

# 6 GLOBAL LINKS



In an integrated global economy goods and services move more freely between countries. Financial markets are more efficiently linked. And there is more international movement of people. Cheaper and faster transportation, new information and technological innovation, trade liberalization, better economic management—all have contributed to greater integration.

Over the past decade integration has come to dominate discussions of the global economy. This section of World Development Indicators looks at measures that help track changes in the movements of goods, financial flows, and people. With more open policies and stronger investment climates, many developing countries are now participating more in financial and trading markets and benefiting from global integration. All regions are growing faster than in the 1990s. The global economy slowed in 2001, but by 2003 the recovery in developing countries appears to have preceded rather than followed recovery in high-income countries. In 2003 growth of developing countries outpaced that of high-income economies.

#### Movement of goods

Trade spurs economic growth by encouraging specialization in line with a country's comparative advantage while increasing consumer choice. And it has reached unprecedented levels in the last decade. Since the economic downturn following the financial crisis in East Asia, the rapid expansion of trade has continued, while investment flows have lagged behind. The annual growth of world trade (the sum of imports plus exports) averaged more than 6 percent in 2003, while developing country trade grew 11 percent. World trade in goods as a share of world GDP increased from 33 percent in 1990 to 42 percent in 2003. The change for developing countries was dramatic: an increase of 21 percentage points, compared with 6 percentage points in high-income economies. China's continuing expansion into the global marketplace drove trade in East Asia and Pacific from 47 percent of GDP in 1990 to 71 percent in 2003. In 2003 China alone made up 5 percent of world trade and 20 percent of developing country trade (table 6.1).

Success is based not only on how much is being traded but also on what is traded. In 1980 merchandise exports from developing countries were mainly primary products. But in the past 15 years the largest increase in merchandise exports from developing countries has come from manufactured goods. The share of manufactured goods in the imports of high-income Organisation for Economic Co-operation and Development (OECD) economies from low-income economies increased from 41 percent in 1993 to 53 percent in 2003 and from middle-income economies from 51 percent to 67 percent (table 6.3).

Despite more than 50 years of trade and tariff negotiations, trade barriers continue to impede global trade. Tariff and nontariff barriers have declined through successive rounds of multilateral trade negotiations, but the reductions have been larger for manufactured and processed primary

products than for agricultural goods and natural resources. With more than half the population of most developing countries living in rural areas, reducing agricultural protection is important for reducing poverty. In the 1990s developing countries lowered their average agricultural tariff rates from 30 percent to 18 percent. Tariffs are even lower in industrial countries, but the average tariffs imposed by industrial countries on agricultural products, when they can be measured, are two to four times higher than the tariffs on manufactured products. Average tariffs on imports from developing countries declined between 1993 and 2003, yet tariffs on food exported from low-income countries to high-income OECD countries increased (table 6.3). The continuing expansion of global markets depends, in part, on further trade liberalization under the Doha Round.

### Financial flows

The growing importance of international private capital flows shows greater integration of financial markets. The ratio of gross (two-way) capital flows to GDP increased in low- and middle-income countries from 6 percent in 1990 to 13 percent by 2003 (figure 6a). East Asia and Pacific, the Middle East and North Africa, and South Asia experienced the greatest increases. But the average for developing countries is still half that of high-income countries (table 6.1).

As financial openness has spread across the world, global flows of foreign direct investment have more than doubled relative to GDP. For developing countries, foreign direct investment has been the largest source of external funding. In 2003 China received 9 percent of total net (inward) foreign

direct investment flows and 35 percent of developing country flows. But worldwide flows remain far below their peak in 2000. In high-income countries net flows of foreign direct investment hit \$1.1 trillion in 2000 but declined to \$421 billion in 2003, the lowest since 1997. Developing countries experienced a similar downturn, with flows falling to \$152 billion in 2003, down from \$182 billion in 1999 (table 6.7).

Countries that have difficulty tapping financial markets must rely largely on aid flows to fund development programs. Members of the OECD Development Assistance Committee, the largest group of official donors, provided official development assistance (ODA) totaling a record \$69 billion in 2003, up from \$58 billion in 2002 (table 6.9). Inflation and exchange rate movements, notably the weakening of the dollar, accounted for some of the increase. But aid flows in 2003 were their highest ever, in both nominal and real terms. The war on terrorism is one reason. Between 2001 and 2003 total net aid to Afghanistan increased from \$408 million to \$1.5 billion. Aid to Iraq increased from \$116 million in 2002 to \$2.3 billion in 2003 (table 6.10).

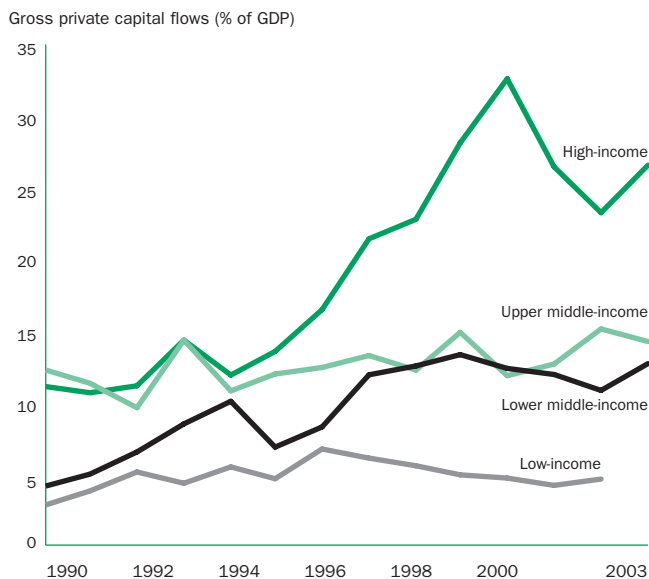
Even so, aid flows have not kept up with the economic growth of DAC members or with the needs of the poorest countries. As a share of donor gross national income (GNI) ODA declined sharply, from 0.33 percent in 1992 to 0.22 percent in 2001. Since then, there has been an upward trend: to 0.25 percent in 2003. Yet only five countries have reached the United Nations ODA target of 0.7 percent of GNI: Denmark, Luxembourg, the Netherlands, Norway, and Sweden. Sweden and Norway are striving for 1 percent, Sweden by 2006 and Norway between 2006 and 2009. Six other countries intend to reach the 0.7 percent target before 2015: Ireland, Belgium, Finland, France, Spain, and the United Kingdom. If donor countries follow through on their promises at the United Nations International Conference on Financing for Development, in Monterrey, Mexico, in 2002, aid is expected to rise to about \$88 billion in 2006.

### Movement of people

Migration is another key element of integration. In regions with poor institutions and high transport costs, wages may be low, and the free movement of goods and capital will not bring those wages into line with wages in good locations. The benefits of migration to the sending region include higher wages for those who remain behind. In addition, migrants send a large volume of remittances back to family members. In 2003 the flow of remittances to developing countries from migrants and emigrants working and living abroad was \$116.6 billion (figure 6b). India received 18 times as much in remittances from its workers overseas as it received in foreign aid. Brazil received almost 10 times as much. Not all remittances go from high-income to developing countries. Flows also take place between developing countries. (Box 6c provides additional information on measuring remittances.)

## 6a

Average gross capital flows to developing countries are half those to high-income countries

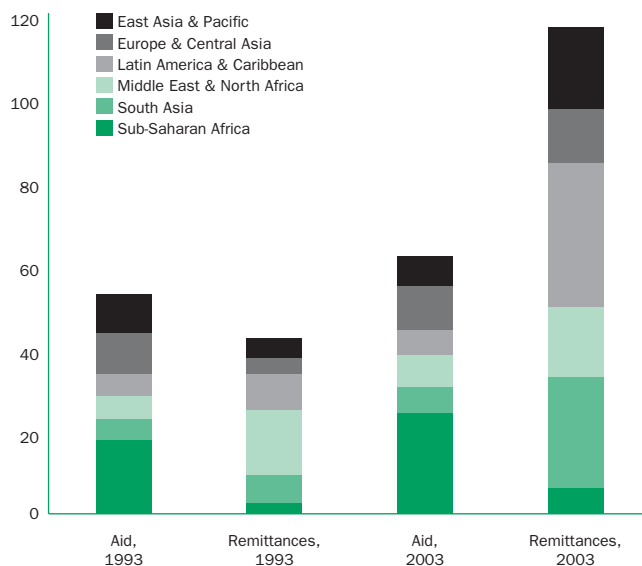


Source: Table 6.1.

## 6b

### Remittances are growing in importance

Aid and remittances (current US\$ billions)



Source: OECD DAC and World Bank staff estimates.

This year, table 6.13, “Movement of people,” includes data on net migration flows, migration stocks, refugees, and remittances for developing and high-income countries. Monitoring and measuring the international movement of people are impeded by poor data availability, quality, and comparability. Illegal migration is especially difficult to capture accurately. In recognition of the importance of the temporary and permanent movement of people, the incomes they earn, and the funds they return to their home countries, efforts are under way to improve measurements of migration and remittance flows.

In 2000 some 175 million people, 3 percent of the world’s population, lived in a country of which they were not a citizen or in which they were not born. In developing countries the foreign population stock almost doubled, from 44 million in 1960 to 86 million in 2000. In high-income countries the migration stock increased from 29 million to 89 million during the same period. The net outflow of people from developing countries to high-income economies has grown considerably. During 1960–65 developing countries sent 2.8 million people to high-income countries. During 1995–2000 the number increased to 13.6 million. The greatest numbers came from East Asia and Pacific, Latin America and the Caribbean, and South Asia. In addition to trade and investment, migration can also be important for global integration.

## 6c

### Improving data on remittance flows

Data initiative

Remittances—transfers of resources from individuals in one country to individuals in another—are an important source of private funds in developing countries. Unlike foreign investment, which goes to a limited number of well-established economies, or the volatile earnings from trade, remittances tend to be stable, thus helping to cushion domestic economic shocks. And they are of direct benefit to the individuals and households that receive them.

Aggregate estimates of remittance flows are compiled and reported by countries as components in the balance of payments framework. For many developed countries remittances are relatively small compared with other components, so they do not receive close attention in data collection and compilation. Further, the balance of payments framework does not require a breakdown by origin and destination, which is important for understanding the major remittance pathways. Further, personal remittances are not reported as a specific component in the balance of payments, although an approximation can be obtained by aggregating relevant items (notably workers’ remittances and compensation of employees).

There are also technical problems in collecting remittance data for the balance of payments. One relates to weak data from the source. Reports from banks or money transfer companies often lack the details required to distinguish remittances from other kinds of transfers, and many remittances are made using informal nonbanking mechanisms, such as the havalas markets. Another difficulty is that the balance of payments framework requires that migrants be classified either as residents or nonresidents based on a one-year residency rule, which is often difficult to apply in practice. Some countries have developed

model-based estimation methods, which use the size of the foreign-born labor force and its propensity to remit, but these methods require good demographic and labor statistics and information on remittances from household surveys.

More detailed studies of remittance mechanisms, motives, and impacts require detailed information from household surveys. Some surveys in developing countries have included modules to collect data on migration and remittances, particularly from households that receive remittances from abroad. Surveys of remittance senders are less common, and the methodology is less well developed. The problems in surveying remittance senders are similar to those in surveying migrant groups. Households containing migrants may be relatively scarce and unevenly distributed, and some migrants are undocumented, so devising representative sampling schemes is difficult. Migrants may also be reluctant to accurately disclose amounts remitted and the remittance methods they use.

Because of these problems and the importance of remittances for development, countries and international agencies are working together to improve statistics on remittances and migration. A new initiative launched by the World Bank and the International Monetary Fund, in collaboration with the United Nations, aims to provide a practical definition of remittances for the collection of aggregate statistics. It also plans to draw on the knowledge and experiences of countries to develop guidelines for cost-effective data collection and estimation. In addition, the World Bank will develop guidance and questionnaire modules for conducting household surveys of remittance senders and receivers.

	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		%			% of GDP		% of GDP	
	1990	2003	1990	2003	1990	2003	percentage points 1990–2003	1990	2003	1990	2003
Afghanistan	..	28.1	..	..	..	..	..	..	..	..	..
Albania	29.0	37.8	34.5	81.7	13.7	153.3	13.1	18.0	5.8	..	2.9
Algeria	36.6	56.6	55.0	83.9	3.7	..	0.0	2.6	..	0.0	..
Angola	53.5	98.0	91.0	133.5	1.7	2.8	..	10.1	32.2	3.3	16.4
Argentina	11.6	33.3	27.0	68.0	18.3	13.3	4.5	8.2	21.6	1.3	4.0
Armenia	..	69.4	..	105.1	..	29.4	-9.1	..	11.7	..	4.3
Australia	26.3	30.7	68.7	96.1	24.7	28.8	3.2	9.3	22.6	3.7	5.4
Austria	55.9	76.7	140.5	210.5	55.1	44.0	4.2	9.8	34.4	1.5	5.7
Azerbaijan	..	73.1	..	..	..	15.1	14.8	..	85.4	..	79.3
Bangladesh	17.6	31.6	..	..	17.7	5.7	4.6	0.9	2.5	0.0	0.2
Belarus	..	122.7	..	227.5	..	14.9	-2.8	..	3.9	..	1.0
Belgium	120.4	172.3	321.0	529.2	22.6	24.5	2.4	5.1	85.8	5.1	18.6
Benin	30.0	37.4	60.8	74.7	38.0	35.7	-2.6	10.7	11.4	3.7	3.9
Bolivia	33.1	40.5	61.5	83.8	14.3	18.0	1.3	3.1	12.4	0.7	2.2
Bosnia and Herzegovina	..	83.7	..	..	..	45.1	-3.7	..	19.7	..	5.5
Botswana	98.4	70.6	..	..	10.3	18.9	-1.7	9.0	20.3	4.4	8.3
Brazil	11.7	25.1	..	..	11.8	13.1	4.7	1.9	6.7	0.4	2.1
Bulgaria	48.9	92.8	70.8	190.3	16.6	41.5	6.6	39.2	16.2	0.0	7.3
Burkina Faso	22.0	28.0	43.3	52.8	22.1	13.8	-2.0	1.0	4.2	..	0.4
Burundi	27.0	32.7	35.1	..	8.7	5.9	7.1	3.7	6.2	0.1	0.0
Cambodia	22.4	80.5	33.6	121.7	18.8	30.7	10.7	3.2	11.3	1.7	2.8
Cameroon	30.5	36.6	..	..	18.4	..	2.2	15.5	..	1.1	..
Canada	43.7	60.4	115.1	..	14.4	15.4	3.7	8.1	13.1	2.7	3.4
Central African Republic	18.4	20.4	26.4	23.5	14.5	..	..	2.2	..	0.5	..
Chad	27.2	42.6	54.9	71.2	12.5	..	3.8	5.6	..	..	..
Chile	53.1	55.9	100.5	105.9	21.3	22.5	2.8	15.0	23.9	2.2	7.4
China	32.5	60.1	..	..	9.3	10.6	..	2.5	14.3	1.2	4.5
Hong Kong, China	221.5	294.8	772.3	1,985.2	..	19.8	3.5	..	76.4	..	27.7
Colombia	30.7	33.8	..	..	22.9	14.3	2.9	3.1	12.6	1.3	3.4
Congo, Dem. Rep.	43.5	45.2	74.5	59.3	..	..	6.5	..	..	..	..
Congo, Rep.	57.2	119.4	107.0	180.2	6.7	2.6	2.7	6.6	11.7	..	6.5
Costa Rica	60.2	78.9	..	..	40.3	32.7	3.4	7.0	10.6	2.9	4.3
Côte d'Ivoire	47.9	75.3	86.0	168.2	13.8	10.3	0.1	3.5	6.4	0.4	1.3
Croatia	88.8	70.5	164.8	142.7	..	139.9	4.2	..	33.6	..	7.4
Cuba	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	83.6	111.3	..	229.3	..	15.9	8.7	..	19.6	..	3.2
Denmark	52.6	59.1	144.1	166.0	34.5	47.0	3.4	15.1	36.9	2.0	9.3
Dominican Republic	73.2	80.5	163.2	192.4	50.1	61.9	3.9	5.0	19.8	1.9	2.1
Ecuador	44.2	46.2	..	..	18.7	13.7	1.9	11.0	11.1	1.2	5.7
Egypt, Arab Rep.	36.8	20.7	72.9	36.3	138.4	175.9	-2.4	6.8	8.6	1.7	0.3
El Salvador	38.4	59.8	87.6	147.2	51.7	24.9	6.5	2.0	13.4	0.8	1.8
Eritrea	76.9	96.7	132.9	200.0	454.4	..	-1.1	53.0	..	..	..
Estonia	..	148.9	..	378.2	..	39.3	8.1	4.0	42.9	2.2	14.1
Ethiopia	16.0	38.3	25.5	63.8	87.4	109.8	2.9	1.6	3.1	..	..
Finland	39.1	58.7	85.6	143.4	17.2	14.7	4.8	17.4	43.6	3.6	13.4
France	37.1	44.2	101.6	137.7	34.6	25.6	3.8	20.6	23.4	3.9	6.0
Gabon	52.5	59.7	97.7	..	9.7	..	-1.6	18.0	..	8.4	..
Gambia, The	69.1	50.1	134.4	96.7	170.6	..	-2.8	0.9	..	..	..
Georgia	..	37.7	..	76.4	..	90.8	11.8	..	11.1	..	8.6
Germany	46.5	56.2	108.8	161.3	12.0	15.4	4.0	9.8	19.5	1.8	4.2
Ghana	35.7	75.4	58.0	124.3	8.8	24.5	3.7	2.9	3.7	0.3	1.8
Greece	33.2	33.0	83.5	93.7	80.4	183.4	3.8	3.9	22.9	1.2	1.1
Guatemala	36.8	37.8	..	..	26.9	36.2	2.9	2.9	16.5	0.6	0.9
Guinea	49.5	45.3	85.5	70.8	13.6	6.7	-1.2	3.9	4.1	0.6	2.2
Guinea-Bissau	43.0	87.6	53.3	106.0	19.4	11.6	4.0	23.0	12.9	..	2.3
Haiti	17.2	52.5	..	..	26.7	33.4	-1.3	1.1	3.9	0.3	0.3

# 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		%			% of GDP		% of GDP	
	1990	2003	1990	2003	1990	2003	percentage points 1990–2003	1990	2003	1990	2003
Honduras	57.9	66.0	106.4	128.3	14.5	38.8	-0.3	7.2	6.4	1.4	2.8
Hungary	61.5	108.9	102.4	256.8	26.8	18.6	8.8	4.6	28.1	..	10.2
India	13.1	21.1	..	..	25.7	44.7	6.9	0.8	3.1	..	0.8
Indonesia	41.5	44.9	68.1	74.6	9.7	8.4	0.6	4.1	4.0	1.0	1.7
Iran, Islamic Rep.	32.9	45.0	61.8	86.5	1.8	..	-8.4	2.6	..	..	..
Iraq	41.2	..	..	..	..	..	..	..	..	..	..
Ireland	93.9	95.0	186.8	225.8	13.8	40.7	6.8	22.2	328.1	2.2	59.5
Israel	55.0	61.6	..	..	37.6	38.7	0.9	6.5	13.4	0.7	5.1
Italy	32.0	39.7	83.3	118.0	28.5	24.0	3.0	10.6	17.8	1.3	2.8
Jamaica	67.2	59.2	162.2	159.7	84.2	175.5	-1.6	8.4	48.3	3.0	10.3
Japan	17.2	19.9	44.2	69.3	14.4	16.1	2.7	5.4	17.1	1.7	1.0
Jordan	91.1	88.6	205.2	247.7	134.4	47.4	-2.2	6.3	13.2	1.7	3.8
Kazakhstan	..	71.4	..	143.2	..	12.6	-2.8	..	32.7	..	9.3
Kenya	38.1	42.7	68.3	100.1	75.0	34.5	1.8	3.6	6.1	0.7	0.6
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	51.1	61.6	92.1	124.3	14.1	16.3	6.2	5.3	8.1	0.7	1.2
Kuwait	59.8	72.3	112.9	..	15.0	8.2	..	19.3	49.6	1.3	12.1
Kyrgyz Republic	..	68.1	..	104.6	..	23.0	-2.3	..	11.8	..	2.4
Lao PDR	30.5	42.5	40.2	56.9	13.5	38.2	..	3.7	1.4	0.7	1.4
Latvia	..	73.5	..	209.9	..	51.7	5.5	2.2	28.7	0.7	3.8
Lebanon	106.5	45.8	..	..	..	..	-2.2	..	..	..	..
Lesotho	119.3	131.5	188.8	201.8	54.9	8.4	-0.6	9.6	11.2	2.8	11.0
Liberia	374.1	178.7	..	..	..	..	..	..	..	..	..
Libya	64.2	85.2	..	..	0.6	..	..	7.3	..	0.9	..
Lithuania	..	93.8	..	213.5	..	25.8	8.5	..	15.6	..	3.8
Macedonia, FYR	103.8	77.0	167.6	151.5	..	22.7	5.1	..	8.6	..	2.0
Madagascar	31.5	33.7	53.7	51.4	40.5	30.8	2.8	1.8	1.1	0.7	0.2
Malawi	52.7	68.0	70.6	118.7	8.8	12.1	-2.2	3.2	3.2	..	0.3
Malaysia	133.4	174.8	232.3	325.1	12.8	13.5	3.0	10.3	22.6	5.3	5.8
Mali	39.7	50.4	63.4	69.9	19.7	16.9	2.2	2.0	27.9	0.2	12.4
Mauritania	84.1	84.1	134.0	154.6	3.0	..	-4.1	48.8	..	0.7	..
Mauritius	118.0	82.7	219.8	185.9	40.0	65.7	-0.2	8.0	7.5	1.7	1.3
Mexico	32.1	54.9	78.9	154.7	17.7	7.6	8.6	9.2	5.4	1.0	2.0
Moldova	..	111.5	..	203.3	..	29.2	11.9	..	15.3	..	3.0
Mongolia	..	102.2	..	174.5	7.3	39.7	..	..	13.7	..	7.0
Morocco	43.3	52.3	86.5	112.7	43.9	58.7	2.5	5.5	9.3	0.6	5.3
Mozambique	40.8	52.0	68.9	97.9	81.7	34.1	0.0	0.4	11.3	0.4	7.8
Myanmar	..	..	..	..	29.0	10.7	..	..	..	..	..
Namibia	95.6	76.4	195.3	182.2	9.7	26.7	0.1	16.5	27.5	5.0	6.9
Nepal	24.1	41.3	..	..	81.5	45.6	..	3.5	11.6	..	0.3
Netherlands	87.5	108.9	229.1	335.2	21.6	21.5	3.7	29.8	64.5	8.3	10.4
New Zealand	43.3	44.0	121.0	..	25.7	38.6	2.2	17.8	9.6	11.5	5.6
Nicaragua	95.9	61.0	183.0	122.4	10.4	35.3	5.7	9.0	5.6	..	4.9
Niger	27.0	32.6	49.9	55.1	7.8	..	..	2.8	..	1.6	..
Nigeria	67.5	53.3	90.8	69.8	7.1	..	1.5	5.9	..	2.1	..
Norway	52.8	48.4	126.6	111.5	36.6	31.8	1.4	11.9	24.7	2.1	3.3
Oman	77.7	84.6	127.4	..	1.2	3.9	..	3.8	2.9	1.4	0.1
Pakistan	32.6	30.3	..	..	21.7	12.4	-0.9	4.2	2.8	0.6	0.7
Panama	35.4	30.4	..	..	266.7	291.7	-4.5	106.6	28.5	2.6	6.3
Papua New Guinea	73.6	109.1	123.9	157.1	16.8	15.7	..	5.7	14.4	4.8	2.0
Paraguay	43.9	55.9	82.8	108.5	42.1	43.3	-2.9	5.4	12.5	1.5	2.6
Peru	22.3	28.8	..	..	22.1	17.4	3.3	3.2	7.4	0.2	2.4
Philippines	47.7	94.3	84.7	201.4	35.7	8.1	2.7	4.4	39.9	1.2	0.6
Poland	43.9	58.0	75.2	138.9	22.3	20.9	7.8	11.0	11.3	0.2	2.5
Portugal	58.3	51.7	140.8	143.7	30.8	37.3	3.6	11.4	53.7	3.9	3.8
Puerto Rico	..	..	..	..	..	..	-0.5	..	..	..	..



## 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		%			% of GDP		% of GDP	
	1990	2003	1990	2003	1990	2003	percentage points 1990–2003	1990	2003	1990	2003
Romania	32.8	73.1	45.2	117.7	12.3	17.0	8.7	2.9	8.2	0.0	3.3
Russian Federation	..	48.2	..	103.6	..	11.8	3.0	..	19.6	..	5.0
Rwanda	15.4	18.3	26.9	28.9	28.0	84.9	0.2	2.8	0.9	0.3	0.2
Saudi Arabia	58.6	58.1	107.5	97.3	6.8	6.5	..	8.8	16.7	1.6	0.3
Senegal	34.7	56.9	90.0	149.9	46.8	36.5	-0.9	4.8	7.9	1.3	2.7
Serbia and Montenegro	..	48.5	..	..	..	..	..	..	..	..	..
Sierra Leone	44.2	49.8	..	..	32.8	71.8	-5.5	11.0	0.4	5.0	0.4
Singapore	307.6	297.8	..	887.2	24.1	21.2	..	54.2	99.4	20.6	18.6
Slovak Republic	110.8	136.7	192.1	409.3	..	14.9	6.8	..	15.5	..	4.3
Slovenia	102.4	95.9	197.7	211.8	18.3	21.8	1.6	3.4	18.9	0.9	4.8
Somalia	26.7	..	33.2	..	..	..	..	..	..	..	..
South Africa	37.4 <sup>a</sup>	48.5 <sup>a</sup>	73.6 <sup>a</sup>	119.3 <sup>a</sup>	14.0	17.6	3.0	2.2	6.1	0.2	1.0
Spain	28.1	42.1	70.6	116.7	49.7	50.3	6.0	11.4	38.9	3.4	7.0
Sri Lanka	57.3	64.7	..	..	22.2	27.1	2.5	13.1	2.4	0.5	1.4
Sudan	7.5	28.3	..	50.1	35.9	1.3	5.6	0.3	10.5	..	7.6
Swaziland	141.8	104.9	230.1	139.9	18.3	12.1	1.2	10.9	19.9	5.1	8.6
Sweden	46.6	61.0	118.5	167.1	23.4	30.0	4.3	33.9	33.2	7.0	9.7
Switzerland	56.6	60.8	..	..	28.7	33.4	3.1	28.1	41.5	4.7	9.4
Syrian Arab Republic	53.7	48.6	102.4	94.4	17.6	21.6	3.9	18.0	6.4	..	5.0
Tajikistan	..	108.1	..	177.8	..	8.3	5.8	..	6.4	..	2.0
Tanzania	31.9	33.2	47.8	51.4	39.5	69.6	-0.7	0.2	3.3	..	2.5
Thailand	65.7	109.4	132.2	204.2	27.3	19.5	2.8	13.5	11.0	3.0	1.7
Togo	52.1	57.3	92.6	91.0	42.6	16.9	-1.5	9.6	13.0	1.1	4.6
Trinidad and Tobago	60.6	78.2	123.9	159.1	16.4	15.4	3.9	11.4	19.7	3.1	10.4
Tunisia	73.5	75.6	161.6	188.2	44.7	35.4	0.2	9.5	5.3	0.6	2.2
Turkey	23.4	48.2	44.5	105.3	60.8	40.8	6.8	4.3	6.8	0.5	0.9
Turkmenistan	..	98.9	..	156.7	..	..	3.6	..	..	..	..
Uganda	10.2	28.8	..	..	..	50.6	3.1	1.1	6.7	..	3.1
Ukraine	..	93.1	..	178.7	..	21.7	3.7	..	14.2	..	2.9
United Arab Emirates	101.8	119.4	159.6	..	..	..	..	..	..	..	..
United Kingdom	41.2	38.7	102.6	116.4	29.1	47.8	3.5	35.3	71.4	7.4	8.6
United States	15.8	18.5	44.7	66.2	33.8	39.7	4.4	5.6	11.4	2.8	3.0
Uruguay	32.7	39.2	85.0	111.3	27.2	34.2	2.3	12.7	49.3	..	2.5
Uzbekistan	..	58.6	..	94.9	..	..	-1.6	..	..	..	..
Venezuela, RB	51.1	38.6	74.7	83.9	6.4	3.3	2.4	49.9	12.9	1.7	4.4
Vietnam	79.7	115.0	129.7	..	..	17.8	15.0	..	5.8	..	4.0
West Bank and Gaza	..	..	..	..	..	..	-3.1	..	..	..	..
Yemen, Rep.	46.9	66.4	90.0	97.1	11.8	6.4	2.2	16.2	3.2	2.7	2.9
Zambia	76.9	56.4	102.3	103.5	7.2	..	1.3	64.7	..	6.2	..
Zimbabwe	40.7	20.1	74.5	..	14.7	..	4.8	1.7	..	0.1	..
<b>World</b>	<b>32.5 w</b>	<b>41.5 w</b>	<b>80.7 w</b>	<b>152.1 w</b>	<b>21.4 w</b>	<b>22.8 w</b>	<b>10.3 w</b>	<b>24.2 w</b>	<b>2.7 w</b>	<b>4.9 w</b>	<b>4.9 w</b>
Low income	24.6	34.9	..	..	15.6	18.3	2.8	4.6	0.4	1.5	1.5
Middle income	35.5	58.3	82.3	140.4	13.9	14.8	6.7	13.2	1.0	3.4	3.4
Lower middle income	31.3	53.8	..	..	14.7	15.2	4.1	12.7	0.8	3.5	3.5
Upper middle income	45.0	68.4	85.9	159.2	12.8	14.1	12.2	14.2	1.5	3.3	3.3
Low & middle income	33.6	54.7	84.4	138.0	14.1	15.1	6.0	12.8	0.9	3.3	3.3
East Asia & Pacific	47.0	70.5	..	..	14.1	11.3	5.0	14.4	1.7	3.9	3.9
Europe & Central Asia	..	66.7	..	147.7	..	21.0	..	16.5	..	4.4	4.4
Latin America & Carib.	23.2	42.2	65.7	133.1	18.1	13.7	8.0	9.9	0.9	2.8	2.8
Middle East & N. Africa	46.6	50.4	84.0	101.4	11.5	12.3	6.0	12.6	0.8	1.3	1.3
South Asia	16.5	24.1	..	..	24.6	35.8	1.4	3.4	0.1	0.8	0.8
Sub-Saharan Africa	42.4	52.7	77.4	108.7	13.9	10.8	5.1	6.7	1.0	1.9	1.9
High income	32.3	38.3	80.8	156.4	23.1	25.6	11.1	26.6	3.0	5.2	5.2
Europe EMU	44.9	..	112.6	..	24.0	23.3	14.1	..	2.9	..	..

