6

GLOBAL LINKS

n an era of uncertain alliances and global fears, it is striking that the world economy continues to become more integrated. Celebrated by some, deplored by others, globalization has been loudly debated over the past decade. But globalization is not a single process. It proceeds as people and institutions seek profits and competitive advantage through expanding trade in goods and services and cross-border flows of financial resources and people. It has been propelled by cheaper and faster transportation, more innovative information technology, fewer or lower trade barriers, and better economic management.

As the world becomes more integrated, decisions made in Washington, London, or Tokyo along with decisions made in New Delhi and Lagos and deals brokered in the virtual world of electronic communications can all have an impact on the lives and prospects of the world's people. But not all people have shared in the benefits of an expanding global economy. Compared with other developing country regions, Sub-Saharan Africa lags in this integration process and has not yet been able to take full advantage of opportunities brought by globalization.

Expanding trade

In an integrated world, trade spurs growth and growth spurs trade (figure 6a). The five fastest growing economies in the world from 1990 to 2004 measured by GDP per capita—Albania, Vietnam, Ireland, China, and Bosnia and Herzegovina—all experienced double-digit annual growth in trade. Rapid expansion of China's trade has not only been a driving force of China's continuous high growth, but has also helped its trading partners in East Asia and Pacific to integrate faster into the global manufacturing sector.

The global economy has become more open. In 1990 the total value of trade was less than 40 percent of global GDP; by 2004 the world economy had grown 50 percent and two-way trade exceeded 55 percent of global GDP. Trade in goods makes up 81 percent of trade and has been increasing 7 percent a year on average between 1990 and 2004. Although the nominal value of global trade in services nearly tripled over the same period and its share of GDP rose from less than 8 percent to more than 10 percent, its share of global trade has remained largely unchanged (table 6.1). In a world economy where services account for 70 percent of output, there appear to be unrealized opportunities for further trade.

During the last decade developing countries have become more important players in world trade. By 2004 low- and middle-income economies accounted for 28.5 percent of world trade, up from 22.3 percent in 1999. Between 1990 and 2004 their trade grew 11.5 percent a year compared with 7.2 percent for high-income economies. The middle-income economies were by far the fastest growing traders. Still, high-income economies, which account for more than 70 percent of world trade and almost 80 percent of global output (measured at market exchange rates), remain the most important markets (table 6.3).

Trade spurs growth and growth spurs trade

Annual growth of real GDP per capita and real trade by size of economy, 1990–2004
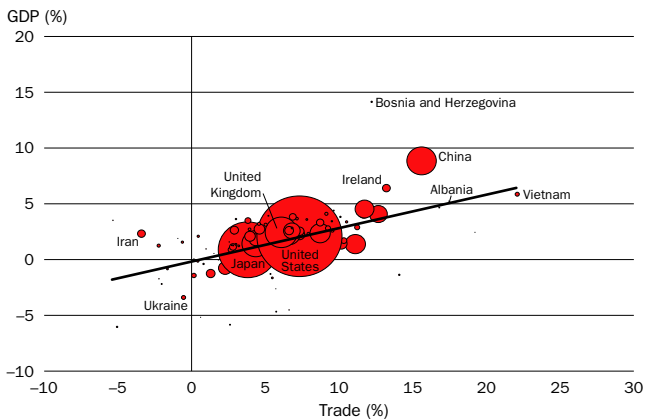
Source: World Bank staff estimates.

Many obstacles to trade remain, especially for low-income economies. Trade-supporting infrastructure is essential and is improving due to more efficient communication and transportation technology. But landlocked economies and those lacking suitable seaports remain at a disadvantage. Poor roads and high inland transportation costs have kept many people from trading with the outside world.

Other obstacles include an unfriendly business environment and inadequate policies and institutions. For example, in Sub-Saharan Africa it takes twice as long to comply with the procedures required to export or import goods as it does in East Asia and Pacific and four times as long as in high-income countries (World Bank 2006a; see also table 5.3). Lack of access to capital and a small entrepreneurial class willing or able to take risks also impede the growth of trade.

But the greatest barriers are those erected by high-income economies. Even in an era of falling tariffs (table 6.7), developing countries have a hard time reaching high-value markets. Tariff escalation is one of the rich countries' protectionist strategies. EU tariffs are almost zero for cocoa beans but rise to about 10 percent for semiprocessed cocoa and to about 30 percent for chocolate. So tariff escalation penalizes producers when they add value.

Subsidies paid by Organisation for Economic Co-operation and Development (OECD) governments to their agricultural produces (see table 1.4) are another source of formidable disadvantage for developing economies. Cotton subsidies, particularly in the United States, lower world prices and cost West African economies an estimated $250 million a year.

The economies of Sub-Saharan Africa are far from reaching their potential for trade. Their share in global trade is low—about 1.5 percent in 2004—and has changed little since 1999. However, the region's export structure is improving slowly. In 1984 primary products accounted

for 88 percent of merchandise exports from Sub-Saharan Africa to high-income countries. By 2004 that share had fallen to 73 percent.

The decline of primary products in overall exports is more pronounced if petroleum exports and South Africa are excluded, dropping from 67 percent to 46 percent over the same period. Some Sub-Saharan countries have made significant progress in specific product sectors: cut flowers from Kenya; music from Mali; clothing and textiles from Mauritius, Lesotho, and Madagascar; and outsourced services from Ghana are making headway into world markets.

Within Sub-Saharan Africa intraregional trade is also limited. A recent study found that only 15 percent of merchandise exports go to other countries in the region, and only 10 percent of merchandise imports originate in the region (Newfarmer 2006). Because of gaps in the statistical reporting, it is hard to know whether intraregional trade is accurately estimated. The United Nations Statistics Division's Comtrade database shows no entries for three-quarters of all possible two-way trade flows between Sub-Saharan economies in 2004.

Although regional agreements have proliferated, significant barriers to trade remain because of imperfect implementation of agreements, high border and behind-the-border costs, absence of common standards, restrictive rules of origin even within customs unions, and inconsistent (and inconsistently applied) tax policies. All of these issues will have to be dealt with before Africa can achieve effective regional integration.

Expanding flows of financial resource

Global capital markets are expanding rapidly. One measure of financial market integration is the size of gross private capital flows recorded in the balance of payments (table 6.1). Between 1990 and 2004 flows to and from high-income economies tripled as a share of their GDP. Expansion has been slower for most developing countries. Gross capital flows as a share of GDP have more than doubled but remain less than half those in high-income countries.

For developing countries foreign direct investment (FDI) is the largest source of external funding, but portfolio equity and bond investments continue to expand following the turnaround in 2002 (figure 6b). Although low- and middle-income economies still receive only one-third of global FDI, the absolute level has increased nearly tenfold between 1990 and 2004, growing much faster than in high-income economies. But their net inflow as a share of GDP has still not fully recovered to the peak achieved before the East Asian financial crisis.

There are large differences in FDI inflows among developing economies. Middle-income economies received more than 90 percent of net FDI inflows in 2004, and if measured as a share of GDP, these inflows are twice those to low-income

Foreign direct investment is the largest source of external finance for developing countries

Resource flows to developing countries, 1990–2004 (% of GDP)
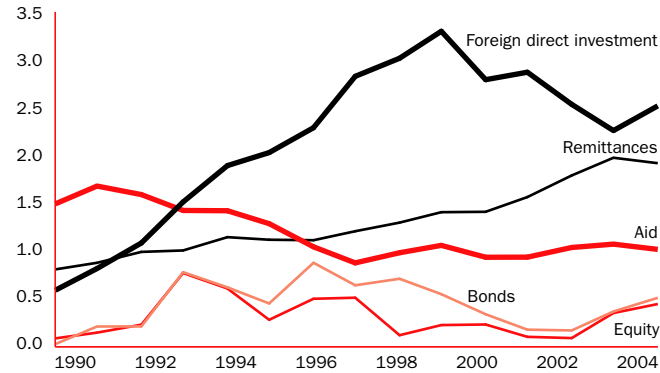
Source: World Bank staff estimates

Aid is the largest source of external finance for Sub-Saharan Africa

Resource flows to Sub-Saharan Africa, 1990–2004 (% of GDP)

Source: World Bank staff estimates.

countries. The increase in FDI inflows has been greatest in Europe and Central Asia, followed by Latin America and the Caribbean and East Asia and Pacific. Although Sub-Saharan Africa has larger inflows than South Asia and the Middle East and North Africa, FDI in Sub-Saharan Africa is dominated by extractive industries, including oil and minerals. Four countries—Angola, Chad, Nigeria, and Sudan—together received nearly half of Sub-Saharan Africa's FDI inflows in 2004 (table 6.8).
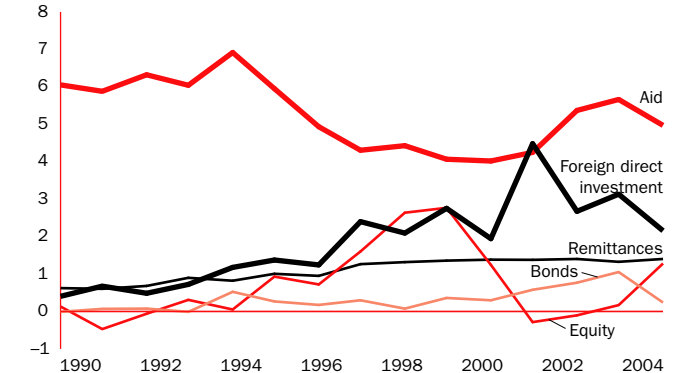
Countries that have difficulty tapping financial markets must rely largely on aid flows to fund development programs. In 2004 developing countries received official development assistance and official aid totaling $85.5 billion, up from $76.7 billion in 2003 and $56.6 billion in 2000. Aid to Afghanistan (up from $141 million in 2000 to $2.19 billion in 2004) and Iraq (up from $116 million in 2000 to $4.66 billion in 2004) accounted for a large part of the overall increase in aid (table 6.11).

Even so, a substantial increase in aid flows and private capital flows will be required to help developing countries achieve the Millennium Development Goals. For example, aid is the largest source of external finance for the countries of Sub-Saharan Africa, but as a share of GDP aid declined from more than 6 percent at the beginning of the 1990s to 4 percent at the end of the decade (figure 6c). It has since increased to 5 percent.

If measured as a share of donors' gross national income, aid also declined sharply in the 1990s and rebounded somewhat after 2000. Only five rich countries have fulfilled the UN official development assistance target of 0.7 of GNI: Denmark, Luxembourg, the Netherlands, Norway, and Sweden. If donor countries follow through on their promises at the United Nations International Conference on Financing for Development, in Monterey, Mexico, in 2002 and at the more recent Group of Eight summit at Gleneagles, Scotland, aid is

expected to rise to about $97 billion in 2006 and to reach $128 billion in 2010 (box 6d).

Movement of people

The movement of people across national borders is another mark of integration. International tourist arrivals worldwide for 2005 exceeded 800 million—an all-time high—and these tourists also spent considerable amounts of money on their trips. Receipts from international tourists were 6.5 percent of exports in 2004 for middle-income countries and as high as 17 percent for the Middle East and North Africa (table 6.15).

Meanwhile, an estimated 190 million people (3 percent of the world's population) are living in countries in which they were not born. International migration has enormous economic, social, and cultural implications in both origin and destination countries.

Demographic trends in both developed and developing countries point to significant potential gains from migration. In many developed countries the population is aging fast, while in many developing countries the population is young and growing rapidly. This imbalance is likely to create strong demand in developed country labor markets for developing country workers, especially to provide services that can be supplied only locally. The share of immigrants in the total population of high-income countries increased to 11 percent in 2005, up from 7 percent two decades ago, while the shares for low- and middle-income countries have remained about the same (figure 6e).

The large wage gap between developed and developing countries, especially for unskilled and semiskilled labor, indicates that migration from developing countries to developed countries can generate significant welfare gains. The flow of formal remittances from migrants back to their country of origin has been increasing rapidly and has become

6d

At the Group of Eight (G-8) summit at Gleneagles, Scotland, in 2005 commitments were made to relieve poor countries of their debts, increase aid and make it more effective, remove trade barriers, improve governance, and build stronger development partnerships.

Specific commitments included agreements to relieve 100 percent of the multilateral debts owed to the International Development Association, the African Development Bank, and the International Monetary Fund by all countries that have reached the completion point under the Heavily Indebted Poor Countries Debt Initiative. Also notable were EU commitments to spend at least 0.56 percent of gross national income on aid by 2010 and G-8 commitments to double aid to Africa.

The Organisation for Economic Co-operation and Development estimates that if all 2005 commitments to increase aid are met, official development assistance from Development Assistance Committee countries alone will rise by $50 billion in real terms between 2004 and 2010, to nearly $130 billion.

Aid commitments after the G-8 meeting at Gleneagles, Scotland

| | 2004 | | 2010 projection | | Real change in ODA compared with 2004 | |
| | | | | | Amount | |
Country	Net ODA ($ millions)	ODA/GNI (%)	Net ODA ($ millions)	ODA/GNI (%)	($ millions)	Percent
Denmark	2,037	0.85	2,185	0.80	148	7
France	8,473	0.41	14,110	0.61	5,638	67
Germany	7,534	0.28	15,509	0.51	7,975	106
Italy	2,462	0.15	9,262	0.51	6,801	276
Luxembourg	236	0.83	328	1.00	93	39
Netherlands	4,204	0.73	5,070	0.80	867	21
Spain	2,437	0.24	6,925	0.59	4,488	184
Sweden	2,722	0.78	4,025	1.00	1,303	48
United Kingdom	7,883	0.36	14,600	0.59	6,717	85
Other EU members[a]	4,899	0.36	9,206	0.60	4,306	88
EU members, total	**42,886**	**0.35**	**81,221**	**0.59**	**38,335**	**89**
Canada	2,599	0.27	3,648	0.33	1,049	40
Japan	8,906	0.19	11,906	0.22	3,000	34
Norway	2,199	0.87	2,876	1.00	677	31
United States	19,705	0.17	24,000	0.18	4,295	22
Other DAC members[b]	3,218	0.30	4,477	0.37	1,260	39
DAC members, total	**79,512**	**0.26**	**128,128**	**0.36**	**48,616**	**61**

a. Austria, Belgium, Finland, Greece, Ireland, and Portugal.
b. Australia, New Zealand, and Switzerland.
Source: *OECD Journal on Development* 2006.

the largest source of foreign capital for many developing countries.

Remittance flows have more than tripled since 1990, reaching $227.6 billion in 2004, with $161 billion going to developing countries (table 6.14). Already twice the size of foreign aid, remittances are expected to continue growing. Empirical studies have found that remittances typically boost income levels, especially for the poor, and may encourage investment in physical and human capital and help to buffer the impact of negative shocks.

Among these international migrants are millions of highly educated people who have moved to developed countries from developing countries that already suffer from low levels of human capital and skilled workers. The flight of human capital, or "brain drain," may increase the concentration of poverty and reduce the beneficial impact of globalization. A recent study estimates that highly skilled immigrants represented 34.6 percent of the OECD immigration stock in 2000, while only 11.3 percent of the world labor force had a tertiary education (Özden and Schiff 2006). The most affected areas are Sub-Saharan Africa and small island economies in the Caribbean. Although Sub-Saharan Africa's emigration rate is not particularly high, 13 percent of those who do migrate have a tertiary education. In Jamaica four of five trained doctors were employed outside the country.

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Immigrants as a share of total population (%)

Legend:
- 1985
- 1995
- 2005

Categories: Low-income, Middle-income, High-income
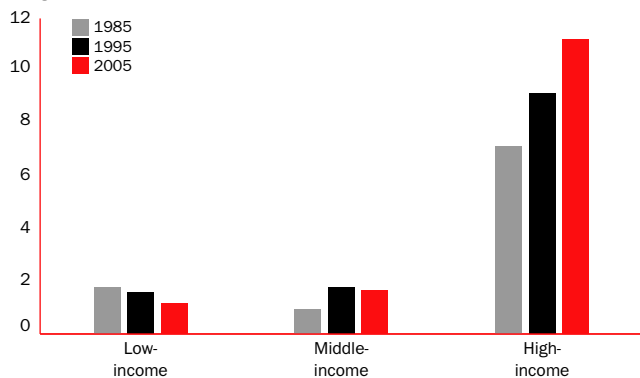
Source: World Bank staff estimates based on United Nations Population Fund data.

6f

Working-age immigrants by level of education, 1990 and 2000 (millions)

Legend:
- Tertiary education
- Secondary education
- Primary education

Categories: 1990, 2000
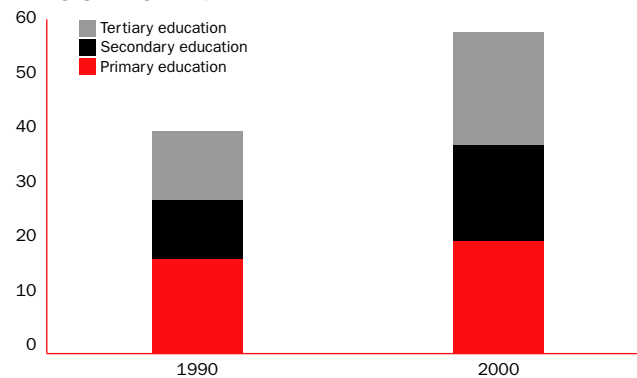
Source: Özden and Schiff 2005.

	Merchandise trade (% of GDP)		Trade in services (% of GDP)		Growth in real trade less growth in real GDP (percentage points)	Gross private capital flows (% of GDP)		Foreign direct investment (% of GDP)			
								Net inflows		Net outflows	
	1990	2004	1990	2004	1990–2004	1990	2004	1990	2004	1990	2004
Afghanistan	..	47.2	..	..	..	..	..	..	..	..	..
Albania	29.0	37.7	2.9	*26.6*	*12.8*	18.0	*6.2*	0.0	5.6	0.0	*0.0*
Algeria	36.6	59.7	2.9	..	0.1	2.6	..	0.1	1.0	0.0	..
Angola	53.5	104.4	18.7	26.3	..	10.1	25.7	–3.3	7.4	0.0	0.2
Argentina	11.6	37.1	3.9	7.8	4.1	8.2	15.6	1.3	2.7	0.0	0.2
Armenia	..	65.7	..	18.3	–7.6	..	13.9	0.2	7.1	..	0.1
Australia	26.3	30.7	7.7	8.1	*3.0*	9.3	32.0	2.6	6.7	0.3	2.8
Austria	54.8	80.5	22.7	32.6	3.3	9.6	41.9	0.4	1.4	1.0	2.5
Azerbaijan	..	83.7	..	37.8	*14.4*	..	100.4	*0.0*	41.7	..	14.1
Bangladesh	17.6	35.7	3.6	5.3	4.3	0.9	1.9	0.0	0.8	0.0	0.0
Belarus	..	131.5	..	12.2	–1.9	..	7.5	*0.0*	0.7	..	0.0
Belgium	120.4	168.0	26.4[a]	40.9[a]	2.2	81.5[a]	222.2[a]	3.9[a]	30.9[a]	3.0[a]	26.4[a]
Benin	30.0	37.7	13.9	*12.0*	–2.3	10.7	*5.7*	3.4	1.5	0.0	*0.1*
Bolivia	33.1	45.3	9.4	11.3	1.5	3.1	5.0	0.6	1.3	0.0	0.0
Bosnia and Herzegovina	..	90.2	..	15.0	*–3.8*	..	21.8	..	7.2	..	0.0
Botswana	98.4	75.9	15.4	*17.0*	–2.3	9.0	*20.6*	2.5	0.5	0.2	*2.7*
Brazil	11.7	26.9	2.4	4.9	4.6	1.9	8.8	0.2	3.0	0.1	1.6
Bulgaria	48.9	100.9	6.9	30.6	5.8	39.2	29.6	0.0	8.3	0.0	–0.9
Burkina Faso	22.0	33.2	9.1	..	–1.5	1.0	..	0.0	0.7	0.0	..
Burundi	27.0	34.0	12.9	*8.5*	*6.8*	3.7	*6.2*	0.1	0.5	0.0	*0.0*
Cambodia	22.4	122.2	*5.7*	25.3	*9.8*	*3.2*	8.1	*0.0*	2.7	..	0.2
Cameroon	30.5	33.4	12.8	..	2.0	15.5	..	–1.0	0.0	0.1	..
Canada	43.7	61.0	8.3	10.7	*3.3*	8.1	14.0	1.3	0.6	0.9	4.8
Central African Republic	18.4	20.7	16.0	..	..	2.2	..	0.1	–1.0	0.3	..
Chad	27.2	70.4	15.5	..	4.5	5.6	..	0.5	11.3	0.0	..
Chile	53.1	60.5	12.9	13.3	1.6	15.0	21.5	2.2	8.1	0.0	1.0
China	32.5	59.8	2.9	7.0	5.7	2.5	10.0	1.0	2.8	0.2	0.1
Hong Kong, China	221.5	330.4	..	51.6	3.6	..	145.5	..	20.9	..	24.4
Colombia	30.7	33.7	8.3	6.4	2.7	3.1	10.9	1.2	3.1	0.0	0.1
Congo, Dem. Rep.	43.5	49.6	..	..	*5.9*	..	..	–0.2	0.0	..	..
Congo, Rep.	57.2	129.4	31.0	*17.7*	3.4	6.6	*11.7*	0.8	0.0	0.0	*0.0*
Costa Rica	60.2	78.7	20.3	19.2	3.1	7.0	12.3	2.9	3.4	0.0	0.3
Côte d'Ivoire	47.9	66.3	20.5	17.8	0.7	3.5	5.2	0.4	1.1	0.0	0.0
Croatia	*88.8*	71.7	..	38.6	*4.0*	..	20.8	*0.0*	3.6	..	1.0
Cuba	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	*83.6*	129.1	..	17.7	8.7	..	19.6	0.2	4.2	..	0.5
Denmark	52.6	60.1	17.3	28.9	3.4	15.1	38.0	0.8	–3.6	1.1	–4.1
Dominican Republic	73.2	72.8	21.7	25.4	3.4	5.0	13.5	1.9	3.5	0.0	0.0
Ecuador	44.2	51.2	13.0	9.0	1.9	11.0	13.1	1.2	3.8	0.0	0.0
Egypt, Arab Rep.	36.8	26.0	22.6	28.2	–1.7	6.8	13.3	1.7	1.6	0.0	0.2
El Salvador	38.4	60.4	13.4	13.0	6.2	2.0	12.5	0.0	2.9	0.0	0.0
Eritrea	*77.0*	74.1	..	..	–1.9	53.0	..	0.0	3.2	..	..
Estonia	..	130.6	*9.1*	40.6	*7.5*	*3.9*	51.9	*0.0*	9.3	*0.0*	2.4
Ethiopia	16.0	46.5	7.7	24.6	3.6	1.6	4.0	0.1	6.8	0.0	..
Finland	39.1	60.3	9.0	11.9	4.4	17.4	42.1	0.6	1.7	2.0	–0.8
France	36.4	44.7	11.1	10.2	4.2	20.2	26.1	1.1	1.2	2.8	2.3
Gabon	52.5	66.0	21.0	*16.7*	–1.4	18.0	*18.7*	1.2	4.5	0.5	*0.3*
Gambia, The	69.1	53.5	34.5	..	–3.3	0.9	..	4.5	14.5	0.0	..
Georgia	..	48.0	..	19.6	*10.2*	..	12.4	*0.0*	9.6	..	0.2
Germany	45.5	59.4	8.7	12.2	4.3	9.6	27.4	0.2	–1.3	1.4	–0.3
Ghana	35.7	77.8	6.6	19.9	3.1	2.9	6.8	0.3	1.6	0.0	0.0
Greece	33.2	33.0	11.4	23.0	3.7	3.9	32.3	1.2	0.7	0.0	0.3
Guatemala	36.8	39.1	9.7	9.0	2.9	2.9	11.6	0.6	0.6	0.0	0.0
Guinea	49.5	35.9	18.6	9.3	–1.2	3.9	1.6	0.6	2.6	..	0.0
Guinea-Bissau	43.0	59.6	11.0	*17.7*	4.0	23.0	*14.4*	0.8	1.8	0.0	*0.2*
Haiti	17.2	48.1	4.3	*13.4*	–1.2	1.1	*3.9*	0.3	0.2	–0.3	*0.0*

	Merchandise trade		Trade in services		Growth in real trade less growth in real GDP	Gross private capital flows		Foreign direct investment			
										% of GDP	
								Net inflows		Net outflows	
	% of GDP		% of GDP		percentage points	% of GDP					
	1990	2004	1990	2004	1990–2004	1990	2004	1990	2004	1990	2004
Honduras	57.9	74.0	11.7	19.1	−0.4	7.2	8.0	1.4	4.0	0.0	0.0
Hungary	61.5	113.4	16.0	20.5	8.5	4.6	24.7	1.9	4.6	0.0	1.1
India	13.1	25.0	3.4	8.2	6.8	0.8	5.9	0.1	0.8	0.0	0.2
Indonesia	41.5	49.4	7.5	17.9	0.5	4.1	4.6	1.0	0.4	0.0	0.0
Iran, Islamic Rep.	32.9	48.4	3.7	..	−7.3	2.6	..	−0.3	0.3	0.0	..
Iraq	55.4	155.9	..	..	..	..	..	..	..	..	..
Ireland	93.9	90.8	18.2	64.4	5.7	22.2	314.1	1.3	6.1	0.8	8.7
Israel	55.0	69.6	18.1	23.5	1.1	6.5	18.7	0.3	1.4	0.4	2.7
Italy	32.0	41.7	8.8	9.9	2.7	10.6	10.4	0.6	1.0	0.7	1.1
Jamaica	67.2	58.2	37.5	45.4	..	8.4	45.5	3.0	6.8	0.0	0.7
Japan	17.2	22.1	4.1	5.0	2.7	5.4	14.4	0.1	0.2	1.7	0.7
Jordan	91.1	104.9	67.5	36.9	−1.6	6.3	18.1	0.9	5.4	−0.8	0.0
Kazakhstan	..	80.7	..	17.1	−2.6	..	41.8	0.0	10.1	..	−3.1
Kenya	37.9	45.0	21.4	14.1	2.7	3.5	7.2	0.7	0.3	0.0	0.0
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	51.1	70.4	7.5	13.5	6.3	5.3	8.5	0.3	1.2	0.4	0.7
Kuwait	59.8	73.1	25.2	19.6	−3.2	19.3	35.8	0.0	0.0	1.3	3.4
Kyrgyz Republic	..	75.3	..	19.9	−1.5	..	17.2	0.0	3.5	..	2.0
Lao PDR	30.5	35.4	5.8	..	..	3.7	..	0.7	0.7	0.0	..
Latvia	..	80.7	9.2	21.8	5.1	2.3	43.1	0.0	5.1	0.0	0.8
Lebanon	106.5	51.2	..	..	−0.7	..	..	0.2	1.3	..	..
Lesotho	119.3	162.0	19.8	12.2	−0.5	9.6	14.2	2.8	9.4	0.0	0.0
Liberia	374.1	230.6	..	..	..	..	..	58.6	4.1	..	..
Libya	64.2	91.0	5.2	7.6	..	7.3	24.5	..	..	0.4	−0.7
Lithuania	..	96.8	..	18.3	8.2	..	19.4	0.0	3.5	..	1.2
Macedonia, FYR	103.8	84.7	..	16.2	4.6	..	11.6	0.0	2.9	..	0.0
Madagascar	31.5	50.9	12.8	14.9	2.1	1.8	1.1	0.7	1.0	0.0	0.0
Malawi	52.7	65.6	16.2	14.0	−2.1	3.2	3.1	1.2	0.9	0.0	..
Malaysia	133.4	195.9	21.2	29.9	2.9	10.3	22.6	5.3	3.9	0.0	1.3
Mali	39.7	50.2	19.0	16.3	2.0	2.0	8.4	0.2	3.7	0.0	0.0
Mauritania	84.1	52.8	16.0	..	−5.7	48.8	..	0.7	19.6	0.0	..
Mauritius	118.0	79.2	38.0	41.1	0.1	8.0	6.5	1.7	0.2	0.0	0.5
Mexico	32.1	58.5	7.0	5.0	8.1	9.2	6.9	1.0	2.6	0.0	0.5
Moldova	..	106.4	..	27.4	11.4	..	16.9	0.0	3.1	..	0.1
Mongolia	..	116.0	..	52.2	15.5	..	26.1	..	5.8	..	0.0
Morocco	43.4	54.7	13.4	20.3	1.9	5.5	7.6	0.6	1.5	0.0	0.0
Mozambique	40.8	57.1	12.5	12.9	2.4	0.4	7.9	0.4	4.0	0.0	0.0
Myanmar	..	..	..	..	..	..	..	..	..	..	..
Namibia	95.6	74.7	20.7	15.2	0.2	16.5	23.5	..	..	0.1	−0.4
Nepal	24.1	39.2	10.2	12.4	..	3.5	6.8	0.2	0.0	0.0	..
Netherlands	87.5	117.0	20.0	24.7	3.4	29.8	66.6	3.6	0.1	4.7	3.0
New Zealand	43.3	44.0	13.3	14.9	2.1	17.8	15.4	4.0	2.3	3.7	−0.8
Nicaragua	95.9	65.2	17.0	15.1	5.5	9.0	6.1	0.1	5.5	0.0	0.0
Niger	27.0	30.2	10.9	9.4	..	2.8	2.3	1.7	0.0	0.0	0.0
Nigeria	67.5	48.2	10.3	11.5	1.5	5.9	11.0	2.1	2.6	0.0	..
Norway	52.8	51.9	21.6	20.1	1.3	11.9	31.8	0.9	0.2	1.3	0.8
Oman	70.1	91.4	6.7	14.7	2.5	3.5	8.6	1.2	−0.1	0.0	0.0
Pakistan	32.6	32.6	8.8	8.4	−0.8	4.2	3.5	0.6	1.2	0.0	0.1
Panama	35.4	32.6	33.5	30.4	−3.7	106.6	39.0	2.6	7.4	0.0	0.0
Papua New Guinea	73.6	107.8	18.9	..	..	5.7	..	4.8	0.7	..	..
Paraguay	43.9	58.3	16.2	12.6	−3.3	5.4	3.4	1.5	1.3	0.0	0.1
Peru	22.3	33.0	7.5	6.8	3.2	3.2	6.8	0.2	2.6	0.0	0.0
Philippines	47.8	97.0	11.3	11.2	2.6	4.4	13.7	1.2	0.6	0.0	0.5
Poland	43.9	67.7	10.3	10.7	7.5	11.0	18.1	0.2	5.2	0.0	0.3
Portugal	58.3	54.1	12.7	14.6	3.2	11.4	37.6	3.7	0.5	0.2	3.6
Puerto Rico	..	..	..	..	−0.5	..	..	..	..	..	..

