



Annex

Emerging Market Banking Systems

The turbulence in international capital markets in the period beginning in August 1998 had a differentiated impact on various emerging market banking systems that reflects both the relative soundness of the different systems and the magnitude of the spillovers across regions. This annex reviews developments in the major emerging markets' banking systems since midyear, with a focus on those systems where banking problems and vulnerabilities are considered to be significant by market participants and the major rating agencies.¹

Although the recent financial turbulence has not had a major impact in Asia, most banking systems in the region have experienced further deteriorations in asset quality as their economies have continued to weaken. Moreover, the slow progress in corporate restructuring has threatened to delay the final resolution of problems in the banking systems. In addition, the reduction in market interest rates has not been fully reflected in lending rates, and banks have continued to be cautious about extending new loans. It is now evident that the restructuring of the banking systems will take time to complete, but it is important in the interim not to take actions that could increase the ultimate restructuring costs that already amount to a large share of GDP in most affected countries (see Table A1). In this regard, measures that put pressures on banks to expand their lending—such as those that have been taken in China and Malaysia—create the risk that banks could further add to their stock of bad loans. Meanwhile, the operating environment for Latin American banks has deteriorated in the aftermath of the Russian crisis, following the drying up of external financing, increases in interest rates, and the associated slowdown in economic activity. Most banks in the region have suffered losses associated with their securities portfolios and are expecting a deterioration in their loan portfolios, but systemic risks continue to be relatively low. The impact of financial turbulence on most of eastern Europe's banks has been relatively minor, since direct exposure to Russia and spillovers to the region have

been limited. The restructuring of Russia's banking system is a top priority of the government's anticrisis plan, but the restructuring process is likely to face severe financing constraints.

Asia

As *China* has attempted to fend off the effects on its economy of the regional slowdown, the need to accelerate financial sector reform and address the vulnerabilities of its banking system has become a critical issue. At the beginning of 1998, the system of quotas that used to guide state-owned banks' loan growth was abolished, in an attempt to strengthen the banks' efforts to manage their problem loans and to induce them to become more commercially oriented.² As a result, credit growth slowed in the first quarter of the year, prompting the government to declare that while banks were free to make their own decisions, they must bear in mind their duty to support the government's objective of achieving 8 percent GDP growth in 1998. So far, the government has adopted a policy of gradually writing off bad loans accumulated in the past so as to achieve a "soft landing" in solving the bad-loan problem in tandem with the restructuring of state-owned enterprises. However, analysts worry that faster loan growth may cause problem loans to grow faster than the banks can write them off, deepening the banks' problems of asset quality.

Meanwhile, the authorities have moved decisively to deal with the weaknesses of China's nonbank financial institutions. Spurred by the lessons from the Asian crisis, where nonbank financial institutions were often at the heart of the financial crises, in October the People's Bank of China ordered the closure of Guangdong International Trust and Investment Company (GITIC) and 12 credit cooperatives in Beihai. Other international trust and investment corporations—the so-called ITICs—have, like GITIC, taken

¹See the September 1998 *International Capital Markets* report for an analysis of the major Asian banking crises and a discussion of developments in the systemically important emerging markets' banking systems in the period from July 1997 to June 1998. The analysis draws on publicly available material published by national authorities, banks, and rating agencies.

²China's four state commercial banks account for two-thirds of total bank assets, and while their nonperforming loans are estimated at 20–25 percent on Chinese definitions, market participants believe them to be closer to 40 percent (see the September 1998 *International Capital Markets* report). The authorities have used a Y 270 billion (about 3 percent of GDP) bond issuance to recapitalize these banks.

Table A1. Asia: Estimated Costs of Bank Restructuring¹

	Local Currency Cost	U.S. Dollar Equivalent ² (billions of U.S. dollars)	Percent of GDP
Interest costs			
Indonesia	Rp 40 trillion	5.4	3.50
Korea	₩ 8 trillion	6.4	2.00
Thailand	B 143 billion	4.0	3.00
Malaysia	RM 3.5 billion	0.9	1.25
Philippines	P 11.9 billion	0.3 ³	0.25–0.50
Total		17.0	
Total cost (stock of debt issued)			
Indonesia	Rp 300 trillion	40	29.00
Korea ⁴	₩ 74.7 trillion	60	17.50
Thailand	B 1,583 billion	43	32.00
Malaysia	RM 48.4 billion	13	18.00
Philippines	P 110 billion	3	4.00
Total		159	

¹IMF staff estimates as of November 30, 1998. The estimates do not necessarily reflect the assessments of the authorities. The numbers are highly tentative and depend on many factors, including the evolution of real interest rates. They include both budgetary and extrabudgetary costs and are intended to measure the up-front financing costs (that is, they do not include receipts from any eventual sale of problem assets).

²Converted at exchange rates on November 30.

³Assumes 10 percent interest rate.

⁴Includes asset swaps of public enterprise stocks (₩ 8.9 trillion).

on short-term borrowings to finance long-term infrastructure and industrial projects and may face similar problems. GITIC's default on foreign obligations was interpreted by some market participants as a change in the rules of the game,³ and this prompted a number of foreign banks to retreat from lending to the other ITICs as well as to the "window" companies controlled by Chinese provincial governments and listed in Hong Kong SAR. Although the ITICs account for only 2 percent of total financial system assets in China, market participants worry that their difficulties may cause a credit squeeze, with repercussions for the whole economy. However, the closure of nonbank financial institutions may consolidate the strength and strategic importance of China's banks—as depositors move their funds from the ITICs and credit cooperatives to the banking system—and would constitute a more desirable precedent than would comprehensive bailouts.

The banking systems of the financial centers of *Hong Kong SAR* and *Singapore* were affected differently by the financial turmoil, but most banks' strong capital positions and good profitability have given them enough cushion to absorb the expected increase in nonperforming loans. Problem loans of Hong Kong banks grew to above 3 percent of total assets in 1998.

³Some investors had interpreted previous statements of local government officials as implicit guarantees on debts that had been registered with the State Administration for Foreign Exchange Approval (SAFE). However, the "implicit guarantees" by local governments had not been authorized by the central government. Market participants expect further clarification of the authorities' repayment policies.

While some analysts expect the ratio to increase significantly, Hong Kong banks are well capitalized and prepared to absorb such losses. Nonperforming loans have risen to just over 5 percent for Singapore's banks; although their regional exposures are high, their Basle risk-adjusted capital-to-asset ratios are between 15 and 20 percent.

In *Indonesia*, the authorities have begun to restructure the severely damaged banking system⁴ through a mixture of bank closures, mergers, and takeovers. At the same time, efforts to recover liquidity credits extended to many banks earlier in the year have been stepped up. On August 21, 1998, the Indonesian authorities announced the resolution of the six large private banks taken over by the Indonesian Bank Restructuring Agency (IBRA) in April 1998. In addition, the authorities announced the merger of four of the seven state banks, with the new bank being placed under the management of a major international bank. Under threat of legal action, several former owners of failed banks pledged assets nominally worth around \$16 billion to cover the obligations derived from the emergency assistance provided by the central bank. In an effort to avoid an asset "fire sale," the government will hold the assets as collateral as the bankers pay their debts over the next four years. Meanwhile, negative margins between loan and deposit rates are in-

⁴The authorities have recognized that the level of nonperforming loans exceeds 50 percent of the loans of the system, while private estimates range between 60 and 75 percent. Analysts estimate that most sectors of the banking system, public and private, are experiencing widespread insolvency, and the negative net worth of the system is estimated at around 30 percent of GDP.

creasing insolvencies in the banking system, and only a few banks with low ratios of loans to deposits are expected to survive in the current environment.

Progress with corporate restructuring has been very slow, but a framework for the voluntary restructuring of corporate debt—the Jakarta Initiative—was announced on September 9, 1998, to complement the Indonesia Debt Restructuring Agency (INDRA) scheme and the newly amended bankruptcy law. The INDRA scheme provides exchange risk protection to private debtors who agree with their creditors to restructure their external debts while the Jakarta Initiative provides a set of principles to guide and streamline out-of-court corporate restructuring. The potential initiation of bankruptcy procedures provides an important incentive for the conclusion of restructuring agreements under the initiative. Although the government's role is limited to facilitating negotiations among private parties, in circumstances where a debtor is not cooperating within the framework the principles recognize the authority of the public prosecutor to initiate bankruptcy procedures against a public company for reasons of public interest.

