



4

ECONOMY

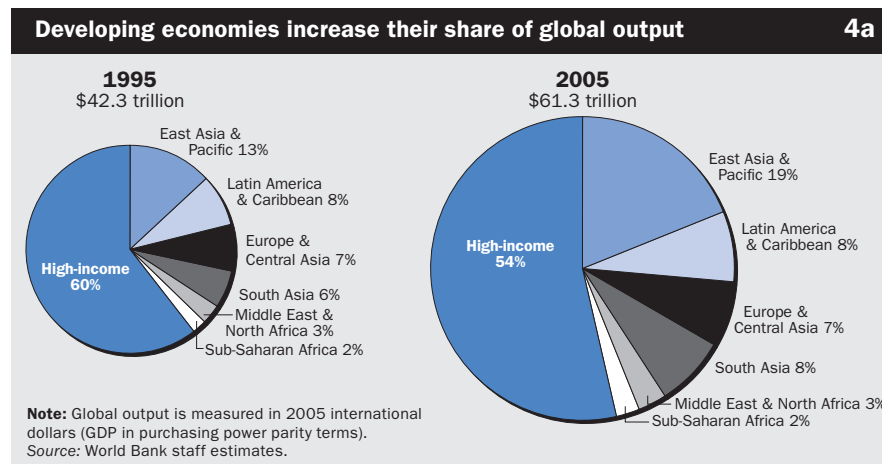
A

portrait of the global economy

A portrait of the global economy and the activity of more than 200 countries and territories that produce, trade, and consume the world's output—that is what the data in this section provide. Timely and reliable macroeconomic statistics are important for three reasons. First, they provide a measure of the wealth of economies, reflecting the welfare of their residents and prospects for future growth. Second, because the design of sound macroeconomic policies requires an understanding of historical patterns and trends, they provide guidance in shaping development policies. Third, they inform consumers, workers, investors, taxpayers, voters, and citizens on how their economy is managed so that they can make appropriate choices and exert control over their governments.

Developing economies grew faster over the last decade (1995–2005) than in the two previous decades and faster than high-income countries. World output in 2005 amounted to about \$61 trillion, measured in purchasing power parities. This was a 45 percent increase over 1995, when the world output was \$42.3 trillion (figure 4a). The share of developing economies in global output increased from 39 percent to 46 percent. The developing economies in the East Asia and the Pacific region grew the most, doubling their output and increasing their share of global output from 13 percent to 19 percent.

Further integration into world markets, better functioning internal markets, and rising demand for many commodities all contributed to the acceleration of growth in developing countries. Past periods of growth were often interrupted by financial or balance of payments crises. Indeed, from 1997 to 1998 some of the fastest growing economies experienced a major financial crisis, which started in Asia and spread to the transition economies of Europe and Central Asia. But recovery from this crisis has been widespread and durable. Developing economies are running lower fiscal and external deficits, accumulating larger reserves, and adopting more cautious monetary and financial policies. These policies make economies less vulnerable to shocks and less volatile, increasing the confidence of investors. The financial shocks of the period also revealed the importance of reliable, publicly available data for monitoring the actions of governments and private agents.



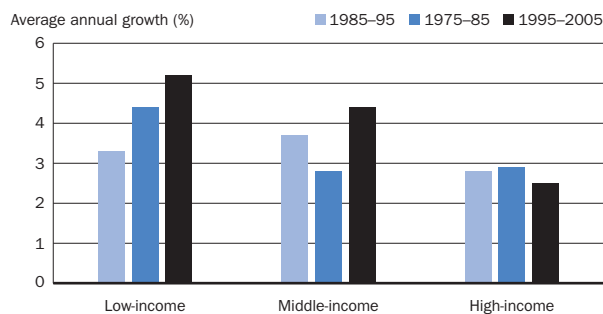
Long-term trends

Developing economies are expected to grow faster than high-income economies. The surprise is that they often don't. Labor surpluses and higher returns to physical capital in developing countries, along with ready access to technology already developed and amortized in high-income countries, are among the reasons that developing economies are expected to grow faster and, in the long run, close the gap with richer economies. But until recently only a few developing economies enjoyed sustained periods of high growth. And even fewer have reached the average growth of the high-income economies. Poverty traps, exclusion from global markets, and government and market failures are some of the reasons put forward to explain the failure to converge.

The last decade brought a change, however. The average growth of low- and middle-income economies surpassed that of high-income economies (figure 4b). The most successful are no longer counted as "developing." During this period 13 countries graduated from the World Bank's classification of low- and middle-income economies: Antigua and Barbuda, Bahrain, Greece, Guam, Isle of Man, Republic of Korea, Malta, New Caledonia, Northern Mariana Islands, Puerto Rico, Saudi Arabia, San Marino, and Slovenia. But these are only a few, and they account for less than 2 percent of the world's population. Growth is still uneven (figure 4c). Global and regional averages are driven by a few large countries, which carry large weights in the aggregate measures.

Growth is accelerating in the low-income economies

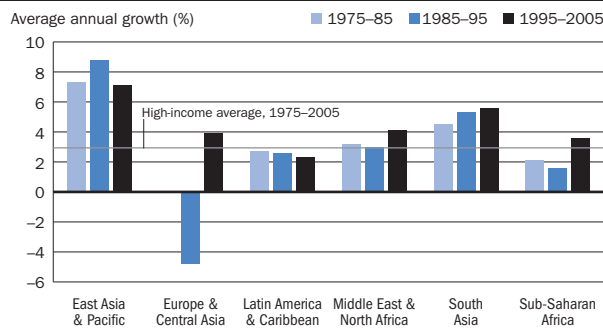
4b



Source: World Bank data files.

Patterns of regional growth vary widely

4c



Source: World Bank data files.

Better policies to achieve macroeconomic stability

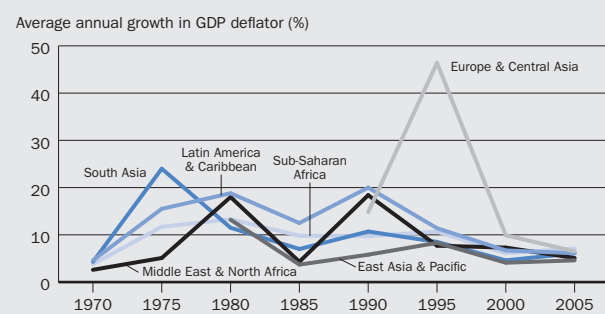
The high growth experienced in the developing world was due in part to expanding trade (section 6) and a better investment climate (section 5). The very rapid industrialization of large countries such as China and India also benefited the exporters of primary commodities—oil, metals and minerals, and agricultural produce.

Macroeconomic stability also helped. Since the high inflation and the debt crises of the 1970s and 1980s, better fiscal, monetary, and exchange rate policies have brought inflation rates down in most developing countries. And the very rapid inflation in European and Central Asian countries after the collapse of the Soviet Union came back to earth after their transition from central planning to market economies (figure 4d).

Macroeconomic stability, one factor in a favorable investment climate, promotes economic growth (figure 4e). But low inflation does not always lead to high economic growth. In general, developed economies have lower inflation and economic growth rates. The median inflation rate was below 10 percent in all developing regions, well below the median of around 15 percent or higher in 1990 in three regions.

Inflation is now less than 10 percent in all developing regions

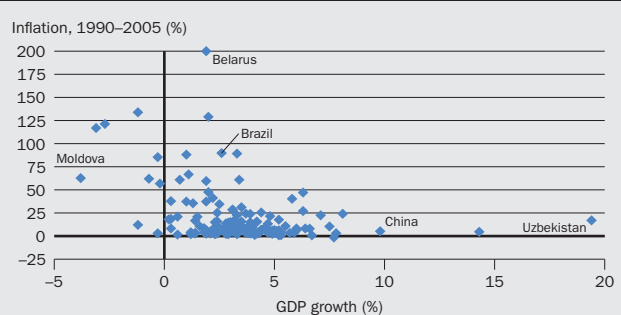
4d



Source: World Bank data files.

Economies with high growth rates generally have lower rates of inflation

4e



Source: World Bank data files.

Rising reserves

Trade surpluses and growing workers' remittances have allowed many developing countries to accumulate large holdings of reserve assets over the past five years. One motive may be the desire to maintain larger precautionary reserves to protect against financial and balance of payments crises. Indeed, the globalization of financial transactions may have made countries with open capital accounts more vulnerable.

China, India, and the Russian Federation are now among the top 10 economies with the largest reserves holdings (table 4f). Together they accounted for 25 percent of the world reserves in 2005. In contrast, the United States holds only 4 percent of the world reserves. With one exception in 1991, the current account deficit of the United States increased steadily from around \$12 billion in 1982 to \$792 billion in 2005. The U.S. current account deficit is financed largely by China's current account surplus and growing investments by major oil exporters.

Large reserve holdings also make economies less vulnerable to debt crises, reassuring lenders and lowering interest rates. Economies with large reserves are less likely to require assistance from lenders of last resort, such as the World Bank or International Monetary Fund (IMF). Since 1995 the ratio of reserves to external debt has increased for many economies (figure 4g).

Top 10 economies with largest reserves

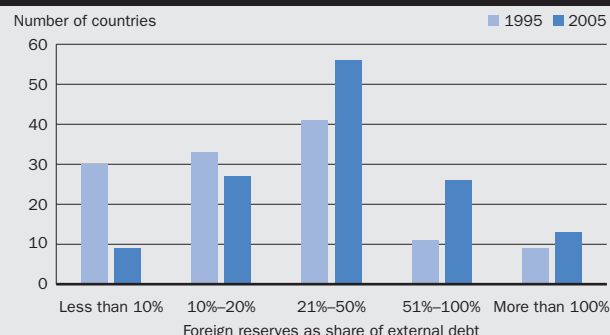
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Economy	International reserves \$ billions		Share of world total (%)	Increase over 2004 (%)	Reserves (months of import coverage)
	2004	2005			
Japan	844.7	846.9	18	0.3	16
China	622.9	831.4	18	33.5	14
Taiwan, China	247.7	260.3	6	5.1	14
Korea, Rep.	199.2	210.6	5	5.7	8
United States	190.5	188.3	4	-1.2	1
Russian Federation	126.3	182.3	4	44.4	11
India	131.6	137.8	3	4.7	12
Hong Kong, China	123.6	124.3	3	0.6	4
Singapore	112.2	115.8	3	3.2	5
Germany	97.2	101.7	2	4.6	1

Source: International Monetary Fund and World Bank data files.

More reserves to cover debt

4g



Source: World Bank and International Monetary Fund data files.

External public debt relief

Improvements in macroeconomic management of the poorest countries have also paved the way for more extensive debt relief.

Since 1996 developing countries have benefited from debt writeoffs by official donors and will continue to do so. It makes sense to relieve debt when the causes of excessive indebtedness are being tackled at their roots and when the benefits of debt reduction are directed toward more effective poverty reduction programs.

Making debt sustainable for poor countries is one of the Millennium Development Goals. Debt can bridge financing gaps and meet investment needs for projects with high social returns. But when unsustainable, it obliges countries to undertake policies that might be disruptive and harmful for growth and welfare, such as default, large fiscal adjustments, and devaluation.

In 2005 the external debt of developing countries amounted to \$2,730 billion, and related debt service (principal and interest) to \$513 billion. The debt stock has been declining in most regions and, accordingly, debt service declined. The ratio of debt service to exports in 2005 was 13.8 percent, the lowest in the last 20 years. The ratio of total external debt to GDP declined from nearly 6.6 percent in 1999 to 5.4 percent in 2005.

The debt crises of the 1980s and 1990s were the result of excessive borrowing with overly optimistic expectations. But cyclical global recessions, declining agricultural commodity prices, and conflicts also left many poor countries unable to service their debt. Traditional debt relief, based on rescheduling and restructuring of payments, proved ineffective for them.

Special programs to address the problems of the poor countries with predominantly official creditors were started in 1996, when the World Bank and the IMF launched the Heavily Indebted Poor Countries (HIPC) Initiative. The initiative aims to provide permanent relief from unsustainable debt by redirecting the resources for debt service toward social expenditures aimed at poverty reduction. The initiative relieved \$61 billion in total nominal debt service for 29 countries, and another 11 countries are eligible for additional debt relief.

The debt stock of the 29 HIPCs was reduced by 90 percent and their debt service by 2 percent between 1999 and 2005. And as a direct result of debt relief, public expenditures in education and health have increased by 3 percent in these countries.

The International Development Association (IDA), the IMF, and the African Development Fund have committed to cancel an additional debt stock of \$49 billion for all HIPCs under the new Multilateral Debt Relief Initiative in 2006. IDA has since canceled \$27 billion and the IMF \$3 billion for 19 countries that have made progress in their economic and social reforms.



4.a

Recent economic performance

	Gross domestic product		Exports of goods and services		Imports of goods and services		GDP deflator		Current account balance		Total reserves ^a	
	average annual % growth		average annual % growth		average annual % growth		% growth		% of GDP		\$ millions	months of import coverage
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005		
Algeria	5.3	5.2	5.8	5.1	7.8	23.1	16.1	17.8	..	21.2	..	..
Argentina	9.2	8.0	13.5	11.6	20.1	12.3	8.8	9.3	3.2	3.0	..	..
Armenia	14.0	9.5	15.9	4.5	11.7	12.5	3.2	4.0	-3.9	-4.7	841	3.8
Azerbaijan	26.2	22.7	58.5	48.0	-0.6	20.1	10.3	17.7	1.3	-3.3	1,028	1.9
Bangladesh	6.0	6.7	15.6	15.7	19.1	14.1	5.1	5.2	-0.2	0.9	3,488	2.5
Bolivia	4.1	4.1	9.6	4.5	13.5	15.2	4.7	4.6	5.3	..	2,545	7.7
Bosnia and Herzegovina	5.0	5.7	20.8	12.0	13.2	3.9	1.6	-5.5	-21.7	-15.4	2,457	5.0
Botswana	6.2	4.2	22.0	4.6	5.2	2.4	8.8	8.4	14.2	10.8	6,335	13.5
Brazil	2.3	3.5	11.6	-3.1	9.5	-1.8	7.2	5.3	1.8	1.3	60,357	5.0
Bulgaria	5.5	5.6	7.2	11.8	14.6	8.9	3.8	5.2	-11.3	-12.5	10,253	4.6
Cameroon	2.0	3.5	-3.9	1.7	23.1	9.3	4.7	5.1	..	-1.2	131	0.3
Chile	6.3	5.0	6.1	4.8	20.4	8.9	4.8	3.7	0.6	3.9	..	..
China	10.2	10.4	24.3	14.6	11.4	16.5	3.9	3.6	7.2	5.6	1,046,465	13.6
Colombia	5.1	4.7	4.6	4.4	25.2	2.4	6.2	5.8	-1.6	-1.3	13,659	5.0
Congo, Dem. Rep.	5.9	6.5	14.3	2.4	20.0	5.3	21.5	7.9	0.0	-9.7	470	1.5
Congo, Rep.	9.2	5.7	14.9	4.2	16.4	6.5	7.2	-5.6	17.7	1.4	..	..
Costa Rica	5.9	6.5	12.6	5.6	11.7	6.2	11.1	11.5	-4.8	-4.9	2,682	2.5
Côte d'Ivoire	1.8	1.9	1.5	9.0	7.3	2.9	3.6	3.3	-0.1	1.8	..	..
Croatia	4.3	4.6	4.6	5.2	3.5	5.0	3.2	2.9	-6.7	-6.8	10,101	4.8
Dominican Republic	9.3	9.0	6.1	-8.2	14.2	11.3	4.2	8.6	-1.7	-2.2	2,325	1.9
Ecuador	4.7	4.5	7.4	8.5	13.5	17.6	6.7	7.0	-0.2	0.8	3,923	2.9
Egypt, Arab Rep.	4.9	5.8	22.5	14.9	23.8	21.2	5.4	4.5	2.4	1.7	26,660	8.4
El Salvador	2.8	3.8	0.4	4.4	0.8	8.4	4.4	3.9	-4.6	-4.6	1,922	2.5
Gabon	2.2	2.7	-5.8	-8.0	1.8	0.2	8.9	2.3	..	1.8	..	..
Ghana	5.9	6.0	9.3	10.3	6.7	13.7	15.0	14.8	-7.6	-5.1	2,084	3.0
Honduras	4.0	5.1	6.0	8.9	9.3	15.7	10.3	5.5	-1.0	-0.6	2,776	4.9
India	9.2	8.3	21.9	5.2	22.1	1.1	4.4	4.4	..	-0.9	172,635	8.2
Indonesia	5.6	5.5	8.6	8.9	12.3	8.6	13.7	14.5	0.3	..	53,223	5.2
Iran, Islamic Rep.	4.4	5.8	-13.2	0.8	-13.2	13.7	16.0	23.5	..	5.6	47,130	9.0
Jamaica	1.8	2.7	..	..	..	..	9.6	13.0	-11.3	-9.6	1,728	2.7
Jordan	7.3	6.3	5.8	0.7	21.2	4.9	4.0	5.8	-18.2	-22.8	6,192	5.3
Kazakhstan	9.7	9.0	1.4	10.3	13.3	2.9	17.9	7.0	-1.3	7.0	11,800	4.2
Kenya	5.8	5.7	4.7	6.4	14.3	1.5	4.2	4.0	-2.6	-7.6	2,654	4.3
Lesotho	1.2	2.8	-2.6	2.4	-1.5	7.8	3.2	5.0	-3.0	1.7	455	3.9

	Gross domestic product		Exports of goods and services		Imports of goods and services		GDP deflator		Current account balance		Total reserves ^a	
	average annual % growth		average annual % growth		average annual % growth		% growth		% of GDP		\$ millions	months of import coverage
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005		
Macedonia, FYR	4.0	3.2	8.5	13.7	2.4	18.2	3.0	3.4	-1.4	-1.2	1,725	4.6
Malawi	2.6	9.2	20.2	2.1	11.0	-1.5	15.5	10.8	..	-16.1	..	..
Malaysia	5.2	5.5	8.6	5.5	8.0	5.0	4.6	1.4	15.3	15.6	86,827	6.6
Mauritius	4.6	3.5	5.7	7.0	4.8	7.7	4.8	4.1	-5.4	-5.2	1,244	3.3
Mexico	3.0	4.5	6.9	5.7	8.7	8.5	5.4	5.3	-0.6	-0.3	73,465	3.1
Moldova	7.1	3.0	20.2	-0.1	21.2	-2.0	7.3	11.9	-8.3	-21.2	603	2.1
Morocco	1.7	7.0	9.8	5.9	5.7	4.8	1.4	2.7	2.2	1.2	18,226	8.1
Nicaragua	4.0	3.7	5.3	13.9	6.2	9.8	10.3	10.7	-16.3	-15.6	899	2.8
Nigeria	6.9	6.3	-1.8	4.4	21.3	16.0	26.9	12.8	24.5	18.1	..	..
Pakistan	7.8	6.3	7.6	13.4	44.1	20.0	9.8	8.2	-3.1	-3.9	11,374	3.8
Panama	6.4	7.0	13.8	7.3	14.2	7.0	2.4	2.4	-5.1	-4.6	1,358	1.2
Paraguay	2.9	3.5	2.7	14.2	4.6	33.3	5.9	6.0	-0.3	-4.5	1,370	2.7
Peru	6.4	6.6	14.9	5.4	10.6	9.9	3.3	8.6	1.3	1.1	17,627	8.1
Philippines	5.0	5.4	4.2	8.5	2.4	6.1	6.2	6.0	2.4	2.3	21,800	4.1
Poland	3.4	5.0	8.1	5.7	4.9	6.9	2.8	2.0	-1.7	-1.5	39,656	3.5
Romania	4.1	5.8	4.2	10.3	3.7	8.6	12.0	8.5	-8.6	-11.4	20,730	4.9
Russian Federation	6.4	6.5	6.3	4.3	17.3	20.2	19.7	14.5	10.9	10.8	276,803	14.0
Senegal	5.1	5.1	3.1	-15.5	1.9	-21.2	2.6	2.3	..	-7.4	1,188	3.7
Serbia and Montenegro	4.7	6.1	10.0	41.7	-4.0	28.9	17.3	5.4	..	-9.6	6,149	4.5
Slovak Republic	6.0	6.7	10.9	10.2	11.2	11.6	2.4	6.3	..	-7.2	18,750	4.7
South Africa	4.9	4.2	6.7	5.2	10.1	9.4	4.7	5.8	-3.8	-4.8	22,218	3.0
Sri Lanka	5.3	6.0	7.5	5.4	8.7	5.4	10.4	7.8	-2.8	-5.7	2,731	2.9
Swaziland	1.8	2.3	6.0	6.0	6.3	5.5	4.9	4.0	1.7	-11.5	382	1.6
Syrian Arab Republic	5.1	4.0	3.9	-1.5	17.9	1.9	5.8	4.0	-4.0	-2.5	3,064	2.8
Thailand	4.5	4.5	4.3	8.4	9.4	0.6	4.6	5.5	-2.1	1.4	56,681	4.6
Tunisia	4.2	5.3	3.2	3.9	1.1	1.4	1.9	2.4	-1.1	-1.2	6,824	4.5
Turkey	7.4	5.0	8.6	14.3	11.6	5.5	5.4	9.6	-6.4	-6.8	..	..
Ukraine	2.6	5.2	-11.2	-1.3	2.1	8.4	20.0	12.3	3.1	0.3	16,934	4.2
Uruguay	6.6	5.0	16.8	8.5	8.8	15.0	1.7	5.1	..	-3.5	3,329	5.7
Uzbekistan	7.0	6.0	7.1	2.0	7.3	1.2	15.9	22.0	..	5.2	2,460	6.2
Venezuela, RB	9.3	8.5	5.2	8.5	30.0	28.2	29.1	15.0	18.1	17.2	31,033	8.3
Zambia	5.2	6.0	12.3	6.3	20.6	11.0	19.0	14.3	..	-10.4	350	0.9
Zimbabwe	-6.5	-5.1	-4.3	3.5	-3.1	3.6	237.7	1,216.0	..	-8.0	..	..

Note: Data for 2006 are the latest preliminary estimates and may differ from those in earlier World Bank publications.

a. International reserves including gold valued at the London gold price.

Source: World Bank staff estimates.



4.1

Growth of output

	Gross domestic product		Agriculture		Industry		Manufacturing		Services	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		average annual % growth	
	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05
Afghanistan	..	12.0	..	0.4	..	21.1	..	13.8	..	21.9
Albania	3.5	5.3	4.3	1.4	-0.5	3.4	..	-0.2	6.9	8.3
Algeria	1.9	5.2	3.6	7.3	1.8	4.4	-2.1	2.4	1.8	5.2
Angola ^a	1.6	9.9	-1.4	14.1	4.4	10.5	-0.3	13.4	-2.2	6.7
Argentina	4.3	2.2	3.5	2.5	3.8	3.8	2.7	3.7	4.5	0.9
Armenia	-1.9	12.4	0.5	8.4	-7.8	16.8	-4.3	9.2	6.4	12.2
Australia	4.0	3.2	3.8	-0.5	2.8	3.0	2.1	1.6	4.5	3.6
Austria	2.4	1.5	1.6	-0.2	2.7	2.1	2.7	1.4	2.3	1.4
Azerbaijan	-6.3	12.7	-2.1	6.6	-0.8	16.7	-12.0	9.1	-2.3	8.8
Bangladesh	4.8	5.4	2.9	2.5	7.3	7.3	7.2	6.7	4.5	5.6
Belarus	-1.7	7.5	-4.0	6.0	-1.8	11.1	-0.7	11.5	-0.4	5.3
Belgium	2.1	1.5	2.9	-0.1	1.6	0.4	2.5	0.4	1.9	1.9
Benin ^a	4.8	4.0	5.8	4.6	4.1	3.8	5.8	2.7	4.2	3.5
Bolivia	4.0	3.0	2.9	3.6	4.1	3.2	3.8	3.2	4.3	2.1
Bosnia and Herzegovina	..	5.0	..	1.5	..	4.9	..	5.6	..	5.2
Botswana	6.0	5.9	-1.2	2.1	5.8	5.7	4.4	0.8	7.8	5.4
Brazil	2.9	2.2	3.3	4.5	2.6	2.3	1.6	1.8	3.0	1.7
Bulgaria	-1.8	5.0	3.0	0.4	-5.0	5.7	..	8.7	-5.2	5.1
Burkina Faso ^a	4.0	5.1	4.2	5.8	2.3	2.7	1.6	2.2	4.5	12.0
Burundi	-2.9	2.2	-1.9	-1.5	-4.3	-6.2	-8.7	..	-2.8	10.4
Cambodia	7.1	8.9	3.9	5.7	14.3	14.2	18.6	14.1	7.1	8.2
Cameroon	1.7	3.7	5.5	3.9	-0.9	3.9	1.4	5.3	0.2	7.5
Canada	3.1	2.5	1.1	0.9	3.2	1.6	4.5	0.2	3.0	3.0
Central African Republic	2.0	-1.4	3.8	2.6	0.7	4.2	-0.2	4.0	-0.3	-12.9
Chad	2.2	14.5	4.9	2.2	0.6	45.9	..	..	0.9	8.4
Chile	6.6	4.3	2.2	6.0	5.6	3.8	4.4	3.7	6.9	4.0
China ^{a,b}	10.6	9.6	4.1	3.9	13.7	10.9	12.7	11.1	10.2	10.0
Hong Kong, China	4.1	4.3	..	-0.2	..	-3.4	..	-5.7	..	5.7
Colombia	2.8	3.5	-2.2	1.9	1.8	4.9	-2.2	4.1	4.2	2.8
Congo, Dem. Rep.	-4.9	4.4	1.4	0.4	-8.0	9.0	-8.7	4.8	-12.3	5.5
Congo, Rep. ^a	1.2	3.9	1.0	5.6	3.2	1.4	-3.0	12.7	-0.6	4.2
Costa Rica	5.3	4.2	4.1	1.7	6.2	3.6	6.8	3.3	4.7	5.4
Côte d'Ivoire ^a	3.2	-0.1	3.5	0.9	6.3	-1.8	5.5	-3.3	2.0	0.2
Croatia	0.6	4.7	-2.6	-0.2	-2.4	5.3	-3.5	4.5	1.9	5.1
Cuba ^a	4.2	3.4	..	..	..	..	..	..	..	..
Czech Republic	1.1	3.5	0.0	4.4	0.2	3.6	4.3	4.7	1.2	3.6
Denmark	2.7	1.2	4.6	-0.1	2.5	-0.9	2.2	-2.5	2.7	1.8
Dominican Republic ^a	6.0	2.8	3.9	2.8	7.0	-0.6	4.9	0.7	6.0	4.6
Ecuador ^a	1.9	5.1	-1.7	4.4	2.6	6.2	1.5	4.5	2.4	4.6
Egypt, Arab Rep.	4.4	3.7	3.1	3.4	5.1	4.3	6.4	2.8	4.0	3.4
El Salvador	4.8	2.2	1.2	1.4	5.1	2.1	5.2	2.2	4.0	2.4
Eritrea	5.7	3.5	1.5	0.8	15.0	4.1	10.6	6.6	5.7	3.5
Estonia	0.2	7.5	-3.4	-1.7	-3.3	10.5	5.9	11.5	3.1	6.6
Ethiopia	3.5	4.2	2.2	3.1	4.0	5.8	3.8	2.4	4.5	3.9
Finland	2.5	2.4	1.8	-0.2	3.9	1.7	7.6	1.9	2.2	2.6
France	1.9	1.5	2.0	-0.9	1.0	1.4	..	1.2	2.2	1.6
Gabon ^a	2.8	1.7	-1.4	4.9	2.5	2.8	0.6	..	3.9	0.0
Gambia, The	3.0	3.7	3.3	1.4	1.0	5.9	0.9	4.2	3.7	5.4
Georgia	-7.1	7.4	-11.0	3.1	-8.1	12.6	-7.0	6.3	-0.3	7.8
Germany	1.8	0.7	-0.1	1.6	-0.1	0.6	0.2	1.0	2.9	1.0
Ghana ^a	4.3	5.1	3.4	5.0	2.6	4.6	-3.2	1.4	5.7	5.3
Greece	2.2	4.4	0.5	-2.0	1.0	3.3	2.0	2.2	2.6	4.7
Guatemala ^a	4.2	2.5	2.8	2.6	4.3	1.5	2.8	1.5	4.7	2.8
Guinea	4.4	2.9	4.6	4.0	4.7	3.1	4.1	1.9	3.6	1.9
Guinea-Bissau	1.2	-0.5	3.9	4.0	-3.1	3.6	-2.0	3.5	-0.6	0.7
Haiti	-1.5	-0.5	..	..	..	..	..	..	..	..

Growth of output

4.1

ECONOMY

	Gross domestic product		Agriculture		Industry		Manufacturing		Services	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		average annual % growth	
	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05
Honduras	3.2	3.6	2.2	3.4	3.6	3.6	4.0	4.2	3.8	4.3
Hungary	1.6	4.1	-2.4	7.2	3.5	3.8	8.2	4.7	1.2	3.6
India	6.0	7.0	3.0	2.5	6.3	7.5	7.0	6.9	8.0	8.5
Indonesia ^a	4.2	4.7	2.0	3.4	5.2	3.9	6.7	5.2	4.0	6.2
Iran, Islamic Rep.	3.1	5.8	3.2	5.5	2.6	7.0	5.1	10.2	3.8	5.1
Iraq	..	-11.4	..	-3.6	..	-17.0	..	-12.8	..	5.9
Ireland	7.5	5.2	..	..	..	..	..	..	..	..
Israel	5.3	1.9	..	..	..	..	..	..	..	..
Italy	1.5	0.6	2.1	0.2	0.8	-0.2	1.4	-1.2	1.7	0.9
Jamaica	1.8	1.8	-0.3	-2.7	-1.0	2.0	-2.2	0.1	2.3	1.7
Japan	1.1	1.4	-1.6	-0.9	-0.3	0.0	..	0.8	1.9	1.7
Jordan	5.0	6.1	-3.0	12.2	5.2	9.3	5.6	11.6	5.0	4.9
Kazakhstan	-4.1	10.1	-8.0	4.6	0.6	11.3	2.7	9.2	0.3	10.8
Kenya	2.2	3.4	1.9	2.8	1.2	4.5	1.3	3.3	3.2	3.1
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	5.8	4.6	1.6	-0.1	6.0	6.3	7.3	7.0	5.6	3.7
Kuwait ^a	4.9	7.3	1.0	15.1	0.3	1.9	-0.1	2.5	3.5	10.2
Kyrgyz Republic	-4.1	4.0	1.5	2.8	-10.3	0.6	-7.5	0.9	-4.9	7.3
Lao PDR	6.5	6.2	4.8	2.8	11.1	12.1	11.7	10.4	6.6	6.7
Latvia	-1.5	7.9	-5.5	2.8	-8.5	8.4	-7.6	7.4	2.7	8.1
Lebanon	6.0	4.0	2.3	1.8	-0.9	4.5	-5.0	5.1	3.2	4.3
Lesotho	3.9	2.9	2.0	-1.1	5.0	3.7	6.6	4.1	4.4	3.4
Liberia ^a	4.1	-6.8	..	..	..	..	..	..	..	..
Libya	..	5.3	..	..	..	..	..	..	..	..
Lithuania	-2.7	7.8	-0.8	3.0	3.3	10.5	5.7	10.2	5.5	7.0
Macedonia, FYR	-0.8	1.7	0.2	0.9	-2.3	1.3	-5.3	1.2	0.5	2.2
Madagascar	2.0	2.0	1.9	1.7	2.4	1.1	2.0	2.7	2.3	1.7
Malawi	3.7	3.4	8.6	0.5	2.0	3.8	0.5	1.7	1.6	3.2
Malaysia ^a	7.0	4.8	0.3	3.4	8.6	4.6	9.5	5.2	7.3	5.3
Mali	4.1	5.9	2.6	4.9	6.4	5.1	-1.4	5.7	3.0	6.2
Mauritania	2.9	4.0	-0.2	-2.4	3.4	3.1	5.8	-4.1	4.9	6.8
Mauritius	5.2	4.0	-0.5	2.0	5.5	1.9	5.3	0.6	6.4	5.9
Mexico	3.1	1.9	1.5	1.9	3.8	0.6	4.3	0.0	2.9	2.4
Moldova	-9.6	7.1	-11.2	1.4	-13.6	8.9	-7.1	7.7	0.7	6.4
Mongolia	2.7	5.8	3.7	0.1	2.3	7.5	-9.7	5.5	0.2	7.8
Morocco ^a	2.3	4.3	-0.8	6.9	3.2	4.0	2.7	3.4	2.8	3.8
Mozambique	5.9	8.6	4.9	8.3	12.8	10.3	10.2	14.5	3.6	7.8
Myanmar ^a	6.9	9.2	5.7	..	10.5	..	7.9	..	7.2	..
Namibia	4.0	4.6	3.8	1.4	2.4	7.3	2.6	6.2	4.5	4.3
Nepal	4.9	2.8	2.4	3.2	7.2	1.1	8.9	-0.6	6.4	2.8
Netherlands	2.9	0.7	2.0	1.3	1.5	-0.1	..	..	3.3	1.1
New Zealand	3.2	3.7	2.9	0.3	2.4	4.0	2.2	3.1	3.5	4.3
Nicaragua	3.7	3.0	4.7	2.3	5.5	3.9	5.3	4.5	5.2	3.7
Niger ^a	2.4	3.7	3.0	6.4	2.0	3.1	2.6	3.9	1.9	4.3
Nigeria	2.5	5.9	3.4	5.8	1.0	5.5	1.1	8.8	3.3	6.3
Norway	4.0	2.0	2.6	2.1	3.8	0.7	1.6	0.7	4.0	2.5
Oman ^a	4.5	3.0	5.0	2.2	3.9	-0.5	6.0	9.3	5.0	5.9
Pakistan	3.8	4.8	4.4	2.3	4.1	6.5	3.8	9.1	4.4	5.4
Panama	4.7	4.3	3.1	4.8	6.0	1.6	2.7	-1.4	4.5	4.8
Papua New Guinea	4.3	1.6	..	2.2	..	-3.6	..	-1.1	..	1.4
Paraguay ^a	2.2	2.6	3.3	5.5	0.6	1.3	1.4	0.9	2.5	1.9
Peru	4.7	4.3	5.5	3.1	5.4	5.3	3.8	4.9	4.0	3.9
Philippines ^a	3.3	4.7	1.7	3.9	3.5	3.3	3.0	4.3	4.0	6.0
Poland	4.7	3.2	0.5	3.3	7.1	3.2	9.9	6.7	5.1	3.0
Portugal	2.8	0.5	-0.3	-1.8	3.1	-1.1	3.6	0.0	2.4	1.4
Puerto Rico ^a	4.2	..	..	..	..	..	..	..	..	..



4.1 | Growth of output

	Gross domestic product		Agriculture		Industry		Manufacturing		Services	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		average annual % growth	
	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05
Romania	-0.6	5.8	-1.9	8.8	-1.2	5.6	..	..	0.9	5.5
Russian Federation	-4.7	6.2	-4.9	4.5	-7.1	6.1	..	..	-1.7	6.4
Rwanda ^a	-0.3	5.1	2.6	4.3	-3.7	5.6	-6.0	1.4	-1.2	5.8
Saudi Arabia ^a	2.1	4.2	1.6	1.1	2.2	3.6	5.6	5.5	2.2	3.6
Senegal ^a	3.2	4.7	2.9	1.8	4.1	6.5	3.1	5.2	3.0	5.1
Serbia and Montenegro	1.4	5.1	..	-2.9	..	1.9	..	..	..	7.3
Sierra Leone	-5.1	13.7	-13.0	..	-4.5	..	6.1	..	-2.9	..
Singapore	7.6	4.2	-1.8	0.9	7.7	3.2	7.0	5.2	7.8	4.8
Slovak Republic ^a	1.9	4.9	2.7	4.7	2.4	6.4	6.6	6.7	5.7	4.1
Slovenia	2.7	3.4	0.0	0.7	1.3	3.6	1.1	4.2	3.4	3.8
Somalia	..	..	..	..	..	..	..	..	..	..
South Africa	2.1	3.7	1.0	0.8	1.1	2.7	1.6	2.3	2.7	4.4
Spain	2.7	3.1	3.1	-0.5	2.3	2.6	..	1.0	2.7	3.3
Sri Lanka	5.3	4.2	1.8	0.7	6.9	3.3	8.1	2.9	5.7	5.8
Sudan	5.4	6.1	9.2	..	5.8	..	4.4	..	2.7	..
Swaziland	3.3	2.3	1.2	0.3	3.7	1.9	2.8	1.8	3.6	3.1
Sweden	2.1	2.3	-1.1	0.2	4.2	3.7	8.6	2.7	1.9	1.7
Switzerland	1.0	0.9	-2.0	-5.3	0.4	1.1	1.2	0.9	1.2	0.2
Syrian Arab Republic	5.1	3.7	6.0	3.7	9.2	-0.7	..	29.6	1.5	5.9
Tajikistan	-10.4	9.6	-6.8	10.3	-10.8	11.6	-10.0	10.3	-12.7	7.0
Tanzania ^c	2.9	6.9	3.2	5.1	3.1	9.7	2.7	8.0	2.7	6.0
Thailand ^a	4.2	5.4	1.0	1.9	5.7	6.9	6.9	7.2	3.7	4.5
Togo ^a	3.5	2.7	4.0	2.8	1.8	8.1	1.8	7.5	3.9	-0.1
Trinidad and Tobago	3.1	8.3	2.7	-7.3	3.2	12.7	4.9	6.7	3.2	3.8
Tunisia ^a	4.7	4.5	2.3	3.6	4.6	3.1	5.5	3.0	5.3	5.4
Turkey	3.8	5.2	1.4	1.4	4.1	4.6	4.9	5.9	4.0	5.1
Turkmenistan	-4.8	..	-5.7	..	-3.4	..	..	..	-5.4	..
Uganda	7.1	5.6	3.7	4.1	12.2	7.3	14.1	5.7	8.2	7.4
Ukraine	-9.3	8.0	-5.6	3.3	-12.9	9.4	-11.2	14.0	-8.1	7.7
United Arab Emirates	4.8	8.2	13.2	2.9	3.0	5.6	11.9	8.5	7.2	9.3
United Kingdom	2.7	2.4	-0.2	0.7	1.5	-0.1	..	-0.9	3.4	3.1
United States	3.5	2.6	3.7	0.2	3.7	0.7	..	1.3	3.4	2.7
Uruguay	3.4	0.9	2.8	5.6	1.1	0.7	-0.1	2.3	3.7	-0.5
Uzbekistan	-0.2	5.3	0.5	6.9	-3.4	3.9	0.7	1.8	0.4	5.1
Venezuela, RB	1.6	1.3	1.2	4.7	1.2	-0.2	4.5	0.8	-0.1	3.1
Vietnam ^a	7.9	7.5	4.3	3.8	11.9	10.2	11.2	11.5	7.5	6.9
West Bank and Gaza ^a	7.3	-0.9	..	..	..	..	..	..	..	..
Yemen, Rep.	6.0	3.3	5.6	0.6	8.2	0.0	5.7	2.8	5.0	6.5
Zambia	0.5	4.7	4.2	1.4	-4.2	9.6	0.8	5.3	2.5	4.0
Zimbabwe	2.1	-5.9	4.3	-8.5	0.4	-10.0	0.4	-12.0	2.9	-8.7
World	2.9 w	2.8 w	2.0 w	2.2 w	2.4 w	2.0 w	.. w	2.3 w	3.1 w	2.7 w
Low income	4.8	6.1	3.2	3.0	4.9	6.9	5.9	6.9	6.0	7.2
Middle income	3.8	5.2	2.0	3.6	4.5	6.1	6.9	7.2	3.9	4.9
Lower middle income	5.3	6.3	2.7	3.8	7.1	7.7	8.5	9.4	5.0	6.2
Upper middle income	2.1	3.5	0.3	3.1	1.4	3.2	4.4	3.1	2.8	3.5
Low & middle income	3.9	5.3	2.4	3.4	4.6	6.2	6.8	7.2	4.1	5.2
East Asia & Pacific	8.5	8.4	3.4	3.7	11.0	9.4	10.8	9.8	8.1	8.7
Europe & Central Asia	-0.7	5.4	-1.7	3.5	-2.9	5.6	..	..	0.9	5.2
Latin America & Carib.	3.3	2.3	2.0	3.3	3.2	2.2	3.4	1.7	3.3	2.2
Middle East & N. Africa	3.8	4.1	2.9	4.5	4.1	2.6	3.8	6.4	3.4	4.5
South Asia	5.6	6.5	3.1	2.4	6.1	7.2	6.6	7.0	7.1	7.8
Sub-Saharan Africa	2.5	4.3	3.3	3.8	1.9	4.7	1.9	2.6	2.5	4.3
High income	2.7	2.2	1.3	-0.1	1.8	0.9	..	1.1	2.9	2.3
Europe EMU	2.1	1.3	1.7	-0.1	0.9	0.9	2.0	0.6	2.4	1.5

a. Components are at producer prices. b. China has revised its national accounts data from 1993 onwards. Data before 1993 are linked to the revised data on the basis of earlier growth rates. c. Data cover mainland Tanzania only.

About the data

An economy's growth is measured by the change in the volume of its output or in the real incomes of its residents. The 1993 United Nations System of National Accounts (1993 SNA) offers three plausible indicators for calculating growth: the volume of gross domestic product (GDP), real gross domestic income, and real gross national income. The volume of GDP is the sum of value added, measured at constant prices, by households, government, and industries operating in the economy.

Each industry's contribution to growth in the economy's output is measured by growth in the industry's value added. In principle, value added in constant prices can be estimated by measuring the quantity of goods and services produced in a period, valuing them at an agreed set of base year prices, and subtracting the cost of intermediate inputs, also in constant prices. This double-deflation method, recommended by the 1993 SNA and its predecessors, requires detailed information on the structure of prices of inputs and outputs.

In many industries, however, value added is extrapolated from the base year using single volume indexes of outputs or, more rarely, inputs. Particularly in the services industries, including most of government, value added in constant prices is often imputed from labor inputs, such as real wages or number of employees. In the absence of well-defined measures of output, measuring the growth of services remains difficult.

Moreover, technical progress can lead to improvements in production processes and in the quality of goods and services that, if not properly accounted for, can distort measures of value added and thus of growth. When inputs are used to estimate output, as is the case for nonmarket services, unmeasured technical progress leads to underestimates of the volume of output. Similarly, unmeasured improvements in the quality of goods and services produced lead to underestimates of the value of output and value added. The result can be underestimates of growth and productivity improvement and overestimates of inflation. These issues are highly complex, and only a few high-income countries have attempted to introduce any GDP adjustments for these factors.

Informal economic activities pose a particular measurement problem, especially in developing countries, where much economic activity may go unrecorded. Obtaining a complete picture of the economy requires estimating household outputs produced for home use, sales in informal markets, barter exchanges, and illicit or deliberately unreported activities. The consistency and completeness of such estimates depend on the skill and methods of the compiling statisticians and the resources available to them.

Rebasing national accounts

When countries rebase their national accounts, they update the weights assigned to various components to better reflect the current pattern of production or uses of output. The new base year should represent normal operation of the economy—that is, it should be a year without major shocks or distortions. Some developing countries have not rebased their national accounts for many years. Using an old base year can be misleading because implicit price and volume weights become progressively less relevant and useful.

To obtain comparable series of constant price data, the World Bank rescales GDP and value added by industrial origin to a common reference year. This year's *World Development Indicators* continues to use 2000 as the reference year. Because rescaling changes the implicit weights used in forming regional and income group aggregates, aggregate growth rates in this year's *World Development Indicators* are not comparable with those from earlier publications with different base years.

Rescaling may result in a discrepancy between the rescaled GDP and the sum of the rescaled components. Because allocating the discrepancy would cause distortions in the growth rates, the discrepancy is left unallocated. As a result, the weighted average of the growth rates of the components generally will not equal the GDP growth rate.

Computing growth rates

Growth rates of GDP and its components are calculated using the least squares method and constant price data in the local currency. Constant price U.S. dollar series are used to calculate regional and income group growth rates. Local currency series are converted to constant price U.S. dollars using an exchange rate in the common reference year. The growth rates in the table are average annual compound growth rates. Methods of computing growth rates and the alternative conversion factor are described in *Statistical methods*.

Changes in the System of National Accounts

World Development Indicators adopted the terminology of the 1993 SNA in 2001. Although many countries continue to compile their national accounts according to the SNA version 3 (referred to as the 1968 SNA), more and more are adopting the 1993 SNA. Some low-income countries still use concepts from the even older 1953 SNA guidelines, including valuations such as factor cost, in describing major economic aggregates. Countries that use the 1993 SNA are identified in *Primary data documentation*.

Definitions

- **Gross domestic product (GDP)** at purchaser prices is the sum of gross value added by all resident producers in the economy plus any product taxes (less subsidies) not included in the valuation of output. It is calculated without deducting for depreciation of fabricated capital assets or for depletion and degradation of natural resources. Value added is the net output of an industry after adding up all outputs and subtracting intermediate inputs. The industrial origin of value added is determined by the International Standard Industrial Classification (ISIC) revision 3.
- **Agriculture** corresponds to ISIC divisions 1–5 and includes forestry and fishing.
- **Industry** covers mining, manufacturing (also reported separately), construction, electricity, water, and gas (ISIC divisions 10–45).
- **Manufacturing** corresponds to industries belonging to ISIC divisions 15–37.
- **Services** correspond to ISIC divisions 50–99. This sector is derived as a residual (from GDP less agriculture and industry) and may not properly reflect the sum of services output, including banking and financial services. For some countries it includes product taxes (minus subsidies) and may also include statistical discrepancies.

Data sources

National accounts data for most developing countries are collected from national statistical organizations and central banks by visiting and resident World Bank missions. Data for high-income economies come from data files of the Organisation for Economic Co-operation and Development (for information on the OECD's national accounts series, see its *Annual National Accounts for OECD Member Countries: Data from 1970 Onwards*). The World Bank rescales constant price data to a common reference year. The complete national accounts time series is available on the *World Development Indicators 2007 CD-ROM*. The United Nations Statistics Division publishes detailed national accounts for UN member countries in *National Accounts Statistics: Main Aggregates and Detailed Tables* and publishes updates in the *Monthly Bulletin of Statistics*.



