	1.9	8.9	7.1	11.0	0.9	12.7	46.0
Hungary	40.3	1.9	6.9	7.5	11.5	2.4	1.2	0.4	0.2	0.3	0.3	7.8
India	785.3	-3.8	493.6	-135.9	-26.1	343.7	59.4	16.0	8.2	8.5	8.5	13.2
Indonesia	1,162.0	225.8	538.3	44.8	78.4	31.7	127.3	11.6	1.6	6.1	1.9	94.7
Iran, Islamic Rep.	81.5	0.2	17.5	7.9	31.8	2.8	3.8	..	0.0	5.3	..	12.1
Iraq	85.1	0.0	0.1	2.0	18.4	13.7	15.8	0.3	4.5	17.9	..	12.3
Ireland												
Israel	749.3	786.8	0.6	6.2	-50.4	..	2.0	..	1.5	..	..	2.6
Italy												
Jamaica	-3.6	-11.0	-6.6	-0.9	-0.8	7.4	1.6	7.1	0.1	0.6	..	-1.2
Japan												
Jordan	370.9	286.8	-0.2	3.2	51.1	5.0	0.3	3.7	4.2	2.3	0.1	14.5
Kazakhstan	143.9	74.0	30.1	2.3	13.1	1.1	2.0	0.7	0.5	1.8	0.4	18.0
Kenya	288.1	102.4	17.4	17.6	27.1	54.4	12.7	7.3	14.4	3.0	9.7	22.2
Korea, Dem. Rep.	187.8	131.2	..	0.5	33.2	3.0	0.6	0.2	4.3	3.6	..	11.4
Korea, Rep.	-79.8	-44.6	-47.2	11.5	-0.2	..	0.1	..	..	..	..	0.7
Kuwait	3.0	..	0.1	1.4	1.5	..	0.0	..	..	..	..	..
Kyrgyz Republic	95.2	51.7	8.1	0.4	11.0	4.5	1.7	0.7	0.8	1.3	0.6	14.4
Lao PDR	177.8	8.5	90.1	14.9	12.0	1.0	2.0	1.5	15.4	5.7	5.0	21.9
Latvia	26.2	0.8	0.4	1.4	3.8	0.1	0.4	0.5	5.7	0.8	9.8	2.5
Lebanon	102.4	36.2	10.1	33.2	7.2	0.2	0.4	1.3	1.1	5.3	..	7.4
Lesotho	29.7	6.0	3.9	-0.9	4.7	1.7	0.7	0.2	0.3	0.4	0.8	11.9
Liberia	27.0	15.1	0.0	1.7	-2.1	2.9	2.9	0.3	1.1	1.9	0.1	3.1
Libya	4.4	..	0.2	1.6	1.7	..	0.1	..	..	..	..	0.8
Lithuania	36.0	-1.5	1.5	2.0	6.9	0.1	0.7	0.8	13.3	1.0	8.9	2.3
Macedonia, FYR	179.8	50.5	3.8	2.0	16.8	7.6	17.6	2.0	6.2	11.7	1.0	60.6
Madagascar	125.9	41.7	7.6	46.3	8.6	0.7	0.4	1.2	0.1	5.7	0.0	13.5
Malawi	224.9	61.2	18.8	5.1	24.0	50.2	16.9	8.5	7.7	15.6	7.8	9.3
Malaysia	85.4	1.1	54.2	-2.7	4.5	-0.1	0.9	0.7	..	0.3	26.0	0.6
Mali	256.8	49.2	17.0	63.6	28.0	6.8	38.2	13.6	9.1	7.1	0.1	24.1
Mauritania	146.6	5.5	13.0	20.0	25.6	19.4	27.6	2.2	0.3	0.5	..	32.5
Mauritius	3.5	0.2	0.7	-0.2	1.4	0.2	0.1	0.2	..	0.3	..	0.6
Mexico	92.6	84.0	-6.6	-0.2	15.0	2.6	3.3	3.9	0.4	0.4	-0.2	-9.8
Moldova	86.3	56.9	5.9	2.3	2.4	3.3	3.5	0.3	4.6	1.1	1.5	4.6
Mongolia	141.3	20.4	79.0	1.0	23.2	0.6	2.6	0.9	2.4	2.6	0.9	7.7
Morocco	218.7	-13.3	40.8	145.8	16.9	..	1.2	4.4	0.8	0.2	-0.9	22.8
Mozambique	1,661.0	159.7	69.7	431.6	156.9	48.0	52.0	9.0	45.3	38.7	51.9	598.2
Myanmar	79.1	4.8	49.4	1.5	1.7	6.5	4.2	1.3	0.9	3.9	0.9	4.1
Namibia	84.8	17.0	3.2	3.0	18.3	3.0	4.8	0.7	9.4	3.4	1.9	20.2
Nepal	279.4	32.6	97.5	-1.9	34.5	36.9	7.3	4.2	3.6	13.1	25.4	26.3
Netherlands												
New Zealand												
Nicaragua	287.2	66.7	31.4	0.9	34.5	0.4	26.0	7.7	38.7	9.1	25.0	47.0
Niger	114.5	16.3	13.3	34.4	14.9	0.6	1.8	5.3	0.1	2.4	6.8	18.7
Nigeria	215.0	76.1	19.1	8.8	37.7	41.7	2.8	18.1	1.5	3.1	0.0	6.2
Norway												
Oman	-0.4	-4.9	3.7	0.6	0.1	..	0.0	..	..	..	..	0.1
Pakistan	702.5	209.0	301.1	2.5	76.2	66.9	12.2	7.8	1.6	10.3	-1.2	16.2
Panama	23.3	6.0	5.3	0.8	1.7	0.2	0.5	0.8	..	..	2.0	6.0
Papua New Guinea	197.1	0.2	4.4	0.6	3.2	..	1.3	0.0	0.1	0.2	..	187.2
Paraguay	50.8	11.2	26.8	0.2	3.5	-0.2	1.4	0.9	1.3	0.6	..	5.1
Peru	463.0	143.6	119.6	4.9	24.3	84.4	12.9	7.9	3.9	1.4	2.1	57.9
Philippines	509.1	78.6	318.0	-2.4	14.5	1.3	25.9	15.6	1.6	1.0	2.2	52.9
Poland	388.6	3.1	-3.8	159.6	37.3	3.2	1.1	70.8	4.1	1.1	14.3	97.9
Portugal												
Puerto Rico												