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 2001 the number of people living on less than \$1 a day declined by about 118 million. Although global integration is a powerful force in reducing poverty, more needs to be done. 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 ratio of commercial service exports to merchandise exports highlights the growing importance of the service sector in world trade. 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 free on board (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.

## 6.1a

### Commercial service exports are becoming increasingly important in South Asia

Ratio of commercial service exports to merchandise exports (%)



Merchandise still makes up approximately 80 percent of global exports, but commercial service exports are rising in importance in South Asia. In India the ratio of commercial service exports to merchandise exports increased from 26 percent in 1990 to 45 percent in 2003.

a. Data are for 1994 and 2003.

Source: World Trade Organization and IMF.

## 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. Data on commercial service exports are from the International Monetary Fund's (IMF) Balance of Payments database. 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 IMF's Balance of Payments database.



## Direction of trade, 2003

## High-income importers

Source of exports	% of world trade						
	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
High-income economies	30.8	2.5	10.2	5.7	49.3	6.6	56.0
Industrial economies	29.5	1.7	8.7	5.4	45.4	5.0	50.4
European Union	24.5	0.6	3.5	2.2	30.8	1.8	32.6
Japan	1.0		1.6	0.3	2.9	1.6	4.6
United States	2.1	0.7		2.7	5.5	1.2	6.7
Other industrial economies	1.9	0.4	3.6	0.3	6.1	0.4	6.5
Other high-income economies	1.3	0.8	1.5	0.3	3.9	1.6	5.5
Low- and middle-income economies	7.1	2.0	6.3	0.9	16.3	3.9	20.3
East Asia & Pacific	1.6	1.5	2.1	0.4	5.5	2.7	8.3
Europe & Central Asia	3.1	0.0	0.2	0.2	3.7	0.3	3.9
Latin America & Caribbean	0.6	0.1	3.0	0.1	3.9	0.2	4.0
Middle East & N. Africa	0.9	0.3	0.4	0.1	1.8	0.4	2.2
South Asia	0.3	0.0	0.2	0.0	0.6	0.2	0.8
Sub-Saharan Africa	0.5	0.1	0.3	0.1	0.9	0.1	1.0
World	38.0	4.6	16.5	6.7	65.7	10.6	76.2

## Low- and middle-income importers

Source of exports	% 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	4.0	3.2	1.5	0.7	0.9	16.5	72.5
Industrial economies	3.6	3.8	3.1	1.3	0.5	0.8	13.1	63.5
European Union	1.0	3.5	0.7	1.0	0.3	0.6	7.1	39.6
Japan	1.4	0.1	0.2	0.1	0.1	0.1	2.0	6.5
United States	0.8	0.1	2.0	0.1	0.1	0.1	3.3	10.0
Other industrial economies	0.3	0.1	0.1	0.1	0.1	0.0	0.8	7.3
Other high-income economies	2.7	0.2	0.1	0.1	0.2	0.1	3.4	8.9
Low- and middle-income economies	2.0	2.3	1.1	0.6	0.5	0.7	7.3	27.5
East Asia & Pacific	1.1	0.3	0.2	0.2	0.2	0.4	2.4	10.6
Europe & Central Asia	0.2	1.7	0.0	0.2	0.1	0.0	2.2	6.2
Latin America & Caribbean	0.2	0.1	0.8	0.1	0.0	0.0	1.2	5.2
Middle East & N. Africa	0.3	0.1	0.0	0.1	0.1	0.1	0.7	2.9
South Asia	0.1	0.0	0.0	0.1	0.1	0.0	0.3	1.2
Sub-Saharan Africa	0.1	0.0	0.0	0.0	0.1	0.2	0.5	1.5
World	8.3	6.3	4.3	2.1	1.2	1.6	23.8	100.0

## Nominal growth of trade, 1993–2003

### High-income importers

Source of exports	annual % growth						
	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
High-income economies	7.3	3.2	6.0	5.3	6.5	4.8	6.3
Industrial economies	7.4	2.4	6.5	5.3	6.8	4.2	6.5
European Union	8.3	5.1	9.6	6.2	8.2	6.2	8.1
Japan	1.8		0.9	1.4	1.3	3.1	1.9
United States	3.9	0.8		5.2	4.0	3.3	3.9
Other industrial economies	5.6	1.7	7.5	5.9	6.4	3.7	6.2
Other high-income economies	4.7	5.0	3.2	4.3	4.1	7.1	4.9
Low- and middle-income economies	10.9	8.0	11.6	11.8	10.8	11.2	10.9
East Asia & Pacific	13.1	9.3	12.8	13.1	11.9	11.5	11.7
Europe & Central Asia	14.2	2.9	13.7	14.9	14.0	14.5	14.0
Latin America & Caribbean	5.2	1.9	11.4	7.7	9.5	8.9	9.5
Middle East & N. Africa	6.1	6.8	10.2	8.8	7.2	7.7	7.3
South Asia	7.8	-1.0	10.1	7.7	7.9	11.9	8.8
Sub-Saharan Africa	10.3	15.7	8.7	13.6	10.2	22.0	10.8
World	7.9	5.0	7.7	6.0	7.4	6.8	7.3

### Low- and middle-income importers

Source of exports	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	8.5	11.9	5.5	3.2	6.8	4.8	7.6	6.6
Industrial economies	7.8	12.0	5.7	3.2	6.5	4.8	7.4	6.7
European Union	8.2	13.2	5.6	4.9	8.3	6.4	9.2	8.3
Japan	7.2	5.5	-0.4	-0.4	1.1	-3.9	4.8	2.7
United States	8.5	0.6	6.8	-2.5	4.5	3.7	5.9	4.5
Other industrial economies	7.4	11.9	4.1	2.8	9.0	6.5	6.8	6.3
Other high-income economies	9.6	10.9	1.9	4.1	7.5	4.6	8.6	6.2
Low- and middle-income economies	16.6	14.0	8.1	9.2	13.1	15.1	13.0	11.4
East Asia & Pacific	17.3	14.9	15.9	11.3	16.1	16.7	16.0	12.6
Europe & Central Asia	9.2	15.0	10.1	8.8	13.0	12.6	13.5	13.8
Latin America & Caribbean	16.6	11.7	6.6	8.0	16.6	11.9	8.5	9.3
Middle East & N. Africa	20.5	6.8	3.9	8.2	2.3	12.5	10.5	8.0
South Asia	16.7	4.1	14.7	8.6	15.7	16.8	12.4	9.7
Sub-Saharan Africa	26.8	22.6	13.6	8.2	16.0	14.0	16.5	12.2
World	10.0	12.6	6.1	4.7	8.9	8.3	9.0	7.7



# 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 trading 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 current 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 into U.S. dollars 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 are presented 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 Aruba, the Bahamas, Bahrain, 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

### Growing trade in developing countries



Between 1993 and 2003 exports from developing countries to the world grew faster (in nominal terms) than exports from high-income economies. Europe and Central Asia had the highest growth rate, followed by East Asia and Pacific and Sub-Saharan Africa.

Source: IMF 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	
	1993	2003	1993	2003	1993	2003	1993	2003
Total (\$ billions)	52.0	83.8	27.8	46.0	8.6	8.9	7.0	12.3
% of total								
Food	9.2	8.8	9.9	9.8	0.8	0.5	20.1	13.4
Cereals	3.8	2.7	2.6	2.4	0.3	0.2	15.3	7.8
Agricultural raw materials	2.2	2.5	1.4	1.5	1.5	1.5	3.6	6.0
Ores and nonferrous metals	1.5	2.4	1.4	2.3	0.4	1.2	1.5	1.3
Fuels	3.1	2.8	2.8	2.4	0.7	0.9	2.2	1.4
Crude petroleum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	2.3	1.8	2.7	2.3	0.5	0.4	2.1	1.3
Manufactured goods	81.9	79.5	82.8	80.7	96.0	92.4	69.4	71.7
Chemical products	10.9	11.2	12.8	12.0	4.7	6.8	11.8	12.0
Iron and steel	4.1	3.3	4.4	2.8	6.0	9.9	1.0	1.2
Mach. and transport equip.	47.0	43.3	41.5	39.4	74.2	60.3	47.9	46.6
Furniture	0.3	0.4	0.4	0.5	0.2	0.2	0.2	0.3
Textiles	3.2	3.9	2.4	2.0	3.6	5.0	4.1	7.0
Footwear	0.2	0.1	0.3	0.2	0.0	0.0	0.1	0.1
Other	16.2	17.3	20.9	24.0	7.2	10.3	4.4	4.4
Miscellaneous goods	2.1	4.0	1.6	3.3	0.6	3.5	3.2	6.1

## Imports from low-income economies

	1993	2003	1993	2003	1993	2003	1993	2003
Total (\$ billions)	56.2	120.4	27.8	54.5	6.4	8.7	17.4	46.6
% of total								
Food	15.9	13.8	20.9	18.7	21.9	20.7	6.8	7.3
Cereals	0.3	0.3	0.4	0.4	0.3	0.2	0.2	0.2
Agricultural raw materials	5.9	2.8	7.1	4.6	12.8	2.3	1.2	0.7
Ores and nonferrous metals	5.9	3.0	5.4	3.9	17.6	10.2	1.9	0.4
Fuels	29.8	27.5	19.3	16.6	15.2	25.1	50.6	38.2
Crude petroleum	27.8	24.7	18.4	14.5	12.0	21.2	47.5	35.0
Petroleum products	1.8	1.7	0.8	0.5	2.5	2.7	3.1	2.5
Manufactured goods	41.9	52.4	46.8	55.5	30.9	41.1	39.1	52.8
Chemical products	1.9	3.2	2.2	3.2	0.8	2.7	1.4	2.8
Iron and steel	0.9	1.0	0.5	1.0	2.5	1.1	0.9	0.8
Mach. and transport equip.	2.0	4.5	2.8	5.3	0.3	9.9	1.2	2.7
Furniture	0.1	1.2	0.2	1.2	0.1	1.9	0.1	1.0
Textiles	22.5	26.9	24.8	26.1	16.8	12.8	21.4	31.7
Footwear	0.8	3.5	1.1	5.9	0.1	2.5	0.5	1.0
Other	13.7	12.2	15.3	12.7	10.1	10.3	13.6	12.7
Miscellaneous goods	0.6	0.6	0.4	0.6	1.6	0.6	0.5	0.6

## Simple applied tariff rates on imports from low-income economies (%)

Food	3.2	4.1	3.0	1.3	6.7	5.4	1.2	3.1
Cereals	5.5	3.2	15.0	0.6	9.0	10.3	1.0	0.9
Agricultural raw materials	0.6	1.3	0.3	0.1	0.3	0.3	0.2	0.4
Ores and nonferrous metals	0.6	0.7	0.1	0.4	0.2	0.1	0.2	0.2
Fuels	1.4	0.9	0.3	0.0	1.0	0.2	2.6	0.5
Crude petroleum	0.9	1.0	0.0	0.0	0.0	0.0	..	0.0
Petroleum products	2.0	1.3	0.6	0.0	2.0	0.5	2.6	1.0
Manufactured goods	4.1	3.4	0.5	0.8	2.6	2.3	5.6	5.0
Chemical products	2.0	1.6	0.5	0.4	0.8	0.2	2.0	0.8
Iron and steel	2.6	1.2	0.8	0.0	0.6	0.2	4.7	0.7
Mach. and transport equip.	1.1	0.9	0.2	0.1	0.0	0.0	0.6	0.3
Furniture	3.1	1.9	0.1	0.0	0.0	0.0	0.8	1.0
Textiles	8.3	7.6	1.1	2.6	5.3	5.2	11.8	10.6
Footwear	10.0	7.8	1.3	2.4	13.3	10.7	14.3	9.3
Other	5.1	4.3	0.6	1.2	3.1	3.2	6.8	6.3
Miscellaneous goods	0.8	0.5	0.6	0.3	0.0	0.0	1.7	0.1
Average	3.7	3.3	0.8	0.8	2.9	2.5	4.8	4.5

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

## Exports to middle-income economies

	High-income OECD countries		European Union		Japan		United States	
	1993	2003	1993	2003	1993	2003	1993	2003
Total (\$ billions)	442.7	896.8	195.0	447.5	79.8	132.1	121.3	201.4
% of total								
Food	8.2	5.9	9.3	5.2	0.4	0.3	10.8	10.2
Cereals	2.7	1.3	2.2	0.9	0.1	0.0	4.8	2.9
Agricultural raw materials	1.9	2.0	1.3	1.4	0.8	1.0	2.6	3.5
Ores and nonferrous metals	1.7	2.2	1.6	1.7	1.0	2.0	1.6	2.1
Fuels	2.0	2.0	1.8	1.3	0.8	0.5	2.5	3.0
Crude petroleum	0.2	0.1	0.2	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.5	1.5	1.5	1.1	0.8	0.5	1.8	2.5
Manufactured goods	83.5	84.0	84.3	86.9	96.1	92.7	78.1	76.7
Chemical products	10.0	12.1	12.0	13.0	5.3	8.1	9.3	11.3
Iron and steel	4.2	3.2	4.0	3.0	8.7	6.4	1.1	1.1
Mach. and transport equip.	50.1	48.9	47.3	48.1	66.7	63.2	50.0	45.6
Furniture	0.7	0.6	0.8	0.9	0.2	0.2	0.9	0.5
Textiles	4.9	4.9	5.4	5.6	2.9	2.7	4.1	4.8
Footwear	0.3	0.2	0.5	0.3	0.0	0.0	0.1	0.1
Other	13.4	14.0	14.3	16.0	12.2	12.1	12.6	13.3
Miscellaneous goods	2.6	3.7	1.7	3.5	0.9	3.4	4.5	4.5

## Imports from middle-income economies

	1993	2003	1993	2003	1993	2003	1993	2003
Total (\$ billions)	475.3	1,343.5	194.1	529.9	76.7	168.0	161.7	511.8
% of total								
Food	12.7	7.4	14.7	8.8	15.3	9.5	9.2	5.2
Cereals	0.4	0.4	0.2	0.3	0.7	0.4	0.2	0.2
Agricultural raw materials	3.6	1.7	3.8	2.3	6.8	2.2	1.6	1.0
Ores and nonferrous metals	5.4	3.6	6.1	4.0	8.9	6.1	2.9	1.7
Fuels	25.3	18.7	27.4	18.8	33.3	24.0	17.9	16.1
Crude petroleum	17.2	13.2	18.1	12.8	20.9	14.7	13.3	12.8
Petroleum products	3.9	2.7	4.2	3.2	2.8	1.7	4.0	2.5
Manufactured goods	51.4	67.0	46.4	65.1	34.9	57.1	66.4	73.6
Chemical products	3.3	3.3	4.1	3.7	2.5	2.9	2.3	2.7
Iron and steel	1.7	1.7	1.6	2.3	1.9	0.9	1.4	1.2
Mach. and transport equip.	15.5	30.5	10.9	28.3	6.4	24.6	25.8	35.5
Furniture	1.3	2.7	1.4	2.4	1.1	1.6	1.5	3.4
Textiles	13.5	10.5	14.6	11.1	11.4	11.7	13.8	10.0
Footwear	2.7	1.8	1.8	1.4	1.1	1.3	4.9	2.6
Other	13.4	16.4	12.0	16.0	10.4	14.2	16.7	18.1
Miscellaneous goods	1.6	1.5	1.7	1.0	0.9	1.1	2.1	2.4

## Simple applied tariff rates on imports from middle-income economies (%)

Food	6.1	4.5	9.2	3.3	9.4	7.7	1.6	3.2
Cereals	6.8	5.6	19.6	1.3	14.9	12.1	1.3	1.0
Agricultural raw materials	1.1	1.2	1.0	0.2	0.4	0.4	0.5	0.5
Ores and nonferrous metals	1.4	0.7	1.3	0.3	0.3	0.1	0.8	0.4
Fuels	1.4	0.9	1.0	0.0	0.8	0.5	1.1	1.1
Crude petroleum	1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	2.2	1.2	1.5	0.0	1.6	0.9	1.7	1.8
Manufactured goods	4.9	3.2	2.6	0.7	1.8	2.3	4.6	3.0
Chemical products	3.3	1.6	3.1	0.2	0.8	0.3	2.3	1.0
Iron and steel	3.6	1.4	3.2	1.5	0.7	0.3	4.1	0.5
Mach. and transport equip.	2.8	1.1	1.6	0.1	0.0	0.0	1.2	0.3
Furniture	4.2	2.2	1.5	0.0	0.0	0.0	0.8	0.3
Textiles	9.8	8.3	4.5	2.3	5.0	7.2	11.5	9.1
Footwear	12.2	9.1	4.4	2.4	16.2	18.5	14.0	8.8
Other	5.9	4.2	3.0	1.0	2.5	3.5	6.0	4.3
Miscellaneous goods	1.8	0.7	2.1	0.4	0.0	0.0	1.3	0.3
Average	4.8	3.2	3.1	0.9	2.7	2.7	4.1	2.9

## About the data

Developing countries are becoming increasingly important in the global trading system. Since the early 1990s trade between high-income members of the Organisation for Economic Co-operation and Development (OECD) and low- and middle-income economies has grown faster than trade between OECD members. The increased trade benefits consumers and producers. But as the World Trade Organization's (WTO) Ministerial Conference in Doha, Qatar, in October 2001 showed, achieving a more pro-development outcome from trade remains a major challenge. Meeting this challenge will require strengthening international consultation. Negotiations after the Doha meetings 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 in 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 and primary commodities have continued to fall as a share of OECD imports, the share of manufactures in goods imports from both low- and middle-income countries has grown. 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. This year, the table includes information about tariff rates by selected

product groups. Applied tariff rates are the tariffs in effect for partners in preferential trade agreements such as the North American Free Trade Agreement. When these are unavailable, most favored nation rates are used. The difference between most favored nation and applied rates can be substantial. Simple averages of applied rates are shown because they are generally a better indicator of tariff protection.

The data come from the United Nations Conference on Trade and Development (UNCTAD). 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. 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 1 codes to define commodity groups. For further discussion of merchandise trade statistics, see About the data for tables 4.4–4.6 and 6.2, and for information about tariff barriers, see table 6.6.

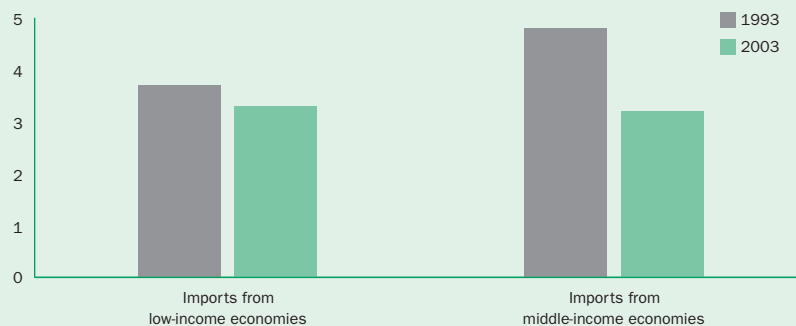
## Definitions

The product groups in the table are defined in accordance with the 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), iron and steel (67), machinery and transport equipment (7), furniture (82), textiles (65 and 84), footwear (85), and other manufactured goods (6 and 8 excluding 65, 67, 68, 82, 84, and 85); 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 2003 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

### Surging trade

Simple applied tariff rates of high-income OECD countries (%)



Imports from developing economies by high-income OECD countries have doubled over the past 10 years. Tariff rates have fallen, but the decline has been greater for imports from middle-income economies.

Source: United Nations Statistics Division, COMTRADE database; United Nations Conference on Trade and Development, TRAINS database.

## Data sources

Trade values are from United Nations Statistics Division's COMTRADE database. Tariff data are from UNCTAD's TRAINS database and are calculated by World Bank staff using the World Integrated Trade Solution (WITS) system.

# 6.4 Primary commodity prices

	1970	1980	1990	1995	1998	1999	2000	2001	2002	2003	2004
World Bank commodity price index (1990 = 100)											
Nonenergy commodities	156	159	100	104	99	89	89	84	89	91	102
Agriculture	163	175	100	112	108	93	90	84	93	95	99
Beverages	203	230	100	129	141	108	91	76	91	87	89
Food	166	177	100	100	105	88	87	91	97	96	105
Raw materials	130	133	100	116	88	89	93	81	89	98	101
Fertilizers	108	164	100	88	123	115	109	105	108	106	120
Metals and minerals	144	120	100	87	76	74	85	80	78	82	107
Petroleum	19	204	100	64	57	80	127	113	117	126	157
Steel products <sup>a</sup>	111	100	100	91	75	69	79	71	73	79	115
MUV G-5 index	28	79	100	117	100	99	97	94	93	100	105

## Commodity prices (1990 prices)

Agricultural raw materials											
Cotton (cents/kg)	225	260	182	182	145	118	134	112	109	140	130
Logs, Cameroon (\$/cu. m) <sup>a</sup>	153	319	344	290	287	271	283	282	..	..	..
Logs, Malaysian (\$/cu. m)	154	248	177	218	163	188	195	169	175	187	187
Rubber (cents/kg)	145	181	86	135	72	63	69	61	82	108	124
Sawnwood, Malaysian (\$/cu. m)	625	503	533	632	486	605	612	510	565	551	553
Tobacco (\$/mt)	3,836	2,887	3,392	2,258	3,349	3,064	3,063	3,185	2,947	2,645	2,608

## Beverages (cents/kg)

Cocoa	240	330	127	122	168	114	93	113	191	175	147
Coffee, robustas	330	411	118	237	183	150	94	64	71	81	75
Coffee, Arabica	409	440	197	285	299	231	198	146	146	141	169
Tea, avg., 3 auctions	298	211	206	127	205	185	193	169	162	152	160

## Energy

Coal, Australian (\$/mt)	..	50	40	34	29	26	27	34	29	28	52
Coal, U.S. (\$/mt)	..	55	42	33	35	33	34	48	43	..	..
Natural gas, Europe (\$/mmbtu)	..	4	3	2	2	2	4	4	3	4	4
Natural gas, U.S. (\$/mmbtu)	0.59	1.97	1.70	1.47	2.09	2.28	4.43	4.19	3.60	5.49	5.60
Petroleum (\$/bbl)	4.31	46.78	22.88	14.67	13.12	18.20	29.05	25.82	26.76	28.89	35.86

### 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 nonenergy commodity price index contains 37 price series for 31 nonenergy commodities.

Separate indexes are compiled for petroleum and for steel products, which are not included in the nonenergy 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	1998	1999	2000	2001	2002	2003	2004
Commodity prices (continued)											
(1990 prices)											
Fertilizers (\$/mt)											
Phosphate rock	39	59	41	30	43	44	45	44	43	38	39
TSP	152	229	132	128	174	156	142	135	143	149	177
Food											
Fats and oils (\$/mt)											
Coconut oil	1,417	855	337	572	660	742	463	337	452	467	628
Groundnut oil	1,350	1,090	964	846	913	793	734	721	738	1,243	1,102
Palm oil	927	740	290	536	674	439	319	303	419	443	448
Soybeans	417	376	247	221	244	203	218	208	228	264	291
Soybean meal	367	332	200	168	171	153	195	192	188	211	229
Soybean oil	1,021	758	447	534	628	430	348	375	488	554	585
Grains (\$/mt)											
Sorghum	185	164	104	102	98	85	91	101	109	106	104
Maize	208	159	109	105	102	91	91	95	107	105	106
Rice	450	521	271	274	305	250	208	183	206	198	226
Wheat	196	219	136	151	127	113	117	134	159	146	149
Other food											
Bananas (\$/mt)	590	481	541	380	491	376	436	618	568	375	499
Beef (cents/kg)	465	350	256	163	173	186	199	226	226	198	239
Oranges (\$/mt)	599	496	531	454	444	434	374	631	606	681	817
Sugar, EU domestic (cents/kg)	40	62	58	59	60	60	57	56	59	60	64
Sugar, U.S. domestic (cents/kg)	59	84	51	43	49	47	44	50	50	47	43
Sugar, world (cents/kg)	29	80	28	25	20	14	19	20	16	16	15
Metals and minerals											
Aluminum (\$/mt)	1,982	1,847	1,639	1,542	1,363	1,371	1,594	1,531	1,449	1,431	1,631
Copper (\$/mt)	5,038	2,768	2,662	2,508	1,660	1,584	1,866	1,673	1,674	1,778	2,724
Iron ore (cents/dmtu)	35	36	33	24	31	28	30	32	31	32	36
Lead (cents/kg)	108	115	81	54	53	51	47	50	49	51	84
Nickel (\$/mt)	10,148	8,270	8,864	7,028	4,647	6,055	8,888	6,303	7,271	9,626	13,139
Tin (cents/kg)	1,310	2,128	609	531	556	544	559	475	436	489	809
Zinc (cents/kg)	105	97	151	88	103	108	116	94	84	83	100

a. Series not included in the nonenergy index.