	Merchandise trade		Trade in services		Growth in real trade less growth in real GDP	Gross private capital flows		Foreign direct investment			
										% of GDP	
	% of GDP		% of GDP		percentage points	% of GDP		Net inflows		Net outflows	
	1990	2004	1990	2004	1990–2004	1990	2004	1990	2004	1990	2004
Romania	32.8	76.7	3.6	10.2	8.5	2.9	14.2	0.0	7.4	0.0	0.1
Russian Federation	..	48.1	..	9.3	3.3	..	16.0	0.0	2.1	..	1.8
Rwanda	15.4	20.8	6.6	18.3	–0.6	2.8	1.0	0.3	0.4	0.0	0.0
Saudi Arabia	58.6	68.2	21.8	12.6	..	8.8	20.0	..	..	0.0	0.0
Senegal	34.7	54.5	20.9	15.5	2.1	4.8	4.9	1.0	0.9	–0.2	0.0
Serbia and Montenegro	..	65.6	..	..	..	..	..	..	4.0	..	..
Sierra Leone	44.2	39.5	20.9	14.0	..	11.0	6.8	4.9	2.4	0.0	0.0
Singapore	307.6	321.5	58.1	76.6	..	54.2	116.9	15.1	15.0	5.5	9.9
Slovak Republic	110.8	138.8	..	19.4	6.8	..	15.5	0.0	2.7	..	0.1
Slovenia	102.4	102.6	18.0	18.8	1.9	3.4	22.4	0.9	2.6	0.0	1.7
Somalia	..	..	11.2	..	..	21.3	..	0.6	..	0.0	..
South Africa	37.4	48.5	6.4	8.3	2.6	2.2	8.6	–0.1	0.3	0.0	0.7
Spain	27.2	41.1	8.4	13.7	5.7	11.0	30.8	2.7	1.6	0.7	4.8
Sri Lanka	57.3	68.5	13.4	17.1	2.5	13.1	5.2	0.5	1.2	0.0	0.0
Sudan	7.5	37.2	3.0	5.3	4.8	0.3	10.4	–0.2	7.2	0.0	0.0
Swaziland	138.2	162.8	32.4	43.1	1.1	10.7	7.0	3.4	2.9	0.9	0.1
Sweden	46.6	64.0	12.8	20.7	4.2	33.9	44.8	0.8	–0.2	6.1	4.4
Switzerland	56.6	64.4	12.8	18.8	2.9	28.1	54.8	2.4	–0.2	2.3	7.3
Syrian Arab Republic	53.7	46.7	14.3	19.1	2.8	18.0	1.6	0.6	1.1	0.0	0.0
Tajikistan	..	110.5	..	16.2	4.5	..	16.1	0.0	13.1	..	0.0
Tanzania	31.9	35.3	9.8	17.6	–1.0	0.2	3.5	0.0	2.3	0.0	0.0
Thailand	65.7	119.2	14.9	26.1	2.9	13.5	7.9	2.9	0.9	0.2	0.1
Togo	52.1	88.4	24.1	17.0	–1.3	9.6	14.8	1.1	2.9	0.0	–0.4
Trinidad and Tobago	60.6	89.6	15.9	10.1	3.7	11.4	25.2	2.2	8.0	0.0	–2.1
Tunisia	73.5	79.6	20.6	19.9	–0.1	9.5	6.6	0.6	2.1	0.0	0.0
Turkey	23.4	53.1	7.4	11.7	7.0	4.3	12.8	0.5	0.9	0.0	0.3
Turkmenistan	..	116.6	..	..	8.5	..	..	..	..	..	..
Uganda	10.2	31.2	4.5	16.8	2.8	1.1	4.8	–0.1	3.3	0.0	0.0
Ukraine	..	95.1	..	17.6	3.6	..	34.2	0.0	2.6	..	0.0
United Arab Emirates	103.2	125.1	..	..	1.9	..	..	..	..	..	..
United Kingdom	41.2	38.1	10.6	15.4	3.4	35.3	91.7	3.4	3.4	2.0	3.8
United States	15.8	20.0	4.6	5.4	4.0	5.6	20.0	0.8	0.9	0.6	2.2
Uruguay	32.7	45.9	9.2	12.6	2.1	12.7	22.0	0.4	2.4	0.0	0.1
Uzbekistan	..	64.1	..	..	–1.2	..	..	0.0	1.2	..	..
Venezuela, RB	52.8	44.7	7.9	5.3	0.6	51.6	16.2	1.0	1.4	0.8	–0.3
Vietnam	79.7	125.4	..	19.0	14.6	..	5.8	2.8	3.6	..	0.0
West Bank and Gaza	..	..	..	..	–3.1	..	..	..	..	..	..
Yemen, Rep.	46.9	65.0	16.3	11.1	1.7	16.2	1.6	–2.7	1.1	..	0.0
Zambia	76.9	68.8	15.0	..	1.4	64.7	..	6.2	6.2	0.0	..
Zimbabwe	40.7	86.7	8.6	..	5.7	1.7	..	–0.1	1.3	0.0	..
World	**32.4 w**	**44.9 w**	**7.8 w**	**10.5 w**		**10.3 w**	**28.4 w**	**1.0 w**	**1.6 w**	**1.2 w**	**2.1 w**
Low income	24.1	37.8	6.5	9.4		2.7	6.9	0.4	1.4	0.0	0.2
Middle income	34.4	61.5	7.1	10.2		6.6	12.2	0.8	2.8	0.1	0.5
Lower middle income	31.5	57.5	6.2	10.3		4.3	10.7	0.7	2.7	0.1	0.3
Upper middle income	38.3	67.0	8.1	10.2		8.0	14.2	1.0	2.8	0.3	0.7
Low & middle income	32.5	58.1	7.0	10.3		5.9	11.9	0.7	2.6	0.1	0.5
East Asia & Pacific	47.0	71.1	7.3	9.6		5.0	9.4	1.6	2.5	0.2	0.1
Europe & Central Asia	49.7	70.9	7.1	13.4		5.3	18.8	0.3	3.5	0.0	0.9
Latin America & Carib.	23.3	44.6	5.8	6.9		8.0	10.4	0.8	3.0	0.1	0.7
Middle East & N. Africa	42.9	55.1	9.1	..		4.9	..	0.3	1.1	0.0	..
South Asia	16.5	27.9	4.2	8.2		1.4	5.4	0.1	0.8	0.0	0.2
Sub-Saharan Africa	42.4	54.7	11.0	12.1		5.1	9.5	0.4	2.2	0.0	0.3
High income	32.3	41.5	8.0	10.5		11.0	32.0	1.0	1.3	1.4	2.4
Europe EMU	44.4	59.4	11.1	14.8		13.4	41.3	1.1	1.3	1.7	2.6

a. Includes Luxembourg.

About the data

The growing integration of societies and economies has helped reduce poverty in many countries. One indication of increasing global economic integration is the growing importance of trade in the world economy. Another is the increasing size and importance of private capital flows to developing countries that have liberalized their financial markets.

The table presents standardized measures of the size of trade and capital flows relative to gross domestic product (GDP). The numerators on trade and private capital flows are based on gross flows that capture the two-way flow of goods, services, 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.

Merchandise trade and trade in services (exports and imports) are shown relative to total GDP. Merchandise trade is an important part of global trade. Trade in services (such as transport, travel, finance, insurance, royalties, construction, communications, and cultural services) is an increasingly important element of global integration. The difference between the growth of real trade in goods and services and the growth of GDP helps to identify economies that have integrated with the global economy by liberalizing trade, lowering barriers to foreign investment, and harnessing their abundant labor to gain a competitive advantage in labor-intensive manufactures and services.

This year the table includes net inflows and outflows of foreign direct investment based on balance of payments data reported by the International Monetary Fund (IMF), supplemented by staff estimates using data reported by the United Nations Conference on Trade and Development 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). For a more detailed explanation of foreign direct investment, see *About the data* for table 6.8.

Foreign direct investment may be understated in many developing countries. Some countries fail to report reinvested earnings, and the definition of long-term loans differs among countries. Underreporting of FDI outflows is more pervasive, particularly when investors are attempting to avoid controls on capital and foreign exchange or high taxes on investment income. Some countries do not identify FDI outflows in their balance of payments statistics. However, the quality and coverage of the data are improving as a result of continuous efforts by international and national statistics agencies.
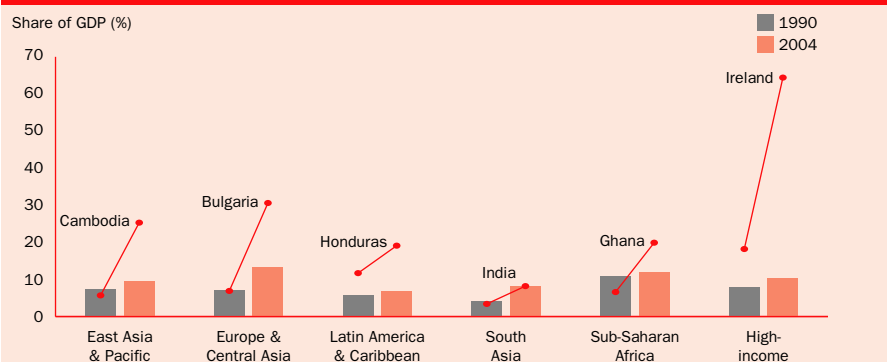
Trade and capital flows are converted to U.S. dollars at the IMF's average official exchange rate for the year shown. An alternative conversion factor is applied if the official exchange rate diverges by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies and traded products.

Definitions

• **Merchandise trade** is the sum of merchandise exports and imports divided by the value of GDP, all in current U.S. dollars. • **Trade in services** is the sum of services exports and imports divided by the value of GDP, 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. • **Foreign direct investment net inflows** are the net inflows of investment to acquire a lasting management interest in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, and other short- and long-term capital, as shown in the balance of payments. This series shows net inflows in the reporting economy and is divided by the value of GDP. • **Foreign direct investment net outflows** are the net outflows of investment from the reporting economy to the rest of the world.

Data sources

Data on merchandise trade are from the World Trade Organization. Data on GDP are 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 trade in services are from the IMF's Balance of Payments database. Data on real trade and GDP growth are from the World Bank's national accounts files. Gross private capital flows and foreign direct investment are reported in the World Bank Debtor Reporting System and are calculated using mainly the IMF's Balance of Payments database.

6.1a

Trade in services is becoming increasingly important

Although services trade makes up only 20 percent of global trade, it is rising fast in some regions. Some countries have benefited considerably from the fast-growing services trade.

Source: International Monetary Fund Balance of Payments database.

	Export volume		Import volume		Export value		Import value		Net barter terms of trade index	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		2000 = 100	
	1980–90	1990–2004	1980–90	1990–2004	1980–90	1990–2004	1980–90	1990–2004	1990	2004
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania[a]	..	..	..	..	..	14.6	..	16.6	..	..
Algeria	4.7	2.7	−8.0	1.7	−3.1	5.8	−2.7	1.2	74	126
Angola	9.0	5.8	−1.9	8.2	6.4	9.6	0.7	9.3	94	121
Argentina	2.1	6.9	−9.6	6.4	2.1	7.8	−6.5	5.3	64	110
Armenia[a]	..	..	..	..	..	1.3	..	3.6	..	..
Australia[a]	6.3	5.5	6.0	7.6	6.6	4.8	6.4	6.0	116	116
Austria[a]	6.6	..	5.7	..	10.2	6.3	8.7	4.6	..	..
Azerbaijan[a]	..	..	..	..	..	8.6	..	8.2	..	..
Bangladesh	7.1	10.5	1.8	4.1	7.8	12.4	3.6	8.2	117	88
Belarus[a]	..	..	..	..	..	13.2	..	13.2	..	..
Belgium[a]	..	5.8	..	5.4	..	6.2	..	6.4	106	99
Benin	11.8	3.0	−9.9	5.9	18.8	3.6	−4.9	6.3	107	93
Bolivia	3.1	4.9	−1.3	5.2	−1.9	5.6	−0.3	5.8	102	108
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..
Botswana	14.8	3.8	11.5	2.3	18.8	3.4	11.1	1.3	98	92
Brazil	6.3	6.7	0.7	10.6	5.1	6.6	−1.9	7.6	66	110
Bulgaria[a]	..	..	..	..	−12.3	4.8	−14.0	8.2	..	..
Burkina Faso	−0.3	12.1	3.8	5.0	7.9	10.5	4.3	5.2	119	97
Burundi	3.5	8.0	1.0	6.3	2.5	−6.3	2.2	−3.9	128	84
Cambodia	..	..	..	..	..	..	..	..	..	..
Cameroon	7.0	3.3	4.8	7.2	1.4	2.7	0.1	4.6	81	112
Canada[a]	6.4	6.9	7.4	7.2	6.8	6.7	7.9	6.1	97	107
Central African Republic	0.0	14.7	4.2	1.6	3.5	1.7	7.9	−1.3	238	99
Chad	8.6	7.7	11.0	13.0	9.4	7.8	12.6	13.6	112	101
Chile	9.2	9.4	−3.0	6.8	8.1	8.2	2.8	7.1	114	115
China[†]	13.6	15.6	11.9	15.1	12.8	15.5	13.5	15.4	102	92
Hong Kong, China	15.4	7.4	13.7	7.5	16.8	6.5	15.0	6.7	100	99
Colombia	7.9	4.4	−2.1	6.2	7.7	5.9	0.0	6.6	81	93
Congo, Dem. Rep.	9.7	4.4	12.2	11.0	2.7	−3.3	3.1	1.5	86	94
Congo, Rep.	7.4	4.5	3.3	6.7	2.1	8.6	5.3	6.1	63	121
Costa Rica	3.8	10.1	5.2	11.8	4.6	11.3	4.4	11.0	75	102
Côte d'Ivoire	2.6	4.6	−2.1	0.7	1.7	6.0	−1.5	3.0	143	121
Croatia[a]	..	..	..	..	..	3.5	..	9.1	..	..
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic[a]	..	..	..	..	..	12.5	..	11.7	..	..
Denmark[a]	4.1	5.1	3.1	5.1	9.0	4.1	6.8	4.2	102	102
Dominican Republic	−0.9	3.5	2.9	8.3	−2.1	4.2	5.4	8.6	96	95
Ecuador	7.1	4.7	−1.8	7.6	−0.4	6.2	−1.3	8.8	114	108
Egypt, Arab Rep.	13.4	3.4	8.1	−0.5	7.3	4.2	12.6	2.0	101	107
El Salvador	−4.6	3.2	4.6	6.6	−4.6	6.9	2.4	9.4	84	91
Eritrea	..	−2.8	..	8.1	..	−4.2	..	7.2	99	93
Estonia[a]	..	..	..	..	..	16.0	..	16.7	..	..
Ethiopia	−1.0	9.7	4.0	9.6	−1.1	7.6	4.3	10.2	121	91
Finland[a]	2.3	9.3	4.4	4.3	7.4	6.5	6.9	5.3	111	90
France[a]	3.6	3.6	3.7	3.6	7.5	4.2	6.5	4.1	103	111
Gabon	2.5	5.8	−3.5	1.3	−3.9	2.5	1.1	1.1	157	125
Gambia, The	2.2	−9.3	−6.0	−0.8	6.6	−9.1	2.5	−1.3	100	115
Georgia	..	..	..	..	..	12.5	..	9.6	..	..
Germany[a, b]	4.5	5.9	4.9	4.3	9.2	5.0	7.1	4.0	110	107
Ghana	−17.2	4.7	−19.3	6.5	−2.7	6.6	0.6	6.6	100	123
Greece[a]	5.0	9.1	6.4	9.2	5.8	2.8	6.6	5.6	99	103
Guatemala	−1.1	6.8	0.1	9.8	−2.2	6.7	0.6	10.7	115	93
Guinea	..	3.2	..	2.5	4.0	0.2	9.7	−0.5	122	106
Guinea-Bissau	−2.0	14.0	−0.3	−4.1	4.2	11.7	5.2	−3.1	146	94
Haiti	−0.4	11.6	−4.6	10.8	−1.2	11.2	−2.9	12.4	132	87
[†]Data for Taiwan, China	26.1	2.8	30.3	3.3	14.9	5.8	12.4	6.4	97	92

	Export volume		Import volume		Export value		Import value		Net barter terms of trade index	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		2000 = 100	
	1980–90	1990–2004	1980–90	1990–2004	1980–90	1990–2004	1980–90	1990–2004	1990	2004
Honduras	4.1	2.7	1.6	10.5	1.6	4.9	0.6	11.6	78	90
Hungary[a]	3.4	11.6	1.3	11.9	1.6	13.8	0.1	13.8	111	99
India	4.2	11.5	4.7	10.8	7.3	9.7	4.2	10.3	86	76
Indonesia	7.6	5.9	0.3	3.3	–1.3	6.5	2.6	3.2	95	104
Iran, Islamic Rep.	..	..	..	..	7.2	4.8	0.2	0.8	..	..
Iraq	..	..	..	..	2.0	23.6	–2.8	1.5	..	..
Ireland[a]	9.3	12.8	4.8	9.0	12.8	12.0	7.0	8.9	106	97
Israel[a]	6.9	8.6	5.8	6.6	8.3	9.3	5.9	6.4	89	95
Italy[a]	4.3	3.2	5.3	3.6	8.7	4.5	6.9	4.4	94	103
Jamaica	–1.0	1.4	..	..	1.1	0.8	2.8	5.8	..	..
Japan[a]	5.0	2.6	6.6	4.8	8.9	3.3	5.1	4.2	105	92
Jordan	7.7	7.3	1.2	4.3	6.2	8.4	–1.9	6.4	94	87
Kazakhstan[a]	..	..	..	..	..	14.9	..	9.9	..	..
Kenya	1.7	5.0	2.5	6.1	–1.1	5.5	1.7	5.5	70	91
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	12.4	14.9	11.8	8.9	15.0	8.8	11.9	6.9	133	85
Kuwait	..	..	..	..	–7.7	13.2	–4.1	5.6	..	..
Kyrgyz Republic[a]	..	..	..	..	..	4.8	..	4.8	..	..
Lao PDR[a]	..	..	..	..	11.0	9.2	6.6	6.0	..	..
Latvia[a]	..	7.5	..	..	..	11.7	..	16.5	..	..
Lebanon	..	..	..	..	–5.2	8.2	–5.5	8.5	..	..
Lesotho	7.2	16.0	3.9	2.8	3.7	14.7	3.5	1.6	100	91
Liberia	..	..	..	..	..	..	..	..	..	..
Libya	2.8	–3.3	–1.8	–1.3	–7.4	–1.7	–4.4	–1.9	..	..
Lithuania[a]	..	..	..	..	..	13.8	..	15.0	..	..
Macedonia, FYR[a]	..	..	..	..	..	2.4	..	5.5	..	..
Madagascar	–2.5	4.6	–6.2	4.3	–1.2	7.9	–4.3	5.8	81	82
Malawi	2.4	3.0	–0.1	–0.3	2.0	0.8	3.3	1.0	148	82
Malaysia	4.8	11.4	8.5	8.5	8.6	9.3	7.7	7.2	103	99
Mali	4.4	10.9	3.0	6.2	6.0	8.6	2.7	5.7	135	113
Mauritania	3.9	1.2	–3.1	3.9	8.0	–3.0	–2.1	0.3	97	95
Mauritius	11.5	2.3	11.7	2.3	14.4	3.4	12.9	3.2	93	89
Mexico	15.3	12.4	0.9	11.1	5.9	12.9	6.4	11.6	102	98
Moldova[a]	..	..	..	..	..	2.7	..	6.0	..	..
Mongolia	..	..	..	..	5.0	3.3	5.5	4.9	..	..
Morocco	5.7	6.6	3.2	7.6	6.2	6.5	3.6	6.0	85	98
Mozambique	–9.5	21.5	–2.7	2.3	–9.6	16.3	0.1	3.1	175	94
Myanmar	–8.4	18.5	–18.1	8.6	–7.6	16.7	–4.7	14.8	252	102
Namibia	..	1.5	..	4.7	..	0.3	..	1.7	93	97
Nepal[a]	..	..	..	..	8.1	8.7	6.9	6.8	..	..
Netherlands[a]	4.4	6.0	4.3	5.5	4.6	5.6	4.4	5.2	101	96
New Zealand[a]	3.5	4.3	4.4	5.9	6.2	4.2	5.4	5.5	105	110
Nicaragua	–4.8	8.6	–3.5	7.2	–5.8	7.7	–3.1	9.3	155	91
Niger	–5.2	1.4	–5.2	–0.9	–5.4	0.8	–3.5	1.4	165	131
Nigeria	–4.4	1.9	–20.8	5.2	–8.4	5.7	–15.0	5.8	89	122
Norway[a]	4.2	5.3	3.5	6.5	5.3	6.2	6.2	3.7	67	100
Oman	11.2	2.4	..	..	3.3	7.4	0.7	6.5	..	136
Pakistan	8.0	4.7	2.7	2.2	8.1	4.9	3.0	3.7	109	85
Panama	–0.5	5.1	–6.7	4.2	–0.5	7.0	–3.6	5.3	69	94
Papua New Guinea	–0.6	–6.8	..	..	4.9	1.8	0.7	–0.7	..	113
Paraguay	12.8	1.9	10.4	1.6	11.6	3.6	4.2	2.7	103	112
Peru	2.7	10.0	–2.0	5.4	–1.5	8.9	1.3	5.9	114	109
Philippines	19.5	13.8	21.0	9.9	3.9	13.6	2.9	8.8	87	84
Poland[a]	4.8	10.9	1.5	14.7	1.4	11.8	–3.2	15.0	92	107
Portugal[a]	11.9	0.1	15.1	–0.2	15.1	4.8	10.3	4.3	103	102
Puerto Rico	..	..	..	..	..	..	..	..	..	..

	Export volume		Import volume		Export value		Import value		Net barter terms of trade index	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		2000 = 100	
	1980–90	1990–2004	1980–90	1990–2004	1980–90	1990–2004	1980–90	1990–2004	1990	2004
Romania[a]	..	..	..	..	−4.0	11.0	−3.8	10.3	..	..
Russian Federation[a]	..	..	..	..	..	9.8	..	5.0	..	..
Rwanda	2.6	−2.6	1.8	−0.2	−0.9	−0.5	2.7	−0.9	40	89
Saudi Arabia	−8.3	1.1	..	..	−12.7	5.6	−6.1	2.3	..	135
Senegal	1.2	10.5	0.4	6.1	3.5	4.7	1.4	5.8	172	96
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..
Sierra Leone	..	..	..	..	..	..	..	..	..	78
Singapore	12.2	9.7	8.6	5.9	9.9	7.5	8.0	5.5	116	89
Slovak Republic[a]	..	..	..	..	..	13.0	..	12.8	..	..
Slovenia[a]	..	..	..	..	..	7.9	..	8.3	..	..
Somalia	..	..	..	..	..	..	..	..	..	..
South Africa	1.6	4.7	−0.9	7.1	0.7	3.5	−1.3	5.6	104	120
Spain	2.5	9.7	8.8	8.9	10.8	8.1	10.6	7.2	100	102
Sri Lanka	4.6	5.9	2.1	6.4	5.4	7.7	2.7	6.6	82	104
Sudan	..	..	..	..	..	..	..	..	..	121
Swaziland	7.6	4.0	2.4	2.0	4.7	4.6	−0.5	3.1	100	94
Sweden[a]	4.4	7.6	5.0	5.4	8.0	5.0	6.7	4.2	108	92
Switzerland[a]	3.7	..	4.3	..	9.5	3.6	8.8	2.8	..	..
Syrian Arab Republic	19.6	3.4	..	..	2.4	4.5	−8.4	3.1	..	113
Tajikistan	..	..	..	..	..	..	..	..	..	..
Tanzania	..	8.6	..	2.0	−5.1	8.7	−0.5	2.7	107	100
Thailand	13.8	8.9	11.1	2.8	14.0	8.8	12.7	5.2	119	92
Togo	−1.2	12.6	0.7	0.3	1.1	7.1	2.0	6.3	133	30
Trinidad and Tobago	0.1	..	−2.4	..	−9.4	9.2	−12.3	11.1	..	..
Tunisia	3.0	6.6	1.6	5.6	3.5	6.5	2.7	5.5	109	99
Turkey	19.4	11.6	15.6	9.6	14.0	10.2	9.3	9.4	109	102
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	−13.5	14.4	−6.8	13.2	−4.0	9.8	4.5	12.7	146	88
Ukraine[a]	..	..	..	..	..	9.5	..	7.9	..	..
United Arab Emirates	..	..	..	..	−0.8	8.1	0.7	10.7	..	..
United Kingdom[a]	..	..	..	..	5.9	4.3	8.5	5.1	101	105
United States[a]	3.6	4.8	7.2	8.0	5.7	5.1	8.2	8.3	101	101
Uruguay	4.4	3.4	−0.5	3.4	4.5	2.9	−1.2	3.5	116	108
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	3.4	2.4	−4.1	1.6	−4.4	5.7	−3.2	2.5	90	108
Vietnam	..	..	..	..	..	15.8	..	13.7	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	..	..	−7.2	6.3	−3.2	17.0	−5.0	2.9	..	117
Zambia	−0.5	6.5	2.0	6.6	0.9	−0.1	0.0	4.5	207	119
Zimbabwe	3.6	7.7	3.4	7.2	2.5	2.6	−0.5	1.9	98	104

a. Data are from the International Monetary Fund's International Financial Statistics database. b. Data prior to 1990 refer to the Federal Republic of Germany before unification.

About the data

Data on international trade in goods are available from each country's balance of payments and customs records. While the balance of payments focuses on the financial transactions that accompany trade, customs data record the direction of trade and the physical quantities and value of goods entering or leaving the customs area. Customs data may differ from data recorded in the balance of payments because of differences in valuation and the time of recording. The 1993 System of National Accounts and the fifth edition of the International Monetary Fund's (IMF) *Balance of Payments Manual* (1993) attempted to reconcile the definitions and reporting standards for international trade statistics, but differences in sources, timing, and national practices limit comparability. Real growth rates derived from trade volume indexes and terms of trade based on unit price indexes may therefore differ from those derived from national accounts aggregates.

Trade in goods, or merchandise trade, includes all goods that add to or subtract from an economy's material resources. Thus the total supply of goods in an economy is made up of gross output plus imports less exports (currency in circulation, titles of ownership, and securities are excluded, but nonmonetary gold is included). Trade data are collected on the basis of a country's customs area, which in most cases is the same as its geographic area. Goods provided as part of foreign aid are included, but goods destined for extraterritorial agencies (such as embassies) are not.

Collecting and tabulating trade statistics are difficult. Some developing countries lack the capacity to report timely data. This is a problem especially for countries that are landlocked and those whose territorial boundaries are porous. As a result, it is necessary to estimate their trade from the data reported by their partners. (For further discussion of the use of partner country reports, see *About the data* for table 6.3.) Countries that belong to common customs unions may need to collect data through direct inquiry of companies. In some cases economic or political concerns may lead national authorities to suppress or misrepresent data on certain trade flows, such as oil, military equipment, or the exports of a dominant producer. In other cases reported trade data may be distorted by deliberate under- or over-invoicing to effect capital transfers or avoid taxes. And in some regions smuggling and black market trading result in unreported trade flows.

By international agreement customs data are reported to the United Nations Statistics Division, which maintains the Commodity Trade (Comtrade) database. The United Nations Conference on Trade and Development (UNCTAD) compiles a variety of international trade statistics, including price and volume indexes, based on the Comtrade data. The IMF and the World Trade Organization also compile data on trade prices and volumes. The growth rates and terms of trade for low- and middle-income economies shown in the table were calculated from index numbers compiled by UNCTAD. Volume measures for high-income economies were derived by deflating the value of trade using deflators from the IMF's *International Financial Statistics*. In some cases price and volume indexes from different sources may vary significantly as a result of differences in estimation procedures. All indexes are rescaled to a 2000 base year. Terms of trade were computed from the same indicators.

The terms of trade measures the relative prices of a country's exports and imports. There are a number of ways to calculate terms of trade. The most common is the net barter (or commodity) terms of trade index, constructed as the ratio of the export price index to the import price index. When a country's net barter terms of trade index increases, its exports become more valuable or its imports cheaper.

Definitions

• **Export** and **import volumes** are average annual growth rates calculated for low- and middle-income economies from UNCTAD's quantum index series and for high-income economies from export and import data deflated by the IMF's trade price deflators. • **Export** and **import values** are average annual growth rates calculated from UNCTAD's value indexes or from current values of merchandise exports and imports. • **Net barter terms of trade index** is calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 2000.

6.2a

Exports are growing in developing countries

Average annual growth in export volume (%)
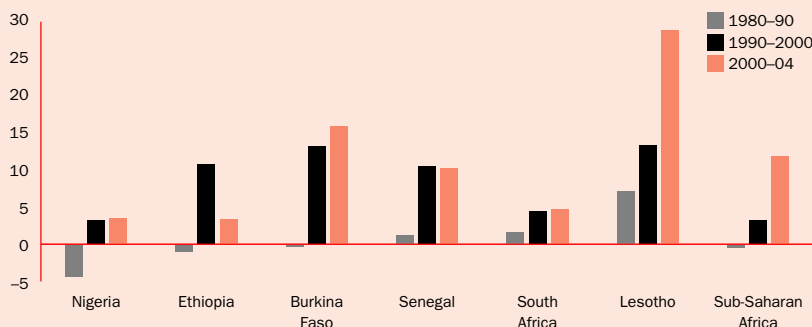
Sub-Saharan countries have reversed the decline of exports in goods since 1990 and experienced encouraging growth over the last five years.

Source: United Nations Conference on Trade and Development.

Data sources

The main source of trade data for developing countries is UNCTAD's annual *Handbook of Statistics*. The IMF's *International Financial Statistics* includes data on the export and import values and deflators for high-income and selected developing economies.