Since mid-1998, with the asset quality of *Korean* banks continuing to deteriorate, the authorities accelerated the process of consolidation through a series of bank mergers. However, the lack of progress in corporate restructuring could delay any final resolution of the problems in the banking sector. The Financial Supervisory Commission (FSC) announced that problem loans—broadly defined to include loans classified as “precautionary”—amounted to about 22 percent of total loans in the financial sector as of end-June 1998. Of the eight major banks, four did not achieve the 8 percent minimum capital adequacy ratio at end-June, and other banks are also likely to face capital shortages following the tightening of regulations announced in the latest Letter of Intent to the IMF. Since June 1998, the FSC has ordered sound banks to take over five insolvent banks and forced a number of big banks to merge, all in return for the government's promise to buy nonperforming loans of merged banks and supply funds for recapitalization.⁵ On September 3, the country's largest *chaebol* announced plans to merge some of their operations, but these so-called “big deals” fell short of what had been expected, and their implementation has faced several problems. The lack of progress has prompted the government to set a deadline of December 15 for the *chaebol* to devise proposals for the comprehensive restructuring of their activities or face the prospect of forced closure of fail-

ing affiliates, the cutting off of credit lines, or both. The government has also asked banks to gradually reduce their exposures to any single entity from the current ceiling of 45 percent of total capital to 25 percent by 2002. Finally, the privatization of Korea First Bank and Seoul Bank is scheduled for January 1999, but foreign interest remains uncertain.

The problems of the *Malaysian* banking system have intensified as economic conditions have deteriorated in 1998. Official estimates of nonperforming loans reached 17.8 percent of outstanding loans at end-September 1998, up from the 10.6 percent recorded at end-April. The authorities estimate that the financial system's recapitalization requirements for 1998–99 will amount to around 11.8 percent of GDP. The capital controls introduced in September have not had a major direct impact on Malaysian banks, other than the loss of some foreign exchange income and a higher cost of doing business, and the decline in domestic interest rates may have a positive impact on asset quality. Moreover, the forced repatriation of all ringgit held abroad, combined with the progressive lowering of statutory reserve requirements, has significantly expanded liquidity within the banking system. In addition, the relaxation of restrictions on lending to the property and equity sectors has been accompanied by increasing government pressure on the banks to increase their lending activities. If these policies result in a significant expansion of the banks' loan book on the basis of noncommercial criteria, especially in the midst of a severe recession, there is clearly a risk of a further deterioration in asset quality.⁶

The Malaysian authorities have taken several steps to shore up the banking system, but there are concerns among market participants that the decision to relax banks' disclosure and provisioning requirements may conceal, rather than address, the banking system's problems. In recent months, Danamodal Nasional, the government agency set up to recapitalize banks, has injected capital into several weak banks and finance companies, and the agency is well placed to encourage these institutions to merge and restructure. Danaharta, the agency set up in June 1998 to purchase nonperforming loans, also started operations in August 1998. Soon after the imposition of capital controls, the government reversed a recent central bank regulation requiring loans to be classified as nonperforming when three months in arrears—compared to six months previously—a move that constitutes a departure from international standards.⁷

⁵By mid-October, the Korea Asset Management Corporation had spent W 18 trillion purchasing nonperforming loans at an average discount of 45 percent. It is unclear whether realistic loan-recovery values are included in such discounts or whether these transactions will add to the increasing government support to the restructuring process.

⁶More recently, the authorities have recognized that the 8 percent minimum loan growth target would not be attainable and have estimated loan growth of 2–3 percent for 1998.

⁷The change in the three-month arrears standard has technically reduced the volume of the banks' nonperforming loans from 17.8 percent to 12.4 percent as of end-September 1998.

In *Thailand*, the banking system has continued to face severe difficulties. For the first half of the year, larger banks reported losses ranging from 10 to 30 percent of end-1997 equity, while most of the smaller banks reported losses exceeding 60 percent of equity. Nonperforming loans throughout the banking system have grown to an average of around 40 percent (for nonintervened banks). Market participants have expressed concern over the health of a number of medium-sized banks, accounting for roughly one-fourth of deposits. Responding to these difficulties, on August 14 the authorities announced a bank restructuring plan, which accelerated the consolidation of banks and finance companies, prepared for the privatization of intervened banks, and introduced bank capital support facilities for banks that either raise new private capital (the Tier-1 capital support scheme) or bring forward debt restructuring and new lending to the private sector (Tier-2 capital support).⁸ However, while the fear of ownership dilution and the requirement to bring forward Year 2000 provisioning rules have made banks reluctant to make use of the Tier-1 scheme, there is growing interest in the use of the Tier-2 capital support facilities. At the same time, the Bank of Thailand will continue to review banks' capital adequacy and their adherence to best-practice provisioning requirements (which are being phased in); banks in need of additional capital will be required to sign detailed Memoranda of Understanding with the Bank of Thailand. Finally, the process of auctioning the assets of the closed 56 finance companies has proceeded according to plan, and is now entering its final stage, with the next major auction of \$11 billion of assets scheduled for mid-December. This auction of business loans is crucial, not only for its size, but also for bringing back liquidity to the commercial real estate market and for helping to set new benchmark prices.

Latin America

Argentina's banking system is well capitalized and is regarded by bank analysts as one of the strongest in the region, and it has been only modestly affected by the relatively small increase in interest rates that Argentina experienced during the recent financial turmoil. Nevertheless, banks have been affected by some losses in their fixed-income portfolios and slower loan growth. As a result, some asset quality deterioration is likely to have lowered the banks' performance in the second

half of 1998.⁹ Although two medium-sized banks experienced liquidity problems in October, and one of them was suspended, deposits in the banking system continued to grow. Moreover, the liquidity problems were limited and had no systemic implications. Some banks in *Chile* have experienced declines in profits in the third quarter of this year, but most Chilean banks are well reserved and continue to be viewed as having the best asset quality in the region: past-due loans increased from 0.97 percent of total loans in December 1997 to 1.19 percent in July 1998. *Venezuelan* banks have already shown the initial signs of a deterioration in asset quality as a result of lower oil prices, political uncertainty, and high interest rates; as a result, some banks have been downgraded by the major rating agencies. The ratio of nonperforming loans (including interest in arrears) to total loans rose from 3.7 percent in December 1997 to 7.7 percent in September 1998.

Although the banking system in *Brazil* is highly capitalized, it has suffered from the extreme financial volatility of the past few months and will come under pressure as the government strives to fully regain the confidence of international investors. Rating agencies have expressed concerns that an extended period of low access to international capital markets could affect those large Brazilian banks that are more dependent on foreign funding. Also, while banks are unlikely to experience major losses on their securities portfolios—as domestic securities are now mostly floating-rate instruments, contrary to the October 1997 episode—credit risk has clearly increased. Although lending is a relatively small fraction of the banks' assets,¹⁰ high real interest rates and a slowdown in economic activity have reduced loan growth and will likely reduce the credit quality of loan portfolios—especially in some of the less well-capitalized medium-sized and small banks—but systemic risk remains low.

Mexican banks continue to struggle with asset quality problems, and market participants expect the operating environment to remain weak for at least one more year. Almost one-third of the assets of those banks participating in the loan purchase and capitalization scheme are in illiquid FOBAPROA securities that do not produce any cash flow or are linked to money market interest rates. Earnings in the second quarter were weak, in large part due to losses in securities portfolios, and analysts expect the weakness to continue in the second half of the year. Asset quality improved marginally in the second quarter, but market analysts expect a deterioration going into 1999.

⁸This plan has been complemented by additional efforts to speed restructuring of corporate debt, including improvements to the bankruptcy and foreclosure laws to encourage debtors to enter negotiations, development of a framework to guide restructuring (the Bangkok Approach), and removal of numerous tax impediments to corporate debt restructuring.

⁹Nonperforming loans in the overall banking system continued to fall in the first half of the year and were 9.7 percent of total loans at end-June. For the private banks, the nonperforming loan ratio—net of provisions—was 2.4 percent.

¹⁰The ratio of loans to total assets of the five largest banks was 28.8 percent at end-June 1998, even lower than the ratio evident before the *Real Plan*.

Eastern Europe and Russia

Events in Russia have had a minor impact on most of eastern Europe's banking systems—with an exception perhaps in the *Czech Republic*—as direct exposures are relatively small. Russian assets of regional banking systems are generally less than 2 percent of total assets, and are mostly trade-related rather than financial assets. Asset quality and capitalization have continued to improve in *Poland* and *Hungary*, despite the fact that loan growth has been rapid and the share of government loans in total assets has declined. In contrast, Czech banks have experienced a deterioration in credit quality during the recent economic recession. The three major Czech banks have recently been downgraded by a major rating agency on grounds of large exposures to a weak corporate sector and a deteriorating external environment. Market participants remain concerned that the banking sector may deteriorate further if an economic recovery does not occur.