4.2

Structure of output

	Gross domestic product		Agriculture		Industry		Manufacturing		Services	
	\$ millions		% of GDP		% of GDP		% of GDP		% of GDP	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	..	7,308	..	36	..	25	..	15	..	39
Albania	2,102	8,380	36	23	48	22	..	12	16	56
Algeria	62,045	102,256	11	9	48	62	11	6	41	30
Angola ^a	10,260	32,811	18	7	41	74	5	4	41	19
Argentina	141,352	183,193	8	9	36	36	27	23	56	55
Armenia	2,257	4,903	17	21	52	44	33	21	31	35
Australia	319,265	732,499	4	3	30	27	15	12	66	70
Austria	164,984	306,073	4	2	32	31	21	20	64	68
Azerbaijan	8,858	12,561	29	10	33	62	19	8	38	28
Bangladesh	30,129	60,034	30	20	22	27	13	17	48	53
Belarus	17,370	29,566	24	10	47	41	39	33	29	49
Belgium	202,691	370,824	2	1	31	24	..	17	67	75
Benin ^a	1,845	4,287	36	32	13	13	8	8	51	54
Bolivia	4,868	9,334	17	15	35	32	19	14	49	53
Bosnia and Herzegovina	..	9,949	..	10	..	25	..	12	..	65
Botswana	3,792	10,317	5	2	61	53	5	4	34	44
Brazil	461,952	796,055	8	8	39	38	..	..	53	54
Bulgaria	20,726	26,648	17	10	49	32	..	20	34	59
Burkina Faso ^a	3,120	5,171	28	31	20	20	15	14	52	50
Burundi	1,132	800	56	35	19	20	13	9	25	45
Cambodia	1,115	6,187	..	34	..	27	..	19	..	39
Cameroon	11,152	16,875	25	41	30	14	15	7	46	45
Canada	574,192	1,113,810	3	..	32	..	17	..	65	..
Central African Republic	1,488	1,369	48	54	20	21	11	..	33	25
Chad	1,739	5,469	29	23	18	51	14	5	53	26
Chile	31,559	115,248	9	6	42	47	20	18	50	48
China ^{a,b}	354,644	2,234,297	27	13	42	48	33	34	31	40
Hong Kong, China	76,887	177,703	0	0	24	10	17	4	75	90
Colombia	40,274	122,309	17	13	38	34	21	15	45	53
Congo, Dem. Rep.	9,350	7,103	31	46	29	25	11	6	40	29
Congo, Rep. ^a	2,799	5,091	13	6	41	46	8	6	47	48
Costa Rica	7,403	20,021	12	9	30	30	23	22	58	62
Côte d'Ivoire ^a	10,796	16,344	33	23	23	26	21	19	44	51
Croatia	18,156	38,506	11	7	36	31	29	20	53	62
Cuba ^a	..	..	..	..	..	..	..	..	..	..
Czech Republic	34,880	124,365	6	3	49	37	..	25	45	60
Denmark	135,838	258,714	4	2	26	25	17	14	70	74
Dominican Republic ^a	7,074	29,502	13	12	31	26	18	15	55	62
Ecuador ^a	10,356	36,489	13	7	38	46	19	9	49	48
Egypt, Arab Rep.	43,130	89,369	19	15	29	36	18	17	52	49
El Salvador	4,801	16,974	17	10	27	30	22	23	55	60
Eritrea	477	970	31	23	12	23	8	8	57	55
Estonia	5,010	13,101	17	4	50	29	42	19	34	67
Ethiopia	12,083	11,174	52	48	12	13	5	5	36	39
Finland	138,231	193,160	6	3	33	30	..	22	61	68
France	1,239,256	2,126,630	4	2	27	21	..	13	70	77
Gabon ^a	5,952	8,055	7	8	43	58	6	5	50	35
Gambia, The	317	461	29	33	13	13	7	5	58	54
Georgia	7,738	6,395	32	17	34	27	24	18	35	56
Germany	1,707,383	2,794,926	2	1	38	30	28	23	61	69
Ghana ^a	5,886	10,720	45	38	17	23	10	8	38	39
Greece	85,929	225,206	10	5	26	21	..	11	63	74
Guatemala ^a	7,650	31,717	26	23	20	19	15	13	54	58
Guinea	2,818	3,289	24	25	33	36	5	5	43	39
Guinea-Bissau	244	301	61	60	19	12	8	9	21	28
Haiti	2,864	4,268	..	28	..	17	..	8	..	55

Structure of output

4.2

ECONOMY

	Gross domestic product		Agriculture		Industry		Manufacturing		Services	
	\$ millions		% of GDP		% of GDP		% of GDP		% of GDP	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	3,049	8,291	22	14	26	31	16	20	51	55
Hungary	33,056	109,239	15	4	39	31	23	23	46	65
India	316,937	805,714	31	18	28	27	17	16	41	54
Indonesia ^a	114,426	287,217	19	13	39	46	21	28	42	41
Iran, Islamic Rep.	116,035	189,784	19	10	29	45	12	12	52	45
Iraq	48,422	12,602	..	9	..	70	..	2	..	21
Ireland	47,854	201,817	9	3	35	37	..	27	57	60
Israel	52,490	123,434	..	..	..	..	..	..	..	..
Italy	1,133,407	1,762,519	4	2	32	27	23	18	64	71
Jamaica	4,592	9,574	..	6	..	33	..	14	..	61
Japan	3,018,112	4,533,965	3	2	40	30	..	21	58	68
Jordan	4,020	12,712	8	3	28	30	15	19	64	68
Kazakhstan	26,933	57,124	27	7	45	40	9	15	29	54
Kenya	8,591	18,730	30	27	19	19	12	12	51	54
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	263,777	787,624	9	3	42	40	27	28	50	56
Kuwait ^a	18,428	80,781	1	1	52	51	12	2	47	49
Kyrgyz Republic	2,674	2,441	34	34	36	21	28	14	30	45
Lao PDR	866	2,875	61	45	15	30	10	21	24	26
Latvia	7,447	15,826	22	4	46	22	35	13	32	74
Lebanon	2,838	21,944	..	7	..	22	..	14	..	71
Lesotho	615	1,450	24	17	33	41	14	19	44	41
Liberia ^a	384	548	54	64	17	15	..	12	29	21
Libya	28,905	38,756	..	..	..	..	..	..	..	..
Lithuania	10,507	25,625	27	6	31	34	21	22	42	61
Macedonia, FYR	4,472	5,766	9	13	45	29	36	18	47	58
Madagascar	3,081	5,040	29	28	13	16	11	14	59	56
Malawi	1,881	2,072	45	35	29	19	20	13	26	46
Malaysia ^a	44,024	130,326	15	9	42	52	24	31	43	40
Mali	2,421	5,305	46	37	16	24	9	3	39	39
Mauritania	1,020	1,850	30	24	29	29	10	5	42	47
Mauritius	2,383	6,290	13	6	33	28	25	20	54	66
Mexico	262,710	768,438	8	4	28	26	21	18	64	70
Moldova	3,593	2,917	36	17	37	25	..	17	27	59
Mongolia	2,093	1,880	15	22	41	29	36	3	44	49
Morocco ^a	25,821	51,621	18	14	32	30	18	17	50	56
Mozambique	2,463	6,636	37	22	18	30	10	14	45	48
Myanmar ^a	..	..	57	..	11	..	8	..	32	..
Namibia	2,350	6,126	12	10	38	32	14	14	50	58
Nepal	3,628	7,391	51	38	16	21	6	8	34	41
Netherlands	307,384	624,202	4	2	28	24	..	14	67	74
New Zealand	43,898	109,291	7	..	28	..	19	..	65	..
Nicaragua	1,009	4,911	..	19	..	28	..	18	..	53
Niger ^a	2,481	3,405	35	40	16	17	7	7	49	43
Nigeria	28,472	98,951	33	23	41	57	6	4	26	20
Norway	116,108	295,513	4	2	36	43	13	11	61	55
Oman ^a	11,685	24,284	3	2	54	56	3	8	43	42
Pakistan	40,010	110,732	26	22	25	25	17	18	49	53
Panama	5,313	15,467	10	8	15	16	10	8	75	76
Papua New Guinea	3,221	4,945	..	42	..	39	..	6	..	19
Paraguay ^a	5,265	7,328	28	22	25	19	17	12	47	59
Peru	26,294	79,379	9	7	27	35	18	16	64	58
Philippines ^a	44,312	99,029	22	14	35	32	25	23	44	53
Poland	58,976	303,229	8	5	50	31	..	18	42	65
Portugal	75,274	183,305	9	3	29	25	..	16	62	73
Puerto Rico ^a	30,604	..	1	..	42	..	40	..	57	..



4.2 | Structure of output

	Gross domestic product		Agriculture		Industry		Manufacturing		Services	
	\$ millions		% of GDP		% of GDP		% of GDP		% of GDP	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	38,299	98,565	24	10	50	35	34	24	26	55
Russian Federation	516,814	763,720	17	6	48	38	..	18	35	56
Rwanda ^a	2,584	2,153	33	42	25	21	18	8	43	37
Saudi Arabia ^a	116,778	309,778	6	4	49	59	9	10	46	37
Senegal ^a	5,699	8,238	20	18	19	19	13	11	61	63
Serbia and Montenegro	..	26,215	..	16	..	33	..	20	..	51
Sierra Leone	650	1,193	47	46	19	24	5	4	34	30
Singapore	36,842	116,764	0	0	35	34	27	28	65	66
Slovak Republic ^a	15,485	46,412	7	4	59	29	..	19	34	67
Slovenia	17,382	34,354	6	3	42	34	34	25	52	63
Somalia	917	..	66	..	..	..	5	..	..	..
South Africa	112,014	239,543	5	3	40	30	24	19	55	67
Spain	520,969	1,124,640	6	3	34	30	..	16	61	67
Sri Lanka	8,032	23,479	26	17	26	26	15	15	48	57
Sudan	13,167	27,542	..	34	..	30	..	7	..	37
Swaziland	882	2,731	13	12	42	48	35	37	45	41
Sweden	242,178	357,683	3	1	31	28	..	20	66	71
Switzerland	235,808	367,029	3	1	33	28	22	20	64	70
Syrian Arab Republic	12,309	26,320	30	23	25	35	21	30	45	41
Tajikistan	2,629	2,312	33	24	38	32	25	24	29	44
Tanzania ^c	4,259	12,111	46	45	18	18	9	8	36	38
Thailand ^a	85,345	176,634	13	10	37	44	27	35	50	46
Togo ^a	1,628	2,203	34	42	23	23	10	10	44	35
Trinidad and Tobago	5,068	14,358	3	1	47	60	14	6	50	40
Tunisia ^a	12,291	28,683	16	12	30	29	17	18	55	60
Turkey	150,642	362,502	18	12	30	24	20	14	52	65
Turkmenistan	3,232	8,067	32	20	30	41	..	22	38	39
Uganda	4,304	8,724	57	33	11	25	6	9	32	43
Ukraine	81,456	82,876	26	11	45	34	39	21	30	55
United Arab Emirates	33,653	129,702	2	2	64	56	8	14	35	42
United Kingdom	989,524	2,198,789	2	1	35	26	23	15	63	73
United States	5,757,200	12,416,505	2	1	28	22	19	14	70	77
Uruguay	9,287	16,791	9	9	33	31	27	22	58	60
Uzbekistan	13,361	13,951	33	28	33	29	22	11	34	43
Venezuela, RB	47,028	140,192	6	5	61	52	15	18	34	44
Vietnam ^a	6,472	52,408	39	21	23	41	12	21	39	38
West Bank and Gaza ^a	..	4,014	..	..	..	..	..	..	..	..
Yemen, Rep.	4,828	15,066	24	13	27	41	9	5	49	45
Zambia	3,288	7,270	21	19	51	25	36	12	28	56
Zimbabwe	8,784	3,372	17	18	33	23	23	13	50	59
World	21,784,509 t	44,645,437 t	5 w	4 w	33 w	28 w	21 w	18 w	61 w	69 w
Low income	595,576	1,416,212	32	22	26	28	15	15	41	50
Middle income	3,253,159	8,553,721	16	9	39	38	24	23	46	53
Lower middle income	1,636,824	4,879,773	19	12	38	42	27	27	43	47
Upper middle income	1,615,064	3,673,796	11	6	39	32	22	19	50	62
Low & middle income	3,849,735	9,969,591	18	11	37	37	23	22	45	52
East Asia & Pacific	667,503	3,039,976	25	13	40	46	30	32	35	41
Europe & Central Asia	1,101,711	2,201,159	16	8	43	32	..	18	41	60
Latin America & Carib.	1,103,860	2,460,991	9	8	36	34	..	12	55	59
Middle East & N. Africa	276,910	625,311	17	12	33	40	14	14	50	48
South Asia	401,938	1,016,267	31	19	27	27	17	16	43	54
Sub-Saharan Africa	302,890	621,879	20	17	34	32	17	14	47	52
High income	17,935,976	34,687,058	3	2	32	26	21	17	65	72
Europe EMU	5,653,415	9,984,125	4	2	32	26	..	19	64	72

a. Components are at producer prices. b. China has revised its national accounts data from 1993 onwards. Data before 1993 are not comparable with the later revised data. c. Data cover mainland Tanzania only.

About the data

An economy's gross domestic product (GDP) represents the sum of value added by all producers in that economy. Value added is the value of the gross output of producers less the value of intermediate goods and services consumed in production, before taking account of the consumption of fixed capital in the production process. The United Nations System of National Accounts calls for estimates of value added to be valued at either basic prices (excluding net taxes on products) or producer prices (including net taxes on products paid by producers but excluding sales or value added taxes). Both valuations exclude transport charges that are invoiced separately by producers. Total GDP shown in the table and elsewhere in this book is measured at purchaser prices. Value added by industry is normally measured at basic prices. When value added is measured at producer prices, this is noted in *Primary data documentation*.

While GDP estimates based on the production approach are generally more reliable than estimates compiled from the income or expenditure side, different countries use different definitions, methods, and reporting standards. World Bank staff review the quality of national accounts data and sometimes make adjustments to improve consistency with international guidelines. Nevertheless, significant discrepancies remain between international standards and actual practice. Many statistical offices, especially those in developing countries, face severe limitations in the resources, time, training, and budgets required to produce reliable and comprehensive series of national accounts statistics.

Data problems in measuring output

Among the difficulties faced by compilers of national accounts is the extent of unreported economic activity in the informal or secondary economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money.

Agricultural production often must be estimated indirectly, using a combination of methods involving estimates of inputs, yields, and area under cultivation. This approach sometimes leads to crude approximations that can differ from the true values over time and across crops for reasons other than climatic conditions or farming techniques. Similarly, agricultural inputs that cannot easily be allocated to specific outputs are frequently "netted out" using equally crude and ad hoc approximations. For further discussion of the measurement of agricultural production, see *About the data* for table 3.3.

Ideally, industrial output should be measured through regular censuses and surveys of firms. But in most developing countries such surveys are infrequent, so earlier survey results must be extrapolated using an appropriate indicator. The choice of sampling unit, which may be the enterprise (where responses may be based on financial records) or the establishment (where production units may be recorded separately), also affects the quality of the data. Moreover, much industrial production is organized in unincorporated or owner-operated ventures that are not captured by surveys aimed at the formal sector. Even in large industries, where regular surveys are more likely, evasion of excise and other taxes and nondisclosure of income lower the estimates of value added. Such problems become more acute as countries move from state control of industry to private enterprise, because new firms enter business and growing numbers of established firms fail to report. In accordance with the System of National Accounts, output should include all such unreported activity as well as the value of illegal activities and other unrecorded, informal, or small-scale operations. Data on these activities need to be collected using techniques other than conventional surveys of firms.

In industries dominated by large organizations and enterprises, such as public utilities, data on output, employment, and wages are usually readily available and reasonably reliable. But in the services industry the many self-employed workers and one-person businesses are sometimes difficult to locate, and they have little incentive to respond to surveys, let alone to report their full earnings. Compounding these problems are the many forms of economic activity that go unrecorded, including the work that women and children do for little or no pay. For further discussion of the problems of using national accounts data, see Srinivasan (1994) and Heston (1994).

Dollar conversion

To produce national accounts aggregates that are measured in the same standard monetary units, the value of output must be converted to a single common currency. The World Bank conventionally uses the U.S. dollar and applies the average official exchange rate reported by the International Monetary Fund for the year shown. An alternative conversion factor is applied if the official exchange rate is judged to diverge by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies and traded products.

Definitions

- **Gross domestic product (GDP)** at purchaser prices is the sum of gross value added by all resident producers in the economy plus any product taxes (less subsidies) not included in the valuation of output. It is calculated without deducting for depreciation of fabricated assets or for depletion and degradation of natural resources. Value added is the net output of an industry after adding up all outputs and subtracting intermediate inputs. The industrial origin of value added is determined by the International Standard Industrial Classification (ISIC) revision 3.
- **Agriculture** corresponds to ISIC divisions 1–5 and includes forestry and fishing.
- **Industry** covers mining, manufacturing (also reported separately), construction, electricity, water, and gas (ISIC divisions 10–45).
- **Manufacturing** corresponds to industries belonging to ISIC divisions 15–37.
- **Services** correspond to ISIC divisions 50–99. This sector is derived as a residual (from GDP less agriculture and industry) and may not properly reflect the sum of services output, including banking and financial services. For some countries it includes product taxes (minus subsidies) and may also include statistical discrepancies.

Data sources

National accounts data for most developing countries are collected from national statistical organizations and central banks by visiting and resident World Bank missions. Data for high-income economies come from data files of the Organisation for Economic Co-operation and Development (for information on the OECD's national accounts series, see its *Annual National Accounts for OECD Member Countries: Data from 1970 Onwards*). The complete national accounts time series is available on the *World Development Indicators 2007* CD-ROM. The United Nations Statistics Division publishes detailed national accounts for UN member countries in *National Accounts Statistics: Main Aggregates and Detailed Tables* and publishes updates in the *Monthly Bulletin of Statistics*.



4.3

Structure of manufacturing

	Manufacturing value added		Food, beverages, and tobacco		Textiles and clothing		Machinery and transport equipment		Chemicals		Other manufacturing ^a	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2003	1990	2003	1990	2003	1990	2003	1990	2003	1990	2003
Afghanistan	..	679	..	..	..	..	..	..	..	..	..	..
Albania	..	610	24	..	33	..	..	..	..	..	44	..
Algeria	6,452	4,458	13	10	17	19	..	3	..	4	70	64
Angola	513	542	..	..	..	..	..	..	..	..	..	..
Argentina	37,868	29,142	20	30	10	7	13	10	12	16	46	37
Armenia	681	541	..	..	..	..	..	..	..	..	..	..
Australia	42,564	62,976	18	14	6	4	20	19	7	7	49	56
Austria	31,439	44,672	15	..	7	..	28	..	8	..	43	..
Azerbaijan	1,561	628	..	..	..	..	..	..	..	..	..	..
Bangladesh	3,839	7,899	24	39	38	1	7	1	17	10	15	49
Belarus	6,630	4,751	..	..	..	..	..	..	..	..	..	..
Belgium	..	48,185	17	18	7	15	..	23	13	7	62	37
Benin	145	301	..	..	..	..	..	..	..	..	..	..
Bolivia	826	1,036	28	39	5	4	1	1	3	5	63	52
Bosnia and Herzegovina	..	727	12	..	15	..	18	..	7	..	49	..
Botswana	181	323	51	20	12	5	..	..	..	..	37	75
Brazil	..	..	14	..	12	..	27	..	..	..	48	..
Bulgaria	..	3,184	..	19	..	20	..	19	..	10	..	32
Burkina Faso	460	539	46	46	3	4	1	2	1	1	49	48
Burundi	134	45	83	16	9	5	..	..	2	6	7	73
Cambodia	58	854	..	..	..	..	..	..	..	..	..	..
Cameroon	1,581	1,061	61	37	-13	6	1	1	5	10	46	46
Canada	91,671	119,900	15	17	6	9	26	21	10	7	44	46
Central African Republic	154	..	58	6	6	53	2	0	6	2	28	39
Chad	239	211	..	..	..	..	..	..	..	..	..	..
Chile	5,613	13,268	25	21	8	14	5	12	10	9	52	45
China ^b	116,573	539,026	15	13	15	10	24	32	13	11	34	33
Hong Kong, China	12,357	5,702	8	11	36	23	21	21	2	4	33	41
Colombia	8,034	11,606	31	21	15	18	9	5	14	11	31	45
Congo, Dem. Rep.	1,029	302	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	234	227	58	..	4	..	3	..	..	..	35	..
Costa Rica	1,514	3,361	47	45	8	5	7	6	9	11	30	34
Côte d'Ivoire	2,257	2,452	38	..	7	..	8	..	..	..	47	..
Croatia	4,770	4,850	22	..	15	..	20	..	8	..	36	..
Cuba	..	..	67	..	5	..	1	..	..	..	27	..
Czech Republic	..	20,466	..	..	..	..	..	..	..	..	..	..
Denmark	20,364	27,476	22	20	4	6	24	27	12	4	39	43
Dominican Republic	1,270	2,550	78	109	7	11	0	1	4	5	11	-25
Ecuador	1,988	2,735	22	27	10	4	5	3	8	4	56	61
Egypt, Arab Rep.	7,296	14,466	19	..	16	..	9	..	14	..	43	..
El Salvador	1,043	3,391	36	43	14	26	4	4	24	9	23	18
Eritrea	35	61	53	50	18	9	2	2	18	8	9	31
Estonia	1,985	1,458	..	15	..	13	..	13	..	4	..	55
Ethiopia	601	410	12	4	5	3	0	0	0	1	82	93
Finland	..	31,856	13	17	4	12	24	18	8	6	52	48
France	..	227,906	13	15	6	3	31	32	9	14	41	37
Gabon	332	297	45	..	2	..	1	..	7	..	45	..
Gambia, The	18	18	..	..	..	..	..	..	..	..	..	..
Georgia	1,773	706	..	..	..	..	..	..	..	..	..	..
Germany	451,915	489,786	..	9	..	2	..	43	..	..	..	47
Ghana	575	684	..	22	..	3	..	1	..	4	..	70
Greece	..	17,716	22	20	20	22	12	13	10	9	36	36
Guatemala	1,151	3,157	38	32	11	4	4	3	18	4	29	58
Guinea	126	159	..	..	..	..	..	..	..	..	..	..
Guinea-Bissau	19	23	..	..	..	..	..	..	..	..	..	..
Haiti	..	216	51	..	9	..	..	..	..	..	40	..

Structure of manufacturing

4.3

ECONOMY

	Manufacturing value added		Food, beverages, and tobacco		Textiles and clothing		Machinery and transport equipment		Chemicals		Other manufacturing ^a	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2003	1990	2003	1990	2003	1990	2003	1990	2003	1990	2003
Honduras	443	1,253	45	57	10	9	3	1	6	4	36	30
Hungary	6,613	15,887	14	12	9	15	26	19	12	3	39	51
India	48,808	84,971	12	12	15	0	26	4	14	5	34	79
Indonesia	23,643	68,794	28	23	15	13	12	18	9	10	37	36
Iran, Islamic Rep.	13,357	15,034	12	10	20	5	20	28	8	13	40	44
Iraq	..	263	20	22	16	17	4	8	11	3	49	51
Ireland	..	39,819	27	37	4	21	29	13	17	6	24	24
Israel	..	..	14	16	9	14	32	12	9	4	37	55
Italy	240,462	258,746	8	9	13	11	35	27	7	8	37	45
Jamaica	853	1,017	41	15	5	7	..	..	..	..	54	78
Japan	..	886,172	9	8	5	2	40	19	10	7	37	65
Jordan	520	1,527	28	26	7	11	4	5	15	16	47	42
Kazakhstan	1,941	4,384	..	..	..	..	..	..	..	..	..	..
Kenya	864	1,448	39	39	10	7	10	17	9	8	33	29
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	64,605	141,947	11	32	12	20	32	8	9	10	36	31
Kuwait	2,142	1,087	4	10	3	5	2	5	3	3	88	76
Kyrgyz Republic	706	255	..	..	..	..	..	..	..	..	..	..
Lao PDR	85	405	..	..	..	..	..	..	..	..	..	..
Latvia	2,474	1,330	..	24	..	10	..	11	..	4	..	51
Lebanon	..	2,328	..	..	..	..	..	..	..	..	..	..
Lesotho	71	189	..	..	..	..	..	..	..	..	..	..
Liberia	..	30	..	..	..	..	..	..	..	..	..	..
Libya	..	..	48	73	5	4	..	4	1	15	47	5
Lithuania	2,164	3,211	..	23	..	15	..	15	..	4	..	43
Macedonia, FYR	1,411	730	20	..	26	..	14	..	9	..	31	..
Madagascar	314	688	39	3	36	6	3	6	8	1	14	84
Malawi	313	175	38	262	10	9	1	6	18	50	33	-227
Malaysia	10,665	32,355	13	9	7	3	31	39	11	9	39	40
Mali	200	114	..	..	..	..	..	..	..	..	..	..
Mauritania	94	70	..	..	..	..	..	..	..	..	..	..
Mauritius	491	1,010	30	78	46	5	2	4	4	3	17	9
Mexico	49,992	104,107	22	..	5	..	24	..	18	..	32	..
Moldova	..	308	..	57	..	11	..	7	..	..	..	25
Mongolia	745	62	33	..	37	..	1	..	1	..	27	..
Morocco	4,753	7,319	22	33	17	18	8	8	12	13	41	28
Mozambique	230	605	..	75	..	19	..	8	..	4	..	-6
Myanmar	..	..	..	..	..	..	..	..	..	..	..	..
Namibia	292	512	..	..	..	..	..	..	..	..	..	..
Nepal	209	441	37	45	31	19	1	2	5	10	26	23
Netherlands	..	67,292	21	3	3	1	25	3	17	2	35	92
New Zealand	7,613	8,097	28	19	8	7	13	12	7	4	44	58
Nicaragua	..	692	40	31	3	9	0	2	3	9	54	50
Niger	163	179	37	32	29	..	..	..	..	25	34	43
Nigeria	1,562	2,268	15	..	46	..	13	..	4	..	22	..
Norway	13,450	21,702	18	3	2	11	25	24	9	8	46	55
Oman	343	1,782	..	9	..	2	..	2	..	4	..	84
Pakistan	6,184	12,387	24	35	28	92	9	14	15	15	25	-56
Panama	502	924	51	48	8	7	2	2	8	3	31	39
Papua New Guinea	..	215	6	19	..	..	7	10	..	4	87	68
Paraguay	883	691	56	54	16	15	..	1	..	4	29	27
Peru	3,926	8,811	23	..	11	..	8	..	9	..	49	..
Philippines	11,003	18,824	39	38	11	10	13	8	12	12	26	33
Poland	..	33,786	21	9	9	3	26	7	7	4	37	78
Portugal	..	21,352	15	14	21	18	13	17	6	6	45	45
Puerto Rico	12,126	27,099	16	..	5	..	18	..	44	..	17	..



4.3

Structure of manufacturing

	Manufacturing value added		Food, beverages, and tobacco		Textiles and clothing		Machinery and transport equipment		Chemicals		Other manufacturing ^a	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2003	1990	2003	1990	2003	1990	2003	1990	2003	1990	2003
Romania	9,152	16,141	19	..	18	..	14	..	4	..	45	..
Russian Federation	..	64,391	..	..	..	..	..	..	..	..	..	..
Rwanda	473	149	..	93	..	..	..	..	..	..	..	7
Saudi Arabia	10,049	23,005	7	..	1	..	4	..	39	..	50	..
Senegal	747	752	60	..	3	..	5	..	9	..	23	..
Serbia and Montenegro	..	3,305	..	36	..	6	..	14	..	11	..	33
Sierra Leone	28	34	..	..	..	..	..	..	..	..	..	..
Singapore	9,562	22,207	4	3	3	1	53	50	10	24	29	22
Slovak Republic	..	6,255	..	..	..	..	..	..	..	..	..	..
Slovenia	5,190	6,433	12	10	15	8	16	17	9	15	48	50
Somalia	41	..	2	31	3	16	..	..	..	..	95	54
South Africa	24,043	29,301	15	16	8	13	18	17	9	9	50	45
Spain	..	134,438	18	13	8	19	25	16	10	11	39	41
Sri Lanka	1,077	2,524	51	37	24	33	4	5	4	6	17	20
Sudan	..	1,205	..	66	..	4	..	4	..	4	..	21
Swaziland	250	432	69	37	8	2	1	..	..	..	22	60
Sweden	..	52,365	10	10	2	4	33	24	9	3	47	59
Switzerland	49,484	60,215	10	..	4	..	34	..	..	..	53	..
Syrian Arab Republic	2,508	1,737	35	36	29	41	..	2	..	2	36	19
Tajikistan	653	436	..	..	..	..	..	..	..	..	..	..
Tanzania ^c	361	685	51	39	3	23	7	3	11	5	29	29
Thailand	23,217	49,735	24	23	30	14	19	4	2	25	26	34
Togo	162	163	..	..	..	7	..	..	..	9	..	84
Trinidad and Tobago	681	747	31	16	3	1	3	4	19	1	44	78
Tunisia	2,075	4,480	19	35	20	12	5	5	4	20	52	29
Turkey	26,882	26,753	16	29	15	22	16	6	10	2	43	42
Turkmenistan	..	1,045	..	..	..	..	..	..	..	..	..	..
Uganda	230	538	61	10	14	28	3	1	6	..	16	62
Ukraine	31,517	9,320	..	..	..	..	..	..	..	..	..	..
United Arab Emirates	2,643	11,495	..	..	..	2	..	..	..	3	..	95
United Kingdom	206,719	238,575	13	12	5	11	32	32	11	10	38	36
United States	1,040,600	1,488,100	12	12	5	8	31	30	12	10	40	39
Uruguay	2,597	2,078	31	..	18	..	9	..	10	..	32	..
Uzbekistan	..	807	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	6,921	14,289	17	25	5	8	5	14	9	9	64	44
Vietnam	793	8,115	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	449	517	..	48	..	7	..	0	..	..	..	44
Zambia	1,048	473	44	63	12	8	7	6	9	12	29	12
Zimbabwe	1,799	911	28	26	19	16	10	10	6	11	38	37
World	4,401,339 t	6,163,496 t										
Low income	81,598	136,860										
Middle income	577,839	1,358,768										
Lower middle income	312,003	913,666										
Upper middle income	271,707	440,727										
Low & middle income	665,884	1,495,945										
East Asia & Pacific	188,030	722,097										
Europe & Central Asia	..	..								
Latin America & Carib.	174,072	281,559										
Middle East & N. Africa	32,128	56,299										
South Asia	60,477	108,845										
Sub-Saharan Africa	43,592	50,518										
High income	..	4,693,358										
Europe EMU	..	1,390,728										

a. Includes unallocated data. b. China has revised its national accounts data from 1993 onwards. Data before 1993 are not comparable with the later revised data. c. Data cover mainland Tanzania only.

Structure of manufacturing

4.3

About the data

The data on the distribution of manufacturing value added by industry are provided by the United Nations Industrial Development Organization (UNIDO). UNIDO obtains data on manufacturing value added from a variety of national and international sources, including the United Nations Statistics Division, the World Bank, the Organisation for Economic Co-operation and Development, and the International Monetary Fund. To improve comparability over time and across countries, UNIDO supplements these data with information from industrial censuses, statistics supplied by national and international organizations, unpublished data that it collects in the field, and estimates by the UNIDO Secretariat. Nevertheless, coverage may be less than complete, particularly for the informal sector. To the extent that direct information on inputs and outputs is not available, estimates may be used, which may result in errors in industry totals. Moreover, countries use different reference periods (calendar or fiscal year) and valuation methods (basic or producer prices) to estimate value added. (See also *About the data* for table 4.2.)

The data on manufacturing value added in U.S. dollars are from the World Bank's national accounts files. These figures may differ from those used by UNIDO to calculate the shares of value added by industry, in part because of differences in exchange rates. Thus estimates of value added in a particular industry calculated by applying the shares to total manufacturing value added will not match those from UNIDO sources. The classification of manufacturing industries in the table accords with the United

Nations International Standard Industrial Classification (ISIC) revision 2. First published in 1948, the ISIC has its roots in the work of the League of Nations Committee of Statistical Experts. The committee's efforts, interrupted by the Second World War, were taken up by the United Nations Statistical Commission, which at its first session appointed a committee on industrial classification. The latest revision, ISIC revision 3, was completed in 1989, and many countries have now switched to it. But revision 2 is still widely used for compiling cross-country data. Concordances matching ISIC categories to national systems of classification and to related systems such as the Standard International Trade Classification are readily available.

In establishing a classification system, compilers must define both the types of activities to be described and the organizational units whose activities are to be reported. There are many possibilities, and the choices made affect how the resulting statistics can be interpreted and how useful they are in analyzing economic behavior. The ISIC emphasizes commonalities in the production process and is explicitly not intended to measure outputs (for which there is a newly developed Central Product Classification). Nevertheless, the ISIC views an activity as defined by "a process resulting in a homogeneous set of products" (United Nations 1990 [ISIC, series M, no. 4, rev. 3], p. 9).

Firms typically use a multitude of processes to produce a final product. For example, an automobile manufacturer engages in forging, welding, and

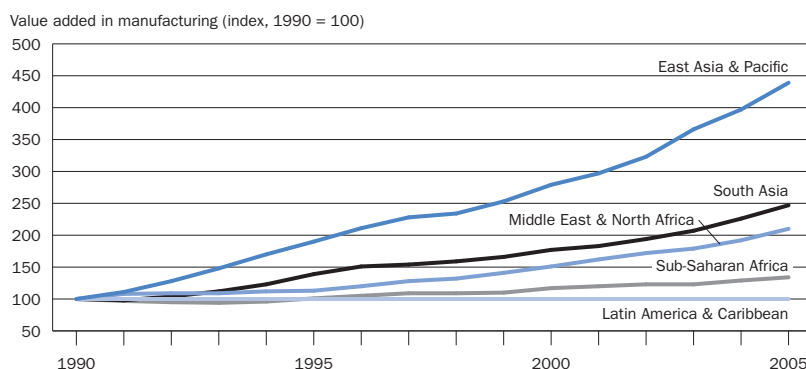
painting as well as advertising, accounting, and many other service activities. In some cases the processes may be carried out by different technical units within the larger enterprise, but collecting data at such a detailed level is not practical, nor would it be useful to record production data at the very highest level of a large, multiplant, multiproduct firm. The ISIC has therefore adopted as the definition of an establishment "an enterprise or part of an enterprise which independently engages in one, or predominantly one, kind of economic activity at or from one location . . . for which data are available . . ." (United Nations 1990, p. 25). By design, this definition matches the reporting unit required for the production accounts of the UN System of National Accounts.

Definitions

- **Manufacturing value added** is the sum of gross output less the value of intermediate inputs used in production for industries classified in ISIC major division 3.
- **Food, beverages, and tobacco** correspond to ISIC division 31.
- **Textiles and clothing** correspond to ISIC division 32.
- **Machinery and transport equipment** correspond to ISIC groups 382–84.
- **Chemicals** correspond to ISIC groups 351 and 352.
- **Other manufacturing** covers wood and related products (ISIC division 33), paper and related products (ISIC division 34), petroleum and related products (ISIC groups 353–56), basic metals and mineral products (ISIC divisions 36 and 37), fabricated metal products and professional goods (ISIC groups 381 and 385), and other industries (ISIC group 390). When data for textiles and clothing, machinery and transport equipment, or chemicals are shown in the table as not available, they are included in "other manufacturing."

Manufacturing continues to show strong growth in East Asia

4.3a



Manufacturing continues to be the dominant sector in the East Asia and Pacific region, growing by an average of about 10 percent a year between 1990 and 2005.

Source: World Bank data files.

Data sources

Data on value added in manufacturing in U.S. dollars are from the World Bank's national accounts files. Data used to calculate shares of value added by industry are provided to the World Bank in electronic files by UNIDO. The most recent published source is UNIDO's *International Yearbook of Industrial Statistics 2006*. The ISIC system is described in the United Nations' *International Standard Industrial Classification of All Economic Activities, Third Revision* (1990). The discussion of the ISIC draws on Jacob Ryten's "Fifty Years of ISIC: Historical Origins and Future Perspectives" (1998).



4.4

Structure of merchandise exports

	Merchandise exports		Food		Agricultural raw materials		Fuels		Ores and metals		Manufactures	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	235	560	..	..	..	..	..	..	..	..	..	..
Albania	230	658	..	6	..	4	..	3	..	7	..	80
Algeria	12,930	46,001	0	0	..	..	96	97	0	0	3	2
Angola	3,910	23,400	0	..	0	..	93	..	6	..	0	..
Argentina	12,353	40,044	56	47	4	1	8	16	2	3	29	31
Armenia	..	950	..	12	..	1	..	2	..	13	..	71
Australia	39,752	105,825	22	17	10	3	21	27	20	20	27	25
Austria	41,265	123,987	3	6	4	2	1	5	3	3	88	80
Azerbaijan	..	7,649	..	7	..	1	..	77	..	1	..	13
Bangladesh	1,671	9,294	14	8	7	2	1	0	..	0	77	90
Belarus	..	15,977	..	8	..	3	..	35	..	1	..	52
Belgium	117,703 ^a	334,298	9 ^a	8	2 ^a	1	3 ^a	7	4 ^a	3	77 ^a	79
Benin	288	561	15	25	56	61	15	1	0	1	13	13
Bolivia	926	2,671	19	21	8	2	25	49	44	17	5	11
Bosnia and Herzegovina	276	2,402	..	..	..	..	..	..	..	..	..	..
Botswana	1,784	4,425	..	2	..	0	..	0	..	11	..	86
Brazil	31,414	118,308	28	26	3	4	2	6	14	10	52	54
Bulgaria	5,030	11,725	..	11	..	2	..	10	..	14	..	59
Burkina Faso	152	493	..	16	..	72	..	3	..	1	..	8
Burundi	75	111	..	87	..	4	..	0	..	2	..	6
Cambodia	86	3,100	..	1	..	2	..	..	..	0	..	97
Cameroon	2,002	2,829	20	17	14	13	50	50	7	6	9	3
Canada	127,629	359,399	9	7	9	5	10	20	9	6	59	58
Central African Republic	120	128	31	1	24	41	..	..	1	17	44	36
Chad	188	3,065	..	..	..	..	..	..	..	..	..	..
Chile	8,372	40,574	24	19	9	7	1	2	55	56	11	14
China [†]	62,091	761,954	13	3	3	1	8	2	2	2	72	92
Hong Kong, China ^b	82,390	292,119	4	1	1	1	1	0	1	1	92	96
Colombia	6,766	21,146	33	18	4	5	37	40	0	1	25	36
Congo, Dem. Rep.	2,326	2,050	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	981	5,000	..	..	..	..	..	..	..	..	..	..
Costa Rica	1,448	7,039	58	30	5	3	1	0	1	1	27	66
Côte d'Ivoire	3,072	7,610	..	56	..	9	..	13	..	0	..	20
Croatia	4,597	8,809	13	10	6	3	9	14	5	4	68	68
Cuba	5,100	2,682	..	40	..	0	..	2	..	39	..	19
Czech Republic	12,170	78,246	..	4	..	1	..	3	..	2	..	88
Denmark	36,870	85,137	27	18	3	3	3	9	1	1	60	65
Dominican Republic	2,170	6,133	21	..	0	..	0	..	0	..	78	..
Ecuador	2,714	10,100	44	28	1	4	52	58	0	0	2	9
Egypt, Arab Rep.	3,477	10,654	10	10	10	7	29	43	9	4	42	31
El Salvador	582	3,390	57	32	1	1	2	4	3	3	38	60
Eritrea	16	10	..	..	..	..	..	..	..	..	..	..
Estonia	..	7,667	..	7	..	6	..	7	..	2	..	69
Ethiopia	298	883	..	62	..	26	..	0	..	1	..	11
Finland	26,571	66,016	2	2	10	5	1	4	4	3	83	84
France	216,588	460,157	16	11	2	1	2	4	3	2	77	80
Gabon	2,204	4,920	..	1	..	10	..	76	..	6	..	7
Gambia, The	31	8	..	78	..	4	..	1	..	0	..	17
Georgia	..	867	..	36	..	2	..	3	..	18	..	40
Germany	421,100	969,858	5	4	1	1	1	2	3	2	89	83
Ghana	897	2,490	51	77	15	5	9	3	17	2	8	12
Greece	8,105	17,044	30	22	3	2	7	9	7	8	54	56
Guatemala	1,163	5,381	67	34	6	3	2	6	0	1	24	57
Guinea	671	890	..	..	..	..	..	..	..	..	..	..
Guinea-Bissau	19	101	..	..	..	..	..	..	..	..	..	..
Haiti	160	470	14	..	1	..	0	..	0	..	85	..
[†] Data for Taiwan, China	67,245	197,776	4	1	2	1	1	5	1	2	93	91

Structure of merchandise exports

4.4

ECONOMY

	Merchandise exports		Food		Agricultural raw materials		Fuels		Ores and metals		Manufactures	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	831	1,695	82	55	4	3	1	0	4	5	9	36
Hungary	10,000	62,109	23	6	3	1	3	3	6	2	63	84
India	17,969	95,096	16	9	4	2	3	11	5	7	70	70
Indonesia	25,675	86,226	11	12	5	5	44	28	4	8	35	47
Iran, Islamic Rep.	19,305	56,252	..	4	..	0	..	83	..	1	..	9
Iraq	12,380	24,096	..	..	..	..	..	..	..	..	..	..
Ireland	23,743	109,853	22	8	2	0	1	1	1	1	70	86
Israel	12,080	42,659	8	2	3	1	1	0	2	1	87	83
Italy	170,304	367,200	6	6	1	1	2	3	1	1	88	85
Jamaica	1,158	1,500	19	22	0	0	1	2	9	9	70	66
Japan	287,581	594,905	1	1	1	1	0	1	1	2	96	92
Jordan	1,064	4,302	10	15	1	0	0	0	33	12	56	72
Kazakhstan	..	27,849	..	4	..	1	..	65	..	14	..	16
Kenya	1,031	3,293	49	40	6	12	13	23	3	4	30	21
Korea, Dem. Rep.	1,857	1,338	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	65,016	284,419	3	1	1	1	1	5	1	2	94	91
Kuwait	7,042	45,011	1	..	0	..	93	..	0	..	6	..
Kyrgyz Republic	..	672	..	11	..	8	..	12	..	4	..	27
Lao PDR	79	510	..	..	..	..	..	..	..	..	..	..
Latvia	..	5,161	..	11	..	16	..	9	..	4	..	57
Lebanon	494	2,337	..	16	..	1	..	0	..	12	..	70
Lesotho	62	649	..	..	..	..	..	..	..	..	..	..
Liberia	868	200	..	..	..	..	..	..	..	..	..	..
Libya	13,225	30,110	1	..	0	..	95	..	..	..	4	..
Lithuania	..	11,813	24	12	6	3	8	27	1	2	59	56
Macedonia, FYR	1,199	2,041	..	16	..	1	..	8	..	3	..	72
Madagascar	319	760	73	61	4	6	1	4	8	5	14	22
Malawi	417	520	91	80	2	4	0	0	0	0	7	16
Malaysia	29,452	140,949	12	7	14	3	18	13	2	1	54	75
Mali	359	1,109	36	..	62	..	..	..	0	..	2	..
Mauritania	469	565	..	..	..	..	..	..	..	..	..	..
Mauritius	1,194	2,144	32	28	1	0	1	0	0	1	66	70
Mexico	40,711	213,711	12	5	2	1	38	15	6	2	43	77
Moldova	..	1,091	..	53	..	6	..	0	..	2	..	39
Mongolia	661	1,054	..	2	..	14	..	5	..	58	..	21
Morocco	4,265	10,641	26	21	3	2	4	2	15	9	52	65
Mozambique	126	1,745	..	12	..	4	..	15	..	58	..	7
Myanmar	325	2,925	51	..	36	..	0	..	2	..	11	..
Namibia	1,085	2,070	..	48	..	1	..	1	..	7	..	41
Nepal	204	850	13	21	3	1	..	..	..	4	83	74
Netherlands	131,775	402,407	20	14	4	3	10	12	3	3	59	68
New Zealand	9,394	21,729	45	50	18	10	4	2	5	4	26	31
Nicaragua	330	858	77	85	14	2	0	1	1	1	8	11
Niger	282	502	..	30	..	4	..	2	..	55	..	8
Nigeria	13,596	42,277	1	0	1	0	97	98	0	..	1	2
Norway	34,047	103,780	7	5	2	0	48	68	10	6	32	17
Oman	5,508	18,692	1	2	0	0	92	86	1	1	5	6
Pakistan	5,615	15,917	9	12	10	1	1	4	0	0	79	82
Panama	340	1,010	75	85	1	1	0	1	1	4	21	9
Papua New Guinea	1,177	3,192	22	21	9	3	0	22	58	49	10	6
Paraguay	959	1,688	52	75	38	12	0	0	0	1	10	13
Peru	3,230	17,206	21	21	3	2	10	11	47	49	18	17
Philippines	8,117	41,255	19	6	2	1	2	2	8	2	38	89
Poland	14,320	89,288	12	9	3	1	12	5	10	4	58	78
Portugal	16,417	38,133	7	8	6	2	3	4	3	3	80	75
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.4

Structure of merchandise exports

	Merchandise exports		Food		Agricultural raw materials		Fuels		Ores and metals		Manufactures	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	4,960	27,730	1	3	3	2	18	11	4	4	73	80
Russian Federation	..	243,569	..	2	..	3	..	49	..	7	..	19
Rwanda	110	125	..	52	..	7	..	7	..	23	..	10
Saudi Arabia	44,417	181,440	1	1	0	0	90	89	1	0	8	9
Senegal	761	1,641	53	29	3	2	12	21	9	3	23	43
Serbia and Montenegro	2,539	5,065	19	21	3	4	6	2	10	11	62	61
Sierra Leone	138	158	..	..	..	..	..	..	..	..	..	..
Singapore ^b	52,730	229,649	5	2	3	0	18	12	2	1	72	81
Slovak Republic	6,355	31,956	..	4	..	2	..	7	..	3	..	84
Slovenia	6,681	18,633	7	3	2	2	3	2	3	4	86	88
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	23,549	51,876	8 ^c	9	4 ^c	2	7 ^c	10	10 ^c	22	29 ^c	57
Spain	55,642	187,182	15	14	2	1	4	4	2	2	75	77
Sri Lanka	1,912	6,347	34	22	6	2	1	0	2	4	54	70
Sudan	374	4,824	60	7	38	5	..	87	0	0	2	0
Swaziland	556	2,020	..	..	..	..	..	..	..	..	..	..
Sweden	57,540	130,104	2	3	7	4	3	5	3	3	83	79
Switzerland	63,784	130,898	3	3	1	0	0	0	3	3	94	93
Syrian Arab Republic	4,212	5,760	14	15	5	4	45	68	1	1	36	11
Tajikistan	..	909	..	..	..	..	..	..	..	..	..	..
Tanzania	331	1,481	..	57	..	17	..	0	..	12	..	14
Thailand	23,068	110,110	29	12	5	5	1	4	1	1	63	77
Togo	268	569	23	21	21	9	0	1	45	10	9	58
Trinidad and Tobago	1,960	9,035	5	3	0	0	67	70	1	0	27	26
Tunisia	3,526	10,494	11	11	1	1	17	10	2	1	69	78
Turkey	12,959	73,414	22	10	3	1	2	4	4	2	68	82
Turkmenistan	..	4,935	..	..	..	..	..	..	..	..	..	..
Uganda	152	853	..	64	..	12	..	5	..	2	..	17
Ukraine	..	34,287	..	12	..	1	..	10	..	6	..	69
United Arab Emirates	23,544	115,453	2	..	0	..	7	..	78	..	12	..
United Kingdom	185,172	382,761	7	5	1	1	8	9	3	3	79	77
United States	393,592	904,383	11	7	4	2	3	3	3	3	75	82
Uruguay	1,693	3,405	40	55	21	7	0	5	0	1	39	32
Uzbekistan	..	4,749	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	17,497	55,487	2	0	0	0	80	89	7	2	10	9
Vietnam	2,404	31,625	..	23	..	2	..	21	..	1	..	53
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	692	6,380	8	4	1	0	74	92	1	0	15	4
Zambia	1,309	1,720	..	13	..	5	..	1	..	72	..	9
Zimbabwe	1,726	1,820	44	31	7	16	1	2	16	23	31	28
World	3,474,778 t	10,433,971 t	10 w	7 w	3 w	2 w	9 w	10 w	4 w	3 w	73 w	75 w
Low income	67,127	261,853	15	15	4	3	27	28	5	3	49	50
Middle income	552,565	2,795,181	17	9	4	2	21	17	6	5	50	65
Lower middle income	272,538	1,520,827	18	10	4	2	16	12	5	4	54	71
Upper middle income	281,789	1,274,355	16	8	5	2	28	22	7	5	44	58
Low & middle income	620,808	3,057,040	17	9	4	2	20	17	6	5	51	64
East Asia & Pacific	155,928	1,185,572	15	6	6	2	13	8	3	3	60	81
Europe & Central Asia	..	761,588	..	6	..	2	..	23	..	5	..	56
Latin America & Carib.	143,275	565,896	21	15	3	2	30	22	10	7	36	54
Middle East & N. Africa	81,103	225,759	..	6	..	1	..	69	..	2	..	20
South Asia	27,754	128,475	16	11	5	2	2	9	4	6	71	72
Sub-Saharan Africa	68,368	189,745	..	15	..	5	..	36	..	10	..	33
High income	2,850,034	7,376,990	8	6	3	2	6	8	3	3	77	78
Europe EMU	1,241,084	3,113,158	11	8	2	1	3	5	3	2	80	80

Note: Components may not sum to 100 percent because of unclassified trade. Exports of gold are excluded.

a. Includes Luxembourg. b. Includes re-exports. c. Refers to the South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

Structure of merchandise exports

4.4

About the data

Data on merchandise trade are from customs reports of goods movement into or out of an economy or from reports of the financial transactions related to merchandise trade recorded in the balance of payments. Because of differences in timing and definitions, estimates of trade flows from customs reports are likely to differ from those based on the balance of payments. Moreover, several international agencies process trade data, each correcting unreported or misreported data, and this leads to other differences in the available data.

