

GLOBAL LINKS

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lobalization and global links

Globalization—the integration of the world economy—has been a persistent theme of the past quarter century. The growth of cross-border economic activity has changed the structure of economies and the political and social organization of countries. Not all effects of globalization can be measured directly. But the scope and pace of change can be monitored along four important channels: trade in goods and services, financial flows, the movement of people, and the diffusion of technology and knowledge.

- Exports and imports of goods and services exceeded \$26 trillion in 2005, or 58 percent of total global output, up from 44 percent in 1980. Developing economies still account for less than one-third of global trade, but their share has been increasing steadily.
- Gross private capital flows across national borders exceeded 32 percent of global output in 2005, up from 9 percent in 1980. Foreign direct investment and cross-border portfolio investment flows to developing economies have soared despite occasional setbacks.
- People have become more mobile. More than 800 million people traveled to foreign destinations in 2005, nearly triple the number in 1980. Some 190 million people are estimated to reside outside their land of birth, nearly double the 1980 level.
- Technology and knowledge are diffusing at unprecedented speed across countries. International phone traffic, measured in minutes, increased more than fourfold between 1995 and 2005 (see section 5).

Many factors have accelerated the pace of globalization. Barriers to international trade and investment are coming down. Technological progress has dramatically cut transportation and communications costs, enabling production processes and distribution networks to move from local to global. Some previously nontradable services can now be traded easily around the world. Efficiency gains due to resource allocation at global scale have made globalization an increasingly powerful source of growth.

Globalization has created opportunities and challenges for developing countries. While the experiences of China, India, Indonesia, Thailand, and some other countries have demonstrated that integration into the global economy is necessary for long-term growth and poverty reduction, concerns have emerged over equality of opportunity and the unequal distribution of benefits. Many poor countries and poor people in many countries have not been able to take full advantage of the opportunities brought by globalization or to participate in its benefits.

Removing the obstacles to full participation by poor countries and poor people is essential to making globalization more inclusive. For example, subsidies to domestic farmers in high-income economies have created formidable barriers for developing economies trying to reach global markets for agricultural products. But there is much that developing countries need to do to make their economies more competitive. Scaling up and increasing the flexibility of official development assistance could assist low-income countries' efforts to attract investment and improve their trade-facilitating infrastructure, whose limitations now constrict poor countries' capacity to take advantage of growing global opportunities.

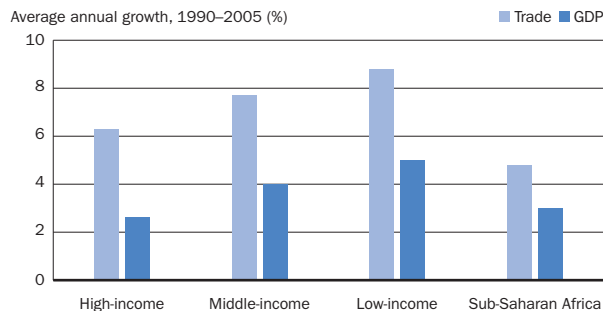
Expanding trade

International trade is the hallmark of an integrated global economy. Between 1990 and 2005 growth in trade outpaced growth in the overall economy across the board (figure 6a). Low- and middle-income economies gained market share in world merchandise exports—from about 16 percent in 1990 to almost 30 percent in 2005 (indicator table 6.3)—but the Sub-Saharan share lagged at around 1.5 percent.

Trade between developing economies has expanded considerably and now makes up about 8 percent of world merchandise exports. Between 1990 and 2005 merchandise exports between developing economies grew at an impressive average annual rate of 13 percent, compared with less than 6 percent for exports between high-income economies (figure 6b). But tariff barriers affecting exports to developing economies are still much higher than those affecting exports to high-income economies. The simple mean tariff rate averages 9 percent in developing economies but less than 4 percent in high-income economies (indicator table 6.7).

Trade growth outpaces GDP growth

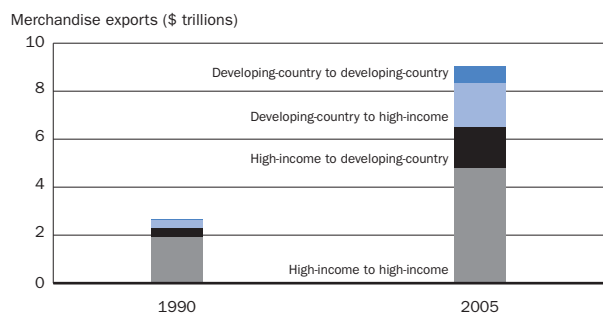
6a



Source: World Bank staff estimates.

Exports from developing countries have grown fast

6b



Source: World Bank staff estimates.

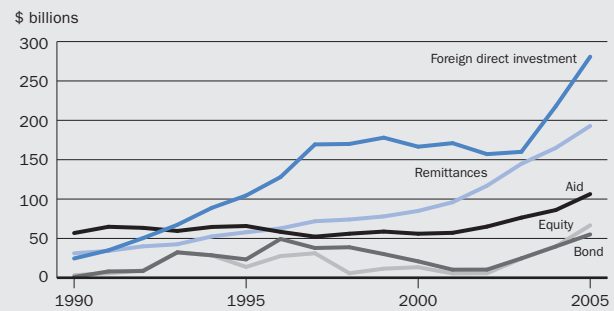
Expanding flows of private financial resources

International private financial flows have increased rapidly in both gross and net terms. Between 1990 and 2005 total gross capital flows recorded in the balance of payments tripled as a share of world GDP, and high-income economies still account for the lion's share (indicator table 6.1). All types of external financial flows to developing economies have soared during this period, but foreign direct investment (FDI) remains the largest (figure 6c). From a low initial level of less than \$25 billion in 1990, net inflows of FDI to developing countries increased tenfold by 2005 (indicator table 6.8).

Large differences in external financial inflows exist among developing economies. The top 10 receivers of FDI net inflows accounted for about two-thirds of total FDI inflows among developing economies in 2005. FDI inflows are dominant in Latin America and Caribbean and East Asia and Pacific; portfolio investments are more important in South Asia (figure 6d). Meanwhile, some developing economies are increasingly investing overseas to expand their global operations.

Foreign direct investment leads resource flows to developing economies

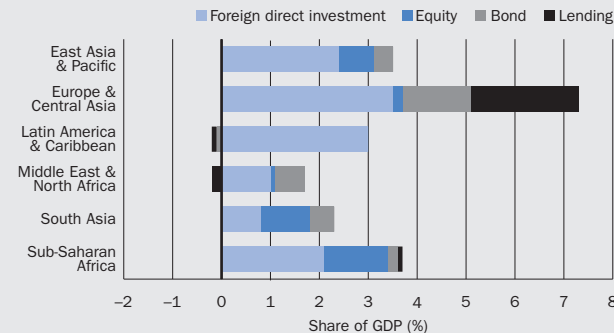
6c



Source: World Bank staff estimates.

Developing economies differ greatly in external resource flows

6d

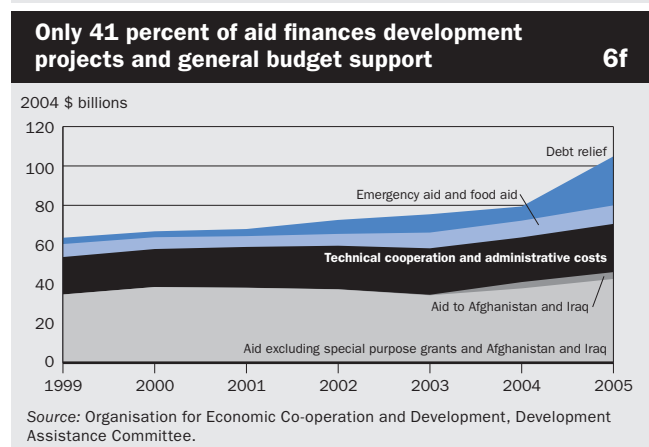
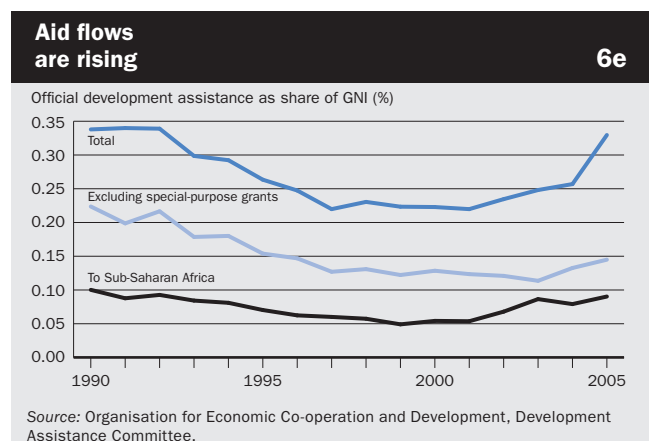


Source: World Bank staff estimates.

Expanding aid and increasing emphasis on effective aid

Developed economies have committed to providing more and better aid, especially to the poorest economies that commit themselves to poverty reduction and good governance. After a period of decline and stagnation, aid flows began to rise, particularly after the Financing for Development conference in Monterrey, Mexico, in 2002. Total official development assistance (ODA) rose to a record high of \$106.8 billion in 2005 (indicator table 6.9). However, many donor economies still need to scale up aid significantly to fulfill commitments made at the Monterrey conference and at the Gleneagles Group of Eight summit in 2005 (figure 6e).

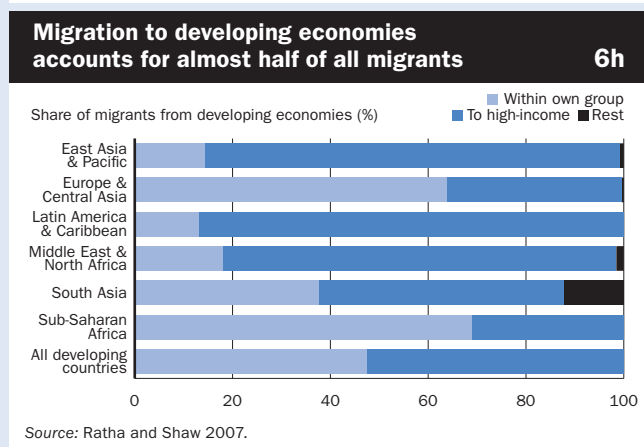
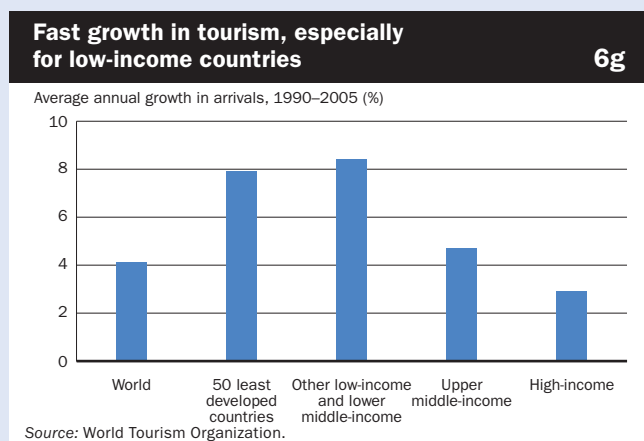
A large amount of aid is earmarked for special purposes. In 2005 more than half of ODA was used for special purposes such as debt relief, technical cooperation and administrative costs, and emergency relief and food aid (indicator table 6.10). Excluding these “special purpose” items and setting aside aid to Afghanistan and Iraq, only 41 percent of ODA in 2005 was available to finance development projects and budget support for general financing needs (figure 6f).



Expanding movements of people

The flow of people across national borders is another mark of integration. Important for many developing economies, international tourism has increased rapidly since its downturn in 2001. In 2005 international tourist arrivals worldwide exceeded 800 million, nearly double the 1990 level. Receipts reached \$680 billion (excluding air tickets), accounting for 6.5 percent of global exports of goods and services (indicator table 6.15). Developing economies, accounting for a third of international tourist arrivals, are attracting new tourists at a faster rate than the world as whole (figure 6g).

International migration is a major global development issue, posing opportunities and challenges to both developed and developing economies. In 2005 recorded remittance flows repatriated by developing economy migrants were \$188 billion, close to 2 percent of GDP (indicator table 6.14). While high-income economies are the most popular destinations, migration between developing economies accounts for nearly half the migrants from developing economies (figure 6h). Migration between developing economies occurs primarily between neighbors, particularly in Europe and Central Asia and Sub-Saharan Africa.





6.1

Integration with the global economy

	Merchandise trade		Trade in services		Growth in real trade less growth in real GDP	Gross private capital flows		Foreign direct investment			
	% of GDP		% of GDP			percentage points	% of GDP		% of GDP		
	1990	2005	1990	2005	1990		2005	1990	2005	1990	2005
Afghanistan	..	51.4	..	..	..	..	..	..	..	..	..
Albania	29.0	39.0	2.9	30.4	12.5	18.0	7.3	2.8	3.1	0.0	0.0
Algeria	36.6	64.9	2.9	..	0.1	2.6	..	0.0	1.1	0.0	..
Angola	53.5	96.2	18.7	21.2	..	10.1	29.5	-3.3	-4.0	0.0	0.2
Argentina	11.6	37.5	3.9	7.6	4.0	8.2	9.1	1.3	2.6	0.0	0.2
Armenia	..	55.4	..	14.7	-6.9	..	10.5	81.4	5.3	..	0.1
Australia	25.6	31.6	7.5	7.9	3.1	9.0	32.5	2.5	-4.7	0.3	2.7
Austria	54.8	81.7	22.7	33.7	3.4	9.6	51.9	0.4	3.0	1.0	2.5
Azerbaijan	..	94.3	..	26.6	13.8	..	87.0	0.0	13.4	..	13.9
Bangladesh	17.6	38.5	3.6	5.7	4.2	0.9	2.9	0.0	1.3	0.0	0.0
Belarus	..	110.5	..	10.9	-1.5	..	5.4	0.0	1.0	..	0.0
Belgium	110.2 ^a	176.1	25.5 ^a	28.9	2.2	78.8 ^a	382.1 ^a	3.7 ^a	8.6	2.9 ^a	5.1
Benin	30.0	33.9	13.9	12.4	-2.4	10.7	8.1	3.4	0.5	0.0	0.1
Bolivia	33.1	53.7	9.4	12.5	1.7	3.1	14.1	0.6	-3.0	0.0	0.0
Bosnia and Herzegovina	..	95.5	..	14.8	-2.7	..	28.0	..	3.0	..	0.0
Botswana	98.4	74.6	15.4	16.6	-2.3	9.0	12.3	2.5	2.7	0.2	2.5
Brazil	11.7	24.6	2.4	5.1	4.4	1.9	5.9	0.2	1.9	0.1	1.6
Bulgaria	48.9	112.2	6.9	29.2	5.9	39.2	34.9	0.0	9.8	0.0	-0.9
Burkina Faso	22.0	34.8	9.1	..	-1.2	1.0	..	0.0	0.4	0.0	..
Burundi	27.0	47.2	12.9	18.4	..	3.7	3.0	0.1	0.1	0.0	0.0
Cambodia	22.4	109.9	5.7	28.1	9.7	3.2	13.6	1.7	6.1	..	0.2
Cameroon	30.5	33.9	12.8	11.3	1.8	15.5	14.4	-1.0	0.1	0.1	..
Canada	43.7	61.0	8.3	10.6	3.1	8.1	14.3	1.3	3.1	0.9	4.8
Central African Republic	18.4	20.4	16.0	..	..	2.2	..	0.0	0.4	0.3	..
Chad	27.2	70.1	15.5	..	3.3	5.6	..	0.5	12.9	0.0	..
Chile	51.1	63.4	12.4	13.0	3.5	14.4	20.4	2.1	5.8	0.0	1.0
China	32.5	63.6	2.9	7.1	6.3	2.5	10.9	1.0	3.5	0.2	0.1
Hong Kong, China	217.4	333.3	..	53.2	3.6	..	78.4	..	20.2	..	24.0
Colombia	30.7	34.6	8.3	6.1	2.7	3.1	16.3	1.2	8.5	0.0	0.1
Congo, Dem. Rep.	43.5	59.5	..	..	9.6	..	..	0.2	5.7	..	..
Congo, Rep.	57.2	126.0	31.0	35.3	3.8	6.6	34.2	-0.5	14.2	0.0	0.0
Costa Rica	46.4	84.1	15.7	20.6	3.2	5.4	16.9	2.2	4.3	0.0	0.3
Côte d'Ivoire	47.9	79.3	20.5	17.6	0.5	3.5	6.8	0.4	1.6	0.0	0.0
Croatia	88.8	71.0	..	34.6	4.1	..	23.1	..	4.6	..	1.0
Cuba	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	83.6	124.6	..	16.7	8.4	..	22.0	0.0	4.1	..	0.5
Denmark	51.7	62.3	17.0	31.0	3.2	14.8	27.9	0.8	2.0	1.1	-4.1
Dominican Republic	73.2	53.4	21.7	18.2	0.2	5.0	6.6	1.9	3.5	0.0	0.0
Ecuador	44.2	55.9	13.0	8.6	2.1	11.0	14.3	1.2	4.5	0.0	0.0
Egypt, Arab Rep.	36.8	34.1	22.6	28.1	-1.1	6.8	16.4	1.7	6.0	0.0	0.2
El Salvador	38.4	59.8	13.4	13.9	5.8	2.0	11.7	0.0	3.0	0.0	0.0
Eritrea	77.0	52.1	..	..	-2.6	53.0	..	..	1.2	..	..
Estonia	..	135.1	9.1	40.5	7.2	3.9	93.9	2.1	22.9	0.0	2.4
Ethiopia	11.4	44.8	5.5	19.7	4.1	1.1	5.4	0.1	2.4	0.0	..
Finland	38.8	64.7	8.9	16.7	4.3	17.2	39.2	0.6	2.1	2.0	-0.8
France	36.4	45.0	11.1	10.4	3.8	20.2	32.9	1.1	3.3	2.8	2.3
Gabon	52.5	78.4	21.0	15.2	-1.3	18.0	14.6	1.2	3.7	0.5	0.3
Gambia, The	69.1	52.7	34.5	27.1	-3.2	0.9	15.5	4.5	11.3	0.0	..
Georgia	..	52.5	..	20.7	8.9	..	12.2	..	7.0	..	0.2
Germany	45.5	62.4	8.7	12.8	4.4	10.2	30.7	0.2	1.1	1.4	-0.3
Ghana	35.7	69.9	6.6	21.7	2.9	2.9	5.2	0.3	1.0	0.0	0.0
Greece	32.4	31.5	11.1	21.7	3.3	3.8	38.0	1.2	0.3	0.0	0.3
Guatemala	36.8	50.0	9.7	8.6	2.7	2.9	9.1	0.6	0.7	0.0	0.0
Guinea	49.5	52.0	18.6	8.9	-1.6	3.9	1.5	0.6	3.1	..	0.0
Guinea-Bissau	43.0	73.1	11.0	19.3	4.1	23.0	9.1	0.8	3.3	0.0	0.2
Haiti	17.2	45.1	4.3	13.6	..	1.1	2.6	0.3	0.2	-0.3	0.0

Integration with the global economy

6.1

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	Merchandise trade		Trade in services		Growth in real trade less growth in real GDP	Gross private capital flows		Foreign direct investment			
	% of GDP		% of GDP			percentage points	% of GDP		% of GDP		
	1990	2005	1990	2005	1990		2005	Net inflows	2005	Net outflows	2005
Honduras	57.9	74.5	11.7	19.6	0.3	7.2	7.5	1.4	5.6	0.0	0.0
Hungary	61.5	117.3	16.0	22.0	8.4	4.6	26.2	1.9	5.9	0.0	1.1
India	13.1	28.5	3.4	8.2	4.4	0.8	5.9	0.1	0.8	0.0	0.2
Indonesia	41.5	54.2	7.5	12.8	0.6	4.1	7.2	1.0	1.8	0.0	..
Iran, Islamic Rep.	34.2	48.5	3.8	..	-2.9	2.7	..	-0.3	0.0	0.0	..
Iraq	55.4	155.9	..	..	..	..	..	..	..	..	..
Ireland	92.8	88.1	18.0	63.0	6.1	21.9	355.6	1.3	-14.7	0.8	8.6
Israel	55.0	72.8	18.1	25.5	1.2	6.5	23.1	0.3	4.5	0.4	2.7
Italy	31.1	42.4	8.5	10.2	1.7	10.3	28.3	0.6	1.1	0.7	1.1
Jamaica	67.2	62.3	37.5	42.4	..	8.4	50.3	3.0	7.1	0.0	0.7
Japan	17.3	24.5	4.2	5.4	2.9	5.4	15.9	0.1	0.1	1.7	0.7
Jordan	91.1	116.5	67.5	38.0	-0.7	6.3	20.7	0.9	12.1	-0.8	0.0
Kazakhstan	..	79.1	..	17.1	-2.8	..	39.7	0.4	3.5	..	-3.0
Kenya	37.9	50.4	21.4	16.1	2.2	3.5	6.3	0.7	0.1	0.0	0.0
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	51.1	69.3	7.5	13.2	6.4	5.3	7.1	0.3	0.6	0.4	0.7
Kuwait	59.8	75.9	25.2	16.8	-3.0	19.3	24.0	0.0	0.3	1.3	3.2
Kyrgyz Republic	..	72.9	..	22.4	-1.2	..	9.4	..	1.7	..	2.0
Lao PDR	30.5	43.6	5.8	..	..	3.7	..	0.7	1.0	0.0	..
Latvia	..	87.6	9.2	23.5	4.8	2.3	36.3	0.6	4.6	0.0	0.7
Lebanon	106.5	54.5	..	84.8	0.4	..	..	0.2	11.7	..	..
Lesotho	119.3	140.6	19.8	10.3	-0.2	9.6	6.7	2.8	6.3	0.0	0.0
Liberia	374.1	253.5	..	..	..	..	..	58.6	35.4	..	..
Libya	64.2	95.8	5.2	7.4	..	7.3	7.9	..	..	0.4	-0.7
Lithuania	..	106.4	..	20.1	8.0	..	29.1	0.1	4.0	..	1.2
Macedonia, FYR	103.8	91.4	..	16.9	4.1	..	11.8	0.0	1.7	..	0.0
Madagascar	31.5	45.8	12.8	7.5	2.3	1.8	0.8	0.7	0.6	0.0	0.0
Malawi	52.7	81.3	16.2	..	-1.7	3.2	..	1.2	0.1	0.0	..
Malaysia	133.4	196.1	21.2	31.9	2.9	10.3	24.1	5.3	3.0	0.0	1.3
Mali	39.7	51.3	19.0	15.9	1.8	2.0	8.2	0.2	3.0	0.0	0.0
Mauritania	84.1	71.1	16.0	..	-1.0	48.8	..	0.7	6.2	0.0	..
Mauritius	118.0	84.3	38.0	45.1	-0.5	8.0	13.0	1.7	0.6	0.0	0.5
Mexico	32.1	58.0	7.0	4.9	7.7	9.2	7.7	1.0	2.4	0.0	0.5
Moldova	..	116.7	..	29.9	11.2	..	13.8	0.7	6.8	..	0.1
Mongolia	75.7	117.1	9.7	52.2	15.7	26.0	26.1	0.6	9.7	0.0	0.0
Morocco	43.3	60.0	13.4	23.1	2.1	5.5	8.4	0.6	3.0	0.0	0.0
Mozambique	40.8	62.6	12.5	14.9	2.8	0.4	6.6	0.4	1.6	0.0	0.0
Myanmar	..	..	..	..	..	..	..	..	..	..	..
Namibia	95.6	74.9	20.7	15.2	0.0	16.5	23.5	..	..	0.1	-0.4
Nepal	24.1	36.1	10.2	11.0	..	3.5	4.2	0.2	0.0	0.0	..
Netherlands	83.9	122.0	19.2	24.6	3.5	28.6	94.0	3.5	6.5	4.5	2.9
New Zealand	43.0	43.9	13.3	15.3	2.3	17.7	6.0	4.0	1.8	3.6	-0.8
Nicaragua	95.9	70.3	17.0	15.0	5.2	9.0	7.8	0.1	4.9	0.0	0.0
Niger	27.0	40.3	10.9	11.6	..	2.8	3.7	1.6	0.4	0.0	0.0
Nigeria	67.5	60.2	10.3	11.6	1.7	5.9	25.4	2.1	2.0	0.0	..
Norway	52.8	53.9	21.6	18.9	1.0	11.9	40.1	0.9	1.1	1.3	0.8
Oman	71.1	91.2	6.7	14.3	2.5	3.5	11.1	1.2	0.8	0.0	0.0
Pakistan	32.6	37.3	8.8	10.1	-0.5	4.2	4.3	0.6	2.0	0.0	0.1
Panama	35.4	33.4	33.5	31.5	-3.5	106.6	56.8	2.6	6.6	0.0	0.0
Papua New Guinea	73.6	99.5	18.9	29.7	..	5.7	20.4	4.8	0.7	0.0	..
Paraguay	43.9	73.5	16.2	13.7	-1.4	5.4	7.6	1.5	0.9	0.0	0.1
Peru	22.3	37.4	7.5	6.6	3.3	3.2	10.4	0.2	3.2	0.0	0.0
Philippines	47.8	89.5	11.3	10.4	2.4	4.4	17.8	1.2	1.1	0.0	0.5
Poland	43.9	62.7	10.3	10.1	7.3	11.0	13.6	0.2	3.2	0.0	0.3
Portugal	55.4	54.1	12.1	13.7	2.8	10.8	50.9	3.5	1.7	0.2	3.4
Puerto Rico	..	..	..	..	-0.5	..	..	..	..	..	..



6.1 | Integration with the global economy

	Merchandise trade		Trade in services		Growth in real trade less growth in real GDP	Gross private capital flows		Foreign direct investment			
	% of GDP		% of GDP			percentage points	% of GDP		% of GDP		Net outflows
	1990	2005	1990	2005	1990-2005		1990	2005	1990	2005	1990	2005
Romania	32.8	69.2	3.6	10.8	8.5	2.9	16.7	0.0	6.7	0.0	0.1
Russian Federation	..	48.3	..	8.4	3.5	..	19.6	0.3	2.0	..	1.8
Rwanda	15.4	24.5	6.6	20.1	0.5	2.8	1.6	0.3	0.4	0.0	0.0
Saudi Arabia	58.6	77.7	21.8	10.9	..	8.8	31.6	..	..	0.0	0.0
Senegal	34.7	58.6	20.9	17.9	1.6	4.8	6.2	1.0	0.7	-0.2	0.0
Serbia and Montenegro	..	63.7	..	..	..	..	..	..	5.6	..	..
Sierra Leone	44.2	42.2	20.9	14.1	..	11.0	5.7	5.0	4.9	0.0	0.0
Singapore	308.1	368.0	58.2	90.4	..	54.3	95.5	15.1	17.2	5.5	9.9
Slovak Republic	110.8	145.0	..	19.4	6.8	..	15.5	0.6	4.1	..	0.1
Slovenia	102.4	112.7	18.0	20.1	2.0	3.4	33.3	0.9	1.6	0.0	1.7
Somalia	..	..	11.2	..	..	21.3	..	0.6	..	0.0	..
South Africa	37.4	47.7	6.4	9.7	2.6	2.4	10.6	-0.1	2.6	0.0	0.7
Spain	27.5	41.4	8.4	14.1	5.5	11.1	46.0	2.7	2.0	0.7	4.8
Sri Lanka	57.3	64.7	13.4	15.5	2.5	13.1	5.9	0.5	1.2	0.0	0.0
Sudan	7.5	42.0	3.0	7.1	4.7	0.3	14.6	-0.2	8.4	0.0	0.0
Swaziland	138.2	150.2	32.4	27.1	1.0	10.7	7.4	3.4	-0.6	0.9	0.1
Sweden	46.2	67.5	12.7	21.9	4.1	33.6	39.0	0.8	3.0	6.0	4.4
Switzerland	56.6	70.1	12.8	20.0	2.9	28.1	83.9	2.4	4.2	2.3	7.2
Syrian Arab Republic	53.7	52.7	14.3	20.8	2.7	18.0	2.6	0.6	1.6	0.0	0.0
Tajikistan	..	96.8	..	17.2	3.3	..	9.2	0.5	2.4	..	0.0
Tanzania	31.9	34.2	9.8	19.7	-1.2	0.2	5.7	0.0	3.9	0.0	..
Thailand	65.7	129.3	14.9	27.3	2.9	13.5	12.6	2.9	2.6	0.2	0.1
Togo	52.1	66.5	24.1	18.9	-1.1	9.6	17.7	1.1	0.1	0.0	-0.4
Trinidad and Tobago	60.6	102.4	15.9	10.0	3.2	11.4	17.1	2.2	7.7	0.0	-2.1
Tunisia	73.5	82.5	20.6	21.6	-0.4	9.5	3.2	0.6	2.5	0.0	0.0
Turkey	23.4	52.4	7.4	10.4	6.9	4.3	14.8	0.5	2.7	0.0	0.3
Turkmenistan	..	105.7	..	..	12.1	..	..	..	0.8	..	..
Uganda	10.2	30.2	4.5	14.6	2.8	1.1	5.2	-0.1	2.9	0.0	0.0
Ukraine	..	85.0	..	20.4	3.2	..	31.4	0.3	9.4	..	0.0
United Arab Emirates	103.2	151.3	..	..	1.8	..	..	..	..	..	..
United Kingdom	41.2	40.6	10.6	16.5	3.2	35.3	122.8	3.4	7.2	2.0	3.8
United States	15.8	21.2	4.6	5.6	3.9	5.6	14.4	0.8	0.9	0.6	2.2
Uruguay	32.7	43.4	9.2	13.3	2.3	12.7	26.5	0.4	4.2	0.0	0.1
Uzbekistan	..	60.3	..	..	-0.9	..	..	0.1	0.3	..	..
Venezuela, RB	52.8	56.9	7.9	4.8	0.6	51.6	17.9	1.0	2.1	0.8	-0.3
Vietnam	79.7	129.9	..	18.0	14.2	..	8.3	2.8	3.7	..	..
West Bank and Gaza	..	..	..	..	-1.2	..	..	..	..	..	..
Yemen, Rep.	46.9	70.6	16.3	10.2	2.4	16.2	2.1	-2.7	-1.8	..	0.0
Zambia	76.9	61.5	15.0	..	1.6	64.7	..	6.2	3.6	0.0	..
Zimbabwe	40.7	123.1	8.6	..	5.5	1.7	..	-0.1	3.0	0.0	..
World	32.3 w	47.3 w	7.8 w	11.0 w	..	10.3 w	32.4 w	1.0 w	2.2 w	1.2 w	2.1 w
Low income	23.6	41.1	6.2	9.8	..	2.4	6.7	0.4	1.5	0.0	0.2
Middle income	34.5	62.1	7.1	10.5	..	6.6	13.3	0.9	3.1	0.1	0.5
Lower middle income	31.6	58.9	6.4	10.0	..	4.4	11.5	0.8	3.1	0.1	0.3
Upper middle income	38.3	66.4	8.0	11.1	..	7.9	15.7	1.2	3.1	0.3	0.7
Low & middle income	32.5	59.2	7.0	10.6	..	5.9	13.1	0.8	2.9	0.1	0.5
East Asia & Pacific	47.1	74.6	7.3	10.3	..	5.0	11.4	1.6	3.2	0.2	0.1
Europe & Central Asia	49.7	68.6	7.1	12.6	..	5.3	20.3	1.0	3.5	0.0	0.8
Latin America & Carib.	23.2	44.2	5.7	6.8	..	7.9	9.8	0.8	2.9	0.1	0.7
Middle East & N. Africa	43.5	57.6	9.2	..	..	5.0	..	0.3	2.4	0.0	..
South Asia	16.5	31.2	4.2	8.2	..	1.4	5.4	0.1	1.0	0.0	0.2
Sub-Saharan Africa	41.9	57.8	10.8	13.1	..	5.1	14.2	0.4	2.7	0.0	0.3
High income	32.3	43.9	7.9	11.1	..	11.0	37.2	1.0	2.1	1.4	2.4
Europe EMU	44.0	61.4	11.0	15.9	..	13.5	58.7	1.1	3.2	1.7	2.7

a. includes Luxembourg.

About the data

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

The table presents standardized measures of the size of trade and capital flows relative to gross domestic product (GDP). The numerators on trade and private capital flows are based on gross flows that capture the two-way flow of goods, services, and capital. In conventional balance of payments accounting exports are recorded as a credit and imports as a debit. And in the financial account inward investment is a credit and outward investment a debit. Thus net flows, the sum of credits and debits, represent a balance in which many transactions are canceled out. Gross flows are a better measure of integration because they show the total value of financial transactions during a given period.

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

abundant labor to gain a competitive advantage in labor-intensive manufactures and services.

This year the table includes net inflows and outflows of foreign direct investment based on balance of payments data reported by the International Monetary Fund (IMF), supplemented by staff estimates using data reported by the United Nations Conference on Trade and Development and official national sources.

The internationally accepted definition of foreign direct investment is provided in the fifth edition of the IMF's *Balance of Payments Manual* (1993). For a more detailed explanation of foreign direct investment, see *About the data* for table 6.8.

Foreign direct investment may be understated in many developing countries. Some countries fail to report reinvested earnings, and the definition of long-term loans differs among countries. Underreporting of FDI outflows is more pervasive, particularly when investors are attempting to avoid controls on capital and foreign exchange or high taxes on investment income. Some countries do not identify FDI outflows in their balance of payments statistics. However, the quality and coverage of the data are improving as a result of continuous efforts by international and national statistics agencies.