High-income importers

Source of exports	European Union	Japan	% of world trade, 2004 United States	Other high-income	All high-income
High-income economies	30.7	2.7	9.9	12.5	55.8
European Union	24.3	0.6	3.3	3.8	32.1
Japan	1.0	..	1.5	2.0	4.5
United States	1.9	0.6	..	3.7	6.3
Other high-income economies	3.4	1.5	5.2	2.9	13.0
Low- and middle-income economies	7.7	1.9	6.2	5.3	21.0
East Asia & Pacific	1.8	1.5	2.2	3.9	9.3
China	1.1	0.8	1.4	2.2	5.6
Europe & Central Asia	3.6	0.1	0.3	0.4	4.3
Russian Federation	0.8	0.0	0.1	0.2	1.1
Latin America & Caribbean	0.7	0.1	2.9	0.3	4.0
Brazil	0.2	0.0	0.2	0.1	0.6
Middle East & N. Africa	0.9	0.1	0.2	0.2	1.5
Algeria	0.2	0.0	0.1	0.0	0.3
South Asia	0.3	0.0	0.2	0.3	0.8
India	0.2	0.0	0.1	0.2	0.6
Sub-Saharan Africa	0.4	0.1	0.4	0.1	1.0
South Africa	0.2	0.0	0.1	0.1	0.3
World	38.4	4.6	16.1	17.8	76.8

Low- and middle-income importers

Source of exports	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	% of world trade, 2004 Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low- & middle-income	World
High-income economies	6.8	4.2	1.6	1.3	0.9	0.9	15.7	71.5
European Union	1.1	3.6	0.5	0.8	0.3	0.5	6.9	39.0
Japan	1.5	0.1	0.2	0.1	0.1	0.1	1.9	6.4
United States	0.7	0.1	0.7	0.1	0.1	0.1	1.8	8.1
Other high-income economies	3.5	0.3	0.3	0.3	0.4	0.2	5.1	18.1
Low- and middle-income economies	2.2	2.4	1.1	0.6	0.5	0.5	7.5	28.5
East Asia & Pacific	1.3	0.4	0.2	0.2	0.3	0.2	2.5	11.8
China	0.4	0.3	0.1	0.1	0.1	0.1	1.1	6.7
Europe & Central Asia	0.2	1.8	0.0	0.2	0.1	0.0	2.4	6.7
Russian Federation	0.1	0.6	0.0	0.1	0.0	0.0	0.8	1.9
Latin America & Caribbean	0.2	0.1	0.8	0.1	0.0	0.0	1.2	5.2
Brazil	0.1	0.0	0.2	0.0	0.0	0.0	0.4	1.0
Middle East & N. Africa	0.2	0.1	0.0	0.1	0.0	0.0	0.5	2.0
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4
South Asia	0.1	0.0	0.0	0.0	0.1	0.1	0.3	1.2
India	0.1	0.0	0.0	0.0	0.1	0.0	0.3	0.9
Sub-Saharan Africa	0.2	0.0	0.1	0.0	0.0	0.2	0.5	1.5
South Africa	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.5
World	9.0	6.7	2.7	1.9	1.4	1.5	23.2	100.0

High-income importers

annual % growth, 1994–2004

Source of exports	European Union	Japan	United States	Other high-income	All high-income
High-income economies	7.8	3.8	6.3	5.6	6.8
European Union	8.5	4.9	9.4	6.4	8.3
Japan	3.3	..	0.8	3.9	2.6
United States	4.5	0.2	..	4.5	4.0
Other high-income economies	6.9	5.5	6.7	7.8	6.8
Low- and middle-income economies	11.9	8.2	11.9	10.1	11.0
East Asia & Pacific	13.2	9.5	13.1	10.1	11.2
China	20.5	13.1	19.3	14.8	16.5
Europe & Central Asia	15.4	5.9	11.9	12.1	14.6
Russian Federation	11.6	4.4	8.3	9.4	10.6
Latin America & Caribbean	5.8	2.6	11.6	9.7	9.9
Brazil	5.9	0.7	8.5	9.1	6.9
Middle East & N. Africa	10.3	7.1	14.6	9.9	10.5
Algeria	11.0	3.0	17.7	26.4	13.3
South Asia	8.4	−1.5	9.5	11.5	9.0
India	9.2	−0.1	10.7	13.7	10.5
Sub-Saharan Africa	4.5	4.9	9.3	4.8	6.0
South Africa	3.5	2.7	2.0	3.7	3.2
World	8.5	5.4	8.1	6.7	7.8

Low- and middle-income importers

annual % growth, 1994–2004

Source of exports	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low- & middle-income	World
High-income economies	9.2	13.5	3.0	7.6	9.0	7.0	9.0	7.2
European Union	9.0	14.4	3.3	7.7	9.7	7.0	10.4	8.6
Japan	7.8	14.2	0.4	2.9	3.0	0.6	6.6	3.7
United States	8.4	4.4	3.8	1.7	9.5	6.8	5.7	4.3
Other high-income economies	10.0	11.1	2.4	11.7	9.6	9.8	9.6	7.5
Low- and middle-income economies	16.9	12.1	9.0	14.3	13.5	12.1	13.0	11.5
East Asia & Pacific	16.6	19.4	15.2	15.8	16.5	19.7	17.0	12.2
China	19.9	23.0	19.2	21.8	20.3	23.9	21.1	17.1
Europe & Central Asia	11.7	11.0	9.2	14.5	15.0	15.3	11.4	13.3
Russian Federation	12.5	8.2	5.7	19.9	20.2	16.9	9.6	10.2
Latin America & Caribbean	18.4	16.6	7.3	13.3	8.8	11.2	9.5	9.8
Brazil	14.3	17.8	6.9	14.4	1.5	11.4	9.5	7.9
Middle East & N. Africa	25.6	14.0	14.2	14.1	4.5	20.3	16.2	11.7
Algeria	48.9	21.7	23.6	9.5	−14.6	10.5	20.1	14.0
South Asia	18.6	9.0	16.9	15.2	15.7	17.4	15.8	10.6
India	20.6	7.7	20.3	19.7	15.6	18.2	17.1	12.2
Sub-Saharan Africa	18.8	10.2	16.8	5.6	3.7	6.2	10.3	7.2
South Africa	2.0	2.8	2.9	1.8	3.2	1.6	1.9	2.8
World	10.6	13.0	5.1	9.4	10.4	8.6	10.1	8.3

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 developed and 23 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 4.4 and 4.5.)

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.

• **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). • **European Union** is defined as all high-income EU members: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, Spain, Sweden, and the United Kingdom. • **Other high-income economies** include all high-income economies (OECD and non-OECD) except the European Union, Japan, and the United States. • **Low- and middle-income regional groupings** are based on World Bank classifications and may differ from those used by other organizations.

6.3a

Triangular trade in manufactures between China, selected other large East Asian economies, and the United States and Japan
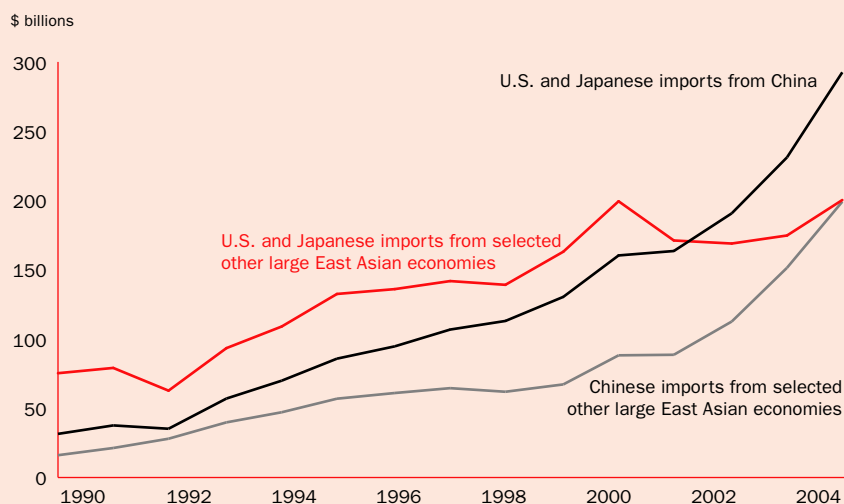
The strong rise in manufactured exports to China and Hong Kong, China, from selected large East Asian trading partners since the early 1990s has been accompanied by an almost equally strong rise in exports from China and Hong Kong, China, to the United States and Japan.

Note: Selected other large East Asian economies are Indonesia; Republic of Korea; Malaysia; Philippines; Taiwan, China; and Thailand.

Source: United Nations Statistic Division, Comtrade database.

Exports to low-income economies

	High-income countries		European Union		Japan		United States	
	1994	2004	1994	2004	1994	2004	1994	2004
Total ($ billions)	**56.6**	**118.9**	**27.0**	**52.3**	**8.1**	**11.1**	**6.2**	**15.8**
% of total exports								
Food	9.0	6.8	9.4	7.4	0.7	0.5	22.8	13.3
Cereals	3.3	2.1	2.8	1.7	0.2	0.2	17.0	8.2
Agricultural raw materials	2.3	2.0	1.5	1.6	1.6	1.5	4.4	4.8
Ores and nonferrous metals	2.1	2.7	1.6	2.4	0.6	1.1	2.5	1.7
Fuels	4.7	5.8	2.5	3.5	0.9	0.8	0.8	1.8
Crude petroleum	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	3.9	4.1	2.4	3.4	0.8	0.4	0.8	1.0
Manufactured goods	78.8	79.1	81.2	82.9	95.3	92.3	65.8	74.5
Chemical products	12.0	11.7	12.6	12.7	5.9	6.5	12.8	12.2
Iron and steel	3.6	3.1	4.3	3.0	5.9	9.9	1.0	1.3
Machinery and transport equipment	45.0	41.5	41.0	40.6	71.6	61.6	41.9	46.2
Furniture	0.2	0.3	0.3	0.4	0.1	0.2	0.1	0.2
Textiles	6.2	5.5	2.8	2.6	4.0	4.6	4.7	5.6
Footwear	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.1
Other	11.6	16.9	19.9	23.5	7.7	9.4	5.3	9.0
Miscellaneous goods	3.0	3.5	3.8	2.2	0.8	3.9	3.7	3.9

Imports from low-income economies

	High-income countries		European Union		Japan		United States	
Total ($ billions)	**63.1**	**151.8**	**32.2**	**61.9**	**7.3**	**11.2**	**15.5**	**53.6**
% of total imports								
Food	19.7	12.4	22.7	16.9	26.9	19.0	9.4	6.8
Cereals	0.7	0.4	0.3	0.4	0.5	0.1	0.2	0.2
Agricultural raw materials	7.0	2.6	8.6	4.6	10.5	2.0	1.5	0.8
Ores and nonferrous metals	5.7	3.6	5.0	5.1	15.6	8.7	2.2	0.5
Fuels	22.9	25.2	17.1	11.9	13.7	31.0	36.3	37.7
Crude petroleum	21.4	21.4	16.6	9.0	10.3	27.5	33.5	34.6
Petroleum products	1.4	2.6	0.3	0.9	2.8	1.5	2.7	2.5
Manufactured goods	44.2	55.7	46.0	61.0	32.7	38.8	50.1	53.5
Chemical products	2.1	3.3	2.1	3.5	1.0	2.9	1.8	2.4
Iron and steel	1.0	1.9	0.4	2.1	2.0	1.6	1.2	1.9
Machinery and transport equipment	2.6	5.1	2.7	5.9	0.3	9.9	1.7	3.2
Furniture	0.2	1.4	0.2	1.5	0.4	1.7	0.1	1.4
Textiles	26.1	26.6	27.0	29.9	16.9	10.9	27.8	30.6
Footwear	1.1	3.5	1.6	6.4	0.2	2.3	0.6	1.2
Other	11.1	14.0	11.9	11.6	11.9	9.6	16.8	12.8
Miscellaneous goods	0.5	0.5	0.7	0.4	0.6	0.5	0.5	0.7

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

	High-income countries		European Union		Japan		United States	
Food	2.8	2.5	2.9	3.6	6.7	5.6	1.2	3.2
Cereals	5.3	2.3	13.0	1.5	13.0	11.3	1.0	1.0
Agricultural raw materials	0.3	0.6	0.2	0.2	0.3	0.4	0.2	0.3
Ores and nonferrous metals	0.4	0.5	0.2	0.5	0.2	0.1	0.2	0.2
Fuels	0.9	0.6	0.2	0.1	1.0	0.3	2.6	0.6
Crude petroleum	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.5	0.9	0.3	0.1	1.6	0.6	2.6	1.1
Manufactured goods	3.9	3.1	1.2	0.9	2.5	2.7	5.4	4.6
Chemical products	1.3	1.3	0.5	0.5	0.9	0.4	2.0	1.7
Iron and steel	2.4	1.1	0.8	1.1	0.3	0.2	4.7	0.3
Machinery and transport equipment	0.8	0.8	0.2	0.2	0.0	0.0	0.6	0.3
Furniture	2.3	2.3	0.0	0.0	0.0	0.0	0.8	1.0
Textiles	8.9	6.9	4.1	3.0	4.9	5.8	11.6	10.3
Footwear	9.0	7.0	1.0	3.4	13.0	11.1	14.5	9.2
Other	5.0	4.0	1.8	1.3	2.9	3.6	6.6	5.8
Miscellaneous goods	0.6	0.2	0.5	0.5	0.0	0.0	1.7	0.1
Average	3.9	2.9	1.4	1.1	2.9	2.8	4.6	4.2

Exports to middle-income economies

	High-income countries		European Union		Japan		United States	
	1994	2004	1994	2004	1994	2004	1994	2004
Total ($ billions)	**565.7**	**1,309.6**	**207.5**	**544.8**	**85.2**	**161.9**	**134.7**	**252.8**
% of total exports								
Food	7.2	4.8	9.0	5.0	0.4	0.3	9.7	8.7
Cereals	1.7	1.0	1.4	0.7	0.1	0.0	3.4	2.8
Agricultural raw materials	2.1	1.9	1.3	1.4	0.9	0.9	3.2	3.5
Ores and nonferrous metals	1.7	2.5	1.5	1.9	1.1	2.3	1.6	2.4
Fuels	2.5	2.4	1.7	1.5	0.8	0.7	2.1	2.9
Crude petroleum	0.2	0.1	0.2	0.0	0.0	0.0	0.0	0.0
Petroleum products	2.0	1.9	1.3	1.3	0.7	0.6	1.5	2.4
Manufactured goods	83.4	85.6	82.5	87.9	95.9	92.2	79.3	79.3
Chemical products	10.2	12.3	11.7	13.3	6.0	8.8	10.4	12.2
Iron and steel	3.0	3.0	2.9	3.2	6.5	6.3	1.0	1.0
Machinery and transport equipment	48.3	50.7	46.2	49.4	68.2	62.1	49.1	48.4
Furniture	0.6	0.5	0.9	0.8	0.1	0.2	0.7	0.5
Textiles	7.4	5.6	6.2	5.4	3.4	2.8	5.7	5.6
Footwear	0.3	0.2	0.5	0.3	0.0	0.0	0.1	0.0
Other	13.6	13.4	14.3	15.5	11.7	12.0	12.2	11.6
Miscellaneous goods	3.1	2.7	4.0	2.3	0.9	3.6	4.0	3.2

Imports from middle-income economies

	High-income countries		European Union		Japan		United States	
	1994	2004	1994	2004	1994	2004	1994	2004
Total ($ billions)	**622.1**	**1,833.7**	**213.2**	**674.0**	**80.5**	**186.4**	**187.9**	**606.6**
% of total imports								
Food	12.7	6.7	16.1	8.3	19.5	9.8	8.7	4.9
Cereals	0.6	0.3	0.2	0.3	2.2	0.3	0.2	0.1
Agricultural raw materials	3.4	1.6	4.4	2.1	6.5	2.4	1.6	1.1
Ores and nonferrous metals	5.4	4.0	7.1	4.7	9.9	7.9	3.4	2.1
Fuels	14.5	15.6	19.2	18.6	20.6	15.8	12.4	15.8
Crude petroleum	9.5	10.1	12.1	12.2	11.8	7.2	9.1	12.0
Petroleum products	2.5	2.7	3.5	3.3	1.3	1.5	2.9	2.7
Manufactured goods	62.1	70.7	50.2	65.0	42.6	62.9	71.7	73.9
Chemical products	3.4	3.2	4.6	3.4	2.6	3.2	2.6	2.6
Iron and steel	2.4	2.6	2.4	3.0	1.8	1.4	2.3	2.3
Machinery and transport equipment	20.3	33.4	11.9	29.4	8.7	27.8	29.5	35.9
Furniture	1.4	2.4	1.5	2.3	1.6	1.7	1.6	3.4
Textiles	15.3	10.3	15.8	10.5	15.0	12.0	13.1	9.2
Footwear	3.2	1.7	1.8	1.3	1.4	1.2	4.6	2.4
Other	16.0	17.0	12.1	15.2	11.5	15.7	18.1	18.0
Miscellaneous goods	1.9	1.4	3.1	1.3	1.0	1.2	2.2	2.2

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

	High-income countries		European Union		Japan		United States	
	1994	2004	1994	2004	1994	2004	1994	2004
Food	5.6	3.7	9.4	3.6	9.4	7.9	1.6	2.7
Cereals	6.5	3.1	18.2	1.5	15.6	13.7	1.3	0.9
Agricultural raw materials	0.7	0.6	0.9	0.2	0.3	0.4	0.5	0.3
Ores and nonferrous metals	1.1	0.5	1.4	0.5	0.3	0.1	0.8	0.5
Fuels	1.0	0.7	1.0	0.1	0.6	0.6	1.1	1.4
Crude petroleum	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.6	1.0	1.5	0.1	1.4	1.0	1.7	2.2
Manufactured goods	5.0	2.7	3.6	0.9	1.8	2.2	4.6	2.8
Chemical products	2.8	1.1	3.1	0.5	0.8	0.4	2.3	1.0
Iron and steel	3.2	1.0	3.2	1.1	0.8	0.3	4.1	0.2
Machinery and transport equipment	2.2	1.1	1.6	0.2	0.0	0.0	1.2	0.3
Furniture	3.7	2.8	1.5	0.0	0.0	0.0	0.8	0.3
Textiles	11.4	7.1	8.5	2.9	5.0	6.8	11.5	8.7
Footwear	12.1	7.6	4.6	3.4	16.1	18.7	14.0	8.9
Other	6.3	3.7	4.5	1.3	2.5	3.3	5.9	4.0
Miscellaneous goods	1.5	0.5	1.9	0.5	0.0	0.0	1.3	0.3
Average	4.8	2.7	3.9	1.1	2.6	2.7	4.0	2.7

Note: Data for 1993 were used in the computation when data for 1994 were not available, and data for 2003 when data for 2004 were not available.

Developing countries are becoming increasingly important in the global trading system. Since the early 1990s trade between high-income countries and low- and middle-income economies has grown faster than trade among high-income economies. The increased trade benefits consumers and producers. But as the World Trade Organization's (WTO) Ministerial Conferences in Doha, Qatar, in October 2001, Cancun, Mexico, in September 2003, and Hong Kong, China, in December 2005 showed, achieving a more pro-development outcome from trade remains a challenge. Meeting it will require strengthening international consultation. Negotiations after the Doha meetings were launched on services, agriculture, manufactures, WTO rules, the environment, dispute settlement, intellectual property rights protection, and disciplines on regional integration. At the most recent negotiations in Hong Kong, China, trade ministers agreed to eliminate subsidies of agricultural exports by 2013; to abolish cotton export subsidies in 2006 and grant unlimited export access to selected cotton-growing countries in Sub-Saharan Africa; to cut more domestic farm supports in the European Union, Japan, and the United States; and to offer more aid to developing countries to help them compete in global trade.

Trade flows between high-income countries 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 high-income countries' 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. 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 are from the United Nations Conference on Trade and Development (UNCTAD). Partner country reports by high-income 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 numbers in the table may not be fully comparable with those used to calculate the direction of trade statistics in table 6.3 or the aggregate flows in tables 4.4, 4.5, and 6.2. 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, 4.5, 6.2, and 6.3, and for information about tariff barriers, see table 6.7.

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 countries from low-income and middle-income economies as recorded in the United Nations Statistics Division's Comtrade database. • **High-, middle-, and low-income economies** are those classified as such by the World Bank (see inside front cover). • **European Union** is defined as all high-income EU members: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, Spain, Sweden, and the United Kingdom.

6.4a

Growing trade between developing countries

Trade among developing countries as a share of total developing country trade, 1975–2004 (%)
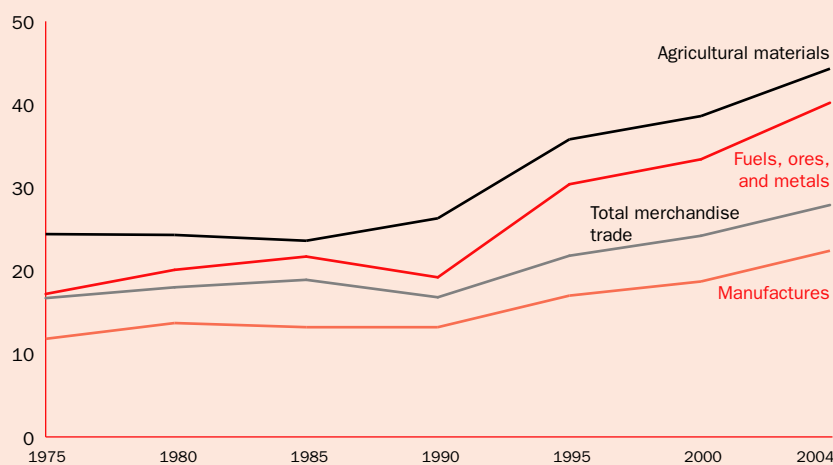
As developing countries' share in global trade has steadily increased over the past three decades, the share of trade among developing countries has greatly increased, especially since 1990.

Source: United Nations Statistics Division, Comtrade database.

Trade values are from United Nations Statistics Division's Comtrade database. Tariff data are from UNCTAD's Trade Analysis and Information System database and are calculated by World Bank staff using the World Integrated Trade Solution system.

	1970	1980	1990	1995	2000	2001	2002	2003	2004	2005
World Bank commodity price index										
(1990 = 100)										
Nonenergy commodities	156	159	100	104	89	84	89	91	100	111
Agriculture	163	175	100	112	90	84	93	95	98	103
Beverages	203	230	100	129	91	76	91	87	88	107
Food	166	177	100	100	87	91	97	96	103	100
Raw materials	130	133	100	116	93	81	89	98	99	104
Fertilizers	108	164	100	88	109	105	108	106	118	123
Metals and minerals	144	120	100	87	85	80	78	82	105	130
Petroleum	19	204	100	64	127	113	117	126	154	213
Steel products[a]	111	100	100	91	79	71	73	79	114	126
MUV G-5 index	28	79	100	117	97	94	93	100	107	110
Commodity prices										
(1990 prices)										
Agricultural raw materials										
Cotton (cents/kg)	225	260	182	182	134	112	109	140	128	111
Logs, Cameroon ($/cu. m)[a]	153	319	344	290	283	282	..	..	..	..
Logs, Malaysian ($/cu. m)	154	248	177	218	195	169	175	187	184	185
Rubber (cents/kg)	145	181	86	135	69	61	82	108	122	137
Sawnwood, Malaysian ($/cu. m)	625	503	533	632	612	510	565	550	543	601
Tobacco ($/mt)	3,836	2,887	3,392	2,258	3,063	3,185	2,947	2,643	2,561	2,524
Beverages (cents/kg)										
Cocoa	240	330	127	122	93	113	191	175	145	140
Coffee, robustas	330	411	118	237	94	64	71	81	74	102
Coffee, Arabica	409	440	197	285	198	146	146	141	166	231
Tea, avg., 3 auctions	298	211	206	127	193	169	162	151	157	150
Energy										
Coal, Australian ($/mt)	..	50	40	34	27	34	29	28	51	45
Coal, U.S. ($/mt)	..	55	42	33	34	48	43	..	..	..
Natural gas, Europe ($/mmbtu)	..	4	3	2	4	4	3	4	4	6
Natural gas, U.S. ($/mmbtu)	1	2	2	1	4	4	4	5	6	8
Petroleum ($/bbl)	4	47	23	15	29	26	27	29	35	49

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.

The 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 Group of Five (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 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 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	2000	2001	2002	2003	2004	2005
Commodity prices (continued)										
(1990 prices)										
Fertilizers ($/mt)										
Phosphate rock	39	59	41	30	45	44	43	38	38	38
TSP	152	229	132	128	142	135	143	149	174	184
Food										
Fats and oils ($/mt)										
Coconut oil	1,417	855	337	572	463	337	452	467	617	562
Groundnut oil	1,350	1,090	964	846	734	721	738	1,242	1,085	968
Palm oil	927	740	290	536	319	303	419	443	440	385
Soybeans	417	376	247	221	218	208	228	264	286	250
Soybean meal	367	332	200	168	195	192	188	211	225	195
Soybean oil	1,021	758	447	534	348	375	488	553	576	497
Grains ($/mt)										
Sorghum	185	164	104	102	91	101	109	106	103	88
Maize	208	159	109	105	91	95	107	105	104	90
Rice	450	521	271	274	208	183	206	197	222	261
Wheat	196	219	136	151	117	134	159	146	147	139
Other food										
Bananas ($/mt)	590	481	541	380	436	618	568	374	490	550
Beef (cents/kg)	465	350	256	163	199	226	226	198	235	239
Oranges ($/mt)	599	496	531	454	374	631	606	680	803	800
Sugar, EU domestic (cents/kg)	40	62	58	59	57	56	59	60	63	61
Sugar, U.S. domestic (cents/kg)	59	84	51	43	44	50	50	47	42	43
Sugar, world (cents/kg)	29	80	28	25	19	20	16	16	15	20
Metals and minerals										
Aluminum ($/mt)	1,982	1,847	1,639	1,542	1,594	1,531	1,449	1,430	1,603	1,732
Copper ($/mt)	5,038	2,768	2,662	2,508	1,866	1,673	1,674	1,777	2,678	3,357
Iron ore (cents/dmtu)	35	36	33	24	30	32	31	32	35	59
Lead (cents/kg)	108	115	81	54	47	50	49	51	83	89
Nickel ($/mt)	10,148	8,270	8,864	7,028	8,888	6,303	7,271	9,617	12,915	13,453
Tin (cents/kg)	1,310	2,128	609	531	559	475	436	489	795	673
Zinc (cents/kg)	105	97	151	88	116	94	84	83	98	126

a. Series not included in the nonenergy index.

• **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 materials. • **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 (www.worldbank.org/prospects).

Data sources

Data on commodity prices and the MUV G-5 index are compiled by the World Bank's Development Prospects Group. Monthly updates of commodity prices are available on the Web at www.worldbank.org/prospects.

Merchandise exports within bloc

	Year of creation	$ millions								
		1990	1995	1998	1999	2000	2001	2002	2003	2004
High-income and low- and middle-income economies										
APEC[a]	1989	901,560	1,688,708	1,734,386	1,896,213	2,261,791	2,070,973	2,168,705	2,420,758	2,903,670
CEFTA	1992	4,235	12,118	14,234	13,226	15,123	17,054	19,180	25,309	37,340
CIS	1991	..	29,943	27,037	20,842	27,043	22,264	28,029	36,466	40,340
EMFTA	1995	1,057,338	1,366,726	1,341,891	1,522,340	1,548,718	1,526,481	1,620,324	1,952,123	2,315,677
European Union	1957	981,260	1,259,699	1,223,801	1,396,574	1,409,464	1,398,298	1,480,493	1,782,423	2,089,442
FTAA	1994	300,700	525,346	682,067	734,848	857,300	812,144	787,492	830,495	969,106
NAFTA	1994	226,273	394,472	521,649	581,161	676,141	639,419	626,020	651,060	737,591
Africa										
CEMAC	1994	139	120	153	127	97	118	136	148	176
CEPGL	1976	7	8	8	9	10	11	13	15	19
COMESA	1994	963	1,386	1,501	1,348	1,536	1,496	1,786	2,189	2,848
Cross Border Initiative	1992	613	1,002	1,156	964	1,058	849	1,169	1,370	1,700
EAC	1996	230	530	555	438	485	453	479	573	753
ECCAS	1983	163	163	198	179	191	203	199	198	238
ECOWAS	1975	1,557	1,936	2,350	2,364	2,835	2,371	3,229	3,147	3,973
Indian Ocean Commission	1984	73	127	95	91	106	134	105	179	155
MRU	1973	0	1	2	4	5	4	5	5	6
SADC	1992	1,630	3,373	3,865	4,224	4,282	3,771	4,316	5,377	6,384
UDEAC	1964	139	120	152	126	96	117	134	146	174
UEMOA	1994	621	560	752	805	741	775	857	1,078	1,283
Latin America and the Caribbean										
ACS	1994	5,398	11,049	12,505	11,199	16,326	15,543	15,464	16,090	21,839
Andean Group	1969	1,312	4,812	5,408	3,929	5,310	5,623	5,070	5,203	7,094
CACM	1961	667	1,594	2,010	2,175	2,657	2,535	2,574	2,734	3,554
CARICOM	1973	448	867	1,020	1,136	1,050	1,420	1,184	1,410	1,797
Central American Group of Four	1993	399	1,026	1,230	1,369	1,838	1,712	1,737	1,843	2,297
Group of Three	1995	1,046	3,460	3,921	2,912	3,721	4,178	3,839	3,367	5,664
LAIA (ALADI)	1980	12,331	35,299	42,959	34,785	42,911	40,795	36,060	40,250	55,639
MERCOSUR	1991	4,127	14,199	20,352	15,313	17,829	15,156	10,228	12,732	17,470
OECS	1981	29	39	36	37	38	37	40	48	60
Middle East and Asia										
Arab Common Market	1964	911	1,368	978	951	1,312	1,728	1,998	1,797	6,297
ASEAN	1967	27,365	79,544	69,809	77,889	98,060	86,331	91,765	101,140	122,369
Bangkok Agreement	1975	4,476	12,066	12,851	14,463	16,844	16,733	17,957	21,809	24,925
EAEC	1990	281,067	634,606	549,010	612,415	772,423	698,552	779,390	940,963	1,177,295
ECO	1985	1,243	4,746	4,031	3,903	4,518	4,498	5,016	7,539	9,371
GAFTA	1997	13,313	13,129	13,548	13,752	16,238	17,528	19,195	21,511	36,027
GCC	1981	6,906	6,832	7,358	7,306	7,958	8,103	8,899	9,580	12,532
SAARC	1985	863	2,024	2,466	2,180	2,593	2,827	3,402	4,873	5,706
UMA	1989	958	1,109	881	919	1,094	1,137	1,202	1,338	1,372

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)**, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, Ukraine, and Uzbekistan; **Euro-Mediterranean Free Trade Area (EMFTA)**, European Union, Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syrian Arab Republic, Tunisia, Turkey, and West Bank and Gaza; **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; **Free Trade Areas of the 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, Republica Bolivariana de Venezuela, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, the United States, and Uruguay; **North American Free Trade Area (NAFTA)**, Canada, Mexico, and the United States; **Economic and Monetary Community of Central Africa (CEMAC)**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, Gabon, and São Tomé and Principe; **Economic Community of the Countries of the Great Lakes (CEPGL)**, Burundi, the Democratic Republic of Congo, and Rwanda; **Common Market for Eastern and Southern Africa (COMESA)**, Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, the Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Tanzania, Zambia, 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 Congo, the Republic of Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Principe; **Economic Community of West African States (ECOWAS)**, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo; **Indian Ocean Commission**, Comoros, Madagascar, Mauritius, Réunion, and Seychelles; **Mano River Union (MRU)**, Guinea, Liberia, and Sierra Leone; **Southern African Development Community (SADC; formerly Southern African Development Coordination Conference)**, Angola, Botswana, the Democratic Republic of Congo,

a. No preferential trade agreement.