6.11 | Distribution of net aid by Development Assistance Committee members

	Total 2002	Ten major DAC donors										Other DAC donors 2002
		United States 2002	Japan 2002	France 2002	Germany 2002	United Kingdom 2002	Netherlands 2002	Canada 2002	Sweden 2002	Norway 2002	Denmark 2002	
Romania	176.6	54.7	29.6	23.6	29.7	9.7	6.8	2.2	0.6	1.3	6.0	12.5
Russian Federation	1,109.3	858.8	5.3	23.8	54.1	41.5	8.2	12.8	31.7	22.7	13.2	37.2
Rwanda	199.1	46.4	0.4	6.6	10.8	52.6	19.6	5.6	15.6	6.1	0.5	35.0
Saudi Arabia	13.4	..	9.0	3.7	0.6	..	0.0	0.0	..	0.0	..	0.1
Senegal	242.8	37.1	37.8	104.5	13.2	0.6	10.4	9.8	0.3	1.4	0.9	26.9
Serbia and Montenegro	1,921.3	495.4	0.3	103.7	531.4	459.7	61.9	..	24.5	22.1	8.0	214.2
Sierra Leone	225.3	70.1	0.1	3.6	15.9	54.3	20.6	3.3	1.7	10.6	0.4	44.6
Singapore	7.1	..	2.0	3.2	1.5	0.1	0.0	0.2	..	..	..	0.1
Slovak Republic	39.2	4.9	3.6	4.1	6.7	4.3	1.5	0.7	0.2	0.3	3.9	9.0
Slovenia	2.4	0.3	0.3	1.4	-2.9	0.2	0.0	0.0	0.0	0.1	..	3.0
Somalia	102.4	35.4	..	0.4	2.8	3.1	13.1	0.2	5.5	25.4	1.4	15.2
South Africa	375.3	89.4	4.7	25.4	42.4	47.0	45.6	9.5	22.0	17.5	18.8	53.2
Spain												
Sri Lanka	188.5	-11.0	118.9	-2.5	7.8	7.7	18.6	3.5	15.0	21.5	0.2	8.8
Sudan	232.3	119.6	1.2	2.4	14.5	13.5	22.7	4.9	9.6	23.3	0.6	19.9
Swaziland	6.6	-0.2	4.5	0.0	-2.1	-1.4	1.1	0.2	0.2	0.2	-0.2	4.3
Sweden												
Switzerland												
Syrian Arab Republic	25.0	..	15.8	13.5	-12.8	0.1	2.3	0.2	0.2	0.8	..	4.9
Tajikistan	128.8	75.9	27.0	0.2	10.2	3.3	0.6	1.5	2.0	1.4	0.1	6.8
Tanzania	902.8	85.4	58.2	16.0	23.2	103.2	138.3	8.3	61.4	46.7	69.9	292.3
Thailand	280.4	36.4	222.4	-7.1	-4.2	0.3	2.4	2.5	3.6	1.6	8.5	14.1
Togo	39.2	6.7	0.3	18.7	8.1	0.5	0.5	1.0	0.1	0.2	0.1	3.1
Trinidad and Tobago	5.7	0.6	2.7	0.8	0.1	0.2	0.0	1.3	..	..	..	0.1
Tunisia	144.6	-20.8	63.3	96.6	-5.2	..	-3.2	0.8	0.1	0.1	..	12.9
Turkey	99.0	144.5	-15.9	9.1	-71.0	-0.7	0.3	1.1	1.7	4.2	0.0	25.7
Turkmenistan	26.0	12.1	11.4	0.4	0.8	0.2	0.0	0.4	..	0.2	..	0.4
Uganda	466.1	109.4	8.1	5.5	33.9	84.0	43.5	6.4	23.4	32.6	43.1	76.3
Ukraine	358.2	255.5	1.6	6.8	44.6	12.5	2.8	14.0	5.0	0.2	5.1	10.1
United Arab Emirates	3.7	0.4	0.1	2.6	0.5	0.1	..	..	..	..	..	0.0
United Kingdom												
United States												
Uruguay	6.8	-1.7	4.1	2.4	2.0	0.0	0.1	0.7	0.1	..	..	-0.9
Uzbekistan	152.9	74.3	40.2	1.6	21.6	1.4	0.7	0.5	0.1	2.6	..	10.0
Venezuela, RB	42.0	10.9	3.7	5.0	3.0	0.1	0.3	1.4	0.1	0.1	..	17.5
Vietnam	746.0	14.7	374.7	77.8	41.7	26.5	30.1	20.0	24.4	7.9	48.4	79.9
West Bank and Gaza	410.2	138.1	12.8	15.6	37.9	23.8	13.9	8.9	28.0	50.9	5.5	74.8
Yemen, Rep.	119.4	24.1	6.0	4.2	28.4	7.8	40.8	0.5	0.4	0.4	..	7.0
Zambia	359.5	48.3	68.4	10.1	44.2	28.1	35.5	12.2	19.4	29.1	32.2	32.1
Zimbabwe	177.8	47.0	23.6	3.2	10.3	28.7	22.3	6.5	8.3	7.2	5.6	15.0
World	45,249.8 s	12,814.5 s	6,748.3 s	4,677.7 s	3,593.5 s	3,593.3 s	2,624.9 s	1,607.2 s	1,350.3 s	1,188.3 s	1,133.5 s	5,918.3 s
Low income	17,698.7	3,559.1	3,141.6	1,788.8	1,368.2	1,648.9	1,325.7	496.4	463.6	533.4	541.3	2,831.6
Middle income	15,415.8	5,022.6	2,555.7	1,444.8	1,609.6	991.4	553.0	447.7	315.0	363.8	268.1	1,844.3
Lower middle income	13,328.4	4,744.1	2,421.5	952.0	1,390.9	885.7	502.7	218.5	264.9	272.3	156.1	1,519.7
Upper middle income	1,467.5	179.2	118.3	433.6	164.2	96.4	26.2	95.6	37.9	28.4	80.6	207.2
Low & middle income	43,667.3	12,042.3	6,780.0	3,904.1	3,637.0	3,592.8	2,528.2	1,606.5	1,348.8	1,187.7	1,133.5	5,906.4
East Asia & Pacific	5,742.1	778.1	2,755.2	317.8	378.7	138.3	226.5	96.4	79.8	56.0	107.0	808.3
Europe & Central Asia	7,112.1	3,004.4	401.6	422.8	902.6	593.2	196.1	233.6	183.9	184.6	143.1	846.1
Latin America & Carib.	3,891.7	1,207.3	583.2	174.6	355.2	292.4	218.8	143.1	126.0	60.1	89.5	641.5
Middle East & N. Africa	2,914.9	1,310.6	195.9	561.7	243.4	65.7	93.8	31.8	44.2	87.4	20.9	259.6
South Asia	3,518.0	667.2	1,190.0	-118.6	216.3	688.2	233.8	99.0	71.3	133.4	88.3	249.1
Sub-Saharan Africa	11,675.0	2,369.4	579.5	2,129.8	935.0	1,022.0	939.5	374.1	404.5	447.8	392.5	2,080.8
High income												
Europe EMU												

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

About the data

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 non-governmental 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 since 1990 to include only regular budgetary expenditures (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 extra-budgetary 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.

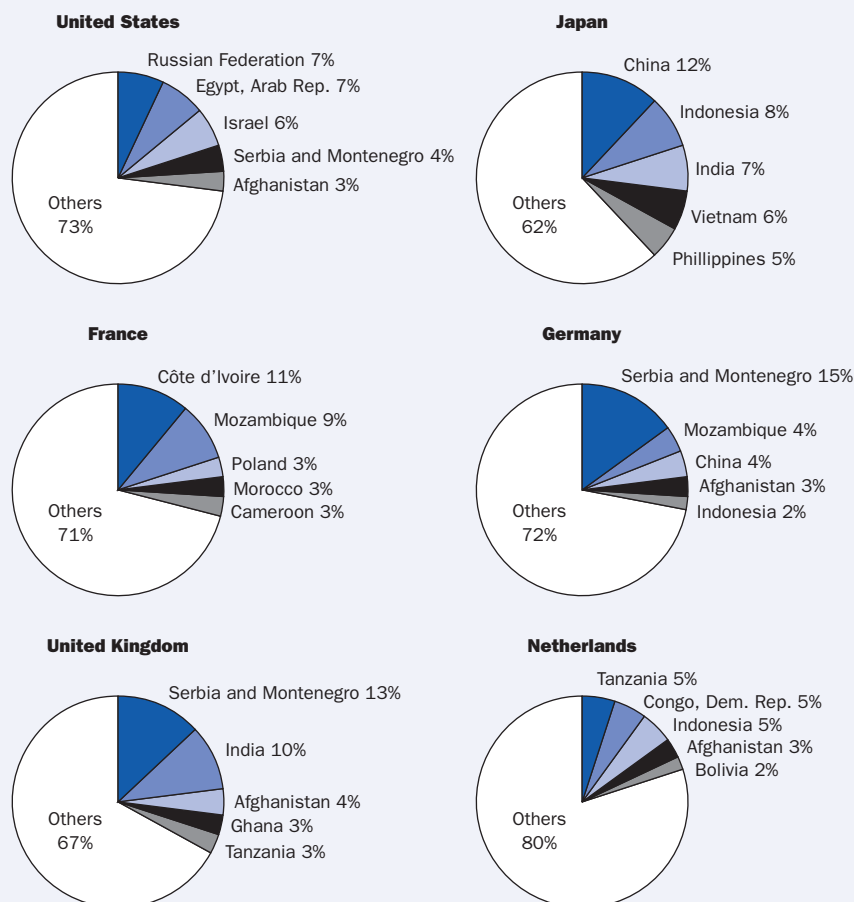
The expenditures that countries report as official development assistance (ODA) have changed. For example, some DAC members have reported as ODA the aid provided to refugees during the first 12 months of their stay within the donor's borders.