The most detailed source of data on international trade in goods is the Commodity Trade (Comtrade) database maintained by the United Nations Statistics Division. In addition, the International Monetary Fund (IMF) collects customs-based data on exports and imports of goods. The value of exports is recorded as the cost of the goods delivered to the frontier of the exporting country for shipment—the free on board (f.o.b.) value. Many countries report trade data in U.S. dollars. When countries report in local currency, the United Nations Statistics Division applies the average official exchange rate for the period shown.

Countries may report trade according to the general or special system of trade (see *Primary data documentation*). Under the general system, exports comprise outward-moving goods that are (a) goods wholly or partly produced in the country; (b) foreign goods, neither transformed nor declared for domestic consumption in the country, that move outward

from customs storage; and (c) goods previously included as imports for domestic consumption but subsequently exported without transformation. Under the special system exports comprise categories a and c. In some compilations categories b and c are classified as re-exports. Because of differences in reporting practices, data on exports may not be fully comparable across economies.

The data on total exports of goods (merchandise) in this table come from the World Trade Organization (WTO). The WTO uses two main sources, national statistical offices and the IMF's *International Financial Statistics*. It supplements these with the Comtrade database and publications or databases of regional organizations, specialized agencies, economic groups, and private sources (such as Eurostat, the Food and Agriculture Organization, and country reports of the Economist Intelligence Unit). In recent years country websites and direct contacts through email have helped to improve the collection of up-to-date statistics for many countries, reducing the proportion of estimated figures. The WTO database now covers most of the major traders in Africa, Asia, and Latin America, which together with the high-income countries account for nearly 95 percent of total world trade. There has also been a remarkable improvement in the availability of reliable figures for countries in Europe and Central Asia.

The shares of exports by major commodity group are from Comtrade. The values of total exports

reported here have not been fully reconciled with the estimates of exports of goods and services from the national accounts or those from the balance of payments.

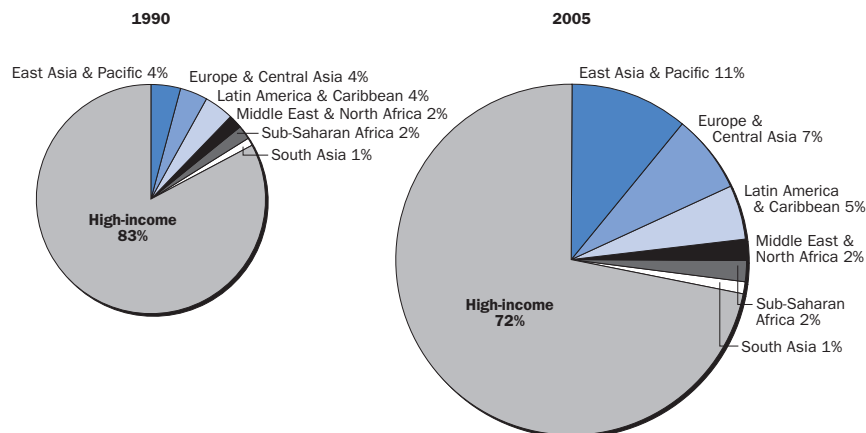
The classification of commodity groups is based on the Standard International Trade Classification (SITC) revision 1. Most countries now report using later revisions of the SITC or the Harmonized System. Concordance tables are used to convert data reported in one system of nomenclature to another. The conversion process may introduce some errors of classification, but conversions from later to earlier systems are generally reliable.

Definitions

- **Merchandise exports** are the f.o.b. value of goods provided to the rest of the world, valued in U.S. dollars.
- **Food** corresponds to the commodities in SITC sections 0 (food and live animals), 1 (beverages and tobacco), and 4 (animal and vegetable oils and fats) and SITC division 22 (oil seeds, oil nuts, and oil kernels).
- **Agricultural raw materials** correspond to SITC section 2 (crude materials except fuels) excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap).
- **Fuels** correspond to SITC section 3 (mineral fuels).
- **Ores and metals** correspond to the commodities in SITC divisions 27, 28, and 68 (nonferrous metals).
- **Manufactures** correspond to the commodities in SITC sections 5 (chemicals), 6 (basic manufactures), 7 (machinery and transport equipment), and 8 (miscellaneous manufactured goods), excluding division 68.

Developing economies' share of world merchandise exports continues to expand

4.4a



Developing economies' share of world merchandise exports increased by 11 percentage points from 1990 to 2005. East Asia and Pacific was the biggest gainer, capturing an additional 7 percentage points.

Source: World Bank data files.

Data sources

The WTO publishes data on world trade in its *Annual Report*. The IMF publishes estimates of total exports of goods in its *International Financial Statistics* and *Direction of Trade Statistics*, as does the United Nations Statistics Division in its *Monthly Bulletin of Statistics*. And the United Nations Conference on Trade and Development publishes data on the structure of exports and imports in its *Handbook of International Trade and Development Statistics*. Tariff line records of exports and imports are compiled in the United Nations Statistics Division's Comtrade database.



4.5

Structure of merchandise imports

	Merchandise imports		Food		Agricultural raw materials		Fuels		Ores and metals		Manufactures	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	936	3,200	..	..	..	..	..	..	..	..	..	..
Albania	380	2,614	..	17	..	1	..	9	..	2	..	71
Algeria	9,780	20,357	24	22	5	2	1	1	2	1	68	74
Angola	1,578	8,150	..	..	..	..	..	..	..	..	..	..
Argentina	4,076	28,692	4	3	4	2	8	5	6	3	78	87
Armenia	..	1,768	..	18	..	1	..	16	..	3	..	62
Australia	41,985	125,280	5	5	2	1	6	11	1	1	85	81
Austria	49,146	126,179	5	6	3	2	6	13	4	4	81	74
Azerbaijan	..	4,200	..	10	..	1	..	12	..	2	..	74
Bangladesh	3,618	13,839	19	19	5	9	16	8	3	2	56	62
Belarus	..	16,699	..	9	..	2	..	33	..	3	..	46
Belgium	119,702 ^a	318,658	10 ^a	8	2 ^a	1	8 ^a	12	6 ^a	4	68 ^a	75
Benin	265	894	38	30	4	4	1	20	1	1	56	44
Bolivia	687	2,341	12	10	2	1	1	10	1	1	85	77
Bosnia and Herzegovina	360	7,097	..	..	..	..	..	..	..	..	..	..
Botswana	1,946	3,272	..	14	..	1	..	4	..	1	..	75
Brazil	22,524	77,585	9	5	3	2	27	19	5	4	56	71
Bulgaria	5,100	18,181	8	5	3	1	36	5	4	7	49	65
Burkina Faso	536	1,305	..	12	..	1	..	24	..	1	..	62
Burundi	231	267	..	6	..	1	..	8	..	1	..	82
Cambodia	164	3,700	..	8	..	2	..	10	..	0	..	79
Cameroon	1,400	2,885	19	18	0	2	2	26	1	1	78	53
Canada	123,244	319,686	6	6	2	1	6	9	3	3	81	80
Central African Republic	154	151	19	17	1	27	7	17	2	2	71	37
Chad	285	770	..	..	..	..	..	..	..	..	..	..
Chile	7,742	32,542	4	6	2	1	16	22	1	4	75	67
China [†]	53,345	660,003	9	3	6	4	2	10	3	8	80	75
Hong Kong, China	84,725	300,160	8	3	2	1	2	3	2	2	85	92
Colombia	5,590	21,204	7	9	4	2	6	3	3	3	77	83
Congo, Dem. Rep.	1,739	2,175	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	621	1,415	..	..	..	..	..	..	..	..	..	..
Costa Rica	1,990	9,798	8	6	2	1	10	11	2	1	66	80
Côte d'Ivoire	2,097	5,350	..	22	..	1	..	17	..	1	..	48
Croatia	4,500	18,547	13	8	4	1	10	15	4	2	70	73
Cuba	4,600	7,125	12	22	3	1	32	22	1	1	46	54
Czech Republic	12,880	76,707	..	5	..	2	..	7	..	4	..	79
Denmark	33,333	76,018	12	11	3	2	7	7	2	2	73	76
Dominican Republic	3,006	9,614	..	..	..	..	..	..	..	..	..	..
Ecuador	1,861	10,309	9	8	3	1	2	8	3	1	84	82
Egypt, Arab Rep.	12,412	19,819	32	22	7	5	3	8	2	4	56	50
El Salvador	1,263	6,766	14	18	3	2	16	14	4	1	63	65
Eritrea	351	495	..	..	..	..	..	..	..	..	..	..
Estonia	..	10,033	..	8	..	3	..	9	..	1	..	71
Ethiopia	1,081	4,127	..	21	..	1	..	12	..	2	..	64
Finland	27,001	58,999	5	5	2	3	12	14	4	6	76	70
France	234,436	497,853	10	8	3	1	10	13	4	3	74	75
Gabon	918	1,393	..	24	..	1	..	3	..	1	..	70
Gambia, The	188	235	..	38	..	1	..	16	..	1	..	43
Georgia	..	2,491	..	17	..	0	..	20	..	1	..	61
Germany	355,686	773,804	10	7	3	1	8	11	4	4	72	68
Ghana	1,205	5,005	11	21	1	1	17	2	0	2	70	74
Greece	19,777	53,965	15	11	3	1	8	18	3	3	70	66
Guatemala	1,649	10,493	10	11	2	1	17	16	2	1	69	71
Guinea	723	820	..	..	..	..	..	..	..	..	..	..
Guinea-Bissau	86	119	..	..	..	..	..	..	..	..	..	..
Haiti	332	1,454	..	..	..	..	..	..	..	..	..	..
[†] Data for Taiwan, China	54,782	182,569	7	4	5	2	11	16	6	6	69	72

Structure of merchandise imports

4.5

ECONOMY

	Merchandise imports		Food		Agricultural raw materials		Fuels		Ores and metals		Manufactures	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	935	4,484	10	16	1	1	16	20	1	1	71	63
Hungary	10,340	66,045	8	4	4	1	14	7	4	2	70	77
India	23,580	134,831	3	3	4	2	27	36	8	5	51	52
Indonesia	21,837	69,498	5	8	5	3	9	31	4	3	77	55
Iran, Islamic Rep.	20,322	35,859	..	8	..	2	..	10	..	2	..	70
Iraq	7,660	23,430	..	..	..	..	..	..	..	..	..	..
Ireland	20,669	68,007	11	8	2	1	6	7	2	1	76	77
Israel	16,793	47,142	8	5	2	1	9	15	3	2	77	76
Italy	181,968	379,772	12	9	6	3	11	12	5	4	64	66
Jamaica	1,928	4,460	15	16	1	2	20	23	1	1	61	57
Japan	235,368	514,922	15	10	7	2	24	26	9	6	44	54
Jordan	2,600	10,506	26	14	1	1	18	23	1	2	52	58
Kazakhstan	..	17,353	..	7	..	1	..	13	..	2	..	77
Kenya	2,223	6,149	9	10	3	2	20	24	2	2	66	61
Korea, Dem. Rep.	2,930	2,718	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	69,844	261,238	6	4	8	2	16	25	7	7	63	61
Kuwait	3,972	16,275	17	..	1	..	1	..	2	..	79	..
Kyrgyz Republic	..	1,108	..	15	..	2	..	29	..	2	..	52
Lao PDR	185	745	..	..	..	..	..	..	..	..	..	..
Latvia	..	8,696	..	11	..	3	..	15	..	1	..	66
Lebanon	2,529	9,633	..	16	..	1	..	22	..	2	..	58
Lesotho	672	1,390	..	..	..	..	..	..	..	..	..	..
Liberia	570	1,190	..	..	..	..	..	..	..	..	..	..
Libya	5,336	7,000	24	17	2	1	0	1	1	1	73	81
Lithuania	..	15,453	12	8	5	2	44	24	2	2	35	62
Macedonia, FYR	1,206	3,228	..	13	..	1	..	19	..	3	..	64
Madagascar	651	1,550	11	14	1	0	17	23	1	0	69	62
Malawi	575	1,165	9	18	1	1	11	11	1	1	78	68
Malaysia	29,258	114,602	7	5	1	1	5	8	4	4	82	80
Mali	602	1,612	26	..	1	..	19	..	1	..	53	..
Mauritania	388	750	..	..	..	..	..	..	..	..	..	..
Mauritius	1,618	3,160	12	17	3	2	8	17	1	1	76	64
Mexico	43,548	231,670	15	6	4	1	4	6	3	3	64	83
Moldova	..	2,312	..	12	..	4	..	21	..	1	..	62
Mongolia	924	1,149	..	13	..	0	..	27	..	0	..	59
Morocco	6,922	20,332	10	11	6	3	17	22	6	3	61	62
Mozambique	878	2,408	..	14	..	1	..	2	..	0	..	49
Myanmar	270	2,250	13	..	1	..	5	..	0	..	81	..
Namibia	1,163	2,520	..	15	..	1	..	10	..	4	..	69
Nepal	672	1,820	15	17	7	5	9	16	2	4	67	59
Netherlands	126,098	359,055	13	10	2	2	10	15	3	3	71	70
New Zealand	9,501	26,239	7	8	1	1	8	12	3	2	81	77
Nicaragua	638	2,595	19	13	1	1	19	18	1	0	59	65
Niger	388	871	..	34	..	4	..	17	..	1	..	44
Nigeria	5,627	17,265	6	16	1	1	0	16	2	2	67	66
Norway	27,231	55,495	6	7	2	2	4	4	6	6	82	80
Oman	2,798	8,971	19	12	1	1	4	4	1	4	69	77
Pakistan	7,411	25,331	17	11	4	4	21	22	4	3	54	60
Panama	1,539	4,155	12	12	1	1	16	18	1	1	70	68
Papua New Guinea	1,193	1,729	18	16	0	1	7	13	1	0	73	69
Paraguay	1,352	3,700	8	9	0	1	14	16	1	1	77	74
Peru	2,634	12,502	24	11	2	2	12	20	1	1	61	66
Philippines	13,042	47,418	10	7	2	1	15	14	3	2	53	75
Poland	11,570	100,951	8	6	3	2	24	11	5	3	60	75
Portugal	25,263	61,126	12	11	4	2	11	14	2	3	71	65
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.5

Structure of merchandise imports

	Merchandise imports		Food		Agricultural raw materials		Fuels		Ores and metals		Manufactures	
	\$ millions		% of total		% of total		% of total		% of total		% of total	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	7,600	40,463	12	6	4	1	38	14	6	3	39	76
Russian Federation	..	125,303	..	16	..	1	..	2	..	2	..	73
Rwanda	288	403	..	12	..	4	..	16	..	2	..	67
Saudi Arabia	24,069	59,409	15	15	1	1	0	0	3	4	81	80
Senegal	1,219	3,190	29	28	2	2	16	23	2	2	51	45
Serbia and Montenegro	3,859	11,635	9	8	3	1	23	15	3	4	62	71
Sierra Leone	149	345	..	..	..	..	..	..	..	..	..	..
Singapore	60,774	200,047	6	3	2	0	16	18	2	2	73	77
Slovak Republic	6,670	35,337	..	6	..	1	..	14	..	3	..	75
Slovenia	6,142	20,090	9	6	4	3	11	10	4	5	67	75
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	18,399	62,304	8 ^b	4	2 ^b	1	1 ^b	14	1 ^b	2	75 ^b	70
Spain	87,715	278,825	11	9	3	1	12	14	4	3	71	72
Sri Lanka	2,688	8,834	19	12	2	1	13	13	2	3	65	69
Sudan	618	6,757	13	13	1	1	20	1	0	1	66	83
Swaziland	663	2,080	..	..	..	..	..	..	..	..	..	..
Sweden	54,264	111,228	6	7	2	2	9	12	3	3	79	73
Switzerland	69,681	126,524	6	6	2	1	5	6	3	4	84	83
Syrian Arab Republic	2,400	8,106	31	17	2	4	3	7	1	3	62	64
Tajikistan	..	1,330	..	..	..	..	..	..	..	..	..	..
Tanzania	1,027	2,659	..	12	..	1	..	10	..	1	..	76
Thailand	33,045	118,191	5	4	5	2	9	18	4	4	75	70
Togo	581	895	22	16	1	1	8	29	1	2	67	53
Trinidad and Tobago	1,109	5,674	19	9	1	1	11	35	6	4	62	51
Tunisia	5,513	13,177	11	9	4	3	9	10	4	3	72	76
Turkey	22,302	116,553	8	3	4	3	21	14	5	6	61	69
Turkmenistan	..	3,588	..	..	..	..	..	..	..	..	..	..
Uganda	288	1,779	..	15	..	2	..	17	..	1	..	65
Ukraine	..	36,141	..	7	..	1	..	30	..	4	..	57
United Arab Emirates	11,199	80,744	17	..	0	..	6	..	4	..	72	..
United Kingdom	222,977	510,237	10	9	3	1	6	8	4	2	75	72
United States	516,987	1,732,348	6	4	2	1	13	17	3	2	73	72
Uruguay	1,343	3,879	7	8	4	3	18	24	2	2	69	63
Uzbekistan	..	3,666	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	7,335	24,249	11	10	4	1	3	1	4	1	77	87
Vietnam	2,752	36,476	..	6	..	3	..	11	..	3	..	77
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	1,571	4,260	27	24	1	1	40	21	1	1	31	53
Zambia	1,220	2,750	..	6	..	1	..	12	..	3	..	78
Zimbabwe	1,847	2,330	4	19	3	2	16	14	2	10	73	54
World	3,549,585 t	10,684,930 t	9 w	6 w	3 w	2 w	11 w	14 w	4 w	3 w	71 w	72 w
Low income	78,024	316,559	7	11	3	3	22	22	5	3	56	61
Middle income	512,919	2,552,089	10	6	4	2	10	11	3	4	70	74
Lower middle income	273,099	1,380,029	10	6	5	3	9	15	3	5	72	71
Upper middle income	237,015	1,172,061	10	6	3	1	10	9	4	3	68	78
Low & middle income	592,618	2,868,603	10	6	4	2	11	13	4	4	69	73
East Asia & Pacific	160,502	1,061,614	8	4	5	3	5	13	3	6	77	74
Europe & Central Asia	163,450	747,497	..	7	..	2	..	11	..	3	..	72
Latin America & Carib.	120,119	520,640	12	6	3	1	10	10	3	3	66	79
Middle East & N. Africa	80,058	181,770	..	15	..	3	..	10	..	3	..	66
South Asia	39,124	188,994	8	5	4	2	24	32	6	5	54	55
Sub-Saharan Africa	57,641	168,092	..	12	..	1	..	14	..	2	..	67
High income	2,943,620	7,816,297	9	7	3	1	11	14	4	3	71	72
Europe EMU	1,261,194	3,018,041	11	8	3	2	9	13	4	3	71	71

Note: Components may not sum to 100 percent because of unclassified trade.

a. Includes Luxembourg. b. Refers to the South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

About the data

Data on imports of goods are derived from the same sources as data on exports. In principle, world exports and imports should be identical. Similarly, exports from an economy should equal the sum of imports by the rest of the world from that economy. But differences in timing and definitions result in discrepancies in reported values at all levels. For further discussion of indicators of merchandise trade, see *About the data* for tables 4.4 and 6.2.

The value of imports is generally recorded as the cost of the goods when purchased by the importer plus the cost of transport and insurance to the frontier of the importing country—the cost, insurance, and freight (c.i.f.) value, corresponding to the landed cost at the point of entry of foreign goods into the country. A few countries, including Australia, Canada, and the United States, collect import data on a free on board (f.o.b.) basis and adjust them for freight and insurance costs. Many countries collect and report trade data in U.S. dollars. When countries report in local currency, the United Nations Statistics Division applies the average official exchange rate for the period shown.

Countries may report trade according to the general or special system of trade (see *Primary data documentation*). Under the general system imports include goods imported for domestic consumption and imports into bonded warehouses and free trade zones. Under the special system imports comprise goods imported for domestic consumption (including

transformation and repair) and withdrawals for domestic consumption from bonded warehouses and free trade zones. Goods transported through a country en route to another are excluded.

The data on total imports of goods (merchandise) in this table come from the World Trade Organization (WTO). For further discussion of the WTO's sources and methodology, see *About the data* for table 4.4. The shares of imports by major commodity group are from the United Nations Statistics Division's Commodity Trade (Comtrade) database. The values of total imports reported here have not been fully reconciled with the estimates of imports of goods and services from the national accounts (shown in table 4.8) or those from the balance of payments (table 4.15).

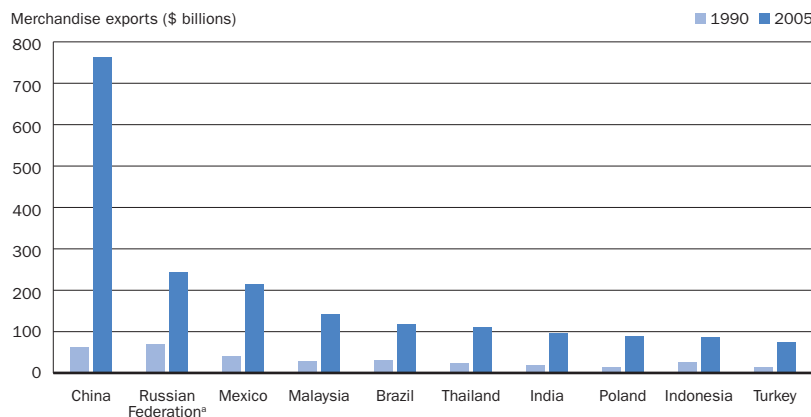
The classification of commodity groups is based on the Standard International Trade Classification (SITC) revision 1. Most countries now report using later revisions of the SITC or the Harmonized System. Concordance tables are used to convert data reported in one system of nomenclature to another. The conversion process may introduce some errors of classification, but conversions from later to earlier systems are generally reliable. Shares may not sum to 100 percent because of unclassified trade.

Definitions

- **Merchandise imports** are the c.i.f. value of goods purchased from the rest of the world valued in U.S. dollars.
- **Food** corresponds to the commodities in SITC sections 0 (food and live animals), 1 (beverages and tobacco), and 4 (animal and vegetable oils and fats) and SITC division 22 (oil seeds, oil nuts, and oil kernels).
- **Agricultural raw materials** correspond to SITC section 2 (crude materials except fuels) excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap).
- **Fuels** correspond to SITC section 3 (mineral fuels).
- **Ores and metals** correspond to the commodities in SITC divisions 27, 28, and 68 (nonferrous metals).
- **Manufactures** correspond to the commodities in SITC sections 5 (chemicals), 6 (basic manufactures), 7 (machinery and transport equipment), and 8 (miscellaneous manufactured goods), excluding division 68.

Top 10 developing country exporters of merchandise in 2005

4.5a



China continues to be the top developing country exporter. The Russian Federation has surpassed Mexico.

a. Data are for 1994 and 2005.
Source: World Trade Organization data files.

Data sources

The WTO publishes data on world trade in its *Annual Report*. The International Monetary Fund publishes estimates of total imports of goods in its *International Financial Statistics* and *Direction of Trade Statistics*, as does the United Nations Statistics Division in its *Monthly Bulletin of Statistics*. And the United Nations Conference on Trade and Development publishes data on the structure of exports and imports in its *Handbook of International Trade and Development Statistics*. Tariff line records of exports and imports are compiled in the United Nations Statistics Division's Comtrade database.



4.6

Structure of service exports

	Commercial service exports		Transport		Travel		Insurance and financial services		Computer, information, communications, and other commercial services	
	\$ millions		% of commercial services		% of commercial services		% of commercial services		% of commercial services	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	1	..	..	..	..	..	..	..	..	..
Albania	32	1,154	20.0	10.9	11.1	74.0	2.2	1.9	66.7	13.2
Algeria	479	..	41.7	..	13.4	..	5.9	..	39.0	..
Angola	65	177	48.8	10.2	20.6	49.9	4.6	..	26.1	39.9
Argentina	2,264	6,121	51.1	21.2	39.9	45.0	..	0.1	9.0	33.8
Armenia	17	323	..	28.5	..	43.5	..	4.7	..	23.3
Australia	9,835	27,767	35.4	22.4	43.2	53.9	4.2	4.7	17.2	19.1
Austria	22,755	53,104	6.4	20.1	59.0	29.4	2.9	6.6	31.7	44.0
Azerbaijan	..	625	..	38.3	..	12.4	..	1.3	..	48.0
Bangladesh	296	472	13.0	23.8	6.4	14.8	0.1	4.8	80.6	56.6
Belarus	185	1,942	54.1	63.0	13.3	13.0	1.0	0.2	31.6	23.7
Belgium	26,646 ^a	53,536	27.5 ^a	26.0	14.0 ^a	18.4	18.2 ^a	7.9	40.3 ^a	47.8
Benin	109	204	33.4	16.5	50.2	58.1	6.9	1.5	9.5	23.9
Bolivia	133	473	35.8	30.3	43.6	50.5	10.0	9.0	10.6	10.2
Bosnia and Herzegovina	..	1,010	..	6.9	..	56.0	..	3.5	..	33.6
Botswana	183	844	20.4	10.1	64.1	66.6	8.2	9.0	7.3	14.4
Brazil	3,706	14,901	36.4	21.4	37.3	25.9	3.1	4.3	23.2	48.4
Bulgaria	837	4,288	27.5	26.1	38.2	56.2	3.1	1.1	31.2	16.6
Burkina Faso	34	..	37.1	..	34.1	..	..	..	28.9	..
Burundi	7	7	38.7	25.6	51.4	22.2	1.6	0.7	8.3	51.5
Cambodia	50	1,052	..	12.0	..	79.8	..	0.1	..	8.1
Cameroon	369	393	42.6	30.5	14.4	28.9	9.4	9.8	33.6	30.8
Canada	18,350	52,193	23.0	18.4	34.7	26.0	..	9.3	42.3	46.3
Central African Republic	17	..	50.9	..	16.0	..	18.8	..	14.3	..
Chad	23	..	18.4	..	34.1	..	0.2	..	47.3	..
Chile	1,786	7,077	40.0	59.3	29.8	17.8	4.9	2.6	25.3	20.4
China	5,748	73,909	47.1	20.9	30.2	39.6	4.0	0.9	18.7	38.6
Hong Kong, China	..	62,175	..	31.5	..	16.3	..	9.0	..	43.2
Colombia	1,548	2,590	31.3	30.1	26.2	47.0	17.1	1.2	25.5	21.7
Congo, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	65	223	53.9	34.3	12.9	15.1	..	15.9	33.2	50.6
Costa Rica	583	2,579	16.3	10.9	48.9	64.6	..	0.4	34.8	24.1
Côte d'Ivoire	425	658	62.4	22.0	12.1	12.7	8.3	14.9	17.2	65.3
Croatia	2,216	9,920	29.2	11.0	59.1	74.3	1.4	0.6	10.3	14.1
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	4,679	10,729	26.5	30.6	33.3	43.1	9.6	4.1	30.6	22.3
Denmark	12,731	42,383	32.5	47.1	26.2	15.6	2.3	..	39.0	37.4
Dominican Republic	1,086	3,840	5.6	3.4	66.9	91.4	0.2	0.4	27.3	4.9
Ecuador	508	940	47.6	35.6	37.0	51.7	9.3	0.1	6.1	12.6
Egypt, Arab Rep.	4,813	14,449	50.1	32.8	22.9	47.4	1.0	1.4	26.1	18.4
El Salvador	301	1,116	26.2	32.5	25.3	48.6	7.5	3.6	41.1	15.3
Eritrea	73	..	85.7	..	1.0	..	..	..	13.3	..
Estonia	200	3,117	74.7	40.0	13.7	30.4	0.1	1.8	11.5	27.8
Ethiopia	261	789	80.7	59.0	2.1	21.3	0.7	4.0	16.6	15.7
Finland	4,562	16,895	38.4	14.4	25.8	12.9	0.1	0.9	35.6	71.8
France	74,948	114,955	21.7	23.6	27.1	36.7	14.8	2.7	36.4	37.0
Gabon	214	136	33.4	59.8	1.4	7.2	5.8	17.1	59.4	15.9
Gambia, The	53	80	8.8	19.4	87.9	70.8	0.1	0.5	3.3	9.4
Georgia	..	631	..	49.9	..	38.3	..	5.0	..	6.8
Germany	50,562	148,540	29.2	25.6	28.3	19.6	1.0	5.6	41.5	49.2
Ghana	79	1,043	49.2	14.0	5.6	76.3	2.7	0.8	42.6	8.9
Greece	6,514	34,051	4.9	50.8	39.7	39.9	0.1	1.1	55.2	8.3
Guatemala	313	1,138	7.4	8.6	37.6	74.3	2.0	6.3	53.1	10.8
Guinea	91	31	14.2	21.8	32.6	..	0.1	0.4	53.2	77.8
Guinea-Bissau	4	6	5.4	22.9	..	16.6	..	19.5	94.6	41.0
Haiti	43	112	19.8	..	78.9	98.0	1.3	..	..	2.0

Structure of service exports

4.6

ECONOMY

	Commercial service exports		Transport		Travel		Insurance and financial services		Computer, information, communications, and other commercial services	
	\$ millions		% of commercial services		% of commercial services		% of commercial services		% of commercial services	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	121	716	35.1	10.2	24.0	65.9	12.9	2.4	28.0	21.4
Hungary	2,677	12,294	1.6	14.9	36.8	34.8	0.2	2.8	61.4	47.5
India	4,610	56,094 ^b	20.8	13.3	33.8	16.8	2.7	3.5	42.7	66.4
Indonesia	2,488	12,570	2.8	22.6	86.5	36.0	..	3.0	10.7	38.4
Iran, Islamic Rep.	343	..	10.5	..	8.2	..	6.4	..	74.9	..
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	3,286	56,768	31.1	4.7	44.4	8.3	..	25.2	24.5	61.9
Israel	4,546	17,731	30.8	20.8	30.7	16.1	-0.3	0.1	38.8	63.0
Italy	48,579	88,820	21.0	17.6	33.9	39.8	5.5	3.1	39.6	39.6
Jamaica	976	2,296	18.0	19.7	77.0	67.3	1.4	2.8	3.6	10.2
Japan	41,384	107,876	40.4	33.1	7.9	11.5	-0.4	5.5	52.1	49.9
Jordan	1,430	2,188	26.0	21.5	35.8	65.8	..	..	38.3	12.7
Kazakhstan	..	2,019	..	51.6	..	34.7	..	1.1	..	12.6
Kenya	774	1,523	32.1	48.4	60.2	38.0	0.7	0.7	7.1	12.9
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	9,155	43,927	34.7	54.4	34.5	12.9	0.1	4.6	30.7	28.2
Kuwait	1,054	3,790	87.5	58.4	12.5	4.4	..	3.1	..	34.2
Kyrgyz Republic	9	234	25.1	25.9	3.8	31.3	..	1.7	71.1	41.1
Lao PDR	11	..	74.8	..	24.3	..	0.9	..	..	..
Latvia	290	2,137	94.9	57.2	2.5	16.0	..	6.5	2.6	20.3
Lebanon	..	10,740	..	4.1	..	50.6	..	2.3	..	43.0
Lesotho	34	47	14.1	1.3	51.2	64.9	..	-4.9	34.7	38.7
Liberia	32	..	84.6	..	15.4	..	..	..	..	..
Libya	83	419	83.8	27.7	7.7	59.7	..	10.3	8.5	2.4
Lithuania	198	3,075	83.6	51.6	10.9	30.0	..	0.5	5.5	17.9
Macedonia, FYR	..	445	..	30.0	..	18.8	..	1.9	..	49.3
Madagascar	129	142	32.1	28.2	31.3	43.6	0.3	0.1	36.4	28.1
Malawi	37	49	46.1	32.7	42.6	67.3	0.1	..	11.2	..
Malaysia	3,769	19,463	31.8	20.8	44.7	45.5	0.1	1.7	23.5	32.0
Mali	71	227	31.0	13.5	54.3	61.9	4.9	2.3	9.8	22.2
Mauritania	14	..	35.3	..	64.7	..	..	..	..	..
Mauritius	478	1,604	33.0	23.9	51.1	54.3	0.1	1.3	15.8	20.5
Mexico	7,222	16,098	12.4	10.9	76.5	73.3	4.6	9.6	6.5	6.2
Moldova	..	409	..	41.5	..	31.3	..	0.9	..	26.3
Mongolia	48	329	41.8	32.7	10.4	56.2	4.6	1.2	43.2	9.9
Morocco	1,871	7,570	9.6	17.2	68.4	60.9	0.8	1.0	21.2	21.0
Mozambique	103	316	61.3	28.3	..	41.1	..	0.4	38.7	30.2
Myanmar	94	232	10.3	36.8	20.9	36.2	0.5	..	68.3	27.0
Namibia	106	463	..	7.1	81.0	87.5	5.9	..	13.1	5.5
Nepal	166	271	3.6	12.0	65.6	48.4	..	1.4	30.8	38.2
Netherlands	28,478	78,183	45.4	27.4	14.6	13.4	0.8	1.7	39.2	57.5
New Zealand	2,415	8,408	43.4	19.5	42.7	59.3	-0.3	1.4	14.2	19.9
Nicaragua	34	272	19.2	12.4	35.5	76.2	..	1.0	45.4	10.4
Niger	22	88	5.2	8.5	59.5	35.6	13.5	1.4	21.8	54.4
Nigeria	965	4,164	3.9	17.5	2.5	0.4	0.3	0.2	93.3	81.8
Norway	12,452	28,457	68.7	54.7	12.6	11.5	0.4	1.6	18.3	32.2
Oman	68	822	15.3	36.4	84.7	58.5	..	0.6	..	4.4
Pakistan	1,218	2,042	59.3	52.7	12.0	8.9	1.4	3.9	27.3	34.6
Panama	907	3,106	64.9	57.2	18.9	25.1	3.8	7.5	12.4	10.3
Papua New Guinea	198	285	11.2	10.9	12.0	1.3	0.5	5.4	76.3	82.4
Paraguay	404	615	18.3	14.6	21.1	12.6	..	4.6	60.5	68.2
Peru	714	2,057	43.4	21.8	30.4	60.3	11.2	5.8	15.0	12.1
Philippines	2,897	4,462	8.5	23.3	16.1	47.7	0.5	1.5	74.9	27.5
Poland	3,200	16,181	57.3	33.7	11.2	38.8	4.0	1.8	27.6	25.8
Portugal	5,054	14,940	15.6	21.4	70.4	52.8	0.7	2.1	13.3	23.7
Puerto Rico	..	..	..	..	..	..	..	..	..	..



4.6

Structure of service exports

	Commercial service exports		Transport		Travel		Insurance and financial services		Computer, information, communications, and other commercial services	
	\$ millions		% of commercial services		% of commercial services		% of commercial services		% of commercial services	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	610	5,056	50.5	29.1	17.4	20.8	5.6	2.6	26.6	47.5
Russian Federation	..	24,337	..	37.4	..	22.5	..	2.9	..	37.2
Rwanda	31	83	56.1	36.1	32.8	58.6	1.0	0.1	10.0	5.1
Saudi Arabia	3,027	5,916	..	..	..	..	..	..	..	..
Senegal	356	598	19.2	16.1	42.8	35.4	0.5	1.6	37.6	47.0
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..
Sierra Leone	45	78	9.7	14.9	76.2	82.1	..	3.0	14.1	0.1
Singapore	12,719	51,200	17.5	35.0	36.6	11.2	0.7	9.4	45.3	44.4
Slovak Republic	1,939	3,270	23.7	43.2	19.8	26.4	..	2.3	56.5	28.1
Slovenia	1,219	3,969	22.6	28.9	55.0	45.2	1.2	0.9	21.2	25.0
Somalia	..	..	..	..	..	..	..	..	..	..
South Africa	3,291	10,898	21.6	14.1	55.8	67.3	10.8	6.1	11.9	12.6
Spain	27,649	92,730	17.2	16.6	67.2	51.4	4.3	3.8	11.3	28.2
Sri Lanka	425	1,519	39.7	44.3	30.2	28.3	4.2	4.8	25.9	22.6
Sudan	134	101	14.1	3.4	15.7	88.7	0.5	4.1	69.7	3.9
Swaziland	102	272	24.5	10.3	29.2	25.5	..	56.0	46.3	8.2
Sweden	13,453	42,761	35.8	20.5	21.7	17.2	9.1	5.4	33.5	56.9
Switzerland	18,325	45,794	16.3	9.5	40.4	24.2	23.7	32.6	19.6	33.8
Syrian Arab Republic	740	2,827	29.8	8.6	43.3	76.9	..	1.0	27.0	13.4
Tajikistan	..	103	..	54.4	..	1.5	..	8.1	..	36.0
Tanzania	131	1,181	19.9	17.2	36.4	69.7	0.5	3.4	43.1	9.7
Thailand	6,292	20,495	21.1	22.6	68.7	49.3	0.2	1.4	10.0	26.8
Togo	114	122	26.9	38.2	50.8	15.7	13.7	1.5	8.6	44.6
Trinidad and Tobago	322	838	50.7	35.2	29.4	40.8	..	13.5	19.9	10.5
Tunisia	1,575	3,884	23.0	29.3	64.8	54.7	1.5	2.5	10.7	13.5
Turkey	7,882	25,552	11.7	15.8	40.9	71.0	..	2.6	47.4	10.6
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	..	466	..	2.3	..	76.2	..	4.6	..	16.9
Ukraine	..	8,913	..	50.3	..	35.1	..	0.7	..	14.0
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom	53,830	199,454	25.2	16.5	29.0	15.3	16.4	22.7	29.4	45.4
United States	132,880	354,020	28.1	17.9	37.9	28.8	3.5	10.2	30.5	43.1
Uruguay	460	1,304	36.9	33.8	51.8	45.5	1.0	5.3	10.3	15.4
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	1,121	1,240	40.9	31.1	44.3	51.7	0.2	0.1	14.7	17.1
Vietnam	..	4,176	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	82	285	27.2	16.1	48.8	63.3	..	..	24.0	20.6
Zambia	95	..	68.9	..	13.5	..	4.1	..	13.4	..
Zimbabwe	253	..	44.3	..	25.3	..	1.2	..	29.2	..
World	815,799 t	2,459,852 t	28.4 w	24.1 w	34.9 w	28.4 w	4.7 w	6.8 w	38.5 w	41.5 w
Low income	13,307	84,840	23.8	19.5	23.3	18.8	1.9	3.1	51.2	58.9
Middle income	97,390	412,960	29.7	23.6	44.9	45.7	3.1	3.2	22.4	27.5
Lower middle income	46,586	217,782	32.1	23.5	39.5	41.3	3.3	1.8	25.2	33.4
Upper middle income	51,500	195,671	26.9	23.7	51.4	49.8	2.8	4.4	19.0	22.1
Low & middle income	110,583	495,951	29.2	23.7	43.0	44.6	3.0	3.1	24.9	28.7
East Asia & Pacific	22,788	137,881	32.3	21.4	43.5	42.1	2.0	1.5	22.2	35.0
Europe & Central Asia	41,109	142,205	..	33.1	..	34.5	..	2.5	..	29.8
Latin America & Carib.	25,840	72,823	25.8	19.5	56.2	56.5	4.1	5.8	13.9	18.2
Middle East & N. Africa	..	..	31.1	..	29.3	..	3.4	..	36.4	..
South Asia	6,847	60,989	26.8	22.1	28.2	17.4	2.3	3.7	42.7	56.8
Sub-Saharan Africa	9,580	29,946	25.7	16.7	31.6	42.1	5.4	3.8	37.9	37.7
High income	701,445	1,962,711	28.1	24.3	32.3	23.5	5.2	7.8	42.2	45.3
Europe EMU	312,162	796,772	27.1	22.8	30.3	26.5	5.9	5.1	36.7	45.7

a. Includes Luxembourg. b. World Trade Organization estimate.

About the data

Balance of payments statistics, the main source of information on international trade in services, have many weaknesses. Some large economies—such as the former Soviet Union—did not report data on trade in services until recently. Disaggregation of important components may be limited, and it varies significantly across countries. There are inconsistencies in the methods used to report items. And the recording of major flows as net items is common (for example, insurance transactions are often recorded as premiums less claims). These factors contribute to a downward bias in the value of the service trade reported in the balance of payments.

Efforts are being made to improve the coverage, quality, and consistency of these data. Eurostat and the Organisation for Economic Co-operation and Development, for example, are working together to improve the collection of statistics on trade in services in member countries. In addition, the International Monetary Fund (IMF) has implemented the new classification of trade in services introduced in the fifth edition of its *Balance of Payments Manual* (1993).

Still, difficulties in capturing all the dimensions of international trade in services mean that the record is likely to remain incomplete. Cross-border intrafirm service transactions, which are usually not captured in the balance of payments, have increased in recent years. One example of such transactions is transnational corporations' use of mainframe computers

around the clock for data processing, exploiting time zone differences between their home country and the host countries of their affiliates. Another important dimension of service trade not captured by conventional balance of payments statistics is establishment trade—sales in the host country by foreign affiliates. By contrast, cross-border intrafirm transactions in merchandise may be reported as exports or imports in the balance of payments.

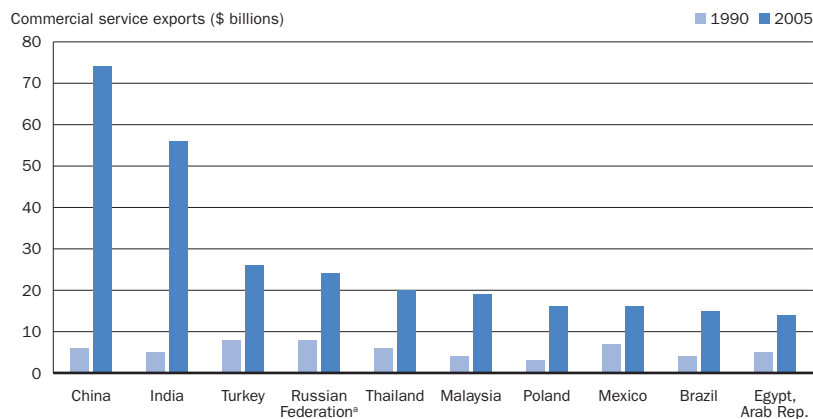
The data on exports of services in this table and on imports of services in table 4.7, unlike those in editions before 2000, include only commercial services and exclude the category "government services not included elsewhere." The data are compiled by the IMF based on returns from national sources. Data on total trade in goods and services from the IMF's Balance of Payments database are shown in table 4.15.

Definitions

- **Commercial service exports** are total service exports minus exports of government services not included elsewhere. International transactions in services are defined by the IMF's *Balance of Payments Manual* (1993) as the economic output of intangible commodities that may be produced, transferred, and consumed at the same time. Definitions may vary among reporting economies.
- **Transport** covers all transport services (sea, air, land, internal waterway, space, and pipeline) performed by residents of one economy for those of another and involving the carriage of passengers, movement of goods (freight), rental of carriers with crew, and related support and auxiliary services. Excluded are freight insurance, which is included in insurance services; goods procured in ports by nonresident carriers and repairs of transport equipment, which are included in goods; repairs of harbors, railway facilities, and airfield facilities, which are included in construction services; and rental of carriers without crew, which is included in other services.
- **Travel** covers goods and services acquired from an economy by travelers in that economy for their own use during visits of less than one year for business or personal purposes. Travel services include the goods and services consumed by travelers, such as meals, lodging, and transport (within the economy visited), including car rental.
- **Insurance and financial services** cover freight insurance on goods exported and other direct insurance such as life insurance, financial intermediation services such as commissions, foreign exchange transactions, and brokerage services; and auxiliary services such as financial market operational and regulatory services.
- **Computer, information, communications, and other commercial services** include such activities as international telecommunications and postal and courier services; computer data; news-related service transactions between residents and nonresidents; construction services; royalties and license fees; miscellaneous business, professional, and technical services; and personal, cultural, and recreational services.