Merchandise exports within bloc

	Year of creation	% of total bloc exports								
		1990	1995	1998	1999	2000	2001	2002	2003	2004
High-income and low- and middle-income economies										
APEC[a]	1989	68.3	71.8	69.7	71.8	73.1	72.6	73.4	72.6	72.0
CEFTA	1992	9.9	14.6	13.0	12.1	12.2	12.4	12.2	12.5	13.9
CIS	1991	..	27.6	26.6	20.7	19.2	18.2	18.8	19.6	16.7
EMFTA	1995	68.5	65.3	60.0	65.8	64.6	63.3	63.3	63.9	63.6
European Union	1957	65.9	62.4	56.8	62.9	61.6	60.8	60.6	61.2	60.7
FTAA	1994	46.6	52.5	58.1	59.7	60.7	60.6	60.8	60.1	60.1
NAFTA	1994	41.4	46.2	51.7	54.6	55.7	55.5	56.6	56.1	55.9
Africa										
CEMAC	1994	2.3	2.1	2.3	1.7	1.1	1.4	1.5	1.4	1.3
CEPGL	1976	0.5	0.5	0.6	0.8	0.8	0.8	0.9	1.3	1.2
COMESA	1994	6.6	7.7	8.7	7.4	5.7	6.4	6.4	6.6	6.7
Cross Border Initiative	1992	10.3	11.9	13.9	12.1	10.6	9.0	12.3	11.4	13.2
EAC	1996	13.4	17.4	19.0	14.4	16.1	13.7	13.3	14.0	14.6
ECCAS	1983	1.4	1.5	1.8	1.3	1.1	1.3	1.1	1.0	0.9
ECOWAS	1975	7.9	9.0	10.7	10.4	7.9	8.5	10.9	8.6	8.5
Indian Ocean Commission	1984	4.1	6.0	4.7	4.8	4.4	5.6	4.3	6.1	4.3
MRU	1973	0.0	0.1	0.1	0.4	0.4	0.3	0.2	0.3	0.3
SADC	1992	4.8	8.7	10.4	11.9	9.3	8.6	9.5	9.8	9.5
UDEAC	1964	2.3	2.1	2.3	1.7	1.0	1.4	1.4	1.4	1.2
UEMOA	1994	13.0	10.3	11.0	13.1	13.1	12.7	12.2	13.3	13.9
Latin America and the Caribbean										
ACS	1994	8.4	8.5	7.2	5.6	6.7	6.8	6.7	6.6	7.6
Andean Group	1969	4.1	12.0	12.8	8.8	8.8	10.6	9.5	8.6	8.7
CACM	1961	15.3	21.8	15.8	13.6	17.3	17.9	17.5	16.8	20.0
CARICOM	1973	8.1	12.1	17.3	16.9	14.7	16.5	13.8	12.4	12.5
Central American Group of Four	1993	13.7	22.2	17.1	14.6	19.2	18.7	18.4	18.2	20.0
Group of Three	1995	2.0	3.2	2.6	1.7	1.7	2.1	1.9	1.6	2.3
LAIA (ALADI)	1980	10.8	17.1	16.7	12.7	12.8	12.8	11.2	11.4	12.6
MERCOSUR	1991	8.9	20.3	25.0	20.6	20.0	17.1	11.5	11.9	12.6
OECS	1981	8.1	12.6	12.0	13.1	10.0	6.0	4.0	7.6	11.6
Middle East and Asia										
Arab Common Market	1964	2.7	6.7	4.8	3.3	2.9	4.4	5.1	4.1	7.9
ASEAN	1967	19.0	24.6	21.2	21.7	23.0	22.4	22.7	22.2	22.2
Bangkok Agreement	1975	3.7	5.0	5.0	5.1	5.1	5.5	5.5	5.7	5.2
EAEC	1990	39.7	47.9	42.0	43.8	46.6	46.6	48.2	49.4	49.8
ECO	1985	3.2	7.9	6.8	5.8	5.6	5.5	5.9	6.7	6.3
GAFTA	1997	10.3	9.9	11.0	8.9	7.2	8.4	9.3	8.5	10.2
GCC	1981	8.0	6.8	8.0	6.7	4.8	5.2	5.9	5.1	5.0
SAARC	1985	3.2	4.4	4.8	4.0	4.1	4.3	4.8	5.7	5.6
UMA	1989	2.9	3.8	3.3	2.5	2.3	2.6	2.8	2.4	1.9

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; **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; **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 Asia Economic Caucus (EAEC, formerly East Asia Economic Group)**, Brunei, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Taiwan (China), and Thailand; **Economic Cooperation Organization (ECO)**, Afghanistan, Azerbaijan, the Islamic Republic of Iran, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan; **Gulf Cooperation Council (GCC)**, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates; **South Asian Association for Regional Cooperation (SAARC)**, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka; and **Arab Maghreb Union (UMA)**, Algeria, Libya, Mauritania, Morocco, and Tunisia.

	Year of creation	% of world exports								
		1990	1995	1998	1999	2000	2001	2002	2003	2004
High-income and low- and middle-income economies										
APEC[a]	1989	39.0	46.3	46.1	46.6	48.4	46.5	46.0	44.5	44.3
CEFTA	1992	1.3	1.6	2.0	1.9	1.9	2.2	2.4	2.7	2.9
CIS	1991	..	2.1	1.9	1.8	2.2	2.0	2.3	2.5	2.7
EMFTA	1995	45.6	41.2	41.4	40.8	37.5	39.2	39.9	40.7	40.0
European Union	1957	44.0	39.7	39.9	39.2	35.8	37.5	38.0	38.8	37.9
FTAA	1994	19.1	19.7	21.8	21.7	22.1	21.8	20.2	18.4	17.7
NAFTA	1994	16.2	16.8	18.7	18.8	19.0	18.7	17.2	15.5	14.5
Africa										
CEMAC	1994	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
CEPGL	1976	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COMESA	1994	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5
Cross Border Initiative	1992	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.1
EAC	1996	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
ECCAS	1983	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
ECOWAS	1975	0.6	0.4	0.4	0.4	0.6	0.5	0.5	0.5	0.5
Indian Ocean Commission	1984	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRU	1973	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SADC	1992	1.0	0.8	0.7	0.6	0.7	0.7	0.7	0.7	0.7
UDEAC	1964	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
UEMOA	1994	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Latin America and the Caribbean										
ACS	1994	1.9	2.6	3.2	3.5	3.8	3.7	3.6	3.3	3.2
Andean Group	1969	0.9	0.8	0.8	0.8	1.0	0.9	0.8	0.8	0.9
CACM	1961	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.2
CARICOM	1973	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Central American Group of Four	1993	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Group of Three	1995	1.5	2.1	2.8	3.0	3.3	3.2	3.1	2.8	2.7
LAIA (ALADI)	1980	3.4	4.1	4.8	4.8	5.3	5.2	5.0	4.7	4.8
MERCOSUR	1991	1.4	1.4	1.5	1.3	1.4	1.4	1.4	1.4	1.5
OECS	1981	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East and Asia										
Arab Common Market	1964	1.0	0.4	0.4	0.5	0.7	0.6	0.6	0.6	0.9
ASEAN	1967	4.3	6.4	6.1	6.3	6.7	6.3	6.3	6.1	6.1
Bangkok Agreement	1975	3.6	4.8	4.8	5.0	5.2	4.9	5.1	5.1	5.3
EAEC	1990	20.9	26.1	24.2	24.7	26.0	24.4	25.2	25.4	26.0
ECO	1985	1.1	1.2	1.1	1.2	1.3	1.3	1.3	1.5	1.6
GAFTA	1997	3.8	2.6	2.3	2.7	3.5	3.4	3.2	3.4	3.9
GCC	1981	2.5	2.0	1.7	1.9	2.6	2.5	2.3	2.5	2.7
SAARC	1985	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.1
UMA	1989	1.0	0.6	0.5	0.6	0.7	0.7	0.7	0.7	0.8

a. No preferential trade agreement.

About the data

Trade blocs are groups of countries that have established special preferential arrangements governing trade between members. Although in some cases the preferences—such as lower tariff duties or exemptions from quantitative restrictions—may be no greater than those available to other trading partners, 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 challenging 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 Sub-Saharan 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. This year, the date of each trade bloc's creation has also been included. Although bloc exports have been calculated back to 1990 on the basis of current membership, several 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.

6.6a

Regional trade agreements are proliferating
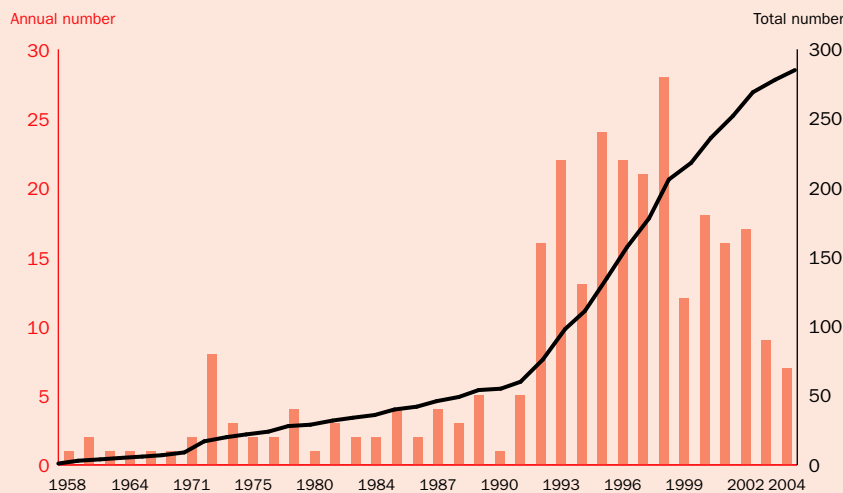
There are more than 250 regional trade agreements in force—six times as many as two decades ago. About a third of global trade takes place between countries that have some form of reciprocal regional trade agreement.

Source: World Bank 2005. *Global Economic Prospects 2005.*

	Most recent year	All products %						Primary products %		Manufactured products %	
		Binding coverage	Simple mean bound rate	Simple mean tariff	Weighted mean tariff	Share of lines with international peaks	Share of lines with specific rates	Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Albania	2002	100.0	7.0	8.3	8.4	0.0	0.0	9.2	7.7	8.2	8.7
Algeria	2003	..	..	17.9	12.0	39.4	0.0	18.1	10.5	17.8	12.5
Angola	2002	..	..	8.1	8.5	15.2	1.6	11.6	14.7	7.5	5.9
Argentina	2004[a]	100.0	31.9	11.4	9.3	35.5	0.0	8.4	2.4	11.7	9.9
Armenia	2001	100.0	8.5	3.2	2.2	0.0	0.0	6.5	3.3	2.6	1.3
Australia	2005[a]	97.1	10.0	4.2	3.1	5.6	0.2	1.5	0.7	4.6	3.6
Azerbaijan	2002	..	..	9.7	6.2	0.1	6.6	11.7	4.8	9.4	7.0
Bangladesh	2004	14.9	162.4	16.4	15.4	43.8	0.0	16.2	12.7	16.4	17.1
Belarus	2002	0.0	..	11.2	8.9	16.1	2.2	11.1	7.1	11.3	10.4
Belize	2003	..	..	12.9	11.4	38.9	0.4	20.1	13.3	11.7	10.8
Benin	2004	39.1	28.6	14.0	12.7	54.1	0.0	15.5	12.9	13.7	12.5
Bolivia	2004[a]	100.0	40.0	7.5	5.4	0.0	0.0	7.6	5.0	7.5	5.6
Bosnia and Herzegovina	2001[a]	..	..	5.1	4.9	0.0	0.0	3.7	5.3	5.3	4.7
Botswana	2001[a]	89.0	17.3	5.0	1.0	16.0	1.4	2.1	0.3	5.4	1.1
Brazil	2004[a]	100.0	31.4	13.1	7.6	37.0	0.0	9.0	1.8	13.5	9.9
Brunei	2004[a]	95.3	24.3	3.0	4.3	22.3	1.3	0.1	0.1	3.5	4.9
Bulgaria	2004[a]	100.0	24.7	10.2	9.6	24.5	2.5	15.4	10.7	9.6	9.3
Burkina Faso	2004	39.3	41.9	13.2	11.4	49.5	0.0	13.7	11.3	13.1	11.5
Burundi	2002[a]	20.9	67.6	20.0	14.7	32.6	0.6	22.4	10.6	19.6	16.9
Cambodia	2003[a]	..	..	15.6	16.4	24.8	0.0	16.8	15.6	15.4	16.6
Cameroon	2002	31.0	79.9	18.1	15.0	49.5	..	21.1	16.5	17.7	14.4
Canada	2005[a]	99.7	5.1	3.7	0.9	6.0	3.6	1.8	0.3	4.0	1.0
Chile	2004[a]	100.0	25.1	4.9	3.8	0.0	0.0	4.4	2.4	4.9	4.4
China	2004	100.0	10.0	9.6	6.0	14.9	0.0	9.6	6.2	9.5	5.8
Colombia	2004[a]	100.0	42.8	11.3	9.3	18.4	0.0	11.1	10.2	11.3	9.0
Congo, Dem. Rep.	2003	..	..	13.0	12.8	42.5	0.5	14.8	12.1	12.7	13.2
Costa Rica	2004[a]	100.0	42.9	5.7	3.8	0.9	0.0	8.3	5.8	5.4	3.4
Côte d'Ivoire	2004	33.2	11.2	12.7	10.7	44.9	0.0	14.7	11.5	12.3	10.1
Croatia	2004	100.0	5.9	4.1	3.2	5.7	3.9	6.5	3.6	3.7	3.1
Cuba	2004	31.0	21.3	10.7	9.9	11.6	..	11.1	8.8	10.6	10.4
Czech Republic	2003	100.0	5.0	5.1	4.4	4.8	0.0	5.7	4.1	4.9	4.3
Djibouti	2002	100.0	40.9	30.9	26.8	92.3	2.3	21.9	19.7	32.6	32.3
Dominican Republic	2004	100.0	34.9	10.3	8.1	32.5	0.2	13.5	7.1	9.8	8.7
Ecuador	2004[a]	99.9	21.8	11.5	9.0	20.5	0.0	10.7	6.6	11.5	9.5
Egypt, Arab Rep.	2002	99.0	37.2	18.9	13.9	46.2	6.8	18.1	7.9	19.0	16.9
El Salvador	2004[a]	100.0	36.6	5.4	4.3	8.0	0.0	6.4	3.8	5.3	4.5
Estonia	2003	100.0	8.7	1.0	0.9	5.4	0.0	8.2	4.0	0.0	0.0
Ethiopia	2002	..	..	19.4	13.5	52.0	0.2	22.0	6.7	19.1	15.7
European Union	2005[a]	100.0	4.2	1.8	1.7	1.8	10.3	2.6	0.9	1.7	2.1
Fiji	2004	51.4	40.1	..	..	..	..	..	..	..	..
Gabon	2002	100.0	21.4	18.6	14.7	52.3	..	23.2	19.7	17.9	13.5
Gambia, The	2002	13.6	100.6	..	..	..	..	..	..	..	..
Georgia	2004	100.0	7.2	7.3	9.1	5.3	1.4	12.0	13.2	6.5	6.3
Ghana	2004	14.3	92.1	13.1	11.0	45.0	0.2	17.6	17.1	12.3	8.8
Guatemala	2004[a]	34.9	36.5	5.1	4.9	1.4	0.0	7.3	5.1	4.8	4.8
Guinea	2004	39.0	20.1	..	..	..	..	..	..	..	..
Guinea-Bissau	2004	..	..	13.9	13.6	56.0	0.0	16.6	14.5	13.4	12.9
Guyana	2003	100.0	56.7	12.0	11.5	36.2	0.4	20.2	14.1	10.8	9.6
Honduras	2004[a]	100.0	32.5	5.2	5.4	1.1	0.0	7.2	8.0	4.9	4.0
Hungary	2002	96.2	9.8	8.9	7.9	10.9	0.0	17.9	6.7	7.7	8.0
Iceland	2003[a]	95.0	13.5	5.1	3.0	5.7	1.3	6.2	3.8	4.9	2.7
India	2004[a]	73.8	49.6	28.1	28.0	92.1	0.0	29.0	36.9	27.8	25.3
Indonesia	2004[a]	96.6	37.5	6.4	5.5	8.7	0.3	7.7	3.2	6.2	6.2
Iran, Islamic Rep.	2004	..	..	17.5	14.8	41.6	0.5	14.3	13.6	17.6	15.0
Israel	2005[a]	76.2	20.5	4.5	2.4	1.1	3.7	5.3	3.0	4.4	2.2
Jamaica	2003	100.0	49.8	9.4	9.8	36.5	0.3	16.0	11.0	8.4	9.3
Japan	2004[a]	99.6	3.0	2.9	2.4	8.1	2.8	5.3	3.9	2.4	1.6
Jordan	2003	100.0	16.3	14.4	11.4	40.8	0.2	20.0	11.9	13.6	11.0
Kenya	2004	14.0	95.1	16.2	10.3	39.1	0.1	19.5	10.1	15.8	10.2

	Most recent year	Binding coverage	Simple mean bound rate	All products %				Primary products %		Manufactured products %	
				Simple mean tariff	Weighted mean tariff	Share of lines with international peaks	Share of lines with specific rates	Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Korea, Rep.	2002	94.4	15.8	9.3	10.0	5.2	0.4	19.5	19.0	7.7	5.0
Kuwait	2002	..	..	3.5	3.9	0.1	1.4	1.5	3.7	4.0	4.0
Kyrgyz Republic	2003	99.9	7.4	4.1	4.3	0.1	2.3	6.6	6.1	3.6	2.9
Lao PDR	2004[a]	..	..	8.5	12.1	8.4	0.1	13.6	13.8	7.8	11.4
Latvia	2001	100.0	12.8	3.2	2.6	2.9	0.0	8.0	5.5	2.5	1.5
Lebanon	2002[a]	..	..	7.2	6.3	12.5	0.4	13.6	6.1	6.3	6.4
Lesotho	2001[a]	..	..	10.8	17.8	42.1	2.9	16.0	9.2	10.5	17.8
Libya	2002	..	..	20.2	25.2	46.6	2.1	19.2	15.1	20.1	28.5
Lithuania	2003[a]	100.0	9.2	1.2	0.6	3.0	0.0	3.3	1.2	0.9	0.4
Macedonia, FYR	2004	..	..	10.2	7.6	26.0	3.4	12.2	8.4	9.9	7.2
Madagascar	2001	29.7	27.4	5.2	3.6	4.4	0.0	5.5	1.7	5.1	4.6
Malawi	2001[a]	30.2	75.0	12.9	10.2	40.4	0.0	12.6	9.0	12.9	10.7
Malaysia	2003[a]	83.7	14.5	7.4	4.1	21.2	0.9	4.6	2.1	7.8	4.5
Maldives	2003	97.1	37.1	21.3	20.7	71.4	0.0	17.8	18.5	22.2	21.9
Mali	2004	40.7	28.8	12.8	10.7	45.9	0.0	15.4	11.5	12.4	10.4
Mauritania	2001	39.4	19.6	12.8	9.3	51.5	0.0	12.6	7.9	12.8	10.0
Mauritius	2002	18.0	94.0	23.5	13.0	40.0	0.1	19.6	9.9	23.8	14.4
Mexico	2004[a]	100.0	35.0	14.6	3.7	38.5	0.0	13.0	2.6	14.7	3.8
Moldova	2001	..	..	4.6	2.8	0.1	0.9	8.3	2.6	4.0	2.9
Mongolia	2004	100.0	17.5	..	..	..	..	..	..	..	..
Morocco	2003	100.0	41.3	28.3	24.9	75.1	0.0	33.5	25.4	27.8	24.6
Mozambique	2003[a]	..	..	12.7	9.9	36.8	0.0	16.0	9.9	12.1	9.9
Myanmar	2004	16.5	83.2	4.4	4.1	3.3	0.0	7.2	4.6	4.1	3.9
Namibia	2001[a]	88.9	17.3	4.5	0.5	13.8	2.4	3.5	0.4	4.6	0.6
Nepal	2004	..	..	14.8	14.3	21.5	0.6	13.9	9.3	14.7	16.3
New Zealand	2004[a]	100.0	10.3	3.7	3.0	7.0	5.6	1.7	0.6	4.0	3.5
Nicaragua	2004[a]	100.0	41.7	4.9	3.8	0.9	0.0	7.0	3.9	4.7	3.6
Niger	2004	96.8	44.3	12.8	13.8	48.3	0.0	15.6	15.9	12.4	13.0
Nigeria	2002	19.3	118.0	24.8	18.5	51.8	1.0	36.8	26.7	23.2	15.7
Norway	2003[a]	100.0	3.0	0.5	0.4	0.5	5.5	1.5	1.4	0.3	0.2
Oman	2002	100.0	13.8	8.0	13.6	0.6	2.6	9.5	31.6	7.6	6.5
Pakistan	2004	44.8	52.2	16.1	13.2	50.3	0.1	14.7	9.4	16.2	15.7
Panama	2001	..	..	7.9	6.9	1.2	0.2	11.3	5.9	7.5	7.4
Papua New Guinea	2005	100.0	31.8	5.7	2.2	24.5	0.5	14.2	3.2	4.7	1.7
Paraguay	2004[a]	100.0	33.6	8.5	6.3	23.7	0.0	6.2	1.9	8.7	7.9
Peru	2004[a]	100.0	30.1	9.6	8.7	10.4	0.0	10.7	9.7	9.4	8.2
Philippines	2003	67.0	25.7	4.4	2.6	1.6	0.0	5.7	5.0	4.2	2.0
Poland	2003[a]	96.2	11.9	4.3	2.2	8.8	5.0	18.1	6.7	2.4	1.2
Qatar	2002	100.0	16.0	4.1	4.3	0.2	0.0	4.5	5.7	4.0	4.0
Romania	2004[a]	100.0	40.4	13.3	12.0	37.7	0.0	17.1	10.3	12.8	12.4
Russian Federation	2002	0.0	..	10.3	8.7	8.3	19.1	9.7	8.2	10.4	8.9
Rwanda	2003[a]	100.0	89.1	8.3	6.6	10.7	0.0	11.8	6.4	7.9	6.6
Saudi Arabia	2004	..	..	6.6	7.3	10.9	0.3	6.0	10.5	6.7	6.6
Senegal	2004	100.0	30.0	13.4	9.2	50.4	0.0	14.7	8.1	13.2	10.5
Serbia and Montenegro	2002	..	..	10.0	7.9	21.7	0.0	13.3	7.6	9.5	7.9
Seychelles	2001	..	..	27.2	23.4	57.6	0.3	38.8	46.6	25.4	18.5
Sierra Leone	2004	100.0	47.4	..	..	..	..	..	..	..	..
Singapore	2003	69.3	6.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Slovak Republic	2002	100.0	5.0	22.1	21.2	51.0	0.0	19.5	12.8	22.4	23.6
Slovenia	2003[a]	100.0	23.7	3.9	1.6	10.4	1.4	6.1	3.3	3.5	1.1
South Africa	2001[a]	88.9	17.3	8.5	5.6	30.9	2.0	6.7	3.9	8.6	5.8
Sri Lanka	2004[a]	36.5	29.7	9.8	6.7	23.2	0.8	14.4	8.0	9.2	6.0
Sudan	2002	..	..	21.1	19.6	43.8	0.0	28.2	24.0	20.5	18.9
Suriname	2000	..	..	15.3	12.5	7.2	68.3	23.9	12.7	12.3	12.1
Swaziland	2001[a]	88.9	17.3	1.8	0.6	7.0	0.8	0.9	0.1	2.0	0.9
Sweden	1989	..	..	5.4	4.3	3.6	2.3	1.4	1.0	6.0	5.0
Switzerland[b]	2001[a]	99.8	1.7	3.2	1.5	..	37.7	15.0	9.5	1.1	0.2
Syrian Arab Republic	2002	..	..	14.6	15.5	23.2	0.1	14.2	11.7	14.5	16.6
Tanzania	2003[a]	13.4	120.0	14.1	8.2	37.4	0.0	15.2	7.4	14.0	8.6

	Most recent year	Binding coverage	Simple mean bound rate	All products % Simple mean tariff	Weighted mean tariff	Share of lines with international peaks	Share of lines with specific rates	Primary products % Simple mean tariff	Weighted mean tariff	Manufactured products % Simple mean tariff	Weighted mean tariff
Thailand	2003[a]	74.8	25.8	13.3	8.3	46.4	0.7	15.4	4.4	12.9	9.3
Togo	2004	13.2	80.0	14.4	10.8	55.7	0.0	15.5	10.1	14.1	11.3
Trinidad and Tobago	2003	100.0	55.8	9.7	5.5	36.2	0.0	15.5	4.8	8.8	5.9
Tunisia	2004	57.8	57.7	25.3	22.3	65.6	0.0	36.8	18.4	24.2	23.5
Turkey	2003[a]	50.0	28.7	2.6	2.0	4.6	1.2	11.7	3.5	1.7	1.5
Turkmenistan	2002	..	..	5.1	2.9	13.7	3.3	15.6	13.2	3.6	1.1
Uganda	2004[a]	14.9	73.5	6.7	5.4	0.0	0.0	9.5	6.4	6.4	5.0
Ukraine	2002	..	..	7.6	3.9	11.2	10.5	6.8	1.5	7.6	6.4
United States	2005[a]	100.0	3.6	3.0	1.7	3.8	6.6	2.5	1.0	3.1	1.8
Uruguay	2004[a]	100.0	31.7	10.8	4.2	33.5	0.0	6.9	1.4	11.1	5.8
Uzbekistan	2001	..	..	10.4	5.9	26.7	0.0	10.4	4.6	10.5	6.2
Venezuela, RB	2004[a]	99.9	36.8	12.2	11.9	20.6	0.0	12.2	11.8	12.1	11.8
Vietnam	2004[a]	..	..	13.6	14.5	33.6	0.2	17.8	17.7	12.8	13.3
Yemen, Rep.	2000	..	..	12.7	11.8	10.9	0.0	13.5	10.8	12.6	12.4
Zambia	2005[a]	15.9	105.6	13.2	9.6	29.5	0.0	13.4	11.4	13.1	9.0
Zimbabwe	2003	20.8	91.3	15.9	18.7	36.3	5.7	19.2	27.2	15.4	15.7

a. Rates are either partially or fully recorded applied rates. All other simple and weighted tariff rates are most favored nation rates. b. Data for Switzerland include all specific rates converted to their ad valorem equivalents.

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 0.8 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 twice the size of 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. Based on the difficulty of combining nontariff barriers into an aggregate indicator, they are not included in this table.

The tariff rates used in calculating the indicators in the table are 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. All estimates are calculated using the most up-to-date information, which is not necessarily updated every year. As a result, data for the same year may differ from data in last year's publication.

Three measures of average tariffs are shown: simple bound rates and the simple and the weighted mean tariffs. 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.

Some countries set fairly uniform tariff rates across all imports. Others are more selective, setting high tariffs to protect favored domestic industries. The share of tariff lines with international peaks (those for which ad valorem tariff rates exceed 15 percent) provides an indication of how selectively tariffs are applied. 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.

The share of tariff lines with specific duties shows the extent to which countries utilize tariffs based on physical quantities or other, non ad valorem measures. Some countries—for example, Switzerland—apply only specific duties. Specific duties 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.

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 last year for which complete data are available. To conserve space, data for the European Union are shown instead of data for individual members.

• **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. • **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.

	Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
					$ millions			
			Bonds		Equity			
	$ millions						$ millions	
	1990	2004	1990	2004	1990	2004	1990	2004
Afghanistan	..	..	..	..	..	..	..	..
Albania	0	426	..	0	0	0	..	30
Algeria	40	882	−16	0	0	0	−409	−479
Angola	−335	1,444	0	0	0	0	570	1,288
Argentina	1,836	4,084	−857	−671	0	−86	−1,195	−823
Armenia	4	219	..	0	0	1	..	0
Australia	8,111	42,469	..	..	..	..	..	..
Austria	653	4,022	..	..	..	..	..	..
Azerbaijan	..	3,556	..	0	0	0	..	117
Bangladesh	3	449	0	0	0	4	55	−16
Belarus	..	169	..	0	0	1	..	−62
Belgium	8,047[a]	118,758[a]	..	..	..	..	..	..
Benin	62	60	0	0	0	1	0	0
Bolivia	27	116	0	0	0	0	−24	3
Bosnia and Herzegovina	..	613	..	0	0	0	..	39
Botswana	96	47	0	0	0	10	−19	−1
Brazil	989	18,166	129	−4,436	103	2,081	−555	−178
Bulgaria	4	2,005	..	−548	0	0	..	1,618
Burkina Faso	0	35	0	0	0	0	−1	0
Burundi	1	3	0	0	0	0	−6	−5
Cambodia	..	131	0	0	0	0	0	0
Cameroon	−113	0	0	0	0	0	−12	24
Canada	7,581	6,284	..	..	..	..	..	..
Central African Republic	1	−13	0	0	0	0	−1	−4
Chad	9	478	0	0	0	0	−1	0
Chile	661	7,603	−7	1,451	367	8	1,194	−1,093
China	3,487	54,936	−48	3,690	0	10,923	4,668	4,280
Hong Kong, China	..	34,034	..	..	..	..	..	..
Colombia	500	3,052	−4	553	0	130	−151	−1,844
Congo, Dem. Rep.	−14	0	0	0	0	0	−12	−4
Congo, Rep.	23	0	0	0	0	0	−100	0
Costa Rica	163	620	−42	49	0	0	−99	−21
Côte d'Ivoire	48	175	−1	0	0	−1	10	−134
Croatia	..	1,243	..	910	0	177	..	2,808
Cuba	..	..	..	..	..	..	..	..
Czech Republic	72	4,454	..	2,696	0	738	..	−658
Denmark	1,132	−8,804	..	..	..	..	..	..
Dominican Republic	133	645	0	−20	0	0	−3	440
Ecuador	126	1,160	0	0	0	1	58	598
Egypt, Arab Rep.	734	1,253	−1	−100	0	26	−65	−128
El Salvador	2	466	0	294	0	0	6	−35
Eritrea	..	30	..	0	0	0	..	0
Estonia	..	1,049	..	857	0	176	..	1,570
Ethiopia	12	545	0	0	0	0	−57	71
Finland	812	3,075	..	..	..	..	..	..
France	13,183	24,521	..	..	..	..	..	..
Gabon	73	323	0	0	0	0	29	−23
Gambia, The	14	60	0	0	0	0	−8	0
Georgia	..	499	..	0	0	0	..	63
Germany	3,005	−34,903	..	..	..	..	..	..
Ghana	15	139	0	0	0	0	−23	31
Greece	1,005	1,355	..	..	..	..	..	..
Guatemala	48	155	−11	380	0	0	1	−16
Guinea	18	100	0	0	0	0	−19	0
Guinea-Bissau	2	5	0	0	0	0	0	0
Haiti	8	7	0	0	0	0	0	0

	Foreign direct investment		Portfolio investment flows $ millions				Bank and trade-related lending	
	$ millions		Bonds		Equity		$ millions	
	1990	**2004**	**1990**	**2004**	**1990**	**2004**	**1990**	**2004**
Honduras	44	293	0	0	0	0	32	161
Hungary	623	4,608	921	2,875	0	1,491	−1,379	7,978
India	237	5,335	147	3,722	0	8,835	1,459	−40
Indonesia	1,093	1,023	26	1,520	0	2,129	1,804	−2,467
Iran, Islamic Rep.	−362	500	0	0	0	0	−30	652
Iraq	..	..	..	..	..	..	..	..
Ireland	627	11,040	..	..	..	..	..	..
Israel	151	1,664	..	..	..	..	..	..
Italy	6,411	16,772	..	..	..	..	..	..
Jamaica	138	602	0	641	0	0	−46	56
Japan	1,777	7,805	..	..	..	..	..	..
Jordan	38	620	0	−11	0	−120	214	−5
Kazakhstan	..	4,104	..	3,075	0	−14	..	5,102
Kenya	57	46	0	0	0	3	65	−111
Korea, Dem. Rep.	..	..	..	..	..	..	..	..
Korea, Rep.	788	8,189	..	..	..	..	..	..
Kuwait	0	−20	..	..	..	..	..	..
Kyrgyz Republic	..	77	..	0	0	0	..	−54
Lao PDR	6	17	0	0	0	0	0	0
Latvia	..	699	..	503	0	23	..	1,129
Lebanon	6	288	0	2,632	0	0	6	−48
Lesotho	17	123	0	0	0	0	0	−9
Liberia	225	20	0	0	0	0	0	0
Libya	..	..	..	..	..	..	..	..
Lithuania	..	773	..	696	0	8	..	598
Macedonia, FYR	..	157	..	0	0	15	..	27
Madagascar	22	45	0	0	0	0	−15	−2
Malawi	23	16	0	0	1	0	2	−2
Malaysia	2,332	4,624	−1,239	2,063	0	4,400	−617	−2,039
Mali	6	180	0	0	0	1	−1	1
Mauritania	7	300	0	0	0	0	−1	0
Mauritius	41	14	0	0	0	19	45	−40
Mexico	2,549	17,377	661	−1,904	1,995	−2,522	4,396	294
Moldova	..	81	..	−2	0	−2	..	−28
Mongolia	0	93	..	0	0	0	..	0
Morocco	165	769	0	−40	0	572	318	−532
Mozambique	9	245	0	0	0	0	26	−23
Myanmar	163	214	0	0	0	0	−8	−32
Namibia	..	..	..	..	..	..	..	..
Nepal	6	0	0	0	0	0	−14	0
Netherlands	10,676	377	..	..	..	..	..	..
New Zealand	1,735	2,271	..	..	..	..	..	..
Nicaragua	1	250	0	0	0	0	20	26
Niger	41	0	0	0	0	0	10	−7
Nigeria	588	1,875	0	0	0	0	−121	−145
Norway	1,003	502	..	..	..	..	..	..
Oman	142	−17	0	550	0	147	−400	−578
Pakistan	245	1,118	0	283	0	50	−63	−132
Panama	136	1,012	−2	769	−1	0	−4	11
Papua New Guinea	155	25	0	0	0	0	49	−214
Paraguay	77	92	0	0	0	0	−9	−129
Peru	41	1,816	0	1,242	0	−47	18	34
Philippines	530	469	395	1,823	0	418	−286	−252
Poland	89	12,613	0	3,370	0	1,913	−18	−100
Portugal	2,610	825	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..

	Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	$ millions		Bonds		Equity		$ millions	
	1990	2004	1990	2004	1990	2004	1990	2004
Romania	0	5,440	0	−187	0	111	4	4,152
Russian Federation	..	12,479	..	7,904	0	528	..	2,805
Rwanda	8	8	0	0	0	0	−2	0
Saudi Arabia	..	..	..	..	..	..	..	..
Senegal	57	70	0	0	1	4	−15	92
Serbia and Montenegro	..	966	..	0	0	0	..	1,191
Sierra Leone	32	26	0	0	0	0	4	0
Singapore	5,575	16,032	..	..	..	..	..	..
Slovak Republic	..	1,122	..	622	0	60	..	404
Slovenia	..	827	..	..	..	..	..	..
Somalia	6	9	0	0	0	0	0	0
South Africa	−76	585	..	1,249	389	6,661	..	−668
Spain	13,984	16,594	..	..	..	..	..	..
Sri Lanka	43	233	0	100	0	−100	10	−57
Sudan	−31	1,511	0	0	0	0	0	54
Swaziland	30	68	0	0	−2	0	−2	16
Sweden	1,982	−588	..	..	..	..	..	..
Switzerland	5,545	−797	..	..	..	..	..	..
Syrian Arab Republic	71	275	0	0	0	0	−9	−4
Tajikistan	..	272	..	0	0	0	..	−24
Tanzania	0	249	0	0	0	0	5	−4
Thailand	2,444	1,412	−87	597	440	−295	1,574	117
Togo	18	60	0	0	4	3	0	0
Trinidad and Tobago	109	1,001	−52	−150	0	0	−126	0
Tunisia	76	593	−60	282	5	24	−137	141
Turkey	684	2,733	597	2,109	89	1,427	466	5,826
Turkmenistan	..	..	..	..	..	..	..	..
Uganda	−6	222	0	0	0	1	16	7
Ukraine	..	1,715	..	856	0	−2,204	..	4,637
United Arab Emirates	..	..	..	..	..	..	..	..
United Kingdom	33,504	72,561	..	..	..	..	..	..
United States	48,490	106,831	..	..	..	..	..	..
Uruguay	42	311	−16	−186	0	0	−176	−123
Uzbekistan	..	140	..	0	0	0	..	−160
Venezuela, RB	451	1,518	345	872	0	−170	−922	−82
Vietnam	180	1,610	0	−13	0	0	0	23
West Bank and Gaza	..	..	..	..	..	..	..	..
Yemen, Rep.	−131	144	0	0	0	0	161	0
Zambia	203	334	0	−1	0	0	−9	−22
Zimbabwe	−12	60	−30	0	0	0	127	7
World	**201,413 s**	**624,797 s**	**.. s**	**.. s**	**.. s**	**.. s**	**.. s**	**.. s**
Low income	2,233	17,031	116	3,990	7	8,899	1,532	−844
Middle income	20,523	194,354	966	39,007	3,383	28,660	13,935	35,627
Lower middle income	10,307	111,023	388	9,711	545	13,653	6,535	18,478
Upper middle income	10,216	83,331	577	29,297	2,838	15,007	7,400	17,149
Low & middle income	22,756	211,385	1,081	42,997	3,390	37,559	15,467	34,784
East Asia & Pacific	10,505	64,563	−952	9,679	440	17,575	7,180	−594
Europe & Central Asia	1,476	62,211	1,893	25,738	89	4,450	4,281	38,901
Latin America & Carib.	8,244	60,843	101	−1,087	2,464	−606	2,430	−2,767
Middle East & N. Africa	780	5,340	−76	3,313	5	649	−350	−982
South Asia	541	7,151	147	4,105	1	8,789	1,446	−224
Sub-Saharan Africa	1,209	11,276	−31	1,249	393	6,701	479	450
High income	178,657	413,412	..	..	..	..	..	..
Europe EMU	61,012	122,354	..	..	..	..	..	..

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 staff estimates using data reported by the United Nations Conference on Trade and Development 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 Organisation for Economic Co-operation and Development 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 non-equity crossborder 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.

Net private capital flows—calculated as the sum of foreign direct investment, portfolio investment flows, and bank and trade-related lending—are no longer included in the table because they are likely to be overestimated. The source of overestimation is the possible double counting of intercompany lending, which is a debt liability but may also be included in foreign direct investment flows. There is currently no practical way to know when double counting has occured and therefore to adjust for it.

Definitions

• **Foreign direct investment** is net inflows of investment to acquire a lasting management interest 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 portfolio debt flows (public and publicly guaranteed and private nonguaranteed bond issues purchased by foreign investors) and non-debt-creating portfolio equity flows (the sum of country funds, depository receipts, and direct purchases of shares by foreign investors). • **Bank and trade-related lending** covers commercial bank lending (public and publicly guaranteed and private nonguaranteed) and other private credits.

Data sources

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 2006*.

6.8a

Which developing countries received the most net inflows of foreign direct investment in 2004?

1995

China 34%
Others 42%
Romania 0.4%
Russian Federation 2%
India 2%
Chile 3%
Brazil 5%
Poland 4%
Mexico 9%

2004

China 26%
Others 37%
Romania 3%
Russian Federation 6%
India 3%
Chile 4%
Poland 6%
Brazil 9%
Mexico 8%
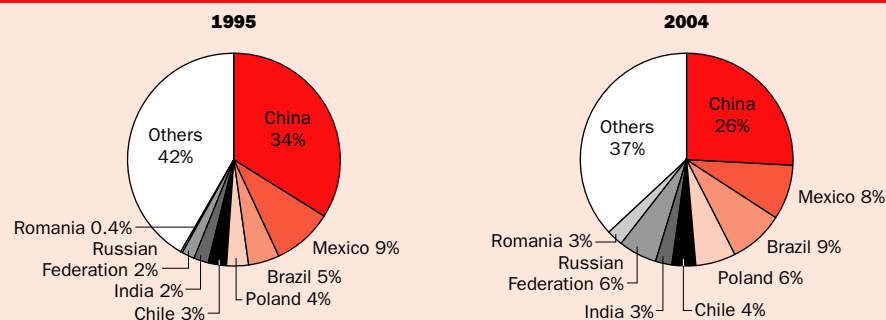
Economic integration in the past decade has boosted foreign direct investment (FDI) inflows to developing countries—particularly those with improved investment climates. FDI is also increasingly concentrated. The top eight FDI-receiving developing countries account for 63 percent of net FDI inflow in 2004, up from 58 percent in 1995.

Source: World Bank Debtor Reporting System.

Net flows to part I countries

$ millions	Official development assistance Total 2004	Bilateral grants 2004	Bilateral loans 2004	Contributions to multilateral institutions 2004	Other official flows 2004	Private flows Total 2004	Foreign direct investment 2004	Bilateral portfolio investment 2004	Multilateral portfolio investment 2004	Private export credits 2004	Net grants by NGOs 2004	Total net flows 2004
Australia	1,460	1,191	..	270	35	482	506	−24	..	..	489	2,466
Austria	678	380	−28	325	−229	815	924	..	..	−109	89	1,352
Belgium	1,463	953	−50	561	−93	−735	−169	..	..	−566	181	816
Canada	2,599	2,022	−31	608	−794	3,542	3,613	−71	..	0	639	5,986
Denmark	2,037	1,192	11	835	21	518	518	..	..	..	58	2,634
Finland	655	353	9	293	..	..	..	..	..	..	..	..
France	8,473	6,067	−500	2,906	−216	4,342	1,534	2,831	..	−23	..	12,599
Germany	7,534	4,513	−690	3,712	−1,051	4,199	3,613	−278	−85	949	1,148	11,830
Greece	465	304	..	161	4	−14	−14	..	..	..	17	472
Ireland	607	410	..	198	..	3,010	..	3,010	..	..	234	3,851
Italy	2,462	855	−151	1,757	507	221	808	−2,269	..	1,682	49	3,239
Japan	8,906	7,131	−1,213	2,988	−2,372	4,392	9,171	−3,426	−3,020	1,667	425	11,351
Luxembourg	236	171	..	64	..	..	..	..	..	..	6	242
Netherlands	4,204	3,217	−547	1,534	151	9,339	1,986	3,086	559	3,708	412	14,106
New Zealand	212	159	..	53	5	25	25	..	..	..	29	271
Norway	2,199	1,496	41	662	0	586	635	..	..	−49	..	2,785
Portugal	1,031	179	694	158	−692	335	187	..	..	148	3	676
Spain	2,437	1,227	173	1,037	25	10,300	10,503	..	..	−203	..	12,762
Sweden	2,722	2,066	10	646	−64	266	594	..	..	−328	31	2,954
Switzerland	1,545	1,173	14	359	..	−2,810	−2,082	..	−966	238	316	−949
United Kingdom	7,883	5,239	100	2,544	−155	18,805	13,335	5,826	..	−356	390	26,922
United States	19,705	17,027	−777	3,455	−679	6,465	20,355	−12,343	−1,255	−293	6,792	32,283
Total	**79,512**	**57,322**	**−2,937**	**25,126**	**−5,599**	**64,082**	**66,041**	**−3,658**	**−4,766**	**6,465**	**11,307**	**148,646**

Net flows to part II countries

$ millions	Official aid Total 2004	Bilateral grants 2004	Bilateral loans 2004	Contributions to multilateral institutions 2004	Other official flows 2004	Private flows Total 2004	Foreign direct investment 2004	Bilateral portfolio investment 2004	Private export credits 2004	Net grants by NGOs 2004	Total net flows 2004
Australia	10	5	..	6	23	−1,478	−1,324	−154	..	..	−1,445
Austria	260	158	0	101	−2	3,702	3,778	0	−76	12	3,973
Belgium	190	8	..	182	−44	6,636	6,657	0	−21	..	6,782
Canada	93	93	0	..	−71	3,403	3,301	150	−48	..	3,425
Denmark	140	64	−21	97	5	767	767	..	..	5	918
Finland	92	45	..	47	..	..	..	..	..	..	92
France	2,358	1,532	32	795	−97	..	6,038	4,078	1,938	22	8,299
Germany	1,435	549	−74	959	−1,076	..	7,600	2,825	4,564	211	7,958
Greece	130	51	..	80	11	2	93	93	..	..	237
Ireland	3	3	..	..	..	..	..	..	..	..	3
Italy	664	14	..	650	−59	..	170	494	−1,758	1,434	775
Japan	121	129	−68	60	−90	..	5,671	5,344	1,081	−754	5,702
Luxembourg	15	3	..	13	..	..	..	..	..	..	15
Netherlands	222	64	−12	169	..	..	17,745	8,513	7,398	1,834	17,967
New Zealand	1	1	..	0	..	..	..	..	..	..	1
Norway	45	45	..	..	0	..	−1	..	..	−1	44
Portugal	62	1	..	61	−5	..	−82	−89	..	7	−24
Spain	15	15	..	..	..	..	2,169	2,169	..	..	2,184
Sweden	123	123	..	..	−13	..	862	724	..	138	972
Switzerland	100	85	4	12	1	13	8,262	8,312	0	−50	8,375
United Kingdom	834	70	0	764	..	4	20,667	4,284	16,648	−266	21,505
United States	1,605	1,702	−167	70	−278	3,577	9,124	18,713	−9,663	74	14,027
Total	**8,519**	**4,759**	**−305**	**4,065**	**−1,694**	**3,613**	**91,347**	**68,639**	**20,204**	**2,504**	**101,785**

Note: Data may not sum to totals because of gaps in reporting. A substantial part of the increase in private flows to part II countries is due to the transfer of countries from part I to part II of the Development Assistance Committee list of aid recipients.

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. The 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 UN 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 table was 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 table is based on donor country reports, it does 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 nongovernmental organizations.

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.

6.9a

Who were the largest donors in 2004?

Official development assistance as a share of total

Pie chart segments: United States 26%, Japan 11%, France 11%, United Kingdom 10%, Germany 9%, Netherlands 5%, Sweden 3%, Canada 3%, Italy 3%, Spain 3%, Others 16%
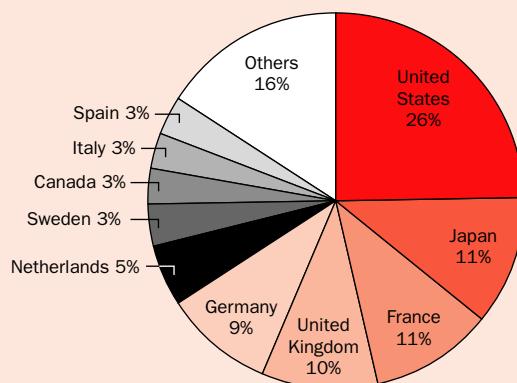
The United States is the largest donor, contributing a quarter of total official development assistance in 2004. The next four largest donors—Japan, France, the United Kingdom, and Germany—contributed 41 percent combined.

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

Net flows to part I countries

| | Net official development assistance | | | | | | | | | Untied aid[a] | |
| | $ millions | | % of GNI | | average annual % change in volume[b] 1998–99 to 2003–04 | Per capita of donor country[b] $ | | % of general government disbursement | | % of bilateral ODA commitments | |
	1999	2004	1999	2004		1999	2004	1999	2004	1999	2004
Australia	982	1,460	0.26	0.25	1.7	59	62	0.70	0.67	86.7	77.1
Austria	492	678	0.24	0.23	1.0	69	74	0.43	0.46	39.8	52.2
Belgium	760	1,463	0.30	0.41	11.4	84	125	0.60	0.84	39.0	92.7
Canada	1,706	2,599	0.28	0.27	1.7	65	73	0.61	0.66	29.6	56.7
Denmark	1,733	2,037	1.01	0.85	–2.0	378	336	1.78	1.50	70.8	88.8
Finland	416	655	0.33	0.35	5.0	91	113	0.63	0.70	84.7	..
France	5,639	8,473	0.38	0.41	3.3	109	122	0.73	0.77	70.6	94.2
Germany	5,515	7,534	0.26	0.28	2.5	74	82	0.54	0.59	84.7	92.2
Greece	194	465	0.15	0.23	12.2	21	37	0.32	0.44	3.3	23.0
Ireland	245	607	0.31	0.39	13.5	82	133	0.75	0.98	..	100.0
Italy	1,806	2,462	0.15	0.15	–0.6	37	38	0.31	0.30	22.6	..
Japan	12,163	8,906	0.27	0.19	–4.7	88	67	0.72	0.51	96.4	94.4
Luxembourg	119	236	0.66	0.83	8.8	320	466	1.43	1.61	96.1	..
Netherlands	3,134	4,204	0.79	0.73	0.7	244	233	1.68	1.49	94.1	86.8
New Zealand	134	212	0.27	0.23	1.7	42	44	0.63	0.64	..	81.2
Norway	1,370	2,199	0.88	0.87	2.5	399	430	1.80	1.89	99.1	100.0
Portugal	276	1,031	0.26	0.63	13.8	33	89	0.53	1.27	73.7	99.2
Spain	1,363	2,437	0.23	0.24	4.0	43	50	0.56	0.60	..	67.7
Sweden	1,630	2,722	0.70	0.78	7.0	202	272	1.08	1.38	91.5	87.5
Switzerland	984	1,545	0.35	0.41	4.7	160	192	1.07	1.20	96.8	96.8
United Kingdom	3,426	7,883	0.24	0.36	10.2	65	115	0.59	0.84	91.8	100.0
United States	9,145	19,705	0.10	0.17	12.7	36	66	0.29	0.47	..	..
Total or average	**53,233**	**79,512**	**0.22**	**0.26**	**4.3**	**69**	**84**	**0.56**	**0.63**	**85.8**	**90.6**

Net flows to part II countries

| | Net official aid | | | | | | |
| | $ millions | | % of GNI | | average annual % change in volume[b] 1998–99 to 2003–04 | Per capita of donor country[b] $ | |
	1999	2004	1999	2004		1999	2004
Australia	3	10	0.00	0.00	33.3	0	0
Austria	184	260	0.09	0.09	2.8	26	28
Belgium	82	190	0.03	0.05	14.6	9	16
Canada	165	93	0.03	0.01	–13.2	6	3
Denmark	128	140	0.07	0.06	3.0	28	23
Finland	74	92	0.06	0.05	–1.0	16	16
France	745	2,358	0.05	0.11	19.0	14	34
Germany	729	1,434	0.03	0.05	10.6	10	16
Greece	11	131	0.01	0.06	45.2	1	10
Ireland	..	3	..	0.00	..	0	1
Italy	92	664	0.01	0.04	22.9	2	10
Japan	67	121	0.00	0.00	–187.9	0	1
Luxembourg	3	15	0.01	0.05	27.1	7	30
Netherlands	22	222	0.01	0.04	22.6	2	12
New Zealand	0	1	0.00	0.00	36.1	0	0
Norway	28	45	0.02	0.02	–3.0	8	9
Portugal	28	62	0.03	0.04	11.9	3	5
Spain	13	15	0.00	0.00	–3.6	0	0
Sweden	99	123	0.04	0.04	1.5	12	12
Switzerland	70	100	0.03	0.03	0.2	11	12
United Kingdom	407	834	0.03	0.04	8.8	8	12
United States	3,521	1,605	0.04	0.01	–14.9	14	5
Total or average	**6,468**	**8,519**	**0.03**	**0.03**	**1.6**	**8**	**9**

a. Excludes administrative costs and technical cooperation. b. At 2003 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 6.9 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.

6.10a

Official development assistance from non-DAC donors, 2000–04 ($ millions)					
Donor	**2000**	**2001**	**2002**	**2003**	**2004**
OECD members (non-DAC)					
Czech Republic	16	26	45	91	108
Hungary	..	..	..	21	55
Iceland	9	10	13	18	21
Korea, Rep.	212	265	279	366	423
Poland	29	36	14	27	118
Slovak Republic	6	8	7	15	28
Turkey	82	64	73	67	339
Arab countries					
Kuwait	165	73	20	133	209
Saudi Arabia	295	490	2,478	2,391	1,734
United Arab Emirates	150	127	156	188	181
Other donors					
Israel[a]	164	76	114	92	66
Other donors[b]	1	2	3	4	22
Total	**1,128**	**1,178**	**3,201**	**3,416**	**3,726**

Note: China also provides aid, but does not disclose the amount.
a. Includes $66.8 million in 2000, $50.1 million in 2001, $87.8 million in 2002, $68.8 million in 2003, and $47.9 million in 2004 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

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.

	Net official development assistance or official aid ($ millions)		Aid per capita ($)		Aid dependency ratios							
					Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1999	2004	1999	2004	1999	2004	1999	2004	1999	2004	1999	2004
Afghanistan	143	2,190	6	..	..	38.0	..	..	..	..	..	288.8
Albania	488	362	159	116	13.8	4.7	70.7	20.2	43.9	..	..	..
Algeria	138	313	5	10	0.3	0.4	1.0	1.1	..	..	1.2	..
Angola	388	1,144	29	74	8.2	6.6	23.2	49.1	5.5	8.7	..	..
Argentina	100	91	3	2	0.0	0.1	0.2	0.3	0.2	0.2	..	0.3
Armenia	209	254	68	84	11.0	8.1	61.8	40.5	21.9	14.2	..	41.9
Australia												
Austria												
Azerbaijan	169	176	21	21	3.7	2.2	14.0	3.8	8.6	2.5	19.5	..
Bangladesh	1,215	1,404	10	10	2.6	2.4	11.9	10.3	13.2	10.4	..	28.7
Belarus	39	46	4	5	0.3	0.2	1.4	0.7	0.6	0.3	1.2	0.7
Belgium												
Benin	211	378	30	46	8.9	9.3	50.5	45.6	23.7	..	..	..
Bolivia	569	767	70	85	7.0	9.1	36.6	70.7	24.3	27.4	..	32.1
Bosnia and Herzegovina	1,040	671	277	172	21.0	7.7	79.3	37.8	23.2	9.3	..	20.4
Botswana	61	39	35	22	1.3	0.5	4.3	1.4	2.0	..	..	..
Brazil	187	285	1	2	0.0	0.0	0.2	0.2	0.2	0.3	..	..
Bulgaria	271	622	33	80	2.1	2.6	11.7	11.0	3.9	3.6	6.7	7.3
Burkina Faso	398	610	36	48	14.2	12.7	59.6	66.2	..	..	..	..
Burundi	74	351	12	48	10.6	54.6	114.1	501.4	55.5	..	44.5	..
Cambodia	277	478	22	35	8.1	10.3	45.2	38.0	11.0	12.1	..	107.3
Cameroon	435	762	30	47	5.0	5.4	25.3	31.8	..	..	..	..
Canada												
Central African Republic	118	105	32	26	11.4	7.9	78.0	45.6	..	..	..	..
Chad	188	319	24	34	12.4	11.8	121.6	30.6	..	..	..	..
Chile	70	49	5	3	0.1	0.1	0.5	0.2	0.3	0.1	..	0.3
China	2,394	1,661	2	1	0.2	0.1	0.6	0.2	1.1	0.3	..	..
Hong Kong, China	4	7	1	1	0.0	0.0	0.0	0.0	0.0	0.0	..	..
Colombia	302	509	7	11	0.4	0.5	2.7	2.8	1.9	2.1	..	2.3
Congo, Dem. Rep.	132	1,815	3	32	3.1	28.6	91.0	213.9	..	..	10.2	..
Congo, Rep.	142	116	43	30	8.6	3.5	21.7	11.0	7.2	..	..	..
Costa Rica	-8	13	-2	3	-0.1	0.1	-0.3	0.3	-0.1	0.1	-0.3	0.3
Côte d'Ivoire	448	154	27	9	3.8	1.0	27.2	9.2	8.7	2.2	..	..
Croatia	48	121	11	27	0.2	0.4	1.1	1.2	0.5	0.6	0.5	0.8
Cuba	59	90	5	8	..	..	..	..	..	..	..	..
Czech Republic	325	280	32	27	0.6	0.3	2.0	0.9	0.9	0.3	..	0.7
Denmark												
Dominican Republic	195	87	24	10	1.2	0.5	4.6	2.3	1.9	0.8	8.3	..
Ecuador	149	160	12	12	1.0	0.6	6.1	1.9	2.7	1.5	..	..
Egypt, Arab Rep.	1,582	1,458	24	20	1.7	1.9	8.1	11.1	7.0	5.3	..	..
El Salvador	184	211	30	31	1.5	1.4	9.0	8.6	3.6	2.8	..	68.7
Eritrea	149	260	43	61	20.3	28.5	60.0	129.0	24.1	..	..	..
Estonia	84	136	61	101	1.5	1.3	6.0	3.9	1.9	1.3	4.9	..
Ethiopia	643	1,823	10	26	10.0	23.0	58.4	107.7	33.8	47.5	..	..
Finland												
France												
Gabon	48	38	38	28	1.2	0.6	3.9	2.1	2.0	..	..	..
Gambia, The	34	63	26	43	8.2	16.0	43.6	63.3	..	..	..	..
Georgia	245	315	51	70	8.3	6.0	39.6	20.7	21.2	11.9	60.6	42.2
Germany	..	..	..	..	..	..	..	..	..	..	..	..
Ghana	609	1,358	31	63	8.1	15.4	37.9	54.9	15.0	24.3	..	73.2
Greece												
Guatemala	293	218	27	18	1.6	0.8	9.2	4.5	5.5	2.4	15.2	7.2
Guinea	238	279	29	30	7.0	7.3	31.1	68.6	22.6	27.9	..	..
Guinea-Bissau	52	76	39	50	24.9	28.3	139.0	219.4	..	..	..	..
Haiti	263	243	34	29	6.4	6.7	23.2	..	20.8	..	..	..