## Definitions

• Nonenergy commodity price index covers the 31 nonenergy 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	1998	1999	2000	2001	2002	2003
High-income and low- and middle-income economies										
APEC <sup>a</sup>	58,633	357,697	901,560	1,688,708	1,734,386	1,896,213	2,262,091	2,070,709	2,168,713	2,419,912
CEFTA	1,157	7,766	4,235	12,118	14,234	13,226	15,123	17,054	19,180	25,309
CIS	..	..	..	29,943	27,037	20,842	27,043	22,240	28,007	36,439
EMFTA	65,442	404,328	867,042	1,118,848	1,341,891	1,522,340	1,548,725	1,526,375	1,620,295	1,938,877
FTAA	33,924	167,719	300,700	525,346	682,067	734,848	859,330	814,028	791,110	833,829
European Union	76,451	456,857	981,260	1,259,699	1,223,801	1,396,574	1,409,464	1,398,298	1,480,493	1,768,984
NAFTA	22,078	102,218	226,273	394,472	521,649	581,161	676,440	639,138	626,985	651,213
Latin America and the Caribbean										
ACS	758	4,892	5,398	11,049	12,505	11,199	16,060	14,966	15,263	16,766
Andean Group	97	1,161	1,312	4,812	5,408	3,929	5,116	5,461	5,070	4,781
CACM	287	1,174	667	1,594	2,010	2,175	2,377	2,376	2,379	2,542
CARICOM	52	576	448	867	1,020	1,136	1,050	1,202	1,221	1,500
Central American Group of Four	176	692	399	1,026	1,230	1,369	1,543	1,524	1,542	1,648
Group of Three	59	706	1,046	3,460	3,921	2,912	3,721	4,178	3,657	3,363
LAIA (ALADI)	1,263	10,981	12,331	35,299	42,959	34,785	42,717	40,633	35,644	39,839
MERCOSUR	451	3,424	4,127	14,199	20,352	15,313	17,829	15,156	10,228	12,732
OECS	..	8	29	39	36	37	38	40	43	54
Middle East and Asia										
Arab Common Market	110	671	911	1,368	978	951	1,312	1,728	1,997	1,797
ASEAN	1,456	13,350	28,648	81,911	72,352	80,415	101,848	89,478	95,864	104,872
Bangkok Agreement	132	1,464	4,476	12,066	12,851	14,463	16,844	16,733	18,299	21,733
EAEG	9,197	98,532	281,067	634,606	549,010	612,415	772,426	698,552	779,390	940,963
ECO	63	15,891	1,243	4,746	4,031	3,903	4,518	4,498	5,016	7,539
GAFTA	543	9,441	13,313	13,129	13,548	13,752	16,238	17,537	19,238	21,497
GCC	156	4,632	6,906	6,832	7,358	7,306	7,958	8,103	8,899	9,287
SAARC	99	664	863	2,024	2,466	2,180	2,593	2,827	2,998	4,773
UMA	60	109	958	1,109	881	919	1,094	1,136	1,187	1,352
Sub-Saharan Africa										
CEMAC	22	75	139	120	153	127	102	120	123	159
CEPGL	3	2	7	8	8	9	10	11	13	15
COMESA	434	646	1,026	1,471	1,641	1,478	1,695	1,684	1,913	2,638
Cross Border Initiative	209	447	613	1,002	1,156	964	1,059	843	1,008	1,443
EAC	142	211	230	530	555	438	485	453	479	573
ECCAS	162	89	163	163	198	179	196	217	194	235
ECOWAS	86	692	1,557	1,936	2,350	2,364	2,835	2,371	3,229	3,073
Indian Ocean Commission	23	39	73	127	95	91	107	136	107	179
MRU	1	7	0	1	2	4	5	4	5	6
SADC	483	617	1,630	3,373	3,865	4,224	4,453	3,933	4,027	5,159
UDEAC	22	75	139	120	152	126	101	119	120	157
UEMOA	52	460	621	560	752	805	741	775	857	1,043

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; Commonwealth of Independent States (CIS): Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, Russian Federation, Ukraine, Uzbekistan, Tajikistan, and Kyrgyz Republic; Euro-Mediterranean Free Trade Area (EMFTA): EU, Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syrian Arab Republic, Tunisia, Turkey, and West Bank and Gaza; Free Trade Areas of Americas (FTAA): Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, República Bolivariana de Venezuela, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, United States, and Uruguay; 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.

a. No preferential trade agreement.

## Merchandise exports within bloc

	% of total bloc exports									
	1970	1980	1990	1995	1998	1999	2000	2001	2002	2003
High-income and low- and middle-income economies										
APEC	57.8	57.9	68.3	71.8	69.7	71.8	73.1	72.6	73.4	72.5
CEFTA	12.9	14.8	9.9	14.6	13.0	12.1	12.2	12.4	12.2	12.5
CIS	..	..	..	27.6	26.6	20.7	19.2	18.2	18.8	19.6
EMFTA	53.9	56.0	60.8	58.4	60.0	65.8	64.6	63.3	63.2	63.8
FTAA	45.0	43.4	46.6	52.5	58.1	59.7	60.8	60.6	60.9	60.1
European Union	59.5	60.8	65.9	62.4	56.8	62.9	61.6	60.8	60.6	61.1
NAFTA	36.0	33.6	41.4	46.2	51.7	54.6	55.7	55.5	56.7	56.1
Latin America and the Caribbean										
ACS	9.6	8.7	8.4	8.5	7.2	5.6	6.5	6.5	6.5	6.7
Andean Group	1.8	3.8	4.1	12.0	12.8	8.8	8.5	10.3	9.5	7.8
CACM	26.1	24.4	15.3	21.8	15.8	13.6	13.2	13.9	13.4	13.0
CARICOM	4.2	5.3	8.1	12.1	17.3	16.9	14.6	13.9	13.0	12.4
Central American Group of Four	20.1	18.1	13.7	22.2	17.1	14.6	12.8	12.6	12.3	12.3
Group of Three	1.1	1.8	2.0	3.2	2.6	1.7	1.7	2.1	1.8	1.6
LAIA (ALADI)	9.9	13.7	10.8	17.1	16.7	12.7	12.7	12.8	11.1	11.2
MERCOSUR	9.4	11.6	8.9	20.3	25.0	20.6	20.0	17.1	11.5	11.9
OECS	..	9.1	8.1	12.6	12.0	13.1	10.0	5.2	3.7	6.8
Middle East and Asia										
Arab Common Market	2.3	2.4	2.7	6.7	4.8	3.3	2.9	4.4	5.1	4.1
ASEAN	22.9	18.7	19.8	25.4	21.9	22.4	23.9	23.2	23.7	23.0
Bangkok Agreement	2.7	3.7	3.7	5.0	5.0	5.1	5.1	5.5	5.6	5.7
EAEG	28.9	35.6	39.7	47.9	42.0	43.8	46.6	46.6	48.2	49.4
ECO	1.5	73.2	3.2	7.9	6.8	5.8	5.7	5.6	5.9	6.8
GAFTA	6.5	5.0	10.3	9.9	11.0	8.9	7.3	8.4	9.2	8.5
GCC	2.9	3.0	8.0	6.8	8.0	6.7	4.9	5.3	5.8	4.9
SAARC	3.2	5.2	3.2	4.4	4.8	4.0	4.1	4.3	4.2	5.6
UMA	1.4	0.3	2.9	3.8	3.3	2.5	2.3	2.6	2.7	2.4
Sub-Saharan Africa										
CEMAC	4.8	1.6	2.3	2.1	2.3	1.7	1.0	1.3	1.4	1.4
CEPGL	0.4	0.1	0.5	0.5	0.6	0.8	0.8	0.8	0.8	1.1
COMESA	9.6	6.4	7.1	8.2	9.5	8.1	6.3	7.1	6.7	8.0
Cross Border Initiative	9.3	8.8	10.3	11.9	13.9	12.1	10.5	8.8	10.0	12.4
EAC	16.9	10.2	13.4	17.4	19.0	14.4	16.1	13.8	13.4	14.1
ECCAS	9.6	1.4	1.4	1.5	1.8	1.3	1.1	1.3	1.1	1.1
ECOWAS	2.9	10.1	7.9	9.0	10.7	10.4	7.9	8.5	10.9	8.4
Indian Ocean Commission	8.4	3.9	4.1	6.0	4.7	4.8	4.4	5.7	4.4	6.1
MRU	0.2	0.8	0.0	0.1	0.1	0.4	0.4	0.3	0.2	0.3
SADC	8.0	2.0	4.8	8.7	10.4	11.9	12.0	9.7	8.8	9.4
UDEAC	4.9	1.6	2.3	2.1	2.3	1.7	1.0	1.3	1.4	1.4
UEMOA	6.5	9.6	13.0	10.3	11.0	13.1	13.1	12.7	12.2	13.0

Principle; Economic Community of the Countries of the Great Lakes (CEPGL), Burundi, the Democratic Republic of Congo, and Rwanda; Common Market for Eastern and Southern Africa (COMESA), Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, the Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Tanzania, Zambia, and Zimbabwe; Cross-Border Initiative, Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe; East African Community (EAC): Kenya, Tanzania, and Uganda; 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; Greater Arab Free Trade Area (GAFTA): Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, West Bank and Gaza, and Yemen; 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.



## Total merchandise exports by bloc

	% of world exports									
	1970	1980	1990	1995	1998	1999	2000	2001	2002	2003
<b>High-income and low- and middle-income economies</b>										
APEC	36.0	33.7	39.0	46.3	46.1	46.6	48.5	46.5	45.9	44.5
CEFTA	3.2	2.9	1.3	1.6	2.0	1.9	2.0	2.2	2.4	2.7
CIS	..	..	..	2.1	1.9	1.8	2.2	2.0	2.3	2.5
EMFTA	43.0	39.4	42.2	37.7	41.4	40.8	37.6	39.2	39.8	40.6
FTAA	26.7	21.1	19.1	19.7	21.8	21.7	22.2	21.9	20.2	18.5
European Union	45.6	41.0	44.0	39.7	39.9	39.2	35.9	37.5	38.0	38.7
NAFTA	21.7	16.6	16.2	16.8	18.7	18.8	19.0	18.7	17.2	15.5
<b>Latin America and the Caribbean</b>										
ACS	2.8	3.1	1.9	2.6	3.2	3.5	3.9	3.8	3.6	3.3
Andean Group	1.9	1.7	0.9	0.8	0.8	0.8	0.9	0.9	0.8	0.8
CACM	0.4	0.3	0.1	0.1	0.2	0.3	0.3	0.3	0.3	0.3
CARICOM	0.4	0.6	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Central American Group of Four	0.3	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Group of Three	1.8	2.1	1.5	2.1	2.8	3.0	3.3	3.2	3.1	2.8
LAIA (ALADI)	4.5	4.4	3.4	4.1	4.8	4.8	5.3	5.2	5.0	4.7
MERCOSUR	1.7	1.6	1.4	1.4	1.5	1.3	1.4	1.4	1.4	1.4
OECS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Sub-Saharan Africa</b>										
CEMAC	0.2	0.3	0.2	0.1	0.1	0.1	0.2	0.2	0.1	0.2
CEPGL	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COMESA	1.6	0.6	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4
Cross Border Initiative	0.8	0.3	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2
EAC	0.3	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
ECCAS	0.6	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3
ECOWAS	1.1	0.4	0.6	0.4	0.4	0.4	0.6	0.5	0.5	0.5
Indian Ocean Commission	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRU	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SADC	2.2	1.6	1.0	0.8	0.7	0.6	0.6	0.7	0.7	0.7
UDEAC	0.2	0.3	0.2	0.1	0.1	0.1	0.2	0.2	0.1	0.2
UEMOA	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Middle East and Asia</b>										
Arab Common Market	1.7	1.5	1.0	0.4	0.4	0.5	0.7	0.6	0.6	0.6
ASEAN	2.3	3.9	4.3	6.4	6.1	6.3	6.7	6.3	6.3	6.1
Bangkok Agreement	1.8	2.2	3.6	4.8	4.8	5.0	5.2	4.9	5.1	5.1
EAEG	11.3	15.1	20.9	26.1	24.2	24.7	26.0	24.4	25.1	25.4
ECO	1.5	1.2	1.1	1.2	1.1	1.2	1.3	1.3	1.3	1.5
GAFTA	3.0	10.3	3.8	2.6	2.3	2.7	3.5	3.4	3.3	3.4
GCC	1.9	8.5	2.5	2.0	1.7	1.9	2.6	2.5	2.4	2.5
SAARC	1.1	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1
UMA	1.5	2.3	1.0	0.6	0.5	0.6	0.7	0.7	0.7	0.8

## 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, such arrangements are intended 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 between 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 (COMTRADE) database. However, trade flows between many developing countries, particularly in Africa,

are not well recorded. Thus the value of intratrade for certain groups may be understated. Data on trade between developing and high-income countries are generally complete.

Membership in the trade blocs shown is based on the most recent information available, from the World Bank Policy Research Report Trade Blocs (2000a), from the World Bank's Global Economic Prospects 2005, 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), the World Bank's Global Economic Prospects 2005, and the World Bank's international trade unit.

	Year	All products							Primary products		Manufactured products	
		Binding coverage	Simple mean bound rate	%		Share of lines with international peaks	Share of lines with specific rates	Ad valorem equivalent of nontariff barriers <sup>a</sup>	%		%	
				Simple mean tariff	Weighted mean tariff				Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Albania	1997	..	..	17.0	14.4	56.0	0.0	..	15.7	12.8	17.2	15.2
	2001	100.0	7.0	11.7	11.3	38.0	0.0	0.6	12.1	10.6	11.6	11.6
Algeria	1993	..	..	21.9	15.4	45.8	0.0	..	22.5	8.9	21.7	18.7
	2003	..	..	18.4	12.0	41.2	0.0	1.1	18.5	10.5	18.3	12.5
Angola	2002	100.0	59.2	8.2	8.5	15.9	1.7	..	11.5	14.7	7.5	5.8
Argentina	1992	..	..	14.2	12.7	31.0	0.0	..	8.1	5.8	14.7	13.6
	2004 <sup>b</sup>	100.0	31.9	11.9	6.3	36.6	0.0	4.7	8.8	2.5	12.1	7.0
Armenia	2001	100.0	8.5	3.3	2.2	0.0	0.0	..	6.4	3.3	2.9	1.3
Australia	1991 <sup>b</sup>	..	..	12.8	9.3	30.6	1.5	..	3.0	1.7	14.1	10.5
	2004 <sup>b</sup>	97.1	10.0	5.1	3.8	5.9	2.9	0.6	1.4	0.7	5.6	4.4
Azerbaijan	2002	..	..	10.1	6.2	0.1	6.3	..	11.9	4.8	9.9	7.0
Bangladesh	1989	..	..	106.5	88.4	98.2	1.3	..	79.8	53.6	109.0	109.9
	2004	15.1	161.8	16.5	15.9	44.5	0.0	1.7	16.4	13.1	16.5	17.4
Belarus	1996	..	..	12.2	8.9	30.8	0.0	..	9.4	6.5	12.6	10.5
	2002	..	..	11.5	8.9	17.6	2.2	0.0	11.1	7.1	11.6	10.4
Benin	2001	..	..	14.3	12.7	55.0	0.0	..	15.5	12.9	14.1	12.4
	2004	39.1	28.6	14.3	12.7	55.9	0.0	..	15.4	12.9	14.1	12.5
Bolivia	1993	..	..	9.8	9.4	0.0	0.0	..	10.0	10.0	9.7	9.3
	2004 <sup>b</sup>	100.0	40.0	7.7	5.3	0.0	0.0	0.8	7.8	5.1	7.7	5.3
Bosnia and Herzegovina	2001 <sup>b</sup>	..	..	5.2	4.9	0.0	0.0	..	3.5	5.3	5.4	4.7
Botswana	2001 <sup>b</sup>	89.0	17.3	6.4	1.0	19.3	1.9	..	3.2	0.3	6.8	1.1
Brazil	1989	..	..	43.0	31.9	92.2	0.5	..	31.5	18.6	44.0	37.1
	2004 <sup>b</sup>	100.0	31.4	13.2	8.0	38.0	0.0	2.4	9.1	2.0	13.6	10.2
Bulgaria	2001	..	..	8.7	5.6	20.9	1.4	..	16.0	10.2	7.8	4.3
	2004 <sup>b</sup>	100.0	24.2	10.3	9.6	24.9	2.4	..	15.2	10.7	9.8	9.3
Burkina Faso	1993	..	..	25.6	21.4	74.2	0.0	..	27.5	23.1	25.4	20.3
	2004	38.9	42.2	13.8	11.4	53.1	0.0	..	14.0	11.3	13.8	11.5
Burundi	2002	20.9	67.6	19.6	14.5	31.8	0.7	..	21.8	10.5	19.3	16.7
Cambodia	2001 <sup>b</sup>	..	..	17.0	15.8	31.6	0.0	..	20.5	18.6	16.4	14.6
Cameroon	1994	..	..	19.2	13.8	53.1	0.0	..	23.5	14.7	18.7	13.5
	2002	12.5	79.9	18.3	15.1	50.7	0.0	0.1	21.5	19.1	17.9	14.2
Canada	1989 <sup>b</sup>	..	..	9.7	6.1	14.6	3.4	..	4.2	2.6	10.5	6.6
	2003 <sup>b</sup>	99.7	5.0	3.9	0.9	6.5	3.6	1.5	1.9	0.4	4.2	1.0
Central African Republic	1995 <sup>b</sup>	..	..	17.0	13.6	50.4	0.4	..	18.8	16.0	16.7	13.0
	2002	62.6	36.2	18.9	17.9	54.0	0.0	..	22.6	23.3	18.2	15.4
Chad	1995 <sup>b</sup>	..	..	15.7	14.5	42.0	0.0	..	18.8	15.9	15.1	13.2
	2002	12.7	79.9	17.1	14.0	44.9	0.0	..	21.4	24.5	16.7	13.0
Chile	1992 <sup>b</sup>	..	..	11.0	11.0	0.0	0.0	..	11.0	11.0	11.0	10.9
	2004 <sup>b</sup>	100.0	25.1	4.8	3.7	0.0	0.0	1.0	4.4	1.9	4.9	4.4
China	1992	..	..	40.4	32.1	77.6	0.0	..	36.1	14.1	40.6	35.6
	2004	100.0	10.0	9.8	6.0	16.0	0.0	1.5	10.0	5.6	9.7	6.0
Colombia	1991	..	..	6.0	6.5	1.6	0.0	..	7.0	7.5	5.8	6.0
	2004 <sup>b</sup>	100.0	42.8	11.7	9.6	20.5	0.0	3.4	11.3	9.9	11.7	9.4
Congo, Dem. Rep.	2003	100.0	96.1	13.2	12.6	43.7	0.5	..	14.7	12.1	13.0	12.9
Congo, Rep.	1994	..	..	20.9	17.7	62.0	0.0	..	24.1	20.8	20.4	16.1
	2002	15.2	27.5	19.6	17.8	56.2	0.0	..	23.8	22.1	18.9	16.3
Costa Rica	1995 <sup>b</sup>	..	..	10.2	8.6	29.4	0.1	..	12.9	10.6	9.9	8.0
	2004 <sup>b</sup>	100.0	42.9	6.3	3.8	0.8	0.0	0.2	9.0	5.8	5.9	3.4
Côte d'Ivoire	1993	..	..	24.5	22.2	76.3	0.0	..	26.5	21.6	24.1	22.5
	2004	33.0	11.1	12.9	10.7	46.3	0.0	2.0	14.9	11.5	12.6	10.1
Croatia	2001	..	..	7.8	4.6	18.7	0.1	..	7.4	4.0	7.8	4.7
	2004	100.0	5.8	4.2	3.3	5.6	3.4	..	6.4	4.0	3.8	3.1
Cuba	1993 <sup>b</sup>	..	..	13.9	10.8	31.5	0.0	..	12.1	7.2	14.0	12.9
	2004 <sup>b</sup>	31.0	21.3	10.7	9.9	11.7	0.0	..	11.1	8.7	10.5	10.4
Czech Republic	1996	..	..	6.4	5.8	5.3	0.0	..	5.8	4.1	6.5	6.2
	2003	100.0	5.0	5.1	4.4	4.7	0.0	1.1	5.5	4.1	5.0	4.3
Dominican Republic	1997	..	..	15.6	13.1	34.4	0.0	..	18.4	10.9	15.1	14.3
	2004	100.0	34.9	9.8	8.8	30.3	0.3	..	12.8	7.1	9.4	9.5
Ecuador	1993	..	..	9.4	8.2	20.4	0.0	..	9.1	6.4	9.3	8.3
	2004 <sup>b</sup>	99.9	21.8	11.9	9.0	22.4	0.0	..	10.9	6.6	11.9	9.5
Egypt, Arab Rep.	1995	..	..	24.4	16.7	53.1	1.2	..	26.0	7.7	24.1	22.2
	2002	98.9	37.1	19.1	13.7	46.9	6.8	0.1	18.3	7.7	19.1	16.7
El Salvador	1995	..	..	10.2	9.1	27.3	0.0	..	12.8	10.2	9.8	8.7
	2004 <sup>b</sup>	100.0	36.6	6.0	4.3	8.8	0.0	6.9	6.9	3.7	5.8	4.5
Estonia	1995	..	..	0.1	0.4	0.1	0.0	..	0.0	0.0	0.1	0.5
	2003	100.0	8.6	0.9	0.9	5.2	0.0	..	8.0	4.0	0.0	0.0
Ethiopia	1995	..	..	32.3	17.5	70.7	0.2	..	36.0	18.3	32.0	17.2
	2002	..	..	20.8	13.5	57.0	0.2	0.0	22.6	6.7	20.6	15.7
European Union	1988 <sup>b</sup>	..	..	3.1	3.7	4.0	12.5	..	5.8	2.7	2.5	4.3
	2003 <sup>b</sup>	100.0	3.9	1.4	1.3	1.9	10.6	1.5	2.2	0.9	1.2	1.4
Finland	1988	..	..	10.0	6.1	24.3	1.1	..	6.7	3.0	10.2	6.9
	1990	..	..	..	..	0.0	100.0	..	..	..	..	..
Gabon	1995	..	..	20.6	16.4	61.3	0.0	..	24.4	20.4	19.9	15.2
	2002	100.0	21.4	20.2	14.9	59.8	0.0	0.2	24.0	20.3	19.5	13.1
Georgia	1999	..	..	9.9	10.1	0.0	1.0	..	11.9	12.0	9.5	8.3
	2004	100.0	7.1	7.1	8.7	4.8	1.8	..	12.0	12.7	6.3	6.3
Ghana	1993	..	..	14.4	9.8	40.5	0.0	..	19.4	13.3	13.8	9.2
	2004	14.3	92.1	12.3	14.8	40.0	0.3	0.1	18.0	27.3	11.5	9.6

	Year	All products							Primary products		Manufactured products	
		Binding coverage	Simple mean bound rate	%		Share of lines with international peaks	Share of lines with specific rates	Ad valorem equivalent of nontariff barriers <sup>a</sup>	%		%	
				Simple mean tariff	Weighted mean tariff				Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Guatemala	1995	..	..	9.9	8.7	25.3	0.0	..	12.6	10.2	9.4	8.0
	2004 <sup>b</sup>	34.9	36.4	5.4	4.9	1.3	0.0	0.0	7.4	5.1	5.2	4.8
Guinea-Bissau	2001	..	..	14.0	14.2	54.3	0.0	..	16.9	18.6	13.4	12.4
	2004	97.7	48.7	14.1	13.6	56.1	0.0	..	16.6	14.6	13.6	12.9
Honduras	1995	..	..	9.7	8.9	25.2	0.0	..	13.1	12.9	9.2	7.6
	2004 <sup>b</sup>	100.0	32.5	4.3	7.8	0.5	0.0	0.0	5.6	6.8	4.1	8.0
Hungary	1991 <sup>b</sup>	..	..	12.4	10.1	19.0	0.0	..	13.4	5.5	12.1	11.7
	2002	96.2	9.8	8.9	7.9	10.9	0.0	1.0	17.9	6.7	7.7	8.0
India	1990	..	..	79.0	56.1	97.0	0.9	..	69.8	34.1	79.9	70.8
	2004 <sup>b</sup>	73.8	46.1	28.3	28.0	92.4	0.0	3.2	30.0	36.9	27.9	25.3
Indonesia	1989	..	..	19.2	13.0	50.3	0.3	..	18.2	5.9	19.2	15.1
	2003 <sup>b</sup>	96.6	37.5	6.4	5.2	3.5	0.2	0.5	8.0	3.1	6.1	5.8
Iran, Islamic Rep.	2000	..	..	37.5	22.7	65.0	0.0	..	23.9	6.6	38.2	28.6
	2004	..	..	17.8	14.8	42.1	0.5	..	14.3	13.6	18.0	15.0
Israel	1993 <sup>b</sup>	76.3	18.8	7.9	4.2	15.2	0.0	..	4.6	2.5	8.2	4.3
Jamaica	1996	..	..	21.2	17.9	44.0	41.2	..	23.7	14.2	20.7	20.9
	2003	100.0	49.8	9.5	9.8	37.6	0.4	..	15.6	11.0	8.6	9.3
Japan	1988 <sup>b</sup>	..	..	4.2	3.6	8.5	12.9	..	8.3	4.4	3.5	2.7
	2004 <sup>b</sup>	99.6	2.7	2.9	2.4	8.1	2.8	1.6	5.3	3.9	2.4	1.6
Jordan	2000	..	..	24.0	18.9	63.5	0.4	..	28.0	16.9	23.4	19.8
	2003	100.0	16.2	14.5	11.4	41.0	0.2	10.2	20.2	11.9	13.6	11.0
Kazakhstan	1996	..	..	10.0	8.4	26.5	0.0	..	10.6	8.2	9.7	8.5
Kenya	1994 <sup>b</sup>	..	..	32.0	21.4	87.1	1.2	..	32.3	16.7	31.9	23.3
	2004	14.0	95.1	17.2	10.3	41.8	0.1	0.3	21.2	10.8	16.7	10.0
Korea, Rep.	1988	..	..	18.6	14.0	72.8	10.3	..	19.3	8.3	18.6	17.0
	2002	94.4	15.5	9.5	10.0	5.3	0.5	0.0	20.9	19.0	7.8	5.0
Kuwait	2002	100.0	100.0	3.5	3.9	0.1	1.4	..	1.5	3.7	4.0	4.0
Kyrgyz Republic	1995	..	..	0.0	0.0	0.0	19.8	..	0.0	0.0	0.0	0.0
	2003	99.9	7.4	4.3	4.3	0.1	2.1	..	6.6	6.1	3.9	2.9
Lao PDR	2000	..	..	9.3	13.5	11.3	2.0	..	15.6	14.7	8.6	12.6
	2001 <sup>b</sup>	..	..	9.5	13.5	12.2	0.0	..	15.9	17.3	8.8	11.8
Latvia	1996	..	..	3.8	2.2	2.2	0.0	..	6.5	1.5	3.3	2.6
	2001	100.0	12.7	3.4	2.6	2.9	0.0	0.4	8.1	5.5	2.7	1.5
Lebanon	1999	..	..	14.4	12.3	29.7	0.1	..	13.1	11.2	14.4	12.8
	2002 <sup>b</sup>	..	..	7.5	6.3	13.0	0.4	..	14.8	6.1	6.4	6.4
Libya	1996	..	..	23.0	21.3	58.3	1.4	..	24.9	9.6	22.5	25.6
	2002	..	..	20.0	25.2	46.6	2.0	..	19.2	15.0	19.9	28.6
Lithuania	1995 <sup>b</sup>	..	..	3.1	2.6	6.9	0.0	..	6.2	3.7	2.6	1.8
	2003 <sup>b</sup>	100.0	9.2	1.3	0.6	3.1	0.0	..	3.3	1.2	1.0	0.4
Macedonia, FYR	2001 <sup>b</sup>	..	..	10.2	9.3	29.4	0.0	..	12.0	10.6	9.9	8.4
	2004	..	..	10.9	8.1	28.3	3.0	..	12.3	8.5	10.7	7.8
Madagascar	1995	..	..	7.6	5.2	5.9	0.0	..	6.3	2.9	7.6	6.3
	2001	29.7	27.4	5.4	3.6	4.7	0.0	0.6	5.8	1.7	5.3	4.6
Malawi	1994	..	..	31.6	22.3	87.0	0.0	..	29.1	12.9	31.9	26.6
	2001 <sup>b</sup>	29.7	75.5	13.3	10.2	41.8	0.0	..	12.7	9.0	13.4	10.7
Malaysia	1988 <sup>b</sup>	..	..	14.5	9.7	46.1	7.2	..	10.9	4.6	14.9	10.8
	2003 <sup>b</sup>	83.7	14.0	7.3	4.2	21.1	1.0	1.7	4.5	2.1	7.8	4.6
Mali	1995	..	..	16.3	10.3	41.6	0.0	..	19.3	13.4	16.0	8.5
	2004	40.7	29.3	13.1	10.6	47.7	0.0	..	15.7	11.5	12.7	10.3
Mauritania	2001	39.4	19.6	12.0	11.2	45.1	0.0	..	12.8	9.3	11.8	12.4
Mauritius	1995 <sup>b</sup>	..	..	36.2	23.8	64.7	0.0	..	26.0	25.9	37.2	22.9
	2002	18.0	94.0	25.4	13.0	42.2	0.1	0.0	20.0	9.9	25.8	14.4
Mexico	1991	..	..	14.5	11.9	20.7	0.0	..	13.4	8.3	14.6	13.0
	2004 <sup>b</sup>	100.0	34.7	16.8	13.8	43.6	0.0	1.8	17.0	20.3	16.7	12.8
Moldova	1996	..	..	6.0	1.9	22.9	0.7	..	11.3	1.5	4.7	2.3
	2001	..	..	5.1	2.8	0.1	0.7	..	8.9	2.6	4.5	2.9
Morocco	1993	..	..	64.4	45.4	96.8	0.1	..	55.0	30.2	65.0	55.2
	2003	100.0	41.2	28.9	24.9	75.8	0.0	0.5	33.7	25.4	28.4	24.6
Mozambique	1994	..	..	5.0	5.0	0.0	0.0	..	5.0	5.0	5.0	5.0
	2003 <sup>b</sup>	100.0	99.6	12.9	9.9	37.8	0.0	..	15.8	9.9	12.3	9.9
Myanmar	2001 <sup>b</sup>	..	..	4.7	4.8	3.7	0.0	..	8.0	5.1	4.3	4.7
	2003 <sup>b</sup>	16.5	82.8	4.8	3.9	3.9	0.0	..	8.7	4.9	4.1	3.4
Namibia	2001 <sup>b</sup>	88.9	17.4	6.5	0.5	19.1	2.9	..	5.4	0.4	6.6	0.6
Nepal	1993 <sup>b</sup>	..	..	21.8	17.5	59.2	1.0	..	11.8	9.3	22.9	21.0
	2004	..	..	14.5	15.6	20.4	1.4	..	15.4	14.0	14.2	15.6
New Zealand	1992	..	..	10.2	8.5	36.0	2.8	..	5.5	4.0	10.7	9.4
	2004 <sup>b</sup>	99.9	9.7	3.8	2.9	7.5	6.1	2.2	1.7	0.5	4.1	3.5
Nicaragua	1995 <sup>b</sup>	..	..	7.5	5.6	20.4	0.0	..	7.7	7.1	7.4	4.6
	2004 <sup>b</sup>	100.0	41.7	5.4	3.7	0.7	0.0	..	7.6	4.0	5.1	3.6
Niger	2001	..	..	14.4	12.9	55.8	0.0	..	15.1	12.9	14.3	12.8
	2004	96.8	44.6	12.9	13.7	49.0	0.0	..	15.5	15.9	12.6	12.9
Nigeria	1988	..	..	26.0	23.8	62.9	0.4	..	33.4	32.3	25.3	21.4
	2002	19.3	118.0	26.7	16.9	54.7	1.0	0.4	40.1	20.6	24.9	15.5
Norway	1988 <sup>b</sup>	..	..	1.9	0.7	5.0	7.9	..	0.6	0.2	2.1	0.8
	2003 <sup>b</sup>	100.0	2.7	0.5	0.4	0.5	5.6	0.3	1.6	1.4	0.4	0.2
Oman	1992	..	..	5.5	7.5	1.5	0.0	..	7.2	14.2	5.1	5.4
	2002	100.0	13.8	8.0	13.6	0.7	2.6	0.9	9.5	31.6	7.6	6.5
Pakistan	1995 <sup>b</sup>	..	..	50.1	44.4	90.1	5.1	..	40.5	36.1	51.3	49.2