Top 10 developing country exporters of commercial services in 2005

4.6a



The top 10 developing country exporters of commercial services accounted for 60 percent of developing country commercial service exports and almost 12 percent of world commercial service exports.

a. Data are for 1994 and 2005.

Source: International Monetary Fund and World Trade Organization data files.

Data sources

Data on exports of commercial services are from the IMF. The IMF publishes balance of payments data in its *International Financial Statistics* and *Balance of Payments Statistics Yearbook*.



4.7

Structure of service imports

	Commercial service imports		Transport		Travel		Insurance and financial services		Computer, information, communications, and other commercial services	
	\$ millions		% of commercial services		% of commercial services		% of commercial services		% of commercial services	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	97	..	85.9	..	..	..	9.5	..	4.6	..
Albania	29	1,318	26.3	17.2	..	59.7	2.9	3.6	70.8	19.5
Algeria	1,155	..	58.1	..	12.9	..	9.8	..	19.2	..
Angola	1,288	6,191	38.3	21.3	3.0	1.2	2.6	1.9	56.1	75.6
Argentina	2,876	7,353	32.6	26.8	40.7	38.3	..	6.1	26.7	28.7
Armenia	40	377	89.2	50.6	0.9	31.1	9.9	6.8	0.0	11.5
Australia	13,388	28,753	33.9	35.5	31.5	39.2	4.8	3.9	29.8	21.3
Austria	14,104	49,002	8.4	14.9	54.9	22.4	4.6	6.7	32.1	56.1
Azerbaijan	..	2,625	..	14.4	..	6.3	..	1.9	..	77.4
Bangladesh	554	1,983	71.1	76.9	14.1	6.6	6.6	8.1	8.3	8.4
Belarus	125	1,213	34.0	25.5	44.6	49.8	12.3	2.0	9.2	22.8
Belgium	25,924 ^a	50,518	23.3 ^a	24.4	21.1 ^a	29.3	14.8 ^a	8.0	40.8 ^a	38.3
Benin	113	273	46.9	63.4	12.8	10.6	5.7	11.3	34.6	14.7
Bolivia	291	664	61.7	35.2	20.6	28.1	10.0	18.5	7.6	18.3
Bosnia and Herzegovina	..	449	..	44.7	..	27.3	..	12.8	..	15.3
Botswana	371	840	57.5	40.5	15.0	33.6	5.5	3.7	22.0	22.2
Brazil	6,733	22,296	44.4	22.3	22.4	21.2	2.7	6.5	30.5	50.1
Bulgaria	600	3,457	40.5	34.7	31.5	37.4	4.5	3.6	23.5	24.3
Burkina Faso	196	..	64.7	..	16.6	..	5.1	..	13.6	..
Burundi	59	104	62.6	21.1	29.0	58.1	6.3	4.2	2.2	16.7
Cambodia	64	620	24.5	57.9	..	15.6	..	4.7	75.5	21.8
Cameroon	1,018	1,053	45.3	31.7	27.5	20.1	7.2	8.3	20.1	40.0
Canada	27,479	64,170	21.1	22.6	39.8	28.6	..	10.9	39.2	37.9
Central African Republic	166	..	49.7	..	30.6	..	8.9	..	10.7	..
Chad	223	..	45.1	..	31.2	..	4.4	..	19.2	..
Chile	1,982	7,591	47.4	54.2	21.5	13.9	3.3	9.6	27.9	22.3
China	4,113	83,173	78.9	34.2	11.4	26.2	2.3	8.9	7.4	30.8
Hong Kong, China	..	32,384	..	28.0	..	42.8	..	5.7	..	23.4
Colombia	1,683	4,701	34.9	44.8	27.0	24.0	13.7	9.2	24.4	22.0
Congo, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	748	1,550	18.4	19.9	15.2	6.6	1.6	..	64.9	73.5
Costa Rica	540	1,496	41.2	42.3	28.8	31.5	6.0	6.0	24.0	20.3
Côte d'Ivoire	1,518	1,942	32.1	51.7	11.1	17.8	4.7	..	52.0	30.5
Croatia	1,088	3,349	30.5	18.7	34.4	22.5	3.7	4.1	31.4	54.8
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	3,701	9,870	19.8	18.2	14.2	24.4	14.0	11.9	52.0	45.5
Denmark	10,106	37,841	38.3	43.4	36.5	21.8	1.6	..	23.6	34.8
Dominican Republic	435	1,409	40.0	61.0	33.1	25.0	4.1	7.3	22.9	6.6
Ecuador	755	2,049	41.6	50.8	23.2	19.6	8.1	7.1	27.2	22.6
Egypt, Arab Rep.	3,327	9,507	44.0	39.3	3.9	17.1	4.6	10.3	47.5	33.3
El Salvador	296	1,194	45.9	44.1	20.6	29.0	12.1	9.3	21.5	17.6
Eritrea	1	..	..	..	..	..	..	..	..	..
Estonia	123	2,132	76.3	44.4	15.4	21.0	0.3	1.9	8.0	32.7
Ethiopia	348	1,178	76.5	64.9	3.3	6.5	3.4	5.1	16.9	23.5
Finland	7,432	15,061	26.1	26.8	37.2	20.3	1.1	1.6	35.5	51.3
France	59,560	104,897	29.4	27.3	20.7	29.7	19.2	5.1	30.7	37.9
Gabon	984	921	23.2	33.5	13.9	23.2	5.3	5.8	57.6	37.5
Gambia, The	35	45	65.1	75.4	23.1	11.7	9.0	10.8	2.8	2.2
Georgia	..	578	..	49.0	..	29.2	..	10.4	..	11.4
Germany	83,264	200,944	20.5	21.7	46.9	36.1	1.0	4.5	31.6	37.7
Ghana	226	1,131	55.1	51.3	5.9	26.8	11.2	5.1	27.8	16.8
Greece	2,756	14,292	34.0	54.2	39.5	21.3	5.4	5.7	21.0	18.9
Guatemala	363	1,423	41.0	51.3	27.4	31.2	3.4	11.8	28.2	5.7
Guinea	243	195	57.5	47.3	12.2	12.8	5.5	12.7	24.9	27.2
Guinea-Bissau	17	42	54.5	53.5	19.8	30.9	5.6	0.4	20.0	15.1
Haiti	71	431	47.9	50.4	52.1	12.6	..	..	..	37.0

Structure of service imports

4.7

ECONOMY

	Commercial service imports		Transport		Travel		Insurance and financial services		Computer, information, communications, and other commercial services	
	\$ millions		% of commercial services		% of commercial services		% of commercial services		% of commercial services	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	213	831	45.4	49.8	17.6	29.9	15.0	..	22.0	20.4
Hungary	2,264	11,626	8.8	15.3	25.9	25.2	1.0	5.4	64.4	54.1
India	5,943	52,211 ^b	57.5	36.7	6.6	13.8	5.8	6.5	30.1	43.1
Indonesia	5,898	23,516	47.4	29.9	14.2	15.2	4.0	3.7	34.5	51.1
Iran, Islamic Rep.	3,703	..	47.3	..	9.2	..	10.8	..	32.8	..
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	5,145	69,759	24.3	3.5	22.6	8.7	1.9	14.9	51.2	73.0
Israel	4,825	13,439	39.6	35.1	29.7	21.5	4.4	3.1	26.3	40.3
Italy	46,602	88,889	23.7	24.8	22.1	25.2	10.4	3.6	43.9	46.5
Jamaica	667	1,683	47.9	43.1	17.0	14.8	6.7	10.0	28.4	32.1
Japan	84,281	132,601	30.8	30.5	27.9	28.3	2.1	3.5	39.3	37.8
Jordan	1,118	2,465	52.0	54.4	30.1	23.7	5.2	8.5	12.7	13.3
Kazakhstan	..	7,404	..	15.8	..	10.2	..	3.1	..	71.0
Kenya	598	950	66.2	44.0	6.4	13.0	8.9	13.7	18.5	29.2
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	10,050	57,746	39.8	34.6	27.5	26.5	-0.1	1.4	32.8	37.5
Kuwait	2,805	7,571	31.9	39.8	65.5	56.5	1.2	1.9	1.4	1.8
Kyrgyz Republic	51	287	74.1	41.4	0.8	20.3	7.6	6.8	17.6	31.5
Lao PDR	25	..	73.0	..	13.3	..	6.4	..	20.6	..
Latvia	120	1,541	82.3	32.5	10.9	37.9	4.8	3.8	2.1	25.8
Lebanon	..	7,838	..	17.0	..	36.7	..	3.1	..	43.2
Lesotho	48	79	67.9	65.9	24.7	34.1	5.6	..	1.7	..
Liberia	74	..	60.8	..	33.7	..	5.6	..	..	..
Libya	926	2,128	41.9	47.7	45.8	32.0	4.1	8.5	8.3	11.8
Lithuania	177	1,989	90.7	45.1	6.9	37.4	..	1.7	2.4	15.9
Macedonia, FYR	..	483	..	41.2	..	12.3	..	4.3	..	42.2
Madagascar	172	157	43.5	48.5	23.4	15.8	3.5	1.0	29.5	34.7
Malawi	268	222	81.8	50.1	5.9	35.2	8.7	0.0	3.7	14.7
Malaysia	5,394	21,750	46.9	38.6	26.9	17.1	..	2.9	26.2	41.4
Mali	352	528	57.4	64.9	15.8	12.6	1.9	6.5	24.9	16.0
Mauritania	126	..	76.9	..	18.3	..	3.1	..	1.7	..
Mauritius	407	1,211	51.6	43.1	23.0	22.7	5.5	5.3	19.9	28.9
Mexico	10,063	20,915	25.0	13.0	54.9	36.3	6.2	44.3	14.0	6.4
Moldova	..	418	..	35.2	..	40.4	..	1.6	..	22.8
Mongolia	155	496	56.2	40.2	0.8	38.8	6.3	8.2	36.8	12.8
Morocco	940	3,103	58.3	50.9	19.9	19.7	6.0	2.6	15.9	26.8
Mozambique	206	627	57.7	36.6	..	28.1	4.3	3.1	38.1	32.2
Myanmar	73	444	35.4	51.2	22.6	6.5	2.5	..	39.5	42.4
Namibia	341	376	46.9	36.1	17.9	23.3	6.8	5.5	28.5	35.1
Nepal	159	424	40.8	38.0	28.5	38.5	3.2	6.2	27.5	17.3
Netherlands	28,995	72,414	37.7	20.7	25.4	22.3	0.6	2.5	36.3	54.6
New Zealand	3,251	8,135	40.6	33.8	29.5	32.7	2.5	4.0	27.5	29.5
Nicaragua	73	402	70.7	57.9	20.1	22.5	7.9	3.8	1.4	15.9
Niger	209	250	68.3	65.3	10.4	8.9	4.3	3.0	17.1	22.8
Nigeria	1,901	7,321	33.6	20.7	30.3	15.2	3.1	..	32.9	64.2
Norway	12,247	27,209	44.6	33.7	30.0	35.9	1.7	2.9	23.7	27.6
Oman	719	3,052	36.6	34.4	6.5	21.1	4.1	9.8	52.8	34.7
Pakistan	1,863	7,179	67.0	36.2	23.1	17.8	1.4	3.4	8.6	42.6
Panama	666	1,673	66.6	56.3	14.8	16.2	10.2	12.6	8.4	14.9
Papua New Guinea	393	1,151	35.6	24.2	12.8	4.8	4.0	10.3	47.6	60.7
Paraguay	361	325	61.6	55.6	19.8	24.2	11.4	17.2	7.3	3.1
Peru	1,070	2,959	43.5	44.4	27.6	23.0	10.9	8.7	18.0	24.0
Philippines	1,721	5,790	56.9	54.0	6.5	22.1	3.4	5.1	33.2	18.8
Poland	2,847	14,104	52.4	23.5	14.9	30.8	1.0	5.6	31.8	40.1
Portugal	3,772	9,891	48.5	30.8	23.0	31.1	5.1	4.6	23.5	33.5
Puerto Rico	..	..	..	..	..	..	..	..	..	..



4.7

Structure of service imports

	Commercial service imports		Transport		Travel		Insurance and financial services		Computer, information, communications, and other commercial services	
	\$ millions		% of commercial services		% of commercial services		% of commercial services		% of commercial services	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	787	5,425	65.5	36.2	13.1	17.1	7.3	5.4	14.1	41.3
Russian Federation	..	38,465	..	13.4	..	46.3	..	5.4	..	35.0
Rwanda	94	176	69.0	76.6	23.7	20.8	0.0	..	7.3	2.5
Saudi Arabia	12,677	14,239	18.1	29.2	..	..	2.2	3.2	79.7	67.6
Senegal	368	681	60.1	55.8	12.4	8.4	8.8	10.2	18.7	25.6
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..
Sierra Leone	67	85	29.5	50.0	32.7	37.8	4.8	9.7	33.0	2.5
Singapore	8,575	54,076	41.0	36.8	21.0	18.2	9.1	5.6	29.0	39.4
Slovak Republic	1,666	3,012	17.3	29.8	13.1	19.0	..	8.7	69.6	42.4
Slovenia	1,034	2,890	42.5	22.5	27.3	32.9	2.5	2.2	27.8	42.4
Somalia	122	..	38.2	..	..	..	4.2	..	57.6	..
South Africa	3,594	11,863	40.2	44.9	31.5	28.4	11.6	5.6	16.7	21.1
Spain	15,197	65,159	30.9	27.1	28.0	23.1	6.3	5.4	34.9	44.4
Sri Lanka	620	2,051	64.2	61.8	11.9	15.3	6.8	6.0	17.1	16.9
Sudan	202	1,801	31.9	59.9	25.4	37.1	4.9	0.7	37.8	2.3
Swaziland	171	431	6.1	20.4	20.6	3.5	..	30.8	73.4	45.3
Sweden	16,959	35,023	23.2	16.3	37.1	30.8	7.9	3.3	31.7	49.6
Switzerland	11,093	26,089	33.7	21.3	53.0	35.5	1.4	5.8	12.0	37.4
Syrian Arab Republic	702	2,136	54.5	64.6	35.5	25.8	4.4	3.4	5.7	6.3
Tajikistan	..	250	..	71.3	..	1.5	..	7.2	..	20.0
Tanzania	288	1,088	58.0	25.4	7.9	50.9	6.2	4.5	27.9	19.2
Thailand	6,160	27,458	58.1	51.0	23.3	18.2	5.5	6.0	13.3	24.8
Togo	217	237	56.9	72.7	18.4	3.6	9.1	11.4	15.6	12.4
Trinidad and Tobago	460	314	51.7	51.7	26.6	30.5	9.9	0.1	11.9	17.7
Tunisia	682	2,066	51.4	53.6	26.2	17.7	7.4	8.7	15.0	20.1
Turkey	2,794	10,697	32.2	49.8	18.6	26.9	..	11.9	49.2	11.4
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	195	783	58.3	41.4	..	17.0	6.5	6.4	35.2	35.2
Ukraine	..	6,962	..	29.5	..	40.3	..	5.4	..	24.9
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom	44,713	155,861	33.2	23.5	41.0	38.2	2.4	6.7	23.4	31.5
United States	97,950	281,168	36.3	31.4	38.9	26.2	4.5	12.5	20.4	30.0
Uruguay	363	857	48.2	48.6	30.7	29.4	1.5	3.1	19.6	18.9
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	2,390	5,250	33.5	44.6	42.8	24.4	4.3	9.3	19.4	21.7
Vietnam	..	5,282	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	639	1,103	27.6	47.7	9.9	15.2	5.4	8.5	57.1	28.6
Zambia	370	..	76.8	..	14.6	..	5.3	..	3.3	..
Zimbabwe	460	..	51.8	..	14.4	..	3.4	..	30.4	..
World	834,571 t	2,346,205 t	34.9 w	28.5 w	32.5 w	28.1 w	5.0 w	8.2 w	32.3 w	35.4 w
Low income	21,190	101,435	55.6	44.0	13.0	17.6	5.2	6.0	26.6	32.8
Middle income	107,026	449,275	48.7	32.5	25.3	26.8	4.1	12.6	22.1	28.0
Lower middle income	51,519	254,719	61.6	38.3	15.9	23.6	4.3	7.3	18.3	30.9
Upper middle income	56,695	196,106	35.2	27.3	35.1	29.8	3.9	17.5	26.1	25.5
Low & middle income	128,521	548,077	49.3	33.1	24.1	26.4	4.2	12.4	22.5	28.2
East Asia & Pacific	25,122	171,206	65.5	38.8	15.8	22.1	2.6	6.6	16.2	32.5
Europe & Central Asia	..	132,848	30.9	27.7	19.2	30.9	6.2	7.1	44.2	34.3
Latin America & Carib.	33,527	88,781	34.0	25.6	40.9	30.2	5.9	25.7	19.6	18.5
Middle East & N. Africa	18,677	43,583	49.2	..	16.3	..	6.9	..	27.7	..
South Asia	9,262	64,639	60.5	44.9	10.7	16.3	5.3	6.3	23.5	32.5
Sub-Saharan Africa	18,237	50,365	45.1	40.8	22.6	23.4	7.6	5.9	25.5	31.0
High income	701,461	1,800,743	31.0	27.3	34.8	28.5	5.1	7.1	34.8	37.3
Europe EMU	301,701	768,538	26.3	23.8	31.1	28.2	7.6	5.0	35.0	43.0

a. Includes Luxembourg. b. World Trade Organization estimate.

Structure of service imports

4.7

About the data

Trade in services differs from trade in goods because services are produced and consumed at the same time. Thus services to a traveler may be consumed in the producing country (for example, use of a hotel room) but are classified as imports of the traveler's country. In other cases services may be supplied from a remote location; for example, insurance services may be supplied from one location and consumed in another. For further discussion of the problems of measuring trade in services, see *About the data* for table 4.6.

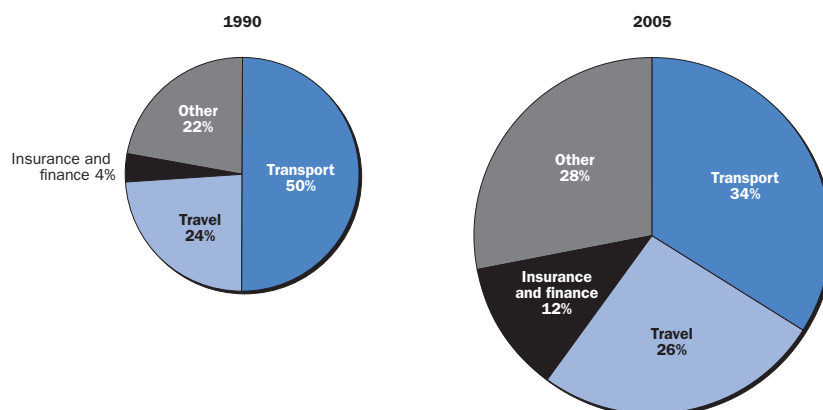
The data on exports of services in table 4.6 and on imports of services in this table, unlike those in editions before 2000, include only commercial services and exclude the category "government services not included elsewhere." The data are compiled by the International Monetary Fund (IMF) based on returns from national sources.

Definitions

- **Commercial service imports** are total service imports minus imports of government services not included elsewhere. International transactions in services are defined by the IMF's *Balance of Payments Manual* (1993) as the economic output of intangible commodities that may be produced, transferred, and consumed at the same time. Definitions may vary among reporting economies.
- **Transport** covers all transport services (sea, air, land, internal waterway, space, and pipeline) performed by residents of one economy for those of another and involving the carriage of passengers, movement of goods (freight), rental of carriers with crew, and related support and auxiliary services. Excluded are freight insurance, which is included in insurance services; goods procured in ports by nonresident carriers and repairs of transport equipment, which are included in goods; repairs of harbors, railway facilities, and airfield facilities, which are included in construction services; and rental of carriers without crew, which is included in other services.
- **Travel** covers goods and services acquired from an economy by travelers in that economy for their own use during visits of less than one year for business or personal purposes. Travel services include the goods and services consumed by travelers, such as meals, lodging, and transport (within the economy visited), including car rental.
- **Insurance and financial services** cover freight insurance on goods imported and other direct insurance such as life insurance, financial intermediation services such as commissions, foreign exchange transactions, and brokerage services; and auxiliary services such as financial market operational and regulatory services.
- **Computer, information, communications, and other commercial services** include such activities as international telecommunications, and postal and courier services; computer data; news-related service transactions between residents and nonresidents; construction services; royalties and license fees; miscellaneous business, professional, and technical services; and personal, cultural, and recreational services.

The mix of commercial service imports by developing countries is changing

4.7a



Between 1990 and 2005 transport was displaced by travel and insurance and other services as the most important services imported by developing economies.

Source: International Monetary Fund data files.

Data sources

Data on imports of commercial services are from the IMF. The IMF publishes balance of payments data in its *International Financial Statistics* and *Balance of Payments Statistics Yearbook*.



4.8

Structure of demand

	Household final consumption expenditure		General government final consumption expenditure		Gross capital formation		Exports of goods and services		Imports of goods and services		Gross savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	..	110	..	9	..	25	..	12	..	56	..	24
Albania	61	91	19	9	29	24	15	22	23	46	21	16
Algeria	57	34	16	12	29	30	23	48	25	24	26	51
Angola	36	67	35	.. ^a	12	8	39	74	21	48	9	21
Argentina	77	61	3	12	14	22	10	25	5	19	13	24
Armenia	46	73	18	11	47	30	35	27	46	40	..	26
Australia	59	59	19	18	23	26	16	18	16	21	19	20
Austria	57	56	19	18	24	21	38	53	37	48	24	24
Azerbaijan	51	48	18	11	27	38	44	57	39	54	..	30
Bangladesh	86	76	4	6	17	25	6	17	14	23	14	30
Belarus	47	50	24	20	27	30	46	61	44	60	29	31
Belgium	56	53	20	23	22	21	70	87	68	85	23	24
Benin	87	78	11	15	14	20	14	14	26	26	10	11
Bolivia	77	68	12	14	13	14	23	36	24	33	10	20
Bosnia and Herzegovina	..	99	..	26	..	19	..	36	..	81	..	-2
Botswana	33	28	24	25	37	32	55	51	50	35	43	46
Brazil	59	56	19	20	20	21	8	17	7	12	19	22
Bulgaria	60	70	18	19	26	28	33	61	37	77	16	17
Burkina Faso	82	80	13	13	18	21	11	9	24	22	13	7
Burundi	95	87	11	28	15	12	8	9	28	36	-5	9
Cambodia	91	85	7	4	8	20	6	65	13	74	6	14
Cameroon	67	71	13	10	18	21	20	23	17	25	16	18
Canada	56	55	23	20	21	21	26	39	26	34	18	23
Central African Republic	86	..	15	..	12	..	15	..	28	..	0	14
Chad	98	58	10	5	7	17	14	59	28	39	-3	21
Chile	61	57	10	12	25	23	34	42	31	34	24	17
China ^b	46 ^c	37 ^c	14	14	36	44	19	38	16	32	40	51
Hong Kong, China	57	58	7	9	27	21	131	198	122	185	33	32
Colombia	66	61	9	19	19	19	21	22	15	21	22	18
Congo, Dem. Rep.	79	85	12	8	9	14	30	32	29	39	1	14
Congo, Rep.	62	34	14	14	16	24	54	82	46	55	7	29
Costa Rica	73	66	15	14	19	26	30	49	36	54	10	19
Côte d'Ivoire	72	74	17	8	7	11	32	50	27	42	-4	13
Croatia	75	58	24	20	11	31	78	47	86	56	-16	23
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	49	49	23	22	25	27	45	72	43	70	28	24
Denmark	50	49	25	26	20	21	37	49	33	44	20	24
Dominican Republic	80	74	4	10	25	20	34	34	44	38	22	19
Ecuador	68	66	11	11	21	24	33	31	32	32	11	24
Egypt, Arab Rep.	73	71	11	13	29	18	20	31	33	33	21	21
El Salvador	89	93	10	10	14	15	19	27	31	45	6	11
Eritrea	101	82	22	45	11	20	11	9	45	56	13	10
Estonia	62	56	16	18	30	32	60	84	54	90	41	21
Ethiopia	77	82	13	14	13	26	6	16	9	39	12	17
Finland	52	54	22	23	29	20	22	39	24	35	24	23
France	57	57	22	24	22	20	21	26	23	27	21	18
Gabon	50	52	13	7	22	21	46	59	31	39	24	32
Gambia, The	76	96	14	.. ^a	22	25	60	45	72	65	5	15
Georgia	65	68	10	18	31	26	40	42	46	55	..	20
Germany	57	59	20	19	24	17	25	40	25	35	24	21
Ghana	85	81	9	15	14	29	17	36	26	62	7	22
Greece	73	67	15	16	23	24	18	21	28	28	18	15
Guatemala	84	90	7	6	14	19	21	16	25	30	10	15
Guinea	73	86	9	5	18	12	31	26	31	30	11	7
Guinea-Bissau	87	85	10	18	30	15	10	38	37	55	15	8
Haiti	81	92	8	8	13	30	18	16	20	45	6	28

Structure of demand

4.8

ECONOMY

	Household final consumption expenditure		General government final consumption expenditure		Gross capital formation		Exports of goods and services		Imports of goods and services		Gross savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	67	77	13	14	23	30	37	41	40	61	22	30
Hungary	61	68	11	10	25	24	31	66	29	69	26	16
India	66	59	12	11	24	33	7	21	9	24	22	32
Indonesia	59	65	9	8	31	22	25	34	24	29	28	24
Iran, Islamic Rep.	59	46	12	12	37	33	15	39	23	30	35	41
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	58	44	16	16	21	25	57	83	52	68	19	24
Israel	56	59	30	28	25	19	35	46	45	51	22	..
Italy	57	59	20	20	22	21	19	26	19	26	21	20
Jamaica	65	73	13	15	26	32	48	41	52	61	19	20
Japan	53	57	13	18	33	23	11	13	10	11	34	26
Jordan	74	103	25	15	32	24	62	52	93	93	22	7
Kazakhstan	52	53	18	11	32	27	74	54	75	45	..	26
Kenya	63	74	19	17	24	17	26	27	31	35	19	12
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	52	53	12	14	38	30	28	43	29	40	37	32
Kuwait	57	28	39	15	18	20	45	68	58	30	..	..
Kyrgyz Republic	71	86	25	19	24	14	29	39	50	58	4	6
Lao PDR	..	72	..	..^a	..	32	12	27	25	31	-4	2
Latvia	53	62	9	18	40	34	48	48	49	62	56	23
Lebanon	140	89	25	16	18	20	18	19	100	44	22	-1
Lesotho	139	84	14	15	53	41	17	48	122	88	60	27
Liberia	..	87	..	11	..	16	..	37	..	50	..	18
Libya	48	..	24	..	19	..	40	..	31	..	..	..
Lithuania	57	65	19	17	33	25	52	58	61	65	..	18
Macedonia, FYR	72	78	19	19	19	20	26	45	36	63	9	20
Madagascar	86	84	8	8	17	22	17	26	28	40	9	11
Malawi	72	95	15	17	23	15	24	27	33	53	14	-7
Malaysia	52	44	14	13	32	20	75	123	72	100	30	36
Mali	80	79	14	10	23	23	17	26	34	37	15	11
Mauritania	69	92	26	23	20	45	46	36	61	95	18	-5
Mauritius	64	67	13	14	31	23	64	57	71	61	26	20
Mexico	70	68	8	12	23	22	19	30	20	32	20	21
Moldova	77	93	.. ^a	16	25	30	48	53	51	91	58	23
Mongolia	62	57	30	15	36	36	22	76	49	84	6	37
Morocco	65	58	16	23	25	26	27	36	32	43	25	29
Mozambique	92	79	14	10	22	20	8	33	36	42	2	4
Myanmar	89	..	..^a	..	13	..	3	..	5	..	12	..
Namibia	51	50	31	23	34	26	52	46	67	45	35	40
Nepal	84	77	9	10	18	29	11	16	21	33	11	31
Netherlands	50	49	23	24	23	19	56	71	52	63	28	27
New Zealand	61	59	19	18	20	25	27	29	27	30	17	17
Nicaragua	59	89	44	11	19	29	25	28	46	58	-4	13
Niger	84	79	15	12	8	19	15	15	22	24	-2	10
Nigeria	56	40	15	21	15	21	43	53	29	35	19	30
Norway	49	42	21	20	23	21	40	45	34	28	26	37
Oman	46	45	22	23	12	18	47	57	28	43	..	..
Pakistan	74	80	15	8	19	17	16	15	23	20	22	18
Panama	57	73	18	12	17	19	87	69	79	73	24	10
Papua New Guinea	59	..	25	..	24	..	41	..	49	..	9	..
Paraguay	77	75	6	10	23	22	33	47	40	54	20	16
Peru	74	66	8	10	17	19	16	25	14	19	..	19
Philippines	72	80	10	10	24	15	28	47	33	52	20	31
Poland	48	62	19	19	26	19	29	37	22	37	27	18
Portugal	64	66	16	21	27	22	31	29	38	37	25	13
Puerto Rico	65	..	15	..	17	..	..	..	..	..	..	..



4.8

Structure of demand

	Household final consumption expenditure		General government final consumption expenditure		Gross capital formation		Exports of goods and services		Imports of goods and services		Gross savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	66	78	13	10	30	23	17	33	26	43	22	14
Russian Federation	49	49	21	17	30	21	18	35	18	22	36	32
Rwanda	84	85	10	13	15	22	6	11	14	31	11	19
Saudi Arabia	47	26	29	23	15	16	41	61	32	26	18	..
Senegal	76	77	15	14	14	23	25	27	30	42	6	16
Serbia and Montenegro	..	86	..	18	..	18	..	27	..	50	..	10
Sierra Leone	84	90	8	13	10	15	22	24	24	43	3	7
Singapore	46	41	10	11	37	19	..	243	..	213	46	..
Slovak Republic	54	56	22	20	33	29	27	79	36	83	..	20
Slovenia	53	55	17	20	17	26	91	65	79	65	24	25
Somalia	..	..	..	..	16	..	10	..	38	..	17	..
South Africa	57	63	20	20	18	18	24	27	19	29	20	14
Spain	60	58	17	18	26	30	16	25	19	31	23	22
Sri Lanka	77	77	10	9	23	26	29	34	38	46	17	20
Sudan	..	70	..	17	..	23	..	18	..	28	..	17
Swaziland	75	61	18	28	19	19	75	88	87	95	25	17
Sweden	49	48	27	27	23	17	30	49	30	41	21	23
Switzerland	57	60	11	12	31	20	36	46	34	39	34	33
Syrian Arab Republic	69	70	14	14	17	20	28	37	28	40	15	14
Tajikistan	74	95	9	9	25	14	28	54	35	73	24	7
Tanzania ^d	81	77	18	14	26	19	13	17	38	26	8	9
Thailand	57	58	9	12	41	32	34	74	42	75	33	29
Togo	71	86	14	10	27	18	34	34	45	47	20	10
Trinidad and Tobago	59	58	12	9	13	20	45	58	29	46	21	29
Tunisia	64	64	16	16	27	23	44	48	51	51	22	21
Turkey	69	69	11	13	24	25	13	27	18	34	24	18
Turkmenistan	49	46	23	13	40	23	..	65	..	48	..	34
Uganda	92	79	8	14	13	21	7	13	19	27	1	10
Ukraine	57	61	17	19	28	19	28	54	29	53	36	22
United Arab Emirates	38	46	16	11	21	24	66	94	41	76	..	..
United Kingdom	63	65	20	22	20	17	24	26	27	30	16	14
United States	67	70	17	16	18	19	10	10	11	15	15	13
Uruguay	70	74	12	11	12	13	24	30	18	28	14	13
Uzbekistan	61	51	25	16	32	23	29	40	48	30	3	35
Venezuela, RB	62	47	8	11	10	22	40	41	20	21	27	40
Vietnam	84	64	12	6	13	35	36	70	45	75	-2	34
West Bank and Gaza	..	96	..	33	..	26	..	14	..	68	..	13
Yemen, Rep.	74	50	18	16	15	27	14	46	20	38	28	32
Zambia	64	70	19	13	17	26	36	16	37	25	7	10
Zimbabwe	63	70	19	27	17	14	23	43	23	53	16	3
World	60 w	61 w	17 w	17 w	23 w	22 w	19 w	26 w	19 w	26 w	22 w	21 w
Low income	70	64	12	11	21	29	13	25	16	29	18	28
Middle income	59	56	14	15	26	27	22	36	21	33	27	30
Lower middle income	56	51	15	15	29	31	19	34	19	31	30	35
Upper middle income	63	61	13	14	23	22	25	38	23	35	22	23
Low & middle income	61	57	14	14	26	27	20	34	20	32	26	29
East Asia & Pacific	50	44	13	13	35	38	24	46	23	41	36	45
Europe & Central Asia	56	60	17	16	27	23	24	41	24	41	25	23
Latin America & Carib.	67	62	12	15	19	21	17	26	15	23	20	22
Middle East & N. Africa	66	59	15	14	28	26	24	37	34	36	26	30
South Asia	69	64	11	10	23	31	9	20	12	25	21	30
Sub-Saharan Africa	64	65	17	18	18	19	27	33	26	35	16	17
High income	60	62	18	18	23	20	19	25	19	25	22	19
Europe EMU	57	58	20	21	23	20	27	37	28	36	23	21

a. Data on general government final consumption expenditure are not available separately; they are included in household final consumption expenditure. b. China has revised its national accounts data from 1993 onwards. However, data by expenditure are not available. Data shown here are based on earlier series. c. Includes the difference between the old and the new GDP series. d. Data cover mainland Tanzania only.

About the data

Gross domestic product (GDP) from the expenditure side is made up of household final consumption expenditure, general government final consumption expenditure, gross capital formation (private and public investment in fixed assets, changes in inventories, and net acquisitions of valuables), and net exports (exports minus imports) of goods and services. Such expenditures are recorded in purchaser prices and include net taxes on products.

Because policymakers have tended to focus on fostering the growth of output, and because data on production are easier to collect than data on spending, many countries generate their primary estimate of GDP using the production approach. Moreover, many countries do not estimate all the separate components of national expenditures but instead derive some of the main aggregates indirectly using GDP (based on the production approach) as the control total. Household final consumption expenditure (private consumption in the 1968 System of National Accounts, or SNA) is often estimated as a residual, by subtracting from GDP all other known expenditures. The resulting aggregate may incorporate fairly large discrepancies. When household consumption is calculated separately, many of the estimates are based on household surveys, which tend to be one-year studies with limited coverage. Thus the estimates quickly become outdated and must be supplemented by estimates using price- and quantity-based statistical procedures. Complicating the issue, in many developing countries the distinction between cash outlays for personal business and those for household use may be blurred. *World Development Indicators* includes in household consumption the expenditures of nonprofit institutions serving households.

General government final consumption expenditure (general government consumption in the 1968 SNA) includes expenditures on goods and services for individual consumption as well as those on services for collective consumption. Defense expenditures, including those on capital outlays (with certain exceptions), are treated as current spending.

Gross capital formation (gross domestic investment in the 1968 SNA) consists of outlays on additions to the economy's fixed assets plus net changes in the level of inventories. It is generally obtained from reports by industry of acquisition and distinguishes only the broad categories of capital formation. The 1993 SNA recognizes a third category of capital formation: net acquisitions of valuables. Included in gross capital formation under the 1993 SNA guidelines are capital outlays on defense establishments that may be used by the general public, such as schools, airfields, and hospitals, and

intangibles such as computer software and mineral exploration outlays. Data on capital formation may be estimated from direct surveys of enterprises and administrative records or based on the commodity flow method using data from production, trade, and construction activities. The quality of data on fixed capital formation by government depends on the quality of government accounting systems (which tend to be weak in developing countries). Measures of fixed capital formation by households and corporations—particularly capital outlays by small, unincorporated enterprises—are usually unreliable.

Estimates of changes in inventories are rarely complete but usually include the most important activities or commodities. In some countries these estimates are derived as a composite residual along with household final consumption expenditure. According to national accounts conventions, adjustments should be made for appreciation of the value of inventory holdings due to price changes, but this is not always done. In highly inflationary economies this element can be substantial.

Data on exports and imports are compiled from customs reports and balance of payments data. Although the data from the payments side provide reasonably reliable records of cross-border transactions, they may not adhere strictly to the appropriate definitions of valuation and timing used in the balance of payments or correspond to the change-of-ownership criterion. This issue has assumed greater significance with the increasing globalization of international business. Neither customs nor balance of payments data usually capture the illegal transactions that occur in many countries. Goods carried by travelers across borders in legal but unreported shuttle trade may further distort trade statistics.

Gross savings represent the difference between disposable income and consumption and replace gross domestic savings, a concept used by the World Bank and included in *World Development Indicators* editions before 2006. The change was made to conform to the SNA concepts and definitions. For further discussion of the problems in compiling national accounts, see Srinivasan (1994), Heston (1994), and Ruggles (1994). For an analysis of the reliability of foreign trade and national income statistics, see Morgenstern (1963).

Definitions

• **Household final consumption expenditure** is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes

payments and fees to governments to obtain permits and licenses. Expenditures of nonprofit institutions serving households are included, even when reported separately by the country. In practice, household consumption expenditure may include any statistical discrepancy in the use of resources relative to the supply of resources. • **General government final consumption expenditure** includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditures on national defense and security but excludes government military expenditures that potentially have wider public use and are part of government capital formation. • **Gross capital formation** consists of outlays on additions to the fixed assets of the economy, net changes in the level of inventories, and net acquisitions of valuables. Fixed assets include land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings. Inventories are stocks of goods held by firms to meet temporary or unexpected fluctuations in production or sales, and "work in progress." • **Exports and imports of goods and services** are the value of all goods and other market services provided to, or received from, the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude compensation of employees and investment income (factor services in the 1968 SNA) as well as transfer payments. • **Gross savings** are calculated as gross national income less total consumption, plus net transfers.

Data sources

National accounts indicators for most developing countries are collected from national statistical organizations and central banks by World Bank missions. Data for high-income economies come from Organisation for Economic Co-operation and Development data files (see the OECD's *Annual National Accounts for OECD Member Countries: Data from 1970 Onwards*). The United Nations Statistics Division publishes detailed national accounts for UN member countries in *National Accounts Statistics: Main Aggregates and Detailed Tables* and updates in the *Monthly Bulletin of Statistics*.



4.9

Growth of consumption investment, and trade

	Household final consumption expenditure				General government final consumption expenditure		Gross capital formation		Goods and services			
	average annual % growth		Per capita average annual % growth		average annual % growth		average annual % growth		average annual % growth			
	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	Exports	2000-05	Imports	2000-05
Afghanistan	..	12.6	..	..	..	13.1	..	5.6	..	-17.6	..	1.9
Albania	4.3	3.5	5.2	3.0	2.4	1.1	25.8	3.3	17.9	15.6	15.8	15.0
Algeria	-0.1	5.7	-1.9	4.1	3.6	5.1	-0.6	10.6	3.2	4.4	-1.0	9.2
Angola	..	..	..	..	..	..	..	..	..	..	..	..
Argentina	2.7	0.6	1.5	-0.4	2.2	0.4	7.4	5.3	8.7	6.4	15.6	0.5
Armenia	-0.5	8.4	1.1	8.8	-1.6	8.7	-1.9	22.9	-18.4	20.6	-12.7	12.5
Australia	3.6	4.2	2.4	2.9	3.0	3.4	5.7	9.7	7.4	0.6	8.1	10.4
Austria	1.9	1.0	1.5	0.5	2.5	1.0	..	..	5.5	5.4	5.0	4.3
Azerbaijan	1.5	12.2	0.4	11.2	-1.7	4.7	42.9	39.0	6.8	16.2	15.5	27.3
Bangladesh	2.6	4.0	0.4	2.0	4.7	11.9	9.2	8.3	13.1	8.3	9.7	5.6
Belarus	-0.5	11.0	-0.3	11.5	-1.9	0.3	-7.5	15.5	-4.8	8.8	-8.7	11.7
Belgium	1.8	1.1	1.5	0.6	1.5	2.4	2.6	1.4	4.7	2.8	4.5	2.8
Benin	2.6	2.3	-0.7	-0.9	4.4	8.3	12.2	4.8	1.8	2.7	2.1	1.8
Bolivia	3.6	2.3	1.4	0.3	3.6	2.6	8.5	-2.7	4.5	10.8	6.0	5.4
Bosnia and Herzegovina	..	-1.3	..	..	..	7.0	..	3.0	..	12.7	..	4.5
Botswana	2.5	4.9	0.4	4.8	7.1	..	6.7	-0.7	4.7	2.2	3.8	3.3
Brazil ^a	4.8	0.5	3.3	-0.9	-0.4	1.0	3.4	-0.1	6.1	11.4	11.1	1.1
Bulgaria	-3.7	5.5	-3.0	6.3	-8.4	4.5	-5.0	15.1	3.9	9.1	2.7	12.4
Burkina Faso	4.2	3.6	1.3	0.3	-0.5	2.6	7.0	8.2	0.0	6.6	1.4	11.3
Burundi	-4.9	..	..	..	-2.6	..	-0.5	..	-1.2	..	-1.6	..
Cambodia ^a	6.0	8.3	3.4	6.2	7.2	4.0	10.9	12.1	21.7	17.0	14.8	15.3
Cameroon	3.1	4.2	0.7	2.3	0.7	4.6	0.4	8.1	3.2	1.0	5.1	6.8
Canada	2.6	3.2	1.6	2.2	0.3	3.0	4.5	4.6	8.7	0.0	7.2	2.2
Central African Republic ^a	..	..	..	..	..	..	..	..	..	..	..	..
Chad ^a	1.5	5.0	-1.6	1.4	-8.3	3.8	4.0	5.0	2.3	55.6	-1.7	16.8
Chile	7.3	4.6	5.6	3.4	3.7	3.8	9.3	8.8	9.5	6.6	11.7	10.4
China ^b	8.9	6.9	7.8	6.2	9.7	8.1	11.5	13.5	13.0	24.8	14.3	20.8
Hong Kong, China	3.9	1.9	2.1	1.1	3.3	1.6	5.6	0.3	8.1	10.2	8.4	8.7
Colombia	2.2	3.3	0.3	1.7	10.5	1.4	2.0	13.6	5.3	3.8	9.0	9.7
Congo, Dem. Rep. ^a	-4.5	..	-7.1	..	-17.4	..	-0.7	..	-0.5	7.8	-2.4	25.2
Congo, Rep. ^a	-1.7	18.5	-4.8	15.0	-2.0	9.8	0.4	22.4	5.1	5.5	2.9	26.1
Costa Rica ^a	5.1	3.0	2.5	1.1	2.0	1.4	5.1	8.9	10.9	6.0	9.2	5.7
Côte d'Ivoire	4.3	-0.5	1.4	-2.1	0.8	3.2	8.3	-9.7	1.5	3.5	6.8	3.5
Croatia	2.8	4.8	3.2	5.0	1.3	0.8	5.6	14.5	5.9	6.2	4.6	8.8
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	3.0	3.3	3.0	3.3	-0.9	3.2	4.8	3.9	8.7	10.1	12.0	9.8
Denmark	2.2	2.1	1.8	1.8	2.4	1.4	..	..	5.1	2.8	6.1	4.5
Dominican Republic ^a	5.3	0.7	3.7	-0.7	5.3	5.6	10.4	-2.9	9.1	2.7	9.4	-3.1
Ecuador ^a	2.1	5.8	0.3	4.3	-1.5	2.6	-0.7	10.1	5.3	6.6	2.8	10.4
Egypt, Arab Rep.	3.7	3.0	1.8	1.0	4.4	3.1	5.8	1.3	3.3	10.5	3.1	5.6
El Salvador	5.3	2.3	3.1	0.5	2.8	1.3	7.1	1.3	13.4	4.1	11.6	3.3
Eritrea	-5.0	1.8	-6.7	-2.5	22.6	5.0	19.1	-8.0	-2.5	-7.6	7.5	-4.1
Estonia	0.6	7.0	2.2	7.4	4.9	5.8	0.2	11.6	11.2	8.1	12.0	9.6
Ethiopia	2.8	6.7	0.6	4.5	9.6	-0.1	5.9	6.6	7.1	15.0	5.8	11.0
Finland	1.7	2.9	1.3	2.7	0.9	2.3	1.3	1.4	9.9	3.7	6.2	4.0
France	1.6	2.2	1.3	1.5	1.4	1.8	1.8	1.1	6.9	1.7	5.7	3.4
Gabon ^a	1.2	4.5	-1.7	2.8	5.4	0.2	3.8	1.4	1.5	1.7	0.7	2.9
Gambia, The	3.6	1.8	0.1	-1.1	-2.2	4.2	1.9	11.9	0.1	4.0	0.1	2.5
Georgia	6.1	7.1	7.6	8.3	12.0	1.0	-12.5	18.8	12.2	4.1	11.2	4.9
Germany	1.9	0.3	1.6	0.3	1.8	0.1	..	..	6.0	5.5	5.8	3.5
Ghana	4.4	7.6	1.9	5.3	4.8	-7.0	1.3	10.7	10.1	4.1	10.4	5.0
Greece	2.2	4.1	1.4	3.7	2.1	2.1	..	..	7.6	1.2	7.4	1.9
Guatemala ^a	4.2	3.7	1.9	1.2	5.1	-2.5	6.2	6.9	6.2	-1.0	9.2	5.6
Guinea	3.7	5.2	0.5	2.9	5.0	0.3	2.8	-3.6	4.6	0.7	1.3	-2.4
Guinea-Bissau	2.6	7.3	-0.4	4.1	1.9	-3.7	-6.5	-4.5	15.4	4.1	-0.5	-3.5
Haiti	..	..	..	..	..	..	..	..	..	..	..	..