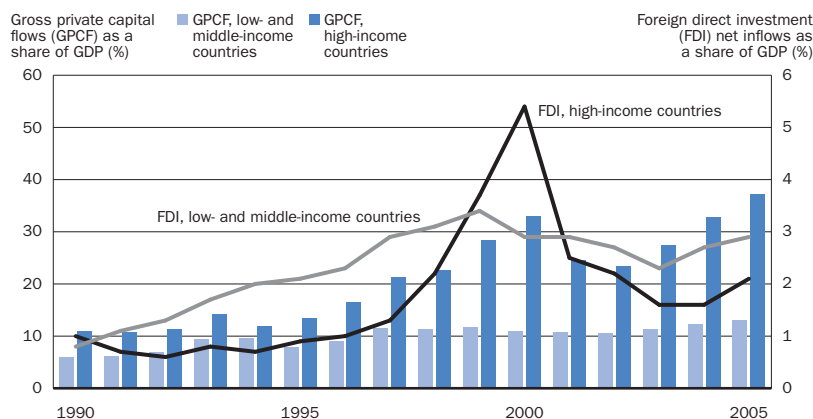
Trade and capital flows are converted to U.S. dollars at the IMF's average official exchange rate for the year shown. An alternative conversion factor is applied if the official exchange rate diverges by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies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

Definitions

- **Merchandise trade** is the sum of merchandise exports and imports divided by the value of GDP, all in current U.S. dollars.
- **Trade in services** is the sum of services exports and imports divided by the value of GDP, all in current U.S. dollars.
- **Growth in real trade less growth in real GDP** is the difference between annual growth in trade of goods and services and annual growth in GDP. Growth rates are calculated using constant price series taken from national accounts and are expressed as a percentage.
- **Gross private capital flows** are the sum of the absolute values of direct, portfolio, and other investment inflows and outflows recorded in the balance of payments financial account, excluding changes in the assets and liabilities of monetary authorities and general government. The indicator is calculated as a ratio to GDP in U.S. dollars.
- **Foreign direct investment net inflows** are the net inflows of investment to acquire a lasting management interest in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, and other short- and long-term capital, as shown in the balance of payments. This series shows net inflows in the reporting economy and is divided by the value of GDP.
- **Foreign direct investment net outflows** are the net outflows of investment from the reporting economy to the rest of the world.

Private capital flows are rising, but they remain below the peak of 2000

6.1a



Source: World Bank staff estimates.

Data sources

Data on merchandise trade are from the World Trade Organization. Data on GDP are from the World Bank's national accounts files, converted from national currencies to U.S. dollars using the official exchange rate, supplemented by an alternative conversion factor if the official exchange rate is judged to diverge by an exceptionally large margin from the rate effectively applied to transactions in foreign currencies and traded products. Data on trade in services are from the IMF's Balance of Payments database. Data on real trade and GDP growth are from the World Bank's national accounts files. Gross private capital flows and foreign direct investment are reported in the World Bank Debtor Reporting System and are calculated using mainly the IMF's Balance of Payments database.



6.2

Growth of merchandise trade

	Export volume		Import volume		Export value		Import value		Net barter terms of trade index	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		2000 = 100	
	1980-90	1990-2005	1980-90	1990-2005	1980-90	1990-2005	1980-90	1990-2005	1990	2005
Afghanistan	..	..	..	..	..	..	..	..	..	..
Albania	..	..	..	..	..	..	..	..	..	..
Algeria	4.7	2.7	-8.0	1.7	-3.1	5.8	-2.7	1.2	74	126
Angola	9.0	5.8	-1.9	8.2	6.4	9.6	0.7	9.3	94	121
Argentina ^a	..	7.8	..	6.8	..	7.9	..	5.6	85	107
Armenia	..	..	..	..	..	..	..	..	..	..
Australia ^a	6.3	5.6	6.0	7.8	12.1	7.4	12.5	8.9	116	131
Austria ^a	..	..	..	..	..	..	..	..	98	103
Azerbaijan	..	..	..	..	..	..	..	..	..	..
Bangladesh	7.1	10.5	1.8	4.1	7.8	12.4	3.6	8.2	117	88
Belarus	..	..	..	..	..	..	..	..	..	..
Belgium ^a	..	5.8	..	5.4	..	8.0	..	8.2	106	99
Benin	11.8	3.0	-9.9	5.9	18.8	3.6	-4.9	6.3	107	93
Bolivia	3.1	4.9	-1.3	5.2	-1.9	5.6	-0.3	5.8	102	108
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..
Botswana	14.8	3.8	11.5	2.3	18.8	3.4	11.1	1.3	98	92
Brazil ^a	4.6	5.9	-1.2	2.9	4.9	7.5	-1.9	8.0	138	101
Bulgaria	..	..	..	..	..	..	..	..	..	..
Burkina Faso	-0.3	12.1	3.8	5.0	7.9	10.5	4.3	5.2	119	98
Burundi	3.5	8.0	1.0	6.3	2.5	-6.3	2.2	-3.9	128	84
Cambodia	..	..	..	..	..	..	..	..	..	..
Cameroon	7.0	3.3	4.8	7.2	1.4	2.7	0.1	4.6	81	112
Canada ^a	6.4	6.6	7.4	7.0	7.7	9.1	9.3	8.6	97	111
Central African Republic	0.0	14.7	4.2	1.6	3.5	1.7	7.9	-1.3	238	99
Chad	8.6	7.7	11.0	13.0	9.4	7.8	12.6	13.6	112	101
Chile	9.2	9.4	-3.0	6.8	8.1	8.2	2.8	7.1	114	116
China [†]	13.6	15.6	11.9	15.1	12.8	15.5	13.5	15.4	102	92
Hong Kong, China ^a	15.4	7.9	13.7	7.7	21.7	7.1	19.8	7.0	100	98
Colombia	7.9	4.4	-2.1	6.2	7.7	5.9	0.0	6.6	81	93
Congo, Dem. Rep.	9.7	4.4	12.2	11.0	2.7	-3.3	3.1	1.5	86	94
Congo, Rep.	7.4	4.5	3.3	6.7	2.1	8.6	5.3	6.1	63	121
Costa Rica	3.8	10.1	5.2	11.8	4.6	11.3	4.4	11.0	75	102
Côte d'Ivoire	2.6	4.6	-2.1	0.7	1.7	6.0	-1.5	3.0	143	121
Croatia	..	..	..	..	..	..	..	..	..	..
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	..	..	..	..	..	..	..	..	..
Denmark ^a	4.1	4.9	3.1	5.0	7.3	5.9	5.0	6.1	102	104
Dominican Republic	-0.9	3.5	2.9	8.3	-2.1	4.2	5.4	8.6	96	96
Ecuador	7.1	4.7	-1.8	7.6	-0.4	6.2	-1.3	8.8	114	109
Egypt, Arab Rep.	13.4	3.4	8.1	-0.5	7.3	4.2	12.6	2.0	101	107
El Salvador	-4.6	3.2	4.6	6.6	-4.6	6.9	2.4	9.4	84	91
Eritrea	..	-2.8	..	8.1	..	-4.2	..	7.2	99	93
Estonia	..	..	..	..	..	..	..	..	..	..
Ethiopia	-1.0	9.7	4.0	9.6	-1.1	7.6	4.3	10.2	121	91
Finland ^a	..	..	..	..	..	..	..	..	111	86
France ^a	3.6	3.3	3.7	3.5	..	2.9	..	2.7	103	111
Gabon	2.5	5.8	-3.5	1.3	-3.9	2.5	1.1	1.1	157	125
Gambia, The	2.2	-9.3	-6.0	-0.8	6.6	-9.1	2.5	-1.3	100	115
Georgia	..	..	..	..	..	..	..	..	..	..
Germany ^{a, b}	..	..	..	..	..	..	..	..	100	101
Ghana	-17.2	4.7	-19.3	6.5	-2.7	6.6	0.6	6.6	100	123
Greece ^a	5.0	8.9	6.4	9.3	21.4	16.4	26.0	16.4	97	95
Guatemala	-1.1	6.8	0.1	9.8	-2.2	6.7	0.6	10.7	115	93
Guinea	..	3.2	..	2.5	4.0	0.2	9.7	-0.5	122	107
Guinea-Bissau	-2.0	14.0	-0.3	-4.1	4.2	11.7	5.2	-3.1	146	94
Haiti	-0.4	11.6	-4.6	10.8	-1.2	11.2	-2.9	12.4	132	87
[†] Data for Taiwan, China	26.1	2.8	30.3	3.3	14.9	5.8	12.4	6.4	97	92

Growth of merchandise trade

6.2

GLOBAL LINKS

	Export volume		Import volume		Export value		Import value		Net barter terms of trade index	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		2000 = 100	
	1980-90	1990-2005	1980-90	1990-2005	1980-90	1990-2005	1980-90	1990-2005	1990	2005
Honduras	4.1	2.7	1.6	10.5	1.6	4.9	0.6	11.6	78	90
Hungary ^a	3.4	11.8	1.3	11.8	8.3	23.4	7.0	23.8	111	97
India	4.2	11.5	4.7	10.8	7.3	9.7	4.2	10.3	86	76
Indonesia	7.6	5.9	0.3	3.3	-1.3	6.5	2.6	3.2	95	104
Iran, Islamic Rep.	..	..	..	..	..	..	..	..	..	..
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland ^a	9.3	12.1	4.8	8.7	13.5	13.2	7.8	10.1	106	99
Israel ^a	6.9	8.4	5.8	6.3	9.3	8.8	7.1	6.4	90	95
Italy ^a	4.3	2.9	5.3	3.4	10.5	7.4	8.7	7.5	94	101
Jamaica ^a	-1.0	1.5	..	..	15.4	13.7	..	..	..	..
Japan ^a	5.0	2.8	6.6	4.8	1.8	0.8	-1.3	4.3	105	83
Jordan ^a	10.2	7.4	1.5	4.7	14.9	9.3	4.2	7.7	93	89
Kazakhstan	..	..	..	..	..	..	..	..	..	..
Kenya ^a	..	..	0.2	5.9	..	..	11.2	18.2	85	..
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep. ^a	12.4	14.8	11.9	8.6	17.1	15.4	14.8	13.1	126	77
Kuwait	..	..	..	..	..	..	..	..	..	..
Kyrgyz Republic	..	..	..	..	..	..	..	..	..	..
Lao PDR	..	..	..	..	..	..	..	..	..	..
Latvia ^a	..	7.5	..	..	..	10.7	..	..	..	..
Lebanon	..	..	..	..	..	..	..	..	..	..
Lesotho	7.2	16.0	3.9	2.8	3.7	14.7	3.5	1.6	100	91
Liberia	..	..	..	..	..	..	..	..	..	..
Libya ^a	2.8	-3.3	-1.8	-1.3	-5.8	5.8	-1.1	3.9	89	186
Lithuania	..	..	..	..	..	..	..	..	..	..
Macedonia, FYR	..	..	..	..	..	..	..	..	..	..
Madagascar	-2.5	4.6	-6.2	4.3	-1.2	7.9	-4.3	5.8	81	82
Malawi	2.4	3.0	-0.1	-0.3	2.0	0.8	3.3	1.0	148	82
Malaysia	4.8	11.4	8.5	8.5	8.6	9.3	7.7	7.2	103	99
Mali	4.4	10.9	3.0	6.2	6.0	8.6	2.7	5.7	135	113
Mauritania	3.9	1.2	-3.1	3.9	8.0	-3.0	-2.1	0.3	97	95
Mauritius ^a	..	3.6	13.6	3.3	..	3.5	12.7	4.2	97	85
Mexico	15.3	12.4	0.9	11.1	5.9	12.9	6.4	11.6	102	98
Moldova	..	..	..	..	..	..	..	..	..	..
Mongolia	..	..	..	..	..	..	..	..	..	..
Morocco ^a	6.0	3.4	3.4	5.2	12.4	4.3	10.4	5.5	97	100
Mozambique	-9.5	21.5	-2.7	2.3	-9.6	16.3	0.1	3.1	175	94
Myanmar	-8.4	18.5	-18.1	8.6	-7.6	16.7	-4.7	14.8	252	102
Namibia	..	1.5	..	4.7	..	0.3	..	1.7	93	97
Nepal	..	..	..	..	..	..	..	..	..	..
Netherlands ^a	4.4	5.9	4.3	5.4	3.7	6.6	3.2	6.3	101	100
New Zealand ^a	3.5	4.2	4.4	6.1	10.7	4.9	9.8	6.4	105	112
Nicaragua	-4.8	8.6	-3.5	7.2	-5.8	7.7	-3.1	9.3	155	91
Niger	-5.2	1.4	-5.2	-0.9	-5.4	0.8	-3.5	1.4	165	131
Nigeria	-4.4	1.9	-20.8	5.2	-8.4	5.7	-15.0	5.8	89	122
Norway ^a	4.2	4.9	3.5	6.5	4.2	8.6	7.1	5.8	67	122
Oman	11.2	2.4	..	..	3.3	7.4	0.7	6.5	..	..
Pakistan ^a	9.1	3.4	2.9	4.4	18.3	11.6	11.8	14.9	109	75
Panama	-0.5	5.1	-6.7	4.2	-0.5	7.0	-3.6	5.3	69	94
Papua New Guinea	-0.6	-6.8	..	..	4.9	1.8	0.7	-0.7	..	..
Paraguay	12.8	1.9	10.4	1.6	11.6	3.6	4.2	2.7	103	112
Peru	2.7	10.0	-2.0	5.4	-1.5	8.9	1.3	5.9	114	110
Philippines ^a	..	2.3	..	-1.9	..	3.9	..	-1.5	88	89
Poland ^a	4.8	11.5	1.5	14.5	56.1	23.1	40.3	25.2	96	107
Portugal ^a	11.9	0.1	15.1	-0.2	22.7	0.1	21.8	0.0	104	102
Puerto Rico	..	..	..	..	..	..	..	..	..	..



6.2

Growth of merchandise trade

	Export volume		Import volume		Export value		Import value		Net barter terms of trade index	
	average annual % growth		average annual % growth		average annual % growth		average annual % growth		2000 = 100	
	1980-90	1990-2005	1980-90	1990-2005	1980-90	1990-2005	1980-90	1990-2005	1990	2005
Romania	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..
Rwanda	2.6	-2.6	1.8	-0.2	-0.9	-0.5	2.7	-0.9	40	89
Saudi Arabia	-8.3	1.1	..	..	-12.7	5.6	-6.1	2.3	..	..
Senegal	1.2	10.5	0.4	6.1	3.5	4.7	1.4	5.8	172	96
Serbia and Montenegro	..	..	..	..	..	..	..	..	..	..
Sierra Leone	..	..	..	..	..	..	..	..	..	79
Singapore ^a	12.1	10.3	8.6	7.2	8.6	8.7	6.7	6.7	116	87
Slovak Republic	..	..	..	..	..	..	..	..	..	..
Slovenia	..	..	..	..	..	..	..	..	..	..
Somalia	..	..	..	..	..	..	..	..	..	..
South Africa ^a	2.2	4.5	-0.2	5.7	15.3	13.8	12.6	15.5	112	109
Spain ^a	2.5	9.2	8.8	8.8	9.0	11.4	10.8	10.9	100	102
Sri Lanka ^a	4.2	5.5	1.6	6.9	13.5	15.1	10.7	15.2	75	101
Sudan	..	..	..	..	..	..	..	..	..	121
Swaziland	7.6	4.0	2.4	2.0	4.7	4.6	-0.5	3.1	100	94
Sweden ^a	4.4	7.6	5.0	5.4	10.7	9.3	9.1	8.3	108	90
Switzerland	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	..	..	..	..	..	..	..	..	..	..
Tajikistan	..	..	..	..	..	..	..	..	..	..
Tanzania	..	8.6	..	2.0	-5.1	8.7	-0.5	2.7	107	100
Thailand ^a	13.8	9.2	11.2	2.6	16.5	15.7	15.1	10.6	118	93
Togo	-1.2	12.6	0.7	0.3	1.1	7.1	2.0	6.3	133	30
Trinidad and Tobago	..	..	..	..	..	..	..	..	..	..
Tunisia	3.0	6.6	1.6	5.6	3.5	6.5	2.7	5.5	109	99
Turkey ^a	..	11.4	..	10.6	..	10.6	..	10.8	109	101
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	-13.5	14.4	-6.8	13.2	-4.0	9.8	4.5	12.7	146	88
Ukraine	..	..	..	..	..	..	..	..	..	..
United Arab Emirates	..	..	..	..	..	..	..	..	..	..
United Kingdom ^a	4.5	5.0	7.1	6.4	7.7	5.3	11.3	6.6	101	105
United States ^a	3.6	4.7	7.2	7.9	5.7	5.2	8.2	8.4	101	97
Uruguay	4.4	3.4	-0.5	3.4	4.5	2.9	-1.2	3.5	116	108
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	3.4	2.4	-4.1	1.6	-4.4	5.7	-3.2	2.5	90	108
Vietnam	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	..	..	-7.2	6.3	-3.2	17.0	-5.0	2.9	..	..
Zambia	-0.5	6.5	2.0	6.6	0.9	-0.1	0.0	4.5	207	119
Zimbabwe	3.6	7.7	3.4	7.2	2.5	2.6	-0.5	1.9	98	105

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

About the data

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

Trade in goods, or merchandise trade, includes all goods that add to or subtract from an economy's material resources. Trade data are collected on the basis of a country's customs area, which in most cases is the same as its geographic area. Goods provided as part of foreign aid are included, but goods destined for extraterritorial agencies (such as embassies) are not.

Collecting and tabulating trade statistics are difficult. Some developing countries lack the capacity to report timely data, especially countries that are landlocked and those whose territorial boundaries are porous. Their trade has to be estimated from the data reported by their partners. (For further discussion of the use of partner country reports, see *About the data* for table 6.3.) Countries that belong to common customs

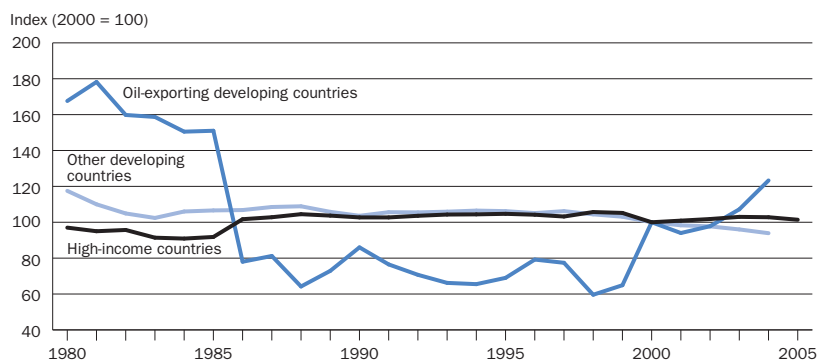
unions may need to collect data through direct inquiry of companies. Economic or political concerns may lead some national authorities to suppress or misrepresent data on certain trade flows, such as oil, military equipment, or the exports of a dominant producer. In other cases reported trade data may be distorted by deliberate under- or over-invoicing to effect capital transfers or avoid taxes. And in some regions smuggling and black market trading result in unreported trade flows.

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

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

Definitions

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

Terms of trade are deteriorating for non-oil-exporting developing countries**6.2a**

Source: United Nations Conference on Trade and Development and International Monetary Fund.

Data sources

The main source of trade indexes data for developing countries is UNCTAD's annual *Handbook of International Trade and Development Statistics*. The IMF's *International Financial Statistics* provides these data for high-income and selected developing economies.



6.3

Direction and growth of merchandise trade

Direction of trade

High-income importers

Source of exports	% of world trade, 2005				
	European Union	Japan	United States	Other high-income	All high-income
High-income economies	28.9	2.8	9.7	12.7	54.0
European Union	22.4	0.5	3.1	3.7	29.7
Japan	0.8	..	1.4	1.9	4.0
United States	1.8	0.6	..	3.6	6.0
Other high-income economies	3.8	1.7	5.3	3.5	14.3
Low- and middle-income economies	8.0	1.8	6.5	5.1	21.5
East Asia & Pacific	1.9	1.4	2.3	3.6	9.2
China	1.3	0.8	1.6	2.4	6.2
Europe & Central Asia	3.8	0.1	0.2	0.4	4.6
Russian Federation	1.1	0.0	0.1	0.2	1.4
Latin America & Caribbean	0.7	0.1	3.0	0.4	4.1
Brazil	0.2	0.0	0.2	0.1	0.6
Middle East & N. Africa	0.9	0.1	0.2	0.3	1.5
Algeria	0.2	0.0	0.1	0.0	0.4
South Asia	0.3	0.0	0.2	0.3	0.9
India	0.2	0.0	0.2	0.3	0.7
Sub-Saharan Africa	0.5	0.1	0.5	0.2	1.2
South Africa	0.2	0.1	0.0	0.1	0.3
World	36.9	4.6	16.2	17.8	75.5

Low- and middle-income importers

Source of exports	% of world trade, 2005							World
	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low- & middle-income	
High-income economies	7.3	4.3	1.6	1.3	1.0	0.9	16.4	70.4
European Union	1.0	3.6	0.5	0.8	0.3	0.5	6.7	36.4
Japan	1.4	0.1	0.2	0.1	0.1	0.1	1.8	5.9
United States	0.7	0.2	0.7	0.1	0.1	0.1	1.8	7.8
Other high-income economies	4.3	0.4	0.3	0.3	0.5	0.2	6.0	20.3
Low- and middle-income economies	2.2	2.8	1.2	0.7	0.6	0.6	8.1	29.6
East Asia & Pacific	1.2	0.4	0.2	0.2	0.3	0.2	2.5	11.7
China	0.4	0.4	0.2	0.1	0.2	0.1	1.4	7.5
Europe & Central Asia	0.2	2.1	0.0	0.2	0.1	0.0	2.8	7.3
Russian Federation	0.2	0.8	0.0	0.1	0.0	0.0	1.0	2.4
Latin America & Caribbean	0.2	0.1	0.8	0.1	0.0	0.1	1.3	5.4
Brazil	0.1	0.1	0.2	0.0	0.0	0.0	0.5	1.1
Middle East & N. Africa	0.2	0.1	0.0	0.1	0.0	0.0	0.6	2.1
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4
South Asia	0.1	0.0	0.0	0.0	0.1	0.1	0.4	1.3
India	0.1	0.0	0.0	0.0	0.1	0.1	0.3	1.0
Sub-Saharan Africa	0.2	0.0	0.1	0.0	0.0	0.2	0.5	1.7
South Africa	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.5
World	9.6	7.1	2.8	1.9	1.5	1.5	24.5	100.0

Direction and growth of merchandise trade

6.3

GLOBAL LINKS

Nominal growth of trade

High-income importers

Source of exports	annual % growth, 1995–2005				
	European Union	Japan	United States	Other high-income	All high-income
High-income economies	6.5	3.2	5.9	5.0	5.8
European Union	6.9	2.7	9.0	5.5	6.8
Japan	1.5	..	1.1	3.1	2.0
United States	3.9	-1.5	..	4.3	3.5
Other high-income economies	6.8	5.6	6.0	6.7	6.3
Low- and middle-income economies	12.6	7.7	12.7	11.9	12.0
East Asia & Pacific	14.1	8.2	13.9	11.7	12.0
China	21.3	11.4	20.8	15.5	17.0
Europe & Central Asia	15.1	3.8	10.4	12.2	14.3
Russian Federation	14.9	1.7	3.9	10.1	12.5
Latin America & Caribbean	5.8	2.4	11.3	10.1	9.7
Brazil	6.2	1.1	10.0	12.0	8.0
Middle East & N. Africa	10.6	9.6	22.2	12.6	12.0
Algeria	14.4	-5.1	20.2	22.0	16.2
South Asia	8.7	-0.8	10.6	13.0	9.9
India	9.9	1.1	11.9	15.1	11.6
Sub-Saharan Africa	10.5	20.1	16.7	17.7	13.9
South Africa	5.1	5.1	2.5	4.6	4.5
World	7.5	4.7	8.1	6.6	7.2

Low- and middle-income importers

Source of exports	annual % growth, 1995–2005							World
	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low- & middle-income	
High-income economies	8.7	11.9	2.4	8.2	9.1	6.2	8.4	6.4
European Union	6.7	12.4	1.5	7.8	9.0	6.3	8.9	7.2
Japan	6.0	15.2	0.5	5.7	2.5	0.6	5.4	3.0
United States	7.0	5.8	3.4	3.4	7.5	6.7	5.2	3.8
Other high-income economies	10.6	10.6	3.1	12.1	10.9	8.3	10.1	7.3
Low- and middle-income economies	16.7	12.2	8.8	13.8	14.4	15.8	13.1	12.3
East Asia & Pacific	16.0	21.4	15.2	16.1	16.5	18.7	16.9	12.9
China	18.3	25.9	19.5	23.1	20.3	22.4	21.1	17.6
Europe & Central Asia	12.3	11.1	6.0	13.6	12.0	17.7	11.4	13.1
Russian Federation	11.7	11.1	8.0	17.0	9.9	34.4	11.4	12.0
Latin America & Caribbean	16.8	15.5	6.9	9.2	15.4	13.9	9.2	9.6
Brazil	13.4	15.7	9.1	10.0	10.6	16.4	11.0	9.2
Middle East & N. Africa	21.5	10.3	16.6	14.3	9.2	10.5	14.6	12.7
Algeria	57.3	11.4	26.7	16.2	8.1	9.7	19.3	16.6
South Asia	17.7	6.4	18.6	15.1	14.9	15.2	14.7	11.1
India	19.6	6.7	22.7	20.4	13.0	15.5	15.9	12.8
Sub-Saharan Africa	29.3	15.6	22.6	10.8	8.6	15.6	18.9	15.2
South Africa	3.6	4.8	4.7	8.8	10.7	3.5	4.4	4.5
World	10.1	12.0	4.7	9.8	10.7	9.0	9.7	7.8



6.3

Direction and growth of merchandise trade

About the data

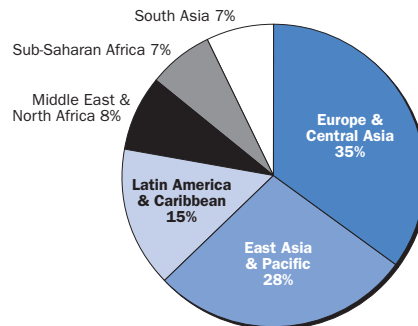
The table provides estimates of the flow of trade in goods between groups of economies. The data are from the International Monetary Fund's (IMF) Direction of Trade database. All developed and 23 developing countries report trade on a timely basis, covering about 80 percent of trade for recent years. Trade by less timely reporters and by countries that do not report is estimated using reports of trading partner countries. Because the largest exporting and importing countries are reliable reporters, a large portion of the missing trade flows can be estimated from partner reports. Partner country data may introduce discrepancies due to smuggling, confidentiality, different exchange rates, overreporting of transit trade, inclusion or exclusion of freight rates, and different points of valuation and times of recording.

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

Most countries report their trade data in national currencies, which are converted into U.S. dollars using the IMF's published period average exchange rates (series rf or rh, monthly averages of the market or official rates) for the reporting country or, if those are not available, monthly average rates in New York. Because imports are reported at cost, insurance, and freight (c.i.f.) valuations, and exports at free on board (f.o.b.) valuations, the IMF adjusts country reports of import values by dividing them by 1.10 to estimate equivalent export values. This approximation is more or less accurate, depending on the set of partners and the items traded. Other factors affecting the accuracy of trade data include lags in reporting, recording differences across countries, and whether the country reports trade according to the general or special system of trade. (For further discussion of the measurement of exports and imports, see *About the data* for tables 4.4 and 4.5.)

The regional trade flows shown in the table were calculated from current price values. The growth rates are presented in nominal terms; that is, they include the effects of changes in both volumes and prices.

Three regions account for more than 75 percent of exports to other developing regions, 2005 6.3a



Source: IMF Direction of Trade database.

Definitions

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

Data sources

Data on the direction and growth of merchandise trade were calculated using the IMF's Direction of Trade database.

High-income economy trade with low- and middle-income economies

6.4

GLOBAL LINKS

Exports to low-income economies

	High-income countries		European Union		Japan		United States	
	1995	2005	1995	2005	1995	2005	1995	2005
Total (\$ billions)	67.6	134.9	33.1	58.3	9.3	12.5	7.9	16.8
% of total exports								
Food	8.6	6.0	8.5	6.4	0.5	0.4	20.3	12.1
Cereals	3.1	1.9	2.6	1.5	0.2	0.1	14.4	7.4
Agricultural raw materials	2.7	1.8	1.3	1.4	1.7	1.4	6.7	4.3
Ores and nonferrous metals	2.7	3.3	1.5	3.5	0.7	1.1	3.1	2.5
Fuels	4.3	7.6	2.2	4.3	0.9	0.9	1.5	2.2
Crude petroleum	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum products	3.5	5.1	2.2	4.2	0.8	0.8	1.4	1.3
Manufactured goods	79.5	77.4	84.4	81.4	95.1	92.9	64.9	71.7
Chemical products	12.4	11.0	12.2	11.7	6.6	7.2	14.4	10.2
Iron and steel	3.6	3.4	4.3	3.5	6.6	9.3	1.6	1.7
Machinery and transport equipment	45.0	41.0	44.2	40.2	69.2	62.2	38.3	44.3
Furniture	0.2	0.2	0.3	0.3	0.1	0.2	0.1	0.2
Textiles	4.4	3.5	1.7	1.3	3.0	3.6	1.5	2.0
Footwear	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.1
Other	13.6	18.1	21.4	24.2	9.5	10.4	9.0	13.1
Miscellaneous goods	2.3	3.9	2.0	2.9	1.0	3.3	3.5	7.4

Imports from low-income economies

	1995	2005	1995	2005	1995	2005	1995	2005
Total (\$ billions)	68.0	178.4	34.2	66.3	8.4	13.0	16.0	66.7
% of total imports								
Food	20.3	10.8	24.8	15.2	25.4	16.5	8.3	5.3
Cereals	0.6	0.6	0.3	0.4	0.2	0.3	0.2	0.1
Agricultural raw materials	6.1	2.0	7.6	3.5	7.1	1.8	1.7	0.8
Ores and nonferrous metals	5.9	3.7	4.9	4.9	16.7	8.7	2.0	0.9
Fuels	19.4	29.8	11.4	16.2	15.2	35.6	33.0	43.6
Crude petroleum	17.9	24.6	10.8	12.0	12.0	28.6	31.6	38.7
Petroleum products	1.3	4.0	0.5	2.0	2.3	5.1	1.5	4.2
Manufactured goods	47.9	53.2	51.2	59.6	35.1	36.9	54.3	48.7
Chemical products	2.7	3.6	2.7	4.1	1.0	2.9	2.3	2.5
Iron and steel	1.3	1.7	0.7	1.9	2.4	1.2	1.3	1.4
Machinery and transport equipment	2.8	5.4	2.8	6.1	0.6	10.3	2.2	3.6
Furniture	0.2	1.5	0.2	1.6	0.5	1.7	0.2	1.8
Textiles	26.0	23.1	26.5	27.4	16.9	9.6	29.8	26.1
Footwear	1.3	3.1	2.1	5.8	0.3	2.3	0.6	1.4
Other	13.6	14.8	16.1	12.6	13.4	8.9	18.0	11.9
Miscellaneous goods	0.4	0.6	0.2	0.7	0.5	0.5	0.6	0.7

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

Food	9.7	7.1	11.6	6.8	12.9	12.8	3.8	3.4
Cereals	16.5	11.7	65.6	20.5	14.4	42.7	5.2	2.4
Agricultural raw materials	2.0	2.4	0.3	0.2	2.8	1.2	0.6	0.4
Ores and nonferrous metals	1.8	1.6	0.5	0.5	2.7	0.6	0.4	0.4
Fuels	4.7	1.7	0.1	0.1	1.3	1.0	2.5	0.7
Crude petroleum	7.6	1.1	0.0	0.0	0.0	0.5	0.0	0.1
Petroleum products	5.3	1.9	0.3	0.2	1.7	1.7	3.1	1.1
Manufactured goods	5.4	3.4	1.6	1.1	4.3	2.2	6.7	4.8
Chemical products	3.0	2.4	1.2	1.8	1.1	0.7	1.8	0.9
Iron and steel	3.3	2.1	0.5	0.3	0.3	0.2	3.6	0.2
Machinery and transport equipment	2.4	1.7	0.4	0.4	0.0	0.0	0.9	0.4
Furniture	4.1	2.6	0.2	0.0	0.2	0.0	5.6	1.4
Textiles	9.7	6.0	4.2	2.5	6.7	4.8	13.2	10.3
Footwear	10.3	6.7	4.5	2.5	11.0	9.1	19.0	10.7
Other	6.6	4.0	2.2	1.3	5.3	3.0	8.3	6.1
Miscellaneous goods	10.4	1.1	0.6	0.4	0.0	0.0	1.4	0.2
Average	4.9	3.5	2.8	1.7	2.8	2.4	6.0	4.4



6.4 | High-income economy trade with low- and middle-income economies

Exports to middle-income economies								
	High-income countries		European Union		Japan		United States	
	1995	2005	1995	2005	1995	2005	1995	2005
Total (\$ billions)	681.0	1,501.9	263.4	609.5	103.4	177.6	147.0	285.3
% of total exports								
Food	7.5	4.6	9.3	5.0	0.3	0.4	10.9	8.1
Cereals	2.0	0.9	1.5	0.7	0.0	0.0	4.8	2.2
Agricultural raw materials	2.3	1.8	1.4	1.4	1.0	0.9	3.9	3.4
Ores and nonferrous metals	2.1	2.9	1.6	2.0	1.3	2.6	1.9	3.1
Fuels	2.3	3.4	1.7	2.1	0.5	1.0	2.3	4.0
Crude petroleum	0.2	0.2	0.3	0.0	0.0	0.0	0.0	0.0
Petroleum products	1.7	2.7	1.2	1.9	0.5	0.9	1.5	3.4
Manufactured goods	83.3	84.3	82.7	86.0	95.7	91.6	77.4	77.6
Chemical products	11.0	12.1	11.8	13.3	6.6	9.0	11.4	11.7
Iron and steel	3.0	3.2	2.8	3.6	6.5	6.8	1.2	1.1
Machinery and transport equipment	47.4	50.5	45.7	48.3	68.1	61.3	46.1	47.9
Furniture	0.5	0.5	0.9	0.8	0.1	0.2	0.6	0.4
Textiles	6.4	4.2	5.7	4.5	2.7	2.1	4.5	3.5
Footwear	0.3	0.2	0.4	0.3	0.0	0.0	0.1	0.0
Other	14.7	13.7	15.4	15.2	11.6	12.2	13.5	13.0
Miscellaneous goods	2.5	3.0	3.2	3.4	1.2	3.6	3.7	3.8

Imports from middle-income economies								
	1995	2005	1995	2005	1995	2005	1995	2005
Total (\$ billions)	746.9	2,194.9	257.5	801.5	99.4	210.6	221.1	722.1
% of total imports								
Food	11.5	6.4	14.5	7.8	16.7	9.2	8.2	4.7
Cereals	0.3	0.3	0.2	0.3	0.2	0.3	0.2	0.1
Agricultural raw materials	3.7	1.5	4.9	2.0	5.9	2.1	1.9	1.0
Ores and nonferrous metals	6.0	4.1	7.7	4.5	11.0	8.4	3.5	2.3
Fuels	13.2	17.9	16.8	21.8	17.4	16.6	11.9	18.7
Crude petroleum	8.7	11.9	10.8	14.7	9.5	7.8	9.1	13.9
Petroleum products	2.2	3.4	2.9	4.1	1.2	1.6	2.5	3.6
Manufactured goods	63.8	68.6	53.4	62.1	47.9	62.5	72.3	71.4
Chemical products	3.8	3.3	5.2	3.3	2.8	3.6	2.7	2.8
Iron and steel	3.0	2.5	3.4	2.9	2.5	1.6	2.3	1.9
Machinery and transport equipment	22.3	32.9	14.1	28.0	11.8	27.6	31.5	35.1
Furniture	1.4	2.3	1.6	2.1	1.6	1.6	1.6	3.3
Textiles	13.9	9.5	13.9	9.5	14.6	10.9	12.4	8.8
Footwear	2.9	1.7	1.6	1.4	1.5	1.2	4.1	2.2
Other	16.5	16.4	13.6	14.8	13.0	15.9	17.7	17.3
Miscellaneous goods	1.8	1.5	2.7	1.8	1.2	1.2	2.1	2.0

Simple applied tariff rates on imports from low-income economies (%)								
	1995	2005	1995	2005	1995	2005	1995	2005
Food	15.4	9.5	24.7	11.7	14.4	13.2	3.1	3.4
Cereals	21.6	15.3	63.3	28.8	22.8	34.2	2.7	2.0
Agricultural raw materials	2.0	1.9	1.0	0.3	1.5	1.6	0.6	0.4
Ores and nonferrous metals	1.7	1.1	1.8	0.7	0.5	0.1	0.5	0.5
Fuels	4.1	1.5	0.7	0.1	0.6	0.8	1.1	0.6
Crude petroleum	13.8	1.2	0.0	0.0	0.0	0.5	0.0	0.2
Petroleum products	4.5	1.9	1.1	0.2	1.1	1.6	1.7	1.0
Manufactured goods	5.6	3.2	4.1	1.1	1.8	2.2	3.9	3.0
Chemical products	3.6	2.2	3.6	1.8	1.4	0.8	1.4	1.0
Iron and steel	3.1	1.3	1.7	0.2	0.6	0.2	3.5	0.2
Machinery and transport equipment	3.2	1.8	2.0	0.4	0.0	0.0	0.6	0.3
Furniture	5.0	3.1	1.8	0.0	0.0	0.0	0.5	0.3
Textiles	11.0	6.6	8.9	2.9	4.7	6.7	11.0	8.8
Footwear	12.1	7.7	9.6	3.0	15.0	17.7	14.7	9.2
Other	6.8	3.9	5.0	1.4	2.5	3.2	5.3	4.2
Miscellaneous goods	7.6	1.1	2.0	0.4	0.0	0.0	1.0	0.4
Average	5.5	3.5	5.8	2.1	2.5	2.6	3.6	2.9

About the data

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

Trade flows between high-income countries and low- and middle-income economies reflect the changing mix of exports to and imports from developing economies. While food and primary commodities have continued to fall as a share of high-income countries' imports, the share of manufactures in goods imports from both low- and middle-income

countries has grown. Moreover, trade between developing countries has grown substantially over the past decade. This growth has resulted from many factors, including developing countries' increasing share of world output and the liberalization of their trade.