The banking system has been one of the main intermediaries of capital inflows in *Turkey*, and the recent financial turbulence is likely to increase the system's vulnerability to market and credit risk. Private sector commercial banks¹¹ have large net foreign exchange positions (amounting to \$2.5 billion at mid-September 1998) and have relied on international funding to finance large holdings of high-yielding government securities.¹² The banks have also financed their large operations in government securities mainly through repurchase agreements (repos), in part because of regulatory and tax incentives. The growing use of repos in 1997 and 1998 has increased the banks' maturity mismatch as well as their off-balance-sheet exposure. Many of the private banks are owned by large corporate groups, and rating agencies worry that lending limits may be easily breached, increasing the credit risks suggested by a relatively low level of nonperforming loans (2.2 percent of total loans at end-June 1998).

¹¹State banks account for more than one-third of the system's total assets and do a fair amount of subsidized lending to favored sectors.

¹²The foreign liabilities of private commercial banks were \$12.5 billion at end-June 1998. International banks have long had an appetite for Turkish bank risk, in part because the country's OECD membership implies lower risk weightings for such facilities.

The developments of August 17, 1998 delivered a double blow to the *Russian* banking system, because the largest banks hold a large proportion of their total assets as government securities and because of the scale of their foreign currency liabilities—including those derived from forward foreign exchange contracts. In addition to the highly speculative activities in securities and foreign exchange markets, most Russian banks have close links with their business clients and the government. In particular, a large number of banks belong to the so-called financial and industrial groups (FIGs), which have large shareholdings and exposures to the industrial sector, high levels of connected lending, and rely on a few large corporate accounts for funding. Poor accounting rules, prudential regulation, and supervision further contributed to the weak financial condition of most banks, which brought about the collapse of the system in the aftermath of the ruble's devaluation. Over the past three months, the Central Bank of Russia has granted liquidity support to many banks and more recently has submitted a bank restructuring program to the State Duma. The program recognizes that the recapitalization of the banking system is a top priority of the government anticrisis plan and would divide the banks into four groups: (1) financially sound banks (some 500 small and medium-sized banks with little exposure to GKO—ruble-denominated discount instruments—and foreign exchange); (2) banks having positive equity capital but facing liquidity problems (some 400 regional banks with large branch networks); (3) large banks that are bankrupt but whose closure would have grave social and economic consequences; and (4) insolvent banks that are considered nonessential. The last group of banks will be liquidated, while the first will receive only temporary liquidity assistance. Banks in the second and third groups will receive central bank funds against controlling stakes in their equity and will be managed by external management teams that would have an option to buy a controlling stake. A key issue will be which banks will be listed in the third—rather than the fourth—category. Market participants consider that most of the large Moscow-based banks are likely to be included in the third group, although this strategy would face severe financing constraints as external financing for the banking system is unlikely to be forthcoming. Moreover, this strategy would make it difficult to address the severe governance problems currently embedded in the system.



Statistical Appendix

Eight statistical tables are included in this appendix. They focus on global developments and represent a subset of the traditional 46 Statistical Appendix tables in the *World Economic Outlook*. Data in these tables have been compiled on the basis of information available in mid-December 1998.

Assumptions

Key assumptions underlying the estimates for 1999 and beyond are:

- Real effective *exchange rates* for the advanced economies are assumed to remain constant at their average levels during the period October 19–November 4, 1998, except that the bilateral exchange rates among the ERM currencies are assumed to re-

main constant in nominal terms. For 1999, these assumptions imply an average U.S. dollar/SDR conversion rate of 1.407.

- Established *policies* of national authorities are assumed to be maintained.
- It is assumed that the *price of oil* will average \$14.51 a barrel in 1999 and remain unchanged in real terms thereafter.
- With regard to *interest rates*, it is assumed that the London interbank offered rate (LIBOR) on six-month U.S. dollar deposits will average 5 percent from 1999 onward.

For a full description of *World Economic Outlook* data and conventions, as well as the classification of countries in the various groups presented in the following tables, see the October 1998 *World Economic Outlook*, pp. 158–68.

List of Tables

	Page
1. World Output	93
2. Advanced Economies: Employment and Unemployment	94
3. Inflation	95
4. Fiscal Indicators	96
5. World Trade Volumes and Prices	97
6. Payments Balances on Current Account	98
7. External Debt and Debt Service	99
8. External Financing	100

Table 1. World Output¹
(Annual percent change)

	Average 1980–89	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
World	3.4	2.7	1.8	2.5	2.6	4.0	3.7	4.3	4.2	2.2	2.2
Advanced economies	2.9	2.8	1.2	1.9	1.2	3.2	2.6	3.2	3.2	2.0	1.6
Major industrial countries	2.7	2.5	0.8	1.8	1.1	2.9	2.1	3.0	3.0	2.1	1.5
United States	2.7	1.2	-0.9	2.7	2.3	3.5	2.3	3.4	3.9	3.6	1.8
Japan	3.8	5.1	3.8	1.0	0.3	0.6	1.5	5.0	1.4	-2.8	-0.5
Germany ²	1.8	5.7	5.0	2.2	-1.2	2.7	1.2	1.3	2.2	2.7	2.0
France	2.3	2.5	0.8	1.2	-1.3	2.8	2.1	1.6	2.3	3.0	2.6
Italy	2.4	2.2	1.1	0.6	-1.2	2.2	2.9	0.7	1.5	1.3	1.9
United Kingdom	2.4	0.6	-1.5	0.1	2.3	4.4	2.8	2.6	3.5	2.6	0.9
Canada	2.9	0.3	-1.9	0.9	2.3	4.7	2.6	1.2	3.8	2.8	2.2
Other advanced economies	3.7	4.0	2.9	2.5	2.0	4.6	4.4	3.8	4.2	1.5	2.0
<i>Memorandum</i>											
Industrial countries	2.7	2.5	0.8	1.7	0.9	2.9	2.2	3.0	3.0	2.3	1.7
European Union	2.3	3.1	1.7	1.1	-0.5	3.0	2.4	1.8	2.7	2.8	2.2
Euro area	2.3	3.7	2.4	1.3	-1.0	2.7	2.3	1.6	2.5	2.8	2.4
Newly industrialized Asian economies	7.8	7.3	7.9	5.8	6.3	7.6	7.3	6.3	6.0	-2.6	0.5
Developing countries	4.3	4.0	5.0	6.6	6.5	6.8	6.0	6.5	5.7	2.8	3.5
Regional groups											
Africa	2.5	2.3	1.8	0.3	0.7	2.1	3.0	5.8	3.2	3.6	3.8
Asia	7.0	5.6	6.6	9.5	9.3	9.6	9.0	8.2	6.6	2.6	4.3
Middle East and Europe	2.2	5.6	3.5	6.5	3.9	0.7	3.8	4.7	4.5	3.3	2.9
Western Hemisphere	2.2	1.0	3.8	3.3	3.9	5.2	1.2	3.5	5.1	2.5	1.5
Analytical groups											
By source of export earnings											
Fuel	0.8	4.9	4.8	6.3	1.5	0.2	2.6	3.5	3.2	1.7	1.7
Nonfuel	5.0	3.9	5.0	6.7	7.1	7.6	6.4	6.9	6.0	2.9	3.7
By external financing source											
Net creditor countries	0.4	7.2	5.0	8.4	4.0	1.7	1.2	3.0	2.6	1.6	1.3
Net debtor countries	4.5	3.9	5.0	6.6	6.6	7.0	6.2	6.6	5.8	2.8	3.6
Official financing	3.5	3.8	3.9	3.0	2.5	3.3	3.8	5.7	3.0	4.4	3.7
Private financing	4.6	3.6	6.0	7.8	7.9	7.8	6.3	6.7	6.4	3.9	3.9
Diversified financing	4.5	4.7	2.9	4.9	4.7	6.4	6.8	6.9	5.3	-0.8	2.6
Net debtor countries by debt-servicing experience											
Countries with arrears and/or rescheduling during 1993–97	2.3	0.7	2.3	2.1	2.6	3.2	4.1	3.8	4.0	2.1	2.1
Other net debtor countries	5.6	5.3	6.1	8.3	8.0	8.3	6.9	7.6	6.4	3.0	4.0
Countries in transition	2.8	-3.5	-7.6	-14.0	-7.3	-7.1	-1.5	-1.0	1.9	-0.8	-1.9
Central and eastern Europe	...	...	-10.0	-8.7	-3.8	-2.8	1.6	1.6	2.8	2.5	2.2
Excluding Belarus and Ukraine	...	...	-10.7	-5.2	0.2	3.3	5.5	3.7	3.2	2.9	3.2
Russia	...	...	-5.4	-19.4	-10.4	-11.6	-4.8	-5.0	0.7	-5.7	-8.3
Transcaucasus and central Asia	...	...	-5.7	-18.5	-10.4	-11.4	-4.7	-3.7	1.0	-4.2	-6.1
<i>Memorandum</i>											
Median growth rate											
Advanced economies	3.0	3.2	2.2	1.4	1.3	3.6	2.9	3.5	3.5	2.9	2.2
Developing countries	3.2	3.1	2.9	3.6	2.9	3.5	4.4	4.5	4.4	4.1	4.4
Countries in transition	3.5	-2.9	-10.8	-11.4	-8.1	-1.8	1.8	3.0	3.4	4.2	3.7
Output per capita											
Advanced economies	2.2	1.9	0.4	1.2	0.6	2.5	1.9	2.5	2.6	1.4	1.1
Developing countries	1.9	2.1	3.0	4.0	4.5	4.9	4.3	4.8	4.2	1.1	1.9
Countries in transition	2.1	-4.1	-7.8	-14.1	-7.4	-7.1	-1.5	-0.8	1.9	-0.8	-2.0
World growth based on market exchange rates	3.0	2.2	0.5	0.6	0.9	2.8	2.6	3.5	3.3	1.8	1.6
Value of world output in billions of U.S. dollars											
At market exchange rates	...	22,492	23,643	23,576	24,182	25,960	28,760	29,545	29,437	29,249	31,030
At purchasing power parities	...	25,524	26,986	28,435	29,880	31,713	33,639	35,759	38,047	40,685	43,606