Year	All products							Primary products		Manufactured products		
	Binding coverage	%				Share of lines with international peaks	Share of lines with specific rates	Ad valorem equivalent of nontariff barriers <sup>a</sup>	%		%	
		Simple mean bound rate	Simple mean tariff	Weighted mean tariff	Weighted mean tariff				Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Panama	2004	44.8	52.2	15.9	13.0	49.7	0.1	..	13.9	8.9	16.1	15.7
	1997	..	..	12.5	10.6	36.4	0.4	..	17.9	9.6	11.8	11.0
	2001	..	..	8.1	6.9	1.1	0.2	..	11.4	5.9	7.7	7.4
Papua New Guinea	1997	..	..	21.1	15.3	36.3	2.1	..	36.4	18.7	18.9	13.1
	2004	100.0	31.6	6.4	2.2	26.2	0.7	..	15.4	3.3	5.1	1.7
Paraguay	1991	..	..	15.7	11.9	41.8	0.0	..	14.1	3.6	15.7	14.5
	2004 <sup>b</sup>	100.0	33.6	6.7	5.2	20.1	0.0	1.7	5.1	1.9	6.9	6.1
Peru	1993	..	..	18.1	16.4	25.4	0.0	..	18.3	15.8	18.0	16.6
	2004 <sup>b</sup>	100.0	30.1	9.8	8.9	10.8	0.0	1.7	11.3	9.7	9.6	8.4
Philippines	1988	..	..	28.3	22.4	77.1	0.1	..	29.9	18.5	27.9	23.4
	2003	66.8	25.3	4.5	2.6	1.6	0.0	0.4	5.7	5.0	4.2	2.0
Poland	1991	..	..	12.3	10.4	24.8	0.0	..	12.2	8.2	12.2	11.0
	2003 <sup>b</sup>	96.2	11.3	3.4	1.7	6.4	7.4	1.2	10.9	3.7	2.4	1.2
Romania	1991	..	..	19.2	11.9	55.7	0.0	..	20.0	8.1	18.9	17.9
	2001 <sup>b</sup>	100.0	40.4	11.4	8.3	28.7	0.0	2.5	17.8	11.4	10.5	7.3
Russian Federation	1993	..	..	8.4	6.3	3.2	0.0	..	3.1	3.9	9.5	7.4
	2002	..	..	10.4	8.7	8.4	19.0	..	9.7	8.2	10.5	8.9
Rwanda	1993	..	..	40.4	25.3	65.1	1.9	..	60.7	24.9	37.4	25.5
	2003 <sup>b</sup>	100.0	89.1	8.7	6.6	11.6	0.0	1.4	12.2	6.4	8.3	6.6
Saudi Arabia	1994	..	..	12.3	10.9	10.2	0.1	..	12.0	9.1	12.4	11.5
	2004	..	..	6.6	7.3	10.9	0.3	0.9	5.9	10.5	6.7	6.6
Senegal	2001	..	..	13.9	9.4	53.0	0.0	..	14.5	8.3	13.8	10.4
	2004	100.0	30.0	13.9	9.2	53.5	0.0	0.0	14.8	8.1	13.8	10.5
Serbia and Montenegro	2001 <sup>b</sup>	..	..	9.0	5.8	26.3	0.0	..	10.2	6.0	8.8	5.7
	2002	..	..	10.4	7.9	23.0	0.0	..	13.1	7.6	10.0	7.9
Singapore	1989	..	..	0.4	1.1	0.3	1.6	..	0.2	2.5	0.4	0.6
	2003 <sup>b</sup>	69.8	6.9	0.0	0.0	0.0	0.2	0.5	0.0	0.0	0.0	0.0
Slovak Republic	2002	100.0	5.0	22.2	21.2	51.3	0.0	..	19.3	12.8	22.5	23.6
Slovenia	1999	..	..	11.5	11.4	20.8	3.1	..	9.5	7.5	11.7	12.1
	2003 <sup>b</sup>	100.0	23.3	4.3	1.6	11.3	1.6	0.6	6.5	3.3	4.0	1.1
South Africa	1988 <sup>c</sup>	..	..	11.5	12.0	32.3	18.8	..	4.8	3.6	11.8	12.3
	2001 <sup>b</sup>	88.9	17.4	9.4	5.6	32.5	2.2	0.5	7.5	3.9	9.5	5.8
Sri Lanka	1990	..	..	27.4	27.0	51.7	1.4	..	32.4	32.3	26.6	24.2
	2004 <sup>b</sup>	36.8	29.2	10.2	6.8	24.1	0.7	0.0	15.4	9.2	9.6	5.7
Sudan	1996 <sup>b</sup>	..	..	5.0	3.7	8.3	0.0	..	12.0	3.3	4.4	3.9
	2002	..	..	21.5	19.6	44.9	0.0	..	28.8	24.0	20.8	18.9
Swaziland	2001	88.9	17.4	3.5	0.6	12.1	1.3	..	1.7	0.1	3.8	0.9
Sweden	1988 <sup>b</sup>	..	..	1.7	1.0	1.7	0.9	..	0.9	0.6	1.8	1.1
	1989	..	..	5.4	4.3	3.6	2.2	..	1.4	1.0	6.0	5.0
	1990	..	..	..	..	..	53.3	..	..	..	..	..
	2001	99.8	1.7	3.2	1.5	..	37.7	1.2	15.0	9.5	1.1	0.2
Syrian Arab Republic	2002	..	..	14.7	15.5	23.2	0.1	..	14.4	11.7	14.5	16.6
Tajikistan	2002	..	..	8.0	7.1	9.5	2.1	..	9.9	6.7	7.8	7.5
Tanzania	1993	..	..	16.0	15.6	43.3	0.0	..	22.7	19.9	15.3	15.0
	2003 <sup>b</sup>	13.4	120.0	15.2	8.2	42.3	0.0	0.0	16.7	7.4	15.0	8.7
Thailand	1989	..	..	38.5	33.0	72.8	22.0	..	30.0	24.3	39.0	35.0
	2003 <sup>b</sup>	75.0	19.2	14.0	8.3	48.0	0.8	0.3	16.4	4.4	13.5	9.3
Togo	2001	..	..	14.3	10.9	52.9	0.0	..	14.7	10.5	14.2	11.2
	2004	13.2	80.0	13.6	14.0	51.9	0.0	..	16.3	13.6	13.2	14.2
Trinidad and Tobago	1991 <sup>b</sup>	..	..	19.0	13.4	40.5	0.0	..	25.6	10.1	17.9	15.7
	2003	100.0	55.7	10.1	4.9	38.0	0.0	0.2	15.1	4.0	9.4	5.5
Tunisia	1990	..	..	28.1	25.8	97.0	0.0	..	25.1	17.4	28.3	28.4
	2004	57.8	57.7	25.6	23.2	65.7	0.0	0.8	36.8	21.8	24.5	23.5
Turkey	1993 <sup>b</sup>	..	..	7.3	6.1	5.9	0.0	..	6.3	7.9	7.4	5.3
	2003 <sup>b</sup>	50.0	28.6	2.6	2.0	4.5	1.2	0.2	11.6	3.5	1.7	1.5
Turkmenistan	1998	..	..	0.0	0.0	0.0	0.0	..	0.0	0.0	0.0	0.0
	2002	..	..	5.3	2.9	14.8	2.9	..	16.0	13.2	3.7	1.1
Uganda	1994 <sup>b</sup>	..	..	17.0	13.6	52.8	0.0	..	19.3	17.4	16.7	12.3
	2004 <sup>b</sup>	14.9	73.5	7.3	5.5	0.0	0.0	0.1	9.6	5.7	7.0	5.3
Ukraine	1995	..	..	7.6	3.4	10.5	0.0	..	8.9	2.7	7.3	4.3
	2002	..	..	7.9	3.9	11.4	10.2	0.0	7.1	1.5	7.9	6.4
United States	1989 <sup>b</sup>	..	..	5.1	3.8	8.0	12.7	..	2.5	2.0	5.5	4.0
	2004 <sup>b</sup>	100.0	3.0	3.2	1.8	4.0	6.8	1.6	2.7	1.1	3.3	1.9
Uruguay	1992	..	..	7.1	5.8	0.0	0.0	..	7.9	5.8	7.0	5.8
	2004 <sup>b</sup>	100.0	31.7	11.4	4.3	36.2	0.0	1.9	7.2	1.8	11.7	6.1
Uzbekistan	2001	..	..	10.6	5.9	27.2	0.0	..	10.8	4.6	10.7	6.2
Venezuela, RB	1992	..	..	17.2	16.4	47.4	1.0	..	16.3	14.7	17.1	16.5
	2004 <sup>b</sup>	99.9	36.8	12.6	11.0	23.1	0.0	1.4	12.7	11.8	12.5	10.7
Vietnam	1994	..	..	14.8	20.6	32.6	1.0	..	20.9	46.7	13.9	13.1
	2004 <sup>b</sup>	..	..	13.7	13.7	33.9	0.2	..	18.1	16.7	12.9	12.5
Yemen, Rep.	2000	..	..	13.0	11.7	11.4	0.0	..	14.3	9.8	12.8	12.9
Zambia	1993	..	..	25.9	17.9	90.9	0.0	..	30.0	12.4	25.2	20.0
	2003 <sup>b</sup>	15.9	105.6	14.2	9.4	34.6	0.0	0.2	14.1	9.8	14.2	9.2
Zimbabwe	1996 <sup>b</sup>	..	..	40.8	38.5	94.2	1.5	..	34.2	35.6	41.2	38.8
	2002	20.8	88.6	16.7	18.9	38.1	6.0	..	19.6	24.3	16.2	17.1

a. Ad valorem equivalents of nontariff barriers are calculated for 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. Data for 1988 refer to South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland). d. 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 0.9 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 foreign prices. They include administrative price fixing, voluntary export price restraints, variable charges, anti-dumping 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. 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.



	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		\$ millions				\$ millions	
	1990	2003	1990	2003	Bonds		Equity		1990	2003
Afghanistan	0	..	0	..	0	..	0	..	0	..
Albania	..	176	0	178	..	0	0	0	..	-3
Algeria	-424	593	0	634	-16	0	0	0	-409	-41
Angola	235	1,903	-335	1,415	0	0	0	0	570	488
Argentina	-216	1,169	1,836	1,020	-857	-18	0	65	-1,195	100
Armenia	..	115	0	121	..	0	0	0	..	-6
Australia	..	..	8,111	6,851	..	..	..	..	..	..
Austria	..	..	653	7,276	..	..	..	..	..	..
Azerbaijan	..	3,235	0	3,285	..	0	0	0	..	-50
Bangladesh	59	86	3	102	0	0	0	2	55	-18
Belarus	..	127	0	172	..	0	0	3	..	-48
Belgium	..	..	8,047 <sup>a</sup>	125,060	..	..	..	..	..	..
Benin	62	51	62	51	0	0	0	0	0	0
Bolivia	3	295	27	167	0	0	0	0	-24	128
Bosnia and Herzegovina	..	400	0	382	..	0	0	0	..	18
Botswana	77	84	96	86	0	0	0	0	-19	-2
Brazil	666	13,432	989	10,144	129	8,339	103	2,973	-555	-8,023
Bulgaria	..	1,655	0	1,419	..	-50	0	-26	..	311
Burkina Faso	0	11	0	11	0	0	0	0	-1	0
Burundi	-5	8	1	0	0	0	0	0	-6	8
Cambodia	0	87	0	87	0	0	0	0	0	0
Cameroon	-124	154	-113	215	0	0	0	0	-12	-61
Canada	..	..	7,581	6,273	..	..	..	..	..	..
Central African Republic	0	4	1	4	0	0	0	0	-1	0
Chad	9	837	9	837	0	0	0	0	-1	0
Chile	2,216	3,844	661	2,982	-7	3,328	367	312	1,194	-2,778
China	8,107	59,455	3,487	53,505	-48	675	0	7,729	4,668	-2,454
Hong Kong, China	..	..	..	13,538	..	..	..	..	..	..
Colombia	345	-1,185	500	1,746	-4	-569	0	-52	-151	-2,310
Congo, Dem. Rep.	-27	187	-15	158	0	0	0	0	-12	29
Congo, Rep.	-77	201	23	201	0	0	0	0	-100	0
Costa Rica	22	842	163	577	-42	204	0	0	-99	61
Côte d'Ivoire	57	69	48	180	-1	0	0	4	10	-115
Croatia	..	8,031	0	1,998	..	480	0	15	..	5,538
Cuba	789	..	1	..	0	..	0	..	788	..
Czech Republic	..	5,342	0	2,514	..	-91	0	1,104	..	1,815
Denmark	..	..	1,132	1,185	..	..	..	..	..	..
Dominican Republic	129	1,112	133	310	0	580	0	0	-3	222
Ecuador	184	2,143	126	1,555	0	0	0	9	58	579
Egypt, Arab Rep.	668	-361	734	237	-1	0	0	37	-65	-635
El Salvador	7	406	2	89	0	349	0	0	6	-32
Eritrea	..	22	0	22	..	0	0	0	..	0
Estonia	..	2,170	0	891	..	73	0	108	..	1,099
Ethiopia	-45	54	12	60	0	0	0	0	-57	-6
Finland	..	..	812	3,436	..	..	..	..	..	..
France	..	..	13,183	47,753	..	..	..	..	..	..
Gabon	103	-20	74	53	0	0	0	0	29	-73
Gambia, The	-8	60	0	60	0	0	0	0	-8	0
Georgia	..	320	0	338	..	0	0	0	..	-18
Germany	..	..	3,005	11,267	..	..	..	..	..	..
Ghana	-5	-166	15	137	0	-250	0	0	-20	-53
Greece	..	..	1,005	717	..	..	..	..	..	..
Guatemala	44	68	48	116	-11	-32	0	0	7	-16
Guinea	-1	79	18	79	0	0	0	0	-19	0
Guinea-Bissau	2	2	2	2	0	0	0	0	0	0
Haiti	0	8	0	8	0	0	0	0	0	0

# Global private financial flows

	Net private capital flows		Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions		\$ millions				\$ millions	
	1990	2003	1990	2003	1990	Bonds	2003	Equity	1990	2003
Honduras	75	140	44	198	0	0	0	0	32	-58
Hungary	-147	5,149	311	2,506	921	-1,066	0	266	-1,379	3,442
India	1,842	10,651	237	4,269	147	-2,944	0	8,237	1,458	1,089
Indonesia	2,923	-3,685	1,093	-597	26	600	0	1,130	1,804	-4,819
Iran, Islamic Rep.	-392	1,151	-362	120	0	0	0	0	-30	1,031
Iraq	-1,740	..	0	..	0	..	0	..	-1,740	..
Ireland	..	..	627	26,599	..	..	..	..	..	..
Israel	..	..	151	3,672	..	..	..	..	..	..
Italy	..	..	6,411	16,538	..	..	..	..	..	..
Jamaica	92	513	138	721	0	-176	0	0	-46	-32
Japan	..	..	1,777	6,238	..	..	..	..	..	..
Jordan	252	-161	38	376	0	-467	0	-58	214	-12
Kazakhstan	..	5,674	0	2,088	..	725	0	64	..	2,797
Kenya	122	195	57	82	0	0	0	1	65	113
Korea, Dem. Rep.	17	..	0	..	0	..	0	..	17	..
Korea, Rep.	..	..	788	3,222	..	..	..	..	..	..
Kuwait	..	..	0	-67	..	..	..	..	..	..
Kyrgyz Republic	..	-12	0	46	..	0	0	0	..	-58
Lao PDR	6	19	6	19	0	0	0	0	0	0
Latvia	..	570	0	300	..	0	0	39	..	231
Lebanon	13	394	6	358	0	108	0	3	6	-75
Lesotho	17	36	17	42	0	0	0	0	0	-6
Liberia	0	0	0	0	0	0	0	0	0	0
Libya	165	..	159	..	0	..	0	..	6	..
Lithuania	..	-141	0	179	..	-741	0	4	..	417
Macedonia, FYR	..	90	0	95	..	0	0	1	..	-5
Madagascar	7	13	22	13	0	0	0	0	-15	0
Malawi	26	23	23	23	0	0	1	0	2	0
Malaysia	476	2,207	2,332	2,473	-1,239	841	0	1,340	-617	-2,447
Mali	5	129	6	129	0	0	0	0	-1	0
Mauritania	5	218	7	214	0	0	0	0	-1	4
Mauritius	86	88	41	63	0	0	0	8	45	18
Mexico	9,600	9,541	2,549	10,783	661	-1,233	1,995	-123	4,396	113
Moldova	..	84	0	58	..	-2	0	1	..	26
Mongolia	..	131	0	132	..	0	0	0	..	0
Morocco	483	2,395	165	2,279	0	416	0	8	318	-307
Mozambique	35	313	9	337	0	0	0	0	26	-24
Myanmar	155	98	163	134	0	0	0	0	-8	-35
Namibia	30	..	30	..	0	..	0	..	0	..
Nepal	-14	14	0	15	0	0	0	0	-14	0
Netherlands	..	..	10,676	15,695	..	..	..	..	..	..
New Zealand	..	..	1,735	2,438	..	..	..	..	..	..
Nicaragua	20	230	0	201	0	0	0	0	20	28
Niger	51	23	41	31	0	0	0	0	10	-8
Nigeria	467	952	588	1,200	0	0	0	0	-121	-248
Norway	..	..	1,003	2,055	..	..	..	..	..	..
Oman	-257	-557	142	138	0	0	0	96	-400	-791
Pakistan	182	132	245	534	0	-120	0	-26	-63	-256
Panama	129	1,077	136	792	-2	133	-1	0	-4	153
Papua New Guinea	204	2	155	101	0	0	0	0	49	-99
Paraguay	68	121	77	91	0	0	0	0	-9	30
Peru	59	2,562	41	1,377	0	1,206	0	1	18	-22
Philippines	639	1,350	530	319	395	1,684	0	457	-286	-1,111
Poland	71	7,118	89	4,123	0	3,592	0	-837	-18	240
Portugal	..	..	2,610	969	..	..	..	..	..	..
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	2003	1990	2003	1990	Bonds 2003	Equity 1990	2003	1990	2003
Romania	4	3,880	0	1,844	0	792	0	69	4	1,175
Russian Federation	..	15,784	0	7,958	..	4,422	0	413	..	2,992
Rwanda	6	5	8	5	0	0	0	0	-2	0
Saudi Arabia	1,947	..	1,864	..	-50	..	0	..	133	..
Senegal	43	79	57	78	0	0	1	0	-15	1
Serbia and Montenegro	..	1,462	0	1,360	..	0	0	0	..	102
Sierra Leone	36	3	32	3	0	0	0	0	4	-1
Singapore	..	..	5,575	11,409	..	..	..	..	..	..
Slovak Republic	..	1,525	0	571	..	-125	0	59	..	1,019
Slovenia	..	..	..	337	..	..	..	..	..	..
Somalia	6	1	6	1	0	0	0	0	0	0
South Africa	..	4,148	-76	820	..	4,809	389	685	..	-2,166
Spain	..	..	13,984	25,513	..	..	..	..	..	..
Sri Lanka	54	236	43	229	0	0	0	-14	10	21
Sudan	0	1,349	0	1,349	0	0	0	0	0	0
Swaziland	26	44	30	44	0	0	-2	0	-2	0
Sweden	..	..	1,982	3,268	..	..	..	..	..	..
Switzerland	..	..	5,545	17,547	..	..	..	..	..	..
Syrian Arab Republic	63	146	72	150	0	0	0	0	-9	-4
Tajikistan	..	6	0	32	..	0	0	0	..	-26
Tanzania	5	264	0	248	0	0	0	0	5	16
Thailand	4,370	1,155	2,444	1,949	-87	-1,829	440	1,194	1,574	-159
Togo	23	20	18	20	0	0	4	0	0	0
Trinidad and Tobago	-68	616	109	616	-52	0	0	0	-126	0
Tunisia	-116	1,326	76	541	-60	632	5	14	-137	138
Turkey	1,836	2,849	684	1,562	597	1,137	89	1,009	466	-858
Turkmenistan	..	..	0	100	..	..	0	0	..	..
Uganda	16	202	0	194	0	0	0	1	16	7
Ukraine	..	1,550	0	1,424	..	446	0	-1,705	..	1,385
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	33,504	20,696	..	..	..	..	..	..
United States	..	..	48,490	39,889	..	..	..	..	..	..
Uruguay	-192	37	0	275	-16	-82	0	0	-176	-156
Uzbekistan	..	79	0	70	..	0	0	0	..	9
Venezuela, RB	-126	3,539	451	2,520	345	706	0	97	-922	216
Vietnam	180	1,192	180	1,450	0	0	0	0	0	-258
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	30	-89	-131	-89	0	0	0	0	161	0
Zambia	194	91	203	100	0	0	0	0	-9	-10
Zimbabwe	85	-5	-12	20	-30	0	0	0	127	-25
<b>World</b>	<b>.. s</b>	<b>.. s</b>	<b>192,682 s</b>	<b>572,774 s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>
Low income	3,920	21,541	1,693	16,128	116	-3,316	7	8,219	2,104	510
Middle income	38,103	177,903	20,380	135,648	966	29,932	3,383	16,593	13,374	-4,270
Lower middle income	25,208	124,703	11,208	99,552	1,296	23,687	1,022	13,942	11,682	-12,478
Upper middle income	12,894	53,200	9,172	36,096	-330	6,245	2,361	2,651	1,692	8,208
Low & middle income	42,022	199,444	22,073	151,776	1,082	26,616	3,390	24,812	15,478	-3,760
East Asia & Pacific	17,180	62,049	10,512	59,612	-952	1,972	440	11,850	7,180	-11,385
Europe & Central Asia	7,347	67,110	1,084	35,614	1,893	9,592	89	588	4,281	21,315
Latin America & Carib.	13,195	41,087	8,192	36,533	101	12,869	2,464	3,376	2,439	-11,690
Middle East & N. Africa	319	4,848	741	4,756	-76	688	5	100	-350	-696
South Asia	2,129	11,143	536	5,163	147	-3,064	1	8,199	1,446	846
Sub-Saharan Africa	1,851	13,208	1,008	10,099	-31	4,559	393	698	482	-2,149
High income	..	..	170,610	420,998	..	..	..	..	..	..
Europe EMU	..	..	52,966	280,824	..	..	..	..	..	..

a. Includes Luxembourg.

## 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.

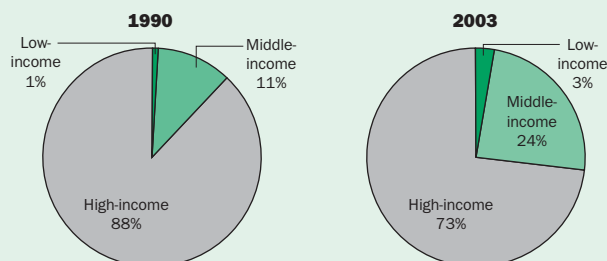
## Definitions

- 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.

## 6.7a

### More foreign direct investment for developing countries

Share of foreign direct investment



Although most foreign direct investment goes to high-income countries, the share going to developing countries, in particular to middle-income countries, continues to grow.

Source: World Bank's Debtor Reporting System and the IMF's *International Financial Statistics*.

## 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 2005.



## 6.8

## Net financial flows from Development Assistance Committee members

## Net flows to part I countries

	Official development assistance				Other official flows	Private flows					Net grants by NGOs	Total net flows
	Total 2003	Bilateral grants 2003	Bilateral loans 2003	Contributions to multilateral institutions 2003		Total 2003	Foreign direct investment 2003	Bilateral portfolio investment 2003	Multilateral portfolio investment 2003	Private export credits 2003		
\$ millions												
Australia	1,219	975	..	244	80	1,374	239	1,135	..	..	337	3,010
Austria	505	266	-37	276	44	824	765	..	..	59	71	1,445
Belgium	1,853	1,496	-27	385	955	-1,752	..	-33	..	-1,719	165	1,221
Canada	2,031	1,681	-333	683	-358	2,711	2,626	82	..	3	566	4,949
Denmark	1,748	1,144	-113	717	41	106	106	..	..	..	..	1,896
Finland	558	300	8	250	7	-622	78	-403	..	-297	13	-44
France	7,253	5,725	-511	2,040	2,806	-3,123	681	-1,460	..	-2,345	..	6,936
Germany	6,784	4,737	-678	2,724	-3,564	-519	1,237	-1,539	-465	249	1,008	3,709
Greece	362	228	..	134	..	33	33	..	..	..	8	403
Ireland	504	352	..	152	..	1,547	..	1,547	..	..	283	2,334
Italy	2,433	1,126	-65	1,372	-285	2,044	505	-106	..	1,644	27	4,218
Japan	8,880	4,443	1,891	2,545	-2,149	-731	7,016	-11,760	371	3,643	335	6,335
Luxembourg	194	150	..	44	..	..	..	..	..	..	7	201
Netherlands	3,981	3,084	-133	1,030	119	7,766	3,837	3,376	651	-98	300	12,167
New Zealand	165	129	..	36	3	21	21	..	..	..	18	208
Norway	2,042	1,455	7	580	0	1,264	1,199	0	..	65	..	3,306
Portugal	320	183	-1	137	-2	823	680	..	..	143	4	1,145
Spain	1,961	938	213	810	73	4,633	4,737	..	..	-104	..	6,667
Sweden	2,400	1,753	26	621	-15	-1,153	-337	0	..	-816	23	1,255
Switzerland	1,299	929	16	355	0	2,104	2,051	..	-1	54	280	3,684
United Kingdom	6,282	3,576	285	2,421	50	-1,016	-3,111	2,774	..	-679	389	5,705
United States	16,254	16,294	-1,701	1,661	1,068	14,147	14,298	-224	78	-6	6,326	37,795
Total	69,029	50,965	-1,153	19,217	-1,127	30,481	36,660	-6,611	635	-203	10,162	108,545

## Net flows to part II countries

	Official aid				Other official flows	Private flows					Net grants by NGOs	Total net flows
	Total 2003	Bilateral grants 2003	Bilateral loans 2003	Contributions to multilateral institutions 2003		Total 2003	Foreign direct investment 2003	Bilateral portfolio investment 2003	Private export credits 2003			
										2003		
\$ millions												
Australia	9	2	..	7	..	-1,582	1,219	-2,801	..	..	..	-1,573
Austria	245	162	0	84	-1	3,585	3,585	..	..	..	13	3,841
Belgium	163	14	14	134	-34	..	..	..	..	..	..	129
Canada	102	102	0	..	-41	3,422	3,172	250	..	..	..	3,483
Denmark	202	96	19	86	32	635	635	..	..	..	..	868
Finland	82	39	1	42	1	297	487	-168	..	-22	1	381
France	2,027	1,388	42	597	-109	8,906	1,740	8,005	..	-840	..	10,823
Germany	1,181	460	-75	796	-877	4,536	593	4,330	..	-387	100	4,940
Greece	81	21	..	60	..	464	464	..	..	..	..	546
Ireland	1	1	..	..	..	..	..	..	..	..	..	1
Italy	497	20	-5	481	-61	559	325	-26	..	261	0	995
Japan	-219	123	-422	79	-1,120	-2,641	1,955	-6,700	..	2,104	..	-3,980
Luxembourg	6	4	..	2	..	..	..	..	..	..	..	6
Netherlands	248	167	-19	100	..	..	..	..	..	..	..	248
New Zealand	1	1	..	0	..	..	..	..	..	..	..	1
Norway	50	48	..	2	1	409	416	..	..	-6	..	460
Portugal	51	0	..	51	-4	10	3	..	..	7	..	57
Spain	5	10	-5	..	..	1,439	1,439	..	..	..	..	1,445
Sweden	127	105	..	22	-20	627	577	0	..	49	..	733
Switzerland	77	64	2	11	1	1,147	1,160	..	..	-13	11	1,237
United Kingdom	698	73	0	626	..	14,943	5,425	9,489	..	29	5	15,646
United States	1,471	1,566	-165	70	-278	36,898	16,404	20,124	..	371	4,254	42,345
Total	7,106	4,467	-611	3,250	-2,512	73,654	39,599	32,502	..	1,553	4,385	82,633

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 postconflict peacekeeping efforts. Also included are contributions to multilateral institutions, such as the United Nations and its specialized agencies, and concessional funding to the multilateral development banks. In 1999, to avoid double counting extrabudgetary expenditures reported by DAC

countries and flows reported by the United Nations, all United Nations agencies revised their data to include only regular budgetary expenditures since 1990 (except for the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data from 1996 onward).