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

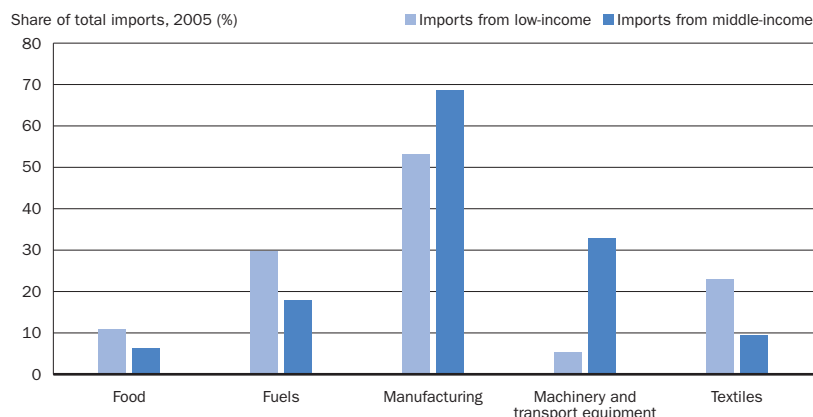
The data are from the United Nations Conference on Trade and Development (UNCTAD). Partner country reports by high-income countries were used for both exports and imports. Exports are recorded free on board (f.o.b.); imports include insurance and freight charges (c.i.f.). Because of differences in sources of data, timing, and treatment of missing data, the numbers in the table may not be fully comparable with those used to calculate the direction of trade statistics in table 6.3 or the aggregate flows in tables 4.4, 4.5, and 6.2. Data are classified using the Harmonized System of trade at the six- or eight-digit level. Tariff line data were matched to Standard International Trade Classification (SITC) revision 1 codes to define commodity groups. For further discussion of merchandise trade statistics, see *About the data* for tables 4.4, 4.5, 6.2, and 6.3, and for information about tariff barriers, see table 6.7.

Definitions

The product groups in the table are defined in accordance with the SITC revision 1: **food** (0, 1, 22, and 4) and **cereals** (04); **agricultural raw materials** (2 excluding 22, 27, and 28); **ores and nonferrous metals** (27, 28, and 68); **fuels** (3), **crude petroleum** (331), and **petroleum products** (332); **manufactured goods** (5–8 excluding 68), **chemical products** (5), **iron and steel** (67), **machinery and transport equipment** (7), **furniture** (82), **textiles** (65 and 84), **footwear** (85), and **other manufactured goods** (6 and 8 excluding 65, 67, 68, 82, 84, and 85); and **miscellaneous goods** (9). • **Exports** are all merchandise exports by high-income countries to low-income and middle-income economies as recorded in the United Nations Statistics Division's Comtrade database. • **Imports** are all merchandise imports by high-income countries from low-income and middle-income economies as recorded in the United Nations Statistics Division's Comtrade database. • **High-, middle-, and low-income economies** are those classified as such by the World Bank (see inside front cover). • **European Union** is defined as all high-income EU members: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, Spain, Sweden, and the United Kingdom.

Imports from low- and middle-income economies to high-income economies vary considerably

6.4a



The major manufactured imports of high-income economies from developing countries are manufactured textiles from low-income economies and machinery and transport equipment from middle-income economies.

Source: United Nations Statistics Division's Comtrade database.

Data sources

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



6.5

Primary commodity prices

	1970	1980	1990	1995	2000	2001	2002	2003	2004	2005	2006
World Bank commodity price index (1990 = 100)											
Nonenergy commodities	156	159	100	104	89	84	89	91	100	114	138
Agriculture	163	175	100	112	90	84	93	95	98	106	115
Beverages	203	230	100	129	91	76	91	87	88	109	111
Food	166	177	100	100	87	91	97	96	103	103	109
Raw materials	130	133	100	116	93	81	89	98	99	107	124
Fertilizers	108	164	100	88	109	105	108	106	118	126	130
Metals and minerals	144	120	100	87	85	80	78	82	105	133	195
Petroleum	19	204	100	64	127	113	117	126	154	218	254
Steel products ^a	111	100	100	91	79	71	73	79	114	129	122
MUV G-5 index	28	79	100	117	97	94	93	100	107	107	110

Commodity prices (1990 prices)

Agricultural raw materials

Cotton (cents/kg)	225	260	182	182	134	112	109	140	128	114	115
Logs, Cameroon (\$/cu. m) ^a	153	319	344	290	283	282	..	..	..	..	..
Logs, Malaysian (\$/cu. m)	154	248	177	218	195	169	175	187	184	190	217
Rubber (cents/kg)	145	181	86	135	69	61	82	108	122	140	191
Sawnwood, Malaysian (\$/cu. m)	625	503	533	632	612	510	565	550	543	616	678
Tobacco (\$/mt)	3,836	2,887	3,392	2,258	3,063	3,185	2,947	2,643	2,560	2,606	2,672

Beverages (cents/kg)

Cocoa	240	330	127	122	93	113	191	175	145	144	144
Coffee, robustas	330	411	118	237	94	64	71	81	74	104	135
Coffee, Arabica	409	440	197	285	198	146	146	141	166	237	228
Tea, avg., 3 auctions	298	211	206	127	193	169	162	151	157	154	170

Energy

Coal, Australian (\$/mt)	..	51	40	34	27	34	27	26	49	44	44
Coal, U.S. (\$/mt)	..	55	42	33	34	48	43	..	..	..	..
Natural gas, Europe (\$/mmbtu)	..	4	3	2	4	4	3	4	4	6	8
Natural gas, U.S. (\$/mmbtu)	1	2	2	1	4	4	4	5	6	8	6
Petroleum (\$/bbl)	4	47	23	15	29	26	27	29	35	50	58

About the data

Primary commodities—raw or partially processed materials that will be transformed into finished goods—are often the most significant exports of developing countries, and revenues obtained from them have an important effect on living standards. Price data for primary commodities are collected from a variety of sources, including trade journals, international study groups, government market surveys, newspaper and wire service reports, and commodity exchange spot and near-term forward prices.

The table is based on frequently updated price reports. When possible, the prices received by exporters are used; if export prices are unavailable,

the prices paid by importers are used. Annual price series are generally simple averages based on higher frequency data. The constant price series in the table is deflated using the manufactures unit value (MUV) index for the Group of Five (G-5) countries (see below).

The commodity price indexes are calculated as Laspeyres index numbers, in which the fixed weights are the 1987–89 export values for low- and middle-income economies, rebased to 1990. Each index represents a fixed basket of primary commodity exports. The nonenergy commodity price index contains 37 price series for 31 nonenergy commodities. Separate

indexes are compiled for petroleum and steel products, which are not included in the nonenergy commodity price index.

The MUV index is a composite index of prices for manufactured exports from the five major (G-5) industrial countries (France, Germany, Japan, the United Kingdom, and the United States) to low- and middle-income economies, valued in U.S. dollars. The index covers products in groups 5–8 of the Standard International Trade Classification revision 1. To construct the MUV G-5 index, unit value indexes for each country are combined using weights determined by each country's export share.

Primary commodity prices

6.5

GLOBAL LINKS

	1970	1980	1990	1995	2000	2001	2002	2003	2004	2005	2006
Commodity prices (continued)											
(1990 prices)											
Fertilizers (\$/mt)											
Phosphate rock	39	59	41	30	45	44	43	38	38	39	40
TSP	152	229	132	128	142	135	143	149	174	188	186
Food											
Fats and oils (\$/mt)											
Coconut oil	1,417	855	337	572	463	337	452	467	617	576	549
Groundnut oil	1,350	1,090	964	846	734	721	738	1,242	1,085	991	878
Palm oil	927	740	290	536	319	303	419	443	440	394	433
Soybeans	417	376	247	221	218	208	228	264	286	257	243
Soybean meal	367	332	200	168	195	192	188	211	225	200	189
Soybean oil	1,021	758	447	534	348	375	488	553	576	509	542
Grains (\$/mt)											
Sorghum	185	164	104	102	91	101	109	106	103	90	111
Maize	208	159	109	105	91	95	107	105	104	92	110
Rice	450	521	271	274	208	183	206	197	222	267	276
Wheat	196	219	136	151	117	134	159	146	147	142	174
Other food											
Bananas (\$/mt)	590	481	541	380	436	618	568	374	490	563	613
Beef (cents/kg)	465	350	256	163	199	226	226	198	235	245	231
Oranges (\$/mt)	599	496	531	454	374	631	606	680	803	817	751
Sugar, EU domestic (cents/kg)	40	62	58	59	57	56	59	60	63	62	58
Sugar, U.S. domestic (cents/kg)	59	84	51	43	44	50	50	47	42	44	44
Sugar, world (cents/kg)	29	80	28	25	19	20	16	16	15	20	30
Metals and minerals											
Aluminum (\$/mt)	1,982	1,847	1,639	1,542	1,594	1,531	1,449	1,430	1,603	1,774	2,327
Copper (\$/mt)	5,038	2,768	2,662	2,508	1,866	1,673	1,674	1,777	2,678	3,437	6,086
Iron ore (cents/dmtu)	35	36	33	24	30	32	31	32	35	61	70
Lead (cents/kg)	108	115	81	54	47	50	49	51	83	91	117
Nickel (\$/mt)	10,148	8,270	8,864	7,028	8,888	6,303	7,271	9,617	12,915	13,776	21,960
Tin (cents/kg)	1,310	2,128	609	531	559	475	436	489	795	690	795
Zinc (cents/kg)	105	97	151	88	116	94	84	83	98	129	297

a. Series not included in the nonenergy index.

Definitions

• **Nonenergy commodity price index** covers the 31 nonenergy primary commodities that make up the agriculture, fertilizer, and metals and minerals indexes. • **Agriculture** includes beverages, food, and agricultural raw materials. • **Beverages** include cocoa, coffee, and tea. • **Food** includes rice, wheat, maize, sorghum, soybeans, soybean oil, soybean meal, palm oil, coconut oil, groundnut oil, bananas, beef, oranges, and sugar. • **Agricultural raw materials** include cotton, timber (logs and sawnwood), natural rubber, and tobacco. • **Fertilizers** include phosphate rock and triple superphosphate (TSP). • **Metals and minerals** include aluminum, copper,

iron ore, lead, nickel, tin, and zinc. • **Petroleum price index** refers to the average spot price of Brent, Dubai, and West Texas Intermediate crude oils, equally weighted. • **Steel products price index** is the composite price index for eight steel products based on quotations free on board (f.o.b.) Japan excluding shipments to China and the United States, weighted by product shares of apparent combined consumption (volume of deliveries) for Germany, Japan, and the United States. • **MUV G-5 index** is the manufactures unit value index for G-5 country exports to low- and middle-income economies. • **Commodity prices**—for definitions and sources, see “Commodity

Price Data” (also known as the “Pink Sheet”) at the Global Prospects Web site (www.worldbank.org/prospects, click on Products).

Data sources

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



6.6

Regional trade blocs

Merchandise exports within bloc

	Year of creation	\$ millions								
		1990	1995	1999	2000	2001	2002	2003	2004	2005
High-income and low- and middle-income economies										
APEC ^a	1989	901,560	1,688,708	1,896,213	2,261,791	2,070,973	2,168,700	2,420,739	2,905,271	3,286,979
CEFTA	1992	4,235	12,118	13,226	15,123	17,054	19,180	25,309	37,541	48,726
CIS	1991	..	29,943	20,842	27,043	22,262	28,029	36,540	40,446	55,521
EMFTA	1995	1,089,631	1,488,243	1,700,902	1,744,696	1,737,269	1,857,562	2,253,496	2,706,304	2,883,467
European Union	1957	1,011,019	1,385,805	1,579,070	1,608,174	1,612,634	1,721,082	2,087,311	2,482,418	2,642,578
FTAA	1994	300,700	525,346	734,848	855,659	810,360	787,232	826,281	967,653	1,110,730
NAFTA	1994	226,273	394,472	581,161	676,141	639,419	626,020	651,060	737,591	824,550
Latin America and the Caribbean										
ACS	1994	5,398	11,049	11,199	16,267	15,699	15,769	15,138	20,058	25,071
Andean Group	1969	1,312	4,812	3,929	5,300	5,609	5,065	5,036	7,261	9,453
CACM	1961	667	1,594	2,175	2,586	2,739	2,763	3,156	3,574	4,064
CARICOM	1973	448	867	1,136	1,050	1,420	1,184	1,410	1,734	2,078
Central American Group of Four	1993	399	1,026	1,369	1,765	1,886	1,906	2,036	2,315	2,631
Group of Three	1995	1,046	3,460	2,912	3,721	4,178	3,839	3,167	5,669	7,437
LAIA (ALADI)	1980	12,331	35,299	34,785	42,901	40,780	36,054	39,863	55,826	70,430
Mercosur	1991	4,127	14,199	15,313	17,829	15,156	10,228	12,732	17,354	21,118
OECS	1981	29	39	37	38	37	40	48	60	68
Middle East and Asia										
Arab Common Market	1964	911	1,368	951	1,312	1,728	1,998	1,797	6,303	7,138
ASEAN	1967	27,365	79,544	77,889	98,060	86,331	91,684	101,054	122,914	142,955
Bangkok Agreement	1975	4,476	12,066	14,463	16,844	16,733	17,957	21,808	24,925	29,506
EAEC	1990	281,067	634,606	612,415	772,423	698,552	779,384	940,950	1,177,286	1,335,003
ECO	1985	1,243	4,746	3,903	4,518	4,498	5,014	7,468	9,978	13,993
GAFTA	1997	13,313	13,129	13,752	16,238	17,528	19,195	21,511	35,554	44,777
GCC	1981	6,906	6,832	7,306	7,958	8,103	8,899	9,580	12,532	16,507
SAARC	1985	863	2,024	2,180	2,593	2,827	3,402	4,873	5,706	7,062
UMA	1989	958	1,109	919	1,094	1,137	1,202	1,338	1,375	1,926
Sub-Saharan Africa										
CEMAC	1994	139	120	127	97	118	136	148	176	201
CEPGL	1976	7	8	9	10	11	13	15	19	22
COMESA	1994	963	1,386	1,348	1,653	1,819	2,031	2,436	2,849	3,330
Cross Border Initiative	1992	613	1,002	964	1,166	1,070	1,373	1,536	1,705	1,913
EAC	1996	230	530	438	595	664	685	706	750	857
ECCAS	1983	163	163	179	191	203	199	198	238	272
ECOWAS	1975	1,557	1,936	2,364	2,835	2,371	3,229	3,140	4,499	5,673
Indian Ocean Commission	1984	73	127	91	106	134	105	179	155	159
MRU	1973	0	1	4	5	4	5	5	6	6
SADC	1992	1,630	3,373	4,224	4,282	3,771	4,316	5,377	6,384	6,384
UDEAC	1964	139	120	126	96	117	134	146	174	198
UEMOA	1994	621	560	805	741	775	857	1,076	1,233	1,390

Note: Regional bloc memberships are as follows: **Asia Pacific Economic Cooperation (APEC)**, Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, the Russian Federation, Singapore, Taiwan (China), Thailand, the United States, and Vietnam; **Central European Free Trade Area (CEFTA)**, Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia; **Commonwealth of Independent States (CIS)**, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, Ukraine, and Uzbekistan; **Euro-Mediterranean Free Trade Area (EMFTA)**, European Union, Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syrian Arab Republic, Tunisia, Turkey, and West Bank and Gaza; **European Union (EU; formerly European Economic Community and European Community)**, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom; **Free Trade Areas of the Americas (FTAA)**, Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Republica Bolivariana de Venezuela, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, the United States, and Uruguay; **North American Free Trade Agreement (NAFTA)**, Canada, Mexico, and the United States; **Economic and Monetary Community of Central Africa (CEMAC)**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, Gabon, and São Tomé and Príncipe; **Economic Community of the Countries of the Great Lakes (CEPGL)**, Burundi, the Democratic Republic of Congo, and Rwanda; **Common Market for Eastern and Southern Africa (COMESA)**, Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, the Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Tanzania, Zambia, and Zimbabwe; **Cross Border Initiative**, Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe; **East African Community (EAC)**, Kenya, Tanzania, and Uganda; **Economic Community of Central African States (ECCAS)**, Angola, Burundi, Cameroon, the Central African Republic, Chad, the Democratic Republic of Congo, the Republic of Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe; **Economic Community of West African States (ECOWAS)**, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo; **Indian Ocean Commission**, Comoros, Madagascar, Mauritius, Réunion, and Seychelles; **Mano River Union (MRU)**, Guinea, Liberia, and Sierra Leone; **Southern African Development Community**

a. No preferential trade agreement.

Merchandise exports within bloc

	Year of creation	% of total bloc exports								
		1990	1995	1999	2000	2001	2002	2003	2004	2005
High-income and low- and middle-income economies										
APEC ^a	1989	68.3	71.7	71.8	73.1	72.6	73.3	72.6	72.0	70.7
CEFTA	1992	16.3	14.8	13.8	9.9	8.0	7.3	14.6	14.2	14.6
CIS	1991	..	27.6	20.7	19.2	18.2	18.8	19.6	16.6	17.1
EMFTA	1995	69.6	68.7	70.4	69.3	68.3	68.5	69.4	69.2	68.3
FTAA	1994	46.6	52.5	59.7	60.7	60.5	60.8	60.0	60.0	60.3
European Union	1957	66.8	66.1	67.8	66.8	66.2	66.3	67.2	66.8	66.0
NAFTA	1994	41.4	46.2	54.6	55.7	55.5	56.6	56.1	55.9	55.8
Latin America and the Caribbean										
ACS	1994	8.4	8.5	5.6	6.7	6.9	6.9	6.3	6.9	7.2
Andean Group	1969	4.1	12.0	8.8	8.7	10.5	9.5	8.9	8.6	8.2
CACM	1961	15.3	21.8	13.6	19.1	22.8	19.5	20.2	20.9	18.9
CARICOM	1973	8.1	12.0	16.9	14.7	16.5	13.7	12.3	12.5	11.8
Central American Group of Four	1993	13.7	22.2	14.6	23.0	27.0	21.4	21.4	21.4	18.2
Group of Three	1995	2.0	3.2	1.7	1.7	2.1	1.9	1.5	2.3	2.5
LAIA (ALADI)	1980	10.8	17.1	12.7	12.8	12.8	11.2	11.4	12.6	13.2
Mercosur	1991	8.9	20.3	20.6	20.0	17.1	11.5	11.9	12.7	12.9
OECS	1981	8.1	12.6	13.1	10.0	6.0	4.0	7.6	11.7	11.3
Middle East and Asia										
Arab Common Market	1964	2.7	6.7	3.3	2.9	4.4	5.1	4.1	7.9	8.6
ASEAN	1967	18.9	24.5	21.7	23.0	22.4	22.7	22.1	22.3	22.7
Bangkok Agreement	1975	3.7	4.9	5.1	5.1	5.5	5.5	5.7	5.2	5.4
EAEC		39.7	47.9	43.8	46.6	46.6	48.1	49.4	49.8	49.2
ECO	1985	3.2	7.9	5.8	5.6	5.5	5.9	6.6	6.7	7.6
GAFTA	1997	10.3	9.9	8.9	7.2	8.4	9.3	8.5	10.0	9.8
GCC	1981	8.0	6.8	6.7	4.8	5.2	5.9	5.1	5.0	4.8
SAARC	1985	3.2	4.4	4.0	4.1	4.3	4.8	5.7	5.6	5.5
UMA	1989	2.9	3.8	2.5	2.3	2.6	2.8	2.4	1.9	2.0
Sub-Saharan Africa										
CEMAC	1994	2.3	2.1	1.7	1.1	1.4	1.5	1.4	1.3	0.9
CEPGL	1976	0.5	0.5	0.8	0.8	0.8	0.9	1.2	1.2	1.3
COMESA	1994	6.6	7.7	7.4	6.1	7.9	7.4	7.4	6.8	5.9
Cross Border Initiative	1992	10.3	11.9	12.1	11.8	11.5	14.5	13.0	13.8	14.0
EAC	1996	13.4	17.4	14.4	20.5	21.4	19.3	18.2	16.6	15.0
ECCAS	1983	1.4	1.5	1.3	1.1	1.3	1.1	1.0	0.9	0.6
ECOWAS	1975	7.9	9.0	10.4	7.9	8.5	10.9	8.6	9.4	9.5
Indian Ocean Commission	1984	4.1	6.0	4.8	4.4	5.6	4.3	6.2	4.3	4.6
MRU	1973	0.0	0.1	0.4	0.4	0.3	0.2	0.3	0.3	0.3
SADC	1992	17.0	31.6	11.9	9.3	8.6	9.5	9.8	9.5	7.7
UDEAC	1964	2.3	2.1	1.7	1.0	1.4	1.4	1.4	1.2	0.9
UEMOA	1994	13.0	10.3	13.1	13.1	12.7	12.2	13.3	12.9	13.4

(SADC; formerly Southern African Development Coordination Conference), Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe; **Central African Customs and Economic Union (UDEAC; formerly Union Douanière et Economique de l'Afrique Centrale)**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon; **West African Economic and Monetary Union (UEMOA)**, Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo; **Association of Caribbean States (ACS)**, Antigua and Barbuda, the Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and República Bolivariana de Venezuela; **Andean Group**, Bolivia, Colombia, Ecuador, Peru, and República Bolivariana de Venezuela; **Central American Common Market (CACM)**, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; **Caribbean Community and Common Market (CARICOM)**, Antigua and Barbuda, the Bahamas (part of the Caribbean Community but not of the Common Market), Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago; **Central American Group of Four**, El Salvador, Guatemala, Honduras, and Nicaragua; **Group of Three**, Colombia, Mexico, and República Bolivariana de Venezuela; **Latin American Integration Association (LAIA; formerly Latin American Free Trade Area)**, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and República Bolivariana de Venezuela; **Common Market of the South (Mercosur)**, Argentina, Brazil, Paraguay, and Uruguay; **Organization of Eastern Caribbean States (OECS)**, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; **Arab Common Market**, the Arab Republic of Egypt, Iraq, Jordan, Libya, Mauritania, the Syrian Arab Republic, and the Republic of Yemen; **Association of South-East Asian Nations (ASEAN)**, Brunei, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam; **Bangkok Agreement**, Bangladesh, India, the Republic of Korea, the Lao People's Democratic Republic, the Philippines, Sri Lanka, and Thailand; **East Asia Economic Caucus (EAEC; formerly East Asia Economic Group)**, Brunei, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, Taiwan (China), and Thailand; **Economic Cooperation Organization (ECO)**, Afghanistan, Azerbaijan, the Islamic Republic of Iran, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan; **Gulf Cooperation Council (GCC)**, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates; **South Asian Association for Regional Cooperation (SAARC)**, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka; and **Arab Maghreb Union (UMA)**, Algeria, Libya, Mauritania, Morocco, and Tunisia.



6.6

Regional trade blocs

Total merchandise exports by bloc

	Year of creation	% of world exports								
		1990	1995	1999	2000	2001	2002	2003	2004	2005
High-income and low- and middle-income economies										
APEC ^a	1989	39.0	46.3	46.6	48.5	46.5	46.0	44.5	44.2	45.0
CEFTA	1992	1.3	1.6	1.9	1.9	2.2	2.4	2.7	2.9	3.1
CIS	1991	..	2.1	1.8	2.2	2.0	2.3	2.5	2.7	3.1
EMFTA	1995	46.3	42.7	42.7	39.4	41.4	42.2	43.3	42.9	40.8
FTAA	1994	19.1	19.7	21.7	22.1	21.8	20.2	18.4	17.7	17.8
European Union	1957	44.8	41.3	41.1	37.7	39.7	40.4	41.5	40.8	38.7
NAFTA	1994	16.2	16.8	18.8	19.0	18.7	17.2	15.5	14.5	14.3
Latin America and the Caribbean										
ACS	1994	1.9	2.6	3.5	3.8	3.7	3.6	3.2	3.2	3.4
Andean Group	1969	0.9	0.8	0.8	0.9	0.9	0.8	0.8	0.9	1.1
CACM	1961	0.1	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.2
CARICOM	1973	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Central American Group of Four	1993	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Group of Three	1995	1.5	2.1	3.0	3.3	3.2	3.1	2.7	2.7	2.9
LAIA (ALADI)	1980	3.4	4.1	4.8	5.3	5.2	5.0	4.7	4.8	5.1
Mercosur	1991	1.4	1.4	1.3	1.4	1.4	1.4	1.4	1.5	1.6
OECS	1981	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East and Asia										
Arab Common Market	1964	1.0	0.4	0.5	0.7	0.6	0.6	0.6	0.9	0.8
ASEAN	1967	4.3	6.4	6.3	6.7	6.3	6.3	6.1	6.0	6.1
Bangkok Agreement	1975	3.6	4.8	5.0	5.2	4.9	5.1	5.1	5.3	5.3
EAEC	1990	20.9	26.1	24.7	26.0	24.4	25.2	25.4	25.9	26.2
ECO	1985	1.1	1.2	1.2	1.3	1.3	1.3	1.5	1.6	1.8
GAFTA	1997	3.8	2.6	2.7	3.5	3.4	3.2	3.4	3.9	4.4
GCC	1981	2.6	2.0	1.9	2.6	2.5	2.3	2.5	2.7	3.3
SAARC	1985	0.8	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.3
UMA	1989	1.0	0.6	0.6	0.8	0.7	0.7	0.7	0.8	0.9
Sub-Saharan Africa										
CEMAC	1994	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
CEPGL	1976	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COMESA	1994	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.5	0.5
Cross Border Initiative	1992	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.1	0.1
EAC	1996	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.1
ECCAS	1983	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4
ECOWAS	1975	0.6	0.4	0.4	0.6	0.5	0.5	0.5	0.5	0.6
Indian Ocean Commission	1984	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRU	1973	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SADC	1992	0.3	0.2	0.6	0.7	0.7	0.7	0.7	0.7	0.8
UDEAC	1964	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
UEMOA	1994	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

About the data

Trade blocs are groups of countries that have established special preferential arrangements governing trade between members. Although in some cases the preferences—such as lower tariff duties or exemptions from quantitative restrictions—may be no greater than those available to other trading partners, such arrangements are intended to encourage exports by bloc members to one another—sometimes called intratrade.

Most countries are members of a regional trade bloc, and more than a third of the world's trade takes place within such arrangements. While trade blocs vary widely in structure, they all have the same main objective: to reduce trade barriers between member countries. But effective integration requires more than reducing tariffs and quotas. Economic gains from competition and scale may not be achieved unless other barriers that divide markets and impede the free flow of goods, services, and investments are lifted. For example, many regional trade blocs retain contingent protections or restrictions on intrabloc trade. These include antidumping, countervailing duties, and "emergency protection" to address balance of payments problems or to protect an industry from surges in imports. Other barriers include differing product standards, discrimination in public procurement, and cumbersome and costly border formalities.

Membership in a regional trade bloc may reduce the frictional costs of trade, increase the credibility of reform initiatives, and strengthen security among

partners. But making it work effectively is challenging for any government. All sectors of an economy may be affected, and some sectors may expand while others contract, so it is important to weigh the potential costs and benefits that membership may bring.

The table shows the value of merchandise intratrade for important regional trade blocs (service exports are excluded) as well as the size of intratrade relative to each bloc's total exports of goods and the share of the bloc's total exports in world exports. Although the Asia Pacific Economic Cooperation (APEC) has no preferential arrangements, it is included in the table because of the volume of trade between its members.

The data on country exports are drawn from the International Monetary Fund's (IMF) Direction of Trade database and should be broadly consistent with those from other sources, such as the United Nations Statistics Division's Commodity Trade (Comtrade) database. However, trade flows between many developing countries, particularly in Sub-Saharan Africa, are not well recorded. Thus the value of intratrade for certain groups may be understated. Data on trade between developing and high-income countries are generally complete.

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

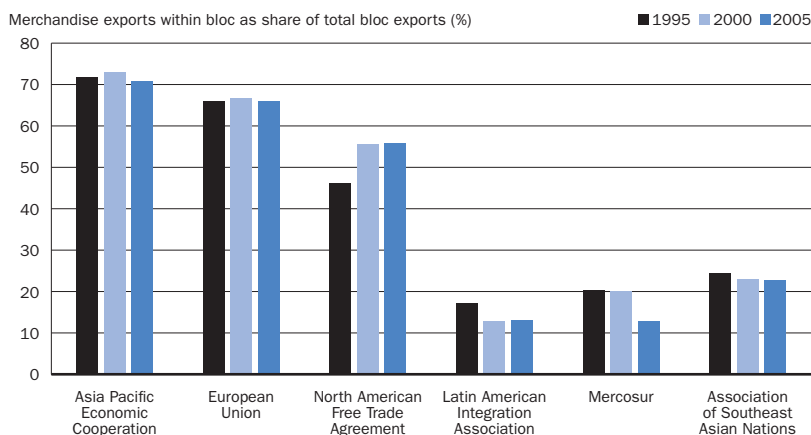
international trade unit. The date of each trade bloc's creation is also included. Although bloc exports have been calculated back to 1990 on the basis of current membership, several of the blocs came into existence in later years and their membership may have changed over time. For this reason, and because systems of preferences also change over time, intratrade in earlier years may not have been affected by the same preferences as in recent years. In addition, some countries belong to more than one trade bloc, so shares of world exports exceed 100 percent. Exports of blocs include all commodity trade, which may include items not specified in trade bloc agreements. Differences from previously published estimates may be due to changes in bloc membership or to revisions in the underlying data.

Definitions

- **Merchandise exports within bloc** are the sum of merchandise exports by members of a trade bloc to other members of the bloc. They are shown both in U.S. dollars and as a percentage of total merchandise exports by the bloc.
- **Total merchandise exports by bloc** as a share of world exports are the ratio of the bloc's total merchandise exports (within the bloc and to the rest of the world) to total merchandise exports by all economies in the world.

Preferential regional trade agreements have a mixed impact on trade

6.6a



Regional trade agreements do not necessarily create net trade gains among bloc members.

Source: International Monetary Fund's Direction of Trade database.

Data sources

Data on merchandise trade flows are published in the IMF's *Direction of Trade Statistics Yearbook* and *Direction of Trade Statistics Quarterly*; the data in the table were calculated using the IMF's Direction of Trade database. The United Nations Conference on Trade and Development (UNCTAD) publishes data on intratrade in its *Handbook of International Trade and Development Statistics*. The information on trade bloc membership is from the World Bank Policy Research Report *Trade Blocs* (2000a), the World Bank's *Global Economic Prospects 2005*, and the World Bank's international trade unit.