¹Real GDP. For classification of countries in groups shown in this table, and conventions used to calculate the group composites and multiyear averages, see the introduction to *World Economic Outlook—Statistical Appendix*.

²Data through 1991 apply to west Germany only.

Table 2. Advanced Economies: Employment and Unemployment¹

(Percent)

	Average ² 1980–89	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Growth in employment											
Advanced economies	1.2	1.6	0.1	-0.1	-0.1	1.1	1.1	1.0	1.3	0.9	0.6
Major industrial countries	1.1	1.5	—	-0.1	—	1.0	0.8	0.7	1.3	0.8	0.4
United States	1.7	1.3	-0.9	0.7	1.5	2.3	1.5	1.4	2.2	1.4	0.8
Japan	1.1	2.0	1.9	1.1	0.2	0.1	0.1	0.5	1.1	-0.7	-0.5
Germany ³	0.4	3.0	1.7	-1.9	-1.8	-0.7	-0.4	-1.3	-1.3	0.2	0.1
France	0.1	1.1	0.2	-0.6	-1.2	-0.1	1.1	—	0.6	2.1	1.3
Italy ⁵	0.4	1.4	1.4	-1.1	-4.1	-1.7	-0.5	0.4	—	0.2	0.4
United Kingdom	0.6	0.4	-3.1	-2.4	-0.8	1.8	0.9	1.2	1.6	0.9	-0.2
Canada	2.0	0.6	-1.9	-0.6	1.4	2.1	1.6	1.3	1.9	2.5	1.3
Other advanced economies	1.3	2.0	0.7	-0.2	-0.5	1.3	2.1	1.8	1.6	1.1	1.3
<i>Memorandum</i>											
Industrial countries	1.1	1.6	-0.1	-0.3	-0.3	0.9	1.0	0.9	1.3	1.0	0.6
European Union	0.4	1.7	0.1	-1.6	-2.0	-0.2	0.6	0.5	0.6	1.3	0.7
Euro area	0.4	2.1	1.0	-1.4	-2.3	-0.7	0.5	0.3	0.4	1.3	0.9
Newly industrialized Asian economies	2.5	2.3	2.3	1.9	1.5	2.8	2.2	2.0	1.9	-0.8	1.3
Unemployment rate											
Advanced economies	6.9	5.9	6.5	7.3	7.7	7.6	7.2	7.3	7.0	6.9	7.0
Major industrial countries	6.9	5.8	6.5	7.2	7.3	7.2	6.8	6.9	6.7	6.5	6.7
United States ⁴	7.3	5.6	6.8	7.5	6.9	6.1	5.6	5.4	4.9	4.5	4.8
Japan	2.5	2.1	2.1	2.2	2.5	2.9	3.1	3.3	3.4	4.2	4.9
Germany ³	7.0	6.2	5.5	7.7	8.8	9.6	9.4	10.4	11.5	10.9	10.5
France	9.0	8.9	9.4	10.3	11.6	12.3	11.6	12.4	12.7	11.7	11.3
Italy ⁵	9.8	11.0	10.9	10.7	10.2	11.3	12.0	12.1	12.3	12.2	12.0
United Kingdom	9.0	5.8	8.0	9.7	10.3	9.3	8.0	7.3	5.5	4.7	5.1
Canada	9.3	8.1	10.4	11.3	11.2	10.4	9.5	9.7	9.2	8.4	8.4
Other advanced economies	7.1	6.2	6.6	7.5	8.8	8.9	8.4	8.3	8.0	8.3	8.2
<i>Memorandum</i>											
Industrial countries	7.2	6.1	6.9	7.7	8.1	8.0	7.7	7.7	7.4	7.0	7.1
European Union	9.0	8.0	8.5	9.8	11.0	11.5	11.1	11.2	11.0	10.2	9.9
Euro area	9.3	8.8	8.7	10.0	11.3	12.2	11.9	12.3	12.4	11.6	11.2
Newly industrialized Asian economies	3.2	2.1	2.0	2.1	2.3	2.1	2.1	2.2	2.6	5.5	6.2

¹For classification of industrial countries in groups shown in this table, and conventions used to calculate the composites, see the introduction to *World Economic Outlook—Statistical Appendix*.

²For employment, compound annual rate of change; for unemployment rate, arithmetic average.

³Data through 1991 apply to west Germany only.

⁴The projections for unemployment have been adjusted to reflect the new survey techniques adopted by the U.S. Bureau of Labor Statistics in January 1994.

⁵New series starting in 1993, reflecting revisions in the labor force surveys and the definition of unemployment to bring data in line with those of other industrial countries.

Table 3. Inflation¹
(Percent)