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.

6.11a

Top aid recipients from top DAC donors reflect historical alliances and geopolitical events

Total bilateral aid, 2002



This figure shows the distribution of aid from the top six donors to their top five recipients in 2002. Serbia and Montenegro and Afghanistan drew a large share of aid from donors in 2002.

Source: Organisation for Economic Co-operation and Development, Development Assistance Committee.

Definitions

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

Data sources

Data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and its annual *Development Cooperation Report*. Data are available electronically on the OECD's *International Development Statistics* CD-ROM and to registered users at <http://www.oecd.org/dataoecd/50/17/5037721.htm>.



6.12

Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	\$ millions												\$ millions
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002
Afghanistan	..	..	..	..	..	..	..	9.0	9.0	9.2	2.0	15.4	44.6
Albania	78.9	0.0	-2.9	-5.7	0.0	3.5	18.7	1.4	0.4	0.7	0.5	3.1	98.5
Algeria	0.0	-129.5	0.0	-297.5	0.0	-33.3	-155.5	0.8	1.3	0.9	4.6	6.2	-602.0
Angola	17.9	0.0	0.0	0.0	-0.3	-2.6	-0.1	1.7	2.4	5.3	30.3	15.8	70.4
Argentina	0.0	-928.3	0.0	-743.0	0.0	-502.3	0.0	0.3	0.3	0.6	..	2.8	-2,169.5
Armenia	66.5	-0.4	15.0	-7.3	0.0	-6.1	-9.4	0.8	0.3	0.6	1.3	3.5	64.8
Australia													
Austria													
Azerbaijan	56.9	0.0	7.8	-46.4	0.0	0.6	11.2	2.2	0.8	0.9	3.3	3.7	40.9
Bangladesh	195.0	-5.5	-22.9	-65.1	84.6	6.2	56.6	14.4	10.3	11.3	25.4	13.3	323.7
Belarus	0.0	-9.8	0.0	-30.3	0.0	-15.3	-5.7	0.2	0.2	..	..	1.5	-59.1
Belgium													
Benin	20.1	0.0	-4.6	0.0	1.1	-0.3	21.2	2.8	3.6	1.6	1.4	3.9	50.8
Bolivia	96.4	0.0	-17.1	0.0	89.2	-54.4	76.8	1.0	3.2	1.2	2.8	3.2	202.3
Bosnia and Herzegovina	96.8	-23.1	0.0	18.2	0.0	-7.5	0.5	1.1	0.1	0.5	..	20.1	106.7
Botswana	-0.5	-3.5	0.0	0.0	-1.5	-12.0	-12.4	0.5	1.3	1.3	..	3.1	-23.7
Brazil	0.0	337.6	0.0	11,246.8	0.0	853.1	-6.4	0.4	0.9	1.2	..	131.0	12,564.6
Bulgaria	0.0	2.1	0.0	-144.0	0.0	-13.7	31.4	0.7	0.2	..	..	2.0	-121.4
Burkina Faso	65.3	0.0	6.4	0.0	37.9	-1.8	1.8	5.0	1.9	4.0	2.2	4.3	126.9
Burundi	25.0	0.0	-2.5	12.5	0.0	0.0	-0.4	5.4	1.5	2.5	5.4	11.5	60.9
Cambodia	47.2	0.0	10.8	-1.4	69.9	0.0	7.0	3.1	3.6	3.5	3.2	5.4	152.4
Cameroon	41.8	-21.0	41.2	0.0	20.6	-40.2	-11.2	1.7	2.3	2.8	1.6	3.4	42.8
Canada													
Central African Republic	0.7	0.0	0.0	0.0	0.0	-0.2	0.0	3.3	1.0	2.0	2.7	4.6	14.1
Chad	70.3	0.3	12.7	0.0	11.2	0.0	5.7	3.7	2.7	2.4	1.7	3.8	114.4
Chile	-0.7	-172.0	0.0	0.0	-1.3	-76.2	-0.3	-4.6	0.2	0.6	..	1.6	-252.7
China	94.7	-576.9	0.0	0.0	0.0	2.2	-13.7	9.7	4.6	11.4	12.1	12.3	-443.7
Hong Kong, China	..	..	..	..	..	..	..	0.0	..	..	..	..	0.0
Colombia	-0.7	248.8	0.0	0.0	-13.2	-424.1	33.5	0.4	0.9	0.8	0.7	7.5	-145.5
Congo, Dem. Rep.	275.2	-81.5	358.8	-203.4	-32.0	0.0	0.0	6.2	1.7	18.8	10.3	42.8	397.0
Congo, Rep.	-0.3	-6.5	-3.6	-4.7	0.0	0.0	0.0	1.4	0.7	1.7	0.3	8.8	-2.2
Costa Rica	-0.2	-11.1	0.0	0.0	-10.9	-22.5	-44.7	0.2	0.4	0.6	..	2.2	-86.2
Côte d'Ivoire	161.2	-89.9	-10.6	0.0	34.3	-109.4	-1.9	2.5	2.0	3.1	1.6	8.6	1.5
Croatia	0.0	104.8	0.0	-125.9	0.0	11.5	40.6	0.1	..	..	..	9.9	41.0
Cuba	..	..	..	..	..	..	..	0.6	1.0	0.3	1.2	2.2	5.3
Czech Republic	0.0	-41.0	0.0	0.0	0.0	0.0	39.7	0.1	..	..	..	1.5	0.3
Denmark													
Dominican Republic	-0.7	32.6	0.0	-25.7	-16.1	80.2	-1.7	0.3	1.1	0.6	0.4	1.6	72.5
Ecuador	-1.1	-60.0	0.0	97.9	-21.8	-25.4	8.1	0.2	1.5	0.8	1.5	4.0	5.6
Egypt, Arab Rep.	20.5	-46.6	0.0	0.0	0.6	-65.0	14.4	1.5	1.1	2.7	3.2	7.3	-60.4
El Salvador	-0.8	36.0	0.0	0.0	-17.6	107.8	64.8	0.4	1.1	0.7	0.1	1.1	193.5
Eritrea	46.2	0.0	0.0	0.0	11.9	0.0	7.6	2.7	2.0	1.1	2.1	18.0	91.6
Estonia	0.0	-35.2	0.0	-13.8	0.0	-4.3	0.7	..	0.0	..	..	0.2	-52.3
Ethiopia	459.5	0.0	33.0	0.0	73.3	-19.7	27.3	13.3	3.8	14.0	23.5	32.2	660.4
Finland													
France													
Gabon	0.0	-5.9	0.0	-13.1	0.0	-12.5	8.9	..	0.3	0.6	0.0	3.2	-18.5
Gambia, The	14.3	0.0	3.7	0.0	4.7	-0.7	4.8	2.6	0.5	0.7	0.9	2.3	33.8
Georgia	61.3	0.0	11.2	-12.0	0.0	4.3	0.5	1.4	0.3	0.7	0.9	5.3	73.8
Germany													
Ghana	88.7	-1.2	63.4	0.0	36.1	-17.7	6.5	3.1	3.4	3.3	1.0	4.6	191.3
Greece													
Guatemala	0.0	69.5	0.0	0.0	-6.4	163.3	-12.5	0.8	13.5	0.8	3.2	1.8	233.9
Guinea	28.4	0.0	6.6	0.0	0.7	-12.4	-13.7	0.8	0.5	2.1	3.1	26.2	42.3
Guinea-Bissau	3.8	0.0	-1.2	-0.3	-0.8	-0.3	-1.0	2.3	0.7	1.1	1.7	1.9	7.9
Haiti	-0.1	0.0	-1.9	-7.3	1.3	0.0	-0.3	2.7	3.3	2.8	3.6	1.4	5.4