Aid dependency

	Net official development assistance or official aid		Aid per capita		Aid dependency ratios							
					Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	$ millions		$									
	1999	2004	1999	2004	1999	2004	1999	2004	1999	2004	1999	2004
Honduras	818	642	131	91	15.6	9.1	41.8	..	25.2	13.5	..	..
Hungary	249	303	25	30	0.6	0.3	1.8	1.3	0.7	0.4	..	..
India	1,491	691	1	1	0.3	0.1	1.4	0.4	2.2	..	2.2	0.6
Indonesia	2,125	84	10	0	1.6	0.0	13.3	0.1	3.9	0.1	9.3	0.2
Iran, Islamic Rep.	162	189	3	3	0.2	0.1	0.5	0.3	1.0	..	0.4	0.6
Iraq	76	4,658	3	..	..	..	..	..	..	..	..	..
Ireland												
Israel	906	479	148	70	0.9	0.4	3.8	2.4	1.9	0.8	..	0.8
Italy												
Jamaica	-22	75	-8	29	-0.3	0.9	-1.2	2.7	-0.5	1.2	-0.8	..
Japan												
Jordan	432	581	91	107	5.4	5.0	22.7	21.1	7.9	6.0	19.8	15.9
Kazakhstan	175	265	12	18	1.1	0.7	5.8	2.7	2.4	1.2	7.3	4.4
Kenya	310	635	10	19	2.4	4.0	15.5	21.6	8.9	12.0	13.4	..
Korea, Dem. Rep.	201	196	9	9	..	..	..	..	..	..	..	..
Korea, Rep.	-55	-68	-1	-1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	..
Kuwait	7	3	3	1	0.0	0.0	0.2	0.0	0.1	0.0	0.1	..
Kyrgyz Republic	283	258	58	51	24.1	12.2	125.8	84.9	35.8	20.9	127.8	..
Lao PDR	295	270	57	47	21.0	11.4	..	..	46.9	..	..	..
Latvia	100	165	42	71	1.4	1.2	5.9	3.7	2.6	1.8	4.3	4.3
Lebanon	194	265	58	75	1.1	1.3	5.1	5.7	..	..	..	..
Lesotho	31	102	18	57	2.7	6.3	7.0	18.8	3.4	6.9	..	20.5
Liberia	94	210	32	65	28.1	53.4	..	346.8	..	..	..	..
Libya	7	18	1	3	..	0.1	0.2	..	0.1	0.1	..	..
Lithuania	134	252	38	73	1.3	1.2	5.5	4.8	2.3	1.8	..	3.9
Macedonia, FYR	277	248	138	122	7.6	4.7	38.3	21.5	14.0	7.4	..	..
Madagascar	359	1,236	23	68	9.8	28.8	64.7	103.2	28.4	..	..	44.9
Malawi	447	476	40	38	25.8	25.9	171.7	229.4	55.1	..	..	..
Malaysia	144	290	6	12	0.2	0.3	0.8	1.1	0.2	..	1.0	..
Mali	355	567	31	43	14.0	12.2	65.1	59.2	32.9	..	..	..
Mauritania	219	180	85	60	20.1	11.1	120.2	54.5	..	..	..	..
Mauritius	42	38	36	31	1.0	0.6	3.8	2.6	1.4	1.0	4.4	2.9
Mexico	37	121	0	1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	..
Moldova	107	118	25	28	9.0	4.0	40.0	18.0	12.1	5.2	31.5	16.8
Mongolia	222	262	93	104	24.9	16.4	66.4	44.3	33.5	18.3	..	..
Morocco	679	706	24	23	2.0	1.4	8.3	5.6	5.2	3.4	6.8	..
Mozambique	805	1,228	46	63	21.3	21.4	55.1	100.6	47.1	44.6	..	..
Myanmar	81	121	2	2	..	..	..	..	3.2	3.7	..	..
Namibia	179	179	97	89	5.3	3.1	22.7	12.3	9.2	6.6	15.8	..
Nepal	351	427	15	16	7.0	6.4	34.0	24.2	20.2	18.9	..	..
Netherlands												
New Zealand												
Nicaragua	673	1,232	138	229	19.0	28.3	46.9	95.3	28.3	40.4	93.8	137.0
Niger	187	536	16	40	9.4	17.5	90.7	109.3	36.8	..	..	..
Nigeria	152	573	1	4	0.5	1.0	1.9	3.6	1.0	3.3	..	..
Norway												
Oman	40	55	17	22	0.3	0.2	1.7	1.3	0.6	0.5	0.9	..
Pakistan	733	1,421	5	9	1.2	1.5	7.5	8.5	5.4	5.8	6.5	10.2
Panama	15	38	5	12	0.1	0.3	0.5	1.3	0.1	0.3	0.6	..
Papua New Guinea	216	266	42	46	6.6	7.6	38.6	..	10.3	..	21.4	..
Paraguay	78	0	15	0	1.0	0.0	4.4	0.0	2.3	0.0	6.1	0.0
Peru	451	487	18	18	0.9	0.7	4.1	3.8	4.2	3.0	5.1	4.2
Philippines	690	463	9	6	0.9	0.5	4.8	3.1	1.7	0.9	..	..
Poland	1,186	1,525	31	40	0.7	0.6	2.9	3.1	2.2	1.3	..	..
Portugal												
Puerto Rico												

	Net official development assistance or official aid ($ millions)		Aid per capita ($)		Aid dependency ratios							
					Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	1999	2004	1999	2004	1999	2004	1999	2004	1999	2004	1999	2004
Romania	387	916	17	42	1.1	1.3	6.8	5.0	3.2	2.5	..	..
Russian Federation	1,946	1,313	13	9	1.0	0.2	6.7	1.1	3.0	0.9	..	1.0
Rwanda	373	468	50	53	19.4	25.8	112.2	121.8	81.4	88.8	..	..
Saudi Arabia	29	32	1	1	0.0	0.0	0.1	0.1	0.1	0.0	..	..
Senegal	535	1,052	53	92	11.5	13.9	60.9	57.9	26.7	..	91.0	..
Serbia and Montenegro	676	1,170	64	144	6.6	4.9	56.9	29.0	..	..	..	..
Sierra Leone	74	360	17	67	11.5	34.3	204.7	211.3	36.5	87.1	..	..
Singapore	-1	9	0	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Slovak Republic	319	235	59	44	1.6	0.6	5.7	2.2	2.3	..	..	..
Slovenia	31	62	16	31	0.1	0.2	0.5	0.7	0.3	0.3	0.4	0.5
Somalia	115	191	17	24	..	..	..	..	..	..	..	..
South Africa	541	617	13	14	0.4	0.3	2.5	1.6	1.5	0.9	..	1.0
Spain												
Sri Lanka	263	519	14	27	1.7	2.7	6.2	10.4	3.7	5.5	7.9	..
Sudan	243	882	8	25	2.6	4.5	13.9	20.9	14.7	15.3	30.0	..
Swaziland	29	117	28	104	2.0	4.9	11.2	26.6	2.2	4.5	8.1	..
Sweden												
Switzerland												
Syrian Arab Republic	228	110	14	6	1.5	0.5	6.8	2.2	3.7	1.2	..	..
Tajikistan	123	241	20	37	11.9	12.1	65.0	124.7	..	16.0	112.7	84.4
Tanzania	990	1,746	29	46	11.6	16.2	73.8	83.8	42.0	52.7	..	..
Thailand	1,014	-2	17	0	0.9	0.0	4.0	0.0	1.6	0.0	..	0.0
Togo	71	61	14	10	4.7	3.0	33.9	16.5	10.2	..	..	..
Trinidad and Tobago	26	-1	20	-1	0.4	0.0	1.8	0.0	0.8	..	..	..
Tunisia	253	328	27	33	1.3	1.2	4.6	4.7	2.5	2.1	4.4	4.1
Turkey	11	257	0	4	0.0	0.1	0.0	0.3	0.0	0.2	..	..
Turkmenistan	24	37	5	8	1.0	0.6	2.5	2.4	..	..	..	..
Uganda	590	1,159	25	42	9.9	17.3	50.3	75.5	37.6	49.1	70.6	..
Ukraine	569	360	11	8	1.9	0.6	10.3	2.9	3.5	1.0	7.2	1.7
United Arab Emirates	4	6	1	1	0.0	0.0	0.0	0.0	..	..	0.1	..
United Kingdom												
United States												
Uruguay	22	22	7	6	0.1	0.2	0.7	1.3	0.5	0.5	0.4	0.6
Uzbekistan	155	246	6	9	0.9	2.1	5.2	10.2	..	..	..	..
Venezuela, RB	44	49	2	2	0.0	0.0	0.2	0.2	0.2	0.2	0.2	..
Vietnam	1,429	1,830	18	22	5.0	4.1	18.0	11.4	10.1	..	..	..
West Bank and Gaza	516	1,136	182	324	10.2	..	35.1	..	..	..	..	..
Yemen, Rep.	458	252	26	12	6.6	2.1	25.6	11.5	12.8	4.0	27.7	..
Zambia	624	1,081	59	94	21.0	21.2	113.4	77.1	46.1	..	114.2	..
Zimbabwe	245	186	20	14	4.3	4.0	28.5	31.0	..	..	..	..
World	**60,715 s**	**87,307 s**	**10 w**	**14 w**	**0.2 w**	**0.2 w**	**0.9 w**	**.. w**	**0.7 w**	**0.7 w**	**.. w**	**.. w**
Low income	19,714	33,954	9	14	2.4	2.8	10.9	11.9	10.3	..	..	..
Middle income	27,137	31,603	9	10	0.6	0.4	2.4	1.6	1.9	1.2	..	..
Lower middle income	19,713	23,430	8	10	0.7	0.6	2.8	1.8	2.8	1.6	..	..
Upper middle income	6,158	6,766	11	12	0.3	0.2	1.4	1.0	0.8	0.5	..	..
Low & middle income	58,885	85,456	12	16	1.1	1.0	4.5	3.8	3.6	2.8	..	..
East Asia & Pacific	9,890	6,916	6	4	0.6	0.3	2.1	0.7	2.1	0.6	..	..
Europe & Central Asia	11,478	11,869	24	25	1.3	0.7	6.1	2.9	3.2	1.5	..	..
Latin America & Carib.	5,937	6,869	12	13	0.3	0.4	1.6	1.6	1.3	1.2	..	..
Middle East & N. Africa	5,149	10,517	19	35	1.1	1.7	4.7	6.4	4.0	..	..	..
South Asia	4,293	6,758	3	5	0.7	0.8	3.2	3.3	4.2	..	..	..
Sub-Saharan Africa	13,263	26,004	21	36	4.2	5.3	22.2	26.1	11.5	13.9	..	..
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 6.9). 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 6.10a).

The table does 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 UN 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 necessarily 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 6.10).

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, 4.8, and 4.11.

6.11a

More aid flows to developing countries

Aid per capita ($)

1999 | 2004
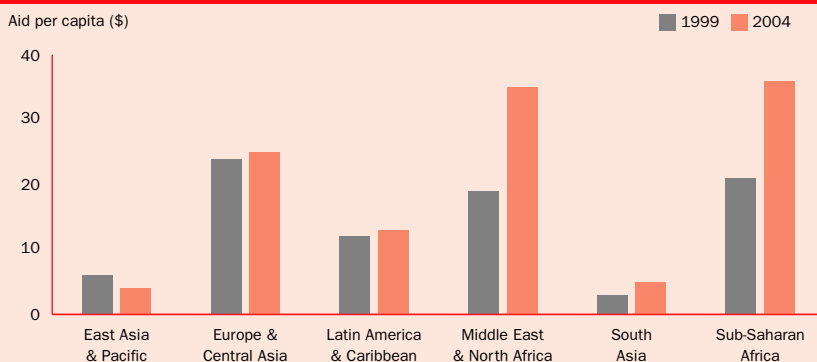
Between 1999 and 2004 the flow of aid to Sub-Saharan Africa and Middle East and North Africa increased while the flow of aid to other regions changed little.

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

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 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 www.oecd.org/dataoecd/50/17/5037721.htm. Data on population, GNI, gross capital formation, imports of goods and services, and central government expenditure are from World Bank and IMF databases.

	Total $ millions 2004	Ten major DAC donors										Other DAC donors $ millions 2004
		$ millions										
		United States 2004	France 2004	Japan 2004	United Kingdom 2004	Germany 2004	Netherlands 2004	Sweden 2004	Canada 2004	Norway 2004	Spain 2004	
Afghanistan	1,697.5	778.3	15.0	172.5	224.0	75.1	90.3	55.7	56.2	67.7	16.6	146.5
Albania	228.4	40.3	6.6	9.8	4.0	23.6	11.0	5.7	1.1	8.0	1.6	117.1
Algeria	234.6	3.8	172.9	–1.0	0.0	–2.6	0.1	2.0	1.1	1.6	12.7	44.6
Angola	1,015.0	121.3	21.9	25.5	15.1	13.0	19.6	17.3	4.8	24.8	9.3	743.2
Argentina	78.5	1.8	13.6	9.3	..	10.9	1.0	0.3	2.3	0.0	33.4	6.4
Armenia	133.9	73.1	4.0	4.7	6.6	18.7	9.2	2.3	0.6	3.3	1.4	10.4
Australia												
Austria												
Azerbaijan	91.9	47.6	2.4	9.6	0.2	17.0	3.5	0.5	0.9	5.7	0.1	5.1
Bangladesh	632.9	62.9	0.9	38.2	252.7	25.2	65.2	26.6	48.9	23.9	0.1	88.7
Belarus	31.4	2.0	4.4	0.2	0.2	12.6	1.5	6.0	0.2	..	0.0	4.8
Belgium												
Benin	210.3	27.9	62.9	11.2	..	24.5	10.4	0.1	6.4	0.2	0.3	67.1
Bolivia	557.4	137.6	17.8	50.8	50.8	75.3	48.1	29.0	11.9	3.4	54.5	78.8
Bosnia and Herzegovina	301.0	61.9	3.4	22.2	11.0	29.9	24.8	34.1	5.9	17.0	24.7	66.6
Botswana	32.6	21.1	1.9	–1.4	0.5	3.8	1.2	0.4	1.2	1.6	0.0	2.8
Brazil	147.3	–57.5	31.1	41.7	11.1	51.9	16.3	2.5	9.1	3.1	9.9	28.7
Bulgaria	246.0	38.9	24.7	28.7	3.0	106.5	3.5	0.8	1.7	1.2	0.5	37.1
Burkina Faso	331.3	17.6	83.6	8.5	6.5	38.5	55.0	12.2	16.2	0.2	2.3	91.3
Burundi	184.3	43.8	34.8	0.4	9.5	10.4	23.3	6.6	4.3	11.9	0.8	39.1
Cambodia	297.8	48.1	25.6	86.4	17.6	22.5	8.7	22.6	8.5	3.3	0.1	54.9
Cameroon	572.0	17.2	129.1	16.9	30.0	205.7	11.6	14.3	43.2	1.7	–5.6	108.5
Canada												
Central African Republic	54.8	12.0	36.6	0.1	..	2.4	0.6	0.7	0.4	0.5	0.1	2.0
Chad	162.2	47.4	46.3	0.7	8.1	31.0	4.4	1.5	1.7	..	3.1	18.7
Chile	25.9	–1.7	15.1	–34.6	1.1	27.4	1.4	0.8	3.5	3.9	3.4	6.2
China	1,585.4	21.5	102.8	964.7	72.2	260.5	25.6	18.2	34.9	14.8	12.7	58.2
Hong Kong, China	6.3	0.2	2.1	2.2	..	..	0.0	..	..	..	0.0	2.3
Colombia	470.0	375.6	5.6	–8.4	2.0	8.8	26.0	14.1	9.2	8.5	9.6	19.7
Congo, Dem. Rep.	1,164.4	189.6	134.7	48.5	301.0	59.3	58.8	23.3	20.3	18.0	6.1	305.5
Congo, Rep.	47.5	0.4	36.1	0.3	4.9	0.5	1.3	3.6	0.4	1.7	–0.3	–0.8
Costa Rica	11.2	–15.1	5.8	–5.2	–15.9	8.9	12.2	1.2	2.9	4.6	9.9	2.5
Côte d'Ivoire	196.0	31.8	62.2	1.9	5.9	14.5	1.9	1.6	4.7	3.0	3.9	65.2
Croatia	87.3	45.9	3.8	0.7	2.3	2.4	2.3	6.9	0.8	14.9	0.6	7.3
Cuba	69.3	10.6	4.3	3.4	3.3	2.9	1.4	2.7	8.2	4.5	16.6	12.1
Czech Republic	42.8	0.7	11.4	1.7	..	18.2	2.2	0.1	0.5	0.1	0.5	8.2
Denmark												
Dominican Republic	84.4	–4.1	6.6	15.3	0.2	10.5	1.9	0.1	2.8	0.6	45.1	5.9
Ecuador	159.8	74.5	1.5	–2.7	–14.8	15.6	12.9	1.3	7.8	2.4	31.5	30.6
Egypt, Arab Rep.	1,177.1	704.5	109.2	64.9	76.8	107.3	9.8	1.7	10.6	0.7	19.8	72.6
El Salvador	201.9	114.8	3.6	2.3	0.2	12.7	6.5	7.7	4.8	1.1	27.5	21.4
Eritrea	178.3	95.0	0.8	1.6	5.0	4.4	12.5	3.2	5.2	18.6	0.2	32.3
Estonia	27.4	2.9	2.3	0.8	..	4.5	0.6	4.6	0.4	0.4	0.1	11.5
Ethiopia	1,026.2	402.3	26.3	33.3	147.1	126.1	57.5	50.8	59.5	34.0	0.8	89.1
Finland												
France												
Gabon	23.5	2.9	13.7	2.7	..	1.0	0.8	..	1.7	0.1	0.0	1.2
Gambia, The	11.7	3.2	0.2	2.7	0.5	1.9	0.5	0.6	0.9	0.3	..	1.6
Georgia	210.3	92.3	3.9	10.6	3.1	58.4	7.5	4.1	2.5	4.8	0.1	23.5
Germany												
Ghana	896.9	80.4	74.5	115.4	263.5	65.6	152.6	0.5	48.5	1.7	19.1	75.6
Greece												
Guatemala	203.4	53.5	2.4	25.4	–0.3	23.3	20.9	16.0	7.6	13.0	22.4	19.7
Guinea	178.4	47.7	72.3	16.5	3.2	20.2	3.2	1.4	8.0	1.6	..	4.8
Guinea-Bissau	28.6	0.1	5.4	0.0	..	0.8	3.3	2.4	0.7	0.1	1.5	14.9
Haiti	208.7	91.2	25.0	5.9	3.5	7.5	7.1	2.2	37.4	7.0	4.5	18.0

	Total $ millions 2004	Ten major DAC donors ($ millions) United States 2004	France 2004	Japan 2004	United Kingdom 2004	Germany 2004	Netherlands 2004	Sweden 2004	Canada 2004	Norway 2004	Spain 2004	Other DAC donors $ millions 2004
Honduras	328.5	112.1	21.3	31.3	1.2	26.1	16.1	27.7	9.4	1.8	54.0	28.0
Hungary	61.0	1.5	12.8	4.7	..	22.9	1.8	1.1	0.8	0.1	4.4	11.4
India	20.9	50.5	−13.0	−82.1	370.2	−10.7	−315.8	11.6	33.6	13.3	9.5	−45.6
Indonesia	-145.6	68.9	−28.2	−318.5	8.5	−8.6	−0.5	9.1	9.3	7.4	10.9	96.9
Iran, Islamic Rep.	140.2	4.8	15.7	19.8	4.8	41.2	11.1	2.6	0.4	11.5	3.7	25.2
Iraq	4,392.1	3,022.0	4.2	662.1	275.1	10.2	140.8	21.3	72.0	18.5	59.4	107.0
Ireland												
Israel	477.9	501.1	9.1	0.7	..	−36.6	1.0	..	0.1	..	0.9	2.1
Italy												
Jamaica	7.8	11.6	−1.5	−15.8	7.5	−10.4	7.7	0.2	9.2	0.3	0.4	−0.9
Japan												
Jordan	432.9	374.0	6.3	−5.3	4.7	21.0	0.6	0.8	7.0	1.3	3.3	19.9
Kazakhstan	203.3	56.4	2.8	130.8	1.8	−0.6	3.3	1.2	0.5	1.5	4.5	1.7
Kenya	469.5	140.9	32.2	70.9	45.8	41.7	24.4	29.9	18.1	7.9	2.4	55.9
Korea, Dem. Rep.	137.1	55.7	−0.5	..	37.4	7.5	0.5	5.4	2.4	5.6	0.1	23.6
Korea, Rep.	-68.7	−44.4	18.2	−58.9	..	11.5	0.1	..	3.2	..	..	2.2
Kuwait	2.2	..	1.7	0.3	..	0.1	0.0	..	..	..	0.0	0.7
Kyrgyz Republic	108.8	39.9	0.9	26.7	6.3	13.7	3.1	2.5	0.3	3.1	0.1	12.8
Lao PDR	177.6	3.5	19.7	71.7	2.2	15.9	2.4	22.2	2.5	2.5	..	35.6
Latvia	29.1	2.8	2.0	0.7	..	6.0	0.6	5.7	0.2	0.3	0.0	11.4
Lebanon	128.2	28.8	58.6	8.1	0.3	12.0	0.2	0.7	2.7	6.4	3.3	7.6
Lesotho	35.1	4.0	−0.8	1.2	7.2	5.3	0.1	0.0	0.5	1.3	..	16.8
Liberia	161.9	102.5	0.8	..	16.5	−3.1	8.6	12.5	1.0	11.6	..	11.9
Libya	9.6	0.0	3.0	0.3	..	2.8	0.1	..	..	..	..	3.9
Lithuania	32.1	1.6	3.7	3.2	..	9.8	1.2	7.0	0.3	0.6	0.1	5.3
Macedonia, FYR	161.4	53.1	4.3	4.2	3.0	18.2	28.5	9.3	0.7	12.6	2.3	25.7
Madagascar	684.8	40.7	484.5	28.0	27.5	7.6	0.9	0.2	17.6	8.5	8.0	62.0
Malawi	308.4	56.8	1.3	19.0	119.5	24.6	15.8	15.9	16.0	27.2	−0.4	13.3
Malaysia	286.8	1.1	−2.4	256.5	0.5	7.3	0.2	..	0.3	0.9	0.9	22.1
Mali	327.5	45.5	81.5	13.7	0.4	26.4	64.1	14.9	44.1	8.0	1.3	28.2
Mauritania	82.6	11.0	29.2	11.1	0.5	11.3	0.8	0.4	2.1	0.7	11.5	4.5
Mauritius	14.7	0.3	12.3	1.5	0.2	−1.3	0.0	0.0	0.3	0.0	..	2.0
Mexico	78.9	42.8	18.7	13.0	0.2	23.3	0.2	0.2	5.1	0.4	−28.3	3.9
Moldova	76.9	32.8	4.2	3.3	4.9	6.3	5.6	7.2	0.6	1.3	0.0	11.3
Mongolia	154.7	25.9	5.3	65.6	7.4	26.5	9.5	2.4	1.3	1.2	2.8	7.4
Morocco	393.5	−10.3	218.1	66.3	0.1	34.5	6.5	0.7	4.6	0.8	51.0	21.7
Mozambique	728.1	110.0	14.6	19.4	65.9	38.7	54.7	67.9	27.3	61.1	32.5	236.6
Myanmar	81.4	5.7	2.0	26.8	12.0	4.7	2.8	3.7	0.6	7.1	..	16.5
Namibia	129.7	34.3	4.3	1.2	2.7	33.2	4.2	9.8	0.7	2.7	11.1	26.0
Nepal	318.5	35.4	−2.2	56.4	65.8	52.6	14.1	1.1	7.7	23.0	0.1	65.2
Netherlands												
New Zealand												
Nicaragua	858.0	69.7	65.3	29.9	13.4	278.0	40.8	41.1	9.0	12.6	207.7	91.2
Niger	305.7	19.3	195.8	14.1	8.4	16.7	5.5	0.1	7.6	1.9	1.0	35.8
Nigeria	314.2	120.2	7.4	8.7	126.1	13.7	3.8	1.2	15.2	5.5	0.6	12.6
Norway												
Oman	2.0	−5.0	1.0	5.3	..	0.2	..	..	..	..	..	1.0
Pakistan	382.7	76.9	5.1	134.1	90.8	20.4	7.9	2.1	15.5	8.1	0.1	22.2
Panama	25.3	9.3	0.5	6.2	0.0	1.3	0.3	..	0.7	..	6.6	0.8
Papua New Guinea	249.9	0.1	0.2	−6.1	..	1.9	0.8	0.1	0.6	0.4	0.1	252.3
Paraguay	5.4	14.8	−0.4	−3.3	−0.5	−19.1	1.9	1.7	2.1	0.6	6.4	1.8
Peru	460.2	177.9	12.8	89.8	5.3	40.7	18.1	4.6	14.2	1.3	56.2	40.0
Philippines	433.4	79.5	−6.9	211.4	0.4	39.1	16.9	6.3	12.4	1.9	14.1	59.0
Poland	413.0	−0.8	196.5	−4.0	..	72.9	1.0	1.3	49.6	0.4	2.1	94.6
Portugal												
Puerto Rico												

| | | Ten major DAC donors | | | | | | | | | | Other DAC donors |
| | | | | | | $ millions | | | | | | |
	Total $ millions 2004	United States 2004	France 2004	Japan 2004	United Kingdom 2004	Germany 2004	Netherlands 2004	Sweden 2004	Canada 2004	Norway 2004	Spain 2004	$ millions 2004
Romania	209.3	38.0	42.1	34.2	8.5	51.4	2.3	1.0	1.9	0.8	1.5	28.0
Russian Federation	1,075.2	716.4	31.9	4.8	37.9	98.3	12.8	69.7	13.2	29.6	3.3	57.9
Rwanda	217.2	50.3	7.3	0.9	58.2	16.6	25.5	8.5	6.1	6.2	0.4	37.8
Saudi Arabia	8.5	0.1	6.8	−0.2	..	1.7	0.1	..	0.0	..	..	0.6
Senegal	755.4	49.8	509.8	50.4	9.1	33.1	16.9	8.9	24.6	1.0	18.3	34.0
Serbia and Montenegro	585.3	181.2	9.0	11.4	9.6	115.7	22.8	39.4	10.4	37.0	18.5	130.7
Sierra Leone	163.1	30.1	3.5	0.2	60.9	11.7	9.5	3.2	3.2	5.2	1.6	34.6
Singapore	9.1	..	3.6	2.7	0.1	1.9	..	..	0.0	..	0.1	1.3
Slovak Republic	58.9	1.1	6.7	22.8	0.0	11.9	2.5	0.1	1.2	0.1	0.3	12.7
Slovenia	4.3	0.9	1.5	0.1	0.1	−2.1	0.3	0.1	0.1	..	0.2	3.7
Somalia	139.3	31.9	0.4	..	11.8	2.5	18.9	13.7	1.8	33.7	..	25.1
South Africa	460.4	94.7	2.5	18.8	87.1	56.5	55.7	25.6	12.0	15.9	0.5	91.7
Spain												
Sri Lanka	337.8	−3.4	4.7	179.5	16.8	28.6	13.9	23.0	5.5	30.3	0.6	38.9
Sudan	744.8	377.6	11.6	1.6	116.6	48.3	0.3	26.5	26.3	57.2	7.9	71.5
Swaziland	104.5	1.2	0.1	4.9	1.4	−3.1	97.6	0.2	0.6	0.4	..	1.8
Sweden												
Switzerland												
Syrian Arab Republic	14.9	0.0	23.7	−26.5	0.1	−0.2	4.8	0.1	1.6	1.3	0.7	9.8
Tajikistan	92.5	47.5	0.3	6.6	1.5	5.4	1.2	3.1	6.9	1.5	..	19.0
Tanzania	1,029.5	89.5	120.0	52.5	215.6	56.4	117.6	83.6	32.7	59.6	5.8	196.7
Thailand	-24.9	10.1	−0.5	−55.6	−19.7	−1.5	4.0	6.4	4.0	2.2	0.7	25.6
Togo	52.3	3.6	26.5	0.8	0.3	9.7	1.2	0.2	6.0	0.3	0.7	3.8
Trinidad and Tobago	7.2	1.8	1.7	1.9	0.4	0.4	0.1	..	1.0	..	0.1	0.6
Tunisia	230.8	−15.7	141.4	59.7	..	12.3	−2.4	0.6	0.5	0.1	9.7	25.2
Turkey	-45.4	−29.7	10.7	−25.9	−3.7	−74.6	2.3	1.8	−2.4	1.6	49.5	25.6
Turkmenistan	11.3	6.5	0.8	2.2	0.1	1.2	0.0	..	0.1	0.1	..	0.8
Uganda	682.6	207.7	6.2	11.8	107.6	41.8	70.9	42.7	10.2	41.7	3.3	139.3
Ukraine	233.4	102.8	11.3	2.1	11.1	50.8	5.8	9.6	19.3	0.2	0.2	20.6
United Arab Emirates	5.2	0.3	3.6	0.2	..	1.0	..	..	..	..	0.0	0.5
United Kingdom												
United States												
Uruguay	9.4	−1.6	3.3	2.0	..	0.3	0.0	0.2	1.4	..	2.7	1.6
Uzbekistan	206.1	61.2	3.1	99.8	1.5	20.3	0.7	0.4	0.8	1.0	1.3	16.8
Venezuela, RB	28.3	9.0	6.6	4.6	0.4	2.1	0.1	0.0	0.9	0.3	2.8	2.1
Vietnam	1,181.5	30.5	106.8	615.3	67.7	74.8	52.3	26.8	25.3	12.1	6.3	164.2
West Bank and Gaza	605.1	273.9	25.2	9.0	29.5	31.2	20.9	39.4	22.4	53.8	23.8	76.6
Yemen, Rep.	152.6	43.3	3.7	18.2	12.7	35.8	29.8	0.3	0.6	0.4	2.6	5.8
Zambia	745.3	81.8	103.8	14.3	282.6	36.2	53.6	26.2	25.0	37.4	0.9	84.2
Zimbabwe	165.4	30.4	3.1	3.6	49.7	15.7	12.4	12.9	11.9	8.1	0.2	18.0
World	**58,838.7 s**	**17,785.0 s**	**7,130.4 s**	**5,977.9 s**	**5,408.9 s**	**4,298.3 s**	**2,722.8 s**	**2,198.7 s**	**2,084.1 s**	**1,581.5 s**	**1,415.0 s**	**8,236.1 s**
Low income	20,730.2	4,206.9	2,730.1	1,973.9	3,307.0	1,748.2	943.1	736.0	780.2	682.2	380.9	3,273.6
Middle income	21,485.4	8,147.2	2,055.1	2,768.1	785.4	1,764.1	839.2	532.3	467.9	430.8	776.2	2,977.5
Lower middle income	16,988.3	6,666.7	1,151.0	2,431.0	637.1	1,375.7	698.4	381.2	343.8	307.0	641.9	2,385.8
Upper middle income	3,359.0	948.1	659.5	333.8	147.3	329.3	101.0	127.6	106.5	82.2	114.6	434.1
Low & middle income	57,254.0	17,285.8	5,988.5	6,030.1	5,408.7	4,311.0	2,732.8	2,198.6	2,080.7	1,581.1	1,413.6	8,210.6
East Asia & Pacific	5,271.0	541.5	395.0	1,980.3	202.3	456.6	141.6	138.4	110.0	68.0	49.9	1,203.2
Europe & Central Asia	5,230.6	1,758.6	483.9	417.4	123.8	730.4	188.4	238.7	119.3	167.0	117.6	902.2
Latin America & Carib.	5,141.7	1,810.3	343.3	309.3	149.8	662.8	289.0	188.5	211.5	90.5	631.5	476.2
Middle East & N. Africa	8,073.3	4,437.9	862.3	888.7	407.6	313.9	225.3	78.0	126.2	98.2	208.6	434.9
South Asia	3,452.1	1,000.5	10.6	514.4	1,020.7	192.2	−112.1	121.0	168.5	167.5	26.9	346.4
Sub-Saharan Africa	17,125.5	3,497.9	3,011.6	641.3	2,329.4	1,246.5	1,210.8	671.2	614.5	623.5	180.6	3,124.9
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.

Distribution of net aid by Development Assistance Committee members | 6.12

About the data

The table shows 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 UN 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 table is 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 6.10a for a summary of ODA from non-DAC countries.

Definitions

• **Net aid** comprises net bilateral official development assistance to part I recipients and net bilateral official aid to part II recipients (see *About the data* for table 6.9). • **Other DAC donors** are Australia, Austria, Belgium, Denmark, Finland, Greece, Ireland, Luxembourg, New Zealand, Norway, Portugal, and Switzerland.

6.12a

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

Total bilateral aid, 2004
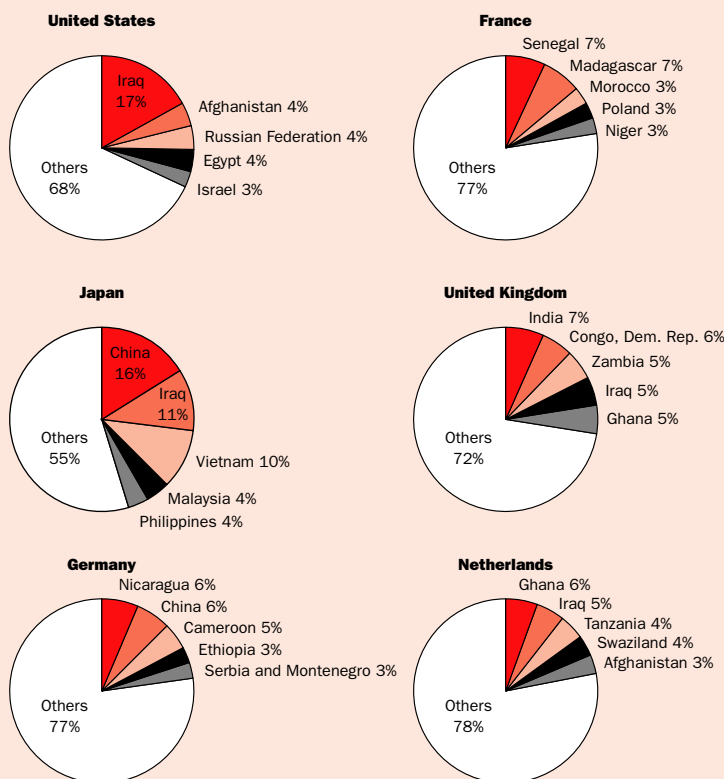
This figure shows the distribution of aid from the top six donors to their top five recipients in 2004.

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

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.