	Average 1980–89	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
GDP deflator											
Advanced economies	6.1	4.6	5.2	3.3	2.8	2.2	2.2	1.7	1.6	1.4	1.4
Major industrial countries	5.3	4.2	5.0	3.0	2.5	1.9	1.9	1.5	1.4	1.0	1.2
United States	5.0	4.3	4.0	2.8	2.6	2.4	2.3	1.9	1.9	1.1	1.8
Japan	2.2	2.3	2.7	1.7	0.6	0.2	-0.6	-1.4	0.1	0.3	-0.9
Germany ²	3.0	3.1	12.0	5.6	4.0	2.4	2.2	1.0	0.6	1.0	1.3
France	7.1	3.1	3.3	2.1	2.5	1.5	1.6	1.2	0.9	0.9	1.3
Italy	11.7	7.6	7.7	4.7	4.4	3.5	5.1	5.0	2.6	2.6	2.1
United Kingdom	7.5	7.6	6.7	4.0	2.8	1.5	2.5	3.3	2.7	2.1	2.2
Canada	5.8	3.1	2.7	1.3	1.5	1.1	2.4	1.5	0.7	-0.4	0.5
Other advanced economies	10.2	6.5	6.3	4.7	4.1	3.5	3.5	2.9	2.4	3.0	2.1
<i>Memorandum</i>											
Industrial countries	5.6	4.4	5.0	3.1	2.6	2.0	2.1	1.6	1.5	1.1	1.3
European Union	7.2	5.5	7.3	4.4	3.6	2.6	2.9	2.4	1.8	1.7	1.8
Euro area	7.0	4.7	7.3	4.4	3.7	2.7	2.9	2.2	1.5	1.6	1.7
Newly industrialized Asian economies	6.8	7.3	7.6	5.6	5.1	4.4	3.9	3.4	2.7	5.3	1.7
Consumer prices											
Advanced economies	6.3	5.2	4.7	3.5	3.1	2.6	2.5	2.4	2.1	1.6	1.6
Major industrial countries	5.5	4.8	4.3	3.2	2.8	2.2	2.3	2.2	2.0	1.3	1.5
United States	5.5	5.4	4.2	3.0	3.0	2.6	2.8	2.9	2.3	1.6	2.2
Japan	2.5	3.1	3.3	1.7	1.2	0.7	-0.1	0.1	1.7	0.4	-0.7
Germany ²	2.9	2.7	3.5	4.7	4.4	2.7	1.8	1.5	1.8	1.0	1.2
France	7.3	3.4	3.2	2.4	2.1	1.7	1.8	2.0	1.2	0.7	0.9
Italy	11.2	6.5	6.3	5.3	4.6	4.1	5.2	3.9	1.7	1.7	1.6
United Kingdom ³	7.0	8.1	6.8	4.7	3.0	2.4	2.8	2.9	2.8	2.6	2.5
Canada	6.5	4.8	5.6	1.5	1.8	0.2	2.2	1.6	1.4	1.2	1.8
Other advanced economies	10.1	6.7	6.3	4.9	4.1	4.1	3.7	3.2	2.5	2.7	2.2
<i>Memorandum</i>											
Industrial countries	5.8	5.0	4.5	3.3	2.9	2.3	2.4	2.3	2.0	1.4	1.5
European Union	7.0	5.4	5.1	4.4	3.8	3.0	2.9	2.5	1.9	1.5	1.6
Euro area	6.9	4.4	4.4	4.3	3.8	3.0	2.9	2.4	1.7	1.3	1.4
Newly industrialized Asian economies	6.7	7.0	7.5	5.9	4.6	5.6	4.6	4.3	3.4	4.7	2.3
Developing countries	35.9	68.2	36.4	38.7	47.3	51.6	22.3	14.1	9.2	10.2	8.4
Regional groups											
Africa	15.0	16.0	24.4	32.4	30.8	37.5	34.1	26.7	11.0	8.5	7.8
Asia	8.8	7.0	8.2	7.2	11.1	15.9	12.8	7.9	4.7	7.9	6.4
Middle East and Europe	19.5	22.4	27.5	25.6	24.6	31.9	35.9	24.6	22.8	23.6	20.5
Western Hemisphere	116.7	438.4	129.0	151.4	208.5	208.3	35.9	20.8	13.9	10.3	8.3
Analytical groups											
By source of export earnings											
Fuel	13.3	14.3	21.3	22.8	26.1	32.4	42.7	30.7	15.1	14.9	11.8
Nonfuel	40.3	77.7	38.7	41.0	50.2	54.1	20.1	12.4	8.5	9.7	8.0
By external financing source											
Net creditor countries	2.6	3.9	6.1	3.2	4.2	3.4	5.0	2.4	1.3	1.3	1.7
Net debtor countries	37.4	71.2	37.7	40.1	49.1	53.5	22.9	14.5	9.4	10.4	8.6
Net debtor countries by debt-servicing experience											
Countries with arrears and/or rescheduling during 1993–97	69.4	273.9	111.6	152.7	216.2	233.2	43.0	22.2	12.6	10.4	8.0
Other net debtor countries	23.7	22.4	15.5	11.6	13.2	17.1	16.7	12.1	8.4	10.4	8.8
Countries in transition											
Central and eastern Europe	...	...	95.4	283.1	357.7	153.3	75.3	32.4	38.4	17.6	16.4
Excluding Belarus and Ukraine	...	...	98.9	103.8	79.9	45.1	25.1	23.4	40.9	16.4	10.4
Russia	...	...	92.7	1,353.0	895.9	302.0	190.1	47.8	14.7	26.0	56.3
Transcaucasus and central Asia	...	...	110.9	945.3	1,224.2	1,667.7	183.6	68.7	30.8	19.8	11.8
<i>Memorandum</i>											
Median inflation rate											
Advanced economies	6.9	5.4	4.0	3.2	3.0	2.4	2.4	2.1	1.8	1.7	1.7
Developing countries	9.8	10.4	11.8	9.8	9.5	10.6	10.0	7.3	6.2	5.0	4.7
Countries in transition	1.2	7.8	101.4	839.6	472.2	131.6	46.0	24.1	14.9	11.1	8.3

¹For classification of countries in groups shown in this table, and conventions used to calculate the group composites and multiyear averages, see the introduction to *World Economic Outlook—Statistical Appendix*.

²Data through 1991 apply to west Germany only.

³Retail price index excluding mortgage interest.

Table 4. Fiscal Indicators^{1,2}
(Percent of GDP)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Advanced economies										
Central government fiscal balance										
Advanced economies	-2.6	-3.0	-4.0	-4.2	-3.6	-3.2	-2.6	-1.3	-1.3	-1.4
United States	-3.0	-3.5	-4.7	-3.9	-2.7	-2.3	-1.4	-0.3	0.6	0.6
Japan	-0.5	-0.2	-1.7	-2.7	-3.5	-4.0	-4.3	-4.1	-5.5	-6.3
Germany ³	-2.0	-1.9	-1.3	-2.1	-1.5	-1.5	-2.2	-1.7	-1.5	-1.4
France	-1.7	-1.7	-2.9	-4.3	-4.7	-4.0	-3.6	-2.6	-2.8	-2.6
Italy	-10.2	-10.3	-10.4	-10.0	-9.2	-7.1	-6.9	-2.7	-2.7	-2.5
United Kingdom	-1.1	-2.2	-6.9	-7.9	-6.7	-5.3	-4.7	-2.0	-0.2	-0.8
Canada	-3.7	-4.3	-4.0	-4.7	-3.4	-3.0	-1.4	0.8	1.3	0.9
General government fiscal balance										
Advanced economies	-2.1	-2.7	-3.6	-4.1	-3.4	-3.2	-2.5	-1.1	-1.2	-1.5
United States	-2.7	-3.3	-4.4	-3.6	-2.3	-1.9	-0.9	0.2	1.1	1.1
Japan	2.9	2.9	1.5	-1.6	-2.3	-3.6	-4.2	-3.5	-6.2	-8.5
Germany ³	-2.0	-3.3	-2.8	-3.2	-2.4	-3.3	-3.4	-2.7	-2.4	-2.3
France	-1.7	-2.2	-3.8	-5.8	-5.7	-4.9	-4.2	-3.0	-2.9	-2.3
Italy	-11.1	-10.1	-9.6	-9.5	-9.2	-7.7	-6.7	-2.7	-2.8	-2.4
United Kingdom	-1.2	-2.5	-6.2	-7.8	-6.8	-5.5	-4.5	-1.9	0.1	-0.7
Canada	-4.5	-7.2	-8.0	-7.6	-5.6	-4.5	-2.2	0.9	1.5	1.4
General government structural balance⁴										
Advanced economies	-3.0	-2.8	-3.2	-3.0	-2.5	-2.5	-1.9	-0.7	-0.6	-0.8
United States	-2.7	-2.1	-3.1	-2.3	-1.4	-1.1	-0.5	0.2	0.6	0.7
Japan	1.9	2.0	1.2	-1.2	-1.4	-2.6	-4.2	-3.2	-4.2	-5.8
Excluding social security	-1.3	-1.4	-2.2	-4.5	-4.5	-5.8	-6.8	-5.4	-6.6	-8.4
Germany	-3.2	-5.4	-4.0	-2.2	-1.2	-2.0	-1.5	-0.7	-0.9	-0.8
France	-2.9	-2.5	-3.4	-3.2	-3.6	-3.0	-1.9	-0.8	-1.3	-0.9
Italy	-12.2	-10.7	-9.5	-8.2	-7.9	-7.1	-5.7	-1.6	-1.5	-1.2
United Kingdom	-3.8	-2.7	-3.7	-4.5	-4.5	-4.3	-3.9	-1.9	-0.6	-0.8
Canada	-5.0	-4.7	-4.4	-4.6	-4.2	-3.4	-0.6	1.8	2.1	2.1
Developing countries										
Central government fiscal balance										
Weighted average	-3.1	-3.4	-2.9	-3.2	-2.7	-2.5	-2.3	-2.3	-3.6	-3.3
Median	-4.1	-3.9	-3.8	-4.1	-3.7	-3.5	-2.7	-2.6	-3.0	-2.5
General government fiscal balance										
Weighted average	-3.8	-3.8	-3.4	-3.6	-3.3	-3.1	-2.9	-2.9	-3.8	-3.4
Median	-4.0	-3.8	-3.9	-4.1	-3.7	-3.5	-2.8	-2.6	-2.7	-2.3
Countries in transition										
Central government fiscal balance	-4.2	-9.4	-10.8	-5.9	-7.4	-4.0	-4.9	-4.5	-4.4	-3.4
General government fiscal balance	-4.3	-9.6	-15.5	-6.8	-7.2	-4.5	-5.6	-5.0	-5.1	-4.1

¹For classification of countries in groups shown in this table, and conventions used to calculate the group composites, see the introduction to *World Economic Outlook—Statistical Appendix*.

²See *World Economic Outlook—Statistical Appendix*, Tables 15–16, for definitions.

³Data through 1990 apply to west Germany only.

⁴Percent of potential GDP.