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

The data in the table were compiled from replies by DAC member countries to questionnaires issued by the DAC Secretariat. Net flows of ODA, official aid, and other official resources are defined as gross disbursements of grants and loans minus repayments of principal on earlier loans. Because the data are based on donor country reports, they do not provide a complete picture of the resources received by developing and transition economies, for two reasons. First, flows from DAC members are only part of the aggregate resource flows to these economies. Second, the data that record contributions to multilateral institutions measure the flow of resources made available to those institutions by DAC members, not the flow of resources from those institutions to developing and transition economies.

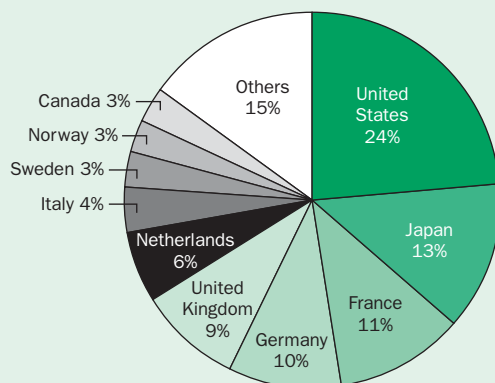
## Definitions

- 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 2003?

Official development assistance as share of total



The top ten donors contributed 85 percent of total official development assistance. The top four—United States, Japan, France, and Germany—contributed more than half.

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 <sup>a</sup>	
	\$ millions		% of GNI		average annual % change in volume <sup>b</sup> 1997–98 to 2002–03	Per capita of donor country <sup>b</sup> \$		% of general government disbursement		% of bilateral ODA commitments	
	1998	2003	1998	2003		1998	2003	1998	2003	1998	2003
Australia	960	1,219	0.27	0.25	2.0	49	50	0.72	0.66	92.8	67.2
Austria	459	505	0.22	0.20	1.9	51	51	0.40	0.39	68.6	51.4
Belgium	883	1,853	0.35	0.60	11.7	78	145	0.70	1.19	50.0	99.1
Canada	1,707	2,031	0.30	0.24	0.4	58	55	0.62	0.58	34.5	52.6
Denmark	1,704	1,748	0.99	0.84	0.1	295	265	1.72	1.47	81.4	71.5
Finland	396	558	0.31	0.35	5.6	70	89	0.58	0.68	78.6	85.8
France	5,742	7,253	0.40	0.41	1.4	87	100	0.74	0.76	66.8	93.1
Germany	5,581	6,784	0.26	0.28	1.8	59	68	0.53	0.58	86.5	94.6
Greece	179	362	0.15	0.21	11.8	16	26	0.31	0.44	..	93.8
Ireland	199	504	0.30	0.39	15.8	54	103	0.65	0.96	..	100.0
Italy	2,278	2,433	0.20	0.17	5.6	37	34	0.38	0.34	63.9	..
Japan	10,640	8,880	0.27	0.20	-1.2	82	66	0.75	0.55	93.6	96.1
Luxembourg	112	194	0.65	0.81	9.8	241	354	1.41	1.57	94.0	..
Netherlands	3,042	3,981	0.80	0.80	2.4	189	199	1.64	1.59	85.9	..
New Zealand	130	165	0.27	0.23	1.2	32	32	0.56	0.56	..	81.4
Norway	1,321	2,042	0.89	0.92	3.1	350	388	1.77	1.90	89.8	99.9
Portugal	259	320	0.24	0.22	2.8	26	25	0.52	0.45	82.6	93.7
Spain	1,376	1,961	0.24	0.23	5.2	34	37	0.57	0.59	26.6	55.8
Sweden	1,573	2,400	0.72	0.79	7.2	153	218	1.04	1.36	79.3	93.6
Switzerland	898	1,299	0.32	0.39	3.4	122	154	0.92	1.15	71.7	96.4
United Kingdom	3,864	6,282	0.27	0.34	7.4	65	95	0.68	0.82	79.6	100.0
United States	8,786	16,254	0.10	0.15	11.6	35	55	0.29	0.41	..	..
Total or average	52,087	69,029	0.23	0.25	4.4	60	70	0.57	0.61	81.4	92.0

## Net flows to part II countries

	Net official aid						
	\$ millions		% of GNI		average annual % change in volume <sup>b</sup> 1997–98 to 2002–03	Per capita of donor country <sup>b</sup> \$	
	1998	2003	1998	2003		1998	2003
Australia	1	9	0.00	0.00	77.6	0	0
Austria	191	245	0.09	0.10	3.7	21	25
Belgium	68	163	0.03	0.05	14.9	6	13
Canada	157	102	0.03	0.01	-9.0	5	3
Denmark	118	202	0.07	0.10	7.6	21	31
Finland	82	82	0.07	0.05	-0.5	14	13
France	823	2,027	0.06	0.11	20.3	13	28
Germany	654	1,181	0.03	0.05	8.9	7	12
Greece	15	81	0.01	0.05	29.2	1	6
Ireland	0	1	0.00	0.00	108.7	0	0
Italy	243	497	0.02	0.03	-2.1	4	7
Japan	132	-219	0.00	-0.01	-188.2	1	-2
Luxembourg	3	6	0.02	0.03	26.8	6	11
Netherlands	130	248	0.03	0.05	25.2	8	12
New Zealand	0	1	0.00	0.00	83.8	0	0
Norway	52	50	0.03	0.02	-6.2	14	10
Portugal	22	51	0.02	0.04	13.5	2	4
Spain	5	5	0.00	0.00	15.8	0	0
Sweden	105	127	0.05	0.04	-0.3	10	12
Switzerland	76	77	0.03	0.02	-1.9	10	9
United Kingdom	435	698	0.03	0.04	7.5	7	11
United States	2,726	1,471	0.03	0.01	-7.8	11	5
Total or average	6,040	7,106	0.03	0.03	1.9	7	7

a. Excluding administrative costs and technical cooperation. b. At 2002 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 (ODA) 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 2002 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 non-DAC donors

Donor	1999	2000	2001	2002	2003
<b>OECD members (non-DAC)</b>					
Czech Republic	15	16	26	45	91
Hungary	..	..	..	..	21
Iceland	8	9	10	13	18
Korea, Rep.	317	212	265	279	366
Poland	20	29	36	14	27
Slovak Republic	7	6	8	7	15
Turkey	120	82	64	73	67
<b>Arab countries</b>					
Kuwait	147	165	73	20	133
Saudi Arabia	185	295	490	2,478	2,391
United Arab Emirates	92	150	127	156	188
<b>Other donors</b>					
Israel <sup>a</sup>	114	164	76	114	92
Other donors <sup>b</sup>	0	1	2	3	4
<b>Total</b>	<b>1,026</b>	<b>1,128</b>	<b>1,178</b>	<b>3,201</b>	<b>3,411</b>

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, \$87.8 million in 2002, and \$68.8 million in 2003 for first-year sustenance expenses for people arriving from developing countries (many of which are experiencing civil war or severe unrest) or people who have left their country for humanitarian or political reasons. b. Includes Estonia, Latvia, and Lithuania.

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	
	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003
Afghanistan	154	1,533	6	..	..	..	..	..	..	..	..	..
Albania	269	342	87	108	9.5	5.4	60.0	22.0	28.3	13.1	35.0	..
Algeria	421	232	14	7	0.9	0.4	3.1	1.2	..	..	3.7	..
Angola	335	499	29	37	6.4	4.6	14.6	11.8	5.9	5.2	..	..
Argentina	84	109	2	3	0.0	0.1	0.1	0.6	0.2	0.4	..	..
Armenia	194	247	61	81	9.9	8.5	53.6	35.7	18.4	16.7	..	53.7
Australia												
Austria												
Azerbaijan	120	297	15	36	2.7	4.4	8.1	8.5	4.9	5.6	14.4	..
Bangladesh	1,158	1,393	9	10	2.5	2.5	12.1	11.5	14.2	12.3	..	29.7
Belarus	39	32	4	3	0.3	0.2	1.0	0.8	0.5	0.3	1.0	..
Belgium												
Benin	205	294	35	44	8.8	8.5	51.7	46.5	25.5	..	..	..
Bolivia	629	930	79	105	7.5	12.3	31.3	106.3	25.3	39.6	..	40.8
Bosnia and Herzegovina	905	539	240	130	19.6	7.4	58.8	38.8	22.1	9.2	..	..
Botswana	106	30	66	17	2.1	0.4	6.4	1.5	3.5	0.9	..	..
Brazil	335	296	2	2	0.0	0.1	0.2	0.3	0.3	0.3	0.2	..
Bulgaria	239	414	29	53	1.9	2.1	11.1	9.6	3.6	3.1	6.3	6.1
Burkina Faso	400	451	37	37	14.3	10.8	52.7	57.6	..	45.5	..	..
Burundi	67	224	10	31	7.7	39.0	87.5	246.1	38.0	115.8	34.1	..
Cambodia	337	508	28	38	11.1	12.5	91.9	54.1	22.6	15.8	..	..
Cameroon	499	884	35	55	6.1	7.5	32.7	41.7	..	..	..	..
Canada												
Central African Republic	120	50	33	13	11.7	4.2	84.6	23.0	..	..	..	..
Chad	168	247	23	29	9.7	10.6	47.7	17.2	..	..	..	..
Chile	107	76	7	5	0.1	0.1	0.5	0.4	0.4	0.3	..	0.6
China	2,456	1,325	2	1	0.3	0.1	0.7	0.2	1.3	0.3	..	..
Hong Kong, China	7	5	1	1	0.0	0.0	0.0	0.0	0.0	0.0	..	..
Colombia	169	802	4	18	0.2	1.1	0.9	6.7	0.8	3.9	..	4.5
Congo, Dem. Rep.	125	5,381	3	101	2.2	99.9	112.2	695.0	..	..	18.6	..
Congo, Rep.	66	70	20	19	4.4	2.6	12.6	8.6	3.8	4.5	8.8	..
Costa Rica	30	28	8	7	0.2	0.2	1.0	0.8	0.4	0.3	1.0	0.7
Côte d'Ivoire	967	252	64	15	8.0	1.9	56.7	18.4	18.3	4.3	..	..
Croatia	39	121	9	27	0.2	0.4	0.8	1.4	0.4	0.6	0.4	..
Cuba	80	70	7	6	..	..	..	..	..	..	..	..
Czech Republic	449	263	44	26	0.8	0.3	2.6	1.1	1.2	0.4	..	0.8
Denmark												
Dominican Republic	121	69	15	8	0.8	0.5	3.3	1.8	1.2	0.6	5.7	..
Ecuador	179	176	15	14	0.8	0.7	3.0	2.3	2.2	1.9	..	..
Egypt, Arab Rep.	1,955	894	32	13	2.3	1.1	11.3	6.3	8.8	4.4	..	..
El Salvador	181	192	30	29	1.5	1.3	8.6	7.9	3.8	2.7	..	73.1
Eritrea	167	307	43	70	19.2	34.2	69.4	182.5	23.8	54.6	..	..
Estonia	91	85	66	62	1.7	1.0	5.4	3.0	1.8	1.0	5.7	..
Ethiopia	660	1,504	11	22	10.2	22.8	59.1	110.6	35.1	56.1	54.6	..
Finland												
France												
Gabon	45	-11	37	-8	1.1	-0.2	2.6	-0.7	1.6	..	..	..
Gambia, The	39	60	32	42	9.7	16.2	50.4	78.7	..	..	..	..
Georgia	209	220	39	43	5.5	5.5	27.6	22.6	15.0	11.0	40.3	51.5
Germany												
Ghana	702	907	37	44	9.6	12.2	40.7	51.3	18.4	20.8	..	..
Greece												
Guatemala	233	247	22	20	1.2	1.0	6.9	6.0	4.4	3.2	12.8	7.9
Guinea	359	238	51	30	10.4	6.6	47.7	66.0	33.0	22.1	..	..
Guinea-Bissau	96	145	74	98	49.8	63.6	409.5	468.1	..	149.0	..	..
Haiti	407	200	53	24	10.8	6.9	42.0	22.0	38.7	14.4	..	..

	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	
	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003
Honduras	320	389	52	56	6.3	5.7	20.2	19.1	10.4	9.8	..	..
Hungary	240	248	24	25	0.5	0.3	1.8	1.2	0.7	0.4	..	0.7
India	1,610	942	2	1	0.4	0.2	1.8	0.7	2.5	0.9	2.6	1.0
Indonesia	1,266	1,743	6	8	1.4	0.9	7.9	5.2	2.3	2.7	9.9	..
Iran, Islamic Rep.	165	133	3	2	0.2	0.1	0.6	0.2	0.9	0.3	0.4	0.5
Iraq	116	2,265	5	92	..	..	..	..	..	..	..	..
Ireland												
Israel	1,066	440	179	66	1.1	0.4	4.6	2.4	2.5	0.9	..	..
Italy												
Jamaica	19	3	8	1	0.3	0.0	1.0	0.1	0.4	0.1	0.7	0.1
Japan												
Jordan	411	1,234	89	233	5.3	12.6	23.8	55.2	7.3	17.1	18.2	41.1
Kazakhstan	223	268	14	18	1.0	1.0	6.4	3.4	2.7	1.8	6.0	6.3
Kenya	415	483	14	15	3.6	3.4	20.8	26.0	10.5	11.1	..	..
Korea, Dem. Rep.	109	167	5	7	..	..	..	..	..	..	..	..
Korea, Rep.	-50	-458	-1	-10	0.0	-0.1	-0.1	-0.3	0.0	-0.2	-0.1	..
Kuwait	6	4	3	2	0.0	0.0	0.1	0.1	0.0	0.0	0.0	..
Kyrgyz Republic	240	198	50	39	15.3	10.7	94.2	64.0	23.4	22.3	72.0	..
Lao PDR	276	299	55	53	22.1	14.3	88.0	69.2	42.9	54.2	..	..
Latvia	98	114	41	49	1.5	1.0	6.1	3.6	2.4	1.7	4.7	3.7
Lebanon	241	228	57	51	1.4	1.3	5.1	7.2	3.3	2.7	..	..
Lesotho	61	79	36	44	5.4	5.7	14.6	23.3	5.9	7.6	..	19.8
Liberia	72	107	24	32	22.4	28.3	..	278.0	..	51.1	..	..
Libya	7	10	1	2	..	..	0.2	..	0.1	..	..	..
Lithuania	134	372	38	108	1.2	2.1	4.7	9.3	2.0	3.3	..	7.1
Macedonia, FYR	105	234	52	114	3.0	5.0	13.2	23.1	5.0	8.9	..	..
Madagascar	481	539	33	32	13.1	10.0	87.1	55.1	39.1	30.8	..	..
Malawi	435	498	44	45	25.6	29.8	186.0	358.0	61.2	72.7	..	..
Malaysia	208	109	9	4	0.3	0.1	1.1	0.5	0.3	0.1	1.7	0.5
Mali	347	528	34	45	13.6	12.7	64.0	52.1	36.8	34.8	..	..
Mauritania	165	243	66	85	17.1	20.9	87.1	49.5	32.6	..	..	..
Mauritius	42	-15	36	-12	1.0	-0.3	3.6	-1.3	1.5	-0.5	5.1	-1.3
Mexico	44	103	0	1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	..
Moldova	40	117	9	28	2.3	5.1	9.0	27.4	3.0	6.4	7.0	26.5
Mongolia	204	247	86	100	21.0	19.7	59.5	51.0	29.9	22.3	..	63.0
Morocco	530	523	19	17	1.5	1.2	6.7	5.0	4.2	3.1	5.4	..
Mozambique	1,040	1,033	61	55	28.4	25.1	110.9	85.7	78.8	51.7	..	..
Myanmar	72	126	2	3	..	..	..	..	2.5	4.3	..	..
Namibia	181	146	102	73	5.2	3.2	20.7	15.0	8.7	7.2	..	..
Nepal	402	467	18	19	8.3	8.0	33.3	30.9	27.5	23.2	..	..
Netherlands												
New Zealand												
Nicaragua	603	833	125	152	17.8	21.0	54.4	54.3	30.3	32.0	97.0	95.8
Niger	292	453	29	39	14.2	16.7	124.7	117.0	..	..	..	..
Nigeria	204	318	2	2	0.7	0.6	2.6	2.4	1.3	..	..	..
Norway												
Oman	44	45	19	17	0.3	..	1.3	..	0.6	0.5	1.0	..
Pakistan	1,053	1,068	8	7	1.7	1.3	9.6	7.8	7.3	6.0	9.2	7.5
Panama	22	30	8	10	0.2	0.3	0.7	0.9	0.2	0.3	1.0	..
Papua New Guinea	362	221	74	40	10.0	8.1	53.3	46.3	16.8	9.6	39.9	..
Paraguay	77	51	15	9	0.9	0.8	3.9	4.2	1.6	1.7	6.5	6.2
Peru	503	500	20	18	0.9	0.9	3.8	4.4	4.0	3.8	5.8	4.9
Philippines	618	737	8	9	0.9	0.9	4.7	4.9	1.5	1.7	..	..
Poland	876	1,191	23	31	0.5	0.6	2.1	3.0	1.6	1.4	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	
	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003
Romania	367	601	16	28	0.9	1.1	4.9	4.3	2.7	2.3	2.7	..
Russian Federation	1,078	1,255	7	9	0.4	0.3	2.7	1.4	1.2	1.0	..	1.3
Rwanda	350	332	48	39	17.7	20.0	118.8	100.3	79.8	67.3	..	..
Saudi Arabia	25	22	1	1	0.0	0.0	0.1	0.1	0.1	0.0	..	..
Senegal	501	450	55	44	10.9	7.0	54.5	34.5	26.5	15.6	..	..
Serbia and Montenegro	108	1,317	10	163	..	6.4	7.0	41.4	2.0	14.7	..	..
Sierra Leone	106	297	22	56	16.3	39.0	322.8	315.6	68.5	70.6	..	..
Singapore	2	7	0	2	0.0	0.0	0.0	0.1	0.0	0.0	0.0	..
Slovak Republic	155	160	29	30	0.7	0.5	2.1	1.9	1.0	0.6	..	1.3
Slovenia	42	66	21	33	0.2	0.2	0.8	0.9	0.4	0.4	0.6	0.5
Somalia	80	175	10	18	..	..	..	..	..	..	..	..
South Africa	514	625	12	14	0.4	0.4	2.3	2.3	1.4	1.3	1.3	1.4
Spain												
Sri Lanka	425	672	24	35	2.7	3.7	10.7	16.5	6.0	8.3	12.4	..
Sudan	209	621	7	19	2.0	3.8	10.6	17.0	10.8	14.6	27.5	..
Swaziland	35	27	35	24	2.6	1.4	11.4	7.6	2.4	1.5	..	..
Sweden												
Switzerland												
Syrian Arab Republic	155	160	10	9	1.1	0.8	4.7	3.2	2.7	2.2	..	..
Tajikistan	161	144	26	23	12.7	9.9	78.9	51.4	19.5	12.8	107.1	..
Tanzania	1,000	1,669	31	47	12.1	16.3	86.2	87.0	40.2	60.0	..	..
Thailand	704	-966	12	-16	0.7	-0.7	3.1	-2.7	1.3	-1.1	..	-4.4
Togo	128	45	30	9	8.4	2.6	49.2	13.5	16.7	4.6	..	..
Trinidad and Tobago	14	-2	11	-2	0.2	0.0	0.7	-0.1	0.4	0.0	..	..
Tunisia	150	306	16	31	0.8	1.3	2.8	4.9	1.5	2.3	2.8	4.4
Turkey	29	166	0	2	0.0	0.1	0.1	0.3	0.0	0.2	0.0	..
Turkmenistan	24	27	5	6	0.9	0.4	2.0	1.7	1.2	0.8	..	..
Uganda	647	959	29	38	9.9	15.6	61.0	73.7	33.1	48.8	..	..
Ukraine	465	323	9	7	1.1	0.7	5.3	3.2	2.3	1.1	..	..
United Arab Emirates	4	5	1	1	0.0	..	0.0	..	..	..	0.1	..
United Kingdom												
United States												
Uruguay	25	17	8	5	0.1	0.2	0.7	1.1	0.5	0.5	0.4	..
Uzbekistan	158	194	7	8	1.1	2.0	5.1	9.8	4.4	6.0	..	..
Venezuela, RB	42	82	2	3	0.0	0.1	0.2	1.0	0.2	0.5	0.2	0.4
Vietnam	1,177	1,769	15	22	4.4	4.5	14.9	12.9	8.2	6.3	..	..
West Bank and Gaza	607	972	222	289	12.0	25.3	36.4	1,123.3	..	..	..	..
Yemen, Rep.	370	243	22	13	6.0	2.4	18.2	13.1	10.9	4.4	19.8	..
Zambia	349	560	37	54	11.5	13.4	65.7	49.4	23.1	26.5	50.3	..
Zimbabwe	261	186	21	14	4.9	..	26.6	..	..	..	..	..
<b>World</b>	<b>58,299 s</b>	<b>77,453 s</b>	<b>10 w</b>	<b>12 w</b>	<b>0.2 w</b>	<b>0.2 w</b>	<b>0.9 w</b>	<b>.. w</b>	<b>0.7 w</b>	<b>0.7 w</b>	<b>.. w</b>	<b>.. w</b>
Low income	21,199	32,128	10	14	2.7	3.0	12.9	13.1	11.1	11.4	..	..
Middle income	22,875	26,455	8	9	0.5	0.4	1.8	1.7	1.5	1.2	..	..
Lower middle income	18,663	21,783	7	8	0.6	0.5	2.1	1.8	2.1	1.6	..	..
Upper middle income	3,588	3,779	11	11	0.2	0.2	1.0	1.0	0.6	0.5	..	..
Low & middle income	56,167	76,184	11	14	1.0	1.1	4.0	4.2	3.3	3.1	..	..
East Asia & Pacific	8,436	7,131	5	4	0.6	0.4	1.9	0.9	1.9	0.9	..	..
Europe & Central Asia	8,880	10,465	19	22	0.9	0.8	4.1	3.3	2.2	1.7	..	..
Latin America & Carib.	5,562	6,151	11	12	0.3	0.4	1.3	1.9	1.2	1.3	..	..
Middle East & N. Africa	5,356	7,629	19	24	0.9	1.0	4.0	4.2	3.3	3.5	..	..
South Asia	4,883	6,171	4	4	0.9	0.8	4.2	3.6	5.1	4.2	..	..
Sub-Saharan Africa	14,528	24,146	23	34	4.7	6.0	23.9	29.5	12.4	15.9	..	..
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. 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.

## 6.10a

## New directions for aid



Between 1998 and 2003, aid per capita increased in Europe and Central Asia, Middle East and North Africa, and Sub-Saharan Africa.

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 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.