Net financial flows from multilateral institutions

6.12

GLOBAL LINKS

	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002
Honduras	45.6	-9.7	-4.2	-30.8	39.4	-19.2	7.8	1.1	2.0	1.1	2.1	1.6	36.8
Hungary	0.0	-62.9	0.0	0.0	0.0	-18.9	201.3	0.3	..	..	..	1.8	121.6
India	429.8	-2,383.4	0.0	0.0	0.0	-1,341.7	-24.5	21.2	13.2	30.4	9.4	35.5	-3,210.1
Indonesia	59.8	-706.0	0.0	-950.2	8.0	384.1	-37.6	4.1	6.2	5.1	0.4	20.3	-1,205.8
Iran, Islamic Rep.	0.0	-56.3	0.0	0.0	0.0	0.0	0.0	0.9	2.4	1.8	0.8	23.8	-26.6
Iraq	..	..	..	..	..	..	..	0.7	0.4	1.7	1.6	13.8	18.2
Ireland													
Israel	..	..	..	..	..	..	..	..	..	..	..	0.3	0.3
Italy													
Jamaica	0.0	39.9	0.0	-18.7	-4.6	92.2	-0.3	0.2	0.3	0.6	..	1.6	111.1
Japan													
Jordan	-2.6	110.7	0.0	13.6	0.0	0.0	-3.3	0.5	0.8	0.7	1.7	83.3	205.3
Kazakhstan	0.0	35.9	0.0	0.0	0.0	4.4	19.6	0.7	0.6	0.9	..	2.1	64.2
Kenya	23.6	-11.8	-18.2	0.0	-1.0	-8.1	-8.2	4.6	4.9	4.7	10.5	30.2	31.2
Korea, Dem. Rep.	..	..	..	..	..	..	..	0.7	1.1	2.1	0.1	4.1	7.9
Korea, Rep.	..	..	..	..	..	..	..	0.0	..	..	..	1.5	1.5
Kuwait	..	..	..	..	..	..	..	..	..	..	..	0.3	0.3
Kyrgyz Republic	33.4	0.0	-1.4	-7.0	27.2	-7.4	6.4	1.5	0.6	0.9	..	1.7	56.0
Lao PDR	27.2	0.0	2.6	0.0	43.7	0.0	1.8	1.1	1.8	1.5	2.7	2.0	84.5
Latvia	0.0	-2.8	0.0	-9.9	0.0	-12.7	18.3	0.1	0.1	..	..	0.5	-6.3
Lebanon	0.0	35.7	0.0	0.0	0.0	0.0	-23.0	0.5	0.6	0.6	..	53.5	67.8
Lesotho	18.5	-21.3	5.3	0.0	3.7	-1.5	-1.9	0.9	0.5	1.3	3.5	0.9	9.7
Liberia	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.8	0.5	1.5	5.0	11.6	19.1
Libya	..	..	..	..	..	..	..	..	..	..	..	4.7	4.7
Lithuania	0.0	-9.7	0.0	-40.2	0.0	-7.8	-25.8	0.2	0.1	..	..	0.4	-82.8
Macedonia, FYR	18.2	9.6	-1.2	-7.6	0.0	-23.9	33.4	0.4	..	0.6	0.0	5.5	35.0
Madagascar	157.3	0.0	13.1	0.0	3.5	-5.8	5.7	5.5	1.7	5.1	4.2	4.7	195.0
Malawi	45.8	-1.6	-7.3	22.5	17.4	-2.3	0.0	2.8	2.9	4.9	7.0	4.4	96.5
Malaysia	0.0	-70.0	0.0	0.0	0.0	-30.3	-2.4	0.4	0.2	0.4	..	1.0	-100.8
Mali	87.5	0.0	-9.6	0.0	5.2	0.0	5.5	3.6	2.2	5.3	4.7	3.2	107.5
Mauritania	40.7	0.0	10.0	0.0	11.0	2.1	19.5	0.6	2.0	1.4	5.0	3.4	95.8
Mauritius	-0.6	19.6	0.0	0.0	-0.1	48.3	2.1	0.2	0.2	0.5	..	1.0	71.1
Mexico	0.0	-86.4	0.0	0.0	0.0	598.0	0.0	0.8	4.7	1.2	..	6.3	524.6
Moldova	21.9	-4.4	12.0	-17.8	0.0	-3.1	-9.6	0.8	0.2	0.6	..	1.3	1.9
Mongolia	13.3	0.0	-7.7	0.0	26.0	0.0	1.4	1.2	2.0	0.9	..	3.4	40.6
Morocco	-1.4	-222.3	0.0	0.0	2.7	-284.4	193.6	1.0	0.9	1.5	1.3	3.0	-304.1
Mozambique	146.9	0.0	5.9	0.0	68.1	-1.1	15.0	4.0	5.9	6.5	5.7	6.7	263.6
Myanmar	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	6.5	1.5	7.4	0.8	11.0	26.3
Namibia	..	..	..	..	..	..	..	-0.2	1.2	1.2	0.9	7.3	10.4
Nepal	14.5	0.0	-4.5	0.0	1.9	0.0	2.9	6.5	3.3	3.3	7.5	14.2	49.6
Netherlands													
New Zealand													
Nicaragua	71.7	0.0	4.7	0.0	100.8	-1.1	20.3	2.2	2.0	0.7	2.1	1.4	204.8
Niger	68.3	0.0	19.6	0.0	17.0	0.0	22.7	3.4	2.9	6.1	4.0	4.3	148.3
Nigeria	7.6	-176.1	0.0	0.0	27.1	-80.6	-1.8	12.7	6.4	18.3	..	24.1	-162.3
Norway													
Oman	0.0	-1.4	0.0	0.0	0.0	0.0	-9.9	..	0.0	0.4	..	1.5	-9.4
Pakistan	851.3	-208.5	297.0	-222.0	153.4	106.3	-173.7	6.4	4.2	11.0	4.4	34.5	864.2
Panama	0.0	3.2	0.0	-8.1	-9.5	50.3	4.0	0.2	0.5	0.6	..	1.8	43.1
Papua New Guinea	-3.4	-14.2	0.0	0.0	-2.4	-2.5	-0.7	1.6	0.8	1.1	..	1.9	-17.8
Paraguay	-1.4	-1.9	0.0	0.0	-10.4	13.8	-13.9	0.2	0.6	0.6	..	0.9	-11.6
Peru	0.0	-16.8	0.0	-173.3	-5.0	168.8	307.0	0.7	6.4	1.0	2.1	9.6	300.4
Philippines	-5.2	-143.8	0.0	-405.3	-1.2	-18.6	-0.7	2.3	3.3	2.8	..	3.7	-562.7
Poland	0.0	-33.3	0.0	0.0	0.0	0.0	0.0	0.3	0.1	..	..	1.5	-31.5
Portugal													
Puerto Rico													