Table 5. World Trade Volumes and Prices¹*(Annual percent change)*

	Average 1980–89	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Trade in goods and services											
World trade²											
Volume	4.4	5.6	4.6	4.7	3.6	9.2	9.5	7.0	9.9	3.3	4.4
Price deflator											
In U.S. dollars	2.5	8.8	-2.1	2.6	-3.8	2.4	8.4	-1.4	-5.8	-4.1	2.7
In SDRs	2.6	2.8	-2.9	-0.3	-3.0	-0.1	2.3	3.0	-0.6	-3.1	-0.6
Volume of trade											
Exports											
Advanced economies	5.3	6.7	5.8	5.2	3.4	8.9	9.0	6.3	10.4	3.3	3.7
Developing countries	2.1	7.5	6.7	10.4	7.5	13.1	10.5	8.7	11.3	2.9	5.4
Imports											
Advanced economies	5.2	5.7	3.3	4.7	1.7	9.7	9.0	6.5	9.2	4.6	4.6
Developing countries	2.1	6.0	9.1	9.8	8.7	7.1	11.5	9.5	10.4	-0.7	5.7
Terms of trade											
Advanced economies	0.3	-0.4	-1.7	0.6	0.9	—	0.1	-0.3	-0.6	1.1	—
Developing countries	-0.8	1.5	-5.4	-3.4	-2.8	-0.1	2.6	2.3	0.1	-5.0	1.3
Trade in goods											
World trade²											
Volume	4.4	5.1	4.8	5.1	3.8	10.1	10.2	6.7	10.4	3.3	4.3
Price deflator											
In U.S. dollars	2.3	8.1	-2.4	1.9	-4.5	2.6	8.7	-1.5	-6.3	-4.4	2.8
In SDRs	2.4	2.1	-3.2	-1.0	-3.7	—	2.6	3.0	-1.1	-3.5	-0.5
Volume of trade											
Exports											
Advanced economies	5.3	6.2	5.7	4.9	3.0	9.6	9.3	6.1	11.2	3.6	3.4
Developing countries	1.7	8.5	5.5	10.6	7.5	14.0	12.0	8.6	11.3	2.4	5.4
Fuel exporters	-2.1	9.0	1.8	12.0	2.5	8.1	3.8	6.9	7.4	-2.5	3.9
Nonfuel exporters	5.7	8.3	7.5	10.0	9.6	16.1	14.5	9.1	12.5	3.8	5.8
Imports											
Advanced economies	5.2	5.1	4.1	4.8	2.3	11.1	9.4	6.0	9.8	4.7	4.8
Developing countries	2.9	6.0	6.9	15.5	10.4	7.9	12.3	9.1	9.6	-1.0	5.5
Fuel exporters	-1.1	2.8	3.2	26.8	-5.7	-12.2	3.6	1.7	12.8	3.6	4.8
Nonfuel exporters	4.3	7.0	8.0	12.2	14.9	12.5	13.8	10.3	9.1	-1.8	5.6
World trade prices in U.S. dollars³											
Manufactures	3.2	9.9	-0.3	3.5	-5.7	3.1	10.1	-3.0	-8.1	-2.5	4.0
Oil	...	28.4	-15.7	-1.7	-11.8	-5.0	7.9	18.4	-5.4	-30.5	8.4
Nonfuel primary commodities	0.6	-6.4	-5.7	0.1	1.8	13.4	8.4	-1.2	-3.3	-15.6	-0.6
World trade prices in SDRs²											
Manufactures	3.3	3.8	-1.1	0.6	-4.9	0.5	3.9	1.3	-3.1	-1.5	0.6
Oil	...	21.3	-16.4	-4.5	-11.1	-7.3	1.8	23.7	-0.2	-29.8	4.9
Nonfuel primary commodities	0.6	-11.6	-6.5	-2.8	2.7	10.6	2.3	3.3	2.0	-14.7	-3.8
Terms of trade											
Advanced economies	0.4	-0.7	-1.0	1.3	2.0	0.5	0.2	-0.8	-1.1	0.9	—
Developing countries	-0.5	1.1	-5.7	0.1	-3.4	-0.3	1.6	2.1	0.2	-4.8	1.1
Fuel exporters	-2.7	11.6	-17.4	5.8	-10.7	-6.1	-0.5	9.3	-0.2	-14.9	3.6
Nonfuel exporters	-0.2	-3.6	-0.4	-1.1	-0.5	1.8	2.0	0.3	0.3	-2.1	0.4
Memorandum											
World exports in billions of U.S. dollars											
Goods and services	2,146	4,273	4,403	4,705	4,709	5,262	6,239	6,560	6,801	6,731	7,218
Goods	1,725	3,403	3,494	3,720	3,706	4,184	5,008	5,246	5,433	5,364	5,744

¹For classification of countries in groups shown in this table, and conventions used to calculate the group composites and multiyear averages, see the introduction to *World Economic Outlook—Statistical Appendix*.

²Average of annual percent change for world exports and imports. The estimates of world trade comprise, in addition to trade of advanced economies and developing countries (which is summarized in the table), trade of countries in transition.

³As represented, respectively, by the export unit value index for the manufactures of the advanced economies; the average of U.K. Brent, Dubai, and West Texas Intermediate crude oil spot prices; and the average of world market prices for nonfuel primary commodities weighted by their 1987–89 shares in world commodity exports.

Table 6. Payments Balances on Current Account¹

(Billions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Advanced economies	-87	-24	-17	62	33	51	35	72	44	-6
Major industrial countries	-79	-21	-23	12	-9	-1	-21	6	-60	-107
United States	-92	-4	-51	-86	-124	-115	-135	-155	-231	-288
Japan	44	68	112	132	131	111	66	94	128	139
Germany ²	49	-18	-19	-14	-20	-23	-14	-4	3	4
France	-10	-6	4	9	7	11	21	39	31	25
Italy	-17	-25	-30	8	13	25	41	34	29	32
United Kingdom	-33	-14	-18	-15	-3	-6	-3	7	-7	-10
Canada	-20	-22	-21	-22	-13	-5	3	-9	-13	-10
Other advanced economies	-8	-3	6	50	42	52	56	66	104	101
<i>Memorandum</i>										
Industrial countries	-106	-39	-34	43	19	50	39	66	-15	-57
European Union	-33	-83	-81	6	22	53	90	123	100	95
Euro area	10	-63	-57	23	22	55	87	112	103	102
Newly industrialized Asian economies	19	16	16	21	16	6	1	9	62	54
Developing countries	-25	-98	-79	-121	-89	-94	-74	-66	-95	-84
Regional groups										
Africa	-8	-7	-10	-11	-12	-16	-5	-5	-16	-17
Asia	-16	-11	-13	-34	-20	-42	-39	—	33	24
Middle East and Europe	1	-63	-21	-30	-6	-1	8	4	-25	-21
Western Hemisphere	-1	-17	-35	-46	-51	-36	-38	-65	-87	-70
Analytical groups										
By source of export earnings										
Fuel	18	-60	-25	-25	-6	3	29	22	-20	-14
Nonfuel	-43	-38	-54	-96	-83	-97	-102	-88	-76	-70
By external financing source										
Net creditor countries	11	-49	-10	-15	-8	3	11	10	-8	-4
Net debtor countries	-36	-49	-69	-107	-81	-97	-84	-76	-87	-80
Official financing	-14	-13	-14	-18	-15	-16	-14	-13	-18	-19
Private financing	3	-22	-42	-74	-49	-57	-47	-41	-53	-43
Diversified financing	-25	-14	-12	-15	-17	-24	-24	-22	-16	-18
Net debtor countries by debt-servicing experience										
Countries with arrears and/or rescheduling during 1993–97	-19	-25	-20	-29	-16	-38	-25	-40	-64	-56
Other net debtor countries	-17	-24	-49	-78	-65	-60	-59	-36	-23	-24
Countries in transition	-20	5	—	-7	4	-2	-18	-25	-21	-12
Central and eastern Europe	...	-5	3	-9	-4	-6	-17	-20	-20	-21
Excluding Belarus and Ukraine	...	3	3	-7	-2	-4	-15	-18	-18	-19
Russia	...	4	-1	3	9	6	3	-1	5	14
Transcaucasus and central Asia	...	6	-2	-1	-1	-2	-4	-4	-6	-5
Total³	-132	-117	-96	-66	-52	-45	-57	-19	-72	-101

¹For classification of countries in groups in this table, and conventions used to calculate the group composites and multiyear averages, see the introduction to the *World Economic Outlook—Statistical Appendix*.

²Data through June 1990 apply to west Germany only.

