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April 2011

Tensions from the Two-Speed Recovery
Unemployment, Commodities, and Capital Flows



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ASSUMPTIONS AND CONVENTIONS

A number of assumptions have been adopted for the projections presented in the *World Economic Outlook*. It has been assumed that real effective exchange rates remained constant at their average levels during February 8–March 8, 2011, except for the currencies participating in the European exchange rate mechanism II (ERM II), which are assumed to have remained constant in nominal terms relative to the euro; that established policies of national authorities will be maintained (for specific assumptions about fiscal and monetary policies for selected economies, see Box A1); that the average price of oil will be \$107.16 a barrel in 2011 and \$108.00 a barrel in 2012 and will remain unchanged in real terms over the medium term; that the six-month London interbank offered rate (LIBOR) on U.S. dollar deposits will average 0.6 percent in 2011 and 0.9 percent in 2012; that the three-month euro deposit rate will average 1.7 percent in 2011 and 2.6 percent in 2012; and that the six-month Japanese yen deposit rate will yield on average 0.6 percent in 2011 and 0.3 percent in 2012. These are, of course, working hypotheses rather than forecasts, and the uncertainties surrounding them add to the margin of error that would in any event be involved in the projections. The estimates and projections are based on statistical information available through late March 2011.

The following conventions are used throughout the *World Economic Outlook*:

. . . to indicate that data are not available or not applicable;

– between years or months (for example, 2010–11 or January–June) to indicate the years or months covered, including the beginning and ending years or months;

/ between years or months (for example, 2010/11) to indicate a fiscal or financial year.

“Billion” means a thousand million; “trillion” means a thousand billion.

“Basis points” refer to hundredths of 1 percentage point (for example, 25 basis points are equivalent to $\frac{1}{4}$ of 1 percentage point).

WEO aggregated data excludes Libya for projection years due to the uncertain political situation.

Except for GDP growth and inflation, projections for Côte d’Ivoire are not shown due to the uncertain political situation.

In figures and tables, shaded areas indicate IMF staff projections.

If no source is listed on tables and figures, data are drawn from the WEO database.

When countries are not listed alphabetically, they are ordered on the basis of economic size.

Minor discrepancies between sums of constituent figures and totals shown reflect rounding.

As used in this report, the terms “country” and “economy” do not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis.

Composite data are provided for various groups of countries organized according to economic characteristics or region. Unless otherwise noted, country group composites represent calculations based on 90 percent or more of the weighted group data.

The country group composites for fiscal data are calculated as the sum of the U.S. dollar values for the relevant individual countries. This differs from the calculations in the October 2010 and earlier issues of the *World Economic Outlook*, for which the composites were weighted by GDP valued at purchasing power parities (PPPs) as a share of total world GDP.

The boundaries, colors, denominations, and any other information shown on the maps do not imply, on the part of the International Monetary Fund, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

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