Growth of consumption, investment, and trade

4.9

ECONOMY

	Household final consumption expenditure				General government final consumption expenditure		Gross capital formation		Goods and services			
	average annual % growth		Per capita average annual % growth		average annual % growth		average annual % growth		average annual % growth			
	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	Exports	2000-05	Imports	2000-05
Honduras ^a	3.0	5.1	0.2	2.7	2.0	4.1	6.9	2.2	1.6	6.0	3.8	7.5
Hungary	-0.2	6.0	0.0	6.3	0.9	3.6	10.6	0.1	9.9	8.7	11.4	8.6
India	4.9	5.4	3.0	3.8	5.9	4.1	6.3	14.9	11.0	15.4	12.8	18.4
Indonesia	6.6	4.1	5.0	2.7	0.1	8.7	-0.6	4.9	5.9	5.5	5.7	7.4
Iran, Islamic Rep.	3.2	7.5	1.6	6.1	1.6	2.1	-0.1	9.3	1.2	2.1	-6.8	14.5
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	5.3	3.9	4.5	2.2	4.0	5.6	..	..	15.7	4.7	14.5	3.0
Israel	4.5	2.6	1.9	0.7	3.0	0.8	1.5	-3.9	10.6	4.1	7.4	1.6
Italy	1.5	0.5	1.5	-0.1	-0.4	1.8	..	..	5.1	-0.8	3.8	0.8
Jamaica	..	..	..	..	..	..	..	..	..	..	..	..
Japan	1.5	1.2	1.3	1.0	2.9	2.4	-1.8	-2.2	4.2	6.2	4.2	3.3
Jordan	5.9	8.4	1.9	5.8	1.7	4.5	1.1	10.2	2.5	11.5	2.0	13.0
Kazakhstan ^a	-8.1	9.6	-7.0	9.3	-7.1	7.1	-18.3	13.6	-2.6	8.0	-11.2	3.5
Kenya	3.6	3.0	0.8	0.8	6.9	2.2	6.1	2.0	1.1	7.4	9.4	5.2
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	4.9	2.5	3.9	2.0	4.7	4.5	3.4	3.2	16.0	12.1	10.0	9.4
Kuwait	4.5	5.9	0.6	2.9	-2.4	6.6	1.0	13.7	-1.6	5.4	0.8	9.4
Kyrgyz Republic	-6.5	10.6	-7.4	9.6	-8.8	1.0	-3.9	-5.3	-1.6	4.5	-8.2	10.1
Lao PDR	..	..	..	..	..	..	..	17.9	..	7.5	..	14.8
Latvia	-3.9	8.6	-2.7	9.3	1.8	2.2	-3.9	16.7	4.3	8.6	7.6	12.1
Lebanon	4.2	4.1	1.9	3.0	6.2	0.9	7.3	4.8	14.0	11.9	3.3	6.5
Lesotho	0.5	3.8	-0.7	3.7	6.0	-2.5	1.5	-2.3	11.1	10.2	0.9	4.7
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	..	..	..	..	..	..	..	..	..	..	..	..
Lithuania ^a	5.2	8.8	6.0	9.3	1.9	3.9	11.1	17.0	4.9	12.1	7.5	14.8
Macedonia, FYR	2.2	2.6	1.7	2.4	-0.4	-2.0	3.6	2.2	4.2	-1.2	7.6	-0.6
Madagascar	2.3	5.3	-0.7	2.4	0.0	3.6	3.4	13.3	3.9	-2.5	4.3	10.3
Malawi	5.4	4.1	3.5	1.8	-4.4	8.5	-8.4	2.5	4.0	2.7	-1.1	6.2
Malaysia	5.3	6.8	2.6	4.7	4.8	9.9	5.3	1.5	12.0	6.1	10.3	6.8
Mali	3.0	1.9	0.2	-1.1	3.2	21.1	0.4	6.7	10.0	6.7	3.5	4.5
Mauritania	..	7.4	..	4.3	..	3.1	..	23.8	-1.4	-2.1	0.6	14.1
Mauritius	5.1	4.6	3.9	3.7	4.8	4.6	4.7	4.2	5.4	1.7	5.2	1.3
Mexico	2.4	3.0	0.7	1.9	1.8	-0.2	4.7	-0.4	14.6	4.0	12.3	4.1
Moldova ^a	9.9	9.6	10.2	9.9	-12.4	7.0	-15.5	8.4	0.7	16.3	5.6	15.8
Mongolia ^a	5.4	3.3	4.3	2.1	11.8	2.2	7.6	4.0	30.9	8.4	29.3	7.8
Morocco	1.6	3.4	0.1	1.7	3.8	4.7	2.9	5.5	5.4	5.0	4.8	4.6
Mozambique ^a	4.7	6.6	1.6	4.5	3.1	8.5	11.5	5.1	11.0	20.0	6.3	10.1
Myanmar	3.9	..	..	..	..	..	15.3	..	10.0	..	5.8	..
Namibia	4.8	-0.5	1.7	-1.8	3.3	0.9	6.9	9.6	3.8	7.2	5.4	1.4
Nepal	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	2.8	0.3	2.2	-0.2	2.0	2.1	3.2	-1.5	6.8	3.7	6.6	3.4
New Zealand	3.2	5.0	2.0	3.6	2.5	3.5	6.1	9.3	5.2	4.2	6.2	9.5
Nicaragua ^a	6.1	3.5	3.9	2.6	-1.5	1.1	11.3	-0.9	9.3	6.8	12.2	3.7
Niger	1.8	..	..	..	0.8	..	4.0	..	3.1	..	-2.1	..
Nigeria	0.2	4.0	..	..	-1.8	3.3	5.4	15.0	5.0	4.4	4.0	11.9
Norway	3.5	3.3	2.9	2.7	2.8	2.7	6.0	2.8	5.6	0.8	5.8	3.6
Oman	5.4	1.3	2.4	0.4	2.4	6.1	4.0	17.0	6.2	7.0	5.9	12.8
Pakistan	4.9	4.6	2.3	2.1	0.7	5.1	1.8	1.6	1.7	11.6	2.5	7.1
Panama ^a	6.4	8.0	4.2	6.0	1.7	3.4	10.4	3.2	-0.4	1.0	1.2	3.7
Papua New Guinea	5.6	..	..	..	2.7	..	0.5	..	4.3	..	2.8	..
Paraguay	2.6	1.0	0.2	-1.0	2.5	-0.2	0.7	2.9	3.1	3.9	2.9	0.6
Peru ^a	4.0	3.5	2.2	2.0	5.2	3.2	7.4	4.1	8.6	9.7	9.0	5.8
Philippines	3.7	4.8	1.5	2.9	3.8	-0.1	4.1	-0.6	7.8	5.4	7.8	6.2
Poland ^a	5.2	2.8	5.1	3.0	3.7	3.3	10.6	0.3	11.3	9.5	16.7	6.2
Portugal	3.0	1.4	2.7	0.7	2.8	2.0	5.6	-3.6	5.3	2.7	7.3	1.6
Puerto Rico	..	..	..	..	..	..	..	..	1.6	..	4.5	..



4.9

Growth of consumption, investment, and trade

	Household final consumption expenditure				General government final consumption expenditure		Gross capital formation		Goods and services				
	average annual % growth		Per capita average annual % growth		average annual % growth		average annual % growth		Exports		Imports		
	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05	
Romania ^a	1.4	7.1	1.7	7.9	0.8	4.0	-5.1	9.4	8.1	11.4	6.0	13.4	
Russian Federation	-0.9	9.3	-0.8	9.8	-2.2	1.8	-19.1	9.2	0.8	9.7	-6.1	18.0	
Rwanda ^a	1.1	3.5	-0.1	1.3	-1.7	10.4	1.4	5.1	-3.8	11.4	5.0	4.6	
Saudi Arabia	..	1.9	..	-0.3	..	0.6	..	6.2	..	2.2	..	2.2	
Senegal	2.4	5.4	-0.2	2.9	2.1	7.5	7.9	10.4	6.3	3.3	3.5	5.9	
Serbia and Montenegro	..	7.8	..	14.8	..	5.7	..	14.5	..	15.3	..	19.4	
Sierra Leone	-4.4	..	..	..	10.4	..	-5.6	..	-11.2	..	-0.2	..
Singapore	..	3.3	..	..	..	1.2	..	0.3	..	..	..	..
Slovak Republic	4.7	3.4	4.5	3.4	2.9	3.1	7.9	5.2	9.0	11.9	11.7	10.8	
Slovenia	3.9	2.6	3.9	2.5	2.2	2.8	10.9	5.2	1.7	7.5	5.2	7.3	
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	2.9	4.6	0.7	3.3	0.3	5.5	5.0	7.5	5.6	1.9	7.1	8.0	
Spain	2.4	3.4	2.0	1.8	2.7	4.8	..	..	10.5	2.8	9.4	6.1
Sri Lanka ^a	5.7	..	..	..	7.5	..	6.9	6.7	7.5	4.8	8.6	7.0
Sudan	6.2	..	3.7	..	0.2	..	11.3	19.5	14.2	9.1	8.8	4.5	
Swaziland ^a	3.8	1.9	0.6	0.3	5.5	-1.1	2.7	4.3	3.8	2.1	4.5	1.4	
Sweden	1.3	1.6	0.9	1.3	0.6	1.0	1.8	1.2	8.6	4.8	6.3	2.9	
Switzerland	1.1	0.9	0.5	0.2	0.8	2.3	..	..	4.0	1.4	4.2	1.7
Syrian Arab Republic	3.0	6.2	0.2	3.6	2.0	6.5	3.3	10.6	12.0	0.2	4.4	10.1	
Tajikistan	-4.2	..	-5.5	..	-19.2	..	-17.6	18.2	-1.4	13.8	-3.9	1.7	
Tanzania ^c	2.1	1.7	-0.8	-0.2	3.4	19.1	-1.6	9.4	7.1	2.5	0.3	5.2	
Thailand	3.7	5.5	2.5	4.5	5.1	3.9	-4.0	10.1	9.5	6.6	4.6	8.8	
Togo	5.0	0.5	1.8	-2.2	0.0	1.3	-0.1	5.9	1.2	6.0	1.1	3.1	
Trinidad and Tobago	0.7	13.3	0.1	12.9	0.3	4.3	12.5	4.2	6.9	5.9	9.9	9.5	
Tunisia	4.3	5.0	2.6	4.0	4.1	4.5	3.6	0.9	5.1	2.9	3.8	1.8	
Turkey	3.5	4.2	1.7	2.9	4.9	-0.2	5.0	11.6	11.7	11.8	11.0	12.8	
Turkmenistan	..	..	..	..	..	..	2.2	..	-6.1	13.9	0.6	12.3
Uganda	6.7	4.1	3.4	0.6	7.1	5.1	8.9	8.8	14.7	8.7	10.0	8.0	
Ukraine	-6.9	12.1	-6.4	13.1	-4.1	5.1	-18.5	5.8	-3.6	6.4	-6.6	7.5	
United Arab Emirates	7.1	12.9	0.7	5.1	6.9	0.8	5.5	5.5	5.5	12.2	6.4	13.6	
United Kingdom	2.9	2.9	2.6	2.8	1.1	3.5	4.6	2.3	6.6	2.6	6.8	4.5	
United States	3.6	3.0	2.4	2.0	0.7	3.5	7.4	1.2	7.3	0.3	9.8	3.9	
Uruguay ^a	5.0	-1.1	4.2	-1.8	2.3	-3.0	6.3	-0.9	6.0	5.1	9.9	-0.5	
Uzbekistan	..	..	..	..	..	..	-2.6	4.7	2.4	5.3	-1.2	4.9
Venezuela, RB	0.6	3.7	-1.5	1.9	3.7	6.0	11.0	-1.0	1.0	-0.8	8.2	4.2	
Vietnam	5.4	7.2	3.8	5.9	3.2	6.9	19.8	11.5	24.1	16.6	28.2	19.9	
West Bank and Gaza	5.3	-1.5	0.9	-5.4	12.8	1.3	9.2	-3.0	8.7	-3.1	7.5	-2.3	
Yemen, Rep.	3.2	4.9	-0.8	1.7	1.7	8.7	11.4	11.8	16.6	-0.3	8.3	7.1	
Zambia	-3.6	3.2	-5.9	1.4	-8.1	7.2	5.4	4.9	2.8	12.7	1.5	8.4	
Zimbabwe	0.0	-4.4	-1.7	-5.0	-2.2	-3.2	-2.5	-10.7	10.5	-7.6	9.4	-4.2	
World	3.0 w	2.6 w	1.5 w	1.4 w	1.7 w	2.9 w	3.2 w	2.5 w	6.9 w	5.9 w	6.9 w	5.2 w	
Low income	4.2	5.0	2.1	3.1	4.4	4.6	5.9	12.4	8.5	11.5	9.2	13.9	
Middle income	3.9	4.4	2.6	3.4	2.9	3.9	2.6	7.8	7.3	10.9	6.6	10.4	
Lower middle income	5.1	4.7	3.8	3.7	3.9	5.0	4.8	9.8	6.9	14.7	5.8	12.5	
Upper middle income	2.6	4.0	1.6	3.4	1.6	2.3	-0.4	4.1	7.7	6.9	7.4	8.2	
Low & middle income	3.9	4.5	2.3	3.1	3.0	4.0	2.9	8.4	7.4	11.0	6.9	10.8	
East Asia & Pacific	7.5	6.3	6.1	5.4	8.1	7.6	8.2	12.0	11.0	16.5	10.4	15.0	
Europe & Central Asia	1.1	6.1	0.9	6.2	0.1	2.4	-7.2	7.6	3.6	9.8	2.0	11.5	
Latin America & Carib.	3.5	2.1	1.8	0.7	1.4	1.1	5.1	1.6	8.5	5.4	10.7	4.0	
Middle East & N. Africa	3.1	4.8	0.9	2.8	3.2	3.8	1.9	7.3	4.1	5.2	0.6	8.4	
South Asia	4.6	5.2	2.6	3.4	5.3	4.4	6.0	13.2	9.5	13.8	10.6	15.4	
Sub-Saharan Africa	2.8	4.1	0.3	1.7	0.5	5.1	4.1	6.8	5.0	3.7	5.4	7.8	
High income	2.8	2.3	2.0	1.6	1.5	2.7	3.3	0.6	6.8	3.4	7.0	3.9	
Europe EMU	1.9	1.3	1.6	0.7	1.4	1.7	..	..	6.6	3.3	6.0	3.3

a. Household final consumption expenditure includes statistical discrepancy. b. China has revised its national accounts data from 1993 onwards. However, data by expenditure are not available. Data shown here are based on earlier series. c. Data cover mainland Tanzania only.

About the data

Measures of growth in consumption and capital formation are subject to two kinds of inaccuracy. The first stems from the difficulty of measuring expenditures at current price levels, as described in *About the data* for table 4.8. The second arises in deflating current price data to measure volume growth, where results depend on the relevance and reliability of the price indexes and weights used. Measuring price changes is more difficult for investment goods than for consumption goods because of the one-time nature of many investments and because the rate of technological progress in capital goods makes capturing change in quality difficult. (An example is computers—prices have fallen as quality has improved.) Several countries estimate capital formation from the supply side, identifying capital goods entering an economy directly from detailed production and international trade statistics. This means that the price indexes used in deflating production and international trade, reflecting delivered or offered prices, will determine the deflator for capital formation expenditures on the demand side.

Growth rates of household final consumption expenditure, household final consumption expenditure per capita, general government final consumption expenditure, gross capital formation, and exports and imports of goods and services are estimated using constant price data. (Consumption, capital formation, and exports and imports of goods and services as shares of GDP are shown in table 4.8.)

To obtain government consumption in constant prices, countries may deflate current values by

applying a wage (price) index or extrapolate from the change in government employment. Neither technique captures improvements in productivity or changes in the quality of government services. Deflators for household consumption are usually calculated on the basis of the consumer price index. Many countries estimate household consumption as a residual that includes statistical discrepancies associated with the estimation of other expenditure items, including changes in inventories; thus these estimates lack detailed breakdowns of household consumption expenditures.

Definitions

- **Household final consumption expenditure** is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes payments and fees to governments to obtain permits and licenses. *World Development Indicators* includes in household consumption expenditure the expenditures of nonprofit institutions serving households, even when reported separately by the country. In practice, household consumption expenditure may include any statistical discrepancy in the use of resources relative to the supply of resources.

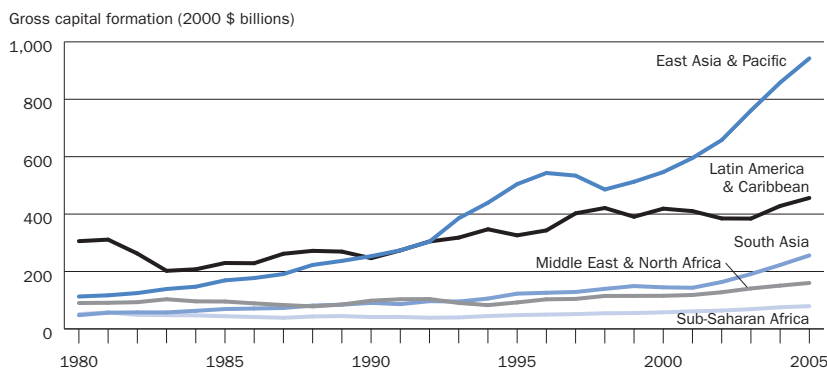
- **General government final consumption expenditure** includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most

expenditures on national defense and security but excludes government military expenditures that potentially have wider public use and are part of government capital formation. • **Gross capital formation** consists of outlays on additions to the fixed assets of the economy, net changes in the level of inventories, and net acquisitions of valuables. Fixed assets include land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings. Inventories are stocks of goods held by firms to meet temporary or unexpected fluctuations in production or sales, and “work in progress.”

- **Exports and imports of goods and services** represent the value of all goods and other market services provided to, or received from, the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude compensation of employees and investment income (factor services in the 1968 SNA) as well as transfer payments.

Investment is rising rapidly in Asia

4.9a



Between 1980 and 2005 investment increased eightfold in East Asia & Pacific and fivefold in South Asia.

Source: World Bank data files.

Data sources

National accounts indicators for most developing countries are collected from national statistical organizations and central banks by visiting and resident World Bank missions. Data for high-income economies come from data files of the Organisation for Economic Co-operation and Development (see the OECD's *Annual National Accounts for OECD Member Countries: Data from 1970 Onwards*). The United Nations Statistics Division publishes detailed national accounts for UN member countries in *National Accounts Statistics: Main Aggregates and Detailed Tables* and updates in the *Monthly Bulletin of Statistics*.



4.10

Central government finances

	Revenue ^a		Expense		Cash surplus or deficit		Net incurrence of liabilities				Debt and interest payments	
	% of GDP		% of GDP		% of GDP		% of GDP		Foreign	Total debt % of GDP	Interest payments % of revenue	
	1995	2005	1995	2005	1995	2005	Domestic	2005				1995	2005
Afghanistan ^b	..	6.2	..	11.9	..	0.9	..	0.1	..	1.4	9.4	0.3
Albania ^b	21.2	23.6	25.6	21.9	-8.9	-3.0	7.4	1.9	2.1	1.0	..	15.5
Algeria ^b	30.2	35.3	24.2	24.1	-1.3	1.2	-7.4	1.8	8.6	-1.6	47.1	8.6
Angola	..	..	..	..	..	..	..	..	..	..	..	..
Argentina	..	18.1	..	18.3	..	-0.5	..	0.5	..	1.5	..	26.5
Armenia ^b	..	19.3	..	18.1	..	-1.0	..	0.3	..	0.6	..	2.2
Australia	..	26.0	..	24.8	..	1.1	..	..	..	..	21.4	3.7
Austria	38.9	39.9	44.2	42.1	-5.4	-2.0	..	..	..	..	66.6	7.1
Azerbaijan ^b	18.0	..	19.8	..	-3.1	..	..	..	..	..	..	..
Bangladesh ^b	..	10.0	..	8.8	..	-0.7	..	2.3	..	0.9	36.2	16.4
Belarus ^b	30.0	33.3	28.7	29.8	-2.7	0.2	2.2	1.3	0.4	0.3	12.3	1.1
Belgium	41.5	42.1	45.6	42.3	-3.8	-0.1	..	..	..	..	88.7	9.5
Benin ^b	..	15.5	..	24.7	..	-10.3	..	2.7	..	3.0	..	1.5
Bolivia	..	23.5	..	26.6	..	-3.8	..	2.1	..	1.7	..	10.0
Bosnia and Herzegovina	..	39.1	..	36.2	..	2.3	..	-0.1	..	0.6	..	1.5
Botswana ^b	40.5	..	30.4	..	4.9	..	0.2	..	-0.4	..	..	..
Brazil ^b	26.9	..	32.9	..	-2.7	..	..	..	..	..	..	..
Bulgaria ^b	35.5	39.0	39.4	34.3	-5.1	3.5	7.4	-1.4	-0.8	-5.8	..	4.0
Burkina Faso	..	13.2	..	11.7	..	-4.1	..	-3.3	..	6.4	..	3.7
Burundi ^b	19.3	..	23.6	..	-4.7	..	3.1	..	4.0	..	..	..
Cambodia	..	9.8	..	7.7	..	0.0	..	-1.1	..	1.6	..	1.8
Cameroon ^b	13.0	..	11.7	..	0.3	..	-0.3	..	0.4	..	..	..
Canada ^b	20.6	20.0	24.6	18.1	-4.4	1.7	5.0	-1.0	0.0	0.3	48.7	7.5
Central African Republic ^b	..	8.1	..	9.4	..	-0.5	..	1.2	..	0.1	..	8.0
Chad	..	..	..	..	..	..	..	..	..	..	..	..
Chile	..	24.4	..	18.7	..	4.7	..	-2.0	..	-0.8	..	3.5
China ^b	5.4	9.5	..	11.1	..	-2.1	1.6	..	..	..	..	4.7
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	..	27.6	..	31.4	..	3.9	..	5.2	..	-1.7	56.7	21.6
Congo, Dem. Rep. ^b	5.3	7.9	8.2	..	0.0	..	0.0	..	0.2	..	..	..
Congo, Rep.	..	30.9	..	19.9	..	6.4	..	..	..	..	0.2	18.1
Costa Rica ^b	20.3	22.8	21.3	22.7	-2.1	-0.8	..	..	-0.8	..	..	18.0
Côte d'Ivoire ^b	20.1	17.1	..	16.9	..	-1.5	-1.2	-0.1	3.8	1.2	107.9	11.3
Croatia ^b	43.1	40.4	42.5	40.3	-1.3	-2.8	-2.7	5.3	0.8	-1.8	..	5.4
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic ^b	33.2	31.6	32.6	35.8	-0.9	-3.5	-0.5	1.2	-0.4	2.1	23.1	2.4
Denmark	39.1	36.0	38.2	34.7	1.5	1.8	..	..	..	..	42.2	8.4
Dominican Republic ^b	16.0	16.7	10.2	16.2	0.8	-0.7	0.0	1.0	-1.0	2.3	..	9.1
Ecuador ^b	14.1	..	12.0	..	0.0	..	..	..	..	..	..	..
Egypt, Arab Rep. ^b	25.9	19.5	23.8	22.6	-1.1	-5.7	..	..	..	..	..	29.4
El Salvador	..	16.0	..	17.7	..	-4.4	..	3.6	..	2.9	48.7	13.6
Eritrea	..	..	..	..	..	..	..	..	..	..	..	..
Estonia	..	32.6	..	29.5	..	2.7	..	..	..	..	9.6	0.4
Ethiopia ^b	..	15.2	..	22.0	..	-8.0	..	1.0	..	7.6	..	7.6
Finland	39.8	39.2	38.5	36.6	1.9	3.2	0.3	-1.0	-1.3	2.3	45.6	4.0
France	43.3	43.1	47.3	46.1	-4.1	-2.8	..	..	..	..	71.9	5.8
Gabon	..	..	..	..	..	..	..	..	..	..	..	..
Gambia, The ^b	23.7	..	..	..	..	..	..	..	..	..	..	..
Georgia ^b	12.2	18.2	15.4	17.4	-4.3	1.5	2.2	-0.3	2.4	-0.3	35.2	5.4
Germany	29.9	28.7	38.6	31.2	-8.3	-2.3	..	1.7	..	0.3	44.2	5.8
Ghana ^b	17.0	23.8	..	20.9	..	-2.9	..	..	..	3.3	..	14.4
Greece	38.6	41.7	47.9	44.2	-10.0	-5.1	..	..	..	..	137.8	11.2
Guatemala ^b	8.4	10.1	7.6	11.0	-0.5	-1.5	..	1.5	0.4	0.7	18.3	11.6
Guinea ^b	11.2	..	12.1	..	-4.3	..	-0.1	..	4.5	..	..	..
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..	..	..
Haiti	..	..	..	..	..	..	..	..	..	..	..	..

Central government finances

4.10

ECONOMY

	Revenue ^a		Expense		Cash surplus or deficit		Net incurrence of liabilities				Debt and interest payments	
	% of GDP		% of GDP		% of GDP		% of GDP		Foreign	Total debt % of GDP	Interest payments % of revenue	
	1995	2005	1995	2005	1995	2005	Domestic	2005				1995	2005
Honduras	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	..	35.9	..	43.0	..	-7.4	..	1.3	..	4.2	67.2	11.3
India ^b	12.3	12.5	14.5	15.8	-2.2	-3.6	5.2	3.6	0.0	0.3	65.4	31.9
Indonesia ^b	17.7	18.5	9.7	17.0	3.0	-1.1	-0.6	0.0	-0.4	-0.4	29.0	14.8
Iran, Islamic Rep. ^b	24.2	35.6	15.8	20.5	1.1	7.4	..	-0.6	0.1	-0.9	..	0.7
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	33.6	31.8	37.4	30.3	-2.1	1.0	..	..	..	..	29.6	3.1
Israel	..	41.8	..	46.7	..	-2.6	..	..	..	..	..	12.1
Italy	40.3	35.7	48.0	39.4	-7.5	-3.5	..	..	..	..	114.4	12.7
Jamaica ^b	..	35.1	33.3	33.8	..	-1.2	..	..	..	..	139.6	41.3
Japan	20.7	..	..	..	..	..	1.5	..	..	..	..	..
Jordan ^b	28.2	28.4	26.1	35.3	0.9	-4.7	-2.5	3.1	6.1	-3.0	89.1	6.8
Kazakhstan ^b	14.0	21.3	18.7	18.2	-1.8	2.6	0.8	0.9	2.8	-1.5	7.1	1.7
Kenya ^b	21.6	19.9	25.9	20.7	-5.1	-1.5	3.9	0.7	-1.3	0.7	..	10.2
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep. ^b	17.8	23.4	14.3	21.4	2.4	0.8	-0.3	-0.1	-0.1	-0.3	..	5.4
Kuwait	..	37.2	..	26.2	..	8.2	..	..	..	..	..	0.1
Kyrgyz Republic ^b	16.7	..	25.6	..	-10.8	..	..	..	..	..	..	..
Lao PDR	..	..	..	..	..	..	..	..	..	..	..	..
Latvia ^b	25.8	26.6	28.3	29.4	-2.7	-0.9	2.4	0.5	1.5	-0.2	..	1.9
Lebanon	..	21.4	..	26.2	..	-8.4	..	-1.3	..	12.3	..	56.0
Lesotho ^b	49.8	47.7	34.4	36.5	5.1	5.1	0.0	..	6.2	..	..	3.8
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	..	..	..	..	..	..	..	..	..	..	..	..
Lithuania	..	28.8	..	28.3	..	-0.4	..	-0.1	..	1.0	21.4	2.8
Macedonia, FYR	..	..	..	..	..	..	..	..	..	..	..	..
Madagascar	..	60.4	..	63.0	..	-22.5	..	-3.6	..	31.8	..	14.5
Malawi	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia ^b	24.4	23.7	17.2	20.1	2.4	-4.3	..	..	-0.8	..	..	10.5
Mali	..	..	..	..	..	..	..	..	..	..	..	..
Mauritania	..	..	..	..	..	..	..	..	..	..	..	..
Mauritius ^b	21.6	21.1	19.9	20.9	-1.3	-2.1	3.1	2.9	-0.6	0.3	43.8	12.0
Mexico ^b	15.3	..	15.0	..	-0.6	..	..	..	5.5	..	..	..
Moldova ^b	28.4	32.5	38.4	30.0	-6.3	1.9	3.0	0.2	2.7	-0.1	33.2	3.8
Mongolia	..	37.9	..	30.8	..	-0.5	..	11.3	..	-6.8	119.8	3.1
Morocco ^b	..	28.8	..	31.3	..	-5.6	..	7.6	..	-0.7	63.2	13.0
Mozambique	..	..	..	..	..	..	..	..	..	..	..	..
Myanmar	6.4	5.0	..	..	..	..	..	..	..	..	..	..
Namibia ^b	31.7	28.1	35.7	31.1	-5.0	-6.8	..	-20.0	..	-0.1	..	9.1
Nepal ^b	10.5	12.8	..	16.6	..	-1.2	0.6	0.3	2.5	0.6	57.2	7.5
Netherlands	40.3	40.2	49.2	40.0	-8.9	0.0	..	..	..	..	55.5	5.1
New Zealand	..	38.0	..	32.5	..	4.6	..	-1.8	..	2.8	46.4	4.5
Nicaragua ^b	15.0	22.4	16.3	21.0	0.6	-0.7	..	..	3.4	..	..	7.4
Niger	..	..	..	..	..	..	..	..	..	..	..	..
Nigeria	..	..	..	..	..	..	..	..	..	..	..	..
Norway	..	50.7	..	34.1	..	16.3	..	0.0	..	1.1	37.0	1.7
Oman ^b	27.8	..	32.4	..	-8.9	..	-0.1	..	0.0	..	..	..
Pakistan ^b	17.2	12.9	19.1	14.5	-5.3	-3.2	..	..	..	..	..	31.8
Panama ^b	26.1	..	22.0	..	1.5	..	..	..	..	..	..	..
Papua New Guinea ^b	23.9	22.5	25.8	22.1	-0.5	-2.3	1.5	4.9	-0.7	-2.2	69.7	19.9
Paraguay ^b	..	21.2	..	16.7	..	1.1	..	0.1	..	-0.7	..	5.6
Peru ^b	17.4	17.6	17.4	17.3	-1.3	-0.8	..	1.9	3.9	-1.2	..	10.6
Philippines ^b	17.7	15.1	15.9	18.0	-0.8	-3.0	-0.5	1.4	-0.7	1.9	69.9	38.7
Poland	..	33.6	..	36.3	..	-2.3	..	-0.3	..	3.6	41.5	7.1
Portugal	35.3	37.9	37.8	42.4	-3.0	-5.8	-3.5	0.3	4.1	6.3	73.7	6.8
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.10

Central government finances

	Revenue ^a		Expense		Cash surplus or deficit		Net incurrence of liabilities				Debt and interest payments	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		Total debt % of GDP	Interest payments % of revenue
	1995	2005	1995	2005	1995	2005	Domestic	Foreign	1995	2005		
Romania	..	25.8	..	25.9	..	-2.0	..	0.4	..	1.7	..	8.4
Russian Federation	..	30.7	..	20.0	..	9.9	..	0.3	..	-4.2	41.4	3.1
Rwanda ^b	10.6	..	15.0	..	-5.6	..	2.9	..	..	..	..	..
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..
Senegal ^b	16.6	..	..	..	..	..	..	..	..	..	..	..
Serbia and Montenegro ^b	..	35.8	..	39.9	..	-3.0	..	..	..	..	..	2.6
Sierra Leone ^b	9.4	12.3	..	23.8	..	-2.5	0.3	..	..	..	..	21.0
Singapore ^b	26.7	20.1	12.4	15.4	19.8	4.1	10.3	9.2	0.0	..	108.9	0.8
Slovak Republic	..	31.4	..	34.9	..	-3.4	..	-0.6	..	-4.3	37.2	5.4
Slovenia ^b	36.7	40.3	35.2	41.3	-0.2	-1.5	-0.4	2.0	0.3	-1.9	..	4.0
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	30.2	..	29.6	..	0.2	..	1.8	..	0.1	..	11.1
Spain	32.0	26.9	37.1	24.9	-5.8	1.5	..	..	..	..	44.4	5.5
Sri Lanka ^b	20.4	16.1	26.0	21.0	-7.6	-7.3	5.2	5.6	3.2	2.0	94.2	29.1
Sudan ^b	7.2	..	6.8	..	-0.4	..	0.3	..	..	..	..	..
Swaziland ^b	..	26.6	..	24.4	..	-2.6	..	..	..	..	..	4.5
Sweden	40.4	38.9	39.0	36.1	2.2	2.1	..	-1.3	..	..	54.3	4.4
Switzerland ^b	22.7	19.4	25.8	19.2	-0.6	0.6	-0.5	-0.6	..	..	28.6	4.5
Syrian Arab Republic ^b	22.9	..	..	..	..	..	..	..	..	..	..	..
Tajikistan ^b	9.3	13.5	11.4	13.7	-3.3	-6.6	0.1	..	2.3	..	..	5.1
Tanzania	..	..	..	..	..	..	..	..	..	..	..	..
Thailand	..	21.0	..	16.3	..	2.5	..	-3.3	..	-0.9	27.3	6.1
Togo ^b	..	14.1	..	15.4	..	-5.5	..	..	..	..	..	7.1
Trinidad and Tobago ^b	27.2	28.5	25.3	24.6	-0.1	2.1	2.8	..	2.6	..	..	11.0
Tunisia ^b	30.0	29.7	28.4	29.5	-2.5	-3.0	0.9	-0.3	2.9	0.9	59.0	9.6
Turkey ^b	17.7	..	19.1	..	-1.8	..	..	..	..	..	..	..
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..
Uganda ^b	10.6	12.1	..	22.8	..	-3.8	..	0.5	..	4.2	..	6.5
Ukraine ^b	..	36.5	..	37.5	..	-1.4	..	4.5	..	0.2	..	2.1
United Arab Emirates ^b	10.1	..	9.3	..	0.5	..	..	..	..	..	..	..
United Kingdom	37.2	38.0	37.1	41.1	0.3	-2.9	-0.3	3.6	0.0	0.0	..	5.6
United States	..	18.4	..	21.2	..	-2.9	..	1.7	..	1.2	47.2	11.1
Uruguay ^b	27.6	27.2	27.1	27.5	-1.2	-1.6	7.9	2.4	1.1	1.7	78.7	16.0
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Venezuela, RB ^b	16.9	29.3	18.5	26.0	-2.3	2.3	1.1	1.3	0.1	3.4	..	10.4
Vietnam	..	..	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep. ^b	17.3	..	19.1	..	-3.9	..	..	..	..	..	..	..
Zambia ^b	20.0	..	21.4	..	-3.1	..	28.0	..	16.2	..	..	..
Zimbabwe ^b	26.7	..	32.1	..	-5.4	..	-1.4	..	1.6	..	..	..
World	.. w	26.6 w	.. w	28.2 w	.. w	-1.7 w	.. m	.. m	.. m	.. m	.. m	7.9 m
Low income	13.3	13.0	15.5	15.5	-2.7	-3.2	..	..	..	..	..	..
Middle income	17.2	..	..	..	..	..	..	1.1	..	0.6	..	6.8
Lower middle income	16.2	15.0	..	15.6	..	-1.7	..	1.1	..	1.1	..	6.8
Upper middle income	..	..	..	..	..	..	..	0.5	..	1.7	..	6.2
Low & middle income	16.6	..	..	..	..	..	..	..	..	..	..	10.2
East Asia & Pacific	8.4	11.4	..	12.5	..	-1.9	..	..	..	..	..	7.6
Europe & Central Asia	..	32.3	..	29.7	..	2.2	..	0.3	..	0.0	..	2.9
Latin America & Carib.	21.0	..	23.1	..	-1.5	..	..	..	..	..	..	11.1
Middle East & N. Africa	26.1	25.6	..	23.2	..	-2.8	..	..	..	..	..	10.1
South Asia	13.2	12.5	15.4	15.2	-2.7	-3.2	3.8	0.3	1.1	1.4	57.2	18.3
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..	..	..
High income	..	26.5	..	28.4	..	-2.0	..	..	..	..	48.7	5.6
Europe EMU	34.8	35.2	42.3	37.2	-7.4	-2.0	..	..	..	..	69.2	5.8

a. Excluding grants. b. Data were reported on a cash basis and have been adjusted to the accrual framework.

About the data

Tables 4.10–4.12 present an overview of the size and role of central governments relative to national economies. The data in these tables are based on the concepts and recommendations of the second edition of the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2001*. Before 2005, *World Development Indicators* reported data derived on the basis of the 1986 manual. The 2001 manual, which is harmonized with the 1993 System of National Accounts, recommends an accrual accounting method instead of the cash-based method of the 1986 manual. The new manual focuses on all economic events affecting assets, liabilities, revenues, and expenses, instead of only those represented by cash transactions. The new manual takes all stocks into account, so that the stock data at the end of an accounting period is equal to the stock data at the beginning of the period plus the flows during the period. The 1986 manual considered only the debt stock data. Further, the new manual does not distinguish between current and capital revenue or expenditures, unlike the 1986 manual. The new manual also introduces the concepts of nonfinancial and financial assets. Most countries still follow the previous manual, however. The IMF has reclassified historical *Government Finance Statistics Yearbook* data to conform to the format of the 2001 manual. Because of differences in reporting, the reclassified data understate both revenue and expense.

Government Finance Statistics Manual 2001 describes the economic functions of a government as the provision of goods and services to the community on a nonmarket basis for collective or individual consumption, and the redistribution of income and wealth through transfer payments. The activities of government are financed mainly by taxation and other transfers of income, though other forms of financing such as

borrowing for temporary periods can also be used. The definition of government excludes public corporations and quasi corporations (such as the central bank).

Units of government meeting this definition exist at many levels, from local administrative units to the highest level of national government, but inadequate statistical coverage precludes the presentation of subnational data. Although data for general government are available for a few countries under the 2001 manual, only data for the central government are shown to minimize disparities. However, cross-country comparisons are potentially misleading due to different accounting concepts of central government.

Central government can refer to one of two accounting concepts: consolidated or budgetary. For most countries central government finance data have been consolidated into one account, but for others only budgetary central government accounts are available. Countries reporting budgetary data are noted in *Primary data documentation*. Because budgetary accounts do not necessarily include all central government units (such as extrabudgetary accounts and social security funds), the picture they provide of central government activities is usually incomplete.

Data on government revenues and expenditures are collected by the IMF through questionnaires distributed to member governments and by the Organisation for Economic Co-operation and Development. Despite the IMF's efforts to systematize and standardize the collection of public finance data, statistics on public finance are often incomplete, untimely, and not comparable across countries.

Government finance statistics are reported in local currency. The indicators here are shown as percentages of GDP. Many countries report government finance data by fiscal year; see *Primary data documentation* for information on fiscal year end by country.

Definitions

• **Revenue** is cash receipts from taxes, social contributions, and other revenues such as fines, fees, rent, and income from property or sales. Grants are also considered as revenue but are excluded here.

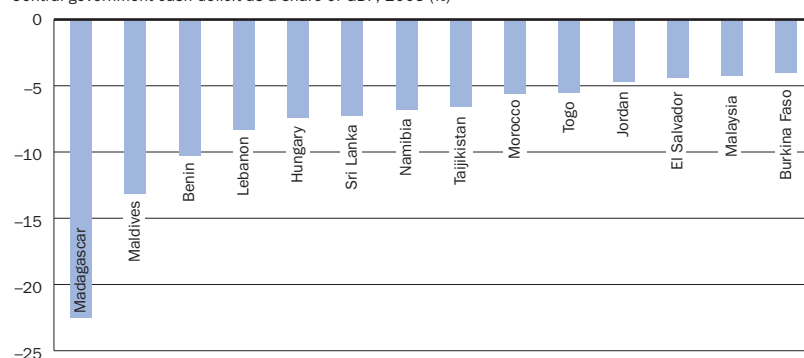
• **Expense** is cash payments for operating activities of the government in providing goods and services. It includes compensation of employees (such as wages and salaries), interest and subsidies, grants, social benefits, and other expenses such as rent and dividends. • **Cash surplus or deficit** is revenue (including grants) minus expense, minus net acquisition of nonfinancial assets. In the earlier version nonfinancial assets were included under revenue and expenditure in gross terms. This cash surplus or deficit is closest to the earlier overall budget balance (still missing is lending minus repayments, which are brought in below as a financing item under net acquisition of financial assets).

• **Net incurrence of government liabilities** includes domestic financing (obtained from residents) and foreign financing (obtained from nonresidents), or the means by which a government provides financial resources to cover a budget deficit or allocates financial resources arising from a budget surplus. The net incurrence of liabilities should be offset by the net acquisition of financial assets (a third financing item). The difference between the cash surplus or deficit and the three financing items is the net change in the stock of cash. • **Total debt** is the entire stock of direct government fixed-term contractual obligations to others outstanding on a particular date. It includes domestic and foreign liabilities such as currency and money deposits, securities other than shares, and loans. It is the gross amount of government liabilities reduced by the amount of equity and financial derivatives held by the government. Because debt is a stock rather than a flow, it is measured as of a given date, usually the last day of the fiscal year. • **Interest payments** include interest payments on government debt—including long-term bonds, long-term loans, and other debt instruments—to domestic and foreign residents.

Fourteen developing economies had a cash deficit greater than 4 percent of GDP

4.10a

Central government cash deficit as a share of GDP, 2005 (%)



Note: Data are for the most recent year available for 2003–05.

Source: International Monetary Fund, *Government Finance Statistics* data files, and World Bank data files.

Data sources

Data on central government finances are from the IMF's *Government Finance Statistics Yearbook 2006* and IMF data files. Each country's accounts are reported using the system of common definitions and classifications in the IMF's *Government Finance Statistics Manual 2001*. See these sources for complete and authoritative explanations of concepts, definitions, and data sources.



4.11

Central government expenses

	Goods and services		Compensation of employees		Interest payments		Subsidies and other transfers		Other expense	
	% of expense		% of expense		% of expense		% of expense		% of expense	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Afghanistan ^a	..	45	..	47	..	0	..	5	..	2
Albania ^a	18	12	14	30	9	17	59	42	0	0
Algeria ^a	6	6	39	32	13	12	34	50	8	..
Angola	..	..	..	..	..	..	..	..	..	..
Argentina	..	5	..	12	..	26	..	50	..	7
Armenia ^a	..	40	..	20	..	2	..	36	..	1
Australia	..	10	..	10	..	4	..	71	..	6
Austria	5	5	13	12	8	7	55	52	2	1
Azerbaijan ^a	49	..	10	..	0	..	41	..	0	..
Bangladesh ^a	..	17	..	25	..	20	..	29	..	9
Belarus ^a	39	11	5	13	1	1	55	67	0	8
Belgium	3	3	7	7	18	9	71	51	3	1
Benin ^a	..	72	..	25	..	1	..	1	..	..
Bolivia	..	14	..	23	..	10	..	47	..	5
Bosnia and Herzegovina	..	23	..	28	..	2	..	43	..	4
Botswana ^a	32	..	30	..	2	..	36	..	2	..
Brazil ^a	5	..	8	..	45	..	45	..	1	..
Bulgaria ^a	18	22	7	11	37	5	38	59	2	3
Burkina Faso	..	21	..	41	..	6	..	32	..	0
Burundi ^a	20	..	30	..	6	..	14	..	10	..
Cambodia	..	40	..	36	..	3	..	19	..	2
Cameroon ^a	17	..	40	..	26	..	14	..	..	..
Canada ^a	8	7	10	12	18	8	64	66	..	6
Central African Republic ^a	..	27	..	53	..	9	..	..	..	11
Chad	..	..	..	..	..	..	..	..	..	..
Chile	..	10	..	21	..	5	..	57	..	12
China ^a	..	..	..	..	..	4	..	64	..	4
Hong Kong, China	..	..	..	..	..	..	..	..	..	..
Colombia	..	10	..	20	..	19	..	42	..	9
Congo, Dem. Rep. ^a	37	..	58	..	1	..	2	..	..	..
Congo, Rep.	..	29	..	37	..	29	..	5	..	0
Costa Rica ^a	12	11	38	41	20	18	26	28	4	2
Côte d'Ivoire ^a	..	32	..	39	..	12	..	17	..	2
Croatia ^a	35	8	27	26	3	5	32	54	3	6
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic ^a	7	6	9	9	3	2	75	68	5	15
Denmark	8	10	13	13	13	9	64	66	4	4
Dominican Republic ^a	16	11	41	28	9	10	19	40	6	11
Ecuador ^a	6	..	49	..	26	..	..	..	..	..
Egypt, Arab Rep. ^a	21	10	26	33	31	27	7	18	..	12
El Salvador	..	18	..	39	..	12	..	25	..	5
Eritrea	..	..	..	..	..	..	..	..	..	..
Estonia	..	17	..	21	..	0	..	45	..	3
Ethiopia ^a	..	24	..	14	..	7	..	42	..	14
Finland	10	10	10	10	9	4	68	71	7	7
France	8	6	23	22	6	5	51	53	2	2
Gabon	..	..	..	..	..	..	..	..	..	..
Gambia, The ^a	..	..	..	..	..	..	..	..	..	..
Georgia ^a	52	21	11	17	10	6	26	53	..	3
Germany	4	5	5	5	6	5	67	82	20	3
Ghana ^a	..	..	..	45	..	21	..	5	..	..
Greece	10	10	22	25	26	11	33	40	10	0
Guatemala ^a	15	12	50	25	12	11	18	24	6	28
Guinea ^a	17	..	34	..	28	..	9	..	1	..
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..
Haiti	..	..	..	..	..	..	..	..	..	..