³Reflects errors, omissions, and asymmetries in balance of payments statistics on current account, as well as the exclusion of data for international organizations and a limited number of countries.

Table 7. External Debt and Debt Service

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	<i>Percent of exports of goods and services</i>									
External debt³										
Developing countries	177.6	184.0	180.7	191.9	179.3	163.3	152.1	143.1	160.2	157.0
Regional groups										
Africa	217.7	234.5	232.2	264.4	273.6	248.1	226.4	210.5	233.5	221.1
Asia	163.2	159.4	153.2	151.9	139.3	124.0	119.7	115.7	124.0	121.8
Middle East and Europe	92.3	97.9	100.9	115.0	111.1	100.3	89.1	84.8	103.6	100.8
Western Hemisphere	266.7	277.3	276.5	293.3	264.6	248.8	231.3	213.6	240.5	235.7
Analytical groups										
By external financing source										
Net creditor countries	12.3	13.1	18.1	21.0	21.2	16.5	14.3	14.9	22.9	24.6
Net debtor countries	210.9	216.3	210.2	219.4	201.8	182.9	170.4	159.8	176.1	172.3
Official financing	331.9	350.7	351.7	370.8	368.3	324.1	295.3	280.5	299.5	284.7
Private financing	169.5	172.4	168.6	181.9	161.2	150.2	140.8	132.5	150.0	149.5
Diversified financing	271.9	288.4	275.7	270.8	268.9	234.1	217.7	203.7	211.8	200.3
Net debtor countries by debt-servicing experience										
Countries with arrears and/or rescheduling during 1993–97	284.9	314.1	313.8	332.0	323.4	290.1	262.7	242.9	277.4	265.7
Other net debtor countries	172.0	172.1	166.0	174.8	158.7	146.6	138.4	131.3	143.0	140.2
Countries in transition	100.0	106.7	128.3	126.1	120.1	100.1	95.4	94.8	106.6	103.8
Central and eastern Europe	...	115.7	107.9	109.8	103.0	87.9	83.0	82.3	87.9	87.6
Excluding Belarus and Russia	...	157.4	123.0	127.0	111.4	93.7	90.9	88.3	93.7	92.7
Russia	...	154.8	183.4	171.1	156.1	126.6	121.7	121.3	150.7	145.6
Transcaucasus and central Asia	...	2.5	17.1	35.9	60.1	60.8	63.7	73.3	85.8	82.6
Debt-service payments										
Developing countries	21.9	22.4	23.5	24.0	23.5	21.9	22.0	21.5	24.6	23.2
Regional groups										
Africa	24.6	27.7	26.9	26.3	26.8	26.0	24.8	21.0	25.7	24.3
Asia	18.4	17.1	18.4	18.0	16.9	16.2	15.9	13.9	17.9	17.4
Middle East and Europe	10.3	10.3	11.7	13.2	12.4	10.9	10.6	9.0	14.4	12.7
Western Hemisphere	37.7	39.3	41.9	43.2	43.3	39.7	41.7	46.5	44.5	41.0
Analytical groups										
By external financing source										
Net creditor countries	1.2	0.8	0.9	1.5	4.3	5.3	4.4	2.4	2.5	2.7
Net debtor countries	26.0	26.5	27.6	27.6	26.2	24.1	24.3	24.0	27.1	25.5
Official financing	23.3	26.9	26.2	25.4	27.8	27.4	21.2	21.5	25.0	24.8
Private financing	25.9	25.9	26.6	27.0	25.5	23.4	24.1	24.6	26.6	25.2
Diversified financing	28.0	28.4	31.9	31.0	28.2	24.8	26.6	22.7	29.9	27.1
Net debtor countries by debt-servicing experience										
Countries with arrears and/or rescheduling during 1993–97	30.5	33.4	32.6	35.3	30.8	29.6	29.4	32.8	39.5	35.2
Other net debtor countries	23.7	23.4	25.5	24.6	24.6	22.2	22.6	21.0	23.1	22.2
Countries in transition	18.1	18.7	14.5	10.1	13.6	11.0	9.8	9.7	15.2	14.4
Central and eastern Europe	...	20.9	11.6	11.5	19.7	13.8	11.9	12.3	14.9	13.9
Excluding Belarus and Ukraine	...	28.5	13.7	13.8	21.2	14.8	13.2	13.5	15.5	15.0
Russia	...	26.4	21.9	9.4	5.6	6.7	6.7	5.8	15.6	17.7
Transcaucasus and central Asia	...	—	1.0	2.3	5.1	8.7	7.2	6.8	15.9	6.4
	<i>Billions of U.S. dollars</i>									
Memorandum										
External debt										
Developing countries	1,180.9	1,233.8	1,312.9	1,459.0	1,552.0	1,683.7	1,748.4	1,791.2	1,925.0	2,000.1
Countries in transition	...	210.5	212.4	234.3	248.9	266.9	277.8	286.1	322.7	335.8
Debt-service payments										
Developing countries	145.5	150.3	170.8	182.6	203.3	225.5	252.6	268.8	295.5	295.2
Countries in transition	...	37.0	24.0	18.7	28.2	29.3	28.5	29.3	46.0	46.6

¹For classification of countries in groups shown in this table, and conventions used to calculate the group composites and multiyear averages, see the introduction to *World Economic Outlook—Statistical Appendix*.

²Debt-service payments refer to actual payments of interest on total debt plus actual amortization payments on long-term debt. The projections incorporate the impact of exceptional financing items.

³Total debt at year-end in percent of exports of goods and services in year indicated.

Table 8. External Financing¹

(Billions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Developing countries and countries in transition										
Balance of payments										
Balance on current account	-45.1	-93.0	-78.9	-128.3	-85.1	-96.0	-91.5	-90.6	-116.5	-95.6
Balance on capital and financial account	45.1	93.0	78.9	128.3	85.1	96.0	91.5	90.6	116.5	95.6
By balance of payments component										
Capital transfers ²	24.9	9.2	3.8	5.2	12.5	2.9	9.2	7.6	11.0	6.3
Net financial flows	65.8	138.7	132.4	191.1	150.2	213.3	209.3	161.1	127.7	134.1
Errors and omissions, net	-17.7	-15.3	-13.8	-7.8	-27.1	-11.8	-31.4	-20.9	-31.9	-25.6
Change in reserves (= increase)	-28.0	-39.6	-43.6	-60.2	-50.5	-108.3	-95.7	-57.2	9.6	-19.2
By type of financing flow										
Nonexceptional financing flows	12.5	92.6	70.6	131.6	81.3	166.9	164.1	141.4	104.4	96.4
Exceptional financing flows	60.5	40.0	51.8	56.8	54.4	37.4	23.0	6.4	2.5	18.3
Arrears on debt service	27.4	23.1	16.1	17.1	-1.0	-14.6	-12.3	-6.1	...	...
Debt forgiveness	22.8	5.4	0.5	1.3	9.1	2.8	6.5	3.3	...	...
Rescheduling of debt service	21.5	20.9	26.5	38.5	40.6	45.4	26.5	18.3	...	...
Change in reserves (= increase)	-28.0	-39.6	-43.6	-60.2	-50.5	-108.3	-95.7	-57.2	9.6	-19.2
External financing										
Balance on current account	-45.1	-93.0	-78.9	-128.3	-85.1	-96.0	-91.5	-90.6	-116.5	-95.6
Change in reserves (= increase) ³	-28.0	-39.6	-43.6	-60.2	-50.5	-108.3	-95.7	-57.2	9.6	-19.2
Asset transactions, including net errors and omissions ⁴	-42.2	27.2	-22.7	-2.5	-31.8	-14.8	-70.7	-113.3	-117.8	-91.4
Total, net external financing⁵	115.2	105.4	145.1	190.9	167.5	219.2	257.8	261.1	224.7	206.1
Non-debt-creating flows, net	44.1	44.1	49.1	87.9	112.7	114.6	149.2	174.3	137.8	128.5
Capital transfers ²	24.9	9.2	3.8	5.2	12.5	2.9	9.2	7.6	11.0	6.3
Direct investment and portfolio investment equity flows	19.2	34.9	45.2	82.8	100.3	111.7	140.0	166.7	126.8	122.2
Net credit and loans from IMF ⁶	-1.6	3.5	1.1	3.6	1.6	17.3	0.7	3.2	...	...
Net external borrowing ⁷	72.7	57.8	94.9	99.4	53.2	87.2	107.9	83.6	81.0	96.3
Borrowing from official creditors ⁸	24.5	36.7	20.8	19.4	-2.2	23.4	2.4	6.7	27.0	13.6
Borrowing from banks ⁹	7.4	12.3	12.3	-2.6	-29.9	13.9	14.1	4.3	17.8	8.5
Other borrowing ¹⁰	40.8	8.8	61.8	82.6	85.3	49.9	91.3	72.5	36.3	74.2
Memorandum										
Balance on goods and services in percent of GDP ¹¹	0.2	-0.4	-1.5	-2.3	-1.1	-1.0	-0.9	-0.8	-1.0	-0.5
Scheduled amortization of external debt	119.0	122.1	142.9	154.0	159.8	169.8	185.6	201.4	219.0	209.7
Gross external financing ¹²	234.2	227.5	288.0	344.9	327.3	389.0	443.4	462.5	443.7	415.8
Gross external borrowing ¹²	191.7	179.9	237.8	253.4	213.0	257.1	293.4	285.0	300.1	305.9
Net credit and loans from IMF⁶										
Advanced economies	—	—	0.3	—	—	-0.1	-0.1	11.3	...	...
Newly industrialized Asian economies	—	—	—	—	—	—	—	11.3	...	...
Developing countries	-1.9	1.1	-0.4	-0.1	-0.8	12.6	-2.9	0.8	...	...
Countries in transition	0.3	2.4	1.6	3.7	2.4	4.7	3.7	2.4	...	...