	Ten major DAC donors											Other DAC donors \$ millions
	Total \$ millions	\$ millions										
		United States 2003	France 2003	Japan 2003	Germany 2003	United Kingdom 2003	Netherlands 2003	Sweden 2003	Norway 2003	Belgium 2003	Canada 2003	
Afghanistan	1,199.7	485.8	12.5	134.4	82.1	98.6	77.4	41.9	68.8	3.1	73.1	122.1
Albania	230.3	40.0	3.5	10.7	21.1	4.5	12.7	5.4	6.0	0.0	1.7	124.7
Algeria	168.8	3.2	125.0	0.1	0.1	0.8	1.5	1.4	3.4	4.2	1.9	27.1
Angola	372.2	152.9	14.3	33.1	13.5	13.8	21.1	14.0	24.2	2.8	5.6	77.0
Argentina	98.2	10.4	10.5	11.6	16.9	..	0.2	0.3	0.4	0.4	2.6	45.1
Armenia	127.4	74.2	3.0	7.0	13.9	3.2	9.9	1.6	3.4	..	0.9	10.3
Australia												
Austria												
Azerbaijan	158.5	49.3	1.3	79.8	13.6	0.3	3.9	0.3	5.4	..	1.1	3.6
Bangladesh	694.9	56.6	7.2	115.3	32.4	260.5	57.4	35.1	12.2	1.3	38.4	78.8
Belarus	20.1	-0.2	3.8	0.2	8.5	0.1	1.8	2.3	0.1	..	0.1	3.5
Belgium												
Benin	196.1	32.5	36.8	6.3	31.3	21.1	19.8	0.2	0.2	10.6	5.6	31.9
Bolivia	552.7	248.3	11.6	32.3	43.8	13.1	50.1	23.5	3.8	14.2	12.1	99.9
Bosnia and Herzegovina	331.2	68.7	2.1	54.0	21.8	12.6	25.2	35.4	21.6	0.7	7.3	81.9
Botswana	27.4	13.3	1.2	1.3	4.1	1.1	0.6	0.6	1.5	0.3	1.1	2.3
Brazil	184.3	-56.1	31.0	92.2	49.2	13.5	13.5	2.1	3.9	3.8	8.1	23.0
Bulgaria	226.1	44.6	19.8	25.2	89.6	3.9	6.0	0.2	0.8	0.2	2.1	33.8
Burkina Faso	265.7	14.1	66.0	10.6	28.8	0.1	39.4	10.7	0.2	12.5	11.4	71.9
Burundi	121.2	49.0	4.4	0.1	4.8	3.5	12.7	5.2	12.2	15.9	5.1	8.4
Cambodia	319.2	51.2	25.8	125.9	22.0	15.0	7.2	18.7	2.5	5.3	9.0	36.6
Cameroon	755.8	16.9	290.6	10.8	349.2	18.0	10.9	5.3	1.9	26.7	20.4	5.3
Canada												
Central African Republic	32.4	0.3	23.9	1.7	4.3	..	0.6	0.1	0.2	0.0	0.5	0.5
Chad	95.5	8.0	57.3	0.3	15.1	1.6	1.6	0.3	0.1	0.6	0.3	10.4
Chile	61.4	-3.0	12.9	7.1	31.0	0.4	1.3	0.8	0.6	3.5	2.8	4.1
China	1,139.5	25.6	74.3	759.7	152.2	47.4	16.8	6.1	11.9	-2.3	28.4	19.3
Hong Kong, China	5.0	0.5	0.8	2.0	0.0	..	1.0	..	..	0.1	..	0.6
Colombia	767.1	670.9	14.8	-7.2	19.3	2.8	12.3	8.6	9.3	1.6	5.7	29.0
Congo, Dem. Rep.	5,009.5	1,415.5	1,274.0	0.6	541.6	22.7	220.6	171.0	17.1	789.6	74.5	482.5
Congo, Rep.	33.9	4.8	18.1	0.1	0.9	4.0	2.7	3.0	0.7	0.5	0.2	-1.0
Costa Rica	31.0	-21.0	5.8	-4.2	8.6	19.3	6.9	1.4	..	0.4	3.0	10.8
Côte d'Ivoire	281.2	62.6	116.5	2.4	54.4	2.1	14.9	2.8	0.9	4.7	13.9	6.1
Croatia	80.3	46.0	3.2	1.0	-3.0	1.7	2.8	7.0	14.2	0.2	1.5	5.8
Cuba	59.3	10.2	3.1	5.8	4.7	-2.4	3.5	2.6	1.7	2.6	7.6	20.0
Czech Republic	43.2	1.6	9.7	1.8	18.5	0.5	1.7	0.1	0.2	0.6	0.7	8.0
Denmark												
Dominican Republic	60.4	-6.3	3.5	30.6	7.5	0.2	1.5	0.1	0.5	0.2	1.3	21.4
Ecuador	173.6	72.6	5.3	7.3	16.8	0.4	10.8	1.1	2.7	12.6	5.4	38.7
Egypt, Arab Rep.	775.1	441.8	100.0	21.7	98.4	3.5	9.6	0.9	0.7	-1.2	11.5	88.3
El Salvador	170.4	72.9	2.7	21.4	12.4	2.4	6.4	5.5	1.1	1.1	5.4	39.1
Eritrea	185.5	91.7	1.4	11.7	5.8	4.4	8.3	2.4	21.6	3.4	2.6	32.3
Estonia	22.9	0.6	1.4	0.4	3.7	0.1	0.2	2.7	0.5	0.1	0.7	12.5
Ethiopia	1,033.3	567.8	15.6	56.5	47.6	62.9	57.2	28.6	37.2	8.0	38.0	113.9
Finland												
France												
Gabon	-41.2	3.5	-48.9	1.8	0.7	..	0.2	..	..	0.1	1.2	0.2
Gambia, The	19.7	3.8	0.4	8.9	2.1	0.9	0.4	0.3	0.3	0.3	0.7	1.7
Georgia	163.9	75.0	2.6	16.4	31.7	3.4	5.0	2.4	5.0	0.4	3.0	19.1
Germany												
Ghana	478.7	83.9	18.2	29.8	46.8	131.3	65.8	0.4	0.6	0.2	20.6	81.2
Greece												
Guatemala	216.0	67.9	1.7	37.4	19.0	0.2	17.0	11.8	12.4	3.0	9.7	36.0
Guinea	134.6	44.4	29.6	20.8	16.9	2.1	4.2	0.9	3.4	1.2	8.9	2.2
Guinea-Bissau	97.6	2.4	3.6	0.1	0.3	..	5.1	2.3	0.1	1.7	0.3	81.7
Haiti	153.2	94.7	19.5	4.7	3.2	0.3	4.5	0.4	2.0	2.4	15.8	5.6

# Distribution of net aid by Development Assistance Committee members

	Ten major DAC donors												Other DAC donors \$ millions
	Total \$ millions	\$ millions										Canada	
		United States	France	Japan	Germany	United Kingdom	Netherlands	Sweden	Norway	Belgium	2003		
2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	
Honduras	235.5	70.1	1.2	32.0	17.1	5.2	6.5	13.5	1.6	0.6	12.7	75.0	
Hungary	54.5	1.5	9.6	6.6	22.1	0.7	1.1	0.4	0.4	0.4	0.6	11.2	
India	384.3	36.0	-15.4	325.8	3.5	329.9	43.1	18.4	8.1	3.8	-281.5	-87.5	
Indonesia	1,550.7	210.9	57.0	1,141.8	-91.1	7.4	76.9	5.9	6.6	1.4	21.6	112.3	
Iran, Islamic Rep.	102.1	0.5	9.5	11.3	38.8	1.1	7.7	0.4	9.7	4.4	0.9	17.9	
Iraq	2,095.0	1,549.3	12.1	3.1	35.9	180.0	73.3	12.1	58.7	-0.2	47.9	122.7	
Ireland													
Israel	437.8	462.5	6.4	0.7	-36.8	..	1.1	..	..	0.1	0.0	3.8	
Italy													
Jamaica	1.1	1.2	-0.6	-11.4	-2.7	8.5	-2.3	0.4	0.5	2.1	8.6	-3.1	
Japan													
Jordan	1,092.2	948.4	2.3	48.3	50.4	3.9	0.4	1.3	1.5	0.9	3.3	31.5	
Kazakhstan	228.0	47.8	1.7	136.3	16.4	1.9	2.5	0.5	1.5	..	0.8	18.6	
Kenya	320.3	111.2	20.5	-6.6	35.4	79.4	7.7	25.6	10.3	6.4	8.0	22.5	
Korea, Dem. Rep.	114.8	42.9	-0.4	..	7.2	37.2	0.8	4.9	4.4	..	5.0	12.8	
Korea, Rep.	-459.8	-44.4	13.9	-438.6	8.1	..	0.1	..	..	..	..	1.0	
Kuwait	1.7	..	1.5	0.1	0.1	..	..	..	..	..	..	0.0	
Kyrgyz Republic	112.6	40.1	0.7	31.2	14.8	7.1	4.8	1.0	3.1	..	0.4	9.5	
Lao PDR	188.8	6.8	18.5	86.0	15.9	0.3	0.9	22.7	4.1	4.1	1.7	28.0	
Latvia	34.8	1.5	3.5	1.2	5.8	0.1	0.8	6.6	0.7	0.0	0.8	13.8	
Lebanon	118.8	29.6	46.8	13.5	8.9	0.3	0.6	1.1	6.0	..	2.1	9.9	
Lesotho	32.9	2.7	-0.8	4.0	6.2	5.1	0.1	0.0	0.3	..	0.7	14.5	
Liberia	70.3	30.2	1.3	..	-3.2	7.6	9.0	5.1	9.0	0.2	1.8	9.3	
Libya	5.4	..	2.2	0.3	2.4	..	..	..	..	..	..	0.5	
Lithuania	36.3	-1.6	2.7	2.5	9.8	0.1	0.9	8.8	0.6	0.1	0.4	11.9	
Macedonia, FYR	179.3	69.8	2.0	4.8	26.7	2.2	31.5	6.0	11.5	..	1.2	23.6	
Madagascar	224.9	43.2	128.1	9.7	16.4	5.1	0.6	0.2	6.2	1.3	1.8	12.4	
Malawi	313.7	59.5	2.8	31.4	29.4	111.1	7.3	13.9	28.2	2.0	16.7	11.4	
Malaysia	104.5	2.6	-3.5	79.2	6.3	0.5	0.1	0.0	1.4	0.1	0.5	17.4	
Mali	271.9	56.0	69.9	14.1	23.5	0.2	42.6	11.5	7.5	4.5	25.2	17.0	
Mauritania	136.1	27.7	45.5	23.9	10.3	1.6	0.6	1.1	0.8	1.4	2.2	21.0	
Mauritius	-17.7	0.2	-20.5	2.9	-0.4	-1.2	0.0	0.0	..	0.4	0.3	0.6	
Mexico	73.6	57.5	5.3	11.3	22.7	-3.6	0.0	0.5	0.1	0.4	5.0	-25.4	
Moldova	80.4	41.7	2.7	4.3	5.5	5.3	4.9	4.6	2.3	0.0	0.5	8.6	
Mongolia	148.0	16.1	1.8	67.3	29.9	-0.3	5.4	10.6	2.5	0.0	1.2	13.5	
Morocco	335.6	-9.8	205.0	64.8	15.7	..	1.8	0.7	0.4	10.0	4.7	42.3	
Mozambique	696.5	135.4	16.6	35.3	37.9	63.4	46.7	56.5	54.1	8.7	26.7	215.2	
Myanmar	83.4	5.6	1.2	43.1	2.4	11.1	0.6	2.2	5.1	..	1.4	10.7	
Namibia	110.3	29.2	2.9	0.8	31.8	2.9	2.9	9.8	3.8	1.8	0.6	23.7	
Nepal	320.4	37.8	-0.9	60.6	63.1	53.1	9.9	1.2	20.2	1.9	6.1	67.4	
Netherlands													
New Zealand													
Nicaragua	521.8	69.6	26.3	24.4	128.6	2.7	22.3	35.9	12.7	1.9	8.5	188.9	
Niger	244.5	16.1	155.9	13.7	14.9	0.4	3.7	0.1	1.9	10.6	6.8	20.5	
Nigeria	199.8	98.7	8.0	6.4	10.3	42.6	7.0	1.3	4.5	0.7	12.4	8.0	
Norway													
Oman	10.5	-5.6	0.7	2.7	0.1	..	..	..	..	12.5	..	0.2	
Pakistan	536.3	102.3	11.7	266.2	-4.7	112.1	6.9	1.6	10.0	0.1	13.3	16.9	
Panama	31.3	10.5	0.7	8.4	1.8	0.1	0.2	..	..	0.1	1.1	8.5	
Papua New Guinea	218.8	..	0.3	-3.1	2.5	..	1.0	0.1	0.2	..	0.4	217.6	
Paraguay	55.4	12.2	0.9	20.2	4.9	-0.4	1.4	1.3	0.7	0.0	1.6	12.6	
Peru	447.7	204.4	9.0	104.9	24.3	2.7	15.7	3.5	9.0	6.5	11.1	56.8	
Philippines	703.8	55.3	-5.7	528.8	27.8	0.6	16.3	2.2	1.9	4.4	15.6	56.7	
Poland	439.5	0.9	203.9	-3.6	64.0	0.5	2.5	3.9	1.0	0.8	61.0	104.6	
Portugal													
Puerto Rico													

	Ten major DAC donors											Other DAC donors \$ millions
	Total \$ millions	\$ millions										
		United States 2003	France 2003	Japan 2003	Germany 2003	United Kingdom 2003	Netherlands 2003	Sweden 2003	Norway 2003	Belgium 2003	Canada 2003	
Romania	239.9	40.9	30.9	70.9	46.5	8.5	6.1	0.8	0.5	1.0	2.4	31.4
Russian Federation	993.9	643.8	34.6	4.9	82.6	37.9	11.1	40.3	30.5	0.1	17.0	91.3
Rwanda	213.4	52.6	7.9	0.7	13.9	42.9	23.0	13.1	8.0	20.7	10.8	19.9
Saudi Arabia	9.9	0.1	4.6	4.4	0.9	..	..	..	0.1	-0.2	..	0.1
Senegal	314.4	48.1	119.5	28.7	20.5	0.7	12.8	0.3	1.3	15.0	17.6	50.0
Serbia and Montenegro	852.7	209.7	207.9	12.1	116.8	13.7	25.3	34.9	43.8	4.0	10.5	174.1
Sierra Leone	208.3	58.8	1.4	3.7	12.4	54.9	20.6	3.8	5.2	8.0	2.8	36.7
Singapore	7.0	..	2.2	2.0	2.2	0.1	..	..	..	..	..	0.5
Slovak Republic	49.7	3.9	4.9	11.1	9.4	2.6	1.8	0.1	0.5	0.3	1.2	14.0
Slovenia	2.7	0.6	1.4	0.2	-2.4	..	..	0.1	0.0	..	0.1	2.7
Somalia	113.6	33.8	0.8	..	2.6	3.5	10.3	6.6	40.0	..	1.0	15.0
South Africa	477.1	106.2	20.2	17.6	41.2	122.9	29.4	23.8	15.6	13.3	13.1	73.9
Spain												
Sri Lanka	271.0	-8.6	-1.3	172.3	16.3	9.3	21.5	13.5	28.6	0.1	5.8	13.5
Sudan	332.0	175.4	4.0	1.5	15.5	33.0	21.0	12.7	33.3	0.2	6.3	29.2
Swaziland	12.7	1.0	0.0	5.0	-2.1	1.4	0.2	0.1	0.4	..	0.4	6.3
Sweden												
Switzerland												
Syrian Arab Republic	28.8	0.1	20.0	-6.6	-0.6	0.0	5.3	0.8	2.0	0.2	0.0	7.8
Tajikistan	80.3	47.1	0.2	4.8	4.7	1.1	1.1	1.8	1.9	..	2.5	15.3
Tanzania	965.6	75.2	1.6	74.5	98.5	285.5	95.7	66.2	67.4	8.8	34.3	158.0
Thailand	-984.4	27.1	-4.1	-1,002.2	-13.0	-27.8	5.6	4.8	-1.4	-0.2	3.1	23.8
Togo	46.3	5.5	21.2	0.3	11.8	0.4	1.5	0.2	0.3	1.1	1.8	2.2
Trinidad and Tobago	5.1	0.2	1.1	2.2	0.3	0.3	..	..	..	..	1.0	0.1
Tunisia	207.7	-17.2	107.6	85.5	11.7	..	-3.4	0.6	0.1	1.1	1.9	19.9
Turkey	19.5	-43.4	8.2	1.0	-11.4	-1.9	5.0	1.5	7.3	-4.1	-2.7	59.9
Turkmenistan	16.7	6.5	0.4	6.8	1.0	0.7	0.1	..	0.1	..	0.4	0.9
Uganda	587.3	174.0	4.7	9.5	26.7	104.7	57.7	32.9	38.4	6.6	6.7	125.3
Ukraine	216.9	104.9	8.1	1.8	41.5	11.7	2.8	7.3	0.2	0.0	15.0	23.6
United Arab Emirates	4.9	0.2	3.4	0.2	1.1	0.1	..	..	..	..	..	0.0
United Kingdom												
United States												
Uruguay	7.7	-1.9	2.0	2.1	2.2	..	0.0	0.2	..	0.1	1.3	1.7
Uzbekistan	167.5	68.4	2.3	63.2	19.0	0.6	1.1	0.1	1.1	..	0.5	11.1
Venezuela, RB	64.2	12.0	6.4	3.5	2.9	0.1	0.1	0.0	0.2	0.5	2.1	36.3
Vietnam	967.7	33.7	99.0	484.2	61.7	34.6	38.8	20.9	11.5	11.7	23.2	148.4
West Bank and Gaza	490.8	194.1	22.2	4.5	35.3	31.1	13.1	35.2	53.5	..	8.8	93.0
Yemen, Rep.	126.2	22.7	4.1	24.5	33.0	2.9	28.4	0.3	0.3	0.1	0.5	9.4
Zambia	591.7	63.6	2.1	28.3	233.2	65.9	34.8	20.0	35.6	3.3	17.5	87.4
Zimbabwe	160.7	35.0	5.2	5.0	11.6	58.9	6.7	10.1	6.9	2.8	7.1	11.6
<b>World</b>	<b>53,667.8 s</b>	<b>15,995.0 s</b>	<b>6,643.3 s</b>	<b>6,036.0 s</b>	<b>4,445.0 s</b>	<b>3,933.8 s</b>	<b>3,098.7 s</b>	<b>1,884.8 s</b>	<b>1,510.2 s</b>	<b>1,496.7 s</b>	<b>1,450.0 s</b>	<b>7,174.5 s</b>
Low income	21,865.0	5,136.5	2,822.9	2,348.3	2,329.8	2,214.7	1,217.1	757.0	660.7	1,018.6	342.9	3,016.7
Middle income	18,365.3	6,846.5	1,855.2	2,964.2	1,480.0	627.6	613.1	385.3	446.9	119.7	442.8	2,584.3
Lower middle income	16,034.0	6,527.9	1,247.2	2,744.2	1,187.7	542.8	572.4	332.5	382.3	90.3	328.5	2,078.2
Upper middle income	1,654.4	177.4	438.8	199.3	239.2	83.5	22.6	34.6	28.4	21.0	94.5	315.3
Low & middle income	52,564.1	15,551.9	5,643.2	6,468.7	4,464.1	3,933.4	2,999.4	1,884.7	1,509.7	1,496.2	1,449.9	7,163.0
East Asia & Pacific	5,294.9	685.3	373.2	2,380.3	228.6	113.3	173.7	104.6	57.8	26.7	120.7	1,030.8
Europe & Central Asia	5,492.8	1,683.1	654.0	572.7	694.5	128.5	185.2	207.9	188.9	15.1	131.4	1,031.7
Latin America & Carib.	4,590.4	1,798.0	213.2	463.9	473.3	153.4	195.0	139.4	75.0	67.9	175.9	835.6
Middle East & N. Africa	5,704.7	3,183.3	735.1	286.4	336.1	223.9	138.7	57.2	137.3	31.7	85.9	489.2
South Asia	3,467.4	711.0	13.9	1,097.0	194.2	863.8	221.8	112.2	149.2	10.2	-143.8	237.9
Sub-Saharan Africa	17,566.1	4,638.5	2,992.3	523.4	1,931.8	1,486.2	1,016.9	678.5	576.3	1,039.2	495.6	2,187.5
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 aid to unspecified economies that is recorded only at the regional or global level. Aid to countries and territories not shown in the table has been assigned to regional totals based on the World Bank's regional classification system. Aid to unspecified economies has been included in regional totals and, when possible, in income group totals. Aid not allocated by country or region—including administrative costs, research on development issues, and

aid to nongovernmental organizations—is included in the world total; thus regional and income group totals do not sum to the world total.

In 1999 all United Nations agencies revised their data 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 extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations.

The data in the table are based on donor country reports of bilateral programs, which may differ from reports by recipient countries. Recipients may lack access to information on such aid expenditures as

development-oriented research, stipends and tuition costs for aid-financed students in donor countries, and 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.

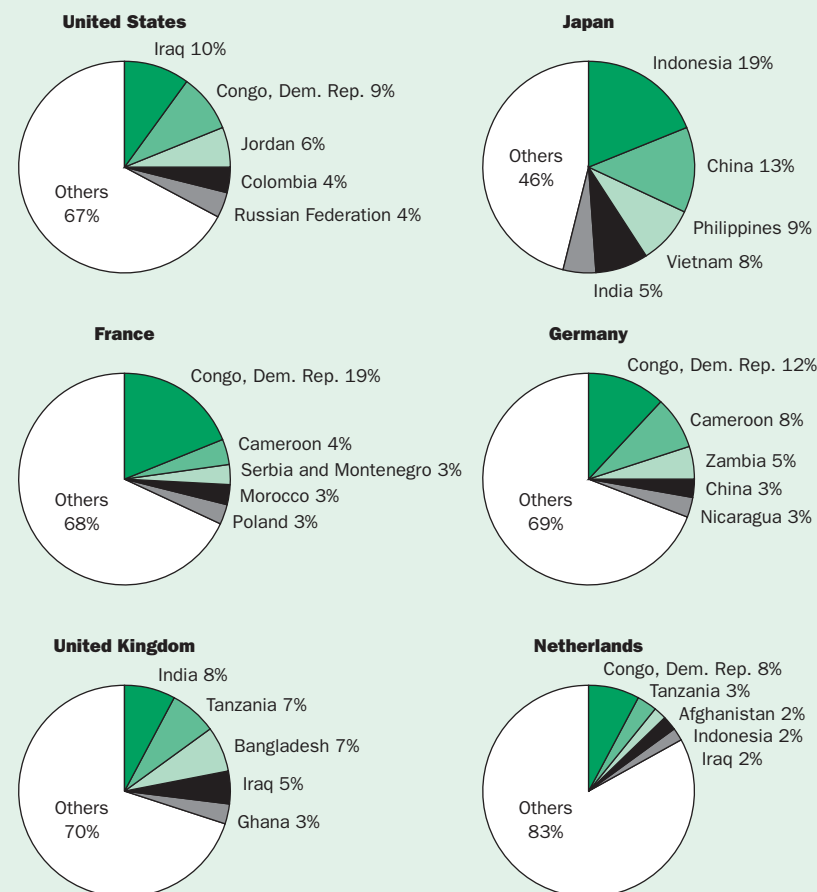
The expenditures that countries report as official development assistance (ODA) have changed. For example, some DAC members have reported as ODA the aid provided to refugees during the first 12 months of their stay within the donor's borders.

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

The flow of aid from DAC members reflects global events and priorities

Total bilateral aid, 2003



This figure shows the distribution of aid from the top six donors to their top five recipients in 2003. The Democratic Republic of Congo and Iraq appeared for the first time among the largest recipients.

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, Denmark, 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 [www.oecd.org/dataoecd/50/17/5037721.htm](http://www.oecd.org/dataoecd/50/17/5037721.htm).



	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks			UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
	IDA	IBRD	Conces-sional	Non-concessional	Conces-sional	Non-concessional	Others						
2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	
Afghanistan	..	..	..	..	..	..	0.6	6.0	14.5	1.5	9.0	31.7	
Albania	59.4	0.0	1.7	0.0	0.0	10.9	26.0	1.6	0.3	0.7	2.3	2.3	105.1
Algeria	0.0	-151.9	0.0	-438.8	0.0	51.2	115.8	1.0	0.8	1.2	3.6	6.0	-411.1
Angola	1.3	0.0	0.0	0.0	-0.1	-2.4	4.3	3.8	2.0	10.3	28.1	10.5	57.8
Argentina	0.0	-1,005.2	0.0	-141.7	0.0	299.8	0.0	0.2	0.2	0.3	..	4.7	-841.7
Armenia	77.4	-0.5	11.5	-9.8	0.0	-7.6	-3.3	0.8	0.4	0.7	1.1	3.3	73.9
Australia													
Austria													
Azerbaijan	74.7	0.0	20.5	-63.3	0.0	-4.7	7.4	2.5	0.6	0.9	1.9	3.0	43.3
Bangladesh	394.7	-6.3	66.0	-69.4	94.4	20.5	22.0	15.9	22.3	10.9	16.1	12.0	599.0
Belarus	0.0	-14.3	0.0	-32.7	0.0	-13.9	-6.9	0.4	0.2	0.7	..	1.2	-65.3
Belgium													
Benin	23.5	0.0	-0.5	0.0	9.5	-0.4	8.6	5.0	1.7	1.8	2.5	2.8	54.5
Bolivia	136.4	0.0	-19.0	90.0	176.4	-61.9	281.8	1.8	2.2	1.2	2.6	2.6	614.2
Bosnia and Herzegovina	48.2	-24.1	0.0	-17.2	0.0	-1.3	32.6	1.6	0.4	0.6	..	13.4	54.1
Botswana	-0.5	-3.0	0.0	0.0	-1.8	-5.8	-8.4	0.5	1.7	1.3	..	3.6	-12.5
Brazil	0.0	-342.0	0.0	5,227.1	0.0	-779.6	4.0	1.0	0.7	1.1	..	105.7	4,217.9
Bulgaria	0.0	134.6	0.0	38.3	0.0	-6.0	18.8	0.7	0.2	..	..	2.3	188.9
Burkina Faso	52.3	0.0	1.4	0.0	34.2	-0.2	5.5	5.9	1.7	5.5	4.2	4.0	114.5
Burundi	26.9	0.0	0.0	13.5	-0.9	-0.6	-2.1	6.0	1.2	4.0	6.8	9.9	64.6
Cambodia	62.6	0.0	-0.1	-1.5	58.2	0.0	6.2	4.2	3.8	3.3	3.1	4.5	144.3
Cameroon	29.2	-0.1	10.9	0.0	9.5	-13.5	11.0	2.1	2.4	2.6	2.0	4.2	60.2
Canada													
Central African Republic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	2.2	1.8	2.1	4.5	12.7
Chad	92.0	21.6	-6.1	0.0	11.1	0.0	-3.8	5.2	1.9	2.9	4.3	2.7	131.8
Chile	-0.7	-135.2	0.0	0.0	-2.1	80.1	-0.3	0.2	0.1	0.6	..	1.9	-55.4
China	-6.3	-837.4	0.0	0.0	0.0	-1,347.8	49.7	8.6	4.9	12.0	10.8	11.8	-2,093.7
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	-0.7	775.5	0.0	0.0	-13.9	1,249.9	159.2	1.1	0.4	0.9	0.6	8.0	2,181.1
Congo, Dem. Rep.	147.4	0.0	74.7	0.0	-4.0	0.0	-0.9	8.9	3.2	17.5	11.5	26.7	284.9
Congo, Rep.	21.5	-6.4	-3.9	-3.8	-0.2	-13.4	-1.4	1.9	0.7	1.9	0.2	8.4	5.5
Costa Rica	-0.2	-11.6	0.0	0.0	-12.5	7.8	159.6	0.4	0.3	0.6	..	2.4	146.8
Côte d'Ivoire	43.7	-82.1	-105.0	0.0	0.4	0.6	-4.6	4.4	1.1	4.7	1.9	10.4	-124.5
Croatia	0.0	112.6	0.0	0.0	0.0	54.7	75.4	0.2	..	0.2	..	7.8	250.9
Cuba	..	..	..	..	..	..	..	0.6	0.5	0.7	2.3	2.3	6.4
Czech Republic	0.0	-134.9	0.0	0.0	0.0	-1.2	333.2	0.1	..	..	..	1.5	198.7
Denmark													
Dominican Republic	-0.7	-1.2	0.0	94.7	-18.3	120.9	2.1	0.3	0.6	0.8	0.4	1.2	200.9
Ecuador	-1.1	59.3	0.0	49.8	-25.1	42.2	129.6	0.0	1.3	0.9	1.9	4.4	263.2
Egypt, Arab Rep.	-3.9	-48.0	0.0	0.0	9.7	-48.9	81.5	1.2	1.9	2.5	3.9	7.7	7.6
El Salvador	-0.8	1.0	0.0	0.0	-21.9	42.8	61.4	0.4	0.9	0.6	0.1	1.6	86.1
Eritrea	58.5	0.0	0.0	0.0	10.0	0.0	0.0	3.3	1.6	1.9	3.4	16.4	96.0
Estonia	0.0	1.9	0.0	0.0	0.0	0.0	1.8	0.1	0.0	..	0.1	0.7	4.6
Ethiopia	195.5	0.0	6.2	0.0	13.6	-3.4	10.6	10.7	4.5	14.6	15.2	23.2	290.6
Finland													
France													
Gabon	0.0	-3.2	0.0	-14.1	-0.2	-49.4	1.4	0.1	0.2	0.7	..	4.8	-59.8
Gambia, The	10.4	0.0	0.0	0.0	16.3	0.0	3.1	2.3	0.5	0.7	1.2	2.6	37.0
Georgia	43.5	0.0	-31.1	-16.2	0.0	-6.2	1.1	1.5	0.4	0.8	0.5	4.5	-1.2
Germany													
Ghana	190.3	-1.9	71.5	0.0	62.8	4.3	-12.2	3.6	4.0	3.6	1.1	5.9	332.8
Greece													
Guatemala	0.0	27.1	0.0	0.0	-15.5	12.6	-0.2	0.6	10.3	0.8	2.5	1.3	39.6
Guinea	26.3	0.0	-12.6	0.0	13.0	1.9	-27.5	1.0	1.0	3.1	3.3	23.6	33.0
Guinea-Bissau	11.6	0.0	-2.6	-2.2	7.4	0.0	-1.3	2.4	0.4	1.0	1.2	2.1	20.0
Haiti	0.0	0.0	-4.2	-10.4	15.1	0.0	-0.2	3.0	1.5	2.6	6.0	2.0	15.5

# Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks			UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others						
2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	
Honduras	35.8	-20.6	-7.6	-33.2	69.3	-21.6	1.3	0.8	1.7	1.1	1.9	2.1	31.1
Hungary	0.0	-280.5	0.0	0.0	0.0	-173.9	36.1	0.2	..	..	..	2.5	-415.6
India	242.8	-1,089.2	0.0	0.0	0.0	-866.9	-25.9	19.5	6.8	26.3	2.5	26.3	-1,657.7
Indonesia	63.8	-950.0	0.0	555.3	36.4	-38.1	-33.8	5.9	4.5	5.6	0.0	16.4	-334.0
Iran, Islamic Rep.	0.0	-49.3	0.0	0.0	0.0	0.0	-1.6	0.8	2.3	2.3	1.2	17.8	-26.6
Iraq	..	..	..	..	..	..	..	1.6	0.4	3.9	0.5	18.5	24.9
Ireland													
Israel	..	..	..	..	..	..	..	..	..	..	..	0.2	..
Italy													
Jamaica	0.0	-31.4	0.0	-16.0	-5.2	-22.9	9.4	0.5	0.1	0.7	..	1.5	-63.5
Japan													
Jordan	-2.6	-30.0	0.0	-99.9	0.0	0.0	-26.4	0.5	0.3	0.7	1.3	91.9	-64.1
Kazakhstan	0.0	-4.1	0.0	0.0	0.0	41.9	-8.8	0.6	0.5	1.0	..	1.7	32.9
Kenya	74.3	-7.7	15.3	0.0	-2.7	-8.7	-41.3	6.3	2.2	6.8	11.6	28.7	84.8
Korea, Dem. Rep.	..	..	..	..	..	..	..	1.6	0.6	2.5	3.2	3.1	11.0
Korea, Rep.	..	..	..	..	..	..	..	-0.1	..	..	..	2.1	..
Kuwait	..	..	..	..	..	..	..	..	..	..	..	0.3	..
Kyrgyz Republic	31.9	0.0	3.1	-5.6	25.7	-10.7	5.0	1.6	0.6	1.0	..	1.7	54.3
Lao PDR	41.7	0.0	-2.7	0.0	47.3	0.0	-1.1	2.1	1.2	1.5	2.1	2.0	94.1
Latvia	0.0	-106.1	0.0	-10.7	0.0	0.2	46.0	0.3	0.1	..	..	0.3	-70.0
Lebanon	0.0	22.7	0.0	0.0	0.0	0.0	569.7	0.5	0.5	0.7	..	55.2	649.3
Lesotho	11.6	-18.6	2.4	0.0	0.6	-1.6	-1.4	0.6	0.4	1.2	2.4	1.6	-0.8
Liberia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.6	5.4	6.5	8.2	21.7
Libya	..	..	..	..	..	..	..	..	..	..	..	4.5	..
Lithuania	0.0	-20.0	0.0	-82.6	0.0	3.3	15.8	0.3	0.1	..	..	0.4	-82.8
Macedonia, FYR	32.9	18.2	-6.4	1.4	0.0	-3.7	11.3	1.2	..	0.6	0.1	5.1	60.7
Madagascar	186.0	0.0	12.3	0.0	11.0	-1.6	-0.9	4.9	2.1	4.7	4.7	4.1	227.3
Malawi	46.8	-1.7	1.4	0.0	23.3	-0.2	0.0	4.6	3.2	5.0	4.2	3.8	90.3
Malaysia	0.0	-10.7	0.0	0.0	0.0	-57.6	-2.3	0.4	0.2	0.5	..	2.3	-67.2
Mali	90.3	0.0	-0.2	0.0	41.3	0.0	15.5	3.8	2.0	5.1	3.8	3.8	165.4
Mauritania	40.8	0.0	-6.8	0.0	14.6	18.7	27.4	2.1	1.4	1.2	8.6	3.3	111.4
Mauritius	-0.6	-12.7	0.0	0.0	-0.1	-6.7	-0.4	0.2	0.1	0.5	..	1.2	-18.6
Mexico	0.0	-79.8	0.0	0.0	0.0	224.6	0.1	0.7	2.5	0.7	..	8.1	156.9
Moldova	15.7	-9.1	0.0	-22.1	0.0	-10.2	-11.1	1.0	0.2	0.7	..	2.2	-32.8
Mongolia	27.9	0.0	2.8	0.0	38.3	0.0	4.6	1.0	1.5	0.9	..	2.9	79.9
Morocco	-1.4	-162.9	0.0	0.0	0.7	-467.7	92.5	0.9	2.1	1.4	0.4	3.7	-530.4
Mozambique	153.8	0.0	3.1	0.0	27.4	-1.2	9.1	8.9	9.0	7.8	8.8	6.6	233.4
Myanmar	0.0	0.0	0.0	0.0	0.0	0.0	-1.4	5.8	1.7	7.2	1.1	8.8	23.1
Namibia	..	..	..	..	..	..	..	0.1	0.8	0.8	1.2	7.1	10.0
Nepal	79.3	0.0	6.9	0.0	-11.4	0.0	-2.8	5.4	2.8	4.2	6.3	12.6	103.3
Netherlands													
New Zealand													
Nicaragua	112.2	0.0	23.9	0.0	91.4	-1.2	2.9	2.3	2.1	0.7	1.7	1.7	237.7
Niger	71.8	0.0	18.4	0.0	34.5	0.0	5.7	5.7	3.1	6.6	1.9	3.9	151.6
Nigeria	46.1	-202.7	0.0	0.0	0.4	-14.0	0.0	4.8	6.6	21.3	..	17.0	-120.4
Norway													
Oman	0.0	0.0	0.0	0.0	0.0	0.0	-46.5	..	0.0	0.5	..	1.7	-44.3
Pakistan	29.4	-240.9	390.5	-497.7	28.9	155.9	-101.5	7.4	4.9	12.7	11.3	30.8	-168.4
Panama	0.0	-18.8	0.0	-9.3	-10.7	50.4	-0.4	0.4	0.4	0.6	..	3.4	16.0
Papua New Guinea	-3.6	-14.9	0.0	-5.2	-1.9	-3.4	-4.1	0.9	0.4	1.1	..	2.0	-28.7
Paraguay	-1.6	22.9	0.0	0.0	-16.2	41.2	-2.3	0.3	0.7	0.8	..	0.7	46.5
Peru	0.0	180.4	0.0	-112.3	-9.9	-63.9	147.9	0.7	1.6	0.9	1.9	9.7	156.9
Philippines	-6.2	-136.9	0.0	-607.6	-9.3	6.9	6.2	2.0	3.7	2.6	..	4.4	-734.1
Poland	0.0	-209.2	0.0	0.0	0.0	0.0	0.0	0.5	0.1	..	..	1.0	-207.7
Portugal													
Puerto Rico													



	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks			UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others						
2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	
Romania	0.0	-13.8	0.0	119.9	2.8	-47.4	315.0	0.5	0.5	0.7	..	1.9	380.1
Russian Federation	0.0	-486.0	0.0	-1,896.9	0.0	82.3	0.0	0.3	0.7	1.0	1.1	13.7	-2,283.7
Rwanda	23.6	0.0	-0.9	0.0	6.9	0.0	-3.0	3.5	2.0	3.0	6.7	8.2	49.9
Saudi Arabia	..	..	..	..	..	..	..	0.1	0.0	0.0	..	12.1	..
Senegal	94.5	0.0	-27.1	0.0	10.1	-0.8	38.4	2.8	1.7	2.3	3.5	4.2	129.5
Serbia and Montenegro	95.1	0.0	0.0	0.0	0.0	0.0	80.2	1.1	1.0	0.5	..	1.1	179.0
Sierra Leone	24.3	0.0	18.2	0.0	6.8	0.0	4.6	3.8	1.4	3.9	5.3	30.6	98.7
Singapore	..	..	..	..	..	..	..	..	..	..	..	0.1	..
Slovak Republic	0.0	56.4	0.0	0.0	0.0	-1.4	-7.3	0.3	..	..	..	1.1	49.1
Slovenia	..	..	..	..	..	..	..	0.3	..	..	..	0.7	..
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3	0.6	5.1	2.1	9.3	21.4
South Africa	0.0	3.1	0.0	0.0	0.0	65.8	0.0	2.2	0.6	1.1	..	7.4	80.2
Spain	..	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	165.9	-1.8	22.4	28.9	124.0	33.9	12.8	3.2	-0.2	1.1	1.8	10.5	402.5
Sudan	-2.8	0.0	0.0	-26.2	0.0	-0.9	0.0	4.3	1.7	5.3	5.9	21.0	8.3
Swaziland	-0.3	5.8	0.0	0.0	-0.4	-4.9	-0.9	0.5	0.4	0.8	0.9	2.2	4.0
Sweden	..	..	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	-1.5	-7.5	0.0	0.0	0.0	0.0	-47.4	1.2	1.7	0.9	1.0	66.5	14.9
Tajikistan	13.3	0.0	-0.2	-3.9	14.7	0.3	-0.8	1.9	0.7	1.9	0.4	1.9	30.3
Tanzania	387.4	-2.6	17.6	0.0	47.6	0.0	-1.8	6.8	4.5	8.0	7.3	28.2	503.1
Thailand	-3.4	-250.4	0.0	-402.2	-3.0	-172.6	-13.4	0.5	0.6	0.9	..	10.1	-832.8
Togo	-0.1	0.0	-13.7	0.0	0.0	0.0	3.4	2.7	1.1	1.7	..	1.8	-3.0
Trinidad and Tobago	0.0	-1.9	0.0	0.0	-0.1	-15.6	33.7	0.1	0.0	..	..	1.4	17.7
Tunisia	-2.1	45.8	0.0	0.0	0.0	53.2	131.4	0.3	0.5	0.7	..	1.8	231.6
Turkey	-5.9	-220.2	0.0	-46.0	0.0	0.0	-36.2	0.9	0.9	0.9	..	5.4	-300.3
Turkmenistan	0.0	-1.6	0.0	0.0	0.0	0.0	..	0.8	0.5	1.0	0.1	0.8	1.6
Uganda	244.4	0.0	-19.1	0.0	15.6	7.8	23.9	4.5	6.2	5.4	19.6	17.4	325.7
Ukraine	0.0	-34.9	0.0	-202.2	0.0	61.1	-41.6	1.7	0.5	1.2	..	3.5	-210.8
United Arab Emirates	..	..	..	..	..	..	..	-0.6	..	..	0.4	0.4	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..	..
Uruguay	0.0	19.2	0.0	429.6	-2.4	273.9	26.2	0.1	0.2	0.6	..	1.1	748.4
Uzbekistan	0.2	2.8	0.0	-23.3	3.3	29.5	0.0	1.4	0.6	1.8	..	1.6	18.1
Venezuela, RB	0.0	-186.9	0.0	0.0	0.0	-121.9	192.8	0.4	0.7	0.7	..	4.4	-109.8
Vietnam	565.2	0.0	-67.6	-5.6	182.4	-1.8	2.4	0.5	5.3	4.1	..	5.5	690.2
West Bank and Gaza	..	..	..	..	..	..	..	2.3	1.6	2.8	1.7	264.5	272.9
Yemen, Rep.	66.1	0.0	-12.3	-6.8	0.0	0.0	11.0	4.6	2.2	3.5	9.2	7.1	84.6
Zambia	74.3	-7.2	-70.7	0.0	11.0	-2.5	-16.8	2.5	1.5	3.6	2.7	14.5	12.9
Zimbabwe	0.0	-0.1	-4.5	0.0	0.0	0.9	-2.8	2.6	1.1	2.0	4.9	5.1	9.1
<b>World</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>.. s</b>	<b>301.7 s</b>	<b>273.0 s</b>	<b>634.0 s</b>	<b>355.8 s</b>	<b>1,996.7 s</b>	<b>.. s</b>
Low income	4,190.3	-1,667.1	385.1	-670.4	1,022.2	-719.4	-44.8	234.6	151.4	289.4	268.3	525.5	3,965.2
Middle income	865.4	-4,550.1	3.0	2,660.4	294.9	-595.3	2,395.6	66.9	66.9	76.8	51.2	960.7	2,296.3
Lower middle income	864.3	-2,551.7	-4.4	2,489.1	326.2	-1,177.7	1,530.0	60.1	56.0	67.5	51.1	767.7	2,478.3
Upper middle income	1.1	-1,998.3	7.4	171.2	-31.3	582.4	865.6	6.7	7.6	8.8	0.1	131.7	-247.1
Low & middle income	5,055.8	-6,217.2	388.2	1,990.0	1,317.2	-1,314.8	2,350.8	301.6	273.0	634.0	355.4	1,989.8	7,123.8
East Asia & Pacific	745.6	-2,202.4	-67.5	-466.8	351.8	-1,610.8	1.6	36.5	31.3	46.8	20.4	83.6	-3,030.0
Europe & Central Asia	486.3	-1,232.8	-0.9	-1,993.1	46.6	23.7	872.2	24.0	9.3	17.8	7.6	117.2	-1,622.2
Latin America & Carib.	301.4	-743.0	0.8	5,568.3	231.6	1,373.9	1,213.0	17.7	32.0	21.3	22.0	211.4	8,250.4
Middle East & N. Africa	79.6	-381.2	-12.3	-547.3	9.2	-412.3	317.0	15.2	16.9	22.3	23.6	606.9	-262.4
South Asia	921.2	-1,338.2	485.8	-538.2	242.7	-656.6	-88.2	53.9	43.8	71.1	43.2	104.7	-654.8
Sub-Saharan Africa	2,521.7	-319.5	-17.7	-32.9	435.4	-32.7	35.3	154.2	95.6	192.8	202.9	514.5	3,749.5
High income	..	..	..	..	..	..	..	..	..	..	..	..	..
Europe EMU	..	..	..	..	..	..	..	..	..	..	..	..	..

Note: The aggregates for the 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, 2004, the GNI per capita cutoff has been set at \$765, measured in 2003 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.

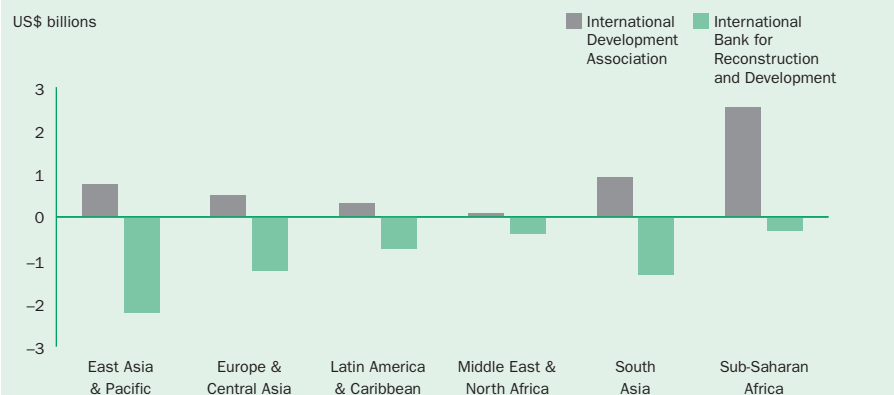
In 1999 all United Nations agencies revised their data since 1990 to include only regular budgetary expenditures (except for the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data from 1996 onward). They did so to avoid double counting extrabudgetary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

## 6.12a

World Bank net lending and grants in 2003



In 2003, all regions were repaying their nonconcessional debt to the World Bank. Sub-Saharan Africa, the poorest region, is the largest recipient of concessional finance.

Source: World Bank's Debtor Reporting System.

## 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 2005 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>.

	Net migration		Migration stock				Refugees				Workers' remittances and compensation of employees, received	
	thousands		thousands		% of population		By country of origin thousands		By country of asylum thousands		\$ millions	
	1990-95	1995-2000	1990	2000	1990	2000	1994	2003	1994	2003	1990	2003
Afghanistan	3,313	-397	28	36	0.2	0.1	2,731.2	2,136.0	19.1	0.0	..	..
Albania	-423	-267	12	12	0.4	0.4	5.0	10.4	3.0	0.0	..	889
Algeria	-58	-185	274	250	1.1	0.8	20.7	11.7	219.1	169.0	352	1,090
Angola	143	-120	34	46	0.4	0.4	282.6	329.6	10.7	13.4	..	..
Argentina	50	-100	1,662	1,419	5.1	4.0	0.5	0.8	11.9	2.6	..	253
Armenia	-500	-225	571	300	16.1	9.6	201.8	13.2	304.0	239.3	..	168
Australia	390	510	3,984	4,705	23.3	24.5	0.0	0.0	57.6	56.3	2,370	2,259
Austria	262	45	473	756	6.1	9.4	0.1	0.1	40.7	16.1	635	2,294
Azerbaijan	-116	-128	361	148	5.0	1.8	299.1	253.3	231.6	0.3	..	171
Bangladesh	-260	-300	882	988	0.8	0.8	56.2	5.6	116.2	19.8	779	3,191
Belarus	15	14	1,271	1,284	12.5	12.8	0.0	7.8	1.8	0.6	..	162
Belgium	85	99	899	879	9.0	8.6	0.0	0.0	19.5	12.6	3,583	3,933
Benin	105	-29	75	101	1.6	1.6	0.1	0.3	70.4	5.0	101	84
Bolivia	-100	-100	60	61	0.9	0.7	0.2	0.3	0.7	0.5	5	126
Bosnia and Herzegovina	-1,000	350	56	96	1.3	2.4	776.1	300.0	..	22.5	..	1,178
Botswana	-7	-7	27	52	2.2	3.1	0.0	0.0	0.5	2.8	86	27
Brazil	-184	-130	809	546	0.5	0.3	0.0	0.4	2.2	3.2	573	2,821
Bulgaria	-309	-50	22	101	0.2	1.3	4.7	2.6	1.1	4.1	..	67
Burkina Faso	-128	-121	438	1,124	4.9	10.0	0.1	0.9	50.0	0.5	140	50
Burundi	-250	-400	333	77	6.1	1.1	389.7	531.6	300.3	41.0	..	..
Cambodia	194	100	38	211	0.4	1.7	8.5	31.4	0.0	0.1	..	138
Cameroon	-5	0	174	150	1.5	1.0	0.2	6.2	44.0	58.6	23	11
Canada	643	733	4,319	5,826	15.5	18.9	0.0	0.1	186.6	133.1	..	..
Central African Republic	37	11	56	59	1.9	1.6	0.3	35.4	47.8	44.8	..	..
Chad	20	99	17	41	0.3	0.5	212.0	52.3	0.1	146.4	..	..
Chile	90	60	108	153	0.8	1.0	15.5	1.6	0.2	0.5	..	13
China	-1,281	-1,950	380	513	0.0	0.0	113.9	132.4	287.1	299.4	124	4,625
Hong Kong, China	300	300	2,218	2,701	38.9	40.5	0.3	0.0	1.7	1.9	..	1
Colombia	-200	-200	102	115	0.3	0.3	1.4	38.0	0.3	0.2	495	3,076
Congo, Dem. Rep.	1,208	-1,410	938	739	2.5	1.5	73.3	453.5	1,724.4	234.0	..	..
Congo, Rep.	14	42	108	197	4.3	5.7	0.0	29.0	15.5	91.4	..	1
Costa Rica	62	128	418	311	13.7	8.2	0.2	0.1	24.6	13.5	12	321
Côte d'Ivoire	200	150	1,953	2,336	16.5	14.8	0.1	33.6	360.1	76.0	44	141
Croatia	153	-150	483	425	10.1	9.7	76.3	230.2	183.6	4.4	..	1,069
Cuba	-100	-100	100	82	0.9	0.7	23.3	16.1	2.0	0.8	..	..
Czech Republic	38	52	146	236	1.4	2.3	4.7	6.7	1.2	1.5	..	500
Denmark	58	84	220	304	4.3	5.7	0.0	0.0	49.6	69.9	..	941
Dominican Republic	-220	-180	103	136	1.5	1.6	0.0	0.1	1.3	..	315	2,325
Ecuador	-50	-300	78	82	0.8	0.7	0.2	0.7	0.2	6.4	51	1,545
Egypt, Arab Rep.	-600	-500	176	169	0.3	0.3	0.5	5.7	7.2	88.8	4,284	2,961
El Salvador	-57	-38	47	24	0.9	0.4	30.7	5.7	0.2	0.3	366	2,122
Eritrea	-359	-9	12	13	0.4	0.3	422.4	124.1	0.7	3.9	..	..
Estonia	-117	-46	405	365	25.8	26.7	0.3	1.0	..	0.0	..	40
Ethiopia	888	-77	1,153	660	2.3	1.0	226.4	62.7	348.1	130.3	5	46
Finland	43	20	61	134	1.2	2.6	..	0.0	9.5	10.8	63	642
France	424	219	5,907	6,277	10.4	10.7	0.0	0.1	195.3	130.8	4,035	11,418
Gabon	20	14	128	250	13.4	19.8	0.0	0.0	0.6	14.0	..	4
Gambia, The	45	45	118	185	12.7	14.1	0.0	0.8	2.2	7.5	10	40
Georgia	-560	-350	365	219	6.7	4.2	5.1	12.5	..	3.9	..	246
Germany	2,688	1,134	5,236	7,349	6.6	8.9	0.5	0.7	1,354.6	960.4	4,876	5,693
Ghana	40	-51	507	614	3.3	3.1	14.3	15.9	113.7	44.0	6	65
Greece	470	300	370	534	3.6	4.9	0.1	0.3	7.8	2.8	1,817	1,564
Guatemala	-360	-390	264	43	3.0	0.4	49.6	6.7	4.7	0.7	119	2,147
Guinea	350	-227	407	741	7.1	10.0	0.1	3.9	553.2	184.3	..	111
Guinea-Bissau	20	-11	14	19	1.4	1.4	5.0	1.0	23.9	7.6	1	18
Haiti	-105	-105	19	26	0.3	0.3	9.8	7.6	..	..	61	811

# Movement of people

	Net migration		Migration stock				Refugees				Workers' remittances and compensation of employees, received	
	thousands		thousands		% of population		By country of origin thousands		By country of asylum thousands		\$ millions	
	1990-95	1995-2000	1990	2000	1990	2000	1994	2003	1994	2003	1990	2003
Honduras	-40	-20	277	44	5.7	0.7	1.2	0.6	0.1	0.0	63	867
Hungary	101	100	348	296	3.4	3.0	4.5	3.4	2.9	7.0	..	295
India	-1,407	-1,400	7,393	6,271	0.9	0.6	3.3	13.7	258.3	164.8	2,384	17,406
Indonesia	-725	-900	466	397	0.3	0.2	8.7	16.2	0.1	0.2	166	1,489
Iran, Islamic Rep.	-1,512	-456	3,809	2,321	7.0	3.6	121.3	132.5	2,236.4	984.9	..	340
Iraq	170	139	84	147	0.5	0.6	749.8	368.6	119.6	134.2	..	..
Ireland	-1	89	230	310	6.6	8.1	0.0	0.0	0.4	6.0	286	337
Israel	484	276	1,633	2,256	35.0	35.9	0.9	0.6	..	4.2	812	299
Italy	573	600	1,346	1,634	2.4	2.8	0.2	0.2	73.1	12.8	5,075	2,137
Jamaica	-100	-100	17	13	0.7	0.5	0.0	0.3	0.0	..	229	1,398
Japan	248	280	877	1,620	0.7	1.3	0.0	0.0	5.9	2.3	..	1,078
Jordan <sup>a</sup>	495	35	1,147	1,945	36.2	39.8	0.4	1.2	0.6	1.2	499	2,201
Kazakhstan	-1,509	-1,320	3,777	3,028	23.1	20.1	0.0	6.6	5.0	15.8	..	147
Kenya	222	-21	146	327	0.6	1.1	8.8	3.2	252.4	237.5	139	494
Korea, Dem. Rep.	0	0	34	37	0.2	0.2	0.0	0.3	..	..	..	..
Korea, Rep.	-115	-80	572	597	1.3	1.3	0.0	0.2	..	0.0	1,037	824
Kuwait	-626	347	1,560	1,108	73.4	50.6	0.8	0.6	30.0	1.5	..	..
Kyrgyz Republic	-273	-27	677	572	15.3	11.6	0.0	3.1	21.2	5.6	..	108
Lao PDR	-10	-7	14	16	0.3	0.3	54.9	10.4	..	..	11	1
Latvia	-174	-56	681	613	25.5	25.8	0.1	3.2	..	0.0	..	171
Lebanon <sup>a</sup>	178	-30	533	634	14.7	14.6	15.7	24.9	1.4	2.5	1,818	2,700
Lesotho	-84	-36	7	6	0.4	0.3	..	0.0	0.1	..	428	184
Liberia	-283	555	81	160	3.3	5.1	797.8	353.4	120.2	34.0	..	..
Libya	10	10	457	570	10.6	10.9	0.7	1.6	2.0	11.9	..	..
Lithuania	-100	-109	371	339	10.0	9.7	0.1	1.5	..	0.4	..	115
Macedonia, FYR	-27	-5	25	33	1.3	1.6	0.4	6.0	14.9	0.2	..	171
Madagascar	-6	-3	58	61	0.5	0.4	0.0	0.1	0.1	..	8	16
Malawi	-835	-50	1,157	280	13.6	2.7	0.1	0.1	90.2	3.2	..	1
Malaysia	230	390	1,014	1,392	5.6	6.0	0.1	0.2	5.3	7.4	325	987
Mali	-260	-284	60	48	0.7	0.4	172.9	0.5	15.8	10.0	107	138
Mauritania	-15	10	94	63	4.6	2.4	68.0	30.5	82.2	0.5	14	2
Mauritius	-7	-2	9	8	0.8	0.7	0.0	0.1	..	..	..	215
Mexico	-1,800	-2,000	701	521	0.8	0.5	0.3	1.7	47.4	6.1	3,098	14,595
Moldova	-121	-70	579	474	13.3	11.1	0.5	11.2	..	0.1	..	465
Mongolia	-60	-90	7	8	0.3	0.3	0.0	0.3	..	..	..	56
Morocco	-300	-300	41	26	0.2	0.1	0.2	1.3	0.3	2.1	2,006	3,614
Mozambique	650	75	122	366	0.9	2.1	234.5	0.1	0.3	0.3	70	69
Myanmar	-126	60	100	113	0.2	0.2	204.5	151.4	..	..	6	78
Namibia	3	20	119	143	8.5	7.5	0.1	1.3	1.1	19.8	13	13
Nepal	-101	-99	413	619	2.3	2.7	0.0	1.2	103.3	123.7	..	785
Netherlands	190	161	1,192	1,576	8.0	9.9	0.1	0.3	62.2	140.9	709	767
New Zealand	79	20	529	850	15.4	22.0	..	0.0	3.7	5.8	762	1,199
Nicaragua	-110	-155	41	27	1.1	0.5	28.6	4.0	0.3	0.3	..	439
Niger	5	-6	114	119	1.5	1.1	22.0	0.7	15.1	0.3	14	8
Nigeria	-96	-95	447	751	0.5	0.6	0.6	24.4	6.0	9.2	10	1,677
Norway	42	67	185	299	4.4	6.6	0.0	0.0	44.6	46.1	158	322
Oman	25	-40	450	682	27.7	28.3	0.0	0.0	..	..	39	39
Pakistan	-2,611	-41	6,556	4,243	6.1	3.1	4.4	24.4	1,055.4	1,124.3	2,006	3,964
Panama	8	11	62	82	2.6	2.9	0.5	0.0	1.0	1.5	110	85
Papua New Guinea	0	0	33	23	0.8	0.4	..	0.0	8.5	7.5	5	6
Paraguay	-25	-25	183	203	4.4	3.8	0.1	0.0	0.1	0.0	34	222
Peru	-450	-350	56	46	0.3	0.2	4.3	5.6	0.7	0.7	87	860
Philippines	-900	-900	163	160	0.3	0.2	0.4	0.4	0.7	0.1	1,465	7,880
Poland	-77	-71	1,709	2,088	4.5	5.4	35.9	15.2	0.4	1.8	..	2,314
Portugal	-7	175	136	233	1.4	2.3	0.0	0.1	0.3	0.4	4,479	3,024
Puerto Rico	-4	-1	322	383	9.1	10.0	0.0	..	..	..	..	..