	International financial institutions ($ millions)							United Nations ($ millions)					Total ($ millions)
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces-sional	Non-concessional	Conces-sional	Non-concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004
Afghanistan	..	..	..	..	..	..	..	5.8	3.3	11.1	0.2	53.7	74.1
Albania	64.3	0.0	2.4	0.0	0.0	11.2	22.3	2.0	0.3	0.7	0.4	1.5	105.2
Algeria	0.0	–149.2	0.0	–371.6	0.0	–679.6	–53.0	1.1	..	1.2	2.8	2.3	–1,246.0
Angola	12.9	0.0	0.0	0.0	0.6	–1.6	4.3	3.7	2.1	5.2	14.4	8.7	50.2
Argentina	0.0	–61.0	0.0	–2,035.0	0.0	–145.5	0.0	0.0	0.4	0.4	..	6.3	–2,234.4
Armenia	77.8	–0.6	1.9	–8.3	0.0	–7.8	–4.0	1.0	0.6	0.7	0.3	2.5	64.0
Australia													
Austria													
Azerbaijan	49.2	0.0	–21.7	–38.0	0.0	–8.5	7.7	2.4	0.6	1.1	1.4	2.4	–3.4
Bangladesh	474.3	–7.3	147.4	0.0	–20.8	71.8	13.1	19.6	6.8	11.0	9.9	7.7	733.3
Belarus	0.0	–13.5	0.0	–17.3	0.0	–13.2	0.0	0.6	0.3	0.6	..	1.7	–41.0
Belgium													
Benin	36.5	0.0	–5.6	0.0	33.7	–0.4	–12.5	2.3	2.3	2.1	2.3	2.9	63.7
Bolivia	116.6	0.2	–21.8	55.6	80.1	–69.3	103.2	1.4	2.6	2.1	2.2	2.3	275.1
Bosnia and Herzegovina	208.5	–24.4	0.0	–29.8	0.0	4.8	37.9	0.8	0.2	0.8	..	11.9	210.7
Botswana	–0.5	–1.7	0.0	0.0	1.0	–9.3	–10.2	0.5	1.2	0.6	..	4.2	–14.3
Brazil	0.0	–116.3	0.0	–4,356.8	0.0	–1,468.2	–4.5	1.1	0.9	1.7	..	132.4	–5,809.7
Bulgaria	0.0	123.7	0.0	–55.1	0.0	–10.9	80.6	0.6	0.3	..	..	1.9	141.0
Burkina Faso	128.6	0.0	2.2	0.0	37.6	–0.2	14.6	7.0	2.7	5.3	4.5	3.4	205.7
Burundi	29.3	0.0	39.1	–28.5	–13.3	–7.0	–0.6	8.9	1.6	3.4	3.8	9.6	46.3
Cambodia	46.3	0.0	–10.4	0.0	53.5	0.0	9.5	6.3	2.8	4.1	3.1	2.3	117.5
Cameroon	96.9	–29.7	–22.9	0.0	48.5	–26.1	2.6	3.6	..	2.7	1.4	5.2	82.1
Canada													
Central African Republic	0.0	0.0	–2.4	8.3	0.0	0.0	–1.6	4.2	1.8	2.7	3.8	5.3	21.9
Chad	69.9	5.9	–12.9	0.0	7.5	0.0	12.7	5.7	2.3	4.8	4.7	6.5	107.1
Chile	–0.7	18.8	0.0	0.0	–1.8	–49.8	–1.5	0.5	0.2	0.5	..	1.8	–32.0
China	–116.7	306.3	0.0	0.0	0.0	200.3	–201.5	9.0	4.8	12.3	6.3	7.3	228.2
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	0.0	0.0
Colombia	–0.7	200.0	0.0	0.0	–17.3	–71.0	115.3	1.4	1.9	1.0	0.0	3.8	234.3
Congo, Dem. Rep.	166.6	0.0	79.1	0.0	44.4	0.0	–10.9	11.7	4.8	18.7	3.4	15.3	333.1
Congo, Rep.	23.6	–3.2	7.5	–7.8	–0.7	–74.7	–2.3	1.1	0.9	1.0	1.9	8.0	–44.7
Costa Rica	–0.2	–8.7	0.0	0.0	–11.8	1.7	39.1	0.5	0.5	0.6	..	2.0	23.8
Côte d'Ivoire	33.1	–38.4	–126.7	0.0	1.1	–0.4	–12.2	4.9	1.4	3.5	–0.4	12.0	–122.1
Croatia	0.0	36.0	0.0	0.0	0.0	43.6	19.0	0.4	..	0.2	..	5.3	104.5
Cuba	..	..	..	..	..	..	..	0.8	0.9	0.8	3.0	1.7	7.1
Czech Republic	0.0	–18.9	0.0	0.0	0.0	–13.4	87.1	..	..	..	..	2.4	57.2
Denmark													
Dominican Republic	–0.7	29.3	0.0	64.9	–20.3	208.7	2.6	0.6	0.8	0.9	0.2	4.9	291.8
Ecuador	–1.1	–52.9	0.0	–112.0	–27.0	–90.5	46.6	0.9	1.1	1.3	0.1	3.2	–230.3
Egypt, Arab Rep.	36.2	–51.8	0.0	0.0	15.4	0.3	–18.3	1.2	2.4	2.7	3.9	6.5	–1.4
El Salvador	–0.8	–24.3	0.0	0.0	–23.5	–20.6	–34.1	0.5	1.0	0.6	1.1	1.3	–98.8
Eritrea	35.1	0.0	0.0	0.0	19.1	0.0	–1.4	2.4	1.9	1.6	2.5	5.3	66.4
Estonia	0.0	–4.1	0.0	0.0	0.0	0.0	–3.4	..	0.0	..	..	0.3	–7.1
Ethiopia	189.2	0.0	21.9	0.0	68.3	–4.4	11.1	11.0	5.3	18.6	9.8	15.9	346.7
Finland													
France													
Gabon	0.0	–11.7	0.0	37.0	–0.2	52.6	5.0	0.5	0.2	0.6	..	5.4	89.5
Gambia, The	19.4	0.0	–11.2	0.0	6.7	0.0	7.6	2.1	0.7	0.9	0.9	2.5	29.7
Georgia	64.4	0.0	–20.4	–13.7	0.0	–6.3	–5.6	1.8	0.5	0.7	0.0	4.2	25.7
Germany													
Ghana	218.3	–1.6	15.5	0.0	47.9	6.6	32.9	4.1	4.2	3.9	0.8	6.7	339.2
Greece													
Guatemala	0.0	50.0	0.0	0.0	–18.4	61.1	10.3	0.8	4.4	1.1	0.4	1.2	111.0
Guinea	31.2	0.0	–19.1	0.0	1.3	–40.6	–24.2	1.1	2.0	2.8	2.5	13.5	–29.5
Guinea-Bissau	24.9	0.0	–3.1	–2.2	4.1	0.0	–0.7	2.6	1.0	1.3	2.2	2.0	32.1
Haiti	–40.5	0.0	–4.4	–2.7	–11.5	0.0	–1.4	3.8	2.2	4.2	6.9	1.7	–41.8

	International financial institutions ($ millions)							United Nations ($ millions)					Total ($ millions)
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces-sional	Non-concessional	Conces-sional	Non-concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	
	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004
Honduras	113.4	−15.1	21.0	0.0	114.5	−21.6	12.7	1.0	3.2	1.4	2.1	2.2	234.8
Hungary	0.0	−39.5	0.0	0.0	0.0	−3.1	478.7	..	..	..	..	2.7	438.7
India	422.3	616.2	0.0	0.0	0.0	423.4	−24.0	20.3	11.9	28.9	8.5	11.1	1,518.6
Indonesia	94.8	−825.6	0.0	−1,004.9	34.8	5.1	−36.3	7.8	5.3	5.5	0.6	6.9	−1,705.9
Iran, Islamic Rep.	0.0	−34.3	0.0	0.0	0.0	0.0	2.0	1.2	2.2	1.8	0.1	19.7	−7.3
Iraq	..	..	..	..	..	..	..	3.9	3.8	1.3	3.0	1.5	13.5
Ireland													
Israel	..	..	..	..	..	..	..	..	..	..	..	0.2	0.2
Italy													
Jamaica	0.0	−40.7	0.0	−8.0	−5.3	1.9	33.7	0.5	..	0.9	..	1.3	−15.6
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..
Jordan	−2.6	−56.7	0.0	−98.0	0.0	0.0	−38.0	0.7	0.6	0.6	1.7	92.4	−99.3
Kazakhstan	0.0	−27.4	0.0	0.0	0.0	0.7	−17.9	0.7	0.6	1.0	..	2.0	−40.3
Kenya	26.7	−4.8	−14.1	0.0	16.6	−1.9	−7.5	5.0	2.7	5.3	7.4	18.4	53.8
Korea, Dem. Rep.	..	..	..	..	..	..	..	0.9	1.0	1.1	7.5	2.6	13.0
Korea, Rep.	..	..	..	..	..	..	..	0.1	..	..	..	0.9	1.0
Kuwait	..	..	..	..	..	..	..	..	..	..	..	0.4	0.4
Kyrgyz Republic	22.7	0.0	−3.9	0.0	54.4	−8.0	1.5	2.1	0.7	1.1	..	1.4	72.0
Lao PDR	29.2	0.0	−7.8	0.0	35.0	0.0	−2.7	3.3	1.2	1.8	2.0	2.5	64.4
Latvia	0.0	−8.0	0.0	−5.7	0.0	−2.5	−238.1	0.4	0.1	..	..	0.5	−253.3
Lebanon	0.0	14.2	0.0	0.0	0.0	0.0	−1.8	0.7	0.8	0.6	..	62.1	76.6
Lesotho	10.1	−2.4	9.8	0.0	9.0	−1.7	−0.3	1.3	0.4	1.5	6.3	1.8	35.7
Liberia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	0.9	3.2	6.6	2.1	18.1
Libya	..	..	..	..	..	..	..	..	..	..	..	6.6	6.6
Lithuania	0.0	−92.8	0.0	−19.8	0.0	−0.6	−0.9	0.3	0.1	..	..	0.4	−113.4
Macedonia, FYR	13.6	32.2	−8.1	−0.4	0.0	4.1	27.7	1.0	..	0.7	..	3.0	73.8
Madagascar	216.7	0.0	45.5	0.0	46.8	−2.4	19.5	3.8	2.0	5.0	2.4	2.0	341.2
Malawi	50.9	−0.5	−9.5	0.0	23.4	−0.4	−6.2	5.6	4.0	4.9	4.9	3.7	80.8
Malaysia	0.0	−69.8	0.0	0.0	0.0	−43.1	49.5	0.2	0.4	0.5	..	1.1	−61.2
Mali	69.0	0.0	−16.1	0.0	38.2	0.0	14.2	8.3	2.3	6.0	3.0	3.3	128.1
Mauritania	36.8	0.0	−9.4	0.0	10.3	11.1	25.4	2.2	2.0	1.3	1.7	3.1	84.6
Mauritius	−0.6	−9.0	0.0	0.0	−0.1	−9.4	−2.6	0.1	0.1	..	..	1.0	−20.6
Mexico	0.0	−1,153.3	0.0	0.0	0.0	174.6	0.0	0.8	2.1	0.8	..	9.0	−966.0
Moldova	17.2	−10.4	0.0	−21.6	0.0	−8.0	−13.1	1.5	0.2	0.7	..	1.6	−32.0
Mongolia	47.2	0.0	−7.2	0.0	36.1	0.0	4.6	1.5	1.1	1.0	..	2.3	86.5
Morocco	−1.4	−338.2	0.0	0.0	3.9	120.0	59.9	0.8	2.6	1.8	0.2	3.6	−146.8
Mozambique	185.7	0.0	−6.7	0.0	86.0	−0.8	21.9	8.5	9.0	8.5	5.2	6.8	324.0
Myanmar	0.0	0.0	0.0	0.0	0.0	0.0	−1.7	7.5	4.0	7.0	1.3	5.1	23.2
Namibia	..	..	..	..	..	..	..	0.8	1.1	1.1	2.5	6.5	12.0
Nepal	45.3	0.0	9.8	0.0	−9.1	0.0	−2.0	7.4	5.8	5.4	9.6	5.9	78.1
Netherlands													
New Zealand													
Nicaragua	126.0	0.0	32.7	0.0	139.7	−1.5	9.7	2.9	3.4	0.8	4.5	1.9	320.0
Niger	63.2	0.0	5.8	0.0	27.6	12.5	2.2	5.9	3.1	6.9	5.6	2.6	135.3
Nigeria	137.2	−216.4	0.0	0.0	−1.2	−60.9	0.0	3.5	6.4	24.5	..	10.9	−96.0
Norway													
Oman	0.0	0.0	0.0	0.0	0.0	0.0	−135.2	..	..	..	..	1.1	−134.1
Pakistan	676.1	−303.1	146.9	−460.5	70.8	−950.5	92.0	7.1	5.0	12.6	8.6	28.6	−666.4
Panama	0.0	−25.4	0.0	−9.9	−8.9	−27.9	−6.0	0.6	0.6	0.6	..	15.1	−61.3
Papua New Guinea	−3.6	−13.0	0.0	−59.9	2.7	−3.6	−3.6	2.2	0.8	1.3	..	2.3	−74.2
Paraguay	−1.5	−16.7	0.0	0.0	−15.1	8.4	−3.1	0.4	1.1	0.8	..	0.6	−25.2
Peru	0.0	45.4	0.0	−39.6	−10.1	245.4	237.4	0.8	9.4	1.2	1.2	6.6	497.7
Philippines	−6.9	−226.4	0.0	−472.5	−15.7	−133.9	21.9	2.2	4.5	2.3	..	5.0	−819.5
Poland	0.0	−676.5	0.0	0.0	0.0	0.0	0.0	0.5	0.1	..	..	1.2	−674.7
Portugal													
Puerto Rico													

	International financial institutions ($ millions)							United Nations ($ millions)					Total
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Concessional	Non-concessional	Concessional	Non-concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	$ millions
	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004
Romania	0.0	142.0	0.0	−170.9	44.3	62.0	161.7	0.7	0.5	0.8	..	2.0	243.1
Russian Federation	0.0	−608.3	0.0	−1,656.0	0.0	143.8	0.0	0.8	0.7	1.3	1.6	9.3	−2,106.9
Rwanda	82.2	0.0	1.1	0.0	15.9	0.0	−1.9	5.1	2.1	3.6	7.0	6.9	121.9
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	14.6	14.6
Senegal	158.0	0.0	−29.4	0.0	51.0	−1.7	79.8	4.4	2.2	2.5	2.5	4.2	273.4
Serbia and Montenegro	161.9	0.0	0.0	0.0	0.0	0.0	0.0	0.6	..	0.7	0.0	22.9	186.0
Sierra Leone	30.6	0.0	40.2	0.0	31.0	0.0	12.8	5.9	1.8	2.5	4.8	13.2	142.9
Singapore	..	..	..	..	..	..	..	..	..	..	..	0.1	0.1
Slovak Republic	0.0	74.4	0.0	0.0	0.0	−1.6	−152.4	0.5	..	..	..	1.7	−77.4
Slovenia	..	..	..	..	..	..	..	..	..	..	..	0.9	0.9
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	0.4	4.8	1.7	3.9	15.7
South Africa	0.0	7.0	0.0	0.0	0.0	30.5	0.0	3.1	0.4	1.1	..	5.7	47.8
Spain													
Sri Lanka	29.9	−2.0	−8.3	−103.4	75.2	17.2	33.5	2.5	1.0	1.0	3.4	4.2	54.1
Sudan	−1.8	0.0	0.0	−31.3	0.0	−3.1	45.2	10.7	4.0	7.0	10.8	15.7	57.2
Swaziland	−0.3	8.8	0.0	0.0	−0.8	9.7	7.9	0.4	0.6	1.2	0.7	..	28.1
Sweden													
Switzerland													
Syrian Arab Republic	−1.5	−4.5	0.0	0.0	0.0	0.0	−47.2	1.4	2.4	1.0	1.7	35.1	−11.7
Tajikistan	54.6	0.0	17.1	0.0	19.1	0.0	13.2	3.6	0.6	1.3	1.7	1.9	113.1
Tanzania	329.9	−2.9	−16.2	0.0	58.6	0.0	6.3	7.2	5.9	10.0	3.5	3.1	405.5
Thailand	−3.4	−1,615.0	0.0	0.0	−3.0	−76.7	−15.0	1.4	0.9	0.9	..	6.4	−1,703.5
Togo	0.0	0.0	−16.1	0.0	0.0	9.9	7.1	2.1	1.3	1.6	..	1.9	7.8
Trinidad and Tobago	0.0	−15.2	0.0	0.0	−0.1	−16.1	−6.1	0.5	..	..	..	1.9	−35.2
Tunisia	−2.1	−88.7	0.0	0.0	0.0	72.2	223.0	0.5	0.8	0.8	..	2.2	208.7
Turkey	−5.9	919.5	0.0	−3,504.1	0.0	0.0	285.1	0.1	1.1	1.4	..	6.9	−2,296.0
Turkmenistan	..	..	..	..	..	..	..	0.7	0.5	1.1	..	1.3	3.5
Uganda	120.6	0.0	−26.2	0.0	52.9	0.0	−0.6	5.4	5.3	7.8	12.5	12.3	190.0
Ukraine	0.0	−132.9	0.0	−299.1	0.0	11.7	−62.6	2.2	0.5	1.1	..	3.6	−475.5
United Arab Emirates	..	..	..	..	..	..	..	..	..	..	..	0.3	0.3
United Kingdom													
United States													
Uruguay	0.0	63.6	0.0	151.9	−2.4	−57.2	−0.5	0.2	0.3	0.5	..	0.9	157.4
Uzbekistan	4.5	4.5	0.0	−24.6	2.6	85.6	5.0	2.3	0.7	1.9	..	1.9	84.3
Venezuela, RB	0.0	−191.4	0.0	0.0	0.0	−189.7	100.1	0.5	1.0	0.7	..	6.0	−272.9
Vietnam	435.7	0.0	−71.6	−1.5	145.6	−2.0	4.4	6.4	7.7	4.4	..	4.8	533.8
West Bank and Gaza	..	..	..	..	..	..	..	4.0	1.9	1.6	2.7	273.9	284.1
Yemen, Rep.	66.2	0.0	−31.4	−9.9	0.0	0.0	11.7	5.5	4.1	3.6	7.5	5.7	63.0
Zambia	140.7	−3.3	−4.5	0.0	9.2	−15.2	28.3	4.3	1.5	4.0	7.7	13.7	186.4
Zimbabwe	0.0	−1.7	−15.1	−5.8	−1.1	0.0	5.6	3.0	1.4	2.5	−2.4	4.9	−8.8
World	.. s	.. s	.. s	.. s	.. s	.. s	.. s	388.9 s	314.3 s	655.1 s	269.6 s	1,534.2 s	3,162.1 s
Low income	5,195.7	−11.8	117.5	−648.2	1,309.1	−594.7	389.3	289.2	159.4	293.4	209.3	400.3	7,108.4
Middle income	938.1	−4,782.7	−45.4	−14,114.9	234.3	−1,686.7	1,427.3	86.1	86.8	83.2	59.9	907.2	−16,806.9
Lower middle income	938.7	−2,921.1	−50.4	−7,073.3	260.0	−1,565.4	857.3	72.5	70.4	71.1	58.3	719.4	−8,562.4
Upper middle income	−0.6	−1,861.6	5.0	−7,041.6	−25.7	−121.3	569.9	12.7	11.7	11.6	1.6	165.0	−8,273.4
Low & middle income	6,133.9	−4,794.5	72.1	−14,763.1	1,543.4	−2,281.4	1,816.5	380.5	314.3	655.1	269.6	1,513.6	−9,139.9
East Asia & Pacific	525.6	−2,445.8	−97.0	−1,538.8	287.9	−47.3	−172.7	52.0	39.2	46.1	21.0	58.1	−3,271.8
Europe & Central Asia	732.8	−323.6	−32.6	−5,858.5	120.5	353.2	832.4	28.2	9.3	19.2	5.4	98.2	−4,015.6
Latin America & Carib.	323.6	−1,314.4	35.4	−6,291.7	202.0	−1,532.8	746.7	22.2	43.4	26.7	21.8	236.3	−7,480.7
Middle East & N. Africa	103.5	−709.2	−31.4	−479.6	21.8	−487.0	19.8	21.5	24.8	18.2	25.0	552.8	−919.7
South Asia	1,661.6	303.8	295.7	−564.0	122.7	−438.1	114.0	65.0	35.2	71.9	42.8	114.2	1,824.8
Sub-Saharan Africa	2,786.7	−305.4	−98.0	−30.5	788.4	−129.5	276.6	186.4	106.2	200.2	153.6	351.7	4,286.3
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, UN agencies, and regional groups such as the Commission of the European Communities. Much of the data comes from the World Bank's Debtor Reporting System.

The multilateral development banks fund their nonconcessional lending operations primarily by selling low-interest, highly rated bonds (the World Bank, for example, has a AAA rating) backed by prudent lending and financial policies and the strong financial 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, 2005, the GNI per capita cutoff has been set at $825, 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 UN 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** 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 UN 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.

6.13a

Maintaining financial flows from the World Bank to developing countries
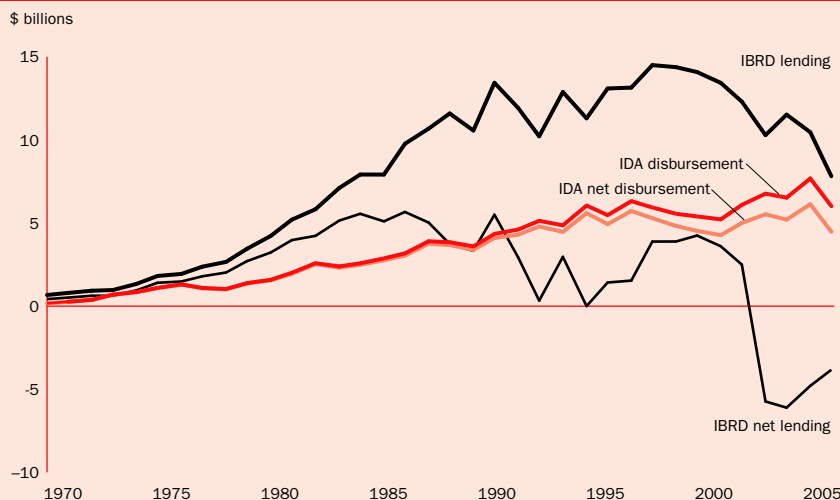
As the World Bank's nonconcessional lending portfolio matures, repayment of principal has begun to balance out new disbursements. IDA, as the World Bank's concessional financing arm, has maintained a steady flow of new funds to the world's poorest countries.

Source: World Bank Debtor Reporting System.

Data sources

Data on net financial flows from international financial institutions are from the World Bank's Debtor Reporting System. These data are published in the World Bank's *Global Development Finance 2006* and electronically as *GDF Online*. Data on aid from UN agencies are 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 www.oecd.org/dataoecd/50/17/5037721.htm.

Movement of people

	Net migration		Migration stock		Refugees				Workers' remittances and compensation of employees			
							thousands				$ millions	
	thousands		thousands		By country of origin		By country of asylum		Received		Paid	
	1990–95	1995–2000	1990	2005	1995	2004	1995	2004	1990	2004	1990	2004
Afghanistan	3,313	−397	29	43	2,679.1	2,085.5	19.6	0.0	..	..	..	..
Albania	−423	−267	66	83	5.8	10.5	4.7	0.1	0	889	..	4
Algeria	−58	−185	274	242	1.5	10.7	192.5	169.0	352	2,460	31	..
Angola	143	−120	34	56	246.7	228.8	10.9	14.0	..	..	150	296
Argentina	50	−100	1,650	1,500	0.3	0.8	10.3	2.9	15	288	21	151
Armenia	−500	−225	659	235	201.4	13.4	219.0	235.2	..	336	..	127
Australia	390	510	3,984	4,097	0.0	0.0	62.1	63.5	2,370	2,744	674	1,955
Austria	262	45	473	1,234	0.1	0.1	34.4	17.8	635	2,475	320	2,013
Azerbaijan	−116	−128	361	182	200.5	250.6	233.7	8.6	..	228	..	200
Bangladesh	−260	−300	882	1,032	57.0	5.7	51.1	20.4	779	3,584	..	8
Belarus	15	14	1,271	1,191	0.1	8.2	29.0	0.7	..	244	..	80
Belgium	85	99	899	719	0.0	0.0	31.7	13.5	3,583	6,840	2,310	2,623
Benin	105	−29	76	175	0.1	0.3	23.8	4.8	101	55	21	6
Bolivia	−100	−100	60	116	0.2	0.3	0.7	0.5	5	158	8	43
Bosnia and Herzegovina	−1,000	350	56	41	769.8	229.3	40.0	22.2	..	1,824	..	26
Botswana	−7	−7	27	80	0.0	0.0	0.3	2.8	86	39	119	206
Brazil	−184	−130	804	641	0.1	0.4	2.1	3.3	573	3,575	12	401
Bulgaria	−309	−50	22	104	4.2	2.6	1.3	4.7	..	103	..	11
Burkina Faso	−128	−121	345	773	0.1	0.9	29.8	0.5	140	50	81	44
Burundi	−250	−400	333	100	350.6	485.8	173.0	48.8	..	..	6	4
Cambodia	194	100	38	304	61.2	18.1	0.0	0.4	9	177	14	139
Cameroon	−5	0	171	137	2.0	7.6	45.8	58.9	23	11	111	..
Canada	643	733	4,319	6,106	0.0	0.1	152.1	141.4	..	..	..	..
Central African Republic	37	11	63	76	0.2	31.1	33.9	25.0	..	..	36	..
Chad	20	99	74	437	59.7	52.7	0.1	259.9	1	..	39	..
Chile	90	60	108	231	14.3	1.2	0.3	0.6	1	13	7	3
China	−1,281	−1,950	380	596	104.7	134.7	288.3	299.4	210	21,283	5	2,067
Hong Kong, China	300	300	2,218	2,999	0.2	0.0	1.5	1.9	..	240	..	319
Colombia	−200	−200	102	123	1.9	47.4	0.2	0.1	495	3,190	44	50
Congo, Dem. Rep.	1,208	−1,410	919	539	89.7	462.2	1,433.8	199.3	..	..	..	..
Congo, Rep.	14	42	130	288	0.2	28.2	19.4	68.5	4	1	55	24
Costa Rica	62	128	418	441	0.2	0.1	24.2	10.4	12	320	..	192
Côte d'Ivoire	200	150	1,953	2,371	0.2	23.7	297.9	72.1	44	148	471	635
Croatia	153	−150	475	661	245.6	215.5	198.6	3.7	..	1,222	..	69
Cuba	−100	−100	100	74	24.9	15.7	1.8	0.8	..	..	..	..
Czech Republic	38	52	424	453	2.0	4.5	2.7	1.1	..	454	..	1,337
Denmark	58	84	220	389	0.0	0.0	64.8	65.3	464	1,075	160	1,226
Dominican Republic	−220	−180	103	156	0.0	0.1	1.0	..	315	2,471	..	24
Ecuador	−50	−300	78	114	0.2	0.7	0.2	8.5	51	1,610	2	7
Egypt, Arab Rep.	−600	−500	176	166	0.9	5.4	5.4	90.3	4,284	3,341	27	13
El Salvador	−57	−38	47	24	23.5	4.5	0.2	0.2	366	2,564	3	33
Eritrea	−359	−9	12	15	286.7	131.1	1.1	4.2	..	..	..	..
Estonia	−117	−46	382	202	0.4	1.0	..	0.0	..	164	..	27
Ethiopia	888	−77	1,155	555	101.0	63.1	393.5	116.0	5	133	1	9
Finland	43	20	61	156	0.0	0.0	10.2	11.3	63	577	16	164
France	424	219	5,907	6,471	0.0	0.1	155.2	139.9	4,035	12,663	6,949	4,882
Gabon	20	14	128	245	0.0	0.0	0.8	13.8	..	6	147	115
Gambia, The	45	45	118	232	0.2	0.8	6.6	7.3	10	8	..	..
Georgia	−560	−350	338	191	0.3	6.6	0.1	2.6	..	303	..	26
Germany	2,688	1,134	5,936	10,144	0.4	0.7	1,267.9	876.6	4,876	6,497	6,856	10,442
Ghana	40	−51	717	1,669	13.6	14.8	83.2	42.1	6	82	4	6
Greece	470	300	412	974	0.2	0.3	4.4	2.5	1,817	1,242	122	497
Guatemala	−360	−390	264	53	42.9	4.4	1.5	0.7	119	2,591	14	36
Guinea	350	−227	402	406	0.4	3.9	672.3	139.3	27	42	20	48
Guinea-Bissau	20	−11	14	19	0.8	1.0	15.4	7.5	1	23	12	7
Haiti	−105	−105	19	30	13.9	9.2	..	..	61	876	63	..

