

## ASSUMPTIONS AND CONVENTIONS

A number of assumptions have been adopted for the projections presented in the *World Economic Outlook* (WEO). It has been assumed that real effective exchange rates remained constant at their average levels during July 30–August 27, 2014, except for those 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 in the Statistical Appendix); that the average price of oil will be \$102.76 a barrel in 2014 and \$99.36 a barrel in 2015 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 0.4 percent in 2014 and 0.7 percent in 2015; that the three-month euro deposit rate will average 0.2 percent in 2014 and 0.1 percent in 2015; and that the six-month Japanese yen deposit rate will yield on average 0.2 percent in 2014 and 2015. 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 September 19, 2014.

The following conventions are used throughout the WEO:

- . . . to indicate that data are not available or not applicable;
- between years or months (for example, 2013–14 or January–June) to indicate the years or months covered, including the beginning and ending years or months;
- / between years or months (for example, 2013/14) 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).

Data refer to calendar years, except in the case of a few countries that use fiscal years. Please refer to Table F in the Statistical Appendix, which lists the economies with exceptional reporting periods for national accounts and government finance data for each country.

For some countries, the figures for 2013 and earlier are based on estimates rather than actual outturns. Please refer to Table G in the Statistical Appendix, which lists the latest actual outturns for the indicators in the national accounts, prices, government finance, and balance of payments indicators for each country.

The WEO has adopted the sixth edition of the *Balance of Payments and International Investment Position Manual* (BPM6). Notable changes include the following: (1) Merchanting has been reclassified from services to exports of goods. (2) Manufacturing services on physical inputs owned by others (goods for processing in the BPM5) and maintenance and repair services (repairs on goods in the BPM5) have been reclassified from goods to services. (3) Migrants’ transfers have been removed from capital transfers in the capital account because a change in ownership is no longer imputed. (4) Reverse investment in direct investment has been reclassified so as to present assets and liabilities on a gross basis. (5) A separate financial derivatives category is now included in the financial account, whereas previously it was a subitem under portfolio investment. In addition, the conventional sign for increases in assets (and liabilities) within the financial account is now positive, and balances are now computed as net acquisition of financial assets *minus* net incurrence of financial liabilities.

With the adoption of the BPM6, the Statistical Appendix tables of the WEO have also been revised. Table A13, which previously summarized data on net and private financial flows in emerging market and developing economies, is now a Summary of Financial Account Balances. Table A14 has been deleted because of data constraints. Table A15, Summary of Sources and Uses of World Savings, is now A14, Summary of Net Lending and Borrowing, and Table A16 has been renumbered as A15. Part B of the Statistical Appendix contains most of the same tables as previous WEO reports. Tables B16–B21 have been absorbed into a new Table B15, Summary of Current

Account Transactions, and into A13, Summary of Financial Account Balances. As a result, the subsequent tables have been renumbered, so that the former Tables B22 through B27 are now Tables B16 through B21.

Following the recent release of the 2011 International Comparison Program (ICP) survey for new purchasing-power-parity benchmarks, the WEO's estimates of purchasing-power-parity weights and GDP valued at purchasing power parity have been updated. For more detail, see "Revised Purchasing Power Parity Weights" in the July 2014 *WEO Update* (<http://www.imf.org/external/pubs/ft/weo/2014/update/02/index.htm>).

As in the April 2014 WEO, data for Syria are excluded from 2011 onward because of the uncertain political situation.

Because of the ongoing IMF program with Pakistan, the series from which the nominal exchange rate assumptions can be calculated are not made public, as the nominal exchange rate is a market-sensitive issue in Pakistan.

As in the April 2014 WEO, the consumer price projections for Argentina are excluded because of a structural break in the data. Please refer to note 5 in Table A7 of the Statistical Appendix for further details.

Data for Latvia, which were previously excluded from the euro area aggregates because of data constraints, are now included.

Projections for Ukraine, which were previously excluded because of the crisis, are once again included.

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 noted otherwise, country group composites represent calculations based on 90 percent or more of the weighted group data.

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.