6.7

Tariff barriers

	Most recent year	Binding coverage	All products %				Share of lines with international peaks	Share of lines with specific rates	Primary products %		Manufactured products %	
			Simple mean bound rate	Simple mean tariff	Weighted mean tariff	Simple mean tariff			Weighted mean tariff	Simple mean tariff	Weighted mean tariff	
Afghanistan	..	..	..	..	..	..	..	..	..	..	..
Albania	2005 ^a	100.0	7.0	6.3	7.1	0.0	0.0	7.3	6.5	6.1	7.2	
Algeria	2005	..	..	15.8	10.6	38.6	0.0	15.3	9.0	15.7	11.0
Angola	2005	100.0	59.2	7.6	6.0	10.3	0.0	12.0	13.1	6.8	4.4	
Argentina	2005 ^a	100.0	31.9	10.6	5.2	22.6	0.0	8.0	1.8	10.8	5.7	
Armenia	2001	100.0	8.5	3.3	2.5	0.0	0.0	6.6	3.4	2.8	1.5	
Australia	2005 ^a	97.1	10.0	4.3	3.1	6.0	0.2	1.6	0.7	4.6	3.7	
Azerbaijan	2005	..	..	10.4	5.8	0.0	0.0	12.0	5.4	10.1	5.9
Bangladesh	2005	14.9	162.1	16.8	55.8	36.0	0.0	21.8	19.4	16.0	76.7	
Belarus	2002	0.0	11.3	8.9	16.4	0.0	11.1	7.1	11.3	10.4	..	
Benin	2005	39.1	28.6	14.4	12.4	57.6	0.0	15.4	12.0	14.2	12.8	
Bolivia	2005 ^a	100.0	40.0	7.2	5.5	0.0	0.0	7.5	5.2	7.2	5.6	
Bosnia and Herzegovina	2001 ^a	..	..	5.3	5.1	0.0	0.0	3.8	5.3	5.5	5.0
Botswana	2005 ^a	96.3	19.0	9.9	11.2	23.6	0.2	5.1	1.0	10.1	12.9	
Brazil	2005 ^a	100.0	31.4	12.3	7.1	27.7	0.0	7.9	1.5	12.6	9.2	
Bulgaria	2005 ^a	100.0	24.7	10.7	9.1	26.8	1.9	15.9	10.0	10.0	8.8	
Burkina Faso	2005	39.3	41.9	13.1	11.7	48.6	0.0	13.6	10.1	13.0	12.6	
Burundi	2005	20.9	67.5	19.6	19.9	46.5	0.0	26.1	25.5	18.5	18.7	
Cambodia	2003 ^a	..	..	16.0	16.4	25.9	0.0	17.4	15.6	15.8	16.6
Cameroon	2005	12.6	79.9	18.4	16.5	52.6	0.0	20.9	19.5	18.0	15.5	
Canada	2005 ^a	99.7	5.1	4.5	1.5	7.7	3.5	6.4	3.4	4.1	1.0	
Central African Republic	2005	..	..	17.9	16.8	58.0	0.0	21.8	24.8	17.4	13.2
Chad	2005	..	..	17.2	12.5	48.7	0.0	22.1	25.0	16.5	10.3
Chile	2005 ^a	100.0	25.1	4.9	3.9	0.0	0.0	4.4	2.8	4.9	4.4	
China	2005 ^a	100.0	10.0	9.2	4.9	19.1	0.0	8.8	3.4	9.2	5.3	
Colombia	2005 ^a	100.0	42.8	11.9	9.6	21.5	0.0	11.5	9.5	11.9	9.5	
Congo, Dem. Rep.	2003	..	..	13.1	13.0	42.7	0.0	14.7	12.4	12.8	13.3
Congo, Rep.	2005	..	..	19.1	17.7	56.4	0.0	22.9	22.1	18.5	16.2
Costa Rica	2005	100.0	42.9	7.0	4.1	0.5	0.0	10.4	6.1	6.6	3.6	
Côte d'Ivoire	2005	33.2	11.2	12.6	10.3	44.3	0.0	14.9	11.2	12.2	9.9	
Croatia	2005 ^a	100.0	5.9	2.4	1.2	3.0	0.0	4.9	2.3	2.1	0.7	
Cuba	2005 ^a	31.0	21.3	10.5	9.6	11.0	0.0	10.8	8.6	10.4	10.1	
Czech Republic	2003	100.0	5.0	5.0	4.4	4.8	0.0	5.6	4.1	4.9	4.3	
Dominican Republic	2005 ^a	100.0	34.9	9.0	8.5	27.2	0.0	12.5	7.6	8.5	8.8	
Ecuador	2005 ^a	99.9	21.8	11.8	8.7	23.8	0.0	11.0	6.6	11.8	9.1	
Egypt, Arab Rep.	2005 ^a	99.1	36.6	18.9	12.0	21.8	0.0	85.8	16.4	11.6	10.5	
El Salvador	2005 ^a	100.0	36.6	6.4	6.7	2.5	0.0	10.4	8.3	5.8	5.8	
Estonia	2003	100.0	8.7	1.0	0.9	5.4	0.0	8.1	4.0	0.0	0.0	
Ethiopia	2002	..	..	19.7	13.5	52.9	0.0	22.1	6.7	19.4	15.7
European Union ^b	2005 ^a	100.0	4.2	2.7	2.0	6.7	9.0	7.9	2.3	1.7	1.8	
Gabon	2005	100.0	21.4	19.9	16.8	60.6	0.0	22.9	19.4	19.3	15.8	
Gambia, The	2003	13.0	101.8	..	..	..	..	..	..	..	..
Georgia	2004	100.0	7.2	7.5	9.5	5.4	0.7	11.8	13.2	6.8	7.1	
Ghana	2004	13.5	92.1	13.2	11.0	45.3	0.0	17.4	17.1	12.3	8.8	
Guatemala	2005 ^a	100.0	42.2	6.7	5.8	1.0	0.0	8.8	5.5	6.4	5.9	
Guinea	2005	39.0	20.1	14.2	12.7	58.6	0.0	16.3	14.3	13.9	11.2	
Honduras	2005 ^a	100.0	32.5	6.7	6.0	0.2	0.0	9.7	7.2	6.3	5.3	
Hong Kong, China	2005	45.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Hungary	2002	96.2	9.8	8.9	7.9	10.9	0.0	17.9	6.7	7.7	8.0	
India	2005 ^a	73.8	49.6	17.0	14.5	15.5	3.5	24.4	16.5	15.9	12.8	
Indonesia	2005 ^a	96.6	37.1	6.5	6.0	8.7	0.0	7.2	3.5	6.4	6.7	
Iran, Islamic Rep.	2004	..	..	18.7	13.8	43.4	0.0	14.9	11.2	18.9	14.5
Iraq	..	..	..	..	..	..	..	..	..	..	..
Israel	2005 ^a	76.3	20.9	2.7	1.7	1.5	1.1	6.9	3.9	2.1	0.9	
Jamaica	2003	100.0	49.6	9.4	9.8	36.5	0.0	15.7	11.0	8.4	9.3	
Japan	2005 ^a	99.7	3.0	3.3	2.5	8.1	2.7	8.4	3.8	2.3	1.4	
Jordan	2005 ^a	100.0	16.3	12.4	7.6	34.5	0.0	15.6	4.0	11.9	9.9	
Kazakhstan	2004	..	..	2.3	1.9	0.0	0.0	3.3	3.1	2.2	1.6
Kenya	2005	14.0	95.1	12.1	7.5	36.4	0.0	15.9	8.6	11.6	6.7	

	Most recent year	All products %						Primary products %		Manufactured products %	
		Binding coverage	Simple mean bound rate	Simple mean tariff	Weighted mean tariff	Share of lines with international peaks	Share of lines with specific rates	Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Korea, Rep.	2004 ^a	94.5	15.7	9.0	9.3	5.6	0.0	20.3	17.7	7.2	4.5
Kuwait	2005	..	..	4.7	4.5	0.0	0.0	3.9	3.0	4.8	4.8
Kyrgyz Republic	2003	99.9	7.4	4.3	4.3	0.1	2.2	6.7	6.2	3.8	2.9
Lao PDR	2005 ^a	..	..	9.2	14.0	23.5	0.0	18.5	29.7	8.5	10.3
Latvia	2001	100.0	12.8	3.3	2.6	3.0	0.0	8.1	5.4	2.5	1.5
Lebanon	2005 ^a	..	..	7.2	6.3	12.2	0.0	14.2	6.1	6.1	6.3
Lesotho	2005 ^a	..	..	9.9	16.8	24.1	0.8	7.4	3.3	10.0	17.6
Libya	2002	..	..	20.2	25.2	46.6	0.0	19.2	15.1	20.1	28.5
Lithuania	2003 ^a	100.0	9.2	1.3	0.7	3.3	0.0	3.5	1.3	1.0	0.4
Macedonia, FYR	2005	100.0	6.9	4.1	3.3	12.2	0.0	10.0	6.4	3.5	1.7
Madagascar	2005	29.7	27.4	11.6	5.2	37.1	0.0	16.9	4.1	11.0	5.9
Malawi	2001 ^a	30.2	74.9	13.5	10.2	42.4	0.0	13.4	9.0	13.4	10.7
Malaysia	2005 ^a	83.7	14.5	7.5	4.4	22.4	0.0	3.4	2.3	8.2	4.8
Mali	2005	40.7	28.8	12.4	10.7	43.7	0.0	14.4	11.7	12.2	10.4
Mauritania	2001	39.4	19.6	12.8	9.9	51.1	0.0	12.6	10.0	12.8	9.9
Mauritius	2005	18.0	94.0	8.5	4.7	19.7	0.0	9.0	5.3	8.3	4.2
Mexico	2005 ^a	100.0	35.0	9.2	3.0	12.4	0.0	8.5	2.2	9.2	3.1
Moldova	2001	..	..	4.8	2.9	0.2	0.4	8.4	2.7	4.1	3.0
Mongolia	2005	100.0	17.5	4.2	4.3	0.0	0.0	5.0	5.1	4.1	3.7
Morocco	2005	100.0	41.3	19.4	13.7	57.0	0.0	23.3	12.1	18.8	14.3
Mozambique	2005 ^a	..	..	13.1	8.6	38.2	0.0	16.4	9.1	12.6	8.5
Myanmar	2005 ^a	16.5	83.3	4.5	4.1	5.3	0.0	7.6	4.8	4.2	3.8
Namibia	2005 ^a	96.3	19.4	5.6	1.3	15.2	0.0	3.7	0.5	5.9	1.6
Nepal	2005 ^a	..	..	14.7	14.3	21.6	0.0	13.9	9.3	14.7	16.4
New Zealand	2005 ^a	100.0	10.3	5.0	4.6	10.0	4.8	9.9	8.7	4.3	3.4
Nicaragua	2005 ^a	100.0	41.7	6.8	5.4	0.5	0.0	10.6	5.4	6.3	5.4
Niger	2005	96.8	44.3	12.7	12.8	47.6	0.0	14.9	14.7	12.4	12.1
Nigeria	2005	18.2	117.8	11.6	10.8	41.0	0.0	14.9	14.9	11.3	9.3
Norway	2003 ^a	100.0	3.0	2.6	1.9	4.2	5.7	17.8	8.6	0.5	0.2
Oman	2005 ^a	100.0	13.8	3.8	3.2	0.1	0.0	4.1	2.9	3.8	3.3
Pakistan	2005 ^a	44.8	52.2	14.6	12.4	42.6	0.0	13.8	8.6	14.6	14.5
Panama	2005 ^a	99.9	23.4	7.4	6.9	1.8	0.0	11.2	7.9	7.0	6.4
Papua New Guinea	2005	100.0	31.7	6.1	2.2	25.3	0.3	14.9	3.1	4.8	1.7
Paraguay	2005 ^a	100.0	33.6	8.3	5.8	16.8	0.0	6.3	1.5	8.5	7.2
Peru	2005 ^a	100.0	30.1	9.2	8.3	11.1	0.0	10.7	9.8	9.1	7.6
Philippines	2005 ^a	67.0	25.6	5.4	3.1	4.8	0.0	6.9	5.1	5.1	2.7
Poland	2003 ^a	96.2	11.9	5.5	3.4	9.9	3.3	27.8	12.6	2.5	1.2
Romania	2005 ^a	100.0	39.9	6.6	3.1	21.0	0.0	13.3	7.2	5.7	1.8
Russian Federation	2005	0.0	11.4	9.6	17.9	16.0	10.7	12.2	11.5	8.9	8.9
Rwanda	2005 ^a	100.0	89.5	17.2	9.7	47.0	0.0	12.7	5.5	17.7	12.2
Saudi Arabia	2005 ^a	..	..	4.1	4.1	0.0	0.0	3.2	2.7	4.3	4.4
Senegal	2005	100.0	30.0	14.0	9.2	53.8	0.0	14.9	8.2	13.8	10.4
Serbia and Montenegro	2005	..	..	8.2	7.9	20.0	0.0	13.2	10.7	7.4	7.0
Sierra Leone	2004	100.0	47.4	..	..	..	..	..	..	..	..
Singapore	2005 ^a	69.3	6.9	0.1	0.0	0.1	0.1	0.3	0.1	0.0	0.0
Slovak Republic	2002	100.0	5.0	22.1	21.2	50.8	0.0	19.2	12.8	22.3	23.5
Slovenia	2003 ^a	100.0	23.7	4.4	1.8	11.4	0.0	7.0	3.9	3.9	1.2
South Africa	2005 ^a	96.3	19.4	8.5	5.4	21.3	1.0	5.4	1.7	8.8	6.5
Sri Lanka	2005 ^a	36.8	29.6	11.3	7.7	23.4	0.4	18.2	9.5	10.3	6.8
Sudan	2002	..	..	21.1	19.6	43.8	0.0	28.2	24.0	20.5	18.9
Swaziland	2005 ^a	96.3	19.4	10.8	10.5	26.6	0.0	10.3	4.3	10.8	10.8
Sweden	1989	..	..	5.4	4.3	3.6	0.0	1.4	1.0	6.0	5.0
Switzerland	2005 ^a	99.8	0.0	2.7	1.4	8.7	35.1	14.0	8.1	0.6	0.1
Syrian Arab Republic	2002	..	..	14.7	15.5	23.3	0.0	14.4	11.7	14.5	16.6
Tajikistan	2002	..	..	7.6	6.1	6.8	1.7	9.6	5.7	7.3	6.6
Tanzania	2005 ^a	13.4	120.0	12.9	8.4	38.0	0.0	18.7	10.6	12.2	7.7
Thailand	2005 ^a	74.8	25.8	10.6	4.9	22.1	0.9	13.1	2.3	10.0	5.7
Togo	2005	13.2	80.0	14.6	10.4	55.3	0.0	15.4	9.7	14.4	11.0
Trinidad and Tobago	2003	100.0	55.8	9.8	5.5	36.6	0.0	15.5	4.8	8.8	5.9



6.7 | Tariff barriers

	Most recent year	All products %						Primary products %		Manufactured products %	
		Binding coverage	Simple mean bound rate	Simple mean tariff	Weighted mean tariff	Share of lines with international peaks	Share of lines with specific rates	Simple mean tariff	Weighted mean tariff	Simple mean tariff	Weighted mean tariff
Tunisia	2005 ^a	57.9	57.7	13.4	9.1	31.0	0.0	27.4	13.8	12.0	7.5
Turkey	2005 ^a	47.7	29.6	2.4	1.6	4.8	0.0	12.6	2.6	1.4	1.2
Turkmenistan	2002	..	..	5.4	2.9	14.8	2.8	14.8	12.6	3.8	1.1
Uganda	2005 ^a	14.9	73.5	12.4	9.0	38.3	0.0	16.7	10.1	11.9	8.4
Ukraine	2002	..	..	7.6	3.9	11.2	0.0	6.9	1.5	7.6	6.4
United Arab Emirates	2005 ^a	..	..	4.8	4.8	0.2	0.0	4.9	4.7	4.8	4.8
United States	2005 ^a	100.0	3.6	3.2	1.6	6.1	5.9	2.8	0.8	3.3	1.8
Uruguay	2005 ^a	100.0	31.6	9.9	3.5	26.1	0.0	6.3	1.2	10.1	4.8
Uzbekistan	2001	..	..	10.4	5.8	26.7	0.0	10.5	4.2	10.5	6.2
Venezuela, RB	2005 ^a	99.9	36.8	12.8	12.7	23.7	0.0	12.2	11.3	12.8	12.9
Vietnam	2005 ^a	..	..	13.2	13.6	34.1	0.0	17.7	14.9	12.3	12.8
Yemen, Rep.	2000	..	..	12.8	11.8	11.2	0.0	13.6	10.8	12.7	12.4
Zambia	2005 ^a	15.9	105.7	14.6	9.4	34.5	0.0	14.9	9.3	14.5	9.4
Zimbabwe	2003	20.8	90.7	16.7	17.3	38.8	0.0	19.5	19.8	16.2	14.7
World	..	77.4	30.8	7.7	3.3	13.8	0.5	9.9	3.3	7.4	3.2
Low income	..	48.2	47.1	13.0	14.2	30.1	0.8	15.9	14.1	12.6	14.2
Middle income	..	88.5	31.0	8.8	5.3	16.5	0.7	11.8	4.6	8.3	5.5
Lower middle income	..	86.6	31.5	9.6	5.8	18.1	1.3	12.5	4.4	9.2	6.2
Upper middle income	..	90.8	30.4	7.9	4.7	15.0	0.8	11.2	5.0	7.4	4.6
Low & middle income	..	76.2	34.8	9.4	6.1	17.8	0.9	12.3	5.9	9.0	6.1
East Asia & Pacific	..	79.0	32.4	9.0	5.0	18.4	0.1	9.6	3.5	8.8	5.4
Europe & Central Asia	..	85.6	11.9	6.3	4.9	10.2	1.5	9.9	6.0	5.8	4.5
Latin America & the Carib.	..	97.1	42.8	9.6	5.3	17.4	0.0	11.9	3.9	9.3	5.6
Middle East & N. Africa	..	93.4	34.8	10.6	8.9	23.7	0.0	15.8	8.9	9.8	8.8
South Asia	..	61.1	42.6	15.2	16.1	31.4	1.6	18.4	15.1	14.6	16.8
Sub-Saharan Africa	..	48.7	43.0	12.2	8.1	33.7	0.0	14.3	8.1	11.9	8.1
High-income	..	83.0	13.3	3.4	1.9	4.1	0.2	4.6	2.1	3.2	1.8
OECD	..	98.6	7.4	3.1	2.0	3.7	0.0	3.7	2.1	3.0	1.9
Non-OECD	..	67.3	21.3	4.1	1.2	5.0	0.8	6.3	1.9	3.7	1.1

Note: Tariff rates include ad valorem equivalents of specific rates unavailable in previous years.

a. Rates are either partially or fully recorded applied rates. All other simple and weighted tariff rates are most favored nation rates. b. Data refer to all 25 member states of the European Union.

About the data

Poor people in developing countries work primarily in agriculture and labor-intensive manufactures, sectors that confront the greatest trade barriers. Removing barriers to merchandise trade could increase growth by about 0.8 percent a year in these countries—even more if trade in services (retailing, business, financial, and telecommunications services) were also liberalized.

In general, tariffs in high-income countries on imports from developing countries, though low, are twice the size of those collected from other high-income countries. But protection is also an issue for developing countries, which maintain high tariffs on agricultural commodities, labor-intensive manufactures, and other products and services. In some developing regions new trade policies could make the difference between achieving important Millennium Development Goals—reducing poverty, lowering maternal and child mortality rates, improving educational attainment—and falling far short.

Countries use a combination of tariff and nontariff measures to regulate imports. The most common form of tariff is an ad valorem duty, based on the value of the import, but tariffs may also be levied on a specific, or per unit, basis or may combine ad valorem and specific rates. Tariffs may be used to raise fiscal revenues or to protect domestic industries from foreign competition—or both. Nontariff barriers, which limit the quantity of imports of a particular good, include quotas, prohibitions, licensing schemes, export restraint arrangements, and health and quarantine measures.

Nontariff barriers are generally considered less desirable than tariffs because changes in an exporting country's efficiency and costs no longer result in changes in market share in the importing country. Further, the quotas or licenses that regulate trade become very valuable, and resources are often wasted in attempts to acquire these assets. A high percentage of products subject to nontariff barriers suggests a protectionist trade regime, but the frequency of nontariff barriers does not measure how much they restrict trade. Moreover, a wide range of domestic policies and regulations (such as health regulations) may act as nontariff barriers. Based on the difficulty of combining nontariff barriers into an aggregate indicator, they are not included in this table.

The tariff rates used in calculating the indicators in the table are most favored nation rates unless they are specified as applied rates. Effectively applied rates are those in effect for partners in preferential trade agreements such as the North American

Free Trade Agreement. The difference between most favored nation and applied rates can be substantial. As more countries report their free trade agreements, suspensions of tariffs, or other special preferences, *World Development Indicators* will include their effectively applied rates. All estimates are calculated using the most up-to-date information, which is not necessarily updated every year. As a result, data for the same year may differ from data in last year's publication.

Three measures of average tariffs are shown: simple bound rates and the simple and the weighted mean tariffs. The most favored nation or applied rates are calculated using all traded items, while bound rates are based on all products in a country's tariff schedule. Weighted mean tariffs are weighted by the value of the country's trade with each trading partner. Simple averages are often a better indicator of tariff protection than weighted averages, which are biased downward because higher tariffs discourage trade and reduce the weights applied to these tariffs. Bound rates have resulted from trade negotiations that are incorporated into a country's schedule of concessions and are thus enforceable. If a contracting party raises a tariff to a higher level than its bound rate, beneficiaries of the earlier binding have a right to receive compensation, usually as reduced tariffs on other products they export to the country. If the beneficiaries are not compensated, they may retaliate by raising their own tariffs against an equivalent value of the original country's exports.

Some countries set fairly uniform tariff rates across all imports. Others are more selective, setting high tariffs to protect favored domestic industries. The share of tariff lines with international peaks (those for which ad valorem tariff rates exceed 15 percent) provides an indication of how selectively tariffs are applied. The effective rate of protection—the degree to which the value added in an industry is protected—may exceed the nominal rate if the tariff system systematically differentiates among imports of raw materials, intermediate products, and finished goods.

The share of tariff lines with specific rates shows the extent to which countries use tariffs based on physical quantities or other, non-ad valorem measures. Some countries apply only specific duties. Specific duties are not included in the table, except for Switzerland. Work is under way to complete the estimations for ad valorem equivalents of specific duties for all countries.

The indicators were calculated from data supplied by the United Nations Conference on Trade

and Development (UNCTAD) and the World Trade Organization (WTO). Data are classified using the Harmonized System of trade at the six- or eight-digit level. Tariff line data were matched to Standard International Trade Classification (SITC) revision 2 codes to define commodity groups and import weights. Import weights were calculated using the United Nations Statistics Division's Commodity Trade (Comtrade) database. Data are shown only for the last year for which complete data are available. To conserve space, data for the European Union are shown instead of data for individual members.

Definitions

- **Binding coverage** is the percentage of product lines with an agreed bound rate.
- **Simple mean bound rate** is the unweighted average of all the lines in the tariff schedule in which bound rates have been set.
- **Simple mean tariff** is the unweighted average of effectively applied rates or most favored nation rates for all products subject to tariffs calculated for all traded goods.
- **Weighted mean tariff** is the average of effectively applied rates or most favored nation rates weighted by the product import shares corresponding to each partner country.
- **Share of lines with international peaks** is the share of lines in the tariff schedule with tariff rates that exceed 15 percent.
- **Share of lines with specific rates** is the share of lines in the tariff schedule that are set on a per unit basis or that combine ad valorem and per unit rates.
- **Primary products** are commodities classified in SITC revision 2 sections 0–4 plus division 68 (nonferrous metals).
- **Manufactured products** are commodities classified in SITC revision 2 sections 5–8 excluding division 68.

Data sources

All indicators in the table were calculated by World Bank staff using the World Integrated Trade Solution system. Data on tariffs were provided by UNCTAD and the WTO. Data on global imports are from the United Nations Statistics Division's Comtrade database.



6.8

Global private financial flows

	Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions				\$ millions	
	1990	2005	Bonds		Equity		1990	2005
Afghanistan	..	..	..	..	..	..	..	..
Albania	..	262	..	0	0	..	..	34
Algeria	0	1,081	-15	0	0	..	-409	-821
Angola	-335	-1,304	0	0	0	..	570	1,550
Argentina	1,836	4,730	-857	1,872	0	-48	-1,195	-824
Armenia	1,836	258	..	0	0	1	..	83
Australia	8,111	-34,420	..	..	..	..	..	..
Austria	653	9,057	..	..	..	..	..	..
Azerbaijan	4	1,680	..	0	0	0	..	9
Bangladesh	3	802	0	0	0	1	55	-9
Belarus	..	305	..	0	0	1	..	42
Belgium	8,047 ^a	31,959	..	..	..	..	..	..
Benin	62	21	0	0	0	..	..	-4
Bolivia	27	-277	0	0	0	..	-24	314
Bosnia and Herzegovina	..	299	..	0	..	..	..	282
Botswana	96	279	0	0	0	62	-18	-2
Brazil	989	15,193	129	3,580	103	6,451	-555	-1,708
Bulgaria	4	2,614	..	-1,257	0	92	..	2,421
Burkina Faso	0	19	0	0	0	..	..	..
Burundi	1	1	0	0	0	0	-6	-5
Cambodia	..	379	0	0	..	..	..	..
Cameroon	-113	18	0	0	0	..	-14	-44
Canada	7,581	34,146	..	..	..	..	..	..
Central African Republic	1	6	0	0	0	..	-1	..
Chad	9	705	0	0	0	..	-1	-1
Chile	661	6,667	-7	584	367	1,635	1,194	2,593
China	3,487	79,127	-48	2,702	0	20,346	4,668	2,442
Hong Kong, China	..	35,897	..	..	..	..	..	..
Colombia	500	10,375	-4	496	0	86	-151	-768
Congo, Dem. Rep.	23	402	0	-1	..	..	-12	-2
Congo, Rep.	-14	724	0	0	0	..	-100	0
Costa Rica	163	861	-42	-32	0	0	-99	287
Côte d'Ivoire	48	266	-1	0	0	35	10	-163
Croatia	..	1,761	..	-785	..	113	..	2,429
Cuba	..	..	..	..	..	..	..	..
Czech Republic	0	..	..	-201	0	..	669	-4,524
Denmark	1,132	5,238	..	..	..	..	..	..
Dominican Republic	133	1,023	0	-20	0	0	-3	195
Ecuador	126	1,646	0	650	0	2	58	-80
Egypt, Arab Rep.	734	5,376	-1	1,554	0	729	-65	2,936
El Salvador	2	517	0	375	0	..	5	78
Eritrea	..	11	..	0	..	..	..	..
Estonia	..	2,997	..	0	..	-1,349	..	425
Ethiopia	12	265	0	0	0	0	-57	116
Finland	812	3,978	..	..	..	..	..	..
France	13,183	70,686	..	..	..	..	..	..
Gabon	73	300	0	0	0	..	29	6
Gambia, The	14	52	0	0	0	..	-7	..
Georgia	..	450	..	0	..	3	..	46
Germany	3,004	32,034	..	..	..	..	..	..
Ghana	15	107	0	0	0	0	-23	13
Greece	1,005	640	..	..	..	..	..	..
Guatemala	48	208	-11	0	0	..	1	-15
Guinea	18	102	0	0	..	..	-19	..
Guinea-Bissau	2	10	0	0	0	..	..	..
Haiti	8	10	0	0	0	0	..	..

Global private financial flows

6.8

GLOBAL LINKS

	Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions				\$ millions	
	1990	2005	Bonds		Equity		1990	2005
	1990	2005	1990	2005	1990	2005	1990	2005
Honduras	44	464	0	0	0	0	32	57
Hungary	623	6,436	921	2,978	0	-16	-1,379	2,124
India	237	6,598	147	-3,959	0	11,968	1,458	4,338
Indonesia	1,093	5,260	26	3,791	0	-165	1,804	-2,306
Iran, Islamic Rep.	-362	30	0	0	0	..	-30	644
Iraq	..	..	..	..	..	..	..	..
Ireland	627	-29,730	..	..	..	..	..	..
Israel	151	5,585	..	..	..	..	..	..
Italy	6,411	19,585	..	..	..	..	..	..
Jamaica	138	682	0	919	0	..	-46	22
Japan	1,777	3,214	..	..	..	..	..	..
Jordan	38	1,532	0	134	0	60	214	11
Kazakhstan	..	1,975	..	3,050	..	170	..	3,557
Kenya	57	21	0	0	0	3	65	-8
Korea, Dem. Rep.	..	..	..	..	..	..	..	..
Korea, Rep.	789	4,339	..	..	..	..	..	..
Kuwait	0	250	..	..	..	..	..	..
Kyrgyz Republic	..	43	..	0	..	0	..	..
Lao PDR	6	28	0	0	0	..	..	228
Latvia	..	730	..	125	..	27	..	2,352
Lebanon	6	2,573	0	1,070	..	1,436	6	-37
Lesotho	17	92	0	0	0	..	0	-8
Liberia	225	194	0	0	..	..	..	0
Libya	..	..	..	..	..	..	..	..
Lithuania	..	1,032	..	-405	..	130	..	374
Macedonia, FYR	..	100	..	187	..	52	..	-79
Madagascar	22	29	0	0	0	..	-15	-1
Malawi	23	3	0	0	1	..	2	-3
Malaysia	2,332	3,966	-1,239	492	0	-1,200	-617	-1,396
Mali	6	159	0	0	0	9	-1	3
Mauritania	7	115	0	0	0	..	-1	14
Mauritius	41	39	0	0	0	36	44	-36
Mexico	2,549	18,772	661	-839	1,995	3,353	4,396	1,705
Moldova	..	199	..	-6	..	1	..	90
Mongolia	..	182	..	0	0	..	..	0
Morocco	165	1,552	0	-41	0	64	318	115
Mozambique	9	108	0	0	0	..	26	-21
Myanmar	163	300	0	0	0	..	-8	-26
Namibia	..	..	..	..	..	..	..	..
Nepal	6	2	0	0	0	..	-14	..
Netherlands	10,676	40,416	..	..	..	..	..	..
New Zealand	1,735	1,979	..	..	..	..	..	..
Nicaragua	1	241	0	0	0	0	20	17
Niger	41	12	0	0	..	..	10	-7
Nigeria	588	2,013	0	0	0	..	-121	-171
Norway	1,003	3,285	..	..	..	..	..	..
Oman	142	715	0	0	0	10	..	-524
Pakistan	245	2,183	0	1,092	0	451	-63	-158
Panama	136	1,027	-2	529	-1	0	-4	-148
Papua New Guinea	155	34	0	0	0	..	49	-164
Paraguay	77	64	0	0	0	..	-9	2
Peru	41	2,519	0	2,640	0	766	18	-981
Philippines	530	1,132	395	1,081	0	1,461	-286	66
Poland	89	9,602	0	11,384	0	1,341	-18	2,717
Portugal	2,610	3,200	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..



6.8

Global private financial flows

	Foreign direct investment		Portfolio investment flows				Bank and trade-related lending	
	\$ millions		\$ millions				\$ millions	
	1990	2005	Bonds		Equity		1990	2005
Romania	0	6,630	0	249	0	229	4	7,066
Russian Federation	..	15,151	..	10,033	..	-215	..	33,290
Rwanda	8	8	0	..	0	0	-2	..
Saudi Arabia	..	..	..	..	..	..	..	..
Senegal	57	54	0	0	1	..	-15	18
Serbia and Montenegro	..	1,481	..	0	..	..	..	2,071
Sierra Leone	32	59	0	0	0	..	4	..
Singapore	5,575	20,071	..	..	..	..	..	..
Slovak Republic	93	1,908	..	-934	..	..	..	-1,380
Slovenia	..	541	..	..	..	..	..	..
Somalia	6	24	0	0	..	..	..	..
South Africa	-76	6,257	..	406	389	7,230	..	587
Spain	13,984	22,789	..	..	..	..	..	..
Sri Lanka	43	272	0	0	0	-216	10	-89
Sudan	-31	2,305	0	0	0	0	..	64
Swaziland	30	-16	0	0	-2	0	-2	11
Sweden	1,982	10,679	..	..	..	..	..	..
Switzerland	5,545	15,420	..	..	..	..	..	..
Syrian Arab Republic	71	427	0	0	0	..	-9	-3
Tajikistan	..	54	..	0	..	0	..	-3
Tanzania	0	473	0	0	0	3	5	3
Thailand	2,444	4,527	-87	1,156	440	5,665	1,574	-1,565
Togo	18	3	0	0	4	..	0	..
Trinidad and Tobago	109	1,100	-52	-150	0	..	-126	..
Tunisia	76	723	-60	-136	5	12	-137	4
Turkey	684	9,805	597	3,212	89	5,669	466	14,588
Turkmenistan	..	62	..	..	..	..	..	-85
Uganda	-6	257	0	0	0	2	16	3
Ukraine	..	7,808	..	576	..	82	..	3,284
United Arab Emirates	..	..	..	..	..	..	..	..
United Kingdom	33,504	158,801	..	..	..	..	..	..
United States	48,490	109,754	..	..	..	..	..	..
Uruguay	42	711	-16	573	0	20	-176	-234
Uzbekistan	..	45	..	0	..	..	..	-240
Venezuela, RB	451	2,957	345	5,365	0	91	-922	-512
Vietnam	180	1,954	0	724	..	..	..	-43
West Bank and Gaza	..	..	..	..	..	..	..	..
Yemen, Rep.	-131	-266	0	0	..	..	161	24
Zambia	203	259	0	0	0	..	-9	127
Zimbabwe	-12	103	-30	0	0	..	127	-16
World	203,236 s	974,283 s	.. s	.. s	.. s	.. s	.. s	.. s
Low income	2,343	20,522	116	-2,144	7	12,471	1,623	3,902
Middle income	22,237	260,273	966	57,254	3,383	54,209	13,172	77,231
Lower middle income	11,999	150,874	388	21,431	545	35,662	6,437	11,838
Upper middle income	10,238	109,399	577	35,823	2,838	18,547	6,735	65,393
Low & middle income	24,580	280,795	1,082	55,110	3,390	66,680	14,795	81,134
East Asia & Pacific	10,512	96,898	-952	9,947	440	26,108	7,180	-2,772
Europe & Central Asia	3,333	73,687	1,893	28,406	89	6,328	3,612	75,498
Latin America & Carib.	8,242	70,017	101	16,640	2,464	12,351	2,430	-75
Middle East & N. Africa	741	13,765	-76	2,581	5	2,311	-350	2,350
South Asia	542	9,869	147	-2,868	1	12,204	1,446	4,086
Sub-Saharan Africa	1,210	16,559	-31	405	393	7,379	477	2,046
High income	178,656	693,488	..	..	..	..	..	..
Europe EMU	61,012	315,043	..	..	..	..	..	..

a. Includes Luxembourg.

About the data

The data on foreign direct investment (FDI) are based on balance of payments data reported by the International Monetary Fund (IMF), supplemented by staff estimates using data reported by the United Nations Conference on Trade and Development and official national sources.

The internationally accepted definition of FDI is provided in the fifth edition of the IMF's *Balance of Payments Manual* (1993). Under this definition FDI has three components: equity investment, reinvested earnings, and short- and long-term inter-company loans between parent firms and foreign affiliates. Distinguished from other kinds of international investment, FDI is made to establish a lasting interest in or effective management control over an enterprise in another country. As a guideline, the IMF suggests that investments should account for at least 10 percent of voting stock to be counted as FDI. In practice, many countries set a higher threshold. Also, many countries fail to report reinvested earnings, and the definition of long-term loans differs among countries.

FDI data do not give a complete picture of international investment in an economy. Balance of payments data on FDI do not include capital raised locally, which has become an important source of financing for investment projects in some developing countries. In addition, FDI data capture only cross-border investment flows involving equity participation

and thus omit nonequity crossborder transactions such as intrafirm flows of goods and services. For a detailed discussion of the data issues, see the World Bank's *World Debt Tables 1993-94* (vol. 1, chap. 3).