6.12

Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	\$ millions												\$ millions
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002
Romania	0.0	214.3	0.0	9.0	0.0	9.9	-16.1	0.5	0.4	0.7	..	2.0	220.7
Russian Federation	0.0	-296.3	0.0	-1,486.0	0.0	-15.4	0.1	0.3	0.6	..	1.0	17.6	-1,778.0
Rwanda	73.2	0.0	0.7	-2.5	6.5	-0.1	-1.7	2.1	1.7	3.1	4.8	10.1	98.1
Saudi Arabia	..	..	..	..	..	..	..	..	0.0	0.6	..	12.8	13.4
Senegal	108.4	0.0	-10.8	0.0	18.2	-14.6	32.9	3.4	2.2	1.9	3.7	3.9	149.1
Serbia and Montenegro	159.4	0.0	0.0	0.0	0.0	0.0	84.2	..	2.0	0.5	-0.4	1.6	247.4
Sierra Leone	43.0	0.0	35.5	0.0	14.2	0.0	-0.5	2.8	1.1	3.0	6.5	24.8	130.3
Singapore	..	..	..	..	..	..	..	..	..	..	..	0.3	0.3
Slovak Republic	0.0	-21.9	0.0	0.0	0.0	-1.2	2.1	0.2	..	..	..	1.8	-19.0
Slovenia	..	..	..	..	..	..	..	0.1	..	..	..	0.8	0.9
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.6	4.5	1.4	13.1	23.7
South Africa	0.0	5.1	0.0	0.0	0.0	-0.8	0.0	1.8	1.5	1.6	..	6.7	15.9
Spain													
Sri Lanka	58.9	-4.4	-50.8	125.2	70.0	37.2	4.1	1.7	1.2	0.7	4.2	10.2	258.2
Sudan	-0.3	0.0	0.0	-22.0	0.0	0.0	0.0	2.0	2.1	4.4	11.3	26.8	24.1
Swaziland	-0.3	0.1	0.0	0.0	2.7	-2.6	2.4	0.2	0.6	1.5	0.1	2.2	6.8
Sweden													
Switzerland													
Syrian Arab Republic	-1.5	-6.2	0.0	0.0	0.0	0.0	-49.6	1.1	4.0	0.8	0.9	33.6	-16.9
Tajikistan	9.6	0.0	-14.2	-9.7	14.1	0.0	-7.5	2.4	0.7	1.2	4.9	1.8	3.3
Tanzania	142.8	-2.4	47.0	0.0	14.2	-0.8	9.4	5.6	7.5	6.9	7.7	33.3	271.1
Thailand	-3.4	-695.8	0.0	-1,360.0	-2.6	-1,274.1	-74.9	0.3	0.3	0.9	..	9.3	-3,400.1
Togo	6.8	0.0	-9.4	0.0	0.0	0.0	2.4	1.6	1.1	1.6	..	1.7	5.7
Trinidad and Tobago	0.0	-3.1	0.0	0.0	-0.1	-19.7	6.3	0.1	0.0	..	..	2.0	-14.5
Tunisia	-2.1	-36.9	0.0	0.0	0.0	85.2	69.8	0.4	0.4	0.7	..	1.6	119.0
Turkey	-5.9	594.3	0.0	6,490.9	0.0	0.0	-103.3	0.9	0.9	0.8	..	6.3	6,984.8
Turkmenistan	0.0	0.7	..	..	..	..	..	0.5	0.6	0.9	..	0.8	3.5
Uganda	95.8	0.0	-17.0	0.0	14.7	-0.7	-4.1	4.0	5.4	5.0	14.9	20.2	138.0
Ukraine	0.0	-76.4	0.0	-182.3	0.0	-26.0	-61.8	1.4	0.6	..	..	4.4	-340.0
United Arab Emirates	..	..	..	..	..	..	..	-0.1	..	..	..	0.5	0.5
United Kingdom													
United States													
Uruguay	0.0	158.3	0.0	1,559.8	-1.7	488.2	-3.8	0.3	0.1	0.6	..	1.3	2,203.0
Uzbekistan	0.0	21.5	0.0	-21.5	6.8	5.2	0.0	1.2	0.6	1.9	..	1.4	16.9
Venezuela, RB	0.0	-169.1	0.0	0.0	0.0	45.7	271.0	0.3	0.7	0.7	..	3.7	152.9
Vietnam	258.9	0.0	-9.0	-5.2	175.1	20.0	6.6	4.1	2.9	4.0	..	6.6	464.1
West Bank and Gaza	..	..	..	..	..	..	..	3.5	1.3	1.6	5.4	238.1	249.9
Yemen, Rep.	63.9	0.0	0.0	-17.6	0.0	0.0	-1.3	5.1	2.8	3.0	3.5	7.0	66.4
Zambia	140.5	-6.4	109.8	0.0	22.8	-11.0	-15.9	2.8	2.4	3.7	11.0	20.0	279.8
Zimbabwe	0.0	0.0	-1.1	-1.9	0.0	-0.7	1.6	2.3	1.0	1.8	4.2	6.2	13.4
World	.. s	.. s	.. s	.. s	.. s	.. s	.. s	277.9 s	312.5 s	571.4 s	351.6 s	2,156.0 s	.. s
Low income	4,753.6	-3,720.2	959.7	-1,583.3	1,166.6	-1,159.7	-6.0	232.1	160.2	264.0	281.5	651.4	2,000.0
Middle income	771.0	-2,013.3	-53.9	14,691.3	118.3	-128.9	924.5	46.5	80.8	63.3	58.3	920.5	15,478.4
Lower middle income	758.1	-682.5	-53.9	14,083.9	143.4	-664.8	428.7	44.6	67.1	53.1	58.3	712.2	14,948.2
Upper middle income	12.8	-1,330.9	0.0	607.4	-25.2	535.9	495.8	1.8	9.8	9.8	0.0	123.1	440.3
Low & middle income	5,524.6	-5,733.5	905.8	13,108.0	1,284.9	-1,288.6	918.6	278.9	312.5	571.4	351.6	2,149.1	18,383.4
East Asia & Pacific	489.4	-2,210.6	-3.3	-2,722.1	320.6	-919.0	-119.8	38.6	32.6	44.3	19.2	92.7	-4,937.4
Europe & Central Asia	597.0	366.0	26.2	4,609.8	48.1	-95.9	231.0	19.8	10.3	16.3	11.4	147.1	5,987.0
Latin America & Carib.	230.1	-530.2	-20.4	11,899.2	134.3	1,526.4	767.1	11.2	47.7	21.8	19.9	231.0	14,338.1
Middle East & N. Africa	94.1	-352.8	5.9	-303.8	7.4	-297.5	37.5	16.6	17.3	18.6	25.6	543.8	-187.2
South Asia	1,557.4	-2,601.9	218.9	-161.9	327.6	-1,192.0	-121.1	60.7	42.3	67.3	55.3	126.4	-1,620.8
Sub-Saharan Africa	2,556.6	-404.1	678.4	-213.3	447.0	-310.5	123.8	131.8	98.2	168.2	213.8	616.1	4,106.0
High income													
Europe EMU													

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

About the data

The 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 an AAA rating) backed by prudent lending and financial policies and the strong financial support 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 financial flows 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 is nil for a loan carrying a 10 percent interest rate, and it is 100 percent for a grant, which requires no repayment. 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, 2003, the GNI per capita cutoff has been set at \$735, measured in 2002 using the *World Bank 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 since 1990 to include only regular budgetary expenditures (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 extra-budgetary expenditures reported by DAC countries and flows reported by the United Nations.

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 concessional 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, United Kingdom, 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. Concessional financial flows cover disbursements made through concessional lending facilities. Nonconcessional financial flows cover all other disbursements.
- **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.