	Net migration		Migration stock				Refugees				Workers' remittances and compensation of employees, received	
	thousands		thousands		% of population		By country of origin thousands		By country of asylum thousands		\$ millions	
	1990-95	1995-2000	1990	2000	1990	2000	1994	2003	1994	2003	1990	2003
Romania	-529	-350	143	94	0.6	0.4	22.3	8.4	1.2	2.0	..	124
Russian Federation	1,858	2,300	11,689	13,259	7.9	9.1	251.4	96.4	..	9.9	..	1,453
Rwanda	-1,714	1,977	73	89	1.0	1.2	2,257.6	75.3	6.0	36.6	3	7
Saudi Arabia	-325	75	4,220	5,255	26.7	25.4	0.2	0.2	18.0	240.8	..	..
Senegal	-100	-100	293	284	4.0	3.0	25.6	8.4	73.0	20.7	142	344
Serbia and Montenegro	200	-100	132	626	1.3	5.9	55.0	296.6	450.7	291.4	..	1,397
Sierra Leone	-380	-110	112	47	2.8	0.9	275.3	70.6	15.9	61.2	..	26
Singapore	250	368	727	1,352	23.9	33.6	0.0	0.0	0.0	0.0	..	..
Slovak Republic	9	9	16	32	0.3	0.6	0.0	0.7	0.2	0.4	..	425
Slovenia	38	8	25	51	1.3	2.6	14.8	0.6	29.2	2.1	..	255
Somalia	-1,083	-214	634	22	8.9	0.3	631.4	402.3	0.4	0.4	..	..
South Africa	1,125	364	1,225	1,303	3.5	3.0	1.5	0.3	91.9	26.6	136	436
Spain	500	676	766	1,259	2.0	3.1	0.0	0.1	5.4	5.9	2,186	6,068
Sri Lanka	-182	-160	461	397	2.8	2.1	114.5	122.0	0.0	0.0	401	1,438
Sudan	-158	-207	1,261	780	5.1	2.5	405.1	606.2	727.2	138.2	62	1,224
Swaziland	-38	-12	73	42	9.4	4.0	0.0	0.0	0.6	0.7	113	62
Sweden	151	60	781	993	9.1	11.2	0.0	0.0	200.8	112.2	153	578
Switzerland	80	80	1,376	1,801	20.5	25.1	0.0	0.0	75.3	50.1	924	1,709
Syrian Arab Republic <sup>a</sup>	-30	-30	711	903	5.9	5.6	7.1	20.3	40.3	3.7	664	618
Tajikistan	-313	-345	446	330	8.4	5.3	57.1	58.9	0.7	3.3	..	146
Tanzania	591	-206	574	893	2.3	2.6	0.1	0.7	883.3	649.8	..	7
Thailand	-88	-88	386	353	0.7	0.6	0.1	0.3	100.8	119.1	973	1,601
Togo	-122	128	162	179	4.7	3.9	167.9	10.6	12.4	12.4	27	103
Trinidad and Tobago	-24	-20	51	41	4.2	3.2	0.0	0.0	..	..	3	79
Tunisia	-22	-20	38	38	0.5	0.4	0.2	2.6	0.0	0.1	551	1,250
Turkey	71	135	1,150	1,503	2.0	2.2	28.9	185.7	24.9	2.5	3,246	729
Turkmenistan	50	-50	320	223	8.7	4.8	0.0	0.8	15.4	13.5	..	..
Uganda	135	-66	550	529	3.2	2.3	31.5	35.3	286.5	230.9	..	295
Ukraine	598	-700	7,097	6,947	13.7	14.0	0.9	94.2	5.2	2.9	..	330
United Arab Emirates	340	567	1,556	1,922	87.7	59.2	..	0.0	0.4	0.2	..	..
United Kingdom	381	574	3,753	4,029	6.5	6.8	0.1	0.2	85.2	276.5	2,099	5,029
United States	5,200	6,200	23,251	34,988	9.3	12.4	0.4	0.4	631.1	452.6	1,170	3,031
Uruguay	-20	-16	98	89	3.2	2.7	0.4	0.1	0.1	0.1	..	32
Uzbekistan	-340	-400	1,714	1,367	8.4	5.5	29.1	7.4	8.0	44.7	..	..
Venezuela, RB	40	40	1,024	1,006	5.2	4.1	0.4	0.6	2.2	0.1	1	21
Vietnam	-270	-200	28	22	0.0	0.0	539.1	363.2	5.0	15.4	..	2,700
West Bank and Gaza <sup>a</sup>	-5	11	1,181	1,665	59.9	56.1	82.6	427.9	..	..	..	692
Yemen, Rep.	650	-50	107	248	0.9	1.4	0.2	1.6	48.3	61.9	1,498	1,270
Zambia	-7	86	323	377	4.2	3.8	0.0	0.1	141.1	226.7	..	..
Zimbabwe	-182	-125	804	656	7.8	5.2	0.0	7.2	2.2	12.7	1	..
<b>World</b>	.. <sup>b</sup>	.. <sup>b</sup>	153,662 s	174,467 s	2.9 w	2.9 w	15,733.7 <sup>c,d</sup> s	9,680.3 <sup>c,d</sup> s	15,733.7 <sup>d</sup> s	9,680.3 <sup>d</sup> s	68,776 s	173,103 s
Low income	-3,448	-4,542	32,562	28,814	1.8	1.3	10,556.9	6,246.6	8,039.9	4,344.3	8,115	36,741
Middle income	-9,835	-9,494	55,183	57,116	2.1	2.0	3,159.7	2,909.3	4,522.8	2,818.9	23,228	79,866
Lower middle income	-8,185	-7,726	39,933	40,121	1.7	1.5	3,003.1	2,615.2	4,210.6	2,498.6	17,494	55,385
Upper middle income	-1,650	-1,768	15,250	16,995	5.4	5.3	156.6	294.1	312.2	320.3	5,734	24,481
Low & middle income	-13,283	-14,036	87,745	85,930	2.0	1.7	13,716.6	9,155.9	12,562.6	7,163.2	31,343	116,607
East Asia & Pacific	-3,072	-3,859	2,732	3,330	0.2	0.2	930.5	707.9	407.4	449.1	3,177	19,714
Europe & Central Asia	-3,398	-1,858	34,564	35,011	7.4	7.4	1,859.2	1,636.9	1,277.1	678.2	3,246	12,880
Latin America & Carib.	-3,776	-4,156	6,390	5,167	1.5	1.0	168.1	91.1	109.0	38.3	5,775	34,425
Middle East & N. Africa	-1,355	-1,321	13,286	14,880	5.6	5.1	1,017.6	1,000.5	2,726.5	1,728.1	11,711	16,775
South Asia	-1,368	-2,401	15,744	12,565	1.4	0.9	3,012.8	2,406.9	1,552.4	1,432.6	5,572	26,787
Sub-Saharan Africa	-314	-439	15,029	14,977	2.9	2.3	6,728.5	3,312.6	6,490.2	2,836.9	1,862	6,026
High income	13,254	14,029	65,917	88,536	7.6	9.5	18.4	4.9	3,171.1	2,517.1	37,433	56,496
Europe EMU	5,247	3,538	16,730	21,104	5.7	6.9	0.9	1.8	1,768.9	1,300.8	27,744	38,707

a. Palestinian refugees under the mandate of the United Nations Relief and Works Agency for Palestine Refugees are not included in statistics from the United Nations Office of the High Commissioner for Refugees (UNHCR). b. World totals computed by the UN sum to zero, but because the aggregates shown here refer to World Bank definitions, regional and income group totals do not equal zero. c. World totals come from UNHCR. Thus regional and income group totals do not add up to the world total. d. World totals include refugees without a specified country or region, which are classified by UNHCR in the category "various."

## About the data

Movement of people, most often through migration, is a significant part of integration. Migrants contribute to the economies of both their host country and their country of origin. Yet reliable statistics on migration are difficult to collect and are often incomplete, making international comparisons a challenge.

The data used to estimate the international migrant stock at a particular point in time are obtained mainly from population censuses. The estimates are derived from the data on foreign-born population – those who have residence in one country but whose place of birth is another. When data on the foreign-born population are not available, data on foreign population are used as estimates.

After the breakup of the Soviet Union in 1991, people living in one of the newly independent countries who were born in another of the countries were classified as international migrants. Estimates of migration stock in the newly independent states from 1990 on are based on the 1989 census of the Soviet Union.

For countries with information on the international migration stock for at least two points in time, interpolation or extrapolation was used to estimate the international migrant stock on July 1 of the reference years. For countries with only one observation, estimates for the reference years were derived using rates of change in the migrant stock in the years preceding or following the single observation available. A model was used to estimate migration for countries that had no data.

Registration, together with other sources—including estimates and surveys—are the main sources of refugee data. Yet there are difficulties in collecting accurate statistics. Although refugees are often registered individually, the accuracy of registrations varies greatly. Many refugees may not be aware of the need to register or may choose not to do so. And administrative records tend to overestimate the actual number of refugees because it is easier to register than to de-register. Palestinian refugees under the mandate of the United Nations Relief and Works Agency for Palestinian Refugees are not included in United Nations Office of the High Commissioner for Refugees (UNHCR) statistics.

Workers' remittances and compensation of employees are World Bank staff estimates based on data from the International Monetary Fund's (IMF) Balance of Payments Yearbook. Migrants' transfers are also included. The IMF data are supplemented by World Bank staff estimates for missing data for countries where workers' remittances are important.

The items that constitute workers' remittances and compensation of employees are taken from the IMF Balance of Payments Manual (fifth edition). These are workers' remittances, compensation of employees, and migrants' transfers. Workers' remittances are classified as current private transfers from migrant workers who are residents of the host country to recipients in their country of origin. They include only transfers made by workers who have been living in the host country for more than a year, irrespective of their immigration status. Compensation of employees is the income of migrants who have lived in the host country for less than a year. Migrants' transfers are defined as the net worth of migrants who are expected to remain in the host country for more than one year that is transferred from one country to another at the time of migration.

The distinction between these three items is not always consistent in the data reported by countries to the IMF. In some cases, countries compile data on the basis of the citizenship of migrant workers rather than their residency status. Some countries also report remittances entirely as workers' remittances or compensation of employees. Following the fifth edition of the Balance of Payments Manual in 1993, migrants' transfers are considered a capital transaction but in previous editions they were regarded as current transfers. For these reasons the figures presented in the table take all three items into account.

## Definitions

- Net migration is the net average annual number of migrants during the period, that is, the annual number of immigrants less the annual number of emigrants, including both citizens and noncitizens. Data shown in the table are five-year estimates.
- Migration stock is the number of people born in a country other than that in which they live. It also includes refugees.
- Refugees are people who are recognized as refugees under the 1951 Convention Relating to the Status of Refugees or its 1967 Protocol, the 1969 Organization of African Unity Convention Governing the Specific Aspects of Refugee Problems in Africa, people recognized as refugees in accordance with the UNHCR statute, people granted a refugee-like humanitarian status, and people provided with temporary protection. Asylum seekers are people who have applied for asylum or refugee status and who have not yet received a decision or who are otherwise registered as asylum seekers.
- Country of asylum is the country where an asylum claim was filed.
- Country of origin generally refers to the nationality or country of citizenship of a claimant.
- Workers' remittances and compensation of employees, received comprise current transfers by migrant workers and wages and salaries earned by nonresident workers.

## Data sources

Data on net migration come from the United Nations Population Division's World Population Prospects: The 2004 Revision. Data on migration stock come from the United Nations Population Division's Trends in Total Migrant Stock: The 2003 Revision. Refugee data are from the United Nations High Commissioner for Refugees' Statistical Yearbook 2003. Remittances data are World Bank staff estimates based on IMF balance of payments data.



	International tourism				International tourism receipts				International tourism expenditures			
	thousands		thousands		\$ millions		% of exports		\$ millions		% of imports	
	1995	2003	1995	2003	1995	2003	1995	2003	1995	2003	1995	2003
Afghanistan	..	..	..	..	..	..	..	..	1	..	..	..
Albania	40	34	12	..	70	537	23.2	46.0	19	507	2.3	19.6
Algeria	520	1,166	1,090	1,254	32	161	..	..	186	248	..	..
Angola	9	107	3	..	10	71	0.3	0.8	113	52	3.2	0.7
Argentina	2,289	3,374	3,815	3,346	2,550	2,397	10.2	7.1	4,013	3,080	15.4	16.5
Armenia	12	206	..	169	14	90	4.7	10.0	12	97	1.7	6.9
Australia	3,726	4,354	2,519	3,388	11,658	14,528	16.8	15.8	7,074	10,136	9.5	9.4
Austria	17,173	19,078	3,713	5,060	14,529	16,247	16.2	12.2	11,686	12,650	12.7	9.7
Azerbaijan	93	834	432	1,141	87	70	11.1	2.3	165	120	12.8	2.5
Bangladesh	156	207	830	1,075	..	59	..	0.7	251	404	3.4	3.7
Belarus	161	61	626	1,386	28	339	0.5	2.9	101	530	1.8	4.3
Belgium	5,560	6,690	5,645	7,268	..	8,758	..	..	..	13,196	..	..
Benin	138	72	..	..	..	86	..	16.4	48	48	5.4	6.4
Bolivia	284	352	249	672	92	176	7.5	9.4	72	136	4.6	6.9
Bosnia and Herzegovina	115	165	..	..	..	258	..	12.5	..	98	..	1.7
Botswana	521	975	..	..	176	..	7.3	..	153	..	7.5	..
Brazil	1,991	3,783	2,600	1,861	1,085	2,673	2.1	3.2	3,982	2,874	6.3	4.5
Bulgaria	3,466	4,048	3,524	3,403	662	2,106	9.8	19.9	312	1,065	4.8	8.5
Burkina Faso	124	163	..	..	..	25	..	9.6	..	35	..	5.4
Burundi	34	36	36	35	2	1	1.9	2.8	..	..	..	..
Cambodia	220	701	31	..	71	441	7.3	17.1	22	60	1.6	2.0
Cameroon	100	226	..	..	75	..	3.7	..	140	..	8.7	..
Canada	16,932	17,534	18,206	17,739	9,176	12,213	4.2	3.7	12,658	16,222	6.3	5.5
Central African Republic	26	..	..	..	4	3	..	..	43	29	..	..
Chad	19	21	..	39	43	25	..	..	38	80	..	..
Chile	1,540	1,614	1,070	2,100	1,186	1,362	6.1	5.3	934	1,044	5.1	4.4
China	20,034	32,970	4,520	20,222	12,626	18,707	6.1	3.9	9,220	16,716	5.6	3.7
Hong Kong, China	10,200	15,537	3,023	4,709	..	9,623	..	3.6	..	..	..	..
Colombia	1,399	541	1,057	1,241	887	1,114	7.2	7.2	1,162	1,313	7.3	7.9
Congo, Dem. Rep.	35	35	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	37	28	..	..	15	26	1.1	1.0	69	85	5.1	5.3
Costa Rica	785	1,113	273	364	763	1,424	17.1	17.5	336	434	7.1	5.1
Côte d'Ivoire	188	..	..	..	103	56	2.4	1.0	312	490	8.2	12.2
Croatia	1,485	7,409	..	..	..	6,579	..	44.1	..	709	..	4.1
Cuba	742	1,656	72	111	963	1,633	..	..	..	..	..	..
Czech Republic	3,381	5,076	44,873	36,074	..	4,069	..	7.2	..	2,177	..	3.7
Denmark	2,124	2,016	5,035	5,564	..	..	..	..	..	..	..	..
Dominican Republic	1,776	3,282	168	321	..	..	..	..	267	396	4.4	4.4
Ecuador	440	761	271	613	315	408	6.1	5.8	331	500	5.8	6.4
Egypt, Arab Rep.	2,871	5,746	2,683	3,644	2,954	4,704	22.3	23.4	1,371	1,465	8.0	7.5
El Salvador	235	857	348	940	152	514	7.5	12.9	99	241	2.7	3.7
Eritrea	315	80	..	..	58	73	..	55.9	..	..	..	..
Estonia	530	1,462	1,764	2,075	452	886	17.6	13.0	121	412	4.2	5.4
Ethiopia	103	156	120	..	177	261	23.1	24.5	30	55	2.1	2.7
Finland	1,779	2,601	5,147	5,585	2,383	2,654	5.0	4.4	2,853	2,902	7.6	5.8
France	60,033	75,048	18,686	17,426	31,295	..	8.6	..	20,699	..	6.2	..
Gabon	125	222	..	236	94	..	3.2	..	182	..	10.3	..
Gambia, The	45	79	..	..	67	..	30.5	..	16	..	6.9	..
Georgia	85	298	228	317	75	172	13.1	13.5	171	172	12.1	9.3
Germany	14,847	18,399	55,800	74,600	24,052	31,641	4.0	3.6	66,981	73,652	11.3	9.5
Ghana	286	483	..	..	30	441	1.9	13.8	74	216	3.5	5.2
Greece	10,130	14,180	..	..	4,182	10,842	26.9	29.4	1,495	2,439	6.0	4.9
Guatemala	563	880	333	658	216	646	7.7	15.7	167	373	4.5	5.1
Guinea	12	44	..	..	1	8	0.1	1.0	29	36	2.9	3.8
Guinea-Bissau	..	8	..	..	..	..	..	..	6	10	6.7	11.6
Haiti	145	142	..	..	..	..	..	..	..	..	..	..

	International tourism				International tourism receipts				International tourism expenditures			
	thousands				\$ millions		% of exports		\$ millions		% of imports	
	Inbound tourists 1995	2003	Outbound tourists 1995	2003	1995	2003	1995	2003	1995	2003	1995	2003
Honduras	271	610	149	277	85	341	5.2	12.8	99	217	5.3	5.8
Hungary	2,878	2,948	13,083	14,283	2,938	3,498	14.9	6.8	1,500	2,133	7.5	3.9
India	2,124	2,384	3,056	4,205	..	..	..	..	..	..	..	..
Indonesia	4,324	4,467	1,782	..	..	4,461	..	6.5	..	4,427	..	7.8
Iran, Islamic Rep.	489	1,585	1,000	2,921	205	..	1.1	..	247	..	1.6	..
Iraq	61	127	..	..	..	..	..	..	..	..	..	..
Ireland	4,818	6,774	2,547	4,634	2,698	5,265	5.5	4.1	..	4,832	..	4.6
Israel	2,215	1,063	2,259	3,299	3,491	2,379	12.7	5.6	2,626	3,342	7.4	7.5
Italy	31,052	39,604	18,173	26,817	30,426	32,566	10.3	8.9	17,219	23,724	6.9	6.6
Jamaica	1,147	1,350	..	..	1,199	1,621	35.3	46.1	173	269	4.6	5.5
Japan	3,345	5,212	15,298	13,296	4,894	11,475	1.0	2.2	46,966	36,506	11.2	8.0
Jordan	1,074	1,573	1,128	1,533	973	1,019	28.0	22.3	719	573	14.7	8.4
Kazakhstan	..	2,410	523	2,374	155	638	2.6	4.2	296	783	4.9	5.9
Kenya	896	927	..	..	590	611	20.0	17.1	183	183	5.2	4.6
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	3,753	4,754	3,819	7,086	6,670	6,903	4.5	3.0	6,947	10,901	4.5	5.1
Kuwait	72	73	..	..	309	328	2.2	1.4	2,513	3,752	19.9	23.1
Kyrgyz Republic	36	140	42	45	..	65	..	8.7	7	30	0.7	3.7
Lao PDR	60	196	..	..	52	..	12.8	..	34	..	4.5	..
Latvia	539	971	1,812	2,286	37	271	1.8	5.8	62	365	2.8	6.0
Lebanon	450	1,016	..	..	710	956	56.1	33.1	..	..	..	..
Lesotho	87	124	..	..	29	..	14.6	..	17	16	1.6	2.0
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	56	142	484	..	4	..	0.1	..	98	..	1.7	..
Lithuania	650	1,491	1,925	3,502	102	700	3.2	7.3	107	476	2.7	4.5
Macedonia, FYR	147	158	..	..	35	65	2.7	3.9	30	71	1.7	2.8
Madagascar	75	139	39	..	106	61	14.2	8.6	79	109	8.0	10.9
Malawi	192	421	..	..	21	43	4.5	9.4	53	48	8.0	7.5
Malaysia	7,469	10,577	20,642	36,248	5,044	8,084	6.1	7.5	2,722	3,330	3.1	3.6
Mali	42	70	..	..	26	105	4.9	10.1	74	62	7.5	5.6
Mauritania	..	..	..	..	..	..	..	..	30	..	5.9	..
Mauritius	422	702	107	161	616	960	26.2	29.8	184	236	7.5	7.6
Mexico	20,241	18,665	8,450	11,044	6,847	10,153	7.7	5.7	3,587	7,252	4.4	3.8
Moldova	32	21	71	67	71	83	8.0	7.9	73	116	7.3	6.7
Mongolia	108	201	..	..	33	154	6.5	18.9	22	114	4.2	10.6
Morocco	2,602	4,552	1,317	1,694	1,469	3,802	16.2	26.7	356	845	3.2	5.3
Mozambique	..	943	..	..	..	106	..	9.0	..	141	..	7.9
Myanmar	117	206	..	..	169	68	12.9	2.4	38	36	1.5	1.6
Namibia	399	695	..	..	..	..	..	..	..	..	..	..
Nepal	363	338	100	258	232	232	22.5	21.8	167	119	10.3	6.1
Netherlands	6,574	9,181	12,320	16,760	10,611	11,745	4.4	4.5	13,151	14,201	6.1	5.8
New Zealand	1,409	2,104	920	1,374	..	..	..	..	..	..	..	..
Nicaragua	281	526	255	562	51	155	7.7	11.9	56	139	4.9	5.8
Niger	35	58	10	..	15	28	4.7	..	21	16	4.6	..
Nigeria	656	887	..	..	54	263	0.4	..	938	..	7.3	..
Norway	2,880	3,146	590	..	2,730	3,082	4.9	3.4	4,481	6,746	9.6	11.1
Oman	279	817	..	2,060	..	372	..	3.1	..	751	..	9.2
Pakistan	378	479	..	..	582	618	5.7	4.2	654	1,162	4.6	7.6
Panama	345	566	185	227	372	809	4.9	10.6	181	290	2.3	3.9
Papua New Guinea	42	56	51	92	..	..	..	..	..	..	..	..
Paraguay	438	268	427	141	162	81	3.4	2.8	173	115	3.3	4.0
Peru	444	931	508	889	521	959	7.9	9.0	428	878	4.5	8.1
Philippines	1,760	1,907	1,615	1,803	1,141	1,549	4.3	4.1	551	985	1.7	2.4
Poland	19,215	13,720	36,387	38,730	6,927	4,733	19.4	6.6	5,865	3,002	17.3	3.9
Portugal	9,511	11,707	..	..	5,646	7,886	17.5	17.7	2,539	3,253	6.4	6.0
Puerto Rico	3,131	3,238	1,237	1,272	1,828	2,677	..	..	833	985	..	..



	International tourism				International tourism receipts				International tourism expenditures			
	thousands				\$ millions		% of exports		\$ millions		% of imports	
	1995	2003	1995	2003	1995	2003	1995	2003	1995	2003	1995	2003
Romania	2,757	3,204	5,737	5,757	689	523	7.3	2.5	749	572	6.6	2.3
Russian Federation	10,290	7,943	21,329	20,343	..	5,879	..	3.9	..	13,427	..	13.1
Rwanda	..	113	..	..	4	29	5.4	18.2	13	33	3.5	7.6
Saudi Arabia	3,325	7,332	..	4,104	..	3,420	..	4.4	..	4,165	..	7.6
Senegal	280	354	..	..	168	210	11.2	13.8	154	112	8.5	5.4
Serbia and Montenegro	228	481	..	..	42	77	1.6	2.4	..	..	..	..
Sierra Leone	38	37	6	13	..	..	..	..	51	38	19.4	9.3
Singapore	6,422	5,705	2,867	4,221	..	..	..	..	..	..	..	..
Slovak Republic	903	1,387	218	408	630	876	5.7	3.5	338	662	3.2	2.6
Slovenia	732	1,373	..	2,114	1,128	1,427	10.9	9.1	605	809	5.6	5.1
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	4,488	6,505	2,520	3,794	2,654	5,232	7.7	11.5	2,415	3,232	7.2	7.6
Spain	34,920	52,478	3,648	4,094	27,510	45,967	20.6	19.4	5,768	10,544	4.3	4.2
Sri Lanka	403	501	504	561	367	692	7.9	10.6	279	462	4.7	6.0
Sudan	29	52	195	..	..	..	..	..	..	..	..	..
Swaziland	300	256	..	..	54	31	5.3	2.9	45	34	3.5	2.9
Sweden	2,310	7,627	10,127	12,579	4,390	6,548	4.6	4.9	6,816	9,375	8.4	8.4
Switzerland	6,946	6,530	11,148	11,427	11,354	11,344	9.2	7.5	9,478	9,448	8.7	7.4
Syrian Arab Republic	815	2,788	1,746	3,932	..	..	..	..	..	..	..	..
Tajikistan	..	4	..	3	..	7	..	0.9	..	..	..	..
Tanzania	285	552	157	..	343	441	28.4	28.1	424	361	21.6	16.2
Thailand	6,952	10,082	1,820	2,152	9,257	10,422	13.2	11.1	4,791	4,046	5.8	4.8
Togo	53	61	..	..	..	16	..	3.1	40	26	6.0	3.6
Trinidad and Tobago	260	384	261	..	232	402	8.3	8.8	91	208	4.3	5.1
Tunisia	4,120	5,114	1,778	2,274	1,838	1,935	23.0	17.6	294	355	3.3	3.0
Turkey	7,083	13,341	3,981	5,928	..	..	..	..	..	..	..	..
Turkmenistan	218	..	21	..	13	..	0.7	..	74	..	4.1	..
Uganda	160	305	148	387	..	221	..	25.8	..	..	..	..
Ukraine	3,716	6,326	6,552	9,270	448	1,204	2.2	4.2	405	953	1.9	3.4
United Arab Emirates	2,315	5,871	..	..	632	1,439	..	..	..	3,959	..	..
United Kingdom	23,537	24,785	41,345	61,453	27,624	30,656	8.6	6.7	30,749	58,602	9.4	11.6
United States	43,318	40,356	50,835	54,206	93,700	99,816	11.8	9.8	60,924	80,621	6.8	5.3
Uruguay	2,022	1,420	562	495	725	406	20.7	13.3	332	236	9.3	8.7
Uzbekistan	92	231	246	400	15	48	0.4	1.3	..	..	..	..
Venezuela, RB	700	337	534	832	995	368	4.8	1.3	1,852	1,311	11.0	9.5
Vietnam	1,351	1,599	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	40	..	..	104	4	..	..	..	..	..	..
Yemen, Rep.	61	76	..	..	..	..	..	..	..	134	..	2.9
Zambia	163	578	..	..	47	149	6.1	11.2	83	..	6.2	..
Zimbabwe	1,363	2,068	256	..	145	44	..	..	106	..	..	..
<b>World</b>	<b>537,987 t</b>	<b>681,723 t</b>	<b>631,322 t</b>	<b>802,249 t</b>	<b>479,583 t</b>	<b>605,706 t</b>	<b>7.9 w</b>	<b>6.8 w</b>	<b>465,309 t</b>	<b>588,155 t</b>	<b>7.9 w</b>	<b>6.9 w</b>
Low income	11,818	16,746	..	..	..	..	..	..	..	..	..	..
Middle income	165,808	222,163	230,625	283,702	113,563	140,496	8.3	6.6	75,272	92,637	5.6	5.7
Lower middle income	91,106	136,111	78,314	109,376	63,265	81,293	7.7	6.2	43,425	64,552	5.6	5.7
Upper middle income	75,002	85,988	155,940	165,809	42,523	60,296	9.3	7.5	28,281	28,308	6.9	5.5
Low & middle income	180,340	242,640	273,333	345,985	123,497	153,921	8.1	6.6	86,118	104,632	5.7	5.6
East Asia & Pacific	44,254	64,926	36,006	66,158	34,517	44,012	7.1	5.2	21,014	28,468	4.9	4.2
Europe & Central Asia	59,808	75,701	152,346	156,807	..	..	..	6.8	..	..	..	6.8
Latin America & Carib.	39,818	45,316	21,948	27,381	20,571	29,236	7.1	6.2	18,735	21,780	6.5	5.8
Middle East & N. Africa	17,774	32,268	14,364	19,072	..	..	..	11.0	..	..	..	7.1
South Asia	3,819	4,333	5,151	6,994	..	..	..	..	..	..	..	..
Sub-Saharan Africa	12,582	19,438	..	..	6,316	11,844	6.8	11.7	6,723	7,026	7.0	6.6
High income	352,217	432,522	307,111	387,248	371,251	452,724	7.7	6.9	387,342	482,664	8.2	7.4
Europe EMU	197,165	256,521	137,605	175,177	..	227,354	8.2	8.1	169,911	203,727	8.2	7.7

## 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 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 century.

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 data do not completely capture the economic phenomenon of tourism or give governments, businesses, and citizens the information needed for effective public policies and efficient business operations. 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. Although the World Tourism Organization reports that progress has been made in harmonizing definitions and measurement units, differences in national practices still prevent full international comparability.

The data in the table are from the World Tourism Organization, a specialized agency of the United Nations. 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.

The World Tourism Organization is improving its coverage of tourism expenditure data. It is now using balance of payments data from the International Monetary Fund (IMF), supplemented by data received from individual countries. The new data, shown in the table, now include travel and passenger transport items as defined in the IMF's Balance of Payments Manual.

Regional and income group aggregates are based on the World Bank's classification of countries and differ from those 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.

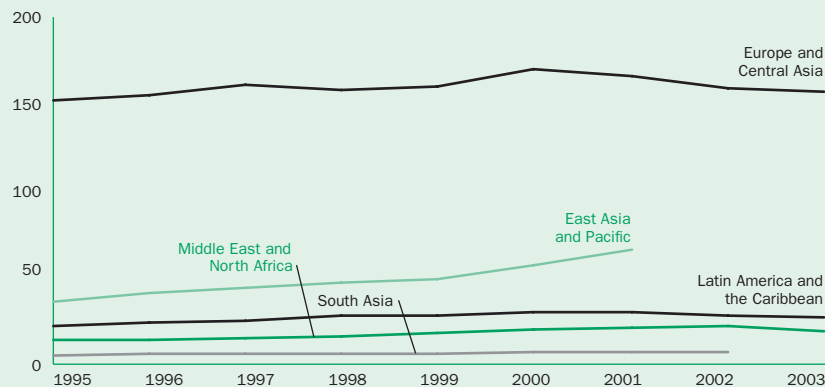
## Definitions

- 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 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 important enough to justify 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 from developing countries is on the rise

International tourism departures (millions)



Although tourists from high-income countries still make up almost half of the world's outbound tourists, the most rapid increase since 1995 has been among travellers from developing countries. East Asia and Pacific almost doubled its number of outbound tourists between 1995 and 2001.

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 2005. 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 IMF's International Financial Statistics and World Bank staff estimates.