Portfolio flow data are compiled from several market and official sources, including Euromoney databases and publications; Micropal; Lipper Analytical Services; published reports of private investment houses, central banks, national securities and exchange commissions, and national stock exchanges; and the World Bank's Debtor Reporting System.

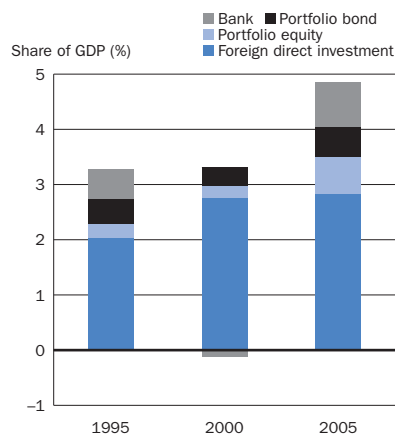
Gross statistics on international bond and equity issues are produced by aggregating individual transactions reported by market sources. Transactions of public and publicly guaranteed bonds are reported through the Debtor Reporting System by World Bank member economies that have received either loans from the International Bank for Reconstruction and Development or credits from the International Development Association. Information on private nonguaranteed bonds is collected from market sources, because official national sources reporting to the Debtor Reporting System are not asked to report the breakdown between private nonguaranteed bonds and private nonguaranteed loans. Information on transactions by nonresidents in local equity markets is gathered from national authorities, investment positions of mutual funds, and market sources.

The volume of portfolio investment reported by the World Bank generally differs from that reported by other sources because of differences in sources, classification of economies, and method used to adjust and disaggregate reported information. Differences in reporting arise particularly for foreign investments in local equity markets because clarity, adequate disaggregation, and comprehensive and periodic reporting are lacking in many developing economies. By contrast, capital flows through international debt and equity instruments are well recorded, and for these the differences in reporting lie primarily in classification of economies, exchange rates used, whether particular installments of the transactions are included, and treatment of certain offshore issuances.

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

Definitions

• **Foreign direct investment** is net inflows of investment to acquire a lasting management interest in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital, as shown in the balance of payments. • **Portfolio investment flows** are net and include portfolio debt flows (public and publicly guaranteed and private nonguaranteed bond issues purchased by foreign investors) and non-debt-creating portfolio equity flows (the sum of country funds, depository receipts, and direct purchases of shares by foreign investors). • **Bank and trade-related lending** covers commercial bank lending (public and publicly guaranteed and private nonguaranteed) and other private credits.

Private capital flows to developing countries are rising 6.8a

Economic integration over the past decade has favored foreign direct investment inflows to developing countries whose investment climate has improved markedly. Other private capital flows have also surged.

Source: World Bank Debtor Reporting System.

Data sources

Data are compiled from a variety of public and private sources, including the World Bank's Debtor Reporting System, the IMF's International Financial Statistics and Balance of Payments databases, and other sources mentioned in *About the data*. These data are also published in the World Bank's *Global Development Finance 2007*.



6.9

Financial flows from Development Assistance Committee members

Net disbursements												
\$ millions	Official development assistance ^a				Other official flows ^a	Private flows ^a					Net grants by NGOs ^a	Total net flows ^a
	Total	Bilateral grants	Bilateral loans	Contributions to multilateral institutions		Total	Foreign direct investment	Bilateral portfolio investment	Multilateral portfolio investment	Private export credits		
Australia	1,680	1,449	..	231	74	2,786	1,588	1,066	..	132	825	5,366
Austria	1,573	1,244	-12	341	310	2,192	2,090	0	..	102	139	4,215
Belgium	1,963	1,328	-20	655	391	539	1,422	..	..	-884	249	3,142
Canada	3,756	2,853	-20	923	-534	9,178	6,647	1,744	..	787	973	13,373
Denmark	2,109	1,384	-27	751	-8	33	33	..	..	..	81	2,215
Finland	902	591	6	305	..	723	149	736	..	-161	16	1,642
France	10,026	7,707	-468	2,787	-1,390	7,107	6,856	1,163	..	-911	..	15,744
Germany	10,082	8,248	-801	2,635	7,055	11,399	12,986	-1,504	47	-131	1,523	30,059
Greece	384	207	..	178	..	325	325	..	..	..	1	709
Ireland	719	482	..	237	..	4,271	..	4,271	..	..	308	5,298
Italy	5,091	2,213	57	2,821	-1,125	44	951	-2,358	..	1,451	94	4,103
Japan	13,147	9,195	1,212	2,740	-2,421	12,278	14,472	1,158	81	-3,433	255	23,259
Luxembourg	256	187	..	69	..	..	..	..	..	..	8	265
Netherlands	5,115	3,696	-13	1,432	152	17,091	2,348	4,604	-474	10,614	422	22,781
New Zealand	274	224	..	50	7	26	26	..	..	..	94	401
Norway	2,786	1,968	64	754	5	..	..	..	..	..	..	2,791
Portugal	377	201	17	159	-3	728	556	0	..	172	6	1,109
Spain	3,018	2,020	-157	1,155	67	3,716	4,158	0	..	-442	..	6,801
Sweden	3,362	2,247	9	1,106	-4	159	430	0	..	-271	29	3,545
Switzerland	1,767	1,380	20	367	..	5,375	6,827	0	-722	-729	332	7,474
United Kingdom	10,767	8,244	-80	2,603	-99	34,924	29,865	5,683	..	-625	726	46,318
United States	27,622	26,042	-762	2,343	-1,048	69,206	18,965	50,091	255	-104	8,629	104,410
Total	106,777	83,109	-976	24,644	1,430	182,100	110,695	66,652	-814	5,567	14,712	305,019

Official development assistance												
	Net disbursements ^b				Gross disbursements ^b		Commitments ^b		Net disbursements ^a			
	total \$ millions		per capita \$		total \$ millions		total \$ millions		% of GNI		% of general government disbursement	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Australia	1,424	1,557	74	77	1,424	1,557	1,653	1,907	0.27	0.25	0.73	0.68
Austria	632	1,539	78	187	635	1,553	823	1,586	0.23	0.52	0.44	1.04
Belgium	1,191	1,924	116	184	1,223	1,975	1,223	2,062	0.36	0.53	0.72	1.06
Canada	2,165	3,410	70	105	2,195	3,429	2,477	3,395	0.25	0.34	0.59	0.85
Denmark	2,441	2,076	457	382	2,467	2,140	2,313	2,446	1.06	0.81	1.93	1.54
Finland	522	883	101	168	532	888	497	1,117	0.31	0.46	0.63	0.92
France	5,931	9,893	101	163	7,223	11,377	6,774	11,970	0.30	0.47	0.60	0.88
Germany	7,089	10,013	86	121	8,182	11,515	8,061	12,435	0.27	0.36	0.59	0.77
Greece	348	372	32	34	348	372	348	372	0.20	0.17	0.38	0.37
Ireland	365	703	96	176	365	703	365	703	0.29	0.42	0.77	1.05
Italy	2,073	4,958	36	85	2,409	5,127	2,435	5,489	0.13	0.29	0.27	0.60
Japan	12,786	13,534	101	106	15,429	19,190	16,199	19,934	0.28	0.28	0.74	0.78
Luxembourg	179	248	406	552	179	248	179	248	0.71	0.82	1.61	1.63
Netherlands	4,774	5,036	300	308	4,914	5,120	5,240	4,367	0.84	0.82	1.86	1.79
New Zealand	184	251	48	61	184	251	195	340	0.25	0.27	0.54	0.62
Norway	1,766	2,494	393	538	1,775	2,494	1,572	2,535	0.76	0.94	1.77	2.20
Portugal	417	371	41	36	642	376	642	376	0.26	0.21	0.56	0.43
Spain	1,895	2,911	47	67	2,202	3,393	2,202	3,393	0.22	0.27	0.53	0.70
Sweden	2,407	3,377	271	373	2,408	3,377	1,925	3,749	0.80	0.94	1.31	1.67
Switzerland	1,258	1,757	175	236	1,261	1,764	1,281	1,707	0.34	0.44	1.07	1.32
United Kingdom	6,031	10,640	103	177	6,099	11,030	6,099	11,030	0.32	0.47	0.83	1.09
United States	10,861	26,888	39	91	11,851	27,682	13,757	27,926	0.10	0.22	0.30	0.60
Total	66,740	104,835	79	119	73,945	115,561	76,258	119,086	0.22	0.33	0.57	0.80

Note: Components may not sum to totals because of gaps in reporting.
a. At current prices and exchange rates. b. At 2004 prices and exchange rates.

About the data

The flows of official and private financial resources from the members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) to developing economies are compiled by DAC, based principally on reporting by DAC members using standard questionnaires issued by the DAC Secretariat.

DAC exists to help its members coordinate their development assistance and to encourage the expansion and improve the effectiveness of the aggregate resources flowing to recipient economies. In this capacity DAC monitors the flow of all financial resources, but its main concern is official development assistance (ODA). Grants or loans to countries and territories on the DAC list of aid recipients have to meet three criteria to be counted as ODA. They are undertaken by the official sector. They promote economic development and welfare as the main objective. And they are provided at concessional financial terms (if a loan they have a grant element of at least 25 percent, calculated at a discount rate of 10 percent). The DAC Statistical Reporting Directives provide the most detailed explanation of this definition and all ODA-related rules.

This definition excludes nonconcessional flows from official creditors, which are classified as "other official flows," and aid for military purposes. Transfer payments to private individuals, such as pensions, reparations, and insurance payouts, are in general not counted. In addition to financial flows, technical cooperation is included in ODA. Most expenditures for peacekeeping under UN mandates and assistance to refugees are counted in ODA. Also included are contributions to multilateral institutions, such as the United Nations and its specialized agencies, and concessional funding to multilateral development banks. In 1999, to avoid double counting of extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations, all UN agencies revised their data to include only regular budgetary expenditures since 1990 (except for the World Food Programme and the United Nations High Commissioner for Refugees, which revised their data from 1996 onward).

DAC has revised the list of countries and territories that are counted as aid recipients. These revisions will govern aid reporting for three years, starting with 2005 flows. In the past DAC distinguished aid going to Part I and Part II countries. Part I countries, the recipients of ODA, comprised many of the countries classified by the World Bank as low- and middle-income economies. Part II countries, whose assistance was designated official aid, included the more advanced countries of Central and Eastern Europe, countries of the former Soviet

Union, and certain advanced developing countries and territories. This distinction has been dropped. ODA recipients now comprise all low- and middle-income countries, except those that are members of the Group of Eight or the European Union (including countries with a firm date for EU accession). The content and structure of tables 6.9 through 6.12 have been revised to reflect this change. Because official aid flows are quite small relative to ODA, the net effect of these changes is believed to be minor.

Flows are transfers of resources, either in cash or in the form of commodities or services measured on a cash basis. Short-term capital transactions (with one year or less maturity) are not counted. Repayments of the principal (but not interest) of ODA loans are recorded as negative flows. Proceeds from official equity investments in a developing country are reported as ODA, while proceeds from their later sale are recorded as negative flows.

Because the table is based on donor country reports, it does not provide a complete picture of the resources received by developing economies for two reasons. First, flows from DAC members are only part of the aggregate resource flows to these economies. Second, the data that record contributions to multilateral institutions measure the flow of resources made available to those institutions by DAC members, not the flow of resources from those institutions to developing and transition economies.

Aid as a share of gross national income (GNI), aid per capita, and ODA as a share of the general government disbursements of the donor are calculated by the OECD. The denominators used in calculating these ratios may differ from corresponding values elsewhere in this book because of differences in timing or definitions.

Definitions

- **Official development assistance** comprises flows that meet the DAC definition of ODA and are made to countries and territories on the DAC list of aid recipients.
- **Bilateral grants** are transfers of money or in kind for which no repayment is required.
- **Bilateral loans** are loans extended by governments or official agencies that have a grant element of at least 25 percent (calculated at a rate of discount of 10 percent).
- **Contributions to multilateral institutions** are concessional funding received by multilateral institutions from DAC members in the form of grants or capital subscriptions.
- **Other official flows** are transactions by the official sector whose main objective is other than development or whose grant element is less

than 25 percent.

- **Private flows** consist of flows at market terms financed from private sector resources in donor countries. They include changes in holdings of private long-term assets by residents of the reporting country.
- **Foreign direct investment** is investment by residents of DAC member countries to acquire a lasting management interest (at least 10 percent of voting stock) in an enterprise operating in the recipient country. The data reflect changes in the net worth of subsidiaries in recipient countries whose parent company is in the DAC source country.

- **Bilateral portfolio investment** covers bank lending and the purchase of bonds, shares, and real estate by residents of DAC member countries in recipient countries.
- **Multilateral portfolio investment** records the transactions of private banks and nonbanks in DAC member countries in the securities issued by multilateral institutions.
- **Private export credits** are loans extended to recipient countries by the private sector in DAC member countries to promote trade; they may be supported by an official guarantee.
- **Net grants by nongovernmental organizations (NGOs)** are private grants by nongovernmental organizations, net of subsidies from the official sector.
- **Total net flows** comprise ODA or official aid flows, other official flows, private flows, and net grants by nongovernmental organizations.
- **Net disbursements** are gross disbursements of grants and loans minus repayments of principal on earlier loans.
- **Gross disbursements** are the actual international transfer of financial resources and goods and services (valued at the cost to the donor).
- **Commitments** are firm obligations, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organization.
- **Aid as a percentage of GNI** is the donor's contribution of ODA as a share of its gross national income.
- **Aid as a percentage of general government disbursements** is the donor's contribution of ODA as a share of public spending.

Data sources

Data on financial flows are compiled by OECD-DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients* and its annual *Development Cooperation Report*. Data are available electronically on the OECD's *International Development Statistics* CD-ROM and at www.oecd.org/dac/stats/idsonline.



6.10

Allocation of bilateral aid from Development Assistance Committee members

Aid by purpose and tying status

	Total		Share of bilateral ODA commitment %											
	\$ millions ^a		Investment projects, program aid, and other resource provisions				Debt-related aid		Emergency assistance and developmental food aid		Technical cooperation and administrative charges		Untied aid ^b	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Australia	758	1,449	14.9	7.3	1.1	1.4	14.2	22.4	60.0	56.3	77.4	71.9		
Austria	378	1,260	18.8	4.2	32.9	69.4	8.5	8.0	26.7	15.7	59.2	88.7		
Belgium	498	1,360	14.5	11.5	10.6	35.1	8.1	9.1	69.0	40.2	85.7	95.7		
Canada	1,412	2,816	10.9	36.3	0.9	16.7	19.9	14.1	26.1	33.2	24.9	59.4		
Denmark	940	1,739	67.1	50.0	0.0	3.8	10.8	2.2	13.3	9.0	80.5	86.5		
Finland	200	693	15.8	33.1	..	0.2	16.8	21.6	37.5	9.5	89.5	95.1		
France	3,412	8,862	27.0	19.3	23.4	42.4	5.2	8.2	43.5	30.2	68.0	94.7		
Germany	2,968	9,236	26.1	28.6	2.9	42.7	6.6	4.1	61.4	24.1	93.2	93.0		
Greece	99	207	40.5	12.5	..	0.0	7.7	13.5	22.6	51.7	23.5	73.6		
Ireland	154	482	66.3	67.2	..	0.1	12.7	17.6	5.1	9.1	..	100.0		
Italy	729	2,686	42.1	21.7	29.7	62.6	15.0	3.1	6.6	5.5	38.2	92.1		
Japan	13,854	17,265	87.1	46.4	10.4	32.9	1.0	3.9	24.9	15.0	86.4	89.6		
Luxembourg	93	187	80.1	68.7	..	0.0	12.6	12.8	3.6	8.0	96.7	99.1		
Netherlands	2,834	3,529	32.2	55.8	6.7	2.5	13.9	16.3	18.5	22.0	95.3	96.2		
New Zealand	85	224	90.4	48.9	..	0.0	3.4	29.3	8.8	25.0	..	92.3		
Norway	795	2,033	44.0	48.0	0.9	0.1	25.6	20.3	18.1	22.5	97.7	99.6		
Portugal	320	224	1.5	26.3	53.6	1.5	1.1	5.7	29.5	58.1	98.2	60.7		
Spain	913	2,362	17.9	21.6	6.6	38.7	4.6	6.1	17.1	26.1	47.2	86.6		
Sweden	1,093	2,256	58.9	58.3	3.3	2.3	20.2	17.9	13.9	11.8	85.4	98.3		
Switzerland	630	1,407	52.4	41.0	0.9	15.9	23.1	23.4	16.7	13.1	93.6	97.4		
United Kingdom	2,759	8,509	42.5	16.8	5.6	41.5	12.5	7.4	31.4	14.9	91.5	100.0		
United States	10,030	25,836	24.3	24.4	1.3	16.3	21.0	18.1	56.0	41.9	..	..
Total	44,954	94,623	47.7	30.8	7.8	27.5	10.5	11.0	35.5	26.5	81.1	91.8		

Aid by sector

Share of bilateral ODA commitment (%)	Social infrastructure and services						Economic infrastructure and services		Production sectors		Multi-sector or cross-cutting	Total sector allocable
	Total	Education	Health	Population	Water supply and sanitation	Government and civil society	Total	Transport and communications	Total	Agriculture		
	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
Australia	45.2	5.6	6.1	2.9	2.4	21.4	3.8	3.0	6.6	5.3	14.1	69.8
Austria	15.2	7.6	2.2	0.1	1.3	3.3	0.7	0.1	1.9	0.8	1.6	19.4
Belgium	32.9	8.9	6.2	1.4	2.8	7.5	6.2	2.7	4.8	3.8	3.3	47.1
Canada	39.8	8.8	10.3	1.5	1.5	15.6	4.3	0.8	5.5	4.4	6.0	55.6
Denmark	41.3	7.4	5.6	0.9	10.3	13.9	14.9	10.5	18.3	13.2	10.2	84.6
Finland	36.5	7.1	4.0	1.0	6.2	16.1	9.2	1.4	7.4	6.2	16.6	69.6
France	25.2	16.5	3.1	0.1	1.3	1.2	9.4	6.4	2.2	1.4	4.9	41.7
Germany	18.2	4.4	1.3	0.8	4.1	5.3	12.0	1.7	3.1	2.3	16.2	49.4
Greece	55.5	18.4	15.3	0.2	0.3	18.6	8.9	8.5	1.2	0.4	5.3	70.9
Ireland	54.0	12.0	20.0	2.0	3.5	14.9	1.5	1.1	3.8	3.4	4.2	63.6
Italy	10.5	2.0	3.8	0.4	2.6	1.4	10.9	0.3	1.3	0.7	4.4	27.1
Japan	20.0	4.9	1.2	0.0	12.3	0.6	23.4	17.1	7.7	5.8	3.1	54.3
Luxembourg	51.8	14.9	18.4	4.6	6.6	2.5	2.9	0.6	5.4	3.8	10.5	70.6
Netherlands	37.6	14.1	3.4	3.3	5.4	8.8	8.8	1.2	4.7	3.9	14.3	65.4
New Zealand	34.7	14.9	5.0	2.3	1.0	9.9	1.2	0.5	4.0	2.2	3.5	43.3
Norway	43.0	9.5	7.7	2.1	2.1	16.1	7.9	0.6	5.5	4.0	10.5	66.9
Portugal	55.8	28.6	4.4	0.0	1.1	11.1	13.1	12.2	2.7	1.3	8.4	80.0
Spain	26.8	9.2	4.9	1.2	2.5	4.5	8.5	3.2	4.4	3.0	8.2	47.9
Sweden	36.5	4.9	4.8	4.1	3.0	16.2	5.9	2.6	4.9	2.9	7.2	54.5
Switzerland	19.6	2.9	2.6	0.3	2.5	10.2	6.2	2.2	7.7	4.4	13.4	46.8
United Kingdom	25.3	3.9	3.3	3.6	0.5	12.8	2.7	1.7	3.2	1.9	3.9	35.1
United States	42.8	2.7	4.9	5.2	3.9	18.3	7.8	4.7	5.4	2.5	4.4	60.4
Average	30.5	6.1	3.8	2.3	4.8	9.7	10.6	5.2	5.2	3.3	6.5	52.8

a. At current prices and exchange rates. b. Excludes technical cooperation and administrative charges.

About the data

Aid can be used in many ways. The sectoral destination to which aid goes, the form that aid takes, and the procurement restrictions attached to aid are among important factors that influence aid effectiveness. The data on allocation of official development assistance (ODA) presented in this table are based principally on reporting by members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC). For more detailed explanation of ODA, see *About the data* for table 6.9.

The sector of destination for an ODA contribution is defined as the specific area of the recipient country's economic or social structure that the transfer is intended to foster. The DAC sector classification comprises a hierarchy of three levels. The top level is grouped by themes, including social infrastructure and services, economic infrastructure and services, production sectors, and multisector cross-cutting areas. The second level includes six sectors under social infrastructure and services (for example, education and health), five sectors under economic infrastructure and services (for example, transport and storage), and three production sectors (for example, agriculture). The third level comprises subsectors, such as basic education and basic health. Some contributions are not susceptible to allocation by sectors and are reported as nonsector allocable aid. Examples include aid for general development purposes, balance of payment support, aid relating to debt, emergency assistance, administrative costs of donors, and support to nongovernmental organizations.

The form in which an ODA contribution reaches the benefiting sector or the economy in general is also important. A distinction is made between technical cooperation and resource provision. Aid in the form of technical cooperation includes grants to nationals of aid recipient countries receiving education or training at home or abroad, and payments to consultants, advisers, and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment). Because technical cooperation is spent mostly in the donor economy, it is combined with the administrative costs of donor aid programs. Resource provision involves mainly cash or in-kind transfers and financing of capital projects, with deliverables being financial support and the provision of commodities and supplies.

Two other types of aid are presented because they serve distinctive purposes. Debt-related aid aims to provide debt relief on liabilities that recipient countries have difficulty servicing. Thus, this type of aid may not provide a full value of new resource flows for development, in particular for heavily indebted poor countries. Emergency assistance and development

food aid aim to provide humanitarian relief to lessen the adverse impact of sudden disasters and to support food programs in nonemergency situations. These types of aid do not generally contribute to financing long-term development.

The proportion of untied aid is reported here because tying arrangements may prevent recipients from obtaining the best value for their money and so reduces the value of the aid received. Tying arrangements require recipients to purchase goods and services from the donor country or from a specified group of countries. Such arrangements may be justified on the grounds that they prevent a recipient from misappropriating or mismanaging aid receipts, but they may also be motivated by a desire to benefit suppliers in the donor country. The same volume of aid may have different purchasing power depending on the relative costs of suppliers in countries to which the aid is tied and the degree to which each recipient's aid basket is untied.

Reporting on the sectoral destination and the form of aid by donors may not be complete. Furthermore, measures of aid allocation may differ from the perspectives of donors and recipients because of difference in classification, availability of information, and time of recording.

Definitions

- **Bilateral (ODA) commitments** are firm obligations, expressed in writing and backed by the necessary funds, undertaken by official bilateral donors to provide specified assistance to a recipient country or a multilateral organization. Bilateral commitments are recorded in the full amount of expected transfer, irrespective of the time required for completing disbursements.
- **Investment projects, program aid, and other resource provisions** are aid contributions in the form of cash transfers, aid in kind, and the financing of capital projects. Their aim is to increase or improve the recipient's stock of physical capital and to support recipient's development plans and other activities with finance and commodity supply.

- **Debt-related aid** groups all actions relating to debt, including forgiveness, swaps, buybacks, rescheduling, and refinancing.
- **Emergency assistance and developmental food aid** comprise emergency and distress relief (including aid to refugees and assistance for disaster preparedness) as well as all food aid-related costs.
- **Technical cooperation** refers to the provision of resources whose main aim is to augment the stock of human intellectual capital, such as the level of knowledge, skills, technical know-how, and productive aptitude of the population in the aid recipient country (including the cost of associated

equipment). Contributions mainly take the form of the supply of human resources from donors or action directed to human resources (such as training or advice). Assistance provided specifically to facilitate implementation of a capital project is not included.

- **Administrative charges** include the total current budget outlays of institutions responsible for the formulation and implementation of donor's aid programs as well as other administrative costs incurred by donors in the process of aid delivery.
- **Untied aid** is the share of ODA that is not subject to restrictions by donors on procurement sources.
- **Social infrastructure and services** refer to efforts to develop the human resources potential of aid recipients.
- **Education** includes general teaching and instruction at all levels, as well as construction specifically to improve or adapt educational establishments. Training in a particular field, such as agriculture, is reported against the sector concerned.
- **Health** covers assistance to hospitals, clinics, other medical and dental services, public health administration, and medical insurance programs.
- **Population** covers all activities related to family planning and research into population problems.
- **Water supply and sanitation** cover assistance for water supply and use, sanitation, and water resources development (including rivers).
- **Government and civil society** include assistance to strengthen the administrative apparatus and government planning, and activities promoting good governance and strengthening civil society.
- **Economic infrastructure and services** group assistance for networks, utilities, and services that facilitate economic activity.
- **Transport and communications** cover road, rail, water, and air transport and post and telecommunications, radio, television, and print media.
- **Production sectors** refer to contributions to all directly productive sectors.
- **Agriculture** includes agricultural sector policy, agricultural development and inputs, crop and livestock production, and agricultural credit, cooperatives, and research.
- **Multisector or cross-cutting** includes support for projects that straddle several sectors.
- **Total sector allocable** is the sum of aid that can be assigned to a specific sector or multisector.

Data sources

Data on aid flows are published by OECD-DAC in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and its annual *Development Cooperation Report*. Data are available electronically on the OECD's *International Development Statistics* CD-ROM and at www.oecd.org/dac/stats/idsonline.



6.11

Aid dependency

	Net official development assistance		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Afghanistan	136	2,775	..	..	..	37.8	..	151.6	..	..	..	316.9
Albania	317	319	104	102	8.4	3.7	32.5	16.1	21.0	8.1	..	..
Algeria	201	371	7	11	0.4	0.4	1.5	1.2	..	..	1.8	..
Angola	302	442	22	28	4.1	1.5	22.0	17.9	4.1	2.3	..	..
Argentina	53	100	1	3	0.0	0.1	0.1	0.3	0.1	0.2	..	..
Armenia	216	193	70	64	11.0	3.9	60.6	13.3	21.2	8.4	..	21.7
Australia	..	..	..	..	..	..	..	..	..	..	..	..
Austria	..	..	..	..	..	..	..	..	..	..	..	..
Azerbaijan	139	223	17	27	2.8	2.0	12.8	4.7	5.8	2.5	..	..
Bangladesh	1,168	1,321	9	9	2.4	2.1	10.8	9.0	11.7	8.6	..	..
Belarus	40	54	4	5	0.3	0.2	1.2	0.6	0.5	0.3	1.5	0.6
Belgium	..	..	..	..	..	..	..	..	..	..	..	..
Benin	238	349	33	41	10.6	8.2	55.9	41.6	31.7	..	..	32.9
Bolivia	472	583	57	63	5.8	6.5	31.0	45.4	19.3	17.3	..	23.5
Bosnia and Herzegovina	737	546	192	140	13.1	5.2	68.8	28.6	17.4	6.7	..	15.2
Botswana	31	71	17	40	0.5	0.7	1.4	2.2	1.0	1.4	..	..
Brazil	232	192	1	1	0.0	0.0	0.2	0.1	0.2	0.2	..	..
Bulgaria ^a	311	..	39	..	2.5	..	13.5	..	3.7	..	7.6	..
Burkina Faso	335	660	30	50	12.9	12.8	56.8	61.8	48.5	..	..	108.9
Burundi	93	365	14	48	12.8	46.8	212.5	378.2	55.8	97.7	..	..
Cambodia	396	538	31	38	11.2	9.1	64.2	44.2	16.1	11.0	..	112.6
Cameroon	379	414	26	25	4.0	2.5	22.5	11.6	12.8	..	..	..
Canada	..	..	..	..	..	..	..	..	..	..	..	..
Central African Republic	75	95	20	24	8.0	7.0	72.8	..	..	..	..	..
Chad	130	380	16	39	9.5	8.6	40.4	39.8	..	..	..	..
Chile	49	152	3	9	0.1	0.1	0.3	0.6	0.2	0.3	..	0.7
China	1,728	1,757	1	1	0.1	0.1	0.4	0.2	0.6	0.2	..	..
Hong Kong, China ^a	4	..	1	..	0.0	..	0.0	..	0.0	..	..	..
Colombia	187	511	4	11	0.2	0.4	1.6	2.2	1.1	1.6	..	1.3
Congo, Dem. Rep.	177	1,828	4	32	4.5	26.9	118.7	181.2	..	..	15.2	..
Congo, Rep.	33	1,449	10	362	1.5	36.8	4.9	118.1	1.6	35.7	..	..
Costa Rica	11	30	3	7	0.1	0.2	0.4	0.6	0.1	0.3	0.3	0.7
Côte d'Ivoire	351	119	21	7	3.6	0.8	31.2	6.8	7.9	1.5	..	4.3
Croatia	66	125	15	28	0.4	0.3	1.8	1.0	0.6	0.5	0.8	0.8
Cuba	44	88	4	8	..	..	..	..	..	..	..	..
Czech Republic ^a	438	..	43	..	0.8	..	2.6	..	1.1	..	2.3	..
Denmark	..	..	..	..	..	..	..	..	..	..	..	..
Dominican Republic	56	77	7	9	0.3	0.3	1.2	1.3	0.5	0.6	2.1	..
Ecuador	146	210	12	16	1.0	0.6	4.6	2.4	2.3	1.5	..	..
Egypt, Arab Rep.	1,328	926	20	13	1.3	1.0	6.8	5.7	5.6	2.6	6.6	..
El Salvador	180	199	29	29	1.4	1.2	8.1	7.6	3.0	2.4	..	58.0
Eritrea	176	355	49	81	27.7	36.9	86.9	182.2	34.5	..	..	..
Estonia ^a	64	..	47	..	1.2	..	4.2	..	1.2	..	..	..
Ethiopia	686	1,937	11	27	8.8	17.4	42.7	66.0	41.0	39.2	..	..
Finland	..	..	..	..	..	..	..	..	..	..	..	..
France	..	..	..	..	..	..	..	..	..	..	..	..
Gabon	12	54	9	39	0.3	0.7	0.9	3.3	0.5	..	..	..
Gambia, The	49	58	37	38	12.2	13.0	66.9	50.4	..	19.6	..	..
Georgia	169	310	36	69	5.3	4.8	25.7	18.4	13.6	8.9	47.9	27.9
Germany	..	..	..	..	..	..	..	..	..	..	..	..
Ghana	600	1,120	30	51	12.4	10.6	50.5	36.0	17.3	16.4	..	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..
Guatemala	263	254	24	20	1.4	0.8	7.7	4.2	4.4	2.5	12.5	7.3
Guinea	153	182	18	19	5.0	5.6	22.4	46.1	15.7	..	..	..
Guinea-Bissau	80	79	59	50	39.5	27.4	329.8	180.0	..	..	..	..
Haiti	208	515	26	60	5.5	12.1	20.8	..	15.1	28.7	..	..