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 2004* 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/dataoecd/50/17/5037721.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	2001	1990	2001	1990	2001	1990	2001	1990	2001
Austria	456	764	5.9	9.4	7.4	11.0	..	75	23	30
Belgium	905	847	9.1	8.2	7.1	8.9	50	66	13	25
Denmark	161	267	3.1	5.0	2.4	3.5	15	25	13	10
Finland	26	99	0.5	1.9	..	1.7	6	11	3	2
France	3,597	3,263	6.3	5.6	6.2	6.2	102 ^d	141 ^d	55	47
Germany	5,343	7,319	8.4	8.9	..	9.1 ^e	842	685	193	88
Ireland	80	151	2.3	3.9	2.6	4.6	..	28 ^d	0	10
Italy	781	1,363	1.4	2.4	1.4	3.8	..	233 ^d	5	13
Japan	1,075	1,778	0.9	1.4	0.1	0.2	224	351	..	0
Luxembourg	113	167	29.4	37.5	45.2 ^e	61.7 ^e	9	11	0	1
Netherlands	692	690	4.6	4.3	3.1	..	81	95	21	33
Norway	143	186	3.4	4.1	2.3	4.9	16	25	4	15
Portugal	108	224	1.1	2.2	1.0	2.0	..	14 ^d	0	0
Spain	279	1,109	0.7	2.7	0.6	3.4	..	..	9	9
Sweden	484	476	5.6	5.3	5.4	5.1	53	44	29	24
Switzerland	1,100	1,419	16.3	19.7	18.9	18.1	101	100	36	21
United Kingdom	1,723	2,587	3.2	4.4	3.3	4.4	175	373	38	92

	Foreign-born population ^a				Foreign-born labor force ^b		Inflows of foreign population			
	thousands		% of total population		% of total labor force		Total thousands ^{c, d}		Asylum seekers thousands	
	1990	2001	1990	2001	1990	2001	1990	2001	1990	2001
Australia	3,965	4,482	22.9	23.1	25.7	24.2	121	88.9	4	13
Canada	4,343	5,448	16.1	18.2	18.5	19.9	214	250	37	42
United States	19,767 ^f	31,811 ^g	7.9 ^f	11.1 ^g	9.4	13.9	1,536	1,064	74	63

a. Data are from population registers or from registers of foreigners, except for Australia (1991–2001); Canada (1991–2001); France (1990–99); and the United States (censuses); Italy, Portugal, and Spain (residence permits); and Ireland and the United Kingdom (labor force surveys) and refer to the population on 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*. g. From the U.S. Census Bureau, *Current Population Report* (March 2000).

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.

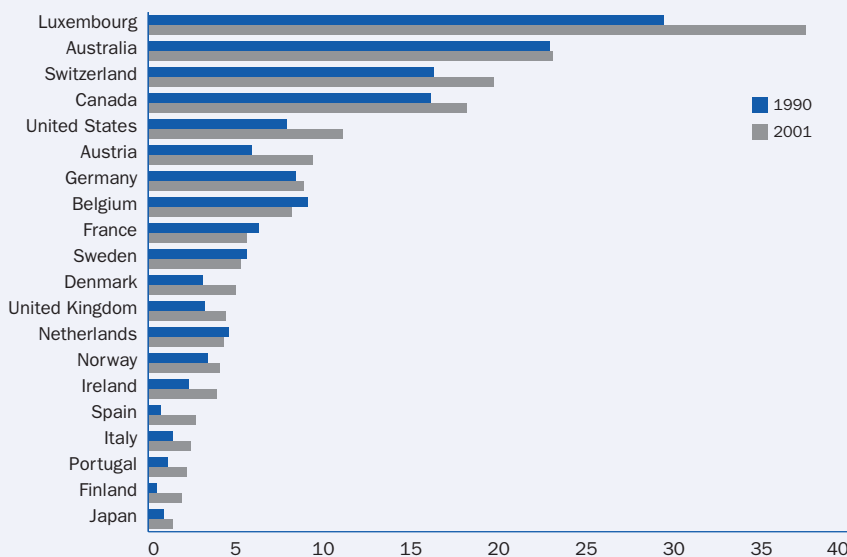
Definitions

- **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 immigrants who apply for permission to remain in a country for humanitarian reasons.

6.13a

Migration to OECD countries is growing

Foreign population (% of total population)



The proportion of foreigners has increased in most OECD countries over the past 11 years. Only Belgium, France, Sweden, and the Netherlands have shown small declines.

Note: Australia, Canada, and the United States refer to foreign born.

Source: Organisation for Economic Co-operation and Development, Development Assistance Committee.

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 2003*.



6.14

Travel and tourism

	International tourism				International tourism receipts				International tourism expenditures			
	thousands											
	Inbound tourists		Outbound tourists		\$ millions		% of exports		\$ millions		% of imports	
	1990	2002	1990	2002	1990	2002	1990	2002	1990	2002	1990	2002
Afghanistan	..	..	..	..	..	..	..	..	1	..	..	..
Albania	30	34	..	..	4	487	1.1	53.2	4	366	0.8	17.6
Algeria	1,137	988	3,828	1,257	64	133	0.5	..	149	193	1.5	..
Angola	67	91	..	..	13	22	0.3	0.3	38	66	1.1	1.0
Argentina	1,930	2,820	2,398	3,008	1,131	2,547	7.6	8.2	1,505	3,800	22.0	13.8
Armenia	15	123	..	110	..	63	..	9.0	..	54	..	4.9
Australia	2,215	4,841	2,170	3,461	4,088	8,087	8.2	9.7	4,535	6,116	8.5	6.9
Austria	19,011	18,611	2,572	3,907	13,417	11,237	21.1	10.3	7,748	9,391	12.6	9.0
Azerbaijan	77	834	..	1,130	42	51	..	1.9	..	106	..	3.4
Bangladesh	115	207	388	1,075	11	57	0.5	0.8	78	202	2.0	2.2
Belarus	..	61	..	1,386	..	193	..	2.1	..	559	..	5.7
Belgium	5,147	6,724	6,453	6,773	3,721	6,892	2.7	3.2	5,477	10,435	4.1	4.8
Benin	110	72	418	..	55	60	15.1	10.8	15	7	3.3	0.9
Bolivia	254	308	242	240	91	156	9.3	10.3	130	118	12.0	6.0
Bosnia and Herzegovina	..	160	..	..	..	112	..	7.9	..	49	..	1.0
Botswana	543	1,037	192	..	117	309	5.8	11.7	56	..	2.8	..
Brazil	1,091	3,783	1,188	1,861	1,444	3,120	4.1	4.5	1,559	2,380	5.5	3.8
Bulgaria	1,586	3,433	2,395	3,188	320	1,344	4.6	16.2	189	616	2.4	6.6
Burkina Faso	74	149	..	..	11	34	3.2	13.1	32	..	4.2	..
Burundi	109	36	24	35	4	1	4.5	2.6	17	14	5.3	9.5
Cambodia	17	787	..	..	50	379	15.9	16.1	..	38	..	1.4
Cameroon	89	221	..	..	53	39	2.1	..	279	..	11.3	..
Canada	15,209	20,057	20,415	17,705	6,339	9,700	4.2	3.2	10,931	9,929	7.3	3.7
Central African Republic	6	..	..	..	3	..	1.4	..	51	..	12.4	..
Chad	9	32	24	39	8	..	3.0	..	70	..	14.4	..
Chile	943	1,412	768	1,938	540	845	5.3	3.8	426	793	4.6	3.8
China	10,484	36,803	2,134	16,600	2,218	20,385	3.9	5.6	470	15,398	1.0	4.7
Hong Kong, China	6,581	16,566	2,043	4,709	5,032	10,117	..	4.2	..	12,417	..	5.4
Colombia	813	541	781	1,241	406	962	4.7	6.8	454	1,072	6.6	7.0
Congo, Dem. Rep.	55	103	..	..	7	..	..	..	16	..	..	..
Congo, Rep.	33	19	..	..	8	25	0.5	1.0	113	70	8.8	4.3
Costa Rica	435	1,113	191	..	275	1,078	14.0	15.1	148	367	6.3	4.8
Côte d'Ivoire	196	..	2	..	51	50	1.5	0.9	169	290	4.9	7.5
Croatia	7,049	6,944	..	..	1,704	3,811	..	36.1	729	781	..	6.1
Cuba	327	1,656	12	..	243	1,633	..	..	..	..	..	..
Czech Republic	7,278	4,579	13,380	..	419	2,941	..	6.5	455	1,575	..	3.3
Denmark	1,838	2,010	2,530	..	3,322	5,785	6.8	7.0	3,676	6,856	8.9	9.5
Dominican Republic	1,305	2,811	137	..	900	2,736	49.1	33.2	144	295	6.4	2.9
Ecuador	362	654	181	598	188	447	5.8	7.2	175	364	6.9	4.7
Egypt, Arab Rep.	2,411	4,906	2,012	3,074	1,100	3,764	11.1	22.9	129	1,278	0.9	6.6
El Salvador	194	951	525	1,001	18	342	1.8	9.0	61	229	3.8	3.9
Eritrea	169	101	..	..	..	73	..	39.1	..	..	..	..
Estonia	372	1,360	80	1,658	27	555	4.1	10.1	19	231	2.7	3.8
Ethiopia	79	148	89	..	25	75	4.2	7.7	11	45	0.9	2.2
Finland	1,572	2,875	1,169	5,824	1,167	1,573	3.7	3.1	2,791	1,966	8.3	4.9
France	52,497	77,012	19,430	17,404	20,184	32,329	7.1	8.2	12,423	19,460	4.4	5.3
Gabon	109	212	161	..	3	7	0.1	0.2	137	170	7.6	8.7
Gambia, The	100	75	..	..	26	..	15.5	..	8	..	4.2	..
Georgia	..	298	..	317	..	472	..	48.4	..	174	..	12.4
Germany	17,045	17,969	..	73,300	14,288	19,158	3.0	2.7	33,771	53,196	7.9	8.3
Ghana	146	483	..	..	81	358	8.2	13.9	13	120	0.9	3.6
Greece	8,873	14,180	1,651	..	2,587	9,741	19.9	32.4	1,090	2,450	5.6	5.8
Guatemala	509	884	289	629	185	612	11.8	16.2	100	267	5.5	4.0
Guinea	..	43	..	..	30	31	3.6	3.2	30	21	3.1	2.1
Guinea-Bissau	..	8	..	..	..	..	..	..	..	..	..	..
Haiti	144	142	..	..	46	54	14.5	..	37	..	7.2	..