Central government expenses

4.11

ECONOMY

	Goods and services		Compensation of employees		Interest payments		Subsidies and other transfers		Other expense	
	% of expense		% of expense		% of expense		% of expense		% of expense	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Honduras	..	..	..	..	..	..	..	..	..	..
Hungary	..	8	..	14	..	10	..	61	..	11
India ^a	14	15	10	10	27	26	33	..	0	..
Indonesia ^a	21	8	20	13	16	16	41	63	2	0
Iran, Islamic Rep. ^a	21	13	56	47	0	1	..	34	..	5
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	5	14	15	24	14	3	33	36	1	1
Israel	..	27	..	24	..	11	..	31	..	8
Italy	4	4	14	16	24	12	54	46	6	2
Jamaica ^a	22	20	24	32	32	43	1	2	21	3
Japan	..	..	..	..	..	..	..	..	..	..
Jordan ^a	7	5	67	58	11	7	12	3	4	11
Kazakhstan ^a	..	18	..	7	3	2	58	44	..	28
Kenya ^a	15	29	28	50	46	10	..	9	2	2
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep. ^a	16	10	15	11	3	6	63	52	3	21
Kuwait	..	23	..	31	..	0	..	32	..	13
Kyrgyz Republic ^a	32	..	36	..	5	..	27	..	..	..
Lao PDR	..	..	..	..	..	..	..	..	..	..
Latvia ^a	20	13	20	16	3	2	56	39	0	31
Lebanon	..	3	..	33	..	46	..	16	..	2
Lesotho ^a	32	31	45	38	5	5	8	26	3	..
Liberia	..	..	..	..	..	..	..	..	..	..
Libya	..	..	..	..	..	..	..	..	..	..
Lithuania	..	13	..	20	..	3	..	58	..	8
Macedonia, FYR	..	..	..	..	..	..	..	..	..	..
Madagascar	..	14	..	39	..	23	..	11	..	13
Malawi	..	..	..	..	..	..	..	..	..	..
Malaysia ^a	23	26	34	30	17	12	27	31	1	1
Mali	..	..	..	..	..	..	..	..	..	..
Mauritania	..	..	..	..	..	..	..	..	..	..
Mauritius ^a	12	13	45	39	12	12	28	33	2	3
Mexico ^a	9	..	19	..	19	..	..	..	..	..
Moldova ^a	10	18	8	14	11	4	71	53	1	11
Mongolia	..	36	..	30	..	4	..	31	..	0
Morocco ^a	..	16	..	43	..	12	..	24	..	5
Mozambique	..	..	..	..	..	..	..	..	..	..
Myanmar	..	..	..	..	..	..	..	..	..	..
Namibia ^a	28	28	53	49	1	8	..	14	4	2
Nepal ^a	..	..	..	..	..	7	..	..	..	..
Netherlands	5	7	8	8	9	5	42	48	2	2
New Zealand	..	28	..	26	..	5	..	39	..	6
Nicaragua ^a	16	16	23	30	15	9	34	41	13	4
Niger	..	..	..	..	..	..	..	..	..	..
Nigeria	..	..	..	..	..	..	..	..	..	..
Norway	..	11	..	16	..	3	..	67	..	6
Oman ^a	55	..	30	..	7	..	8	..	0	..
Pakistan ^a	..	36	..	4	28	29	2	30	..	..
Panama ^a	16	..	45	..	8	..	30	..	1	..
Papua New Guinea ^a	19	35	36	28	20	21	26	16	1	..
Paraguay ^a	..	11	..	52	..	7	..	26	..	3
Peru ^a	20	20	19	20	19	11	33	45	8	4
Philippines ^a	15	18	34	30	33	32	15	17	..	2
Poland	..	7	..	12	..	7	..	69	..	7
Portugal	7	6	30	30	10	6	43	47	11	1
Puerto Rico	..	..	..	..	..	..	..	..	..	..



4.11

Central government expenses

	Goods and services		Compensation of employees		Interest payments		Subsidies and other transfers		Other expense	
	% of expense		% of expense		% of expense		% of expense		% of expense	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Romania	..	22	..	16	..	8	..	43	..	12
Russian Federation	..	15	..	19	..	5	..	53	..	9
Rwanda ^a	52	..	36	..	12	..	5	..	..	..
Saudi Arabia	..	..	..	..	..	..	..	..	..	..
Senegal ^a	..	..	..	..	..	..	..	..	..	..
Serbia and Montenegro ^a	..	10	..	14	..	2	..	68	..	6
Sierra Leone ^a	..	28	..	26	..	19	..	9	..	18
Singapore ^a	38	35	39	31	8	1	15	33	..	..
Slovak Republic	..	10	..	13	..	5	..	63	..	9
Slovenia ^a	19	12	21	19	3	4	55	63	3	3
Somalia	..	..	..	..	..	..	..	..	..	..
South Africa	..	12	..	15	..	11	..	56	..	5
Spain	5	4	14	9	11	6	42	51	2	2
Sri Lanka ^a	23	11	20	28	22	24	24	28	10	8
Sudan ^a	44	..	38	..	8	..	10	..	..	..
Swaziland ^a	..	29	..	42	..	5	..	21	..	2
Sweden	11	12	9	10	13	5	64	68	5	8
Switzerland ^a	24	9	6	7	4	5	66	74	0	5
Syrian Arab Republic ^a	..	..	..	..	..	..	..	..	..	..
Tajikistan ^a	47	29	8	9	12	5	33	27	..	30
Tanzania	..	..	..	..	..	..	..	..	..	..
Thailand	..	22	..	35	..	8	..	33	..	5
Togo ^a	..	48	..	31	..	6	..	2	..	13
Trinidad and Tobago ^a	20	18	36	33	20	13	24	35	1	1
Tunisia ^a	7	7	37	39	13	10	36	34	7	10
Turkey ^a	8	..	28	..	14	..	33	..	4	..
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda ^a	..	36	..	11	..	6	..	47	..	..
Ukraine ^a	..	12	..	13	..	2	..	68	..	4
United Arab Emirates ^a	50	..	37	..	..	..	..	..	..	..
United Kingdom	22	18	7	15	9	5	54	54	9	10
United States	..	15	..	13	..	10	..	61	..	2
Uruguay ^a	13	14	17	22	6	16	64	47	0	..
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB ^a	6	6	22	16	27	12	61	64	2	3
Vietnam	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep. ^a	8	..	67	..	16	..	8	..	0	..
Zambia ^a	32	..	35	..	16	..	19	..	0	..
Zimbabwe ^a	16	..	34	..	31	..	19	..	..	..
World	.. m	12 m	.. m	21 m	.. m	8 m	.. m	44 m	.. m	5 m
Low income	..	..	..	..	..	..	..	..	..	..
Middle income	..	13	..	21	..	7	..	44	..	5
Lower middle income	..	16	..	28	..	8	..	36	..	5
Upper middle income	14	10	29	18	10	6	..	57	..	5
Low & middle income	..	..	..	27	..	11	..	..	..	..
East Asia & Pacific	..	27	..	31	..	7	..	31	..	0
Europe & Central Asia	..	13	..	14	..	4	..	56	..	8
Latin America & Carib.	16	13	24	24	19	11	..	42	..	4
Middle East & N. Africa	8	8	39	41	13	12	..	..	..	..
South Asia	..	36	..	28	27	16	24	28	..	9
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..
High income	7	10	15	14	9	5	54	52	4	3
Europe EMU	5	6	14	14	11	6	54	51	3	2

Note: Components may not sum to 100 percent because of rounding or missing data.
a. Data were reported on a cash basis and have been adjusted to the accrual framework.

Central government expenses

4.11

About the data

The term *expense* has replaced *expenditure* in this table since the 2005 edition of *World Development Indicators* in accordance with use in the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2001*. Government expenses include all nonrepayable payments, whether current or capital, required or unrequired. Total central government expense as presented in the IMF's *Government Finance Statistics Yearbook* is comparable to the concept used in the 1993 System of National Accounts.

Expenses can be measured either by function (health, defense, education) or by economic type (interest payments, wages and salaries, purchases of goods and services). Functional data are often incomplete, and coverage varies by country because functional responsibilities stretch across levels of government for which no data are available. Defense expenses, usually the central government's responsibility, are shown in table 5.7. For more information on education expenses, see table 2.9; for more on health expenses, see table 2.14.

The classification of expenses by economic type in this table shows whether the government produces goods and services and distributes them, purchases the goods and services from a third party and distributes them, or transfers cash to households to make the purchases directly. When the government produces and provides goods and services, the cost

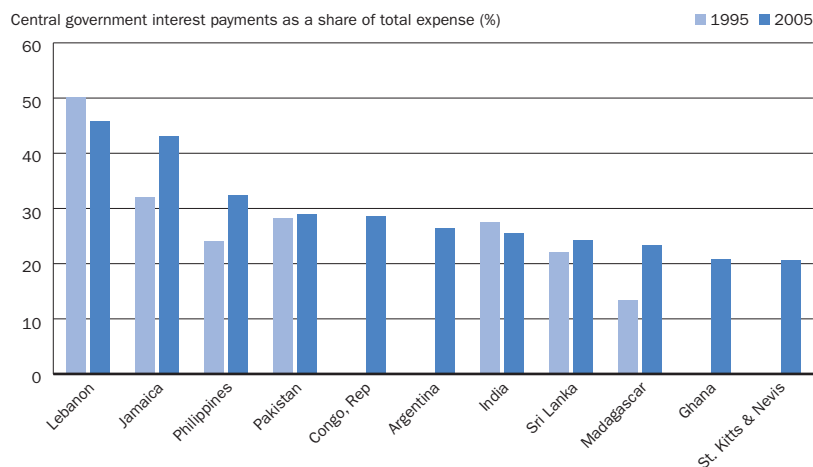
is reflected in compensation of employees, use of goods and services, and consumption of fixed capital. Purchases from a third party and cash transfers to households are shown as subsidies and other transfers, and other expenses. The economic classification can be problematic. For example, the distinction between current and capital expense may be arbitrary, and subsidies to public corporations or banks may be disguised as capital financing. Subsidies may also be hidden in special contractual pricing for goods and services. For further discussion of government finance statistics, see *About the data* for tables 4.10 and 4.12.

Definitions

- **Goods and services** include all government payments in exchange for goods and services used for the production of market and nonmarket goods and services. Own-account capital formation is excluded.
- **Compensation of employees** consists of all payments in cash, as well as in kind (such as food and housing), to employees in return for services rendered, and government contributions to social insurance schemes such as social security and pensions that provide benefits to employees.
- **Interest payments** are payments made to nonresidents, to residents, and to other general government units for the use of borrowed money. (Repayment of principal is shown as a financing item, and commission charges are shown as purchases of services.)
- **Subsidies and other transfers** include all unrequired, nonrepayable transfers on current account to private and public enterprises; grants to foreign governments, international organizations, and other government units; and social security, social assistance benefits, and employer social benefits in cash and in kind.
- **Other expense** is spending on dividends, rent, and other miscellaneous expenses, including provision for consumption of fixed capital.

Interest payments are a large part of government expenses for some developing countries

4.11a



Interest payments accounted for more than 20 percent of total expenses in 2005 for 11 countries.

Note: Data are for the most recent year for 2003–05. For Lebanon, Madagascar, and Philippines, data for 1995 refer to 2000. No data for 1995 are available for Argentina, Republic of Congo, Ghana, and St. Kitts and Nevis.
Source: International Monetary Fund, *Government Finance Statistics* data files.

Data sources

Data on central government expenses are from the IMF's *Government Finance Statistics Yearbook 2006* and IMF data files. Each country's accounts are reported using the system of common definitions and classifications in the IMF's *Government Finance Statistics Manual 2001*. See these sources for complete and authoritative explanations of concepts, definitions, and data sources.



4.12

Central government revenues

	Taxes on income, profits, and capital gains		Taxes on goods and services		Taxes on international trade		Other taxes		Social contributions		Grants and other revenue	
	% of revenue		% of revenue		% of revenue		% of revenue		% of revenue		% of revenue	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Afghanistan ^a	..	2	..	3	..	20	..	1	..	0	..	74
Albania ^a	8	15	39	49	14	8	1	1	15	18	22	10
Algeria ^a	65	66	10	9	18	13	1	1	..	..	5	11
Angola	..	..	..	..	..	..	..	..	..	..	..	..
Argentina	..	19	..	29	..	16	..	14	..	17	..	5
Armenia ^a	..	16	..	32	..	3	..	20	..	14	..	14
Australia	..	65	..	24	..	2	..	0	..	..	..	8
Austria	20	23	21	23	0	0	5	4	41	38	..	..
Azerbaijan ^a	31	..	34	..	33	..	2	..	23	..	0	..
Bangladesh ^a	..	12	..	29	..	33	..	4	..	..	..	22
Belarus ^a	16	8	33	35	6	8	11	11	31	35	3	4
Belgium	36	37	23	25	..	..	2	1	36	34	3	2
Benin ^a	..	13	..	39	..	23	..	7	..	..	..	18
Bolivia	..	9	..	41	..	3	..	9	..	8	..	30
Bosnia and Herzegovina	..	2	..	19	..	29	..	5	..	34	..	11
Botswana ^a	21	..	4	..	15	..	0	..	..	..	59	..
Brazil ^a	14	..	24	..	2	..	4	..	31	..	26	..
Bulgaria ^a	17	13	28	43	8	2	3	0	21	26	23	16
Burkina Faso	..	16	..	38	..	11	..	3	..	..	..	33
Burundi ^a	14	..	30	..	20	..	1	..	5	..	30	..
Cambodia	..	7	..	37	..	21	..	0	..	..	..	35
Cameroon ^a	17	..	25	..	28	..	3	..	2	..	25	..
Canada ^a	50	53	17	17	2	1	..	..	22	23	10	6
Central African Republic ^a	..	14	..	23	..	19	..	4	..	6	..	34
Chad	..	..	..	..	..	..	..	..	..	..	..	..
Chile	..	30	..	41	..	2	..	6	..	6	..	15
China ^a	9	22	61	79	7	-12	0	1	..	..	22	10
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	..	21	..	29	..	3	..	1	..	7	..	39
Congo, Dem. Rep. ^a	21	25	12	24	21	27	5	1	1	..	41	23
Congo, Rep.	..	4	..	16	..	7	..	1	..	4	..	69
Costa Rica ^a	11	15	32	38	15	5	1	2	28	32	12	8
Côte d'Ivoire ^a	15	21	14	16	58	41	3	2	5	7	5	13
Croatia ^a	11	8	42	48	9	2	1	1	33	34	4	9
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic ^a	15	20	32	27	4	0	1	1	40	46	8	7
Denmark	34	38	40	44	..	..	7	2	5	4	14	12
Dominican Republic ^a	16	19	34	41	36	28	1	2	4	2	9	9
Ecuador ^a	50	..	26	..	11	..	1	..	..	..	12	..
Egypt, Arab Rep. ^a	22	25	17	26	13	12	13	3	..	..	35	33
El Salvador	..	24	..	44	..	7	..	3	..	13	..	10
Eritrea	..	..	..	..	..	..	..	..	..	..	..	..
Estonia	..	14	..	38	..	0	..	0	..	34	..	..
Ethiopia ^a	..	15	..	12	..	27	..	0	..	5	..	41
Finland	21	21	34	35	0	..	2	2	32	31	12	12
France	17	24	25	24	0	0	3	4	47	42	7	6
Gabon	..	..	..	..	..	..	..	..	..	..	..	..
Gambia, The ^a	14	..	32	..	42	..	0	..	0	..	7	..
Georgia ^a	7	2	48	58	10	6	..	0	13	19	22	17
Germany	16	16	20	22	..	..	0	..	58	58	6	4
Ghana ^a	15	22	31	22	24	29	..	2	..	..	9	26
Greece	17	21	31	28	0	0	3	3	31	35	18	14
Guatemala ^a	19	26	46	52	23	15	3	1	2	2	6	4
Guinea ^a	8	..	4	..	62	..	2	..	1	..	23	..
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..	..	..
Haiti	..	..	..	..	..	..	..	..	..	..	..	..

Central government revenues

4.12

ECONOMY

	Taxes on income, profits, and capital gains		Taxes on goods and services		Taxes on international trade		Other taxes		Social contributions		Grants and other revenue	
	% of revenue		% of revenue		% of revenue		% of revenue		% of revenue		% of revenue	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Honduras	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	..	19	..	36	..	0	..	2	..	35	..	9
India ^a	23	35	28	31	24	14	0	0	0	0	25	19
Indonesia ^a	46	28	33	32	4	3	1	4	6	3	9	30
Iran, Islamic Rep. ^a	12	13	5	2	9	6	1	1	6	11	66	67
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	37	37	35	36	0	0	2	5	17	17	9	5
Israel	..	31	..	29	..	1	..	6	..	17	..	17
Italy	32	33	21	22	..	..	5	5	35	36	6	5
Jamaica ^a	..	15	..	33	..	10	..	20	..	7	..	15
Japan	35	..	14	..	1	..	5	..	26	..	18	..
Jordan ^a	10	9	23	36	22	11	9	14	..	1	36	28
Kazakhstan ^a	11	49	28	38	3	4	5	0	48	..	6	9
Kenya ^a	35	29	40	40	14	11	1	0	0	0	10	20
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep. ^a	31	29	32	28	7	3	10	7	8	16	12	16
Kuwait	..	1	..	..	..	2	..	0	..	..	..	97
Kyrgyz Republic ^a	26	..	56	..	5	..	1	..	..	..	11	..
Lao PDR	..	..	..	..	..	..	..	..	..	..	..	..
Latvia ^a	7	12	41	39	3	1	0	0	35	29	13	20
Lebanon	..	11	..	45	..	8	..	12	..	1	..	24
Lesotho ^a	15	20	12	17	49	45	1	0	..	..	24	17
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	..	..	..	..	..	..	..	..	..	..	..	..
Lithuania	..	23	..	36	..	0	..	0	..	30	..	11
Macedonia, FYR	..	..	..	..	..	..	..	..	..	..	..	..
Madagascar	..	6	..	16	..	27	..	4	..	..	..	46
Malawi	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia ^a	37	47	26	21	12	6	5	0	1	..	19	26
Mali	..	..	..	..	..	..	..	..	..	..	..	..
Mauritania	..	..	..	..	..	..	..	..	..	..	..	..
Mauritius ^a	12	15	25	45	34	20	6	5	6	4	16	11
Mexico ^a	27	..	54	..	4	..	2	..	14	..	16	..
Moldova ^a	6	2	38	47	5	6	1	1	38	24	2	20
Mongolia	..	16	..	35	..	6	..	0	..	16	..	27
Morocco ^a	..	32	..	36	..	11	..	5	..	..	..	15
Mozambique	..	..	..	..	..	..	..	..	..	..	..	..
Myanmar	20	16	26	22	12	2	..	..	..	..	42	60
Namibia ^a	27	38	32	20	28	32	2	2	..	1	11	8
Nepal ^a	10	11	33	32	26	19	4	4	..	..	27	34
Netherlands	26	25	24	28	..	1	2	3	40	34	..	..
New Zealand	..	55	..	27	..	2	..	0	..	0	..	16
Nicaragua ^a	8	19	46	42	6	4	0	0	10	16	29	19
Niger	..	..	..	..	..	..	..	..	..	..	..	..
Nigeria	..	..	..	..	..	..	..	..	..	..	..	..
Norway	..	34	..	25	..	0	..	1	..	18	..	22
Oman ^a	21	..	1	..	3	..	2	..	..	..	74	..
Pakistan ^a	18	20	27	34	24	14	7	4	..	..	24	28
Panama ^a	20	..	17	..	11	..	3	..	16	..	34	..
Papua New Guinea ^a	40	50	8	13	27	26	2	3	0	0	23	8
Paraguay ^a	..	10	..	35	..	8	..	3	..	15	..	28
Peru ^a	15	24	46	40	10	6	8	6	10	9	11	15
Philippines ^a	33	40	26	23	29	18	4	6	..	..	8	13
Poland	..	12	..	36	..	0	..	0	..	40	..	12
Portugal	23	20	32	32	0	0	2	2	29	33	14	14
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.12

Central government revenues

	Taxes on income, profits, and capital gains		Taxes on goods and services		Taxes on international trade		Other taxes		Social contributions		Grants and other revenue	
	% of revenue		% of revenue		% of revenue		% of revenue		% of revenue		% of revenue	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Romania	..	9	..	33	..	3	..	1	..	42	..	13
Russian Federation	..	6	..	24	..	24	..	0	..	18	..	29
Rwanda ^a	11	..	25	..	23	..	3	..	2	..	36	..
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..
Senegal ^a	17	..	19	..	36	..	2	..	..	..	26	..
Serbia and Montenegro ^a	..	13	..	39	..	7	..	4	..	29	..	9
Sierra Leone ^a	15	16	34	9	39	27	0	..	..	..	12	48
Singapore ^a	26	28	20	24	1	0	15	11	..	..	38	38
Slovak Republic	..	9	..	37	..	0	..	0	..	40	..	13
Slovenia ^a	13	15	33	33	9	0	0	4	42	38	3	10
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	50	..	33	..	4	..	4	..	2	..	7
Spain	28	27	21	18	0	..	0	0	40	48	..	..
Sri Lanka ^a	12	13	49	55	17	14	4	0	1	1	18	17
Sudan ^a	17	..	41	..	27	..	1	..	..	..	14	..
Swaziland ^a	..	28	..	19	..	48	..	0	..	..	..	5
Sweden	15	9	26	34	..	..	12	11	35	37	13	10
Switzerland ^a	11	16	21	30	1	1	2	3	49	39	17	11
Syrian Arab Republic ^a	23	..	37	..	13	..	8	..	0	..	19	..
Tajikistan ^a	6	3	63	54	12	11	0	1	13	12	5	18
Tanzania	..	..	..	..	..	..	..	..	..	..	..	..
Thailand	..	33	..	40	..	7	..	1	..	5	..	14
Togo ^a	..	19	..	48	..	22	..	6	..	..	..	5
Trinidad and Tobago ^a	50	42	26	21	6	6	1	16	2	5	15	11
Tunisia ^a	16	26	20	34	28	7	4	4	15	18	17	10
Turkey ^a	32	..	40	..	4	..	3	..	..	..	21	..
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..
Uganda ^a	10	12	45	24	7	16	2	0	..	..	37	48
Ukraine ^a	..	15	..	28	..	5	..	0	..	35	..	16
United Arab Emirates ^a	..	..	15	..	..	..	..	..	1	..	84	..
United Kingdom	39	37	31	31	..	..	6	6	19	22	5	4
United States	..	55	..	3	..	1	..	1	..	37	..	2
Uruguay ^a	10	11	32	49	4	5	10	3	31	20	8	12
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Venezuela, RB ^a	38	21	33	25	9	5	0	4	4	2	19	43
Vietnam	..	..	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep. ^a	17	..	10	..	18	..	3	..	..	..	51	..
Zambia ^a	27	..	22	..	36	..	0	..	0	..	15	..
Zimbabwe ^a	36	..	22	..	17	..	3	..	2	..	19	..
World	.. m	19 m	.. m	33 m	.. m	6 m	.. m	2 m	.. m	.. m	.. m	15 m
Low income	..	..	..	..	..	..	..	..	..	..	..	..
Middle income	17	15	29	36	12	5	3	1	..	16	17	14
Lower middle income	17	17	31	36	12	7	3	1	..	12	15	15
Upper middle income	20	15	29	37	8	3	2	1	..	30	16	11
Low & middle income	..	16	..	33	..	8	..	1	..	..	..	16
East Asia & Pacific	35	29	26	32	12	6	..	1	..	..	20	25
Europe & Central Asia	..	12	..	36	..	3	..	0	..	34	..	13
Latin America & Carib.	15	20	31	41	10	5	4	3	10	8	13	15
Middle East & N. Africa	19	22	14	29	16	12	4	3	..	..	35	21
South Asia	15	12	31	33	24	16	4	4	..	1	25	31
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..	..	..
High income	25	30	24	27	..	1	4	4	32	34	12	9
Europe EMU	26	24	23	27	0	0	2	4	40	35	6	5

Note: Components may not sum to 100 percent because of missing data or adjustment to tax revenue.

a. Data were reported on a cash basis and have been adjusted to the accrual framework.

Central government revenues

4.12

About the data

The International Monetary Fund (IMF) classifies government revenues as taxes, grants, and property income. Taxes are classified by the base on which the tax is levied, grants by the source, and property income by type (for example, interest, dividends, or rent). The most important source of revenue is taxes. Grants are unrequited, nonrepayable, non-compulsory receipts from other government units and foreign governments or from international organizations. Transactions are generally recorded on an accrual basis.

The IMF's *Government Finance Statistics Manual 2001* describes taxes as compulsory, unrequited payments made to governments by individuals, businesses, or institutions. Taxes are classified in six major groups by the base on which the tax is levied: income, profits, and capital gains; payroll and workforce; property; goods and services; international trade and transactions; and other taxes. However, the distinctions are not always clear. Taxes levied on the income and profits of individuals and corporations are classified as direct taxes, and taxes and duties levied on goods and services are classified as indirect taxes. This distinction may be a useful simplification, but it has no particular analytical

significance except with respect to the capacity to fix tax rates. Direct taxes tend to be progressive, whereas indirect taxes are proportional.

Social security taxes do not reflect compulsory payments made by employers to provident funds or other agencies with a like purpose. Similarly, expenditures from such funds are not reflected in government expenses (see table 4.11). For further discussion of taxes and tax policies, see *About the data* for table 5.6. For further discussion of government revenues and expenditures, see *About the data* for tables 4.10 and 4.11.

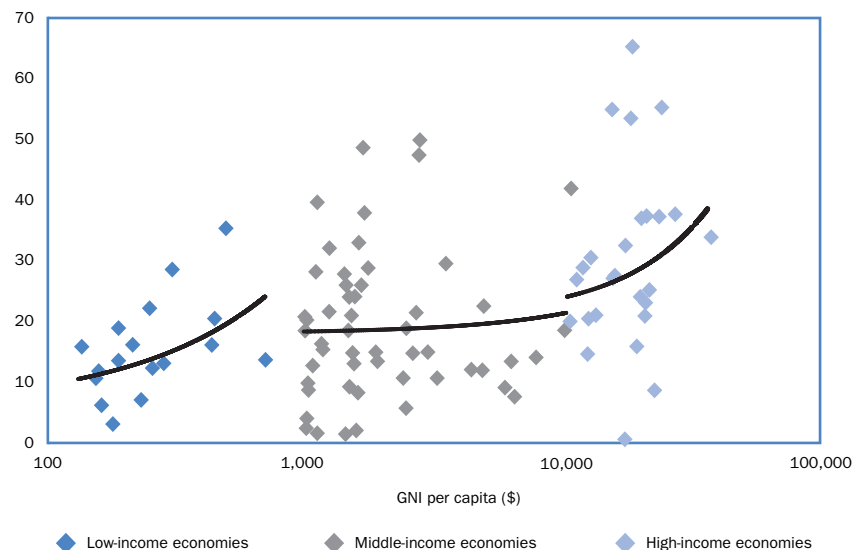
Definitions

- **Taxes on income, profits, and capital gains** are levied on the actual or presumptive net income of individuals, on the profits of corporations and enterprises, and on capital gains, whether realized or not, on land, securities, and other assets. Intragovernmental payments are eliminated in consolidation.
- **Taxes on goods and services** include general sales and turnover or value added taxes, selective excises on goods, selective taxes on services, taxes on the use of goods or property, taxes on extraction and production of minerals, and profits of fiscal monopolies.
- **Taxes on international trade** include import duties, export duties, profits of export or import monopolies, exchange profits, and exchange taxes.
- **Other taxes** include employer payroll or labor taxes, taxes on property, and taxes not allocable to other categories, such as penalties for late payment or nonpayment of taxes.
- **Social contributions** include social security contributions by employees, employers, and self-employed individuals, and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments.
- **Grants and other revenue** include grants from other foreign governments, international organizations, and other government units; interest; dividends; rent; required, nonrepayable receipts for public purposes (such as fines, administrative fees, and entrepreneurial income from government ownership of property); and voluntary, unrequited, nonrepayable receipts other than grants.

Rich countries rely more on direct taxes

4.12a

Taxes on income and capital gains as a share of central government revenue, 2003–05 (%)



High-income economies prefer to tax income and property. Low-income economies tend to rely on indirect taxes on international trade and goods and services. But in all groups there are exceptions.

Source: International Monetary Fund, *Government Finance Statistics* data files, and World Bank data files.

Data sources

Data on central government revenues are from the IMF's *Government Finance Statistics Yearbook 2006* and IMF data files. Each country's accounts are reported using the system of common definitions and classifications in the IMF's *Government Finance Statistics Manual 2001*. The IMF receives additional information from the Organisation for Economic Co-operation and Development on the tax revenues of some of its members. See the IMF sources for complete and authoritative explanations of concepts, definitions, and data sources.



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Monetary indicators

	Money and quasi money		Claims on private sector		Claims on governments and other public entities		Interest rate					
	annual % growth		Annual growth % of M2		Annual growth % of M2		Deposit		% Lending		Real	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	..	..	..	..	..	..	..	..	..	..	..	..
Albania	..	14.1	..	10.5	..	1.1	18.5	5.1	20.6	13.1	-65.5	9.3
Algeria	11.4	10.3	12.2	5.7	3.2	-25.0	8.0	1.8	..	8.0	..	-7.0
Angola	..	60.5	..	20.0	..	-27.1	..	13.4	..	67.7	..	16.9
Argentina	1,113.3	21.5	1,444.7	10.6	1,573.2	-10.5	1,517.9	3.8	..	6.2	..	-2.5
Armenia	1,076.8	27.8	92.0	16.5	583.8	8.0	..	5.8	..	18.0	..	14.4
Australia	12.8	7.7	13.8	17.2	-3.6	-2.0	13.5	3.7	17.9	9.1	14.0	4.2
Austria ^a	..	..	..	..	..	..	3.4	..	..	..	..	..
Azerbaijan	825.8	23.2	134.1	27.3	150.5	-3.0	..	8.5	..	17.0	..	6.1
Bangladesh	10.4	17.2	9.2	11.6	-0.6	3.4	12.0	8.1	16.0	14.0	9.1	8.5
Belarus	..	42.5	..	38.6	..	0.3	65.1	9.2	71.6	11.4	-85.1	-4.5
Belgium ^a	..	..	..	..	..	..	6.1	1.6	13.0	6.7	9.9	4.4
Benin	28.6	26.3	-1.3	12.5	12.4	4.6	7.0	3.5	16.0	..	14.2	..
Bolivia	52.9	16.8	43.7	2.9	-8.8	-0.3	23.8	4.9	41.8	16.6	22.0	11.5
Bosnia and Herzegovina	..	18.7	..	22.4	..	0.1	..	3.6	..	9.6	..	7.8
Botswana	-14.0	10.6	12.6	6.1	-53.1	-27.5	6.1	9.3	7.9	15.7	1.5	6.4
Brazil	1,251.8	19.6	2,100.5	10.8	2,400.8	7.9	9,394.3	17.6	..	55.4	..	44.9
Bulgaria	51.7	24.5	37.5	22.0	43.1	-0.1	39.5	3.0	52.5	7.9	-53.3	3.8
Burkina Faso	-0.5	-4.8	3.6	15.8	-1.5	0.7	7.0	3.5	16.0	..	14.4	..
Burundi	9.6	19.0	15.4	-0.6	-10.1	6.0	4.0	..	12.3	19.1	6.0	2.1
Cambodia	..	8.9	..	9.2	..	-5.5	..	1.9	..	17.3	..	11.0
Cameroon	-1.7	4.9	0.9	5.3	-1.9	-8.5	7.5	4.9	18.5	17.7	16.6	12.4
Canada	8.1	9.7	8.4	9.9	0.9	0.8	9.9	0.8	14.1	4.4	10.5	1.2
Central African Republic	-3.7	16.5	-1.6	-1.1	-5.0	11.9	7.5	4.9	18.5	17.7	15.9	15.0
Chad	-2.4	31.3	1.3	8.0	-6.0	0.8	7.5	4.9	18.5	17.7	9.7	-2.0
Chile	24.2	19.3	21.7	21.3	9.0	-7.9	40.4	3.9	48.9	6.7	21.6	1.8
China	28.9	17.9	26.5	6.9	1.5	-0.2	8.6	2.3	9.4	5.6	3.5	1.6
Hong Kong, China	8.5	3.5	7.9	3.3	-1.0	-1.0	6.7	1.3	10.0	7.8	0.3	8.0
Colombia	33.0	19.2	8.7	14.0	-0.7	5.9	36.4	7.0	45.2	14.6	15.2	7.9
Congo, Dem. Rep.	195.4	25.5	18.0	11.9	421.6	16.2	..	..	..	66.8	..	26.4
Congo, Rep.	18.4	37.1	5.3	1.2	-9.4	-70.2	7.5	4.9	18.5	17.7	19.7	9.8
Costa Rica	27.5	24.7	7.3	21.6	5.0	-2.4	21.2	10.1	32.6	24.7	13.2	12.2
Côte d'Ivoire	-2.6	7.7	-3.9	0.8	-3.0	1.9	7.0	3.5	16.0	..	21.5	..
Croatia	..	10.6	..	14.4	..	3.8	658.5	1.7	1,157.8	11.2	80.9	7.8
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	8.4	..	9.6	..	-7.5	7.0	1.2	14.1	5.8	-3.6	4.8
Denmark	6.5	16.1	3.0	40.9	-3.1	0.4	7.9	2.4	14.1	7.1	10.1	4.7
Dominican Republic	42.5	14.3	19.1	6.5	0.6	18.1	20.0	13.9	35.3	24.1	-14.5	19.1
Ecuador	50.3	20.9	9.3	21.4	-28.9	-10.9	43.5	3.5	37.5	9.3	29.9	2.4
Egypt, Arab Rep.	28.7	11.5	6.3	2.8	15.2	-1.6	12.0	7.2	19.0	13.1	0.5	7.4
El Salvador	-17.3	2.7	-30.1	8.7	15.9	-0.3	18.0	..	21.2	..	15.7	..
Eritrea	..	10.7	..	2.7	..	10.9	..	..	..	..	..	..
Estonia	76.5	41.9	27.6	66.9	1.7	-2.9	..	2.1	30.5	4.9	-86.6	-1.2
Ethiopia	19.9	18.6	0.3	14.7	23.1	12.8	3.6	3.5	6.0	7.0	2.0	1.0
Finland ^a	..	..	..	..	..	..	7.5	1.0	11.6	3.7	4.9	3.2
France ^a	..	..	..	..	..	..	4.5	2.1	10.6	6.6	8.2	4.9
Gabon	3.7	27.5	1.1	7.5	-21.0	-13.2	7.5	4.9	18.5	17.7	2.7	8.1
Gambia, The	8.4	13.1	7.8	4.9	-35.4	7.1	11.3	17.3	26.5	34.9	13.0	29.4
Georgia	..	26.5	..	49.5	..	-8.0	..	7.6	..	21.6	..	12.7
Germany ^a	..	..	..	..	..	..	7.1	2.7	11.6	9.7	8.1	8.1
Ghana	13.3	9.3	4.9	18.2	14.6	-2.0	21.3	10.2	25.6	..	-5.9	..
Greece ^a	..	..	..	..	..	..	19.5	2.2	27.6	6.8	5.7	3.2
Guatemala	22.2	14.1	19.8	15.2	13.5	3.7	18.2	4.3	23.3	13.0	-12.3	4.9
Guinea	-17.4	33.4	13.1	19.8	3.0	18.1	21.0	14.4	21.2	..	-2.2	..
Guinea-Bissau	574.6	21.3	90.5	2.5	460.7	3.4	32.7	3.5	45.8	..	11.9	..
Haiti	2.5	17.9	-0.6	7.9	2.2	2.2	..	3.4	..	27.4	..	10.3

Monetary indicators

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ECONOMY

	Money and quasi money		Claims on private sector		Claims on governments and other public entities		Interest rate					
	annual % growth		Annual growth % of M2		Annual growth % of M2		Deposit		% Lending		Real	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	21.4	20.4	13.0	14.4	-10.9	-1.8	8.8	10.9	17.1	18.8	-3.4	7.7
Hungary	29.2	13.3	23.0	18.4	69.4	-1.3	24.7	5.2	28.8	8.5	2.5	5.9
India	15.1	15.6	5.9	14.7	10.5	-0.6	..	..	16.5	10.8	5.4	6.0
Indonesia	44.6	16.4	66.5	12.3	-5.6	0.5	17.5	8.1	20.8	14.1	12.2	0.3
Iran, Islamic Rep.	18.0	22.8	14.7	21.1	5.8	-4.1	..	11.8	..	16.0	..	0.1
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland ^a	..	..	..	..	..	..	6.3	0.0	11.3	2.6	12.1	-0.9
Israel	19.4	11.2	18.5	10.8	4.9	-4.5	14.4	3.2	26.4	6.4	9.1	5.8
Italy ^a	..	..	..	..	..	..	6.8	0.9	14.9	5.3	6.0	3.2
Jamaica	21.6	10.1	8.3	6.4	-2.3	2.2	23.9	7.5	30.5	17.4	4.3	7.0
Japan	6.9	0.2	8.5	2.7	0.7	0.9	3.6	0.3	7.0	1.7	4.4	3.6
Jordan	8.3	21.4	4.7	17.8	1.0	4.9	8.2	2.9	10.3	7.6	-1.0	3.5
Kazakhstan	..	26.3	..	70.6	..	-23.8	..	..	..	..	..	..
Kenya	20.1	10.0	8.0	5.5	20.5	0.0	13.7	5.1	18.8	12.9	7.3	8.2
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	17.2	3.1	36.1	9.4	-1.2	2.9	10.0	3.7	10.0	5.6	-0.5	6.1
Kuwait	4.8	12.3	0.4	16.8	-1.6	-1.8	7.4	3.5	8.4	7.5	10.3	-13.6
Kyrgyz Republic	..	10.0	..	7.1	..	0.9	..	5.8	..	26.6	..	18.6
Lao PDR	7.8	7.9	3.6	9.0	-0.5	0.4	30.0	4.8	26.0	26.8	11.4	17.4
Latvia	..	38.3	..	70.5	..	3.3	34.8	2.8	86.4	6.1	21.3	-2.9
Lebanon	55.1	4.5	27.6	0.5	-35.2	3.1	16.9	8.1	39.9	10.6	21.2	10.3
Lesotho	9.7	9.1	8.4	11.0	-16.7	-8.3	13.0	4.0	20.4	11.7	10.8	8.3
Liberia	21.1	34.1	19.0	8.7	33.2	-11.1	6.8	3.4	13.8	17.0	10.2	7.4
Libya	19.0	29.0	2.0	0.9	9.4	-128.9	5.5	2.1	7.0	6.1	0.4	-14.7
Lithuania	..	32.9	..	40.4	..	1.2	88.3	1.2	91.8	5.7	-52.8	2.9
Macedonia, FYR	..	15.2	..	12.9	..	-12.0	..	6.6	..	12.2	..	8.8
Madagascar	4.5	2.2	23.8	9.2	-14.8	-5.6	20.5	18.8	25.8	27.0	12.9	7.3
Malawi	11.1	16.2	15.5	7.7	-14.0	2.3	12.1	10.9	21.0	33.1	9.3	15.3
Malaysia	-43.7	6.3	-13.2	8.1	-28.5	-1.0	5.7	3.0	8.8	6.0	4.8	1.3
Mali	-4.9	9.8	0.1	0.1	-13.4	4.3	7.0	3.5	16.0	..	10.6	..
Mauritania	11.5	10.5	20.2	18.7	1.5	-15.8	5.0	8.0	10.0	23.1	7.2	3.6
Mauritius	21.0	19.5	9.9	5.0	0.7	1.4	12.6	7.3	18.0	21.0	6.6	15.5
Mexico	83.8	10.0	48.4	9.3	10.6	-3.8	30.4	3.5	17.7	9.7	7.5	4.0
Moldova	358.0	34.4	53.3	17.8	300.3	-9.1	..	13.2	..	19.3	..	11.2
Mongolia	31.6	37.1	40.2	28.0	6.8	-10.0	300.0	13.0	300.0	23.6	-5.8	10.7
Morocco	21.5	14.0	12.4	7.9	-4.9	0.1	8.5	3.5	9.0	11.5	3.3	9.9
Mozambique	37.2	31.0	22.0	15.9	-8.0	-9.4	..	7.8	..	19.5	..	12.2
Myanmar	37.7	27.3	12.8	6.8	23.7	23.5	5.9	9.5	8.0	15.0	-8.9	-2.2
Namibia	30.3	9.8	15.4	25.3	-7.8	3.4	12.8	6.2	23.4	10.6	17.9	8.4
Nepal	18.5	9.8	5.7	..	6.0	2.6	11.9	2.3	14.4	8.1	3.2	3.4
Netherlands ^a	..	..	..	..	..	..	3.3	2.3	11.8	2.8	9.3	1.2
New Zealand	12.5	12.2	4.2	20.6	-1.6	-0.8	11.7	6.7	16.0	11.5	13.2	8.8
Nicaragua	7,677.8	9.8	4,932.9	19.1	3,222.5	-1.8	9.5	4.0	22.0	12.1	-97.6	1.7
Niger	-4.1	7.0	-5.1	8.5	1.4	-5.8	7.0	3.5	16.0	..	17.9	..
Nigeria	32.7	16.2	7.8	19.5	26.3	-23.6	19.8	10.5	25.3	17.9	16.9	-7.0
Norway	5.6	3.4	5.0	10.4	0.4	-5.3	9.7	1.8	14.2	4.0	10.0	-4.1
Oman	10.0	21.3	9.6	13.7	-11.2	-12.7	8.3	3.3	9.7	7.0	-12.1	-1.4
Pakistan	11.6	16.5	5.0	8.8	7.5	4.1	..	..	..	..	..	..
Panama	36.6	8.3	0.8	15.6	-25.7	-4.6	8.4	2.7	12.0	8.7	11.4	6.2
Papua New Guinea	4.3	29.5	-1.1	10.5	6.4	-4.6	8.7	0.9	15.5	11.5	10.9	-5.0
Paraguay	53.9	9.8	37.4	10.3	-5.2	-2.4	22.9	1.7	31.0	29.9	-3.9	22.7
Peru	6,384.9	16.8	2,123.7	10.9	2,127.1	-2.6	2,439.6	3.4	4,774.5	15.0	-29.7	11.2
Philippines	22.4	6.4	15.6	-1.2	1.8	-4.1	19.5	5.6	24.1	10.2	9.9	3.7
Poland	160.1	12.2	158.7	6.4	-20.6	-2.7	41.7	2.8	504.2	6.8	-0.4	3.9
Portugal ^a	14.0	..	21.8	..	7.6	..
Puerto Rico



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Monetary indicators

	Money and quasi money		Claims on private sector		Claims on governments and other public entities		Interest rate					
	annual % growth		Annual growth % of M2		Annual growth % of M2		Deposit		% Lending		Real	
	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	30.1	20.2	..	24.3	..	-0.9	..	..	..	..	..	..
Russian Federation	..	36.3	..	27.3	..	-26.2	..	4.0	..	10.7	..	-7.5
Rwanda	5.6	18.0	-10.0	14.5	26.8	-13.8	6.9	7.9	13.2	..	-0.3	..
Saudi Arabia	4.6	13.2	-4.5	25.1	4.2	-33.2	8.0	3.8	..	..	..	..
Senegal	-4.8	8.2	-8.4	12.7	-5.3	-4.1	7.0	3.5	16.0	..	14.6	..
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..	..	..
Sierra Leone	74.0	31.3	4.9	4.4	228.6	-5.7	40.5	11.1	52.5	24.6	-10.6	10.2
Singapore	20.0	6.2	13.7	1.8	-4.9	-5.7	4.7	0.4	7.4	5.3	3.1	4.7
Slovak Republic	..	3.6	..	13.1	..	2.8	8.0	2.4	14.4	6.7	-11.0	4.1
Slovenia	123.0	7.5	96.1	19.7	-10.4	2.9	682.5	3.2	824.6	7.8	374.3	6.2
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	11.9	19.9	13.7	21.1	2.2	-6.1	18.9	6.0	21.0	10.6	4.7	5.6
Spain ^a	..	..	..	..	..	..	10.7	2.5	16.0	4.3	8.1	-0.1
Sri Lanka	19.9	19.0	16.2	15.9	4.4	3.1	19.4	10.2	13.0	7.0	-5.9	-3.1
Sudan	48.8	43.5	12.6	25.9	27.9	-4.5	..	..	..	..	..	..
Swaziland	0.6	9.7	20.5	22.9	-5.5	-25.1	8.7	4.0	14.5	10.6	-0.4	5.5
Sweden	10.7	11.2	13.6	23.7	-12.2	4.6	9.9	0.8	16.7	3.3	7.3	2.1
Switzerland	0.8	6.8	11.7	7.0	1.0	-1.0	8.3	0.8	7.4	3.1	2.9	2.5
Syrian Arab Republic	26.1	15.3	3.4	4.4	11.4	3.3	4.0	1.0	9.0	8.0	-8.7	2.1
Tajikistan	..	25.9	..	38.8	..	-8.2	..	9.7	..	23.3	..	13.4
Tanzania	41.9	38.2	22.6	12.8	80.6	16.2	17.0	4.7	31.0	15.1	8.6	11.0
Thailand	25.5	5.9	36.6	6.5	-4.4	-0.4	12.3	1.9	14.4	5.8	8.2	1.2
Togo	9.5	2.2	1.8	6.9	6.9	-0.8	7.0	3.5	16.0	..	12.6	..
Trinidad and Tobago	6.2	29.4	2.7	19.6	0.9	-21.6	6.0	2.2	12.9	9.1	-2.3	-0.8
Tunisia	7.6	11.0	5.9	8.8	1.8	1.0	7.4	..	4.8	..	-3.7	..
Turkey	53.2	25.3	43.0	20.2	-6.4	-0.2	47.5	20.4	..	..	..	..
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..
Uganda	60.2	16.5	23.3	4.3	0.8	-6.1	31.3	8.8	38.7	19.6	-4.0	11.0
Ukraine	1,809.2	53.9	78.3	44.1	109.3	-16.1	148.6	8.6	184.3	16.2	-91.7	-3.2
United Arab Emirates	-8.2	30.5	1.3	34.4	-4.8	-1.9	..	..	..	..	..	..
United Kingdom	10.5	13.8	13.1	13.2	1.9	-0.1	12.5	..	14.8	4.6	6.6	2.6
United States	2.7	7.5	-0.5	8.1	0.7	0.4	..	..	10.0	6.2	5.9	3.1
Uruguay	118.5	0.3	56.2	-2.1	3.0	-14.7	147.5	2.8	163.8	13.6	27.5	11.7
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	64.9	54.1	17.6	35.7	44.3	-1.4	27.8	11.6	35.5	16.8	-4.4	-9.5
Vietnam	12.3	30.9	19.6	26.8	23.7	6.9	22.0	7.1	32.2	11.0	12.6	2.4
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	11.3	14.4	1.4	4.3	8.3	-3.1	..	13.0	..	18.0	..	0.7
Zambia	47.9	1.9	22.8	6.7	185.8	-43.2	25.7	11.2	35.1	28.2	-34.5	7.7
Zimbabwe	15.1	532.7	13.5	154.0	7.4	421.5	8.8	91.1	11.7	235.7	-2.6	-0.6

a. As members of the European Monetary Union, these countries share a single currency, the euro.

About the data

Money and the financial accounts that record the supply of money lie at the heart of a country's financial system. There are several commonly used definitions of the money supply. The narrowest, M1, encompasses currency held by the public and demand deposits with banks. M2 includes M1 plus time and savings deposits with banks that require a notice for withdrawal. M3 includes M2 as well as various money market instruments, such as certificates of deposit issued by banks, bank deposits denominated in foreign currency, and deposits with financial institutions other than banks. However defined, money is a liability of the banking system, distinguished from other bank liabilities by the special role it plays as a medium of exchange, a unit of account, and a store of value.