Aid dependency

6.11

GLOBAL LINKS

	Net official development assistance		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Honduras	449	681	70	94	7.7	8.6	24.5	27.5	12.8	12.4	..	..
Hungary ^a	252	..	25	..	0.6	..	1.8	..	0.6	..	1.3	..
India	1,463	1,724	1	2	0.3	0.2	1.3	0.6	1.8	..	2.0	..
Indonesia	1,654	2,524	8	11	1.1	0.9	4.5	4.0	2.5	2.5	..	..
Iran, Islamic Rep.	130	104	2	2	0.1	0.1	0.4	0.2	0.7	..	0.2	0.3
Iraq	100	21,654	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Israel ^a	800	..	127	..	0.7	..	3.2	..	1.4	..	1.5	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..
Jamaica	10	36	4	13	0.1	0.4	0.5	1.2	0.2	0.5	0.4	1.1
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Jordan	552	622	114	114	6.4	4.8	30.9	20.7	8.7	5.1	24.1	13.9
Kazakhstan	189	229	13	15	1.1	0.4	5.7	1.5	1.8	0.7	7.5	2.2
Kenya	510	768	17	22	4.1	4.1	23.0	24.4	12.9	11.4	23.9	..
Korea, Dem. Rep.	73	81	3	4	..	..	..	..	..	..	..	..
Korea, Rep. ^a	-198	..	-4	..	0.0	..	-0.1	..	-0.1	..	-0.2	..
Kuwait ^a	3	..	1	..	0.0	..	0.1	..	0.0	..	..	..
Kyrgyz Republic	215	268	44	52	16.7	11.4	78.3	76.5	28.5	18.0	99.2	..
Lao PDR	282	296	53	50	17.0	11.4	77.7	32.2	44.1	..	..	..
Latvia ^a	91	..	38	..	1.2	..	4.9	..	2.3	..	4.1	..
Lebanon	199	243	59	68	1.2	1.1	5.9	5.5	..	1.3	3.8	..
Lesotho	37	69	21	38	3.4	3.9	10.1	11.7	4.4	4.8	..	..
Liberia	67	236	22	72	17.4	54.1	..	270.9	..	..	..	..
Libya	14	24	3	4	..	0.1	0.3	..	0.2	0.2	..	..
Lithuania ^a	99	..	28	..	0.9	..	4.4	..	1.6	..	3.2	..
Macedonia, FYR	251	230	125	113	7.1	4.0	31.5	20.0	10.6	6.1	..	..
Madagascar	322	929	20	50	8.4	18.7	55.1	82.4	20.3	127.9	15.6	..
Malawi	446	575	39	45	26.1	28.4	188.7	191.1	65.7	..	..	..
Malaysia	45	32	2	1	0.1	0.0	0.2	0.1	0.0	0.0	0.3	..
Mali	359	691	31	51	15.0	13.6	60.4	57.5	34.4	..	..	..
Mauritania	211	190	80	62	19.4	9.9	101.0	23.1	..	..	..	..
Mauritius	20	32	17	26	0.5	0.5	1.8	2.2	0.7	0.7	2.2	2.5
Mexico	-56	189	-1	2	0.0	0.0	0.0	0.1	0.0	0.1	-0.1	..
Moldova	123	192	29	46	9.4	5.9	39.7	22.1	11.3	6.7	32.9	21.9
Mongolia	217	212	91	83	23.1	11.6	63.5	31.8	27.5	..	..	..
Morocco	419	652	15	22	1.3	1.3	5.3	4.9	3.1	2.7	..	4.0
Mozambique	876	1,286	49	65	24.7	20.7	69.1	95.2	49.7	38.4	..	..
Myanmar	106	145	2	3	..	..	..	..	4.0	..	..	..
Namibia	152	123	80	61	4.4	2.0	22.8	7.9	8.2	..	14.1	..
Nepal	387	428	16	16	7.0	5.8	29.0	20.0	21.2	15.3	..	34.4
Netherlands	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Nicaragua	561	740	114	144	15.0	15.4	47.2	51.3	23.6	21.6	74.2	71.7
Niger	208	515	18	37	11.7	15.2	101.4	81.8	43.0	..	..	..
Nigeria	174	6,437	1	49	0.4	7.4	1.9	31.2	1.1	20.1	..	..
Norway	..	..	..	..	..	..	..	..	..	..	..	..
Oman	45	31	18	12	0.2	..	1.9	..	0.6	0.2	0.9	..
Pakistan	692	1,666	5	11	1.0	1.5	5.4	8.9	4.8	5.2	5.6	10.4
Panama	16	20	5	6	0.1	0.1	0.6	0.6	0.2	0.2	0.6	..
Papua New Guinea	275	266	52	45	8.2	..	..	..	13.7	8.2	26.2	..
Paraguay	82	51	15	9	1.2	0.7	6.1	3.2	2.3	1.2	..	4.2
Peru	398	398	15	14	0.8	0.5	3.7	2.7	3.4	1.9	4.2	2.9
Philippines	575	562	8	7	0.7	0.5	3.6	3.7	1.1	1.0	4.3	3.2
Poland ^a	1,396	..	36	..	0.8	..	3.3	..	2.3	..	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



6.11 | Aid dependency

	Net official development assistance		Aid per capita		Aid dependency ratios							
	\$ millions		\$		Aid as % of GNI		Aid as % of gross capital formation		Aid as % of imports of goods and services		Aid as % of central government expenditure	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Romania ^a	432	..	19	..	1.2	..	6.0	..	2.9	..	..	..
Russian Federation ^a	1,561	..	11	..	0.6	..	3.2	..	2.2	..	..	..
Rwanda	321	576	40	64	17.9	27.1	101.3	119.5	71.2	82.0	..	..
Saudi Arabia	22	26	1	1	0.0	0.0	0.1	0.1	0.0	0.0	..	..
Senegal	423	689	41	59	9.9	8.5	46.2	35.8	21.9	..	70.9	..
Serbia and Montenegro	1,134	1,132	139	140	13.2	4.4	92.9	23.5	..	..	..	..
Sierra Leone	181	343	40	62	29.4	29.6	356.3	191.6	68.8	67.5	98.8	..
Singapore ^a	1	..	0	..	0.0	..	0.0	..	0.0	..	0.0	..
Slovak Republic ^a	113	..	21	..	0.6	..	2.1	..	0.7	..	..	..
Slovenia ^a	61	..	31	..	0.3	..	1.2	..	0.5	..	0.8	..
Somalia	101	236	14	29	..	..	..	..	..	..	..	..
South Africa	487	700	11	15	0.4	0.3	2.3	1.6	1.3	0.9	1.3	1.0
Spain	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	276	1,189	14	61	1.8	5.1	6.0	19.3	3.2	11.4	7.3	24.1
Sudan	220	1,829	7	50	2.1	7.1	9.7	28.5	8.5	19.9	..	..
Swaziland	13	46	13	41	0.9	1.7	4.8	9.1	0.9	2.0	..	..
Sweden	..	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	158	78	9	4	0.9	0.3	5.0	1.5	2.4	0.7	..	..
Tajikistan	124	241	20	37	13.1	10.9	109.9	73.0	..	13.9	160.3	..
Tanzania	1,019	1,505	29	39	11.4	12.5	63.7	65.8	45.7	36.6	..	..
Thailand	698	-171	11	-3	0.6	-0.1	2.5	-0.3	0.9	-0.1	..	-0.6
Togo	70	87	13	14	5.4	4.0	29.4	22.4	10.5	..	..	25.5
Trinidad and Tobago	-2	-2	-1	-2	0.0	0.0	-0.1	..	0.0	..	..	..
Tunisia	222	376	23	38	1.2	1.4	4.2	5.6	2.1	2.3	4.1	4.5
Turkey	327	464	5	6	0.2	0.1	0.7	0.5	0.5	0.4	0.5	..
Turkmenistan	31	28	7	6	1.2	0.4	3.1	1.5	..	..	..	..
Uganda	817	1,198	34	42	14.1	14.0	69.1	64.8	51.9	42.9	92.4	..
Ukraine	541	410	11	9	1.8	0.5	8.5	2.6	2.8	0.9	6.4	1.3
United Arab Emirates ^a	3	..	1	..	0.0	..	0.0	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..
Uruguay	17	15	5	4	0.1	0.1	0.6	0.7	0.3	0.3	0.3	0.3
Uzbekistan	186	172	8	7	1.4	1.2	8.3	5.4	..	..	..	..
Venezuela, RB	76	49	3	2	0.1	0.0	0.3	0.2	0.3	0.1	0.3	0.1
Vietnam	1,681	1,905	21	23	5.5	3.7	18.2	10.3	9.3	4.7	..	..
West Bank and Gaza	637	1,102	215	304	13.3	25.0	47.4	106.7	..	..	..	..
Yemen, Rep.	263	336	15	16	3.0	2.5	14.3	8.3	6.2	4.7	..	..
Zambia	795	945	74	81	25.8	13.9	131.4	50.3	53.6	..	..	..
Zimbabwe	176	368	14	28	2.5	11.4	17.5	78.6	..	..	..	..
World	57,760 s	106,372 s	10 w	17 w	0.2 w	0.2 w	0.8 w	.. w	0.6 w	0.7 w	.. w	.. w
Low income	18,718	40,353	9	17	2.3	2.9	9.8	9.9	9.2	..	..	..
Middle income	24,895	46,913	8	15	0.5	0.6	1.9	2.0	1.5	1.5	..	..
Lower middle income	17,560	43,146	7	17	0.6	0.9	2.2	2.7	2.0	2.5	..	..
Upper middle income	6,176	2,776	11	5	0.3	0.1	1.2	0.3	0.7	0.2	..	..
Low & middle income	55,970	106,338	11	20	0.9	1.1	3.7	3.8	2.9	2.9	..	..
East Asia & Pacific	8,589	9,497	5	5	0.5	0.3	1.6	0.8	1.4	0.8	..	..
Europe & Central Asia	11,203	5,731	23	11	1.1	0.2	5.0	1.0	2.6	0.5	..	..
Latin America & Carib.	4,841	6,309	9	11	0.3	0.3	1.2	1.2	0.9	0.9	..	..
Middle East & N. Africa	4,534	26,946	16	88	1.0	3.9	4.1	15.1	3.3	11.2	..	..
South Asia	4,194	9,260	3	6	0.7	0.9	2.9	3.0	3.6	..	..	..
Sub-Saharan Africa	13,194	32,620	20	44	4.1	5.5	21.6	27.3	10.9	13.4	..	..
High income	..	..	..	..	..	..	..	..	..	..	..	..
Europe EMU	..	..	..	..	..	..	..	..	..	..	..	..

Note: Regional aggregates include data for economies not specified elsewhere. World and income group totals include aid not allocated by country or region.
a. Starting with 2005 flows, official development assistance will not be reported for these countries.

About the data

Ratios of aid to gross national income (GNI), gross capital formation, imports, and government spending provide a measure of the recipient country's dependency on aid. But care must be taken in drawing policy conclusions. For foreign policy reasons, some countries have traditionally received large amounts of aid. Thus aid dependency ratios may reveal as much about a donor's interest as they do about a recipient's needs. Ratios in Sub-Saharan Africa are generally much higher than those in other regions, and they increased in the 1980s. These high ratios are due only in part to aid flows. Many African countries saw severe erosion in their terms of trade in the 1980s, which, along with weak policies, contributed to falling incomes, imports, and investment. Thus the increase in aid dependency ratios reflects events affecting both the numerator and the denominator.

As defined here, aid includes official development assistance (ODA; see *About the data* for table 6.9). The data cover loans and grants from Development Assistance Committee (DAC) member countries, multilateral organizations, and non-DAC donors. They do not reflect aid given by recipient countries to other developing countries. As a result, some countries that are net donors (such as Saudi Arabia) are shown in the table as aid recipients (see table 6.10a).

The table does not distinguish among different types of aid (program, project, or food aid; emergency assistance; postconflict peacekeeping assistance; or technical cooperation), each of which may have very different effects on the economy. Expenditures on technical cooperation do not always directly benefit the economy to the extent that they defray costs incurred outside the country on the salaries and benefits of technical experts and the overhead costs of firms supplying technical services.

In 1999, to avoid double counting extrabudgetary expenditures reported by DAC countries and flows reported by the United Nations, all UN agencies revised their data since 1990 to include only regular budgetary expenditures (except for the World Food Programme and the United Nations Office of the High Commissioner for Refugees, which revised their data from 1996 onward). These revisions have affected net ODA and official aid and, as a result, aid per capita and aid dependency ratios.

Because the table relies on information from donors, it is not necessarily consistent with information recorded by recipients in the balance of payments, which often excludes all or some technical assistance—particularly payments to expatriates made directly by the donor. Similarly, grant commodity aid may not always be recorded in trade data or in

the balance of payments. Moreover, DAC statistics exclude purely military aid.

The nominal values used here may overstate the real value of aid to the recipient. Changes in international prices and in exchange rates can reduce the purchasing power of aid. The practice of tying aid, still prevalent though declining in importance, also tends to reduce its purchasing power (see *About the data* for table 6.10).

The values for population, GNI, gross capital formation, imports of goods and services, and central government expenditure used in computing the ratios are taken from World Bank and International Monetary Fund (IMF) databases. The aggregates also refer to World Bank definitions. Therefore the ratios shown may differ somewhat from those computed and published by the Organisation for Economic Co-operation and Development (OECD). Aid not allocated by country or region—including administrative costs, research on development issues, and aid to nongovernmental organizations—is included in the world total. Thus regional and income group totals do not sum to the world total.

Definitions

- **Net official development assistance** comprises flows (net of repayment of principal) that meet the DAC definition of ODA and are made to countries and territories on the DAC list of aid recipients. See *About the data* for table 6.9.
- **Aid per capita** is ODA divided by population.
- **Aid dependency ratios** are calculated using values in U.S. dollars converted at official exchange rates. For definitions of GNI, gross capital formation, imports of goods and services, and central government expenditure, see *Definitions* for tables 1.1, 4.8, and 4.11.

Official development assistance from non-DAC donors, 2001–05

6.11a

Net disbursements (\$ millions)

	2001	2002	2003	2004	2005
OECD members (non-DAC)					
Czech Republic	26	45	91	108	135
Hungary	..	..	21	70	100
Iceland	10	13	18	21	27
Korea, Rep.	265	279	366	423	752
Poland	36	14	27	118	205
Slovak Republic	8	7	15	28	56
Turkey	64	73	67	339	601
Arab countries					
Kuwait	73	20	138	209	547
Saudi Arabia	490	2,478	2,391	1,734	..
United Arab Emirates	127	156	188	181	141
Other donors					
Israel ^a	93	131	112	84	85
Other donors	2	3	4	22	87
Total	1,194	3,218	3,436	3,759	3,231

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

a. Includes \$50.1 million in 2001, \$87.8 million in 2002, \$68.8 million in 2003, \$47.9 million in 2004, and \$49.2 million in 2005 for first-year sustenance expenses for people arriving from developing countries (many of which are experiencing civil war or severe unrest) or people who have left their country for humanitarian or political reasons. Source: Organisation for Economic Co-operation and Development.

Data sources

Data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and in its annual *Development Cooperation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and at www.oecd.org/dac/stats/idsonline. Data on population, GNI, gross capital formation, imports of goods and services, and central government expenditure are from World Bank and IMF databases.



6.12

Distribution of net aid by Development Assistance Committee members

	Ten major DAC donors											Other DAC donors \$ millions
	\$ millions											
	Total \$ millions 2005	United States 2005	Japan 2005	United Kingdom 2005	Germany 2005	France 2005	Netherlands 2005	Italy 2005	Canada 2005	Sweden 2005	Spain 2005	
Afghanistan	2,191.7	1,341.8	71.1	219.9	99.2	19.5	79.1	27.4	89.5	44.2	19.0	181.1
Albania	190.0	42.6	17.6	3.8	30.5	12.6	9.1	8.6	0.6	8.6	7.8	48.1
Algeria	289.7	1.4	1.9	..	2.6	255.0	0.1	9.5	1.9	2.2	-4.0	19.2
Angola	258.2	64.1	26.3	14.1	12.2	23.6	12.8	11.6	4.0	11.2	16.1	62.3
Argentina	77.9	1.5	11.0	..	13.0	12.3	0.3	21.6	3.5	0.4	12.3	2.0
Armenia	148.1	53.6	5.4	6.2	30.0	25.2	11.6	1.2	1.0	1.6	0.4	11.9
Australia												
Austria												
Azerbaijan	109.7	44.1	8.3	0.0	19.1	15.1	5.5	1.2	1.4	1.2	0.1	13.7
Bangladesh	562.9	49.7	-1.0	203.3	46.1	12.2	60.7	1.9	50.8	23.9	0.2	115.3
Belarus	33.7	1.7	0.4	0.1	13.9	3.8	0.2	0.1	0.2	5.7	1.8	5.8
Belgium												
Benin	206.9	23.6	17.9	..	27.6	42.9	22.7	0.0	10.8	1.4	0.5	59.6
Bolivia	388.3	90.6	40.6	-24.3	51.4	16.5	46.7	4.6	14.9	20.8	66.7	59.9
Bosnia and Herzegovina	287.6	46.1	16.7	6.6	26.1	28.5	21.1	2.7	7.7	46.9	6.1	79.2
Botswana	51.9	39.8	-0.9	0.3	3.5	1.4	1.0	..	1.9	0.3	0.2	4.5
Brazil	170.9	-29.6	30.8	6.5	77.0	28.7	15.4	1.5	8.6	2.4	10.2	19.4
Bulgaria												
Burkina Faso	338.5	20.0	18.9	2.6	29.7	79.6	53.8	1.5	16.5	15.2	2.9	97.9
Burundi	180.7	54.7	0.5	14.8	11.4	14.5	22.9	3.4	5.1	5.3	0.7	47.6
Cambodia	344.4	67.5	100.6	21.5	24.8	30.1	8.0	1.9	8.5	14.8	0.7	66.0
Cameroon	336.0	13.6	19.3	4.6	183.0	21.5	17.5	0.8	34.9	8.7	-5.6	37.7
Canada												
Central African Republic	62.2	17.2	0.1	..	3.0	35.0	0.4	0.4	1.6	1.3	0.6	2.7
Chad	166.6	61.8	2.1	-0.7	24.0	44.9	1.6	0.1	6.2	2.5	1.6	22.7
Chile	75.6	-0.1	10.6	1.1	35.2	14.4	0.8	-1.3	3.8	2.4	4.1	4.7
China	1,689.4	19.6	1,064.3	55.5	255.1	153.6	27.8	-12.8	30.0	10.1	8.4	78.0
Hong Kong, China												
Colombia	457.9	334.3	-2.2	1.3	21.5	-2.0	29.9	-6.0	9.1	14.6	31.0	26.7
Congo, Dem. Rep.	1,034.3	141.4	376.3	77.6	51.1	88.0	46.2	1.0	24.8	23.7	9.2	195.1
Congo, Rep.	1,359.5	15.1	0.2	0.6	63.7	1,014.3	6.1	61.2	22.3	2.2	134.2	39.6
Costa Rica	25.0	-12.1	-1.4	5.9	5.4	4.9	3.3	-0.4	3.0	1.0	2.3	13.2
Côte d'Ivoire	151.0	32.7	1.4	3.1	13.2	67.9	2.4	1.2	6.5	3.6	3.6	15.4
Croatia	61.3	21.2	0.5	1.8	7.1	3.5	0.3	-1.5	0.4	5.6	0.3	22.0
Cuba	68.7	10.1	5.8	9.0	3.5	3.5	1.3	0.1	8.0	0.9	15.2	11.3
Czech Republic												
Denmark												
Dominican Republic	56.6	18.9	3.0	0.5	14.7	-5.9	1.3	-4.4	2.5	0.2	21.4	4.3
Ecuador	174.8	53.2	6.2	0.3	17.0	2.6	13.2	0.1	4.5	1.1	48.2	28.5
Egypt, Arab Rep.	658.8	397.4	-36.1	6.2	109.2	80.4	7.8	-2.8	15.7	1.6	28.5	51.0
El Salvador	162.4	46.8	22.7	0.0	8.9	3.4	6.2	0.2	4.4	6.0	42.6	21.3
Eritrea	226.4	141.5	7.2	3.1	4.9	1.7	5.8	25.0	4.2	3.1	0.3	29.4
Estonia												
Ethiopia	1,201.7	625.2	34.2	75.5	49.9	15.9	58.7	86.9	64.9	68.4	4.5	117.7
Finland												
France												
Gabon	29.8	1.8	6.1	..	1.9	16.8	0.0	0.1	2.6	..	0.2	0.2
Gambia, The	15.0	2.0	4.4	1.5	1.4	0.6	0.3	0.3	2.5	0.7	0.2	1.2
Georgia	198.4	73.3	7.3	3.3	51.1	17.5	12.0	1.3	3.5	4.2	0.1	24.8
Germany												
Ghana	602.7	66.8	44.2	119.7	66.4	39.2	70.5	3.5	51.7	26.7	38.9	75.1
Greece												
Guatemala	218.5	37.8	32.8	0.1	18.1	3.4	26.4	-1.6	8.1	15.2	38.9	39.3
Guinea	127.8	42.8	12.0	1.5	19.3	32.4	1.0	..	11.5	1.3	0.6	5.6
Guinea-Bissau	39.4	1.4	0.0	..	0.7	15.6	2.6	0.2	2.0	..	2.3	14.7
Haiti	354.4	154.0	0.9	1.4	3.7	82.0	3.3	..	81.7	1.6	10.3	15.4

Distribution of net aid by Development Assistance Committee members

6.12

GLOBAL LINKS

	Ten major DAC donors											
	Total \$ millions 2005	\$ millions										Other DAC donors \$ millions 2005
		United States 2005	Japan 2005	United Kingdom 2005	Germany 2005	France 2005	Netherlands 2005	Italy 2005	Canada 2005	Sweden 2005	Spain 2005	
Honduras	456.1	88.1	103.5	30.2	24.0	4.5	16.3	23.5	28.6	20.3	95.0	22.0
Hungary												
India	846.3	53.3	71.5	579.2	-68.8	-8.0	72.8	3.5	34.0	16.5	11.2	81.1
Indonesia	2,247.2	160.8	1,223.1	24.1	164.7	29.3	176.0	3.4	95.9	21.6	33.7	314.7
Iran, Islamic Rep.	78.2	3.8	-2.5	0.7	40.6	14.8	6.8	0.6	..	0.2	0.4	13.0
Iraq	21,426.6	10,829.7	3,502.9	1,317.5	2,019.7	635.8	120.5	953.7	385.5	11.3	191.8	1,458.2
Ireland												
Israel												
Italy												
Jamaica	11.2	17.5	-17.9	23.1	-13.8	-1.3	-4.0	-3.4	7.6	0.3	0.2	2.9
Japan												
Jordan	440.8	353.9	23.6	6.1	21.9	1.1	0.8	14.4	7.9	0.6	3.2	7.4
Kazakhstan	153.3	57.1	66.2	1.7	14.1	4.1	2.4	..	1.2	0.8	1.1	4.7
Kenya	494.6	137.8	60.9	86.3	49.6	8.1	28.3	-10.5	21.6	42.1	1.5	69.1
Korea, Dem. Rep.	39.4	7.9	..	..	5.2	-0.4	0.7	0.8	1.6	5.5	..	18.2
Korea, Rep.												
Kuwait												
Kyrgyz Republic	126.4	41.4	21.0	9.4	27.6	1.7	3.1	..	0.7	2.5	0.1	19.0
Lao PDR	159.0	7.4	54.1	0.2	15.0	22.6	2.9	..	3.7	15.0	..	38.2
Latvia												
Lebanon	129.8	38.4	1.0	0.6	12.9	57.9	0.2	0.5	3.4	0.4	2.5	12.2
Lesotho	39.1	1.9	6.7	7.6	5.0	-1.3	0.1	..	3.7	0.0	..	15.3
Liberia	148.6	90.0	..	7.5	1.3	1.6	7.2	0.0	2.9	14.8	1.5	21.7
Libya	16.8	0.1	0.3	..	3.7	2.4	0.2	9.3	..	..	0.1	0.7
Lithuania												
Macedonia, FYR	167.1	45.3	11.3	2.8	28.9	3.0	29.7	2.6	0.3	11.2	0.9	31.2
Madagascar	500.5	80.4	39.6	13.5	11.0	91.2	1.0	51.0	2.2	0.0	135.4	75.2
Malawi	322.1	53.1	19.7	102.0	25.3	2.4	19.4	0.0	17.0	19.3	1.2	62.6
Malaysia	20.1	3.4	-2.1	1.3	7.9	-4.1	0.3	..	1.5	0.7	0.5	10.7
Mali	378.2	58.0	23.2	1.3	29.0	90.0	65.8	..	35.5	21.7	5.3	48.5
Mauritania	124.5	21.5	14.7	..	12.5	47.5	0.6	1.9	3.4	0.6	15.7	6.1
Mauritius	22.2	1.2	16.6	-0.8	-0.9	3.6	0.0	..	1.6	0.0	..	1.0
Mexico	160.6	128.6	11.8	-9.7	25.3	19.4	0.2	0.1	5.8	0.3	-24.5	3.1
Moldova	106.1	30.5	3.7	3.0	7.8	25.8	8.3	..	0.6	8.5	0.1	17.8
Mongolia	131.9	18.1	56.5	0.3	28.2	6.8	7.5	0.1	1.5	2.5	..	10.5
Morocco	289.3	-13.2	-54.2	..	61.8	197.6	1.6	39.4	4.5	0.6	29.0	22.2
Mozambique	770.8	96.0	14.8	80.8	42.6	13.7	64.5	21.6	56.2	79.3	29.4	272.1
Myanmar	77.8	4.1	25.5	10.6	4.4	1.6	0.7	0.3	0.5	4.5	..	25.7
Namibia	98.8	39.5	0.4	1.3	21.4	3.4	3.2	0.0	1.5	5.4	7.6	15.0
Nepal	348.7	54.7	63.4	61.6	63.1	-1.7	12.0	0.0	10.2	1.2	0.1	84.1
Netherlands												
New Zealand												
Nicaragua	509.5	102.4	49.2	6.1	24.5	1.9	33.9	81.0	9.0	40.9	60.1	100.4
Niger	255.7	30.6	23.7	8.0	24.8	70.2	7.6	0.8	17.0	1.6	16.2	55.3
Nigeria	5,966.3	120.5	69.2	2,200.9	1,180.9	1,436.1	202.0	529.6	19.2	0.6	1.9	205.5
Norway												
Oman	3.9	-1.2	3.7	..	0.2	0.9	..	0.0	..	..	0.0	0.2
Pakistan	832.2	362.4	73.8	63.1	34.1	26.0	43.1	-0.8	51.1	9.1	4.6	165.6
Panama	17.3	7.5	2.1	0.1	1.1	0.3	0.1	..	1.1	..	4.5	0.4
Papua New Guinea	245.3	0.0	-5.2	..	2.4	0.1	2.5	..	0.4	0.1	..	244.9
Paraguay	55.3	9.4	27.5	-0.2	2.5	0.4	1.9	0.1	3.2	1.9	7.1	1.6
Peru	310.2	76.4	43.5	3.3	39.0	6.8	13.5	1.2	15.4	3.6	65.5	42.1
Philippines	526.4	98.4	276.4	6.4	49.4	-8.5	22.3	-8.6	19.4	2.5	10.4	58.2
Poland												
Portugal												
Puerto Rico												



6.12

Distribution of net aid by Development Assistance Committee members

	Ten major DAC donors											Other DAC donors \$ millions
	\$ millions											
	Total \$ millions 2005	United States 2005	Japan 2005	United Kingdom 2005	Germany 2005	France 2005	Netherlands 2005	Italy 2005	Canada 2005	Sweden 2005	Spain 2005	
Romania												
Russian Federation												
Rwanda	292.0	63.3	2.9	82.0	18.5	14.0	28.4	0.2	10.0	23.4	0.9	48.6
Saudi Arabia	13.8	1.2	5.2	..	1.2	6.1	0.1	..	..	..	..	0.1
Senegal	440.1	39.8	28.0	6.9	34.3	158.2	20.5	11.7	23.5	0.6	82.5	34.3
Serbia and Montenegro	808.2	181.5	121.6	93.0	67.8	57.5	10.8	16.1	9.2	35.5	16.3	199.0
Sierra Leone	130.4	21.0	2.1	60.6	6.4	4.2	7.2	0.7	6.9	2.1	2.4	16.9
Singapore												
Slovak Republic												
Slovenia												
Somalia	146.1	36.9	..	10.7	5.1	1.7	14.2	11.1	6.0	12.9	0.1	47.3
South Africa	486.0	136.6	16.1	70.3	37.0	28.3	55.5	3.2	14.6	22.9	0.4	101.3
Spain												
Sri Lanka	857.1	58.9	312.9	13.7	75.2	40.7	56.2	20.8	45.7	51.7	3.5	177.7
Sudan	1,472.0	771.5	2.1	196.5	44.9	23.0	154.8	16.8	21.8	45.5	9.7	185.6
Swaziland	20.2	0.9	25.9	-9.3	-1.2	0.2	0.1	0.3	3.8	..	..	-0.5
Sweden												
Switzerland												
Syrian Arab Republic	5.9	0.4	-45.3	0.2	12.9	26.3	2.2	0.4	1.9	0.2	1.1	5.8
Tajikistan	105.9	57.6	9.9	4.4	8.3	0.7	0.9	..	6.5	4.6	0.0	13.0
Tanzania	871.0	108.9	36.1	215.9	49.9	4.5	90.2	4.7	33.0	91.8	4.1	232.0
Thailand	-219.9	15.0	-313.9	0.3	9.2	2.1	7.9	1.5	7.8	6.5	0.8	43.0
Togo	59.4	3.0	0.8	0.9	8.4	30.5	5.3	0.0	3.3	0.4	2.0	5.0
Trinidad and Tobago	6.1	0.5	2.0	0.1	0.4	1.2	0.0	..	1.8	..	0.1	0.0
Tunisia	269.1	-15.2	51.1	21.2	29.0	182.3	-1.9	-9.2	1.0	0.5	5.6	4.7
Turkey	51.8	-13.9	-62.3	-1.1	-33.6	114.6	4.5	-5.0	-2.4	2.5	12.4	36.0
Turkmenistan	11.8	9.6	0.1	0.1	1.2	0.7	0.0	..	0.1	..	..	0.2
Uganda	704.3	242.3	14.4	55.6	51.4	7.7	80.1	3.9	12.8	47.9	-0.6	188.5
Ukraine	252.1	113.4	2.5	10.8	53.2	15.5	0.6	0.0	18.6	10.6	0.5	26.5
United Arab Emirates												
United Kingdom												
United States												
Uruguay	2.8	-1.5	2.2	..	0.7	3.7	0.0	-2.8	2.1	0.4	2.3	-4.3
Uzbekistan	124.1	37.5	54.4	0.6	17.0	3.8	0.5	..	0.9	1.0	0.1	8.4
Venezuela, RB	20.8	9.0	4.3	0.2	2.0	6.7	0.1	0.2	1.8	0.1	-5.4	2.0
Vietnam	1,252.1	27.1	602.7	96.6	82.9	96.8	56.1	-3.2	28.4	41.9	9.1	213.7
West Bank and Gaza	569.4	180.2	5.8	23.5	39.8	30.6	29.9	15.9	15.9	36.9	39.4	151.5
Yemen, Rep.	134.7	17.6	8.4	20.3	41.8	6.3	31.9	2.9	1.1	0.6	0.1	3.8
Zambia	835.9	124.2	131.9	165.7	118.2	15.8	55.9	0.2	49.7	34.2	0.2	139.8
Zimbabwe	178.8	33.4	4.1	45.5	13.5	3.8	13.6	1.1	13.5	15.1	0.8	34.4
World	82,133.3 s	25,279.5 s	10,406.1 s	8,164.0 s	7,446.8 s	7,239.2 s	3,682.7 s	2,269.5 s	2,832.8 s	2,255.9 s	1,863.0 s	10,693.7 s
Low income	26,746.4	5,685.2	2,280.5	4,932.4	2,471.1	2,822.0	1,555.5	803.2	941.5	799.2	433.1	4,022.8
Middle income	39,752.9	14,537.6	6,862.5	1,851.5	4,011.0	3,657.2	989.5	1,268.7	989.2	497.1	1,110.2	3,978.5
Lower middle income	37,437.8	13,962.1	6,799.7	1,695.4	3,811.0	3,092.9	852.0	1,232.9	891.1	436.6	1,043.8	3,620.4
Upper middle income	1,646.6	376.5	43.5	138.6	122.8	504.1	67.2	24.8	68.5	37.1	36.6	227.0
Low & middle income	82,112.6	25,278.5	10,395.5	8,164.0	7,445.6	7,233.1	3,682.7	2,269.5	2,831.3	2,255.9	1,863.0	10,693.6
East Asia & Pacific	7,665.1	773.3	3,222.5	225.4	667.8	439.8	324.5	-16.7	205.9	147.2	83.0	1,592.5
Europe & Central Asia	2,973.8	842.7	284.9	150.3	370.0	338.3	120.5	30.6	50.3	151.0	48.0	587.3
Latin America & Carib.	4,589.8	1,344.8	409.5	154.6	433.5	250.1	272.5	121.9	368.9	170.8	584.2	479.1
Middle East & N. Africa	24,468.5	11,801.1	3,468.4	1,398.7	2,418.8	1,528.4	218.7	1,037.7	445.8	66.3	319.2	1,765.5
South Asia	5,735.4	1,921.9	632.6	1,142.7	251.0	89.1	332.3	52.8	288.0	146.8	38.7	839.6
Sub-Saharan Africa	23,066.3	4,192.2	1,133.1	3,745.8	2,444.2	3,892.2	1,400.2	872.7	977.1	793.2	563.8	3,051.8
High income												
Europe EMU												

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

Distribution of net aid by Development Assistance Committee members

6.12

GLOBAL LINKS

About the data

The table shows net bilateral aid to low- and middle-income economies from members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). The DAC compilation of the data includes aid to some countries and territories not shown in the table and aid to unspecified economies that is recorded only at the regional or global level. Aid to countries and territories not shown in the table has

been assigned to regional totals based on the World Bank's regional classification system. Aid to unspecified economies has been included in regional totals and, when possible, in income group totals. Aid not allocated by country or region—including administrative costs, research on development issues, and aid to nongovernmental organizations—is included in the world total. Thus regional and income group totals do not sum to the world total.

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

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

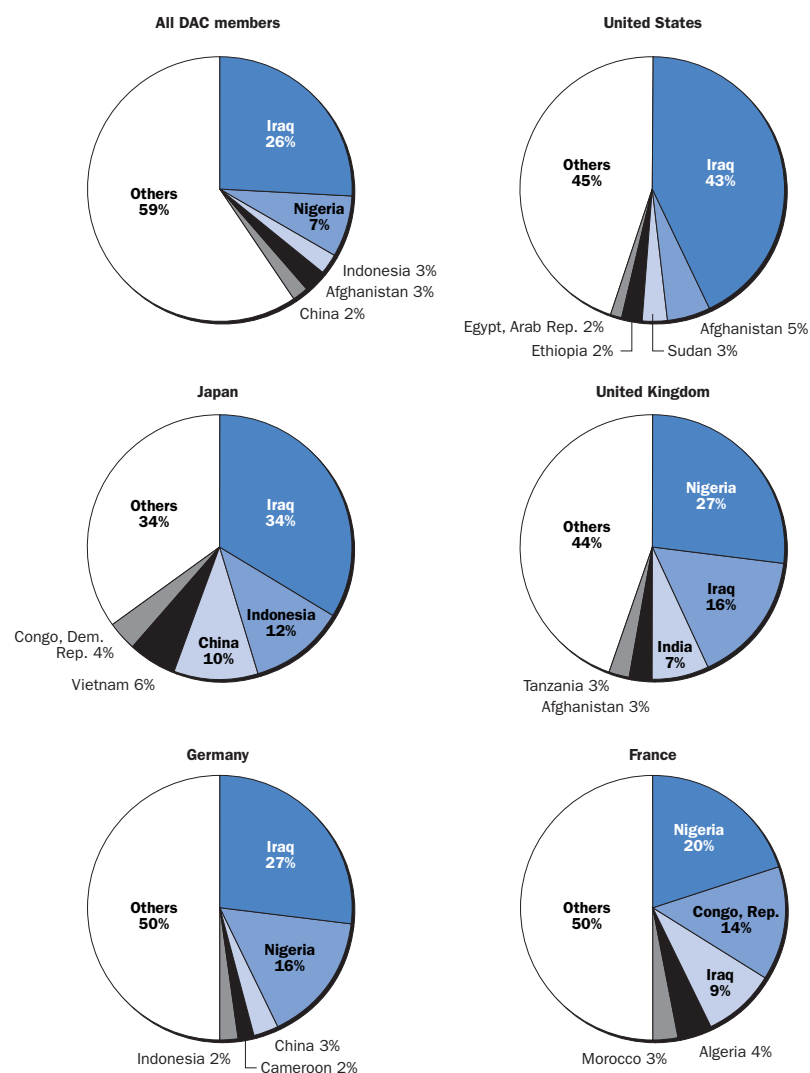
The expenditures that countries report as official development assistance (ODA) have changed. For example, some DAC members have reported as ODA the aid provided to refugees during the first 12 months of their stay within the donor's borders.

Some of the aid recipients shown in the table are also aid donors. See table 6.10a for a summary of ODA from non-DAC countries.

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

6.12a

Total bilateral aid, 2005



The figure shows the distribution of aid from all DAC members and the top five donors to the top five recipients in 2005.

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

Definitions

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

Data sources

Data on financial flows are compiled by DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and its annual *Development Cooperation Report*. Data are available electronically on the OECD's *International Development Statistics* CD-ROM and at www.oecd.org/dac/stats/idsonline.