	International tourism				International tourism receipts				International tourism expenditures			
	thousands				\$ millions		% of exports		\$ millions		% of imports	
	Inbound tourists		Outbound tourists		1990	2002	1990	2002	1990	2002	1990	2002
	1990	2002	1990	2002								
Honduras	290	550	196	285	29	342	2.8	14.0	38	185	3.4	5.4
Hungary	3,693	3,013	13,596	12,966	824	3,273	6.8	7.7	477	1,722	4.3	3.9
India	1,707	2,384	2,281	4,205	1,513	2,923	6.6	3.8	393	3,449	1.3	4.1
Indonesia	2,178	5,033	688	..	2,105	4,306	7.2	6.5	836	3,368	3.0	6.4
Iran, Islamic Rep.	154	1,402	788	2,400	61	1,122	0.3	3.9	340	238	1.5	1.1
Iraq	748	127	239	..	55	..	..	..	..	..	..	..
Ireland	3,666	6,476	1,798	4,634	1,459	3,089	5.4	2.7	1,163	3,741	4.7	4.1
Israel	1,063	862	883	3,273	1,396	1,197	8.1	3.1	1,442	2,547	7.1	6.0
Italy	26,679	39,799	..	25,126	16,458	26,915	7.5	8.6	10,304	16,935	4.7	5.6
Jamaica	989	1,266	..	..	740	1,209	33.4	37.4	114	258	4.8	5.3
Japan	3,236	5,239	10,997	16,523	3,578	3,499	1.1	0.8	24,928	26,681	8.4	6.5
Jordan	572	1,622	1,143	1,726	512	786	20.4	18.4	336	416	9.4	6.7
Kazakhstan	..	2,832	..	2,274	..	621	..	5.3	..	756	..	6.6
Kenya	814	838	210	..	443	297	19.9	9.0	38	143	1.4	3.6
Korea, Dem. Rep.	115	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	2,959	5,347	1,561	7,123	3,559	5,277	4.9	2.8	3,166	7,642	4.1	4.2
Kuwait	15	73	..	..	132	119	1.6	0.7	1,837	3,021	25.6	21.5
Kyrgyz Republic	..	..	..	..	2	36	..	5.7	..	10	..	1.4
Lao PDR	14	215	..	..	3	113	2.9	21.8	1	8	0.5	1.4
Latvia	..	848	..	2,306	7	161	0.6	4.2	13	230	1.3	4.9
Lebanon	210	956	..	..	..	956	..	39.8	..	..	..	..
Lesotho	171	..	254	..	17	20	17.0	5.1	12	14	1.6	1.8
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	96	174	425	..	6	..	0.1	..	424	..	4.7	..
Lithuania	780	1,271	..	3,584	..	383	..	6.3	..	218	..	3.3
Macedonia, FYR	562	99	..	..	45	23	..	1.6	..	..	..	..
Madagascar	53	170	34	..	40	115	8.5	9.0	40	115	4.9	7.8
Malawi	130	285	..	..	16	125	3.6	26.5	16	78	2.9	9.8
Malaysia	7,446	13,292	14,920	36,248	1,667	6,785	5.1	6.3	1,450	2,618	4.6	2.9
Mali	44	96	..	..	47	71	11.2	11.0	62	41	7.5	4.4
Mauritania	..	30	..	..	9	..	1.9	..	23	..	4.4	..
Mauritius	292	682	89	162	244	612	14.2	20.6	94	204	4.9	7.3
Mexico	17,176	19,667	7,357	11,948	5,467	8,858	11.2	5.1	5,519	6,060	10.6	3.3
Moldova	226	18	129	52	..	47	..	5.4	..	86	..	6.7
Mongolia	147	198	..	..	5	130	1.0	18.4	1	119	0.1	12.6
Morocco	4,024	4,193	1,202	1,533	1,259	2,152	20.2	17.6	184	444	2.4	3.3
Mozambique	..	..	..	..	..	144	..	12.5	..	296	..	16.6
Myanmar	21	217	..	..	9	45	2.8	1.6	16	27	2.7	0.9
Namibia	213	670	..	..	85	404	7.0	29.6	63	..	4.0	..
Nepal	255	275	82	200	64	107	15.2	12.1	45	80	5.4	4.7
Netherlands	5,795	9,595	9,000	16,760	4,155	7,706	2.6	2.9	7,376	12,919	5.0	5.3
New Zealand	976	2,045	717	1,293	1,030	2,918	8.8	14.9	958	1,480	8.2	7.9
Nicaragua	106	472	173	532	12	116	3.1	12.8	15	69	2.2	3.5
Niger	21	52	18	..	17	..	3.2	..	44	28	6.0	..
Nigeria	190	831	56	..	25	156	0.2	0.8	576	700	8.3	4.9
Norway	1,955	3,107	508	..	1,570	2,738	3.3	3.5	3,679	5,814	9.5	11.1
Oman	149	602	..	..	69	116	1.2	1.0	47	367	1.4	5.3
Pakistan	424	498	..	..	156	105	2.3	0.9	440	179	4.3	1.4
Panama	214	534	151	200	179	679	4.0	9.0	99	178	2.4	2.3
Papua New Guinea	41	54	66	92	41	101	3.0	4.8	50	..	3.3	..
Paraguay	280	250	264	141	128	62	5.1	2.2	103	65	4.7	2.4
Peru	317	862	329	859	217	801	5.3	8.7	295	616	7.2	6.2
Philippines	1,025	1,933	1,137	1,968	1,306	1,741	11.4	4.7	111	871	0.8	2.3
Poland	3,400	13,980	22,131	45,043	358	4,500	1.9	7.9	423	3,200	2.8	5.1
Portugal	8,020	11,666	192	..	3,555	5,919	16.5	16.1	867	2,274	3.2	5.0
Puerto Rico	2,560	3,087	996	1,227	1,366	2,486	..	..	630	928	..	..