The banking system's assets include its net foreign assets and net domestic credit. Net domestic credit includes credit extended to the private sector and general government and credit extended to the nonfinancial public sector in the form of investments in short- and long-term government securities and loans to state enterprises; liabilities to the public and private sectors in the form of deposits with the banking system are netted out. Net domestic credit also includes credit to banking and nonbank financial institutions.

Domestic credit is the main vehicle through which changes in the money supply are regulated, with central bank lending to the government often playing the most important role. The central bank can regulate lending to the private sector in several ways—for example, by adjusting the cost of the refinancing facilities it provides to banks, by changing market interest rates through open market operations, or by controlling the availability of credit through changes in the reserve requirements imposed on banks and ceilings on the credit provided by banks to the private sector.

Monetary accounts are derived from the balance sheets of financial institutions—the central bank, commercial banks, and nonbank financial intermediaries. Although these balance sheets are usually reliable, they are subject to errors of classification, valuation, and timing and to differences in accounting practices. For example, whether interest income is recorded on an accrual or a cash basis can make a substantial difference, as can the treatment of nonperforming assets. Valuation errors typically arise with respect to foreign exchange transactions, particularly in countries with flexible exchange rates or in those that have undergone a currency devaluation

during the reporting period. The valuation of financial derivatives and the net liabilities of the banking system can also be difficult. The quality of commercial bank reporting also may be adversely affected by delays in reports from bank branches, especially in countries where branch accounts are not computerized. Thus the data in the balance sheets of commercial banks may be based on preliminary estimates subject to constant revision. This problem is likely to be even more serious for nonbank financial intermediaries.

Many interest rates coexist in an economy, reflecting competitive conditions, the terms governing loans and deposits, and differences in the position and status of creditors and debtors. In some economies interest rates are set by regulation or administrative fiat. In economies with imperfect markets, or where reported nominal rates are not indicative of effective rates, it may be difficult to obtain data on interest rates that reflect actual market transactions. Deposit and lending rates are collected by the International Monetary Fund (IMF) as representative interest rates offered by banks to resident customers. The terms and conditions attached to these rates differ by country, however, limiting their comparability. Real interest rates are calculated by adjusting nominal rates by an estimate of the inflation rate in the economy. A negative real interest rate indicates a loss in the purchasing power of the principal. The real interest rates in the table are calculated as $(i - P) / (1 + P)$, where i is the nominal lending interest rate and P is the inflation rate (as measured by the GDP deflator).

Definitions

- **Money and quasi money** comprise the sum of currency outside banks, demand deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. This definition of the money supply, often called M2, corresponds to lines 34 and 35 in the IMF's *International Financial Statistics* (IFS). The change in money supply is measured as the difference in end-of-year totals relative to M2 in the preceding year.
- **Claims on private sector** (IFS line 32d) include gross credit from the financial system to individuals, enterprises, nonfinancial public entities not included under net domestic credit, and financial institutions not included elsewhere.
- **Claims on governments and other public entities** (IFS line 32an + 32b + 32bx + 32c) usually comprise direct credit for specific purposes, such as financing the government budget deficit; loans to state enterprises; advances against future credit authorizations; and purchases of treasury bills and bonds, net of deposits by the public sector. Public sector deposits with the banking system also include sinking funds for the service of debt and temporary deposits of government revenues.
- **Deposit interest rate** is the rate paid by commercial or similar banks for demand, time, or savings deposits.
- **Lending interest rate** is the rate charged by banks on loans to prime customers.
- **Real interest rate** is the lending interest rate adjusted for inflation as measured by the GDP deflator.

Data sources

Monetary and financial data are published by the IMF in its monthly *International Financial Statistics* and annual *International Financial Statistics Yearbook*. The IMF collects data on the financial systems of its member countries. The World Bank receives data from the IMF in electronic files that may contain more recent revisions than the published sources. The discussion of monetary indicators draws from an IMF publication by Marcello Caiola, *A Manual for Country Economists* (1995). Also see the IMF's *Monetary and Financial Statistics Manual* (2000) for guidelines for the presentation of monetary and financial statistics. World Bank data on the GDP deflator are used to derive real interest rates.



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Exchange rates and prices

	Official exchange rate		Purchasing power parity (PPP) conversion factor		Ratio of PPP conversion factor to official exchange rate	Real effective exchange rate	GDP implicit deflator		Consumer price index		Wholesale price index	
	local currency units to \$		local currency units to international \$			Index 2000 = 100	average annual % growth		average annual % growth		average annual % growth	
	2005	2006	1990	2005	2005	2005	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05
Afghanistan	49.50	..	..	..	..	..	..	12.2	..	..	..	..
Albania	99.87	122.20 ^a	2.1	50.3	0.5	..	38.0	4.0	27.8	3.2	..	5.4
Algeria	73.28	72.65	5.0	32.3	0.4	83.3	18.5	7.3	17.3	2.6	..	3.8
Angola	87.16	80.37	..	76.8	0.9	..	739.4	82.2	711.0	79.2	..	..
Argentina	2.90	3.05	0.3	1.0	0.3	..	5.2	12.4	8.9	11.2	0.1	22.6
Armenia	457.69	416.04	0.0	150.4	0.3	97.7	212.5	4.2	72.8	3.6	..	0.9
Australia	1.31	1.33	1.5	1.5	1.1	125.9	1.5	3.4	2.1	2.9	1.1	2.3
Austria ^b	0.80	0.80	0.9	0.9	1.1	105.7	1.7	1.6	2.2	1.9	0.3	2.0
Azerbaijan	0.95	0.89	..	0.3	0.3	..	203.0	6.0	170.9	4.3	..	..
Bangladesh	64.33	68.93	9.9	12.7	0.2	..	4.0	3.8	5.5	5.6	..	..
Belarus	2,153.82	2,140.43 ^a	..	822.7	0.4	..	355.1	35.8	271.3	30.4	267.8	35.3
Belgium ^b	0.80	0.80	0.9	0.9	1.1	109.4	1.8	1.9	1.9	2.0	1.2	1.4
Benin	527.47	522.89	140.2	235.0	0.4	..	8.7	2.9	8.7	2.5	..	..
Bolivia	8.07	7.99 ^a	1.4	2.9	0.4	79.8	8.6	4.8	8.7	3.1	..	..
Bosnia and Herzegovina	1.57	1.56	..	..	..	..	3.4	2.5	..	..	..	..
Botswana	5.11	6.05 ^a	1.1	2.4	0.5	..	9.7	4.2	10.4	2.1	..	..
Brazil	2.43	2.18	..	1.2	0.5	..	208.0	10.1	199.5	9.1	204.9	15.6
Bulgaria	1.57	1.56	0.0	0.6	0.4	120.5	103.3	4.0	117.5	5.1	85.7	4.4
Burkina Faso	527.47	522.89	138.9	170.0	0.3	..	5.0	2.7	5.5	2.5	..	..
Burundi	1,081.58	1,051.61 ^a	46.2	163.2	0.2	71.1	13.4	8.3	16.1	7.4	..	..
Cambodia	4,092.50	4,122.00 ^a	..	660.6	0.2	88.0	4.4	2.8	6.3	2.7	..	..
Cameroon	527.47	522.89	168.8	237.3	0.5	109.6	6.1	2.1	6.5	1.8	..	..
Canada	1.21	1.13	1.3	1.3	1.0	119.7	1.5	2.4	1.7	2.3	2.7	0.7
Central African Republic	527.47	522.89	128.0	146.1	0.3	122.3	4.5	1.9	5.3	2.1	6.0	4.4
Chad	527.47	522.89	110.9	207.0	0.4	..	7.1	7.6	6.9	2.2	..	..
Chile	560.09	530.29	155.8	329.4	0.6	92.3	7.9	5.3	8.9	2.5	7.0	5.7
China	8.19	7.97	1.2 ^c	2.1 ^c	0.3 ^c	92.5	7.9	3.2	8.6	1.3	..	..
Hong Kong, China	7.78	7.77	6.5	5.7	0.7	..	4.0	-3.6	5.9	-1.6	0.6	-0.3
Colombia	2,320.83	2,361.14	126.9	852.3	0.4	105.3	21.7	6.6	20.3	6.5	16.4	6.5
Congo, Dem. Rep.	473.91	448.30 ^a	..	81.9	0.2	27.8	965.0	43.6	932.8	41.1	..	..
Congo, Rep.	527.47	522.89	299.8	532.0	1.0	..	8.9	-0.6	9.3	2.4	..	..
Costa Rica	477.79	511.30	43.1	217.1	0.5	91.9	15.9	9.7	15.6	10.9	14.1	11.3
Côte d'Ivoire	527.47	522.89	170.7	288.2	0.5	116.4	9.2	2.7	7.2	3.1	..	..
Croatia	5.95	5.84	0.0	4.0	0.7	109.7	86.0	3.6	86.2	2.4	83.9	1.7
Cuba	..	..	..	..	..	..	3.0	2.6	..	..	..	..
Czech Republic	23.96	22.60	5.0	14.2	0.6	125.2	12.8	2.5	7.8	2.0	8.2	1.9
Denmark	6.00	5.95	8.7	8.4	1.4	108.4	1.6	2.3	2.1	2.0	1.1	1.4
Dominican Republic	30.41	33.37	2.4	12.1	0.4	104.6	9.4	20.6	8.7	20.6	..	..
Ecuador	1.00	1.00	0.4	0.6	0.6	147.9	4.3	11.5	37.1	10.7	..	7.5
Egypt, Arab Rep.	5.78	5.71 ^a	0.8	1.7	0.3	..	8.7	5.9	8.8	5.3	6.1	9.8
El Salvador	8.75	8.75	0.3	0.5	0.5	..	6.2	2.9	8.5	3.2	..	3.1
Eritrea	15.37	15.38	1.0	3.1	0.2	..	7.9	15.7	..	..	..	..
Estonia	12.58	12.47	0.1	7.9	0.6	..	53.6	3.9	21.6	3.3	8.1	1.7
Ethiopia	8.67	8.75 ^a	0.7	1.3	0.1	..	6.3	4.2	5.5	5.8	..	..
Finland ^b	0.80	0.80	1.0	0.9	1.1	104.8	2.1	0.9	1.5	1.1	1.0	0.5
France ^b	0.80	0.80	1.0	0.9	1.2	107.9	1.4	2.0	1.6	2.1	..	1.3
Gabon	527.47	522.89	319.3	441.5	0.8	102.6	6.2	2.7	4.6	1.0	..	..
Gambia, The	28.58	28.04 ^a	2.0	4.5	0.2	53.5	4.2	16.5	4.1	10.6	..	..
Georgia	1.81	1.78	..	0.8	0.4	..	356.7	6.0	24.7	5.6	..	..
Germany ^b	0.80	0.80	1.0	0.9	1.2	106.9	1.7	1.0	2.0	1.5	0.4	1.8
Ghana	9,072.54	9,225.15 ^a	94.0	1,773.9	0.2	109.5	26.7	22.8	28.4	19.8	..	..
Greece ^b	0.80	0.80	0.3	0.7	0.9	113.7	9.2	3.3	9.0	3.4	3.6	3.3
Guatemala	7.63	7.60	1.4	4.2	0.6	..	10.4	7.2	10.1	7.2	..	..
Guinea	3,644.33	5,597.00 ^a	201.7	550.6	0.2	..	5.6	13.2	..	..	..	..
Guinea-Bissau	527.47	522.89	9.9	121.1	0.2	..	32.5	0.7	34.0	1.0
Haiti	40.45	39.58 ^a	1.2	12.2	0.3	..	22.7	18.0	21.9	21.3

Exchange rates and prices

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ECONOMY

	Official exchange rate		Purchasing power parity (PPP) conversion factor		Ratio of PPP conversion factor to official exchange rate	Real effective exchange rate	GDP implicit deflator		Consumer price index		Wholesale price index	
	local currency units to \$		local currency units to international \$			Index 2000 = 100	average annual % growth		average annual % growth		average annual % growth	
	2005	2006	1990	2005	2005	2005	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05
Honduras	18.83	18.90 ^a	1.2	6.4	0.3	..	18.9	8.0	18.8	8.2	..	..
Hungary	199.58	210.39	21.3	120.8	0.6	132.6	19.4	6.1	20.3	5.8	16.8	2.3
India	44.10	45.31	5.0	9.4	0.2	..	8.0	3.9	9.1	4.0	7.4	4.8
Indonesia	9,704.74	9,159.32	652.2	3,220.5	0.3	..	15.8	8.2	13.7	8.9	15.4	7.5
Iran, Islamic Rep.	8,963.96	9,170.94	168.8	3,128.3	0.3	129.5	27.7	18.0	26.0	14.4	28.4	10.1
Iraq	1,472.00	..	..	..	..	..	..	0.3	..	..	..	..
Ireland ^b	0.80	0.80	0.8	1.0	1.3	123.5	3.5	3.5	2.3	3.5	1.6	-0.3
Israel	4.49	4.46	1.5	3.1	0.7	78.0	10.2	1.3	9.7	1.7	8.1	4.1
Italy ^b	0.80	0.80	0.7	0.8	1.1	111.0	3.8	2.9	3.7	2.4	2.9	1.8
Jamaica	62.28	66.14 ^a	5.3	53.3	0.8	..	23.0	10.5	23.5	10.5	..	..
Japan	110.22	116.30	183.0	125.1	1.1	79.4	0.0	-1.5	0.8	-0.4	-1.0	-0.5
Jordan	0.71	0.71	0.3	0.3	0.4	..	3.2	2.1	3.5	2.4	..	6.0
Kazakhstan	132.88	126.09	0.0	63.8	0.5	..	204.7	12.0	67.8	6.8	16.3	9.4
Kenya	75.55	72.10	9.1	33.3	0.4	..	16.6	4.4	15.6	7.9	..	..
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	1,024.12	954.85	543.8	758.2	0.7	..	5.7	2.4	5.1	3.3	3.6	2.1
Kuwait	0.29	0.29	0.3	0.4	1.2	..	1.5	8.3	2.0	1.5	1.4	2.2
Kyrgyz Republic	41.01	40.15	0.0	10.1	0.2	..	110.6	4.6	23.3	3.8	35.6	6.4
Lao PDR	10,655.17	10,184.00 ^a	173.9	2,539.9	0.2	..	27.0	11.2	28.2	10.9	..	..
Latvia	0.57	0.56	0.0	0.3	0.5	..	48.0	4.8	29.2	3.9	12.0	4.3
Lebanon	1,507.50	1,507.50	328.5	1,656.2	1.1	..	17.9	2.0	..	..	..	..
Lesotho	6.36	6.77	0.6	1.5	0.2	132.8	10.0	6.3	9.8	8.8	..	..
Liberia	57.10	58.26 ^a	..	..	..	..	51.8	11.6	..	..	..	..
Libya	1.31	1.31	..	..	..	..	..	18.7	5.6	-5.9	..	..
Lithuania	2.77	2.75	0.0	1.4	0.5	..	75.0	1.2	32.6	0.6	24.7	2.0
Macedonia, FYR	49.28	47.47 ^a	0.0	19.4	0.4	99.8	79.3	2.1	10.8	1.7	8.4	0.7
Madagascar	2,003.03	2,142.30	98.1	587.6	0.3	..	19.1	11.0	18.7	9.9	..	..
Malawi	118.42	137.00 ^a	1.3	28.5	0.2	75.2	33.6	14.7	33.8	13.8	..	..
Malaysia	3.79	3.63 ^a	1.5	1.8	0.5	95.2	3.9	3.4	3.6	1.6	3.4	3.6
Mali	527.47	522.89	131.4	200.4	0.4	..	7.0	4.0	5.2	1.7	..	..
Mauritania	265.53	268.60 ^a	26.7	72.5	0.3	..	8.7	8.7	6.1	6.9	..	..
Mauritius	29.50	31.71	6.5	11.5	0.4	..	6.4	5.6	6.9	4.2	..	..
Mexico	10.90	10.90	1.4	7.6	0.7	..	19.0	7.1	19.4	4.9	18.4	6.5
Moldova	12.60	13.17 ^a	0.0	4.2	0.3	109.1	119.6	10.6	19.2	10.3	..	..
Mongolia	1,205.22	1,164.10 ^a	3.5	421.1	0.3	..	54.2	11.5	36.7	5.5	..	..
Morocco	8.87	8.80	3.3	3.3	0.4	91.8	2.9	0.9	3.8	1.5	2.9	-0.6
Mozambique	23.06	25.40	331.2	6,224.4	0.3	..	32.4	11.4	31.8	12.5	..	..
Myanmar	5.76	5.78	..	..	..	..	25.5	21.1	25.9	26.3	..	..
Namibia	6.36	6.77	1.0	2.5	0.4	..	10.4	5.3	..	4.5	..	..
Nepal	71.37	72.76	6.4	12.7	0.2	..	8.2	4.1	8.7	4.2	..	..
Netherlands ^b	0.80	0.80	0.9	0.9	1.2	113.3	2.0	2.7	2.4	2.4	1.3	2.3
New Zealand	1.42	1.54	1.6	1.5	1.1	114.4	1.7	2.3	1.7	2.4	1.4	1.8
Nicaragua	16.73	17.57	0.0	4.1	0.2	87.7	42.4	6.9	30.8	6.5	..	..
Niger	527.47	522.89	123.7	164.8	0.3	..	6.0	2.4	6.1	1.9	..	..
Nigeria	131.27	127.02 ^a	4.2	87.6	0.7	123.8	29.5	15.9	32.4	15.6	..	..
Norway	6.44	6.41	8.3	9.9	1.5	111.1	2.7	2.9	2.2	1.7	1.6	3.7
Oman	0.39	0.39	0.3	0.2	0.6	..	0.1	1.8	0.6	-0.2	..	..
Pakistan	59.51	60.27	5.9	17.7	0.3	94.0	11.1	6.0	9.7	4.9	10.4	6.2
Panama	1.00	1.00	0.6	0.6	0.6	..	3.6	1.6	1.1	0.9	1.0	1.0
Papua New Guinea	3.10	3.02 ^a	0.5	1.0	0.3	101.0	7.1	7.1	9.3	8.4	..	..
Paraguay	6,177.96	5,411.40 ^a	422.6	1,583.6	0.3	78.0	11.5	11.1	13.1	9.0	..	14.5
Peru	3.30	3.27	0.1	1.5	0.5	..	26.7	2.8	27.3	2.0	23.7	1.9
Philippines	55.09	51.31	5.8	12.7	0.2	92.3	8.3	5.2	7.7	5.0	6.3	8.4
Poland	3.24	3.10	0.2	1.9	0.6	107.4	24.7	2.4	25.3	2.5	19.8	2.9
Portugal ^b	0.80	0.80	0.5	0.7	0.9	110.7	5.2	3.1	4.5	3.1	..	1.9
Puerto Rico	1.00	1.00	3.0



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Exchange rates and prices

	Official exchange rate		Purchasing power parity (PPP) conversion factor		Ratio of PPP conversion factor to official exchange rate	Real effective exchange rate	GDP implicit deflator		Consumer price index		Wholesale price index	
	local currency units to \$		local currency units to international \$			Index 2000 = 100	average annual % growth		average annual % growth		average annual % growth	
	2005	2006	1990	2005	2005	2005	1990-2000	2000-05	1990-2000	2000-05	1990-2000	2000-05
Romania	2.91	2.81	0.0	1.5	0.5	119.9	98.0	21.8	100.5	17.7	93.8	21.4
Russian Federation	28.28	26.59 ^a	0.0	13.9	0.5	149.2	161.5	16.8	99.1	14.4	99.8	17.4
Rwanda	557.82	549.94 ^a	35.6	109.8	0.2	..	14.6	5.9	16.2	6.8	..	..
Saudi Arabia	3.75	3.75	2.5	3.0	0.8	82.3	1.6	6.2	1.0	0.2	1.3	1.3
Senegal	527.47	522.89	172.1	208.0	0.4	..	5.0	2.0	5.4	1.3	..	..
Serbia and Montenegro	72.44	59.64 ^a	..	..	..	..	55.0	25.2	..	..	..	..
Sierra Leone	2,889.59	2,961.91	35.9	790.0	0.3	70.9	32.1	6.8	29.3	6.3	..	..
Singapore	1.66	1.59	1.8	1.5	0.9	92.1	1.3	0.2	1.7	0.6	-1.0	2.4
Slovak Republic	31.02	29.70	5.9	16.8	0.5	134.4	11.3	4.1	8.4	6.1	9.5	5.0
Slovenia	192.71	191.03	8.6	148.6	0.8	..	28.7	5.5	12.0	5.5	9.1	4.5
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	6.36	6.77	1.1	2.9	0.5	108.5	9.9	6.6	8.7	5.2	7.4	5.3
Spain ^b	0.80	0.80	0.6	0.8	1.0	112.9	3.9	4.2	3.8	3.2	2.4	2.2
Sri Lanka	100.50	103.91	9.8	26.2	0.3	..	9.1	8.7	9.9	9.2	8.1	9.3
Sudan	243.61	217.15	0.7	88.9	0.4	124.0	66.6	9.6	71.8	7.8	..	..
Swaziland	6.36	6.77	0.9	3.2	0.5	..	12.5	10.6	9.4	6.9	..	..
Sweden	7.47	7.38	9.1	9.1	1.2	96.9	2.2	1.5	1.9	1.5	2.4	1.6
Switzerland	1.25	1.25	2.0	1.7	1.4	104.0	1.0	1.0	1.6	0.8	-0.4	0.4
Syrian Arab Republic	11.23	11.23	10.2	19.2	0.4	..	7.9	4.2	6.4	..	4.7	..
Tajikistan	3.12	3.30	..	0.8	0.3	..	235.0	21.2	..	..	..	..
Tanzania	1,128.93	1,251.90	74.6	479.2	0.4	..	21.6	6.3	20.9	3.1	..	..
Thailand	40.22	37.88	10.7	12.7	0.3	..	4.2	2.3	4.9	2.1	3.8	4.6
Togo	527.47	522.89	92.6	125.6	0.2	113.6	7.0	1.2	8.5	2.0	..	..
Trinidad and Tobago	6.30	6.31	3.1	4.7	0.8	107.8	5.4	3.5	5.7	4.5	2.8	1.6
Tunisia	1.30	1.33	0.4	0.4	0.3	85.3	4.4	2.3	4.4	2.7	3.6	3.0
Turkey	1.34 ^d	1.43 ^d	1,569.1	804,128.7	0.6	..	76.1	25.5	79.9	26.5	..	..
Turkmenistan	..	..	0.0	..	..	..	407.5	..	..	..	..	..
Uganda	1,780.67	1.81 ^a	114.5	361.9	0.2	88.8	11.8	5.0	10.5	4.1	..	..
Ukraine	5.13	5.05	..	1.3	0.3	106.0	271.0	10.9	155.7	7.1	161.6	10.8
United Arab Emirates	3.67	3.67	3.3	4.1	1.1	..	2.2	4.9	..	..	..	..
United Kingdom	0.55	0.54	0.5	0.6	1.1	101.3	2.8	2.5	2.9	2.5	2.4	1.3
United States	1.00	1.00	1.0	1.0	1.0	92.8	2.0	2.3	2.7	2.4	1.2	3.4
Uruguay	24.48	24.48	0.6	11.9	0.5	76.6	31.1	11.5	33.9	11.4	27.2	20.3
Uzbekistan	..	..	0.0	281.8	0.3	..	245.8	29.0	..	..	..	..
Venezuela, RB	2,089.75	2,147.00	23.8	1,662.2	0.8	69.0	45.3	28.6	49.0	22.0	44.1	32.9
Vietnam	15,858.92	15,921.00 ^a	674.1	3,282.4	0.2	..	15.2	5.9	4.1	4.5	..	..
West Bank and Gaza	..	..	..	..	..	..	5.7	3.4	..	..	..	..
Yemen, Rep.	191.51	198.08 ^a	18.0	147.9	0.8	..	22.4	10.3	26.3	11.7	..	..
Zambia	4,463.50	3,603.07	17.7	2,719.3	0.6	134.8	52.1	20.4	57.0	20.4	101.4	..
Zimbabwe	22.36	250.00 ^a	0.9	2,844.9	0.1	..	26.7	232.6	29.0	..	25.9	..

Note: The inconsistencies in the growth rates of the GDP deflator and the consumer and wholesale price indexes are due mainly to uneven coverage of the time period.

a. Latest quarterly or monthly data available. b. As members of the European Monetary Union, these countries share a single currency, the euro. c. Based on a 1986 bilateral comparison of China and the United States (Rouen and Kai 1995), employing a different methodology than that used for other countries. This interim methodology will be revised when the next round of PPP estimates are completed in 2007. d. New liras per dollar.

Exchange rates and prices

About the data

In a market-based economy the choices that households, producers, and governments make about the allocation of resources are influenced by relative prices, including the real exchange rate, real wages, real interest rates, and a host of other prices in the economy. Relative prices also reflect, to a large extent, the choices of these agents. Thus relative prices convey vital information about the interaction of economic agents in an economy and with the rest of the world.

The exchange rate is the price of one currency in terms of another. Official exchange rates and exchange rate arrangements are established by governments. (Other exchange rates fully recognized by governments include market rates, which are determined largely by legal market forces, and for countries maintaining multiple exchange arrangements, principal rates, secondary rates, and tertiary rates.) Also see *Statistical methods* for information on alternative conversion factors used in the *World Bank Atlas* method of calculating gross national income (GNI) per capita in U.S. dollars.

The official or market exchange rate is often used to compare prices in different currencies. Since exchange rates reflect at best the relative prices of tradable goods, the volume of goods and services that a U.S. dollar buys in the United States may not correspond to what a U.S. dollar converted to another country's currency at the official exchange rate would buy in that country. Since identical volumes of goods and services in different countries correspond to different values (and vice versa) when official exchange rates are used, an alternative method of comparing prices across countries has been developed. In this method national currency estimates of GNI are converted to a common unit of account by using conversion factors that reflect equivalent purchasing power. Purchasing power parity (PPP) conversion factors are based on price and expenditure surveys conducted by the International Comparison Program and represent the conversion factors applied to equalize price levels across countries. See *About the data* for table 1.1 for further discussion of the PPP conversion factor.

The ratio of the PPP conversion factor to the official exchange rate (also referred to as the national price level) makes it possible to compare the cost of the bundle of goods that make up gross domestic product (GDP) across countries. These national price levels vary systematically, rising with GNI per capita. Real effective exchange rates represent a nominal effective exchange rate index adjusted for relative movements in national price or cost indicators of the home country, selected countries, and the euro area. A nominal

effective exchange rate index represents the ratio (expressed on the base 2000 = 100) of an index of a currency's period-average exchange rate to a weighted geometric average of exchange rates for currencies of selected countries and the euro area. For most high-income countries, weights are derived from trade in manufactured goods among industrial countries. The data are compiled from the nominal effective exchange rate index and a cost indicator of relative normalized unit labor costs in manufacturing. For selected other countries the nominal effective exchange rate index is based on each country's trade in both manufactured goods and primary products with its partner or competitor countries. For these countries the real effective exchange rate index is derived from the nominal index adjusted for relative changes in consumer prices. An increase in the real effective exchange rate represents an appreciation of the local currency. Because of conceptual and data limitations, changes in real effective exchange rates should be interpreted with caution.

Controlling inflation is one of the primary goals of monetary policy and is intimately linked to the growth in money supply. Inflation is measured by the rate of increase in a price index, but actual price change can be negative. Which index is used depends on which set of prices in the economy is being examined. The GDP deflator reflects changes in prices for total gross domestic product. The most general measure of the overall price level, it takes into account changes in government consumption, capital formation (including inventory appreciation), international trade, and the main component, household final consumption expenditure. The GDP deflator is usually derived implicitly as the ratio of current to constant price GDP, resulting in a Paasche index. It is defective as a general measure of inflation for use in policy because of the long lags in deriving estimates and because it is often only an annual measure.

Consumer price indexes are produced more frequently and so are more current. They are also constructed explicitly, based on surveys of the cost of a defined basket of consumer goods and services. Nevertheless, consumer price indexes should be interpreted with caution. The definition of a household, the basket of goods chosen, and the geographic (urban or rural) and income group coverage of consumer price surveys can all vary widely across countries. In addition, the weights are derived from household expenditure surveys, which, for budgetary reasons, tend to be conducted infrequently in developing countries, leading to poor comparability over time. Although useful for measuring consumer price inflation within

a country, consumer price indexes are of less value in making comparisons across countries. Food price indexes, like consumer price indexes, should be interpreted with caution because of the high variability across countries in the items covered.

Wholesale price indexes are based on the prices of commodities that have some significance in the output or consumption of the country at the first commercial transaction. The prices are farm gate prices for agricultural commodities and ex-factory prices for industrial goods. Preference should be given to indexes that provide the broadest coverage of the economy.

The least-squares method is used to calculate the growth rates of the GDP implicit deflator, consumer price index, and wholesale price index.

Definitions

- **Official exchange rate** is the exchange rate determined by national authorities or the rate determined in the legally sanctioned exchange market. It is calculated as an annual average based on monthly averages (local currency units relative to the U.S. dollar).
- **Purchasing power parity (PPP) conversion factor** is the number of units of a country's currency required to buy the same amount of goods and services in the domestic market as a U.S. dollar would buy in the United States.
- **Ratio of PPP conversion factor to official exchange rate** is the result obtained by dividing the PPP conversion factor by the official exchange rate.
- **Real effective exchange rate** is the nominal effective exchange rate (a measure of the value of a currency against a weighted average of several foreign currencies) divided by a price deflator or index of costs.
- **GDP implicit deflator** measures the average annual rate of price change in the economy as a whole for the periods shown.
- **Consumer price index** reflects changes in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or may change at specified intervals, such as yearly. The Laspeyres formula is generally used.
- **Wholesale price index** refers to a mix of agricultural and industrial goods at various stages of production and distribution, including import duties. The Laspeyres formula is generally used.

Data sources

Data on official and real effective exchange rates and consumer and wholesale price indexes are from the International Monetary Fund's *International Financial Statistics*. PPP conversion factors and GDP deflators are from the World Bank's data files.



4.15

Balance of payments current account

	Goods and services				Net income		Net current transfers		Current account balance		Total reserves ^a	
	\$ millions				\$ millions		\$ millions		\$ millions		\$ millions	
	Exports	Imports	Exports	Imports	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	261	..	727	..	12	..	311	..	-143	..	638	..
Albania	354	1,821	485	3,860	-2	174	15	1,294	-118	-571	..	1,440
Algeria	13,462	..	10,106	..	-2,268	..	333	..	1,420	..	2,703	59,167
Angola	3,992	24,286	3,386	15,144	-765	-4,031	-77	27	-236	5,138	..	3,197
Argentina	14,800	46,343	6,846	34,916	-4,400	-6,207	998	570	4,552	5,789	6,222	28,082
Armenia	..	1,337	..	1,984	..	45	..	409	..	-193	1	669
Australia	49,846	135,505	53,056	149,738	-13,176	-27,690	439	-363	-15,948	-42,286	19,319	43,257
Austria	63,694	171,154	61,580	162,913	-942	-1,337	-6	-2,652	1,166	4,252	17,228	11,828
Azerbaijan	..	8,332	..	7,003	..	-1,646	..	484	..	167	..	1,178
Bangladesh	2,064	10,432	3,960	14,456	-116	-798	1,613	4,691	-398	-132	660	2,825
Belarus	..	18,068	..	17,859	..	56	..	169	..	434	..	1,342
Belgium	138,605 ^b	318,775	135,098 ^b	308,430	2,316 ^b	5,394	-2,197 ^b	-6,411	3,627 ^b	9,328	23,789	11,996
Benin	364	784	454	1,129	-25	-37	97	93	-18	-288	69	657
Bolivia	977	3,160	1,086	2,872	-249	-373	159	584	-199	498	511	1,795
Bosnia and Herzegovina	..	3,602	..	8,004	..	405	..	1,841	..	-2,156	..	2,531
Botswana	2,005	5,285	1,987	3,683	-106	-812	69	678	-19	1,469	3,331	6,309
Brazil	35,170	134,403	28,184	97,794	-11,608	-25,967	799	3,558	-3,823	14,199	9,200	53,799
Bulgaria	6,950	16,057	8,027	20,600	-758	310	125	1,229	-1,710	-3,004	670	8,697
Burkina Faso	349	..	758	..	..	..	332	..	-77	..	305	438
Burundi	89	92	318	353	-15	-18	174	23	-69	-256	112	101
Cambodia	314	4,017	507	4,559	-21	-254	120	440	-93	-356	..	1,158
Cameroon	2,508	2,894	2,475	3,239	-558	-445	-26	116	-551	-675	37	965
Canada	149,538	427,955	149,118	385,473	-19,388	-15,508	-796	-419	-19,764	26,555	23,530	33,018
Central African Republic	220	..	410	..	-22	..	123	..	-89	..	123	145
Chad	271	..	488	..	-21	..	192	..	-46	..	132	231
Chile	10,221	47,746	9,166	38,154	-1,737	-10,624	198	1,735	-485	703	6,784	16,933
China [†]	57,374	836,888	46,706	712,090	1,055	10,635	274	25,385	11,997	160,818	34,476	831,410
Hong Kong, China	..	351,754	..	329,590	..	312	..	-2,192	..	20,284	24,656	124,278
Colombia	8,679	24,393	6,858	24,901	-2,305	-5,563	1,026	4,089	542	-1,981	4,869	14,955
Congo, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	261	..
Congo, Rep.	1,488	4,964	1,282	2,917	-460	-1,122	3	-22	-251	903	10	738
Costa Rica	1,963	9,716	2,346	10,730	-233	-215	192	270	-424	-959	525	2,314
Côte d'Ivoire	3,503	8,289	3,445	7,174	-1,091	-662	-181	-465	-1,214	-12	21	1,322
Croatia	..	18,876	..	21,702	..	-1,235	..	1,475	..	-2,585	167	8,800
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	89,007	..	86,461	..	-5,929	..	888	..	-2,495	..	29,554
Denmark	48,902	125,046	41,415	112,482	-5,708	275	-408	-4,223	1,372	8,616	11,226	34,028
Dominican Republic	1,832	10,056	2,233	11,333	-249	-1,957	371	2,734	-280	-500	69	1,853
Ecuador	3,262	11,439	2,519	11,826	-1,210	-1,938	107	2,267	-360	-59	1,009	2,148
Egypt, Arab Rep.	9,895	30,716	14,091	34,326	-1,022	-35	7,545	5,748	2,327	2,103	3,620	21,857
El Salvador	973	4,573	1,624	7,652	-132	-571	631	2,865	-152	-786	595	1,890
Eritrea	..	..	..	..	..	..	..	..	..	..	..	28
Estonia	664	10,939	711	11,784	-13	-700	97	100	36	-1,445	198	1,947
Ethiopia	597	1,929	1,271	4,895	-69	-5	449	1,402	-294	-1,568	55	1,121
Finland	31,180	82,457	33,456	71,091	-3,735	-278	-952	-1,572	-6,962	9,517	10,415	11,332
France	285,389	555,204	283,238	577,463	-3,896	16,314	-8,199	-27,344	-9,944	-33,289	68,291	74,360
Gabon	2,730	4,228	1,812	2,155	-617	-965	-134	-184	168	924	279	675
Gambia, The	168	181	192	261	-11	-32	59	69	23	-44	55	98
Georgia	..	2,171	..	3,312	..	92	..	359	..	-690	..	479
Germany	473,672	1,127,020	427,547	985,673	22,574	10,676	-21,954	-35,989	46,745	116,035	104,547	101,676
Ghana	983	3,869	1,506	6,610	-111	-187	411	2,117	-223	-812	309	1,897
Greece	13,018	51,790	19,564	66,626	-1,709	-7,030	4,718	3,987	-3,537	-17,879	4,721	2,287
Guatemala	1,568	4,939	1,812	9,547	-196	-337	227	3,558	-213	-1,387	362	3,777
Guinea	829	811	953	964	-149	-27	70	18	-203	-162	145	97
Guinea-Bissau	26	83	88	127	-22	-10	39	67	-45	14	18	80
Haiti	318	593	515	1,756	-18	-37	193	1,254	-22	54	10	134
[†] Data for Taiwan, China	74,172	221,604	67,015	210,224	4,362	9,053	-596	-4,271	10,923	16,162	77,653	260,272

Balance of payments current account

4.15

ECONOMY

	Goods and services				Net income		Net current transfers		Current account balance		Total reserves ^a	
	\$ millions				\$ millions		\$ millions		\$ millions		\$ millions	
	Exports	Imports	Exports	Imports	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	1,033	3,427	1,127	5,035	-237	-331	280	1,854	-51	-86	47	2,338
Hungary	12,035	74,168	11,017	75,596	-1,427	-6,915	787	237	379	-8,106	1,185	18,590
India	22,911	82,735	29,527	93,918	-3,257	-4,451	2,837	22,488	-7,036	6,853	5,637	137,825
Indonesia	29,295	99,104	27,511	87,584	-5,190	-11,849	418	1,258	-2,988	929	8,657	34,579
Iran, Islamic Rep.	19,741	..	22,292	..	378	..	2,500	..	327	..	..	..
Iraq	..	..	..	..	..	..	..	..	..	..	8,340	12,201
Ireland	26,786	161,366	24,576	137,081	-4,955	-30,307	2,384	691	-361	-5,331	5,362	869
Israel	17,312	57,874	20,228	57,525	-1,981	-2,622	5,061	6,029	163	3,756	6,598	28,059
Italy	219,971	462,709	218,573	463,295	-14,712	-17,078	-3,164	-10,061	-16,479	-27,724	88,595	65,954
Jamaica	2,217	3,994	2,390	5,975	-430	-676	291	1,578	-312	-1,079	168	2,170
Japan	323,692	677,782	297,306	607,869	22,492	103,444	-4,800	-7,573	44,078	165,783	87,828	846,896
Jordan	2,511	6,584	3,569	11,859	-214	376	1,045	2,588	-227	-2,311	1,139	5,461
Kazakhstan	..	30,548	..	25,503	..	-5,357	..	-412	..	-724	..	7,070
Kenya	2,228	5,126	2,705	6,540	-418	-108	368	1,028	-527	-495	236	1,799
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	73,297	334,370	76,373	313,989	-88	-1,320	1,150	-2,502	-2,014	16,559	14,916	210,552
Kuwait	8,268	51,574	7,169	24,513	7,738	8,834	-4,951	-3,261	3,886	32,634	2,929	10,165
Kyrgyz Republic	..	942	..	1,397	..	-81	..	332	..	-203	..	612
Lao PDR	102	..	212	..	-1	..	56	..	-55	..	8	309
Latvia	1,090	7,526	997	9,936	2	-188	96	596	191	-2,002	..	2,360
Lebanon	..	13,037	..	16,222	..	247	..	1,057	..	-1,881	4,210	16,618
Lesotho	100	705	754	1,354	433	305	286	301	65	-44	72	519
Liberia	..	..	..	..	..	..	..	..	..	..	1	25
Libya	11,468	29,383	8,960	13,523	174	-281	-481	-634	2,201	14,945	7,225	41,880
Lithuania	..	14,879	..	16,745	..	-627	..	662	..	-1,831	107	3,816
Macedonia, FYR	..	2,511	..	3,602	..	-55	..	1,065	..	-81	..	1,340
Madagascar	471	450	809	691	-161	-27	234	80	-265	-188	92	481
Malawi	443	..	549	..	-80	..	99	..	-86	..	142	165
Malaysia	32,665	161,384	31,765	130,609	-1,872	-6,318	102	-4,477	-870	19,980	10,659	70,450
Mali	420	1,218	830	1,625	-37	-195	225	193	-221	-409	198	855
Mauritania	471	..	520	..	-46	..	86	..	-10	..	59	420
Mauritius	1,722	3,762	1,916	4,154	-23	-8	97	61	-119	-340	761	1,372
Mexico	48,805	230,369	51,915	243,259	-8,316	-12,242	3,975	20,484	-7,451	-4,647	10,217	74,110
Moldova	..	1,528	..	2,743	..	403	..	570	..	-242	2	597
Mongolia	493	1,211	1,096	1,405	-44	-11	7	269	-640	63	23	430
Morocco	6,239	18,788	7,783	22,739	-988	-314	2,336	5,375	-196	1,110	2,338	16,551
Mozambique	229	2,087	996	2,891	-97	-360	448	403	-415	-761	232	1,103
Myanmar	319	3,181	603	2,458	-192	-745	39	134	-436	112	410	889
Namibia	1,220	2,310	1,584	2,495	37	151	354	669	28	634	50	312
Nepal	422	1,283	834	2,711	14	48	109	1,533	-289	153	354	1,565
Netherlands	159,304	427,949	147,652	374,710	-620	6,194	-2,943	-10,497	8,089	48,936	34,401	20,448
New Zealand	11,683	30,467	11,699	32,921	-1,576	-7,626	138	459	-1,453	-9,622	4,129	8,893
Nicaragua	392	1,861	682	3,292	-217	-119	202	750	-305	-800	166	728
Niger	533	530	728	852	-54	-13	14	104	-236	-231	226	250
Nigeria	14,550	52,233	6,909	24,609	-2,738	-6,732	85	3,310	4,988	24,202	4,129	28,632
Norway	47,078	133,032	38,910	81,545	-2,700	1,045	-1,476	-3,045	3,992	49,488	15,788	46,986
Oman	5,577	19,514	3,342	11,080	-254	-1,459	-874	-2,257	1,106	4,717	1,784	4,358
Pakistan	6,835	19,059	10,205	29,042	-1,084	-2,516	2,794	9,036	-1,661	-3,463	1,046	11,109
Panama	4,438	10,736	4,193	10,636	-255	-1,124	219	243	209	-782	344	1,211
Papua New Guinea	1,381	3,580	1,509	2,692	-103	-538	156	291	-76	640	427	750
Paraguay	2,514	3,927	2,169	4,098	2	-74	43	223	390	-22	675	1,297
Peru	4,120	19,426	4,087	15,176	-1,733	-5,011	281	1,791	-1,419	1,030	1,891	14,171
Philippines	11,430	44,693	13,967	53,635	-872	-123	714	11,403	-2,695	2,338	2,036	18,474
Poland	19,037	112,622	15,095	113,476	-3,386	-11,186	2,511	6,935	3,067	-5,105	4,674	42,561
Portugal	21,554	53,272	27,146	69,078	-96	-3,932	5,507	2,731	-181	-17,007	20,579	10,364
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.15

Balance of payments current account

	Goods and services				Net income		Net current transfers		Current account balance		Total reserves ^a	
	\$ millions				\$ millions		\$ millions		\$ millions		\$ millions	
	Exports		Imports		1990	2005	1990	2005	1990	2005	1990	2005
Romania	6,380	32,813	9,901	42,866	161	-2,900	106	4,449	-3,254	-8,504	1,374	21,601
Russian Federation	..	268,136	..	164,718	..	-19,111	..	-1,122	..	83,184	..	182,272
Rwanda	143	257	354	659	-16	-16	143	366	-85	-52	44	406
Saudi Arabia	47,381	180,551	43,880	79,274	7,968	272	-15,616	-14,418	-4,147	87,131	13,437	28,888
Senegal	1,453	2,180	1,840	3,194	-129	-131	153	632	-363	-513	22	1,191
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..	..	..
Sierra Leone	210	263	215	452	-71	-51	7	137	-69	-103	5	171
Singapore	67,489	283,565	64,953	248,627	1,006	-541	-421	-1,184	3,122	33,212	27,748	115,794
Slovak Republic	..	25,241	..	25,649	..	-119	..	245	..	-282	..	15,480
Slovenia	7,900	22,121	6,930	22,319	-38	-363	46	-120	978	-682	112	8,160
Somalia	68	..	468	..	-84	..	328	..	-157	..	23	..
South Africa	27,160	66,437	21,017	68,639	-4,271	-4,929	-321	-2,011	1,552	-9,142	2,583	20,624
Spain	83,595	288,042	100,870	345,642	-3,533	-21,452	2,799	-4,084	-18,009	-83,136	57,238	17,227
Sri Lanka	2,293	7,887	2,965	10,066	-167	-297	541	1,828	-298	-647	447	2,736
Sudan	499	4,938	877	7,790	-136	-1,362	141	1,446	-372	-2,768	11	1,869
Swaziland	658	2,110	768	2,212	59	20	102	128	51	46	216	244
Sweden	70,560	178,072	70,490	150,358	-4,473	545	-1,936	-4,616	-6,339	23,643	20,324	24,868
Switzerland	97,033	197,159	96,389	171,456	7,878	37,132	-2,398	-8,977	6,124	53,859	61,284	57,575
Syrian Arab Republic	5,030	9,769	2,955	10,718	-401	-863	88	751	1,762	-1,061	535	..
Tajikistan	..	1,254	..	1,682	..	-41	..	450	..	-19	..	189
Tanzania	538	2,890	1,474	3,825	-185	-204	562	603	-559	-536	193	2,049
Thailand	29,229	129,847	35,870	133,599	-853	-2,921	213	3,004	-7,281	-3,670	14,258	52,076
Togo	663	751	847	1,093	-32	-33	132	169	-84	-206	358	195
Trinidad and Tobago	2,289	7,254	1,427	5,266	-397	-597	-6	56	459	1,447	513	4,888
Tunisia	5,203	14,492	6,039	14,638	-455	-1,659	828	1,501	-463	-303	867	4,548
Turkey	21,042	102,806	25,524	121,766	-2,508	-5,663	4,365	1,468	-2,625	-23,155	7,626	52,494
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..
Uganda	178	1,343	686	2,584	-48	-157	293	1,139	-263	-259	44	1,344
Ukraine	..	44,378	..	43,707	..	-985	..	2,845	..	2,531	469	19,388
United Arab Emirates	..	..	..	..	..	..	..	..	..	..	4,891	21,010
United Kingdom	239,226	587,541	264,089	669,823	-5,154	54,814	-8,794	-21,990	-38,811	-49,459	43,146	43,593
United States	535,260	1,275,245	616,120	1,991,975	28,560	11,294	-26,660	-86,073	-78,960	-791,509	173,094	188,259
Uruguay	2,158	5,087	1,659	4,626	-321	-585	8	121	186	-2	1,446	3,078
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	18,806	56,821	9,451	29,371	-774	-1,984	-302	-107	8,279	25,359	12,733	29,803
Vietnam	..	36,618	..	38,562	..	-1,219	..	3,380	..	217	..	9,051
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	1,490	6,752	2,170	5,285	-372	-1,657	1,790	1,406	739	1,215	441	6,141
Zambia	1,360	..	1,897	..	-437	..	380	..	-594	..	201	560
Zimbabwe	2,012	..	2,001	..	-263	..	112	..	-140	..	295	..
World	4,324,290	t 12,691,551	t 4,306,213	t 12,539,143								
Low income	79,141	217,936	97,905	245,934								
Middle income	635,146	3,261,414	591,292	2,905,260								
Lower middle income	302,331	1,793,100	300,012	1,586,704								
Upper middle income	336,906	1,483,562	291,782	1,328,253								
Low & middle income	714,951	3,596,835	689,821	3,263,799								
East Asia & Pacific	167,506	1,327,062	166,319	1,178,084								
Europe & Central Asia	..	926,132	..	865,611								
Latin America & Carib.	170,445	650,474	147,430	593,769								
Middle East & N. Africa	..	..	105,814	222,757								
South Asia	34,864	114,362	48,099	131,775								
Sub-Saharan Africa	78,020	228,841	72,772	209,500								
High income	3,594,026	9,151,976	3,592,287	9,318,222								
Europe EMU	1,530,521	3,731,193	1,491,055	3,590,256								

a. International reserves including gold valued at London gold price. b. Includes Luxembourg.