6.13

Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	
Afghanistan	..	..	..	..	..	..	..	7.1	4.9	17.1	..	26.3	55.3
Albania	29.6	0.0	2.7	0.0	0.0	11.5	21.4	1.5	0.4	1.1	1.3	1.9	71.3
Algeria	0.0	-125.3	0.0	-611.6	0.0	-211.6	-493.3	1.0	0.7	1.1	3.7	5.6	-1,429.7
Angola	25.3	0.0	0.0	0.0	0.4	-1.6	1.8	5.9	1.9	7.8	9.1	15.6	66.2
Argentina	0.0	-566.4	0.0	-3,571.2	0.0	60.9	0.0	0.6	0.5	0.6	..	3.2	-4,071.8
Armenia	31.4	-0.6	-22.6	-2.1	0.0	-7.9	-0.4	1.3	0.6	0.8	1.0	2.7	4.1
Australia													
Austria													
Azerbaijan	45.6	0.0	-5.2	-23.9	0.5	-11.8	5.0	2.9	0.7	1.2	1.9	3.6	20.5
Bangladesh	394.5	0.0	97.4	0.0	57.3	86.1	-13.8	16.0	5.4	11.6	18.2	10.2	682.7
Belarus	0.0	-8.9	0.0	-8.6	0.0	-10.9	-14.9	0.6	0.3	0.8	..	0.8	-41.0
Belgium													
Benin	42.8	0.0	-6.2	0.0	34.0	-0.3	-13.0	3.2	2.7	3.1	2.7	4.5	73.4
Bolivia	62.2	0.0	-22.5	-3.5	98.1	-60.8	76.5	0.9	1.5	1.8	3.2	2.2	159.5
Bosnia and Herzegovina	55.6	-23.6	0.0	-39.4	0.0	-3.8	61.8	0.9	0.3	0.9	..	9.0	61.7
Botswana	-0.5	-1.1	0.0	0.0	-1.8	17.6	-13.8	0.6	0.9	1.0	..	4.3	7.1
Brazil	0.0	-255.4	0.0	-23,809.8	0.0	722.8	87.7	0.7	1.1	2.7	..	5.4	-23,245.0
Bulgaria	0.0	114.8	0.0	-443.4	0.0	1.0	-9.1	..	..	..	..	..	-336.8
Burkina Faso	102.0	0.0	11.5	0.0	55.6	0.0	15.7	5.9	2.7	6.8	2.1	3.5	205.8
Burundi	18.9	0.0	21.1	0.0	5.9	-2.7	-2.2	6.5	1.1	5.1	1.7	2.7	58.1
Cambodia	33.7	0.0	-8.7	0.0	82.2	0.0	8.6	4.5	2.0	4.8	1.2	3.3	131.6
Cameroon	19.0	-31.5	-34.7	0.0	20.4	-17.6	-14.8	4.5	2.8	3.2	1.2	5.8	-42.0
Canada													
Central African Republic	0.0	0.0	-4.9	0.0	0.0	0.0	-0.4	2.6	2.3	2.7	3.1	5.2	10.7
Chad	59.6	-1.8	-7.2	0.0	19.6	0.0	9.7	5.2	2.1	8.4	12.8	3.7	112.2
Chile	-0.7	-151.2	0.0	0.0	-1.4	-29.8	0.0	0.7	0.2	0.5	..	1.9	-179.8
China	-146.7	273.7	0.0	0.0	0.0	688.3	-0.3	9.4	4.7	14.4	8.0	12.4	863.8
Hong Kong, China	..	..	..	..	..	..	..	..	..	..	..	..	..
Colombia	-0.7	486.9	0.0	0.0	-20.7	-1,145.9	75.7	1.3	1.1	1.4	2.9	2.8	-595.3
Congo, Dem. Rep.	225.9	0.0	39.4	0.0	22.5	0.0	-10.9	14.9	7.0	21.6	0.5	12.9	333.8
Congo, Rep.	29.7	0.0	7.5	-7.8	9.9	-30.5	-2.3	1.4	0.6	1.1	2.0	6.5	18.1
Costa Rica	-0.2	-12.1	0.0	0.0	-11.2	-156.0	-25.5	0.4	0.6	0.7	..	2.5	-200.7
Côte d'Ivoire	0.0	0.0	-91.1	0.0	0.1	-0.3	-14.5	3.5	1.6	4.4	2.9	9.0	-84.5
Croatia	0.0	11.0	0.0	0.0	0.0	51.9	57.2	0.6	..	0.2	..	4.4	125.3
Cuba	..	..	..	..	..	..	..	1.0	0.7	0.7	3.9	2.0	8.3
Czech Republic	0.0	-19.2	0.0	0.0	0.0	0.0	-48.9	..	..	..	..	..	-68.0
Denmark													
Dominican Republic	-0.7	26.4	0.0	219.9	-21.0	86.1	0.1	0.7	0.8	1.1	0.0	2.0	315.4
Ecuador	-1.1	-35.2	0.0	-195.0	-26.6	-80.4	54.5	1.3	0.9	1.1	0.2	2.9	-277.5
Egypt, Arab Rep.	27.8	19.8	0.0	0.0	-0.4	-91.4	125.5	1.2	1.8	2.7	4.1	5.1	96.2
El Salvador	-0.8	88.4	0.0	0.0	-23.1	16.7	28.4	0.7	0.8	1.1	0.7	1.5	114.3
Eritrea	56.7	0.0	0.0	0.0	12.3	0.0	-5.5	3.3	2.0	2.5	4.4	8.6	84.3
Estonia	0.0	-5.1	0.0	0.0	0.0	0.0	-3.8	..	..	..	..	..	-8.9
Ethiopia	161.8	0.0	-4.0	0.0	127.0	-7.6	33.1	12.1	4.2	24.1	14.1	13.1	377.8
Finland													
France													
Gabon	0.0	-7.0	0.0	-24.7	-0.2	-35.5	17.4	0.6	0.1	0.6	..	5.2	-43.4
Gambia, The	15.6	0.0	-2.0	0.0	7.2	0.0	21.0	2.2	0.6	1.1	1.7	2.9	50.2
Georgia	52.1	0.0	-9.5	-3.4	0.0	-2.3	0.6	1.9	0.5	0.9	0.8	4.1	45.7
Germany													
Ghana	290.8	-2.2	7.4	0.0	57.7	-3.4	19.7	4.2	3.7	4.5	3.3	8.9	394.5
Greece													
Guatemala	0.0	1.4	0.0	0.0	-17.6	-7.0	8.9	1.0	1.5	1.0	3.6	2.5	-4.7
Guinea	22.1	0.0	-25.7	0.0	4.3	-7.4	-24.5	2.3	1.4	3.7	3.0	13.6	-7.2
Guinea-Bissau	10.6	0.0	-2.9	-0.3	3.5	0.0	2.7	2.7	1.0	1.6	2.1	2.0	23.1
Haiti	-5.1	0.0	-4.5	15.3	53.6	0.0	-1.6	4.8	4.2	3.0	1.8	1.8	73.3

Net financial flows from multilateral institutions

6.13

GLOBAL LINKS

	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
Honduras	142.9	-69.7	-0.4	0.0	52.1	-21.1	31.4	1.1	2.7	1.3	1.1	1.2	142.7
Hungary	0.0	-39.5	0.0	0.0	0.0	-6.7	-121.7	..	..	..	..	..	-167.9
India	571.9	715.8	0.0	0.0	0.0	419.5	-12.8	15.4	13.7	34.7	9.7	14.5	1,782.3
Indonesia	40.1	-805.2	0.0	-1,144.7	48.2	465.4	-38.3	8.2	15.7	6.4	7.6	11.5	-1,385.0
Iran, Islamic Rep.	0.0	102.1	0.0	0.0	0.0	0.0	1.0	0.6	1.5	2.1	0.4	9.8	117.5
Iraq	..	..	..	..	..	..	..	..	4.7	1.9	..	2.1	8.7
Ireland	..	..	..	..	..	..	..	..	..	..	..	..	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..	..
Jamaica	0.0	-22.0	0.0	-0.9	-5.3	-35.0	11.0	0.7	..	1.1	..	1.7	-48.7
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..
Jordan	-2.6	-25.0	0.0	-77.1	0.0	0.0	19.3	0.6	0.3	1.2	0.3	104.6	21.7
Kazakhstan	0.0	-621.0	0.0	0.0	0.1	-181.3	-30.4	0.9	0.6	1.4	..	2.2	-827.5
Kenya	-20.1	-1.1	66.5	0.0	19.0	-5.7	-14.8	5.7	3.8	4.9	11.9	26.9	97.0
Korea, Dem. Rep.	..	..	..	..	..	..	..	2.6	1.0	2.6	8.4	3.0	17.6
Korea, Rep.	..	..	..	..	..	..	..	..	..	..	..	..	..
Kuwait	..	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyz Republic	29.5	0.0	-13.0	0.0	29.6	-8.8	3.8	2.4	0.8	1.1	..	2.8	48.2
Lao PDR	26.1	0.0	-6.1	0.0	57.4	11.1	-2.7	4.3	1.2	2.2	2.9	2.2	98.6
Latvia	0.0	-61.8	0.0	0.0	0.0	-5.9	9.3	..	..	..	..	..	-58.3
Lebanon	0.0	-6.2	0.0	0.0	0.0	0.0	-8.3	0.7	0.6	0.8	..	68.6	56.3
Lesotho	8.1	-3.5	0.0	0.0	-2.1	-1.7	-3.1	0.9	0.1	1.3	4.9	2.1	7.0
Liberia	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	4.1	0.8	3.8	..	16.6	25.2
Libya	..	..	..	..	..	..	..	..	..	..	1.1	1.8	3.0
Lithuania	0.0	-97.4	0.0	-24.8	0.0	-2.6	-7.1	..	..	..	..	..	-132.0
Macedonia, FYR	5.6	43.2	-8.1	12.8	0.0	6.4	-0.6	1.2	0.0	1.1	..	3.1	64.8
Madagascar	209.2	0.0	6.5	0.0	18.4	0.0	-2.0	6.0	1.5	5.9	3.7	2.6	251.8
Malawi	32.6	-0.2	-3.3	-3.2	25.9	-1.9	1.7	7.7	3.7	6.1	5.5	4.4	78.9
Malaysia	0.0	-92.3	0.0	0.0	0.0	-39.4	13.2	0.6	0.5	0.4	..	3.8	-113.3
Mali	102.0	0.0	-14.8	0.0	53.0	0.0	21.3	4.3	1.7	6.9	5.7	3.1	183.2
Mauritania	40.1	0.0	-9.6	0.0	7.1	-1.4	39.3	2.8	2.2	1.8	6.4	2.5	91.2
Mauritius	-0.6	-6.3	0.0	0.0	-0.1	-8.2	14.5	0.2	0.0	..	..	1.7	1.0
Mexico	0.0	-381.8	0.0	0.0	0.0	346.4	0.0	1.0	2.2	1.2	..	4.0	-27.1
Moldova	23.6	-13.4	0.0	-21.5	0.0	-13.5	-7.4	1.8	0.4	1.1	..	1.2	-27.8
Mongolia	12.1	0.0	-5.9	0.0	26.3	0.0	4.4	1.4	1.1	1.1	..	3.3	43.7
Morocco	-1.4	-46.3	0.0	0.0	0.9	292.8	196.8	1.0	2.8	1.6	0.0	3.0	451.2
Mozambique	221.6	0.0	-10.5	0.0	76.6	12.7	31.9	7.4	5.9	8.7	6.4	5.3	366.0
Myanmar	0.0	0.0	0.0	0.0	0.0	0.0	-1.9	11.5	4.0	8.6	1.1	6.8	30.2
Namibia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7	1.1	0.6	5.0	8.1
Nepal	2.5	0.0	0.0	0.0	17.6	0.0	5.1	6.3	6.6	4.9	5.5	9.5	57.9
Netherlands	..	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..
Nicaragua	63.1	0.0	-8.9	0.0	120.9	-8.0	17.7	3.3	2.5	1.2	1.8	1.5	195.0
Niger	64.6	0.0	12.1	0.0	14.7	-2.5	41.7	6.5	3.3	8.2	15.8	3.0	167.4
Nigeria	245.9	-223.6	0.0	0.0	9.1	-82.7	0.0	8.0	7.9	23.7	..	8.0	-3.7
Norway	..	..	..	..	..	..	..	..	..	..	..	..	..
Oman	0.0	0.0	0.0	0.0	0.0	0.0	-182.8	..	0.2	0.0	..	1.1	-181.5
Pakistan	513.0	-94.4	-76.8	-160.5	158.0	187.5	-10.8	11.6	9.5	14.0	10.7	22.6	584.5
Panama	0.0	-30.5	0.0	-9.8	-8.9	12.8	-8.4	0.7	0.5	0.5	..	1.7	-41.5
Papua New Guinea	-3.6	-2.9	0.0	-61.1	-1.3	3.5	-2.6	2.2	0.7	1.7	..	3.6	-59.8
Paraguay	-1.5	-8.2	0.0	0.0	-15.2	3.6	-2.9	0.5	0.8	1.0	..	1.0	-21.0
Peru	0.0	-17.3	0.0	-39.5	-9.5	268.3	-1.0	0.7	22.0	1.7	3.5	2.2	231.0
Philippines	-6.8	-246.6	0.0	-317.4	-18.4	5.0	-4.3	2.2	5.7	2.9	..	3.0	-574.8
Poland	0.0	78.9	0.0	0.0	0.0	0.0	0.0	..	..	..	..	..	78.9
Portugal	..	..	..	..	..	..	..	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..	..



6.13

Net financial flows from multilateral institutions

	International financial institutions							United Nations					Total
	\$ millions												
	World Bank		IMF		Regional development banks								
	IDA	IBRD	Conces- sional	Non- concessional	Conces- sional	Non- concessional	Others	UNDP	UNFPA	UNICEF	WFP	Others	\$ millions
2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
Romania	0.0	76.6	0.0	-151.9	18.8	-43.9	461.2	..	..	..	..	..	360.8
Russian Federation	0.0	-528.3	0.0	-3,388.7	0.0	86.9	0.0	..	..	..	..	..	-3,830.0
Rwanda	46.7	0.0	-2.0	0.0	35.1	0.0	-3.2	4.0	1.9	4.3	4.2	5.9	96.7
Saudi Arabia	..	..	..	..	..	..	..	..	..	0.2	..	1.8	2.0
Senegal	170.5	0.0	-28.4	0.0	19.6	-0.2	31.4	3.9	2.4	3.6	3.2	4.4	210.4
Serbia and Montenegro	88.4	-19.6	0.0	-21.7	0.0	49.8	137.2	..	..	1.1	..	20.7	255.8
Sierra Leone	18.6	0.0	18.2	0.0	19.0	0.0	11.9	5.0	1.7	4.6	5.4	14.3	98.7
Singapore	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	0.0	-55.5	0.0	0.0	0.0	-1.6	8.2	..	..	..	..	..	-48.8
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..	..
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.3	7.9	5.2	5.2	24.9
South Africa	0.0	8.3	0.0	0.0	0.0	52.2	0.0	2.3	0.9	1.4	0.0	6.1	71.2
Spain	..	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	73.6	-1.0	0.0	114.5	129.1	37.1	24.9	2.6	2.9	0.7	6.7	6.0	397.0
Sudan	-1.3	0.0	0.0	-28.3	0.0	-2.2	100.4	11.6	8.1	13.0	43.8	6.8	151.8
Swaziland	-0.3	0.0	0.0	0.0	-1.0	22.3	42.4	0.5	0.5	0.8	0.6	1.9	67.9
Sweden	..	..	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	-1.5	0.0	0.0	0.0	0.0	0.0	-40.8	1.5	2.0	1.0	1.8	38.4	2.4
Tajikistan	34.8	0.0	15.1	0.0	26.1	0.5	0.4	3.7	0.8	1.9	1.7	1.6	86.5
Tanzania	260.5	0.0	-38.1	0.0	122.8	0.0	17.2	7.8	5.1	10.9	5.7	5.0	396.8
Thailand	-3.4	-97.5	0.0	0.0	-2.4	-368.3	-12.7	2.2	2.1	1.3	..	12.1	-466.6
Togo	0.0	0.0	-11.2	0.0	0.0	-1.4	9.2	1.7	0.6	1.7	0.3	2.1	2.9
Trinidad and Tobago	0.0	-13.0	0.0	0.0	-0.1	-9.6	-7.5	0.7	..	..	..	0.9	-28.5
Tunisia	-2.1	-54.5	0.0	0.0	0.0	-8.5	250.0	0.7	0.4	0.7	..	2.2	189.0
Turkey	-5.9	-294.0	0.0	-5,319.9	0.0	0.0	286.9	0.7	1.1	1.8	..	7.5	-5,321.9
Turkmenistan	0.0	-1.8	0.0	0.0	0.0	0.0	-2.9	1.0	0.5	0.9	..	1.2	-1.0
Uganda	111.7	0.0	-30.2	0.0	63.7	-1.6	17.8	6.1	3.8	9.6	..	9.6	190.6
Ukraine	0.0	316.0	0.0	-299.6	0.0	22.0	-65.8	2.8	0.7	1.4	..	3.6	-18.9
United Arab Emirates	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..	..
Uruguay	0.0	30.3	0.0	-171.7	-2.4	25.4	-0.1	0.6	0.5	0.5	..	0.8	-116.2
Uzbekistan	7.1	4.3	0.0	-18.4	0.0	64.3	0.0	3.1	0.9	2.3	..	2.6	66.0
Venezuela, RB	0.0	-92.9	0.0	0.0	0.0	-182.3	-75.5	0.5	0.8	0.9	..	2.3	-346.2
Vietnam	377.7	0.0	-53.5	0.0	217.6	-2.2	-2.5	6.5	7.6	5.1	..	5.6	561.8
West Bank and Gaza	..	..	..	..	..	..	..	..	..	1.9	..	307.4	309.3
Yemen, Rep.	102.2	0.0	-44.3	-11.4	0.0	0.0	56.2	5.8	3.6	5.3	7.1	6.8	131.4
Zambia	75.8	0.0	-62.8	0.0	17.8	-9.2	4.9	5.3	1.8	4.5	7.4	10.1	55.5
Zimbabwe	0.0	-1.7	0.0	-164.7	0.0	0.0	3.4	3.1	4.4	2.0	125.4	4.3	-23.7
World	.. s	.. s	.. s	.. s	.. s	.. s	.. s	398.9 s	386.4 s	710.8 s	554.5 s	1,410.2 s	.. s
Low income	4,692.4	392.1	-271.9	-432.7	1,589.8	643.7	374.6	291.5	165.3	348.1	380.8	366.1	8,539.7
Middle income	699.2	-3,302.8	-75.6	-39,380.9	364.9	512.0	999.6	96.6	114.8	105.0	83.0	849.5	-38,934.7
Lower middle income	698.4	-1,062.8	-79.1	-26,717.8	373.0	385.7	576.4	81.6	96.2	91.3	81.9	658.7	-24,816.4
Upper middle income	0.8	-2,240.0	3.5	-12,663.2	-8.1	126.2	423.2	13.0	11.1	12.8	1.1	126.4	-14,193.1
Low & middle income	5,391.6	-2,910.6	-347.5	-39,813.6	1,594.6	1,155.7	1,374.2	398.9	386.4	710.5	554.5	1,408.3	-29,737.0
East Asia & Pacific	340.1	-973.1	-74.2	-1,523.2	410.5	774.3	-40.1	61.0	49.5	57.1	29.3	117.4	-771.6
Europe & Central Asia	397.4	-1,125.8	-40.5	-9,754.7	75.2	-6.6	788.9	29.2	10.4	19.9	6.6	100.4	-9,499.7
Latin America & Carib.	267.6	-1,024.1	-13.1	-27,566.7	206.3	-202.5	292.5	25.6	50.8	30.6	23.5	84.6	-27,824.9
Middle East & N. Africa	125.8	-135.5	-45.1	-700.1	1.1	-18.7	-59.3	13.8	21.1	21.9	20.4	597.7	-156.9
South Asia	1,566.8	620.4	20.6	-39.9	377.5	730.1	-2.3	62.2	46.8	84.7	54.9	93.0	3,614.9
Sub-Saharan Africa	2,693.9	-272.6	-195.1	-229.0	884.1	-120.9	394.5	196.4	115.2	245.1	342.4	346.2	4,400.2
High income	..	..	..	..	..	..	..	..	..	..	..	..	..
Europe EMU	..	..	..	..	..	..	..	..	..	..	..	..	..

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

About the data

The table shows concessional and nonconcessional financial flows from the major multilateral institutions—the World Bank, the International Monetary Fund (IMF), regional development banks, UN agencies, and regional groups such as the Commission of the European Communities. Much of the data comes from the World Bank's Debtor Reporting System.

The multilateral development banks fund their nonconcessional lending operations primarily by selling low-interest, highly rated bonds (the World Bank, for example, has a AAA rating) backed by prudent lending and financial policies and the strong financial support of their members. These funds are then on-lent at slightly higher interest rates and with relatively long maturities (15–20 years) to developing countries. Lending terms vary with market conditions and the policies of the banks.

Concessional flows from bilateral donors are defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) as financial flows containing a grant element of at least 25 percent. The grant element of loans is evaluated assuming a nominal market interest rate of 10 percent. The grant element is nil for a loan carrying a 10 percent interest rate, and it is 100 percent for a grant, which requires no repayment. Concessional flows from multilateral development agencies are credits provided through their concessional lending facilities. The cost of these loans is reduced through subsidies provided by donors or drawn from other resources available to the agencies. Grants provided by multilateral agencies are not included in the net flows.

All concessional lending by the World Bank is carried out by the International Development Association

(IDA). Eligibility for IDA resources is based on gross national income (GNI) per capita; countries must also meet performance standards assessed by World Bank staff. Since July 1, 2005, the GNI per capita cutoff has been set at \$825, measured in 2003 using the *World Bank Atlas* method (see *Users guide*). In exceptional circumstances IDA extends eligibility temporarily to countries that are above the cutoff and are undertaking major adjustment efforts but are not creditworthy for lending by the International Bank for Reconstruction and Development (IBRD). An exception has also been made for small island economies. Lending by the International Finance Corporation is not included in this table.

The IMF makes concessional funds available through its Poverty Reduction and Growth Facility, which replaced the Enhanced Structural Adjustment Facility in 1999, and through the IMF Trust Fund. Eligibility is based principally on a country's per capita income and eligibility under IDA, the World Bank's concessional window.

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

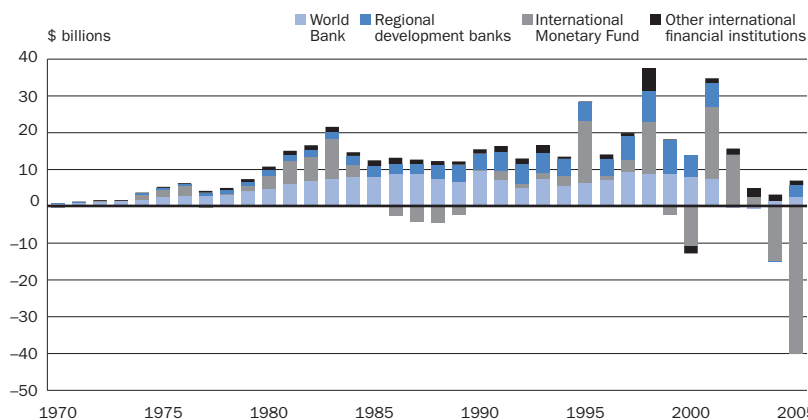
In 1999 all UN agencies revised their data since 1990 to include only regular budgetary expenditures (except for the World Food Programme and the United Nations Office of the High Commissioner for Refugees, which revised their data from 1996 onward). They did so to avoid double counting extrabudgetary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

Definitions

- **Net financial flows** are disbursements of public or publicly guaranteed loans and credits, less repayments of principal.
- **IDA** is the International Development Association, the concessional loan window of the World Bank.
- **IBRD** is the International Bank for Reconstruction and Development, the founding and largest member of the World Bank Group.
- **IMF** is the International Monetary Fund. Its nonconcessional lending consists of the credit it provides to its members, mainly to meet their balance of payments needs. It provides concessional assistance through the Poverty Reduction and Growth Facility and the IMF Trust Fund.
- **Regional development banks** include the African Development Bank, in Tunis, Tunisia, which lends to all of Africa, including North Africa; the Asian Development Bank, in Manila, Philippines, which serves countries in South and Central Asia and East Asia and Pacific; the European Bank for Reconstruction and Development, in London, United Kingdom, which serves countries in Europe and Central Asia; the European Development Fund, in Brussels, Belgium, which serves countries in Africa, the Caribbean, and the Pacific; and the Inter-American Development Bank, in Washington, D.C., which is the principal development bank of the Americas. Concessional financial flows cover disbursements made through concessional lending facilities. Nonconcessional financial flows cover all other disbursements.
- **Others** is a residual category in the World Bank's Debtor Reporting System. It includes such institutions as the Caribbean Development Bank and the European Investment Bank.
- **United Nations** includes the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), World Food Programme (WFP), and other UN agencies, such as the Office of the High Commissioner for Refugees, United Nations Relief and Works Agency for Palestine Refugees in the Near East, and United Nations Regular Programme for Technical Assistance.

Maintaining financial flows from multilateral institutions to developing countries

6.13a



As developing countries pay off loans from international financial institutions, net disbursements from these institutions have fallen greatly in recent years.

Source: World Bank Debtor Reporting System.

Data sources

Data on net financial flows from international financial institutions are from the World Bank's Debtor Reporting System. These data are published in the World Bank's *Global Development Finance 2007* and electronically as *GDF Online*. Data on aid from UN agencies are from the DAC annual *Development Cooperation Report*. Data are available in electronic format on the OECD's *International Development Statistics* CD-ROM and at www.oecd.org/dac/stats/idsonline.



6.14

Movement of people

	Net migration		Migration stock		Refugees				Workers' remittances and compensation of employees			
	thousands		thousands		thousands				\$ millions			
	1990-95	2000-05	1990	2005	By country of origin		By country of asylum		Received		Paid	
				1996	2005	1996	2005	1990	2005	1990	2005	
Afghanistan	3,313	2,140	29	43	2,674.2	2,166.1	18.8	0.0	..	..	..	..
Albania	-423	-100	66	83	5.8	12.7	4.9	0.1	0	1,290	..	7
Algeria	-58	-100	274	242	2.2	12.0	190.3	94.1	352	1,950	31	..
Angola	143	145	34	56	249.7	215.8	9.4	14.0	..	..	150	215
Argentina	50	-100	1,650	1,500	..	..	10.4	3.1	15	413	21	279
Armenia	-500	-100	659	235	203.2	14.0	219.0	219.6	..	940 ^a	..	146
Australia	390	500	3,984	4,097	..	..	67.3	65.0	2,370	2,858	674	1,358
Austria	262	100	473	1,234	..	..	89.1	21.2	635	2,941	320	2,543
Azerbaijan	-116	-100	361	182	236.1	233.7	233.7	3.0	..	693	..	268
Bangladesh	-260	-350	882	1,032	58.0	7.3	30.7	21.1	779	4,251	..	6
Belarus	15	-10	1,271	1,191	0.5	8.9	30.5	0.7	..	370	..	94
Belgium	85	67	899	719	..	..	36.1	15.3	3,583	7,155	2,310	2,758
Benin	105	99	76	175	..	..	6.0	30.3	101	63 ^a	21	7 ^a
Bolivia	-100	-100	60	116	..	..	0.7	0.5	5	338	8	66
Bosnia and Herzegovina	-1,000	40	56	41	993.9	109.9	40.0	10.6	..	1,844	..	40
Botswana	-7	-6	27	80	..	..	0.2	3.1	86	125	119	123
Brazil	-184	-130	804	641	..	..	2.2	3.5	573	3,540	12	498
Bulgaria	-309	-50	22	104	..	..	1.4	4.4	..	2,130	..	13
Burkina Faso	-128	100	345	773	..	..	28.4	0.5	140	50 ^a	81	44 ^a
Burundi	-250	192	333	100	428.7	438.7	20.7	20.7	..	..	6	1 ^a
Cambodia	194	-10	38	304	62.2	17.8	0.0	0.1	9	200	14	144
Cameroon	-5	13	171	137	2.1	9.1	46.4	52.0	23	11 ^a	111	63 ^a
Canada	643	1,050	4,319	6,106	..	..	138.4	147.2	..	..	..	..
Central African Republic	37	-45	63	76	0.2	42.9	36.6	24.6	..	..	36	..
Chad	20	271	74	437	58.4	48.4	0.1	275.4	1	..	39	..
Chile	90	30	108	231	12.8	0.9	0.3	0.8	1	3	7	6
China	-1,281	-1,950	380	596	105.8	124.1	290.1	301.0	210	22,492 ^a	5	2,602
Hong Kong, China	300	300	2,218	2,999	..	..	1.3	1.9	..	240	..	335
Colombia	-200	-200	102	123	2.2	60.5	0.2	0.2	495	3,346	44	56
Congo, Dem. Rep.	1,208	-322	919	539	158.8	430.9	676.0	204.3	..	..	..	..
Congo, Rep.	14	-14	130	288	0.2	24.4	20.5	66.1	4	11	55	45
Costa Rica	62	84	418	441	..	..	23.2	11.3	12	421	..	209
Côte d'Ivoire	200	-371	1,953	2,371	0.3	18.3	327.7	41.6	44	160	471	592
Croatia	153	100	475	661	310.1	119.1	165.4	2.9	..	1,222	..	62
Cuba	-100	-160	100	74	25.5	19.0	1.7	0.7	..	..	..	..
Czech Republic	38	50	424	453	1.0	3.6	2.3	1.8	..	1,017	..	2,135
Denmark	58	61	220	389	..	..	66.4	44.4	464	1,075 ^a	160	1,226 ^a
Dominican Republic	-220	-140	103	156	..	..	0.6	..	315	2,717	..	26
Ecuador	-50	-250	78	114	..	..	0.2	10.1	51	2,038	2	38
Egypt, Arab Rep.	-600	-450	176	166	1.2	6.3	6.0	88.9	4,284	5,017	27	57
El Salvador	-57	-38	47	24	19.6	4.3	0.2	0.0	366	2,842	3	24
Eritrea	-359	280	12	15	332.2	144.1	2.1	4.4	..	..	..	..
Estonia	-117	-10	382	202	..	..	..	0.0	..	265	..	50
Ethiopia	888	-150	1,155	555	96.3	65.5	390.5	100.8	5	174	1	16
Finland	43	41	61	156	..	..	11.4	11.8	63	695	16	249
France	424	300	5,907	6,471	..	..	151.3	137.3	4,035	12,742	6,949	4,867
Gabon	20	-15	128	245	..	..	0.8	8.5	..	6 ^a	147	110 ^a
Gambia, The	45	31	118	232	..	..	6.9	7.3	10	58	..	1 ^a
Georgia	-560	-248	338	191	48.5	7.3	0.1	2.5	..	346	..	29
Germany	2,688	1,100	5,936	10,144	..	..	1,266.0	700.0	4,876	6,542	6,856	12,519
Ghana	40	12	717	1,669	15.1	18.4	35.6	53.5	6	99	4	6 ^a
Greece	470	179	412	974	..	..	5.8	2.4	1,817	1,220	122	809
Guatemala	-360	-300	264	53	40.3	3.4	1.6	0.4	119	3,033	14	33
Guinea	350	-299	402	406	0.5	5.8	663.9	63.5	27	42 ^a	20	48 ^a
Guinea-Bissau	20	1	14	19	0.9	1.1	15.4	7.6	1	28 ^a	12	5 ^a
Haiti	-105	-105	19	30	15.1	13.5	..	..	61	985	63	59

Movement of people

6.14

GLOBAL LINKS

	Net migration		Migration stock		Refugees				Workers' remittances and compensation of employees			
	thousands		thousands		thousands				\$ millions			
	1990-95	2000-05	1990	2005	By country of origin		By country of asylum		Received		Paid	
				1996	2005	1996	2005	1990	2005	1990	2005	
Honduras	-40	-30	270	26	..	..	0.1	0.0	63	1,796	..	1
Hungary	101	50	348	316	..	..	7.5	8.0	..	300	..	155
India	-1,407	-1,400	7,493	5,700	7.6	16.3	233.4	139.3	2,384	23,725 ^a	106	1,008 ^a
Indonesia	-725	-1,000	466	160	11.4	34.4	0.1	0.1	166	1,883	..	1,178
Iran, Islamic Rep.	-1,512	-1,379	3,809	1,959	104.1	99.4	2,030.4	974.3	1,200	1,032 ^a	..	..
Iraq	170	240	84	28	714.7	262.3	113.0	50.2	..	..	..	..
Ireland	-1	194	230	585	..	..	0.1	7.1	286	651	165	1,128
Israel	484	158	1,633	2,661	..	..	0.0	0.6	812	851	850	2,349
Italy	573	600	1,346	2,519	..	..	64.7	20.7	5,075	2,398	3,764	5,815
Jamaica	-100	-100	21	18	..	..	0.0	..	229	1,783	27	394
Japan	248	270	877	2,048	..	..	5.3	1.9	508	1,080	290	1,281
Jordan ^b	495	100	1,146	2,225	..	..	0.9	1.0	499	2,500	71	349
Kazakhstan	-1,509	-600	3,619	2,502	40.2	4.3	15.6	7.3	..	178	..	1,670
Kenya	222	-212	146	345	9.4	4.6	223.6	251.3	139	524	7	56
Korea, Dem. Rep.	0	0	34	37	..	..	..	..	..	..	..	..
Korea, Rep.	-115	-80	572	551	..	..	0.0	0.1	1,037	808	364	3,336
Kuwait	-626	240	1,551	1,669	..	..	3.8	1.5	..	..	770	2,648
Kyrgyz Republic	-273	-75	623	288	17.1	3.1	16.7	2.6	..	322	..	122
Lao PDR	-10	-7	23	25	46.9	24.4	0.0	..	11	1 ^a	..	1 ^a
Latvia	-174	-12	805	449	..	..	0.0	0.0	..	381	..	20
Lebanon ^b	178	-35	520	657	10.9	18.3	2.4	1.1	1,818	4,924	..	4,233 ^a
Lesotho	-84	-36	7	6	..	..	..	..	428	327	..	17
Liberia	-283	-245	81	50	784.0	231.1	120.1	10.2	..	..	..	..
Libya	10	10	457	618	..	..	7.7	12.2	..	15	446	914
Lithuania	-100	-20	349	165	..	..	0.0	0.5	..	534	..	47
Macedonia, FYR	-27	-10	95	121	13.0	8.6	5.1	1.3	..	226	..	16
Madagascar	-6	0	58	63	..	..	..	..	8	3	18	8
Malawi	-835	-20	1,157	279	..	..	1.3	4.2	..	1 ^a	..	1 ^a
Malaysia	230	150	1,014	1,639	..	..	5.3	33.7	325	1,281 ^a	230	5,679
Mali	-260	-134	60	46	55.2	0.5	18.2	11.2	107	155 ^a	45	64 ^a
Mauritania	-15	30	94	66	83.2	31.7	15.9	0.6	14	2 ^a	31	..
Mauritius	-7	0	9	21	..	..	..	..	..	215 ^a	1	11 ^a
Mexico	-1,800	-2,000	702	644	..	..	34.6	3.2	3,098	21,772	..	..
Moldova	-121	-40	579	440	5.8	12.1	..	0.1	..	920	..	68
Mongolia	-60	-50	7	9	..	..	..	..	..	202 ^a	..	49 ^a
Morocco	-300	-400	85	132	..	..	0.1	0.2	2,006	4,589	16	40
Mozambique	650	-20	122	406	34.7	0.1	0.2	2.0	70	57	25	21
Myanmar	-126	70	101	117	143.0	164.9	..	..	6	117 ^a	..	25 ^a
Namibia	3	-6	119	143	..	..	2.2	5.3	13	16 ^a	30	17 ^a
Nepal	-101	-100	413	819	..	..	126.8	126.4	0	1,211	..	65
Netherlands	190	150	1,192	1,638	..	..	102.6	118.2	709	2,227	1,393	5,678
New Zealand	79	78	529	642	..	..	3.8	5.3	762	739	367	936
Nicaragua	-110	-100	41	28	22.8	1.5	0.6	0.2	0	600	..	..
Niger	5	-10	115	124	10.4	0.7	25.8	0.3	14	60 ^a	66	25 ^a
Nigeria	-96	-170	447	971	4.8	22.1	8.5	9.0	10	3,329	9	18
Norway	42	58	185	344	..	..	48.4	43.0	158	429	295	953
Oman	25	-160	452	628	..	..	..	0.0	39	39	856	2,257
Pakistan	-2,611	-1,810	6,556	3,254	7.5	29.9	1,202.7	1,084.7	2,006	4,280	1	3
Panama	8	8	62	102	..	..	0.9	1.7	110	126	22	91
Papua New Guinea	0	0	33	25	..	..	10.2	10.0	5	13	43	135
Paraguay	-25	-25	183	168	..	..	0.1	0.1	34	268	..	..
Peru	-450	-300	56	42	6.7	4.9	0.7	0.8	87	1,440	75	164
Philippines	-900	-900	164	374	0.6	0.5	0.7	0.1	1,465	13,566	5	15
Poland	-77	-80	1,127	703	12.9	19.6	0.6	4.6	..	3,549	..	598
Portugal	-7	250	436	764	..	..	0.3	0.4	4,479	3,017	77	1,151
Puerto Rico	-4	-3	322	418	..	..	..	..	..	..	..	..