	Net migration		Migration stock		Refugees				Workers' remittances and compensation of employees			
							thousands				$ millions	
	thousands		thousands		By country of origin		By country of asylum		Received		Paid	
	1990–95	1995–2000	1990	2005	1995	2004	1995	2004	1990	2004	1990	2004
Honduras	−40	−20	270	26	1.2	0.6	0.1	0.0	63	1,142	..	1
Hungary	101	100	348	316	2.4	3.4	11.4	7.7	..	307	..	128
India	−1,407	−1,400	7,493	5,700	5.0	13.3	227.5	162.7	2,384	21,727	106	1,008
Indonesia	−725	−900	466	160	9.8	27.9	0.0	0.2	166	1,866	..	913
Iran, Islamic Rep.	−1,512	−456	3,809	1,959	112.4	115.1	2,072.0	1,046.0	1,200	1,032	..	..
Iraq	170	139	84	28	718.7	311.9	116.7	46.1	..	..	..	..
Ireland	−1	89	230	585	0.0	0.0	0.4	7.2	286	358	165	856
Israel	484	276	1,633	2,661	0.9	0.6	..	0.6	812	398	850	2,116
Italy	573	600	1,346	2,519	0.1	0.2	74.3	15.7	5,075	2,172	3,764	4,745
Jamaica	−100	−100	21	18	0.0	0.3	0.0	..	229	1,623	27	425
Japan	248	280	877	2,048	0.0	0.0	5.4	2.0	508	931	290	1,411
Jordan[a]	495	35	1,146	2,225	0.5	1.2	0.7	1.1	499	2,287	71	272
Kazakhstan	−1,509	−1,320	3,619	2,502	0.1	6.1	15.6	15.8	..	167	..	1,353
Kenya	222	−21	146	345	9.3	3.8	234.7	239.8	139	494	7	34
Korea, Dem. Rep.	0	0	34	37	0.0	0.3	..	..	..	..	..	..
Korea, Rep.	−115	−80	572	551	0.0	0.2	0.0	0.0	1,037	832	364	2,545
Kuwait	−626	347	1,551	1,669	0.8	0.6	3.3	1.5	..	..	770	2,402
Kyrgyz Republic	−273	−27	623	288	0.0	3.3	13.4	3.8	..	189	..	73
Lao PDR	−10	−7	23	25	58.2	16.1	..	..	11	1	..	1
Latvia	−174	−56	805	449	0.2	3.2	..	0.0	..	230	..	13
Lebanon[a]	178	−30	520	657	13.5	19.9	1.9	1.8	1,818	2,700	..	..
Lesotho	−84	−36	7	6	0.0	0.0	0.1	..	428	355	..	29
Liberia	−283	555	81	50	744.6	335.5	120.1	15.2	..	..	..	..
Libya	10	10	457	618	0.6	1.6	4.0	12.2	..	10	446	790
Lithuania	−100	−109	349	165	0.1	1.5	0.0	0.5	..	325	..	28
Macedonia, FYR	−27	−5	95	121	12.9	5.1	9.0	1.0	..	213	..	16
Madagascar	−6	−3	58	63	0.1	0.1	0.1	..	8	16	18	7
Malawi	−835	−50	1,157	279	0.0	0.1	1.0	3.7	..	1	..	1
Malaysia	230	390	1,014	1,639	0.1	0.2	5.3	24.9	325	987	230	3,464
Mali	−260	−284	60	46	77.2	0.5	17.9	11.3	107	154	45	58
Mauritania	−15	10	94	66	84.3	31.1	34.4	0.5	14	2	31	..
Mauritius	−7	−2	9	21	0.0	0.1	..	..	..	215	1	11
Mexico	−1,800	−2,000	702	644	0.4	1.7	38.7	4.3	3,098	18,143	..	..
Moldova	−121	−70	579	440	0.5	11.9	..	0.1	..	703	..	52
Mongolia	−60	−90	7	9	0.0	0.3	..	..	..	203	..	49
Morocco	−300	−300	85	132	0.3	1.3	0.1	2.1	2,006	4,221	16	42
Mozambique	650	75	122	406	125.6	0.1	0.1	0.6	70	58	25	20
Myanmar	−126	60	101	117	152.3	161.0	..	..	6	118	..	25
Namibia	3	20	119	143	0.0	1.3	1.7	14.8	13	15	30	18
Nepal	−101	−99	413	819	0.0	1.2	124.8	124.9	0	823	..	64
Netherlands	190	161	1,192	1,638	0.1	0.3	80.0	126.8	709	2,164	1,393	5,153
New Zealand	79	20	529	642	..	0.0	3.8	5.4	762	1,132	367	911
Nicaragua	−110	−155	41	28	23.9	1.8	0.6	0.3	0	519	..	..
Niger	5	−6	115	124	10.3	0.7	27.6	0.3	14	26	66	9
Nigeria	−96	−95	447	971	1.9	23.9	8.1	8.4	10	2,273	9	21
Norway	42	67	185	344	0.0	0.0	47.6	44.0	158	392	295	916
Oman	25	−40	452	628	0.0	0.0	..	0.0	39	40	856	1,826
Pakistan	−2,611	−41	6,556	3,254	5.3	25.9	1,202.5	960.6	2,006	3,945	1	11
Panama	8	11	62	102	0.2	0.0	0.9	1.6	110	127	22	87
Papua New Guinea	0	0	33	25	2.0	0.0	9.6	7.6	5	6	43	17
Paraguay	−25	−25	183	168	0.1	0.0	0.1	0.0	34	260	..	..
Peru	−450	−350	56	42	5.9	4.8	0.6	0.8	87	1,123	75	123
Philippines	−900	−900	164	374	0.5	0.4	0.8	0.1	1,465	11,634	5	16
Poland	−77	−71	1,127	703	19.7	10.7	0.6	2.5	..	2,710	..	460
Portugal	−7	175	436	764	0.0	0.1	0.2	0.4	4,479	3,212	77	1,024
Puerto Rico	−4	−1	322	418	0.0	..	..	..	..	..	..	..

	Net migration		Migration stock		Refugees				Workers' remittances and compensation of employees			
							thousands			$ millions		
	thousands		thousands		By country of origin		By country of asylum		Received		Paid	
	1990–95	1995–2000	1990	2005	1995	2004	1995	2004	1990	2004	1990	2004
Romania	−529	−350	143	133	17.0	5.9	0.2	1.6	..	132	..	8
Russian Federation	1,858	2,300	11,525	12,080	207.0	108.0	246.7	1.9	..	2,668	..	5,534
Rwanda	−1,714	1,977	73	121	1,819.4	63.8	7.8	50.2	3	10	21	31
Saudi Arabia	−325	75	4,743	6,361	0.3	0.2	13.2	240.6	..	..	11,221	13,555
Senegal	−100	−100	293	326	17.6	8.3	66.8	20.8	142	511	79	57
Serbia and Montenegro	200	−100	130	512	86.1	237.0	650.7	276.7	..	4,129	..	..
Sierra Leone	−380	−110	112	119	379.5	41.8	4.7	65.4	..	25	..	3
Singapore	250	368	727	1,843	0.0	0.0	0.1	0.0	..	..	..	..
Slovak Republic	9	9	41	124	0.0	0.7	2.3	0.4	..	425	..	15
Slovenia	38	8	178	167	12.9	0.6	22.3	0.3	38	290	2	60
Somalia	−1,083	−214	633	282	638.7	389.3	0.6	0.4	..	..	..	..
South Africa	1,125	364	1,225	1,106	0.5	0.3	101.4	27.7	136	521	1,199	935
Spain	500	676	766	4,790	0.0	0.1	5.9	5.6	2,186	6,900	254	5,411
Sri Lanka	−182	−160	461	368	107.6	114.0	0.0	0.1	401	1,590	..	236
Sudan	−158	−207	1,273	639	445.3	730.7	674.1	141.6	62	1,403	2	2
Swaziland	−38	−12	73	45	0.0	0.0	0.7	0.7	113	89	4	131
Sweden	151	60	781	1,117	0.0	0.0	199.2	73.4	153	643	654	672
Switzerland	80	80	1,376	1,660	0.0	0.0	82.9	47.7	924	1,760	8,168	12,796
Syrian Arab Republic[a]	−30	−30	711	985	8.0	21.4	36.2	15.6	385	855	..	42
Tajikistan	−313	−345	426	306	59.0	56.8	0.6	3.3	..	252	..	119
Tanzania	591	−206	574	792	0.1	0.7	829.7	602.1	..	11	..	33
Thailand	−88	−88	391	1,050	0.2	0.3	106.6	121.1	973	1,622	199	..
Togo	−122	128	163	183	93.2	10.8	10.9	11.3	27	149	13	28
Trinidad and Tobago	−24	−20	51	38	0.0	0.0	..	..	3	87	22	..
Tunisia	−22	−20	38	38	0.3	2.6	0.2	0.1	551	1,432	13	19
Turkey	71	135	1,150	1,328	44.9	174.6	12.8	3.0	3,246	804	..	..
Turkmenistan	50	−50	307	224	0.1	0.8	23.3	13.3	..	..	..	..
Uganda	135	−66	550	518	24.2	32.0	229.4	250.5	..	306	..	231
Ukraine	598	−700	7,097	6,833	1.7	89.6	5.2	2.5	..	411	..	20
United Arab Emirates	340	567	1,330	3,212	0.0	0.0	0.4	0.1	..	..	..	..
United Kingdom	381	574	3,753	5,408	0.1	0.2	90.9	289.1	2,099	6,350	2,034	2,957
United States	5,200	6,200	23,251	38,355	0.3	0.4	623.3	420.9	1,170	3,038	11,850	38,751
Uruguay	−20	−16	98	84	0.3	0.1	0.1	0.1	..	57	..	1
Uzbekistan	−340	−400	1,653	1,268	0.1	7.3	2.6	44.5	..	..	..	..
Venezuela, RB	40	40	1,024	1,010	0.5	0.6	1.6	0.2	1	20	701	214
Vietnam	−270	−200	28	21	543.5	349.8	34.4	2.4	..	3,200	..	..
West Bank and Gaza[a]	−5	11	911	1,680	72.8	350.6	..	..	..	692	..	..
Yemen, Rep.	650	−50	107	265	0.4	1.6	53.5	66.4	1,498	1,283	106	108
Zambia	−7	86	280	275	0.0	0.1	130.0	173.9	..	..	17	24
Zimbabwe	−182	−125	804	511	0.0	9.6	0.5	6.9	1	..	16	..
World	..[b]		..[b] 154,688 s	190,206 s	12,518.5 s	8,650.0 s	14,896.1 s	9,236.8 s	68,584 s	227,579 s	66,295 s	154,070 s
Low income	−3,592	−4,422	32,672	28,018	9,143.2	5,854.5	7,369.9	4,054.4	8,115	43,967	1,471	3,049
Middle income	−9,367	−9,689	50,374	49,923	3,358.7	2,795.0	4,487.2	2,563.5	23,036	117,127	4,610	22,929
Lower middle income	−11,096	−10,646	25,684	24,234	2,804.9	2,260.7	4,060.2	2,438.6	13,919	84,060	793	7,284
Upper middle income	1,729	957	24,690	25,689	553.8	534.3	427.0	124.9	9,117	33,067	3,817	15,645
Low & middle income	−12,958	−14,111	83,047	77,942	12,501.9	8,649.4	11,857.0	6,617.8	31,151	161,094	6,081	25,978
East Asia & Pacific	−3,072	−3,859	2,748	4,432	932.9	708.3	447.0	456.1	3,263	41,250	527	6,770
Europe & Central Asia	−3,398	−1,858	34,071	31,137	1,881.8	1,454.9	1,436.9	657.3	3,246	19,431	..	9,725
Latin America & Carib.	−3,776	−4,156	6,355	5,795	155.7	88.9	93.9	36.2	5,776	41,051	1,002	1,895
Middle East & N. Africa	−1,030	−1,396	8,828	9,642	948.0	835.5	2,510.4	1,468.7	11,432	20,353	1,566	3,112
South Asia	−1,368	−2,401	15,845	11,229	2,958.7	2,349.9	1,625.5	1,268.8	5,572	31,671	115	1,388
Sub-Saharan Africa	−314	−439	15,200	15,706	5,624.8	3,211.9	5,743.4	2,730.8	1,862	7,339	2,871	3,089
High income	12,929	14,104	71,641	112,264	16.6	0.6	3,039.1	2,618.9	37,433	66,485	60,214	128,092
Europe EMU	5,247	3,538	17,772	30,167	1.0	1.8	1,665.3	1,218.9	27,744	46,269	22,226	43,819

a. Palestinian refugees under the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East are not included in statistics from the United Nations Office of the High Commissioner for Refugees. b. World totals computed by the United Nations sum to zero, but because the aggregates shown here refer to World Bank definitions, regional and income group totals do not equal zero.

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 United Nations Population Division provides data on net migration and migration stock. To derive estimates of net migration, the organization takes into account the past migration history of a country or area, the migration policy of a country, and the influx of refugees in recent periods. The data to calculate these official estimates come from a variety of sources, including border statistics, administrative records, surveys, and censuses. When no official estimates can be made due to insufficient data, net migration is derived through the balance equation, which is the difference between overall population growth and the natural increase during the 1990–2000 intercensal period.

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 who were born in another country. 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 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 in the Near East are not included in the statistics of the United Nations Office of the High Commissioner for Refugees (UNHCR).

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*. The IMF data are supplemented by World Bank staff estimates for missing data for countries where workers' remittances are important. The data reported here are the sum of three items defined in 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 are five-year estimates. • **Migration stock** is the number of people born in a country other than that in which they live. It 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 origin** generally refers to the nationality or country of citizenship of a claimant. • **Country of asylum** is the country where an asylum claim was filed. • **Workers' remittances and compensation of employees**, **received** and **paid** 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 2005 Revision*. Data on refugees are from the United Nations Office of the High Commissioner for Refugees' *Statistical Yearbook 2004*. Data on remittances are World Bank staff estimates based on IMF balance of payments data.

6.14a

Officially recorded remittance flows are surging

Remittances as a share of GDP (%)

Legend: 1995, 2004

Officially recorded remittances have increased dramatically in all regions. As a share of GDP, remittances have more than doubled in East Asia and Pacific and Latin America and the Caribbean.

Source: International Monetary Fund Balance of Payments database.

	International tourists				Tourism expenditure in the country				Tourism expenditure in other countries			
	thousands				$ millions		% of exports		$ millions		% of imports	
	Inbound		Outbound									
	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004
Afghanistan	..	..	..	..	..	..	..	..	1	..	..	..
Albania	40	42	12	..	70	756	23.2	46.0	19	668	2.3	19.6
Algeria	520	1,234	1,090	1,417	32	112	..	..	186	255	..	..
Angola	9	194	3	..	27	82	0.7	0.6	113	86	3.2	0.8
Argentina	2,289	3,353	3,815	3,385	2,550	2,990	10.2	7.5	4,013	3,561	15.4	12.6
Armenia	12	263	..	169	14	103	4.7	10.5	12	102	1.7	6.7
Australia	3,726	5,215	2,519	3,388	11,658	17,946	16.8	15.9	7,074	13,004	9.5	9.9
Austria	17,173	19,373	3,713	6,798	14,529	18,401	16.2	11.4	11,686	12,811	12.7	8.2
Azerbaijan	93	1,349	432	1,473	88	79	11.2	1.9	165	140	12.8	2.2
Bangladesh	156	271	830	1,414	..	59	..	0.7	251	389	3.4	3.5
Belarus	161	67	626	514	28	379	0.5	2.4	101	574	1.8	3.4
Belgium	5,560	6,690	5,645	7,268	..	10,044	..	..	..	15,295	..	..
Benin	138	72	418	..	79	108	12.1	15.1	48	53	5.4	4.9
Bolivia	284	405	249	281	92	265	7.5	10.4	72	219	4.6	9.4
Bosnia and Herzegovina	115	165	..	..	..	514	..	17.6	..	169	..	2.4
Botswana	521	975	369	..	176	459	7.3	12.4	153	235	7.5	8.5
Brazil	1,991	4,794	2,600	2,293	1,085	3,389	2.1	3.1	3,982	3,752	6.3	4.7
Bulgaria	3,466	4,630	3,524	3,882	662	2,718	9.8	19.4	312	1,356	4.8	8.2
Burkina Faso	124	163	..	..	..	..	..	..	..	..	..	..
Burundi	34	..	36	..	2	1	1.9	2.8	..	..	..	..
Cambodia	220	1,055	31	239	71	674	7.3	20.8	22	80	1.6	2.2
Cameroon	100	226	..	..	75	..	3.7	..	140	..	8.7	..
Canada	16,932	19,095	18,206	19,595	9,176	14,925	4.2	4.0	12,658	19,730	6.3	5.9
Central African Republic	26	..	..	..	4	3	..	..	43	29	..	..
Chad	19	21	..	..	43	25	..	..	38	80	..	..
Chile	1,540	1,785	1,070	2,343	1,186	1,554	6.1	4.1	934	1,196	5.1	4.0
China	20,034	41,761	4,520	20,222	12,626	27,755	6.1	4.2	9,220	21,360	5.6	3.5
Hong Kong, China	10,200	21,811	3,023	5,003	..	11,815	..	3.8	..	..	..	..
Colombia	1,433	791	1,057	1,405	887	1,340	7.2	6.9	1,162	1,644	7.3	8.2
Congo, Dem. Rep.	35	35	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	37	22	..	..	15	26	1.1	1.0	69	85	5.1	5.3
Costa Rica	785	1,453	273	425	763	1,585	17.1	18.4	336	481	7.1	5.3
Côte d'Ivoire	188	..	..	..	103	76	2.4	1.2	312	551	8.2	11.0
Croatia	1,485	7,912	..	..	..	7,191	..	40.3	..	872	..	4.3
Cuba	742	2,017	72	115	963	1,915	..	..	..	..	..	..
Czech Republic	3,381	6,061	44,873	36,650	..	4,956	..	6.5	..	2,659	..	3.5
Denmark	2,124	3,358	5,035	4,630	..	..	..	..	..	..	..	..
Dominican Republic	1,776	3,450	168	368	..	..	..	..	267	448	4.4	5.0
Ecuador	440	793	271	605	315	369	6.1	4.2	331	577	5.8	6.2
Egypt, Arab Rep.	2,871	5,746	2,683	3,644	2,954	6,328	22.3	23.9	1,371	1,543	8.0	5.7
El Salvador	235	966	348	1,218	152	632	7.5	14.7	99	321	2.7	4.6
Eritrea	315	87	..	..	58	73	..	..	..	..	..	..
Estonia	530	1,750	1,764	2,075	452	1,102	17.6	12.5	121	481	4.2	5.0
Ethiopia	103	180	120	..	177	457	23.1	27.1	30	61	2.1	1.6
Finland	1,779	2,047	5,147	5,798	2,384	2,867	5.0	4.0	2,853	3,597	7.6	5.9
France	60,033	75,121	18,686	21,131	31,295	..	8.6	..	20,699	..	6.2	..
Gabon	125	222	..	236	94	84	3.2	2.5	183	239	10.3	12.7
Gambia, The	45	73	..	..	67	..	30.5	..	16	..	6.9	..
Georgia	85	368	228	317	75	209	13.1	12.8	171	196	12.1	7.9
Germany	14,847	18,399	55,800	74,600	24,052	35,589	4.0	3.4	66,981	78,553	11.3	8.6
Ghana	286	483	..	..	30	495	1.9	14.2	74	270	3.5	5.0
Greece	10,130	13,969	1,738	..	4,182	12,809	26.9	26.2	1,495	2,880	6.0	4.7
Guatemala	563	1,182	333	854	216	806	7.7	17.5	167	456	4.5	5.4
Guinea	12	45	..	..	1	32	0.1	4.3	29	29	2.9	3.0
Guinea-Bissau	..	..	..	..	..	3	..	3.7	6	21	6.7	20.7
Haiti	145	..	..	..	..	..	..	..	..	..	..	..

	International tourists				Tourism expenditure in the country				Tourism expenditure in other countries			
	thousands				$ millions		% of exports		$ millions		% of imports	
	Inbound		Outbound									
	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004
Honduras	271	672	149	295	85	403	5.2	13.1	99	269	5.3	6.1
Hungary	2,878	3,270	13,083	17,558	2,938	4,084	14.9	6.2	1,501	2,908	7.5	4.2
India	2,124	*2,726*	3,056	*5,351*	..	*4,128*	..	*5.0*	..	*4,758*	..	*5.1*
Indonesia	4,324	5,321	1,782	..	..	5,226	..	5.8	..	4,570	..	5.8
Iran, Islamic Rep.	489	1,659	1,000	*2,921*	205	1,324	1.1	..	247	4,353	1.6	..
Iraq	61	..	*199*	..	..	..	..	..	..	..	..	..
Ireland	4,818	6,982	2,547	5,409	2,698	5,962	5.5	3.9	..	5,287	..	4.2
Israel	2,215	1,506	2,259	3,614	3,491	2,819	12.7	5.5	2,626	3,663	7.4	7.0
Italy	31,052	37,071	*18,173*	23,349	30,426	37,872	10.3	8.7	17,219	24,062	6.9	5.7
Jamaica	1,147	1,415	..	..	1,199	1,733	35.3	44.5	173	318	4.6	6.0
Japan	3,345	6,138	15,298	16,831	4,894	14,343	1.0	2.3	46,966	48,175	11.2	8.9
Jordan	1,074	2,013	1,128	*1,533*	973	1,621	28.0	27.1	719	585	14.7	6.2
Kazakhstan	..	3,073	*523*	3,915	155	793	2.6	3.5	296	917	4.9	4.9
Kenya	896	*927*	..	..	590	808	20.0	19.2	183	..	5.2	..
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	3,753	5,818	3,819	8,826	6,670	7,870	4.5	2.6	6,947	13,103	4.5	4.9
Kuwait	72	91	878	1,928	309	414	2.2	1.2	2,513	4,140	19.9	22.4
Kyrgyz Republic	36	*248*	42	*45*	..	97	..	10.3	*7*	63	*0.7*	5.5
Lao PDR	60	236	..	..	52	..	12.8	..	34	..	4.5	..
Latvia	539	1,079	1,812	2,457	37	343	1.8	5.7	62	429	2.8	5.2
Lebanon	450	1,278	..	..	710	5,931	..	..	..	3,719	..	..
Lesotho	87	..	..	..	29	..	14.6	..	17	37	1.6	2.6
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	56	*142*	484	..	4	261	0.1	1.5	98	789	1.7	7.5
Lithuania	650	*1,491*	1,925	3,504	102	874	3.2	7.4	107	646	2.7	4.8
Macedonia, FYR	147	165	..	..	*35*	77	*2.7*	3.7	*30*	84	*1.7*	2.6
Madagascar	75	*139*	39	..	106	*118*	14.2	*10.5*	79	*67*	8.0	*4.1*
Malawi	192	*421*	..	..	22	*43*	4.7	*9.5*	53	*48*	8.0	*10.8*
Malaysia	7,469	15,703	20,642	30,761	5,044	*6,799*	6.1	*5.7*	2,722	*3,401*	3.1	*3.5*
Mali	42	*70*	..	..	26	*136*	4.9	*11.8*	74	*94*	7.5	*6.4*
Mauritania	..	..	..	..	..	..	..	..	30	..	5.9	..
Mauritius	422	719	107	180	616	1,156	26.2	33.4	184	277	7.5	7.7
Mexico	20,241	20,618	8,450	12,494	6,847	11,566	7.7	5.7	3,587	8,034	4.4	3.7
Moldova	32	24	71	68	71	119	8.0	8.9	73	157	7.3	7.4
Mongolia	108	301	..	..	33	205	6.5	16.9	22	207	4.2	14.7
Morocco	2,602	*4,552*	1,317	*1,694*	1,469	4,541	16.2	27.3	356	913	3.2	4.6
Mozambique	..	*441*	..	..	..	96	..	5.5	..	140	..	5.9
Myanmar	117	242	..	..	169	98	12.9	3.1	*38*	32	*1.5*	1.3
Namibia	399	*695*	..	..	..	426	..	18.4	..	..	..	..
Nepal	363	385	100	286	232	260	22.5	21.2	167	205	10.3	9.4
Netherlands	6,574	9,646	12,313	*16,463*	10,611	*11,745*	4.4	*4.4*	13,151	*14,201*	6.1	*5.7*
New Zealand	1,409	2,334	920	1,733	..	..	..	..	..	..	..	..
Nicaragua	281	615	255	701	51	191	7.7	11.6	56	158	4.9	5.5
Niger	35	*55*	10	..	*26*	*29*	*7.1*	*7.0*	26	*39*	5.7	*5.7*
Nigeria	656	*887*	..	..	54	*263*	0.4	*1.5*	939	..	7.3	..
Norway	2,880	3,600	590	*2,588*	2,730	3,400	4.9	3.1	4,481	8,788	9.6	11.9
Oman	279	*630*	..	*2,060*	..	708	..	5.0	..	795	..	7.5
Pakistan	378	648	..	..	582	763	5.7	4.7	654	1,590	4.6	7.2
Panama	345	621	185	256	372	903	4.9	10.2	181	344	2.3	3.8
Papua New Guinea	42	59	51	*92*	..	..	..	..	..	..	..	..
Paraguay	438	309	427	170	162	84	3.4	2.5	173	121	3.3	3.4
Peru	444	1,203	508	1,281	521	1,169	7.9	8.0	428	821	4.5	6.5
Philippines	1,760	2,291	1,615	*1,803*	1,141	2,412	4.3	5.6	551	1,558	1.7	3.1
Poland	19,215	14,290	36,387	27,226	6,927	6,499	19.4	6.8	5,865	4,157	17.3	4.2
Portugal	9,511	11,617	..	..	5,646	8,922	17.5	17.2	2,540	3,359	6.4	5.1
Puerto Rico	3,131	3,541	1,237	1,361	1,828	3,024	..	..	1,155	1,584	..	..

	International tourists (thousands)				Tourism expenditure in the country				Tourism expenditure in other countries			
	Inbound		Outbound		$ millions		% of exports		$ millions		% of imports	
	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004
Romania	2,757	..	5,737	6,972	689	607	7.3	2.2	749	672	6.6	2.0
Russian Federation	10,290	22,051	21,329	24,410	..	6,958	..	3.4	..	16,527	..	12.7
Rwanda	..	..	..	..	4	..	5.4	..	13	..	3.5	..
Saudi Arabia	3,325	8,579	..	3,811	..	6,540	..	5.0	..	4,262	..	6.4
Senegal	280	363	..	..	168	269	11.2	14.7	154	129	8.5	4.9
Serbia and Montenegro	228	580	..	..	..	..	..	..	..	..	..	..
Sierra Leone	38	44	6	28	..	..	..	..	51	30	19.4	8.9
Singapore	6,422	5,705	2,867	4,221	..	..	..	..	..	..	..	..
Slovak Republic	903	1,401	218	457	630	932	5.7	3.5	338	903	3.2	2.6
Slovenia	732	1,499	..	2,800	1,128	1,726	10.9	8.8	606	940	5.6	4.7
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	4,488	6,678	2,520	3,794	2,655	6,729	7.7	11.9	2,414	3,661	7.2	6.3
Spain	34,920	53,599	3,648	5,121	27,510	51,125	20.5	19.0	5,768	13,337	4.3	4.3
Sri Lanka	403	566	504	680	367	808	7.9	11.1	279	499	4.7	5.5
Sudan	29	51	195	..	..	..	..	..	..	..	..	..
Swaziland	300	459	..	..	54	16	5.3	0.9	45	34	3.5	3.0
Sweden	2,310	7,627	10,127	13,977	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	12,208	9.2	6.7	9,478	10,599	8.7	7.2
Syrian Arab Republic	815	3,032	1,746	3,997	..	1,888	..	23.1	..	698	..	8.8
Tajikistan	..	..	..	..	..	9	..	0.7	..	..	..	..
Tanzania	285	566	157	..	344	610	28.4	28.0	424	446	21.6	14.0
Thailand	6,952	11,737	1,820	2,709	9,257	13,054	13.2	11.4	4,791	5,343	5.8	5.0
Togo	53	61	..	..	..	26	..	3.8	41	37	6.1	3.9
Trinidad and Tobago	260	443	261	..	232	437	8.3	7.4	91	143	4.3	3.3
Tunisia	4,120	5,998	1,778	2,274	1,838	2,432	23.0	18.3	294	427	3.3	3.0
Turkey	7,083	16,826	3,981	7,299	..	..	..	..	..	..	..	..
Turkmenistan	218	..	21	..	13	..	0.7	..	74	..	4.1	..
Uganda	160	512	148	231	..	306	..	26.5	..	..	..	..
Ukraine	3,716	12,514	6,552	14,795	448	1,512	2.2	3.8	405	1,193	1.9	3.4
United Arab Emirates	2,315	5,871	..	..	632	1,594	..	..	..	4,475	..	..
United Kingdom	23,537	27,755	41,345	64,194	27,624	37,193	8.6	7.0	30,749	68,778	9.4	11.4
United States	43,490	46,085	51,285	61,776	93,700	112,780	11.8	9.8	60,924	93,217	6.8	5.3
Uruguay	2,022	1,756	562	495	725	579	20.7	14.4	332	281	9.3	7.7
Uzbekistan	92	231	246	400	15	48	..	..	..	..	..	..
Venezuela, RB	700	492	534	816	995	531	4.8	1.3	1,852	1,603	11.0	7.3
Vietnam	1,351	2,928	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	40	..	..	104	4	..	..	..	..	..	..
Yemen, Rep.	61	155	..	..	..	..	..	..	..	183	..	3.7
Zambia	163	578	..	..	47	149	6.1	..	83	..	6.2	..
Zimbabwe	1,363	..	256	..	145	194	..	..	106	..	..	..
World	538,382 t	777,534 t	643,624 t	813,857 t	497,366 t	743,043 t	8.0 w	6.7 w	481,338 t	704,549 t	7.9 w	6.7 w
Low income	11,676	18,248	..	..	..	11,002	..	6.3	..	13,586	..	5.5
Middle income	160,566	274,130	229,999	288,152	109,238	173,162	8.2	6.5	72,853	107,645	5.6	5.2
Lower middle income	69,138	138,963	48,397	90,985	50,953	92,627	7.6	6.4	35,108	56,308	5.4	4.2
Upper middle income	91,253	136,098	170,126	183,796	49,746	79,894	9.0	6.6	33,865	51,483	6.9	6.7
Low & middle income	175,026	259,534	276,829	350,077	118,632	189,112	8.1	6.6	83,495	123,650	5.7	5.2
East Asia & Pacific	44,247	84,175	36,006	71,020	34,630	60,901	7.1	5.4	20,630	35,398	4.9	3.9
Europe & Central Asia	59,537	106,564	152,343	164,140	..	..	..	6.3	..	..	..	6.9
Latin America & Carib.	39,852	51,220	21,948	27,174	20,622	34,115	7.1	5.8	18,987	25,624	6.5	5.3
Middle East & N. Africa	13,594	25,048	13,353	20,255	11,217	19,489	12.3	17.3	5,190	13,083	4.3	5.9
South Asia	3,819	4,979	5,151	8,690	..	6,343	..	7.4	..	7,017	..	6.9
Sub-Saharan Africa	12,536	18,873	..	..	6,345	12,459	6.9	12.5	7,078	9,642	7.0	7.5
High income	357,681	469,854	314,894	429,211	393,324	554,322	7.9	6.7	408,872	581,301	8.2	7.2
Europe EMU	197,165	255,184	137,608	177,310	175,494	262,294	8.2	7.8	175,352	228,047	8.2	7.0

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*.

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. 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. • **Tourism expenditure in the country** is 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 4.8). • **Tourism expenditure in other countries** is 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 4.8).

6.15a

International tourist arrivals reached an all-time high in 2004

International tourist arrivals (millions)
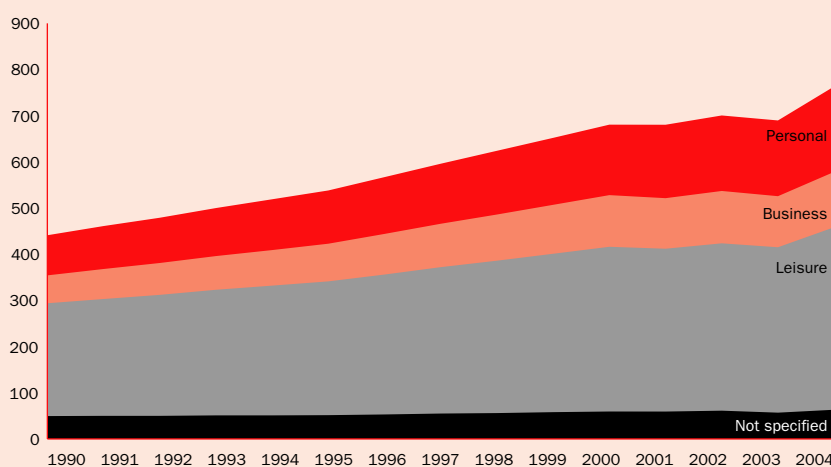
Since 1990 international tourist arrivals have been increasing steadily at 4 percent a year. In 2004 about half of international tourist arrivals were for leisure, recreation, and holidays; 16 percent for business; and another 24 percent for other personal motives such as visiting friends and relatives, religious purposes, and health treatment.

Source: World Tourism Organization.

Data sources

Data on visitors and tourism expenditure are available in the World Tourism Organization's *Yearbook of Tourism Statistics* and *Compendium of Tourism Statistics 2006*. Data in the table are updated from electronic files provided by the World Tourism Organization. Data on exports and imports are from the IMF's *International Financial Statistics* and World Bank staff estimates.