About the data

The balance of payments records an economy's transactions with the rest of the world. Balance of payments accounts are divided into two groups: the current account, which records transactions in goods, services, income, and current transfers, and the capital and financial account, which records capital transfers, acquisition or disposal of nonproduced, nonfinancial assets, and transactions in financial assets and liabilities. The table presents data from the current account with the addition of gross international reserves.

The balance of payments is a double-entry accounting system that shows all flows of goods and services into and out of an economy; all transfers that are the counterpart of real resources or financial claims provided to or by the rest of the world without a quid pro quo, such as donations and grants; and all changes in residents' claims on and liabilities to nonresidents that arise from economic transactions. All transactions are recorded twice—once as a credit and once as a debit. In principle the net balance should be zero, but in practice the accounts often do not balance. In these cases a balancing item, net errors and omissions, is included.

Discrepancies may arise in the balance of payments because there is no single source for balance of payments data and therefore no way to ensure that the data are fully consistent. Sources include customs data, monetary accounts of the banking system, external debt records, information provided

by enterprises, surveys to estimate service transactions, and foreign exchange records. Differences in collection methods—such as in timing, definitions of residence and ownership, and the exchange rate used to value transactions—contribute to net errors and omissions. In addition, smuggling and other illegal or quasi-legal transactions may be unrecorded or misrecorded. For further discussion of issues relating to the recording of data on trade in goods and services, see *About the data* for tables 4.4–4.7.

The concepts and definitions underlying the data in the table are based on the fifth edition of the International Monetary Fund's (IMF) *Balance of Payments Manual* (1993). That edition redefined as capital transfers some transactions previously included in the current account, such as debt forgiveness, migrants' capital transfers, and foreign aid to acquire capital goods. Thus the current account balance now reflects more accurately net current transfer receipts in addition to transactions in goods, services (previously nonfactor services), and income (previously factor income). Many countries maintain their data collection systems according to the fourth edition. Where necessary, the IMF converts such reported data to conform to the fifth edition (see *Primary data documentation*). Values are in U.S. dollars converted at market exchange rates.

The data in this table come from the IMF's Balance of Payments and International Financial Statistics databases.

Definitions

• **Exports and imports of goods and services** comprise all transactions between residents of an economy and the rest of the world involving a change in ownership of general merchandise, goods sent for processing and repairs, nonmonetary gold, and services. • **Net income** refers to receipts and payments of employee compensation for nonresident workers, and investment income (receipts and payments on direct investment, portfolio investment, and other investments and receipts on reserve assets). Income derived from the use of intangible assets is recorded under business services. • **Net current transfers** are recorded in the balance of payments whenever an economy provides or receives goods, services, income, or financial items without a quid pro quo. All transfers not considered to be capital are current. • **Current account balance** is the sum of net exports of goods and services, net income, and net current transfers. • **Total reserves** comprise holdings of monetary gold, special drawing rights, reserves of IMF members held by the IMF, and holdings of foreign exchange under the control of monetary authorities. The gold component of these reserves is valued at year-end (31 December) London prices (\$385.00 an ounce in 1990, and \$438.00 an ounce in 2004).

Top 15 economies with the largest current account surplus—and top 15 economies with the largest current account deficit in 2005

4.15a

Economy	Surplus (\$ billions)	Share of GDP (%)	Economy	Deficit (\$ billions)	Share of GDP (%)
Japan	165.8	3.7	United States	-791.5	-6.4
China	160.8	7.2	Spain	-83.1	-7.4
Germany	116.0	4.2	United Kingdom	-49.5	-2.2
Saudi Arabia	87.1	28.1	Australia	-42.3	-5.8
Russian Federation	83.2	10.9	France	-33.3	-1.6
Switzerland	53.9	14.7	Italy	-27.7	-1.6
Norway	49.5	16.7	Turkey	-23.2	-6.4
Netherlands	48.9	7.8	Grece	-17.9	-7.9
Singapore	33.2	28.4	Portugal	-17.0	-9.3
Kuwait	32.6	40.4	New Zealand	-9.6	-8.8
Canada	26.6	2.4	South Africa	-9.1	-3.8
Venezuela, RB	25.4	18.1	Romania	-8.5	-8.6
Nigeria	24.2	24.5	Hungary	-8.1	-7.4
Sweden	23.6	6.6	Ireland	-5.3	-2.6
Hong Kong, China	20.3	11.4	Poland	-5.1	-1.7

Source: International Monetary Fund, balance of payments data files.

Data sources

Data on the balance of payments are published in the IMF's *Balance of Payments Statistics Yearbook* and *International Financial Statistics*. The World Bank exchanges data with the IMF through electronic files that in most cases are more timely and cover a longer period than the published sources. More information about the design and compilation of the balance of payments can be found in the IMF's *Balance of Payments Manual*, fifth edition (1993), *Balance of Payments Textbook* (1996), and *Balance of Payments Compilation Guide* (1995). The IMF's International Financial Statistics and Balance of Payments databases are available on CD-ROM.



4.16

External debt

	Total external debt		Long-term debt		Public and publicly guaranteed debt				Private nonguaranteed external debt		Use of IMF credit	
	\$ millions		\$ millions		\$ millions				\$ millions		\$ millions	
	1990	2005	1990	2005	Total	IBRD loans and IDA credits	1990	2005	1990	2005	1990	2005
Afghanistan	..	..	..	..	..	..	..	..	..	..	..	..
Albania	..	1,839	..	1,459	..	1,375	..	..	..	84	..	92
Algeria	28,149	16,879	26,688	16,363	26,688	15,476	1,208	..	..	887	670	0
Angola	8,592	11,755	7,603	9,428	7,603	9,428	..	..	0	..	0	..
Argentina	62,233	114,335	48,676	85,477	46,876	61,952	2,609	..	1,800	23,525	3,083	9,513
Armenia	..	1,861	..	1,386	..	923	..	752	..	464	..	176
Australia	..	..	..	..	..	..	..	..	..	..	..	..
Austria	..	..	..	..	..	..	..	..	..	..	..	..
Azerbaijan	..	1,881	..	1,531	..	1,344	..	501	..	187	..	164
Bangladesh	12,439	18,935	11,658	17,938	11,658	17,938	4,159	8,688	0	..	626	308
Belarus	..	4,734	..	1,231	..	783	..	..	..	448	..	0
Belgium	..	..	..	..	..	..	..	..	..	..	..	..
Benin	1,292	1,855	1,218	1,762	1,218	1,762	326	..	0	..	18	53
Bolivia	4,275	6,390	3,864	5,965	3,687	4,564	587	1,673	177	1,401	257	244
Bosnia and Herzegovina	..	5,564	..	4,400	..	2,560	..	1,403	..	1,840	..	62
Botswana	553	473	547	438	547	438	169	9	0	..	0	..
Brazil	119,964	187,994	94,427	164,001	87,756	94,497	8,427	..	6,671	69,505	1,821	0
Bulgaria	..	16,786	..	11,922	..	4,587	..	..	..	7,335	..	660
Burkina Faso	832	2,045	748	1,920	748	1,920	282	..	0	..	0	104
Burundi	907	1,322	851	1,228	851	1,228	..	..	0	..	43	58
Cambodia	1,845	3,515	1,683	3,155	1,683	3,155	..	..	0	..	27	81
Cameroon	6,431	7,151	5,373	6,114	5,144	5,521	871	1,115	230	592	121	272
Canada	..	..	..	..	..	..	..	..	..	..	..	..
Central African Republic	699	1,016	624	871	624	871	265	..	0	..	37	36
Chad	529	1,633	469	1,537	469	1,537	..	899	0	..	30	79
Chile	19,226	45,154	14,687	38,281	10,425	9,096	1,874	293	4,263	29,184	1,156	..
China	55,301	281,612	45,515	133,345	45,515	82,853	5,881	20,880	..	50,492	469	..
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	17,222	37,656	15,784	31,480	14,671	22,491	3,874	3,900	1,113	8,989	..	..
Congo, Dem. Rep.	10,259	10,600	8,994	9,412	8,994	9,412	1,161	..	0	..	521	791
Congo, Rep.	4,934	5,936	4,187	5,161	4,187	5,161	239	280	0	..	11	26
Costa Rica	3,756	6,223	3,367	4,118	3,063	3,470	412	60	304	648	11	..
Côte d'Ivoire	17,251	10,735	13,223	9,854	10,665	9,007	1,920	2,185	2,558	847	431	198
Croatia	..	30,169	..	25,848	..	9,782	..	..	..	16,066	..	..
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..
Denmark	..	..	..	..	..	..	..	..	..	..	..	..
Dominican Republic	4,372	7,398	3,518	6,094	3,419	6,093	258	416	99	2	72	400
Ecuador	12,107	17,129	10,029	15,332	9,865	10,662	848	815	164	4,670	265	78
Egypt, Arab Rep.	33,017	34,114	28,439	28,132	27,439	24,892	2,401	1,912	1,000	3,240	125	..
El Salvador	2,149	7,088	1,938	5,513	1,913	4,760	164	448	26	754	0	..
Eritrea	..	736	..	723	..	723	..	..	..	..	..	..
Estonia	..	11,255	..	7,256	..	435	..	..	..	6,821	..	..
Ethiopia	8,630	6,259	8,479	5,897	8,479	5,897	851	..	0	..	6	160
Finland	..	..	..	..	..	..	..	..	..	..	..	..
France	..	..	..	..	..	..	..	..	..	..	..	..
Gabon	3,983	3,902	3,150	3,582	3,150	3,582	69	..	0	..	140	68
Gambia, The	369	672	308	626	308	626	102	..	0	..	45	21
Georgia	..	1,911	..	1,626	..	1,494	..	..	..	132	..	232
Germany	..	..	..	..	..	..	..	..	..	..	..	..
Ghana	3,734	6,739	2,670	5,734	2,637	5,734	1,423	4,234	33	0	745	417
Greece	..	..	..	..	..	..	..	..	..	..	..	..
Guatemala	2,849	5,349	2,368	3,793	2,241	3,688	293	..	127	105	67	..
Guinea	2,476	3,247	2,253	2,931	2,253	2,931	419	..	0	..	51	87
Guinea-Bissau	692	693	630	671	630	671	145	..	0	..	5	12
Haiti	917	1,323	778	1,276	778	1,276	324	..	0	..	38	21

External debt

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ECONOMY

	Total external debt		Long-term debt		Public and publicly guaranteed debt				Private nonguaranteed external debt		Use of IMF credit	
	\$ millions		\$ millions		\$ millions				\$ millions		\$ millions	
	1990	2005	1990	2005	Total	IBRD loans and IDA credits	1990	2005	1990	2005	1990	2005
Honduras	3,718	5,242	3,487	4,660	3,420	4,152	635	1,353	66	509	32	168
Hungary	21,201	66,119	17,931	53,725	17,931	21,216	1,512	..	..	32,509	330	..
India	83,628	123,123	72,462	114,335	70,974	80,281	20,996	28,919	1,488	34,054	2,623	..
Indonesia	69,872	138,300	58,242	105,993	47,982	72,335	10,385	9,132	10,261	33,658	494	7,807
Iran, Islamic Rep.	9,020	21,260	1,797	10,574	1,797	10,493	86	..	..	81	0	..
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..
Jamaica	4,752	6,511	4,049	5,897	4,015	5,508	672	..	34	390	357	0
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Jordan	8,333	7,696	7,202	6,878	7,202	6,878	593	970	0	..	94	236
Kazakhstan	..	43,354	..	35,334	..	2,184	..	..	..	33,150	..	..
Kenya	7,055	6,169	5,639	5,520	4,759	5,520	2,056	2,663	880	0	482	159
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Kuwait	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyz Republic	..	2,032	..	1,830	..	1,670	..	..	..	161	..	178
Lao PDR	1,768	2,690	1,757	2,656	1,757	1,971	131	..	..	685	8	29
Latvia	..	14,283	..	6,791	..	1,318	..	..	..	5,473	..	0
Lebanon	1,779	22,373	358	18,923	358	17,912	34	..	..	1,011	0	..
Lesotho	396	690	378	647	378	647	..	271	0	..	15	35
Liberia	1,849	2,581	1,116	1,115	1,116	1,115	248	251	0	..	322	320
Libya	..	..	..	..	..	..	..	..	..	..	..	..
Lithuania	..	11,201	..	5,876	..	1,511	..	..	..	4,365	..	0
Macedonia, FYR	..	2,243	..	2,084	..	1,613	..	608	..	471	..	62
Madagascar	3,689	3,465	3,320	3,178	3,320	3,178	797	..	0	..	144	212
Malawi	1,558	3,155	1,385	3,040	1,382	3,040	854	1,940	2	..	115	75
Malaysia	15,328	50,981	13,422	38,805	11,592	22,449	1,102	..	1,830	16,356	..	..
Mali	2,468	2,969	2,337	2,843	2,337	2,843	498	..	0	..	69	109
Mauritania	2,113	2,281	1,806	2,043	1,806	2,043	264	..	0	..	70	69
Mauritius	984	2,160	910	797	762	731	195	79	147	66	22	..
Mexico	104,442	167,228	81,809	160,649	75,974	108,786	11,030	..	5,835	51,863	6,551	0
Moldova	..	2,053	..	1,240	..	700	..	371	..	540	..	95
Mongolia	..	1,327	..	1,267	..	1,267	..	..	..	..	..	35
Morocco	25,004	16,846	23,847	16,164	23,647	13,113	3,138	2,278	200	3,051	750	0
Mozambique	4,650	5,121	4,231	4,419	4,211	3,727	..	1,575	19	692	74	157
Myanmar	4,695	6,645	4,466	5,196	4,466	5,196	..	..	0	..	0	..
Namibia	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	1,640	3,285	1,572	3,217	1,572	3,217	667	..	0	..	44	20
Netherlands	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Nicaragua	10,745	5,144	8,313	4,405	8,313	4,113	299	..	..	292	0	201
Niger	1,726	1,972	1,487	1,803	1,226	1,771	461	..	261	33	85	128
Nigeria	33,439	22,178	31,935	20,342	31,545	20,342	3,321	1,859	391	..	0	..
Norway	..	..	..	..	..	..	..	..	..	..	..	..
Oman	..	3,472	..	1,805	..	842	..	..	..	963	0	..
Pakistan	20,663	33,675	16,643	30,953	16,506	29,490	3,922	9,104	138	1,463	835	1,492
Panama	6,493	9,765	3,842	9,256	3,842	7,514	462	..	..	1,742	272	24
Papua New Guinea	2,594	1,849	2,461	1,654	1,523	1,266	349	327	938	387	61	0
Paraguay	2,105	3,120	1,732	2,607	1,713	2,264	320	244	19	343	0	..
Peru	20,044	28,653	13,959	25,387	13,629	22,222	1,188	..	330	3,165	755	57
Philippines	30,580	61,527	25,241	54,743	24,040	35,233	4,044	3,082	1,201	19,510	912	389
Poland	49,364	98,821	39,261	81,118	39,261	35,094	55	..	..	46,024	509	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.16

External debt

	Total external debt		Long-term debt		Public and publicly guaranteed debt				Private nonguaranteed external debt		Use of IMF credit	
	\$ millions		\$ millions		\$ millions				\$ millions		\$ millions	
	1990	2005	1990	2005	Total	IBRD loans and IDA credits	1990	2005	1990	2005	1990	2005
Romania	1,140	38,694	230	31,199	223	13,341	0	..	7	17,858	0	261
Russian Federation	..	229,042	..	204,911	..	75,359	..	..	..	129,552	..	0
Rwanda	712	1,518	664	1,420	664	1,420	340	..	0	..	0	77
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..
Senegal	3,744	3,793	3,008	3,609	2,948	3,467	835	..	60	141	314	148
Serbia and Montenegro	..	16,295	..	13,186	..	7,972	..	2,984	..	5,214	..	866
Sierra Leone	1,197	1,682	940	1,420	940	1,420	92	..	0	..	108	192
Singapore	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	..	23,654	..	8,493	..	3,340	..	..	..	5,153	..	..
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..
Somalia	2,370	2,750	1,926	1,882	1,926	1,882	419	..	0	..	159	160
South Africa	..	30,632	..	20,922	..	11,662	..	..	..	9,260	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	5,863	11,444	5,049	10,055	4,947	9,812	946	2,095	102	243	410	381
Sudan	14,762	18,455	9,651	11,659	9,155	11,163	1,048	..	496	496	956	518
Swaziland	298	532	294	451	294	451	44	27	0	..	0	..
Sweden	..	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	17,259	6,508	15,108	5,640	15,108	5,640	523	22	0	..	..	..
Tajikistan	..	1,022	..	811	..	785	..	..	..	26	..	127
Tanzania	6,454	7,763	5,794	6,192	5,782	6,183	1,493	3,861	12	9	140	342
Thailand	28,094	52,266	19,771	36,252	12,460	13,483	2,530	459	7,311	22,769	1	..
Togo	1,281	1,708	1,081	1,469	1,081	1,469	398	..	0	..	87	14
Trinidad and Tobago	2,511	2,652	2,055	1,310	1,782	1,197	41	..	273	113	329	..
Tunisia	7,688	17,789	6,878	14,723	6,660	12,982	1,406	1,594	218	1,741	176	0
Turkey	49,424	171,059	39,924	118,195	38,870	62,580	6,429	5,901	1,054	55,614	0	14,646
Turkmenistan	..	1,092	..	945	..	912	..	..	..	33	..	..
Uganda	2,584	4,463	2,162	4,250	2,162	4,250	969	..	0	..	282	131
Ukraine	..	33,297	..	20,047	..	10,458	..	..	..	9,588	..	1,188
United Arab Emirates	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..
Uruguay	4,415	14,551	3,114	8,286	3,045	7,866	359	..	69	421	101	2,304
Uzbekistan	..	4,226	..	4,189	..	3,639	..	310	..	551	..	0
Venezuela, RB	33,171	44,201	28,159	33,984	24,509	29,317	974	..	3,650	4,667	3,012	..
Vietnam	23,270	19,287	21,378	16,513	21,378	16,513	59	..	0	..	112	203
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	6,352	5,363	5,160	4,717	5,160	4,717	602	..	0	..	0	292
Zambia	6,905	5,668	4,543	4,887	4,541	4,085	813	2,488	2	802	949	591
Zimbabwe	3,279	4,257	2,681	3,253	2,496	3,222	449	915	185	32	7	111
World	.. S	.. S	.. S	.. S	.. S	.. S	.. S	.. S	.. S	.. S	.. S	.. S
Low income	309,885	379,239	266,712	338,595	259,250	298,209	55,118	105,286	7,462	40,385	10,671	8,322
Middle income	1,020,176	2,363,139	827,982	1,808,585	775,449	1,063,425	82,201	116,307	52,533	745,160	23,981	40,857
Lower middle income	575,126	1,146,475	474,426	834,842	441,124	548,961	54,704	80,600	33,302	285,881	8,452	14,021
Upper middle income	445,050	1,216,664	353,557	973,742	334,325	514,464	27,497	35,708	19,232	459,278	15,529	26,836
Low & middle income	1,330,061	2,742,378	1,094,694	2,147,179	1,034,699	1,361,634	137,319	221,593	59,996	785,545	34,652	49,179
East Asia & Pacific	234,079	621,223	194,620	400,185	172,984	256,316	25,306	39,829	21,635	143,869	2,085	8,545
Europe & Central Asia	210,841	834,484	172,395	646,633	167,474	266,975	10,429	30,447	4,921	379,658	1,305	18,810
Latin America & Carib.	444,637	727,628	352,724	621,868	327,705	419,555	35,877	40,379	25,018	202,313	18,298	13,122
Middle East & N. Africa	139,541	152,724	118,031	124,308	116,613	113,334	10,074	10,102	1,418	10,974	1,815	547
South Asia	124,396	191,479	107,527	177,441	105,800	141,681	30,717	50,329	1,727	35,760	4,537	2,208
Sub-Saharan Africa	176,568	214,841	149,398	176,743	144,122	163,773	24,916	50,507	5,276	12,970	6,612	5,947
High income												
Europe EMU												

About the data

Data on the external debt of developing countries are gathered by the World Bank through its Debtor Reporting System. World Bank staff calculate the indebtedness of these countries using loan-by-loan reports submitted by them on long-term public and publicly guaranteed borrowing, along with information on short-term debt collected by the countries or collected from creditors through the reporting systems of the Bank for International Settlements and the Organisation for Economic Co-operation and Development. These data are supplemented by information on loans and credits from major multilateral banks, loan statements from official lending agencies in major creditor countries, and estimates by World Bank and International Monetary Fund (IMF) staff. In addition, the table includes data on private nonguaranteed debt for 77 countries either reported to the World Bank or estimated by its staff.

The coverage, quality, and timeliness of debt data vary across countries. Coverage varies for both debt instruments and borrowers. With the widening spectrum of debt instruments and investors and the expansion of private nonguaranteed borrowing, comprehensive coverage of long-term external debt becomes more complex. Reporting countries differ in their capacity to monitor debt, especially private nonguaranteed debt. Even data on public and publicly guaranteed debt are affected by coverage and accuracy in reporting—again because of monitoring capacity and sometimes because of an unwillingness to provide information. A key part often underreported is military debt.

Because debt data are normally reported in the currency of repayment, they have to be converted

into U.S. dollars to produce summary tables. Stock figures (amount of debt outstanding) are converted using end-of-period exchange rates, as published in the IMF's *International Financial Statistics* (line ae). Flow figures are converted at annual average exchange rates (line rf). Projected debt service is converted using end-of-period exchange rates. Debt repayable in multiple currencies, goods, or services and debt with a provision for maintenance of the value of the currency of repayment are shown at book value.

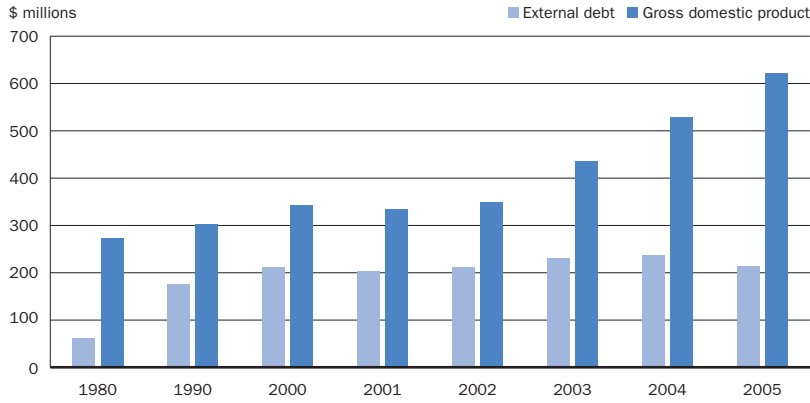
Because flow data are converted at annual average exchange rates and stock data at end-of-period exchange rates, year-to-year changes in debt outstanding and disbursed are sometimes not equal to net flows (disbursements less principal repayments); similarly, changes in debt outstanding, including undisbursed debt, differ from commitments less repayments. Discrepancies are particularly significant when exchange rates have moved sharply during the year. Cancellations and reschedulings of other liabilities into long-term public debt also contribute to the differences.

Variations in reporting rescheduled debt also affect cross-country comparability. For example, rescheduling under the auspices of the Paris Club of official creditors may be subject to lags between the completion of the general rescheduling agreement and the completion of the specific bilateral agreements that define the terms of the rescheduled debt. Other areas of inconsistency include country treatment of arrears and of nonresident national deposits denominated in foreign currency.

Definitions

- **Total external debt** is debt owed to nonresidents repayable in foreign currency, goods, or services. It is the sum of public, publicly guaranteed, and private nonguaranteed long-term debt, use of IMF credit, and short-term debt. Short-term debt includes all debt having an original maturity of one year or less and interest in arrears on long-term debt.
- **Long-term debt** is debt that has an original or extended maturity of more than one year. It has three components: public, publicly guaranteed, and private nonguaranteed debt.
- **Public and publicly guaranteed debt** comprises the long-term external obligations of public debtors, including the national government and political subdivisions (or an agency of either) and autonomous public bodies, and the external obligations of private debtors that are guaranteed for repayment by a public entity.
- **IBRD loans and IDA credits** are extended by the World Bank. The International Bank for Reconstruction and Development (IBRD) lends at market rates. The International Development Association (IDA) provides credits at concessional rates.
- **Private nonguaranteed external debt** consists of the long-term external obligations of private debtors that are not guaranteed for repayment by a public entity.
- **Use of IMF credit** denotes repurchase obligations to the IMF for all uses of IMF resources (excluding those resulting from drawings on the reserve tranche). These obligations, shown for the end of the year specified, comprise purchases outstanding under the credit tranches (including enlarged access resources) and all special facilities (the buffer stock, compensatory financing, extended fund, and oil facilities), trust fund loans, and operations under the structural adjustment and enhanced structural adjustment facilities.

External debt started to decline in the Sub-Saharan African economies in 2005 **4.16a**



Because GDP has risen, the ratio of external debt to gross domestic product has declined for the last five years.

Source: World Bank data files.

Data sources

The main sources of external debt information are reports to the World Bank through its Debtor Reporting System from member countries that have received IBRD loans or IDA credits. Additional information is from the files of the World Bank and the IMF. Summary tables of the external debt of developing countries are published annually in the World Bank's *Global Development Finance* and on its *Global Development Finance* CD-ROM.



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Debt ratios

	Present value of debt		Total debt service				Multilateral debt service		Short-term debt			
	% of GNI 2005 ^b	% of exports of goods, services, and income ^a 2005 ^b	% of GNI		% of exports of goods, services, and income ^a		% of public and publicly guaranteed debt		% of total debt		% of exports of goods, services, and income	
			1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Afghanistan	..	..	..	..	..	..	..	..	..	..	..	..
Albania	19	51	..	1.0	..	2.5	..	50.4	..	15.7	..	9.0
Algeria	21	45	14.7	6.1	63.4	..	5.0	26.6	2.8	3.1	5.7	..
Angola	59	72	4.0	7.8	8.1	9.2	2.2	0.6	11.5	19.8	24.7	9.6
Argentina	73	245	4.6	6.0	37.0	20.8	16.2	68.3	16.8	16.9	62.9	38.1
Armenia	36	100	..	2.8	..	7.9	..	87.0	..	16.0	..	17.0
Australia	..	..	..	..	..	..	..	..	..	..	..	..
Austria	..	..	..	..	..	..	..	..	..	..	..	..
Azerbaijan	18	27	..	2.2	..	2.6	..	37.0	..	9.9	..	2.1
Bangladesh	22	102	2.4	1.3	25.8	5.4	22.8	56.2	1.3	3.6	5.4	4.7
Belarus	20	31	..	2.3	..	3.7	..	21.8	..	74.0	..	19.1
Belgium	..	..	..	..	..	..	..	..	..	..	..	..
Benin	23 ^c	112 ^c	2.1	1.6	8.2	..	95.7	58.8	4.3	2.1	11.9	..
Bolivia	38 ^c	112 ^c	8.3	5.9	38.6	14.8	67.6	92.8	3.6	2.8	15.5	5.1
Bosnia and Herzegovina	52	102	..	2.6	..	4.9	..	73.6	..	19.8	..	19.9
Botswana	5	8	2.9	0.5	4.4	0.9	61.3	67.9	1.0	7.4	0.2	0.6
Brazil	34	183	1.8	8.1	22.2	44.8	43.5	15.9	19.8	12.8	64.4	17.1
Bulgaria	68	105	..	21.5	..	31.5	..	13.8	..	25.1	..	22.7
Burkina Faso	22 ^c	196 ^c	1.1	0.9	6.8	..	73.1	77.0	10.1	1.0	16.6	..
Burundi	110 ^c	1,072 ^c	3.8	5.0	43.4	41.4	51.1	87.1	1.5	2.7	13.7	37.4
Cambodia	58	84	2.7	0.5	..	0.7	..	74.6	7.4	8.0	..	6.6
Cameroon	14 ^c	61 ^c	4.8	4.9	20.4	..	43.9	21.8	14.6	10.7	36.9	..
Canada	..	..	..	..	..	..	..	..	..	..	..	..
Central African Republic	67 ^c	715 ^c	2.0	0.4	13.2	..	50.3	99.8	5.4	10.7	17.1	..
Chad	31 ^c	51 ^c	0.7	1.4	4.4	..	73.1	74.5	5.6	1.0	10.9	..
Chile	52	114	9.3	7.3	25.9	15.4	35.7	20.1	17.6	15.2	31.6	13.8
China	14	40	2.0	1.2	11.7	3.1	7.6	21.4	16.9	52.7	15.4	16.8
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	43	171	10.2	8.7	40.9	35.3	32.2	39.5	8.4	16.4	15.1	21.5
Congo, Dem. Rep.	123 ^c	383 ^c	4.1	3.1	..	..	49.7	30.6	7.3	3.8	..	..
Congo, Rep.	124 ^c	106 ^c	22.9	3.0	35.4	2.4	12.7	73.4	14.9	12.6	49.0	15.0
Costa Rica	36	69	7.0	3.1	23.9	5.9	36.1	67.7	10.1	33.8	18.0	20.3
Côte d'Ivoire	69 ^c	131 ^c	13.7	3.0	35.4	5.5	77.5	12.3	20.9	6.4	101.0	8.1
Croatia	89	159	..	13.2	..	24.0	..	9.8	..	14.3	..	21.0
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..
Denmark	..	..	..	..	..	..	..	..	..	..	..	..
Dominican Republic	37	61	3.4	3.2	10.4	6.9	50.3	23.1	17.9	12.2	35.0	7.0
Ecuador	60	166	11.9	12.0	32.5	30.6	34.8	36.5	15.0	10.0	54.4	12.7
Egypt, Arab Rep.	36	99	7.3	2.9	20.4	6.8	18.7	23.8	13.5	17.5	29.6	16.1
El Salvador	48	105	4.4	4.0	15.3	8.6	60.2	49.7	9.8	22.2	15.5	20.8
Eritrea	57 ^c	213 ^c	..	2.1	..	..	..	61.6	..	1.7	..	..
Estonia	102	115	..	12.8	..	13.7	..	14.6	..	35.5	..	34.4
Ethiopia	21 ^c	111 ^c	2.0	0.8	39.0	4.1	14.5	53.6	1.7	3.2	24.0	9.4
Finland	..	..	..	..	..	..	..	..	..	..	..	..
France	..	..	..	..	..	..	..	..	..	..	..	..
Gabon	63	92	3.3	1.5	6.4	..	32.6	77.5	17.4	6.5	25.2	..
Gambia, The	99 ^c	162 ^c	13.0	6.5	22.2	12.1	25.3	62.0	4.3	3.7	9.3	10.2
Georgia	28	72	..	2.9	..	7.4	..	20.1	..	2.7	..	2.1
Germany	..	..	..	..	..	..	..	..	..	..	..	..
Ghana	26 ^c	64 ^c	6.3	2.7	38.1	7.1	31.2	36.5	8.6	8.7	33.5	14.6
Greece	..	..	..	..	..	..	..	..	..	..	..	..
Guatemala	20	77	3.1	1.5	13.6	5.8	33.4	57.6	14.5	29.1	24.4	19.0
Guinea	35 ^c	146 ^c	6.3	5.0	20.1	..	22.1	50.2	6.9	7.1	20.4	..
Guinea-Bissau	290 ^c	660 ^c	3.6	11.3	31.1	..	70.4	12.2	8.2	1.4	208.3	..
Haiti	24 ^c	63 ^c	1.3	1.4	11.1	3.7	70.5	81.3	11.0	1.9	31.0	1.6

Debt ratios

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ECONOMY

	Present value of debt		Total debt service				Multilateral debt service		Short-term debt			
	% of GNI 2005 ^b	% of exports of goods, services, and income ^a 2005 ^b	% of GNI		% of exports of goods, services, and income ^a		% of public and publicly guaranteed debt		% of total debt		% of exports of goods, services, and income	
			1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	37 ^c	60 ^c	13.9	4.8	35.3	7.2	90.8	86.0	5.4	7.9	18.1	7.8
Hungary	69	96	13.4	22.9	34.3	31.0	8.0	6.8	13.9	18.8	23.9	16.3
India	16	73	2.6	3.0	31.9	..	22.5	9.1	10.2	7.1	33.3	..
Indonesia	55	159	9.1	6.5	33.3	..	22.5	39.2	15.9	17.7	37.3	23.7
Iran, Islamic Rep.	13	39	0.6	1.4	3.2	..	30.5	9.1	80.1	50.3	35.8	..
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..
Jamaica	93	141	15.9	10.8	26.9	16.3	38.6	20.1	7.3	9.4	14.1	10.3
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Jordan	65	89	16.5	4.7	20.4	6.5	26.8	49.0	12.4	7.6	33.7	6.1
Kazakhstan	106	185	..	25.5	..	42.1	..	80.4	..	18.5	..	25.6
Kenya	28	103	9.6	1.3	35.4	4.4	44.7	60.7	13.2	8.0	41.8	9.1
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Kuwait	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyz Republic	54 ^c	106 ^c	..	5.4	..	10.0	..	97.7	..	1.2	..	1.9
Lao PDR	63 ^c	200 ^c	1.1	6.6	8.7	..	54.3	72.2	0.1	0.2	2.1	..
Latvia	104	211	..	19.8	..	37.4	..	59.1	..	52.5	..	90.3
Lebanon	114	127	2.9	16.5	..	17.7	27.8	3.1	79.9	15.4	..	17.3
Lesotho	32	50	2.3	3.1	4.2	5.0	44.5	46.5	0.7	1.2	0.5	0.7
Liberia	1,087 ^c	3,514 ^c	..	0.2	..	..	99.8	100.0	22.2	44.4	..	..
Libya	..	..	..	..	..	..	..	..	..	..	..	..
Lithuania	52	90	..	10.3	..	16.5	..	19.4	..	47.5	..	34.1
Macedonia, FYR	40	89	..	4.2	..	8.6	..	41.7	..	4.3	..	3.5
Madagascar	37 ^c	323 ^c	7.5	1.6	45.5	17.0	23.7	66.4	6.1	2.2	46.0	16.4
Malawi	58 ^c	162 ^c	7.2	4.7	29.3	..	38.3	63.4	3.8	1.3	12.9	..
Malaysia	46	35	10.3	7.6	12.6	5.6	9.9	3.4	12.4	23.9	5.5	7.3
Mali	30 ^c	100 ^c	2.8	1.7	12.4	..	54.3	77.8	2.5	0.6	11.3	..
Mauritania	117 ^c	289 ^c	13.5	3.5	29.8	..	73.7	63.6	11.2	7.4	48.7	..
Mauritius	37	60	6.6	4.5	8.8	7.2	51.6	18.4	5.3	63.1	2.9	34.9
Mexico	26	79	4.5	5.8	20.7	17.2	26.0	12.8	15.4	3.9	29.5	2.6
Moldova	70	97	..	7.7	..	10.2	..	70.2	..	35.0	..	29.1
Mongolia	63	73	..	2.5	..	..	..	38.2	..	1.9	..	..
Morocco	34	77	7.2	5.3	21.6	11.3	39.8	38.8	1.6	4.1	4.9	2.8
Mozambique	28 ^c	85 ^c	3.4	1.5	26.2	4.3	30.6	63.0	7.4	10.6	115.2	24.9
Myanmar	..	148	..	..	18.4	..	43.6	2.7	4.9	21.8	69.8	..
Namibia	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	34 ^c	104 ^c	1.9	1.6	15.7	4.6	36.9	75.5	1.5	1.4	5.4	1.8
Netherlands	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Nicaragua	46 ^c	94 ^c	1.6	3.6	3.9	6.9	21.4	45.0	22.6	10.5	602.0	21.7
Niger	25 ^c	142 ^c	4.1	1.1	17.4	..	70.9	98.2	8.9	2.1	27.1	..
Nigeria	34	53	13.0	10.2	22.6	15.8	15.5	5.5	4.5	8.3	10.2	3.3
Norway	..	..	..	..	..	..	..	..	..	..	..	..
Oman	14	22	..	..	..	7.5	..	45.9	..	48.0	..	8.4
Pakistan	30	134	4.6	2.3	21.3	10.2	40.3	58.5	15.4	3.7	35.6	5.1
Panama	90	118	6.8	14.5	6.2	17.5	90.6	10.6	36.6	5.0	42.5	4.1
Papua New Guinea	55	60	17.9	..	37.2	10.8	23.0	46.3	2.8	10.6	4.8	5.4
Paraguay	54	84	6.0	6.7	12.4	11.4	35.9	49.6	17.7	16.4	14.2	12.0
Peru	49	198	1.9	7.5	10.8	26.0	28.8	21.6	26.6	11.2	121.1	14.9
Philippines	67	120	8.2	9.2	27.0	16.7	28.7	15.9	14.5	10.4	33.3	10.8
Poland	39	98	1.7	11.6	4.9	28.8	9.2	2.6	19.4	17.9	48.9	15.0
Portugal
Puerto Rico



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Debt ratios

	Present value of debt		Total debt service				Multilateral debt service		Short-term debt			
	% of GNI 2005 ^b	% of exports of goods, services, and income ^a 2005 ^b	% of GNI		% of exports of goods, services, and income ^a		% of public and publicly guaranteed debt		% of total debt		% of exports of goods, services, and income	
			1990	2005	1990	2005	1990	2005	1990	2005	1990	2005
Romania	51	137	0.1	7.1	0.3	18.3	..	24.6	79.8	18.7	13.9	19.0
Russian Federation	40	104	..	5.6	..	14.6	..	3.6	..	10.5	..	8.4
Rwanda	18 ^c	154 ^c	0.8	1.1	14.2	8.1	60.6	77.5	6.6	1.4	31.9	7.4
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..
Senegal	34 ^c	89 ^c	5.9	2.4	19.9	..	40.0	60.2	11.3	0.9	25.9	..
Serbia and Montenegro	69	202	..	4.9	..	..	..	60.2	..	13.8	..	..
Sierra Leone	40 ^c	178 ^c	3.7	2.2	10.1	9.2	26.0	37.5	12.4	4.1	70.5	25.6
Singapore	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	61	73	..	13.2	..	..	..	11.6	..	64.1	..	..
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..
Somalia	..	1,137	1.3	..	..	..	100.0	..	12.0	25.8	..	..
South Africa	14	47	..	2.0	..	6.9	..	3.7	..	31.7	..	13.7
Spain	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	48	109	4.9	1.9	13.8	4.5	13.8	45.6	6.9	8.8	14.5	10.2
Sudan	88 ^c	358 ^c	0.4	1.5	8.7	6.5	100.0	15.0	28.2	34.0	724.8	104.7
Swaziland	24	26	4.9	1.6	5.7	1.9	73.0	57.7	1.5	15.3	0.6	3.6
Sweden	..	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	27	69	10.0	0.8	21.8	1.9	3.5	31.2	12.5	13.3	39.4	7.9
Tajikistan	41	53	..	3.5	..	4.5	..	37.1	..	8.2	..	4.9
Tanzania	22 ^{c, d}	95 ^{c, d}	4.4 ^d	1.1 ^d	32.9 ^d	4.3 ^d	52.7	97.0	8.1	15.8	95.5 ^d	41.3 ^d
Thailand	32	44	6.3	11.3	16.9	14.6	22.1	18.5	29.6	30.6	26.6	12.0
Togo	74 ^c	162 ^c	5.4	0.8	11.9	..	40.8	72.6	8.8	13.2	15.6	..
Trinidad and Tobago	24	36	9.6	2.8	19.3	..	4.7	35.3	5.1	50.6	5.5	..
Tunisia	69	125	12.1	7.7	24.5	13.0	26.0	45.8	8.3	17.2	10.8	19.2
Turkey	59	195	4.9	11.6	29.4	39.1	23.3	10.6	19.2	22.3	37.7	35.6
Turkmenistan	16	23	..	4.1	..	..	..	3.2	..	13.5	..	..
Uganda	29 ^c	137 ^c	3.4	2.0	81.4	9.2	37.4	49.7	5.4	1.8	78.8	4.4
Ukraine	53	89	..	7.2	..	13.0	..	21.3	..	36.2	..	26.6
United Arab Emirates	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..
Uruguay	116	332	11.0	13.7	40.8	38.9	16.2	32.2	27.2	27.2	49.7	69.1
Uzbekistan	34	88	..	5.7	..	..	..	15.8	..	0.9	..	..
Venezuela, RB	48	118	10.8	4.0	23.3	9.1	1.6	16.0	6.0	23.1	9.3	16.7
Vietnam	38	56	2.9	1.9	..	2.6	3.4	10.7	7.7	13.3	..	7.0
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	32	56	3.5	1.6	5.6	2.6	50.9	57.4	18.8	6.6	39.4	4.3
Zambia	29 ^c	80 ^c	6.7	3.5	14.7	..	41.0	40.6	20.5	3.4	103.8	..
Zimbabwe	85	228	5.5	7.0	23.2	..	24.0	30.9	18.0	21.0	29.0	..
World			.. W	.. W	.. W	.. W	.. W	.. W	.. W	.. W	.. W	.. W
Low income			3.8	3.2	23.9	..	27.8	15.7	10.5	8.5	37.2	9.3
Middle income			4.7	5.8	19.6	14.2	18.3	17.6	16.5	21.8	29.8	15.5
Lower middle income			4.2	4.4	21.6	11.3	22.3	26.1	16.0	26.1	31.4	16.5
Upper middle income			..	7.5	17.5	17.8	13.7	11.2	17.1	17.8	27.7	14.3
Low & middle income			4.5	5.4	20.1	13.8	19.5	17.3	15.1	20.0	30.8	15.1
East Asia & Pacific			4.8	2.9	17.6	6.1	17.7	20.7	16.0	34.2	20.5	15.2
Europe & Central Asia			..	9.4	..	22.0	10.2	9.4	17.6	20.3	36.0	18.3
Latin America & Carib.			4.2	6.8	23.8	22.5	27.6	22.9	16.6	12.8	39.7	12.9
Middle East & N. Africa			6.4	3.9	20.6	8.9	13.1	25.2	14.1	19.2	23.9	11.4
South Asia			2.9	2.8	27.6	..	25.3	16.0	9.9	6.2	30.1	5.9
Sub-Saharan Africa			..	3.7	13.6	8.8	30.0	13.2	11.6	15.0	..	13.0
High income												
Europe EMU												

a. Includes workers' remittances. b. The numerator refers to 2005, whereas the denominator is a three-year average of 2003–05 data. c. Data are from debt sustainability analyses undertaken as part of the Heavily Indebted Poor Countries (HIPC) Initiative. Present value estimates for these countries are for public and publicly guaranteed debt only. d. GNP and export data refer to mainland Tanzania only.

About the data

The indicators in the table measure the relative burden on developing countries of servicing external debt. The present value of external debt provides a measure of future debt service obligations that can be compared with the current value of such indicators as gross national income (GNI) and exports of goods and services. The table shows the present value of total debt service both as a percentage of GNI in 2005 and as a percentage of exports in 2005. The ratios compare total debt service obligations with the size of the economy and its ability to obtain foreign exchange through exports. The ratios shown here may differ from those published elsewhere because estimates of exports and GNI have been revised to incorporate data available as of February 1, 2007. Exports refer to exports of goods, services, income, and workers' remittances.

The present value of external debt is calculated by discounting the debt service (interest plus amortization) due on long-term external debt over the life of existing loans. Short-term debt is included at its face value. The data on debt are in U.S. dollars converted at official exchange rates (see *About the data* for table 4.16). The discount rate applied to long-term debt is determined by the currency of repayment of the loan and is based on reference rates for commercial interest established by the Organisation for Economic Co-operation and Development. Loans from the International Bank for Reconstruction and Development (IBRD) and credits from the International Development Association (IDA) are discounted

using a special drawing rights reference rate, as are obligations to the International Monetary Fund (IMF). When the discount rate is greater than the interest rate of the loan, the present value is less than the nominal sum of future debt service obligations.

The ratios in the table are used to assess the sustainability of a country's debt service obligations, but there are no absolute rules to determine what values are too high. Empirical analysis of the experience of developing countries and their debt service performance has shown that debt service difficulties become increasingly likely when the ratio of the present value of debt to exports reaches 200 percent. Still, what constitutes a sustainable debt burden varies from one country to another. Countries with fast-growing economies and exports are likely to be able to sustain higher debt levels.

The most indebted low-income countries may be eligible for debt relief under special programs, such as the Heavily Indebted Poor Countries Debt Initiative and Multilateral Debt Relief Initiative. Indebted countries may also apply to the Paris and London Clubs for renegotiation of obligations to public and private creditors. The World Bank no longer classifies countries by their level of indebtedness for the purposes of developing debt management strategies.

Definitions

- **Present value of debt** is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private nonguaranteed long-term external debt over the life of existing loans.
- **Exports of goods, services, and income** refer to international transactions involving a change in ownership of general merchandise, goods sent for processing and repairs, nonmonetary gold, services, receipts of employee compensation for nonresident workers, investment income, and workers' remittances.
- **Total debt service** is the sum of principal repayments and interest actually paid on total long-term debt (public and publicly guaranteed and private nonguaranteed), use of IMF credit, and interest on short-term debt.
- **Multilateral debt service** is the repayment of principal and interest to the World Bank, regional development banks, and other multilateral and intergovernmental agencies.
- **Short-term debt** includes all debt having an original maturity of one year or less and interest in arrears on long-term debt.

The debt burden of Sub-Saharan Africa rose slightly in 2005, after falling **4.17a**



The debt burden of Sub-Saharan economies rose slightly in 2005 after falling to less than half its 1995 level.

a. Includes goods, services, income, and workers' remittances. Source: World Bank data files.

Data sources

The main sources of external debt information are reports to the World Bank through its Debtor Reporting System from member countries that have received IBRD loans or IDA credits. Additional information is from the files of the World Bank and the IMF. Data on GNI and exports of goods and services are from the World Bank's national accounts files and the IMF's Balance of Payments database. Summary tables of the external debt of developing countries are published annually in the World Bank's *Global Development Finance* and on its *Global Development Finance* CD-ROM.