6.14

Travel and tourism

	International tourism				International tourism receipts				International tourism expenditures			
	thousands				\$ millions				% of imports			
	Inbound tourists		Outbound tourists				% of exports				% of imports	
	1990	2002	1990	2002	1990	2002	1990	2002	1990	2002	1990	2002
Romania	3,009	3,204	11,247	5,757	106	612	1.7	3.8	103	396	1.0	2.1
Russian Federation	3,009	7,943	4,150	20,343	752	4,188	..	3.5	..	12,005	..	14.1
Rwanda	..	113	..	..	10	31	7.0	23.4	23	24	6.5	5.5
Saudi Arabia	2,209	7,511	..	7,896	1,884	3,420	4.0	4.7	..	7,356	..	14.9
Senegal	246	427	..	..	167	140	11.5	10.9	105	..	5.7	..
Serbia and Montenegro	1,186	448	..	..	419	77	..	2.4	..	..	..	..
Sierra Leone	98	28	..	27	19	12	9.1	..	4	6	1.9	..
Singapore	4,842	6,996	1,237	4,399	4,937	4,932	7.3	3.1	1,893	5,213	2.9	3.8
Slovak Republic	822	1,399	188	437	70	724	..	4.2	181	442	..	2.3
Slovenia	650	1,302	..	2,055	721	1,083	8.5	8.5	282	614	4.1	4.9
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	1,029	6,550	616	2,794	992	2,728	3.6	7.7	1,117	1,804	5.3	5.6
Spain	34,085	51,748	21,878	3,748	18,593	33,609	22.2	17.8	4,254	6,638	4.2	3.4
Sri Lanka	298	337	297	533	132	253	5.8	4.2	74	253	2.5	3.6
Sudan	33	52	219	..	21	56	4.2	3.3	51	91	5.8	3.1
Swaziland	263	256	..	..	30	26	4.6	2.4	35	33	4.6	2.8
Sweden	1,900	7,458	8,691	12,300	2,906	4,233	4.1	4.0	6,286	6,816	8.9	7.6
Switzerland	13,200	10,000	9,627	11,427	7,411	7,628	7.6	5.9	5,873	6,427	6.1	5.8
Syrian Arab Republic	562	1,658	1,041	4,362	320	1,366	6.4	16.6	249	610	8.4	10.2
Tajikistan	..	4	..	3	..	2	..	0.3	..	2	..	0.2
Tanzania	153	550	301	..	65	730	12.1	46.5	23	337	1.6	15.2
Thailand	5,299	10,873	883	2,044	4,326	7,902	14.8	9.6	854	3,303	2.4	4.5
Togo	103	57	..	..	58	11	8.7	2.6	40	5	4.7	0.8
Trinidad and Tobago	195	379	254	..	95	224	4.2	5.0	122	151	8.6	3.8
Tunisia	3,204	5,064	1,727	1,669	948	1,422	18.2	14.9	179	260	3.0	2.5
Turkey	4,799	12,782	2,917	5,130	3,225	9,010	15.3	16.5	520	1,881	2.0	3.4
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..
Uganda	69	254	..	152	10	185	5.6	25.7	8	..	1.2	..
Ukraine	..	6,326	..	9,270	..	2,992	..	12.8	..	2,087	..	9.7
United Arab Emirates	633	5,445	..	..	169	1,328	..	..	..	..	..	..
United Kingdom	18,013	24,180	31,150	59,377	13,762	17,591	5.8	4.3	17,560	40,409	6.6	9.3
United States	39,362	41,892	44,623	56,359	43,007	66,547	8.0	6.8	37,349	58,044	6.1	4.2
Uruguay	1,267	1,258	..	530	262	318	12.1	11.7	111	178	6.7	7.0
Uzbekistan	..	332	..	264	..	68	..	2.3	..	..	..	..
Venezuela, RB	525	432	309	881	496	468	2.6	1.7	1,023	1,418	10.8	8.1
Vietnam	250	1,599	..	..	85	..	..	..	..	..	..	..
West Bank and Gaza	..	7	..	..	..	0	..	..	..	..	..	..
Yemen, Rep.	52	76	..	..	20	38	1.3	1.0	64	78	2.9	2.0
Zambia	141	565	..	..	41	117	3.0	11.1	54	44	2.8	3.3
Zimbabwe	605	2,068	352	..	60	76	3.0	..	66	..	3.3	..
World	448,870 t	692,292 t	380,321 t	692,300 t	264,889 t	472,506 t	6.1 w	5.9 w	268,743 t	449,218 t	6.3 w	5.9 w
Low income	10,477	23,235	..	..	5,892	12,570	5.0	5.5	4,551	10,718	3.8	4.8
Middle income	115,149	215,705	130,244	273,535	42,455	126,123	6.8	7.4	29,525	79,801	5.0	5.6
Lower middle income	55,932	130,729	49,323	98,526	25,307	77,080	7.5	7.7	..	51,214	3.1	5.8
Upper middle income	58,506	84,172	91,270	..	17,171	48,887	5.9	6.9	15,183	28,357	7.9	5.2
Low & middle income	127,339	242,033	157,717	..	48,376	138,458	6.5	7.2	34,183	92,314	4.8	5.5
East Asia & Pacific	28,191	73,291	21,595	61,131	12,577	43,448	7.3	6.3	3,947	26,658	2.4	4.4
Europe & Central Asia	42,782	75,225	124,053	183,289	9,756	36,977	7.4	8.2	..	28,911	2.6	7.2
Latin America & Carib.	30,253	43,682	16,209	27,174	13,500	28,249	7.9	6.4	12,349	19,019	9.1	4.1
Middle East & N. Africa	15,665	27,947	16,504	21,501	..	..	4.9	8.9	3,126	..	..	11.0
South Asia	3,054	4,254	3,503	6,964	1,968	3,774	5.7	3.6	1,048	4,265	2.1	3.6
Sub-Saharan Africa	7,217	19,836	..	..	3,106	7,557	3.9	6.7	3,641	5,489	5.6	5.4
High income	314,680	442,385	223,939	349,895	215,805	336,311	6.1	5.5	232,521	357,414	6.5	6.0
Europe EMU	183,210	257,531	..	..	100,855	160,354	6.6	6.8	88,022	141,301	6.0	6.3

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. By 2005 the World Tourism Organization will improve coverage of tourism expenditure data by adding the balance of payments category "international passenger transportation" to "travel."

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 publications. 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.

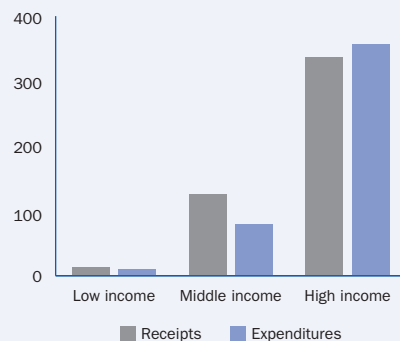
Definitions

- **International inbound tourists** (overnight visitors) are the number of tourists who travel to a country other than that in which they have their usual residence, but outside their usual environment, 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 (for definition of exports of goods and services see *Definitions* for table 4.9).
- **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 (for definition of imports of goods and services see *Definitions* for table 4.9).

6.14a

Tourism is highest in high-income countries

\$ billions, 2002



Tourism receipts are almost three times larger in high-income economies than in middle-income economies. Expenditures are more than five times the size.

Source: World Tourism Organization.

Data sources

The visitor and expenditure data are available in the World Tourism Organization's *Yearbook of Tourism Statistics* and *Compendium of Tourism Statistics, 2002*. 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.