6.14 | Movement of people

	Net migration		Migration stock		Refugees				Workers' remittances and compensation of employees			
	thousands		thousands		By country of origin		By country of asylum		Received		Paid	
	1990-95	2000-05	1990	2005	1996	2005	1996	2005	1990	2005	1990	2005
Romania	-529	-150	143	133	11.9	11.5	0.3	2.1	..	4,733	..	34
Russian Federation	1,858	400	11,525	12,080	173.7	103.0	246.7	1.5	..	3,117	..	7,651
Rwanda	-1,714	45	73	121	469.1	100.3	25.3	45.2	3	21	21	35
Saudi Arabia	-325	250	4,743	6,361	..	..	9.9	240.7	..	..	11,221	14,318
Senegal	-100	-100	293	326	17.6	8.7	65.0	20.7	142	633 ^a	79	77 ^a
Serbia and Montenegro	200	-100	130	512	104.0	190.0	563.2	148.3	..	4,650 ^a	..	..
Sierra Leone	-380	438	112	119	375.1	40.5	13.5	60.0	..	2	..	2
Singapore	250	200	727	1,843	..	..	0.0	0.0	..	..	..	..
Slovak Republic	9	5	41	124	..	..	1.4	0.4	..	424 ^a	..	16 ^a
Slovenia	38	10	178	167	..	..	10.0	0.3	38	264	2	95
Somalia	-1,083	170	633	282	637.0	395.6	0.7	0.5	..	..	..	..
South Africa	1,125	50	1,225	1,106	..	..	22.6	29.7	136	658	1,199	1,055
Spain	500	2,025	766	4,790	..	..	5.7	5.4	2,186	7,927	254	7,733
Sri Lanka	-182	-160	461	368	109.6	108.1	0.0	0.1	401	2,088	..	257
Sudan	-158	-519	1,273	639	475.3	693.6	393.9	147.3	62	1,016	2	2
Swaziland	-38	-6	73	45	..	..	0.6	0.8	113	81	4	11
Sweden	151	157	781	1,117	..	..	191.2	74.9	153	630	654	611
Switzerland	80	40	1,376	1,660	..	..	84.4	48.0	924	1,910	8,168	13,200
Syrian Arab Republic ^b	-30	-30	711	985	8.6	16.4	27.8	26.1	385	823	..	40
Tajikistan	-313	-345	426	306	107.5	54.8	1.2	1.0	..	466	..	145
Tanzania	591	-345	574	792	..	..	498.7	548.8	..	16	..	41
Thailand	-88	-50	391	1,050	..	..	108.0	117.1	973	1,187	199	..
Togo	-122	-4	163	183	25.6	51.1	12.6	9.3	27	148 ^a	13	34 ^a
Trinidad and Tobago	-24	-20	51	38	..	..	..	..	3	87 ^a	22	..
Tunisia	-22	-20	38	38	..	..	0.2	0.1	551	1,393	13	15
Turkey	71	-250	1,150	1,328	50.4	170.6	8.2	2.4	3,246	851	..	..
Turkmenistan	50	-10	307	224	..	..	15.6	12.0	..	..	..	..
Uganda	135	-15	550	518	28.3	34.2	264.3	257.3	..	476	..	374
Ukraine	598	-700	7,097	6,833	6.1	84.2	3.6	2.3	..	595	..	34
United Arab Emirates	340	960	1,330	3,212	..	..	0.5	0.1	..	..	..	..
United Kingdom	381	686	3,753	5,408	..	..	98.6	303.2	2,099	6,722	2,034	3,087
United States	5,200	5,800	23,251	38,355	..	..	607.0	379.3	1,170	2,924	11,850	41,072
Uruguay	-20	-10	98	84	..	..	0.1	0.1	..	78	..	2
Uzbekistan	-340	-300	1,653	1,268	69.7	8.3	2.9	44.0	..	..	..	..
Venezuela, RB	40	40	1,024	1,010	..	..	1.6	0.4	1	148	701	211
Vietnam	-270	-200	28	21	518.3	358.3	34.4	2.4	..	4,000 ^a	..	..
West Bank and Gaza ^b	-5	-40	911	1,680	80.2	349.7	..	..	..	436 ^a	..	..
Yemen, Rep.	650	-100	107	265	..	..	53.5	81.9	1,498	1,283	106	109
Zambia	-7	-65	280	275	..	..	131.1	155.7	..	..	17	24 ^a
Zimbabwe	-182	-50	804	511	0.0	11.3	0.6	13.9	1	..	16	..
World	.. ^c	.. ^c	154,688	190,206	11,701.6 ^d	8,300.6 ^d	13,357.1 ^{d, e}	8,662.0 ^{d, e}	68,584	262,489	66,295	178,677
Low income	-3,286	-4,000	31,745	27,120	7,935.2	5,811.7	5,762.5	3,895.6	7,664	48,188	1,305	3,379
Middle income	-9,673	-11,987	51,290	50,804	3,766.4	2,488.9	4,523.9	2,364.2	23,474	144,716	4,770	34,784
Lower middle income	-10,872	-10,086	26,469	24,999	3,182.8	2,042.2	3,972.8	2,230.4	14,370	97,779	959	8,759
Upper middle income	1,200	-1,901	24,821	25,804	583.6	446.7	551.1	133.8	9,104	46,937	3,811	26,025
Low & middle income	-12,958	-15,987	83,035	77,923	11,701.6	8,300.6	10,286.4	6,259.8	31,138	192,904	6,075	38,163
East Asia & Pacific	-3,072	-3,939	2,748	4,432	888.3	724.6	450.7	464.5	3,263	45,053	527	9,918
Europe & Central Asia	-3,398	-2,665	34,071	31,137	2,411.3	1,179.3	1,545.8	483.8	3,246	31,363	..	13,420
Latin America & Carib.	-3,776	-4,012	6,343	5,777	145.1	107.9	88.4	37.7	5,763	48,201	996	2,288
Middle East & N. Africa	-1,030	-2,374	8,828	9,642	940.1	765.0	2,457.3	1,340.5	11,432	24,001	1,566	8,014
South Asia	-1,368	-1,679	15,845	11,229	2,963.6	2,434.3	1,612.4	1,371.6	5,572	35,558	115	1,338
Sub-Saharan Africa	-314	-1,318	15,200	15,706	4,353.1	3,089.5	4,131.9	2,561.6	1,862	8,728	2,871	3,185
High income	12,929	15,970	71,653	112,282	..	..	3,070.7	2,402.2	37,446	69,585	60,220	140,514
Europe EMU	5,285	5,036	17,950	30,335	..	..	1,743.7	1,041.8	27,744	48,981	22,226	51,944

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

About the data

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

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

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

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

For countries with information on the international migration stock for at least two points in time,

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

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

Workers' remittances and compensation of employees are World Bank staff estimates based on data from the International Monetary Fund's (IMF) *Balance of Payments Yearbook*. The IMF data are supplemented by World Bank staff estimates for missing data for countries where workers' remittances are important. The data reported here are the sum of three items defined in the IMF *Balance of Payments Manual* (fifth edition). These are workers' remittances, compensation of employees, and migrants' transfers.

The distinction between these three items is not always consistent in the data reported by countries to the IMF. In some cases, countries compile data on the basis of the citizenship of migrant workers rather than

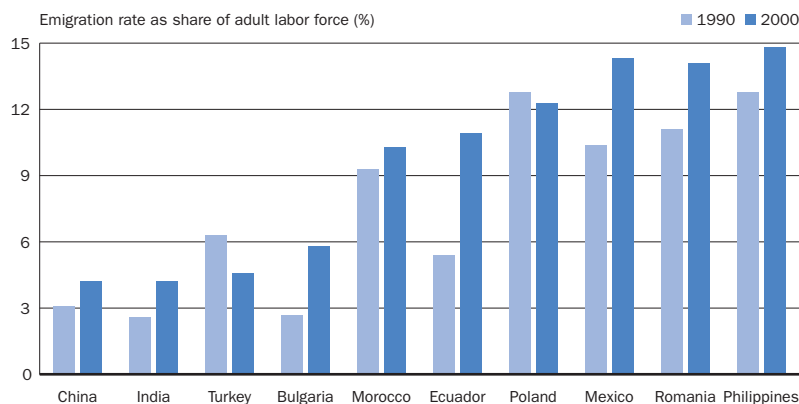
their residency status. Some countries also report remittances entirely as workers' remittances or compensation of employees. Following the fifth edition of the *Balance of Payments Manual* in 1993, migrants' transfers are considered a capital transaction but in previous editions they were regarded as current transfers. For these reasons the figures presented in the table take all three items into account.

Definitions

- **Net migration** is the net total of migrants during the period, that is, the total number of immigrants less the total number of emigrants, including both citizens and noncitizens. Data are five-year estimates.
- **Migration stock** is the number of people born in a country other than that in which they live. It includes refugees.
- **Refugees** are people who are recognized as refugees under the 1951 Convention Relating to the Status of Refugees or its 1967 Protocol, the 1969 Organization of African Unity Convention Governing the Specific Aspects of Refugee Problems in Africa, people recognized as refugees in accordance with the UNHCR statute, people granted a refugee-like humanitarian status, and people provided with temporary protection. Asylum seekers are people who have applied for asylum or refugee status and who have not yet received a decision or who are otherwise registered as asylum seekers.
- **Country of origin** generally refers to the nationality or country of citizenship of a claimant.
- **Country of asylum** is the country where an asylum claim was filed.
- **Workers' remittances and compensation of employees, received and paid** comprise current transfers by migrant workers and wages and salaries earned by nonresident workers. Workers' remittances are classified as current private transfers from migrant workers who are residents of the host country to recipients in their country of origin. They include only transfers made by workers who have been living in the host country for more than a year, irrespective of their immigration status. Compensation of employees is the income of migrants who have lived in the host country for less than a year. Migrants' transfers are defined as the net worth of migrants who are expected to remain in the host country for more than one year that is transferred from one country to another at the time of migration.

High-skill workers in developing countries are increasingly emigrating to high-income countries

6.14a



The increase in migration among high-skill workers is due partly to selective immigration policies in Organization for Economic Co-operation and Development countries and partly to rising skill premiums in these labor markets.

Source: Docquier and Marfouk 2004.

Data sources

Data on net migration come from the United Nations Population Division's *World Population Prospects: The 2006 Revision*. Data on migration stock come from the United Nations Population Division's *Trends in Total Migrant Stock: The 2005 Revision*. Data on refugees are from the United Nations Office of the High Commissioner for Refugees' *Statistical Yearbook 2005*. Data on remittances are World Bank staff estimates based on IMF balance of payments data.



6.15

Travel and tourism

	International tourists				Tourism expenditure in the country				Tourism expenditure in other countries			
	Inbound		Outbound		\$ millions		% of exports		\$ millions		% of imports	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Afghanistan	..	..	..	..	..	..	..	..	1	..	..	..
Albania	40	46	12	2,097	70	880	23.2	48.3	19	808	2.3	20.9
Algeria	520	1,443	1,090	1,513	32	178	..	..	186	394	..	..
Angola	9	210	3	..	27	82	0.7	0.6	113	86	3.2	0.8
Argentina	2,289	3,895	3,815	4,002	2,550	3,241	10.2	7.0	4,013	3,572	15.4	10.2
Armenia	12	319	..	269	14	161	4.7	12.0	12	146	1.7	7.4
Australia	3,726	5,497	2,519	4,754	11,900	20,637	17.1	15.2	7,272	15,076	9.7	10.1
Austria	17,173	19,952	3,713	6,564	14,529	19,310	16.2	11.3	11,686	12,755	12.7	7.8
Azerbaijan	93	1,177	432	1,830	88	100	11.2	1.2	165	188	12.8	2.7
Bangladesh	156	208	830	1,767	..	78	..	0.7	251	371	3.4	2.6
Belarus	161	91	626	572	28	346	0.5	1.9	101	672	1.8	3.8
Belgium	5,560	6,747	5,645	9,318	..	10,879	..	3.4	..	16,636	..	5.4
Benin	138	174	..	..	79	108	12.1	15.1	48	53	5.4	4.9
Bolivia	284	504	249	312	92	346	7.5	11.0	72	258	4.6	9.0
Bosnia and Herzegovina	115	190	..	..	..	604	..	16.8	..	160	..	2.0
Botswana	521	1,523	..	..	176	550	7.3	12.4	153	280	7.5	7.7
Brazil	1,991	5,358	2,600	4,696	1,085	4,169	2.1	3.1	3,982	5,905	6.3	6.0
Bulgaria	3,466	4,837	3,524	4,235	662	3,026	9.8	18.8	312	1,836	4.8	8.9
Burkina Faso	124	222	..	..	..	..	..	..	..	..	..	..
Burundi	34	148	36	..	2	2	1.9	2.1	..	62	..	17.6
Cambodia	220	1,422	31	239	71	927	7.3	23.1	22	138	1.6	3.0
Cameroon	100	190	..	..	75	162	3.7	5.6	140	294	8.7	9.1
Canada	16,932	18,770	18,206	21,101	9,176	15,830	4.2	3.7	12,658	23,061	6.3	6.0
Central African Republic	26	8	..	7	4	4	..	..	43	32	..	..
Chad	19	29	..	..	43	..	..	..	38	..	..	..
Chile	1,540	2,027	1,070	2,343	1,186	1,779	6.1	3.7	934	1,381	5.1	3.6
China	20,034	46,809	4,520	31,026	12,626	31,842	6.1	3.8	9,220	24,715	5.6	3.5
Hong Kong, China	10,200	23,359	3,023	4,957	..	13,586	..	3.9	..	..	..	..
Colombia	1,433	933	1,057	1,553	887	1,570	7.2	6.4	1,162	1,562	7.3	6.3
Congo, Dem. Rep.	35	61	..	..	..	..	..	..	..	..	..	..
Congo, Rep.	37	..	..	..	15	23	1.1	0.6	69	176	5.1	8.9
Costa Rica	785	1,453	273	425	763	1,804	17.1	18.6	336	556	7.1	5.2
Côte d'Ivoire	188	..	..	..	103	76	2.4	1.2	312	551	8.2	11.0
Croatia	1,485	8,467	..	..	..	7,625	..	40.4	..	786	..	3.6
Cuba	742	2,261	72	115	963	1,920	..	..	..	..	..	..
Czech Republic	3,381	6,336	44,873	36,650	..	5,580	..	6.3	..	2,605	..	3.0
Denmark	2,124	3,358	5,035	4,630	..	..	..	..	..	..	..	..
Dominican Republic	1,776	3,691	168	419	..	..	..	..	267	494	4.4	4.4
Ecuador	440	861	271	661	315	488	6.1	4.3	331	616	5.8	5.2
Egypt, Arab Rep.	2,871	8,244	2,683	3,644	2,954	7,206	22.3	23.5	1,371	1,932	8.0	5.6
El Salvador	235	1,154	348	1,397	152	838	7.5	18.3	99	430	2.7	5.6
Eritrea	315	83	..	..	58	66	..	..	..	..	..	..
Estonia	530	1,900	1,764	2,075	452	1,207	17.6	11.0	121	538	4.2	4.6
Ethiopia	103	227	120	..	177	533	23.1	27.6	30	59	2.1	1.6
Finland	1,779	2,080	5,147	6,035	2,384	3,055	5.0	3.7	2,853	3,529	7.6	5.0
France	60,033	76,001	18,686	22,270	31,295	..	8.6	..	20,699	..	6.2	..
Gabon	125	222	..	236	94	74	3.2	1.8	183	275	10.6	12.8
Gambia, The	45	111	..	387	67	57	30.5	31.6	16	7	6.9	2.7
Georgia	85	560	228	..	75	288	13.1	13.3	171	238	12.1	7.2
Germany	14,847	21,500	55,800	77,400	24,052	38,381	4.0	3.4	66,527	80,276	11.2	8.1
Ghana	286	584	..	..	30	827	1.9	21.4	74	472	3.5	7.1
Greece	10,130	14,276	..	..	4,182	13,697	26.9	26.4	1,495	3,046	6.0	4.6
Guatemala	563	1,316	333	982	216	883	7.7	17.9	167	500	4.5	5.2
Guinea	12	45	..	..	1	32	0.1	4.3	29	29	2.9	3.0
Guinea-Bissau	..	5	..	..	..	2	..	2.6	6	22	6.7	17.3
Haiti	145	96	..	..	..	..	..	..	..	173	..	9.9

Travel and tourism

6.15

GLOBAL LINKS

	International tourists				Tourism expenditure in the country				Tourism expenditure in other countries			
	thousands				\$ millions		% of exports		\$ millions		% of imports	
	Inbound		Outbound		1995	2005	1995	2005	1995	2005	1995	2005
	1995	2005	1995	2005								
Honduras	271	749	149	301	85	476	5.2	13.9	99	315	5.3	6.3
Hungary	2,878	3,446	13,083	18,622	2,938	4,581	14.9	6.2	1,501	3,037	7.5	4.0
India	2,124	3,915	3,056	6,200	..	4,128	..	5.0	..	4,758	..	5.1
Indonesia	4,324	5,002	1,782	4,106	..	5,092	..	5.1	..	4,741	..	5.4
Iran, Islamic Rep.	489	1,659	1,000	..	205	1,324	1.1	..	247	4,353	1.6	..
Iraq	61	..	..	..	..	..	..	..	..	..	..	..
Ireland	4,818	7,333	2,547	6,113	2,698	6,722	5.5	4.2	..	6,168	..	4.5
Israel	2,215	1,903	2,259	3,687	3,491	3,414	12.7	5.9	2,626	3,780	7.4	6.6
Italy	31,052	36,513	18,173	23,349	30,426	38,264	10.3	8.3	17,219	26,459	6.9	5.7
Jamaica	1,147	1,479	..	..	1,199	1,783	35.3	44.6	173	291	4.6	4.9
Japan	3,345	6,728	15,298	17,404	4,894	15,555	1.0	2.3	46,966	48,102	11.2	7.9
Jordan	1,075	2,987	1,128	1,523	973	1,759	28.0	26.7	719	653	14.7	5.5
Kazakhstan	..	3,073	523	3,915	155	793	2.6	2.6	296	854	4.9	3.3
Kenya	896	1,199	..	..	590	969	20.0	18.9	183	..	5.2	..
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	3,753	6,022	3,819	10,078	6,670	8,148	4.5	2.4	6,947	16,831	4.5	5.4
Kuwait	72	91	878	1,928	309	414	2.2	1.2	2,513	4,150	19.9	21.6
Kyrgyz Republic	36	315	42	239	..	94	..	10.0	7	71	0.7	5.1
Lao PDR	60	672	..	..	52	..	12.8	..	34	..	4.5	..
Latvia	539	1,116	1,812	2,959	37	446	1.8	5.9	62	655	2.8	6.6
Lebanon	450	1,140	..	..	710	5,869	..	45.0	..	3,535	..	21.8
Lesotho	87	..	..	..	29	..	14.6	..	17	36	1.6	2.7
Liberia	..	..	..	..	..	..	..	..	..	..	..	..
Libya	56	149	484	..	4	261	0.1	1.5	98	789	1.7	7.4
Lithuania	650	2,000	1,925	3,502	102	975	3.2	6.6	107	757	2.7	4.5
Macedonia, FYR	147	197	..	..	35	92	2.7	3.7	30	94	1.7	2.6
Madagascar	75	229	39	67	106	265	14.2	51.5	79	184	8.0	24.0
Malawi	192	471	..	..	22	36	4.7	..	53	58	8.0	..
Malaysia	7,469	16,431	20,642	30,761	5,044	10,389	6.1	6.4	2,722	4,339	3.1	3.3
Mali	42	143	..	..	26	142	4.9	11.7	74	126	7.5	7.8
Mauritania	..	..	..	..	..	..	..	..	30	..	5.9	..
Mauritius	422	761	107	183	616	1,189	26.2	31.6	184	295	7.5	7.1
Mexico	20,241	21,915	8,450	13,305	6,847	12,801	7.7	5.6	3,587	8,951	4.4	3.7
Moldova	32	23	71	57	71	163	8.0	10.7	73	197	7.3	7.2
Mongolia	108	301	..	..	33	205	6.5	16.9	22	207	4.2	14.7
Morocco	2,602	5,843	1,317	1,746	1,469	5,426	16.2	28.9	356	999	3.2	4.4
Mozambique	..	470	..	..	..	138	..	6.6	..	187	..	6.5
Myanmar	117	232	..	..	169	98	12.9	3.1	38	32	1.5	1.3
Namibia	272	695	..	..	..	426	..	18.4	..	..	..	..
Nepal	363	375	100	373	232	160	22.5	12.5	167	221	10.3	8.2
Netherlands	6,574	10,012	12,313	17,086	10,611	..	4.4	..	13,151	..	6.1	..
New Zealand	1,409	2,365	920	1,872	..	..	..	..	..	..	..	..
Nicaragua	281	712	255	740	51	211	7.7	11.3	56	161	4.9	4.9
Niger	35	55	10	..	26	29	7.1	7.0	26	39	5.7	5.7
Nigeria	656	962	..	..	47	49	0.4	0.1	939	1,469	7.3	7.0
Norway	2,880	3,859	590	3,122	2,730	3,884	4.9	2.9	4,481	8,788	9.6	12.2
Oman	279	1,116	..	..	..	679	..	3.5	..	838	..	7.6
Pakistan	378	798	..	..	582	827	5.7	4.3	654	1,748	4.6	6.0
Panama	345	702	185	285	372	1,108	4.9	10.3	181	388	2.3	3.6
Papua New Guinea	42	69	51	..	..	..	..	..	..	..	..	..
Paraguay	438	341	427	188	162	96	3.4	2.4	173	129	3.3	3.1
Peru	479	1,486	508	1,841	521	1,371	7.9	7.1	428	900	4.5	5.9
Philippines	1,760	2,623	1,615	2,144	1,141	2,620	4.3	5.9	551	1,547	1.7	2.9
Poland	19,215	15,200	36,387	40,841	6,927	7,127	19.4	6.3	5,865	4,686	17.3	4.1
Portugal	9,511	11,617	..	..	5,646	9,222	17.5	17.3	2,540	3,763	6.4	5.4
Puerto Rico	3,131	3,686	1,237	1,410	1,828	3,239	..	..	1,155	1,663	..	..



6.15

Travel and tourism

	International tourists				Tourism expenditure in the country				Tourism expenditure in other countries			
	Inbound		Outbound		\$ millions		% of exports		\$ millions		% of imports	
	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Romania	2,757	..	5,737	7,140	689	1,310	7.3	4.0	749	1,022	6.6	2.4
Russian Federation	10,290	22,201	21,329	28,416	..	7,402	..	2.8	..	18,795	..	11.4
Rwanda	..	..	..	..	4	..	5.4	..	13	..	3.5	..
Saudi Arabia	3,325	9,100	..	3,811	..	6,111	..	3.4	..	3,763	..	4.7
Senegal	280	387	..	..	168	269	11.2	14.7	154	129	8.5	4.9
Serbia and Montenegro	228	725	..	..	..	..	..	..	..	..	..	..
Sierra Leone	38	40	6	63	..	..	..	..	51	34	19.4	7.4
Singapore	6,070	7,080	2,867	5,165	..	..	..	..	..	..	..	..
Slovak Republic	903	1,515	218	486	630	932	5.7	3.5	338	903	3.2	2.6
Slovenia	732	1,555	..	2,800	1,128	1,894	10.9	8.6	606	1,019	5.6	4.6
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	4,488	7,369	2,520	..	2,655	8,448	7.7	12.7	2,414	4,813	7.2	7.0
Spain	34,920	55,577	3,648	5,121	27,369	52,960	20.4	18.4	5,826	18,440	4.3	5.3
Sri Lanka	403	549	504	727	367	729	7.9	9.2	279	553	4.7	5.5
Sudan	29	61	195	..	..	..	..	..	..	..	..	..
Swaziland	300	839	..	1,082	54	109	5.3	4.9	45	54	3.5	2.4
Sweden	2,310	..	10,127	12,598	4,390	8,584	4.6	4.8	6,816	11,847	8.4	7.9
Switzerland	6,946	7,229	11,148	..	11,354	12,961	9.2	6.6	9,478	11,060	8.7	6.5
Syrian Arab Republic	815	..	1,746	4,564	..	2,283	..	23.4	..	593	..	5.5
Tajikistan	..	..	..	..	..	10	..	0.8	..	..	..	..
Tanzania	285	566	157	..	344	836	28.4	28.9	424	577	21.6	15.1
Thailand	6,952	11,567	1,820	3,047	9,257	12,629	13.2	9.7	4,791	5,790	5.8	4.3
Togo	53	81	..	..	..	25	..	3.3	41	38	6.1	3.5
Trinidad and Tobago	260	463	261	..	232	661	8.3	7.8	91	288	4.3	2.7
Tunisia	4,120	6,378	1,778	2,241	1,838	2,782	23.0	19.2	294	443	3.3	3.0
Turkey	7,083	20,273	3,981	8,246	..	..	..	..	..	..	..	..
Turkmenistan	218	12	21	33	13	..	0.7	..	74	..	4.1	..
Uganda	160	468	148	189	..	357	..	26.6	..	137	..	5.3
Ukraine	3,716	15,629	6,552	15,488	448	3,542	2.2	8.0	405	3,078	1.9	7.0
United Arab Emirates	2,315	5,871	..	..	632	2,200	..	..	..	5,300	..	..
United Kingdom	23,537	29,971	41,345	66,494	27,577	39,573	8.6	6.7	30,749	73,786	9.4	11.0
United States	43,490	49,209	51,285	63,502	93,700	122,944	11.8	9.6	60,924	99,624	6.8	5.0
Uruguay	2,022	1,808	562	658	725	690	20.7	13.6	332	328	9.3	7.1
Uzbekistan	92	262	246	455	15	57	..	..	..	..	..	..
Venezuela, RB	700	706	534	1,067	995	713	4.8	1.3	1,852	1,837	11.0	6.3
Vietnam	1,351	3,468	..	..	..	1,880	..	5.1	..	..	..	..
West Bank and Gaza	220	88	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	61	336	..	..	..	..	..	..	..	224	..	4.2
Zambia	163	515	..	..	47	161	6.1	..	83	..	6.2	..
Zimbabwe	1,363	..	256	..	145	99	..	..	106	..	..	..
World	524,060 t	736,109 t	427,305 t	568,830 t	497,633 t	787,293 t	8.0 w	6.5 w	383,191 t	621,415 t	7.9 w	6.3 w
Low income	10,879	17,998	..	9,317	..	12,490	..	5.9	..	11,060	..	6.2
Middle income	159,782	265,628	208,088	273,023	93,536	187,387	8.2	6.4	43,377	126,571	5.6	5.1
Lower middle income	66,091	123,098	38,567	88,101	49,702	104,938	7.6	6.1	31,176	62,312	5.4	4.3
Upper middle income	93,691	142,530	169,521	184,922	50,435	83,641	8.9	6.6	26,008	64,259	6.9	6.0
Low & middle income	170,661	279,291	213,011	282,340	101,738	205,221	8.1	6.4	46,653	131,051	5.7	5.1
East Asia & Pacific	44,254	91,295	36,006	81,084	35,094	66,121	7.1	5.0	20,679	39,432	4.9	3.7
Europe & Central Asia	58,037	90,756	142,185	161,107	..	..	..	6.1	..	41,223	..	6.8
Latin America & Carib.	39,667	54,142	21,025	32,407	20,620	38,687	7.1	5.7	18,505	29,372	6.5	5.2
Middle East & N. Africa	13,420	27,605	11,226	14,092	11,096	25,288	12.3	23.0	3,287	9,217	4.3	7.1
South Asia	3,744	6,254	4,522	8,792	..	6,343	..	4.6	..	6,951	..	5.1
Sub-Saharan Africa	12,119	17,247	..	..	6,385	17,893	6.8	9.2	5,739	8,670	7.0	6.7
High income	353,399	456,818	214,294	365,507	393,204	580,977	7.9	6.5	336,538	490,364	8.2	6.8
Europe EMU	197,165	250,904	124,665	174,788	175,291	253,742	8.2	7.1	141,996	171,072	8.2	6.6

About the data

Tourism is defined as the activities of people traveling to and staying in places outside their usual environment for no more than one year for leisure, business, and other purposes not related to an activity remunerated from within the place visited. The social and economic phenomenon of tourism has grown substantially over the past quarter century. Past descriptions of tourism focused on the characteristics of visitors, such as the purpose of their visit and the conditions in which they traveled and stayed. Now, there is a growing awareness of the direct, indirect, and induced effects of tourism on employment, value added, personal income, government income, and the like.

Statistical information on tourism is based mainly on data on arrivals and overnight stays along with balance of payments information. But these data do not completely capture the economic phenomenon of tourism or give governments, businesses, and citizens the information needed for effective public policies and efficient business operations. Credible data are needed on the scale and significance of tourism. Information on the role tourism plays in national economies throughout the world is particularly deficient. Although the World Tourism Organization reports that progress has been made in harmonizing definitions and measurement units, differences in national practices still prevent full international comparability.

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

outbound tourists refer to the number of arrivals and departures of visitors within the reference period, not to the number of people traveling. Thus a person who makes several trips to a country during a given period is counted each time as a new arrival. International visitors include tourists (overnight visitors), same-day visitors, cruise passengers, and crew members.

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

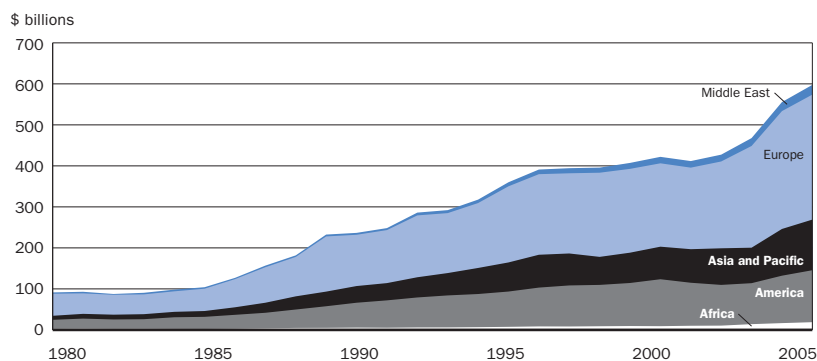
Aggregates are based on the World Bank's classification of countries and differ from those in the World Tourism Organization's publications. Countries not shown in the table but for which data are available are included in the regional and income group totals. The aggregates in the table are calculated using the World Bank's weighted aggregation methodology (see *Statistical methods*) and differ from aggregates provided by the World Tourism Organization.

Definitions

• **International inbound tourists** (overnight visitors) are the number of tourists who travel to a country other than that in which they have their usual residence, but outside their usual environment, for a period not exceeding 12 months and whose main purpose in visiting is other than an activity remunerated from within the country visited. • **International outbound tourists** are the number of departures that people make from their country of usual residence to any other country for any purpose other than a remunerated activity in the country visited. • **Tourism expenditure in the country** is expenditures by international inbound visitors, including payments to national carriers for international transport. These receipts include any other prepayment made for goods or services received in the destination country. They also may include receipts from same-day visitors, except in cases where these are important enough to justify separate classification. Their share in exports is calculated as a ratio to exports of goods and services (for definition of exports of goods and services see *Definitions* for table 4.8). • **Tourism expenditure in other countries** is expenditures of international outbound visitors in other countries, including payments to foreign carriers for international transport. These expenditures may include those by residents traveling abroad as same-day visitors, except in cases where these are important enough to justify separate classification. Their share in imports is calculated as a ratio to imports of goods and services (for definition of imports of goods and services see *Definitions* for table 4.8).

International tourism generated more than \$2 billion a day in 2005

6.15a



International tourism has become an important pillar of some economies and accounted for 40 percent of global services trade in recent years. In 2005 Africa recorded the highest growth rate in international tourism receipts (8.5 percent), followed by Asia and Pacific (4.3 percent).

Source: World Tourism Organization.

Data sources

Data on visitors and tourism expenditure are available in the World Tourism Organization's *Yearbook of Tourism Statistics* and *Compendium of Tourism Statistics 2007*. Data in the table are updated from electronic files provided by the World Tourism Organization. Data on exports and imports are from the IMF's *International Financial Statistics* and World Bank staff estimates.