¹For classification of countries in groups shown in this table, and conventions used to calculate the group composites and multiyear averages, see the introduction to *World Economic Outlook—Statistical Appendix*.

²Comprise debt forgiveness as well as all other identified transactions on capital account as defined in the fifth edition of the IMF's *Balance of Payments Manual*.

³Positioned here to reflect the discretionary nature of many countries' transactions in reserves.

⁴Include changes in recorded private external assets (mainly portfolio investment), export credit, the collateral for debt-reduction operations, and the net change in unrecorded balance of payments flows (net errors and omissions).

⁵Equals, with opposite sign, the sum of transactions listed above. It is the amount required to finance the deficit on goods and services, factor income, and current transfers; the increase in the official reserve level; the net asset transactions; and the transactions underlying net errors and omissions.

⁶Comprise use of IMF resources under the General Resources Account, Trust Fund, Structural Adjustment Facility (SAF), and Enhanced Structural Adjustment Facility (ESAF). For further detail, see Table 37 of *World Economic Outlook—Statistical Appendix*.

⁷Net disbursement of long- and short-term credits (including exceptional financing) by both official and private creditors.

⁸Net disbursements by official creditors (other than monetary authorities) based on directly reported flows, and flows derived from statistics on debt stocks. The estimates include the increase in official claims caused by the transfer of officially guaranteed claims to the guarantor agency in the creditor country, usually in the context of debt rescheduling.

⁹Net disbursements by commercial banks based on directly reported flows and on cross-border claims and liabilities reported in the International Banking section of the IMF's *International Financial Statistics*.

¹⁰Includes primary bond issues and loans on the international capital markets. Since the estimates are residually derived, they also reflect any under-recording or misclassification of official and commercial bank credits above.

¹¹This is often referred to as the "resource balance" and, with opposite sign, the "net resource transfer."

¹²Net external financing or borrowing (see footnotes 5 and 7, respectively) plus amortization due on external debt.



World Economic Outlook and Staff Studies for the World Economic Outlook, Selected Topics, 1992–98

I. Methodology—Aggregation, Modeling, and Forecasting

The Accuracy of <i>World Economic Outlook</i> Projections for the Major Industrial Countries	<i>World Economic Outlook</i> May 1992, Annex VIII
Revised Weights for the <i>World Economic Outlook</i>	May 1993, Annex IV
Structural Budget Indicators for Major Industrial Countries	October 1993, Annex I
The New <i>Balance of Payments Manual</i>	May 1994, Box 13
The Difficult Art of Forecasting	October 1996, Annex I
World Current Account Discrepancy	October 1996, Annex III
Alternative Exchange Rate Assumptions for Japan	October 1997, Box 2
<i>Staff Studies for the World Economic Outlook</i>	
An Extended Scenario and Forecast Adjustment Model for Developing Countries <i>Manmohan S. Kumar, Hossein Samiei, and Sheila Bassett</i>	December 1993
How Accurate Are the <i>World Economic Outlook</i> Projections? <i>Jose M. Barrionuevo</i>	December 1993
Purchasing Power Parity Based Weights for the <i>World Economic Outlook</i> <i>Anne Marie Gulde and Marianne Schulze-Ghattas</i>	December 1993
How Accurate Are the IMF's Short-Term Forecasts? Another Examination of the <i>World Economic Outlook</i> <i>Michael J. Artis</i>	December 1997
IMF's Estimates of Potential Output: Theory and Practice <i>Paula R. De Masi</i>	December 1997
Multilateral Unit-Labor-Cost-Based Competitiveness Indicators for Advanced, Developing, and Transition Countries <i>Anthony G. Turner and Stephen Golub</i>	December 1997

II. Historical Surveys

The Postwar Economic Achievement	<i>World Economic Outlook</i> October 1994, Chapter VI
Non-Oil Commodity Prices	October 1994, Box 10
The Rise and Fall of Inflation—Lessons from Postwar Experience	October 1996, Chapter VI

III. Economic Growth—Sources and Patterns

Convergence and Divergence in Developing Countries	<i>World Economic Outlook</i> May 1993, Chapter IV
Trade as an Engine of Growth	May 1993, Chapter VI
New Theories of Growth and Trade	May 1993, Box 9
Why Are Some Developing Countries Failing to Catch Up?	May 1994, Chapter IV

The Postwar Economic Achievement	October 1994, Chapter VI
Business Cycles and Potential Output	October 1994, Box 5
Economic Convergence	October 1994, Box 11
Saving in a Growing World Economy	May 1995, Chapter V
North-South R&D Spillovers	May 1995, Box 6
Long-Term Growth Potential in the Countries in Transition	October 1996, Chapter V
Globalization and the Opportunities for Developing Countries	May 1997, Chapter IV
Measuring Productivity Gains in East Asian Economies	May 1997, Box 9
The Business Cycle, International Linkages, and Exchange Rates	May 1998, Chapter III
The Asian Crisis and the Region's Long-Term Growth Performance	October 1998, Chapter III
<i>Staff Studies for the World Economic Outlook</i>	
How Large Was the Output Collapse in Russia? Alternative Estimates and Welfare Implications <i>Evgeny Gavrilenko and Vincent Koen</i>	September 1995
Deindustrialization: Causes and Implications <i>Robert Rowthorn and Ramana Ramaswamy</i>	December 1997

IV. Inflation and Deflation; Commodity Markets

<i>World Economic Outlook</i>	
Asset Price Deflation, Balance Sheet Adjustment, and Financial Fragility	October 1992, Annex I
Monetary Policy, Financial Liberalization, and Asset Price Inflation	May 1993, Annex I
Price Stability	May 1993, Box 2
Oil Demand and Supply in the Medium Term	May 1993, Box 5
Hyperinflation and Chronic Inflation	October 1993, Box 8
The Impact of Lower Oil Prices	May 1994, Box 3
Non-Oil Commodity Prices	October 1994, Box 10
Nonfuel Primary Commodity Prices	October 1995, Box 2
The Rise and Fall of Inflation—Lessons from Postwar Experience	October 1996, Chapter VI
World Oil Market: Recent Developments and Outlook	October 1996, Annex II
Inflation Targets	October 1996, Box 8
Indexed Bonds and Expected Inflation	October 1996, Box 9
Effects of High Inflation on Income Distribution	October 1996, Box 10
Central Bank Independence and Inflation	October 1996, Box 11
Rising Petroleum Prices in 1996	May 1997, Box 3
Recent Developments in Primary Commodity Markets	May 1998, Annex II
Japan's Liquidity Trap	October 1998, Box 4.1
<i>Staff Studies for the World Economic Outlook</i>	
"Boom and Bust" in Asset Markets in the 1980s: Causes and Consequences <i>Garry J. Schinasi and Monica Hargraves</i>	December 1993
Prices in the Transition: Ten Stylized Facts <i>Vincent Koen and Paula R. De Masi</i>	December 1997

V. Fiscal Policy

<i>World Economic Outlook</i>	
Structural Budget Indicators for Major Industrial Countries	October 1993, Annex I
Economic Benefits of Reducing Military Expenditure	October 1993, Annex II

The Treuhandanstalt	October 1993, Box 9
Structural Fiscal Balances in Smaller Industrial Countries	May 1995, Annex III
Can Fiscal Contraction Be Expansionary in the Short Run?	May 1995, Box 2
Pension Reform in Developing Countries	May 1995, Box 11
Effects of Increased Government Debt: Illustrative Calculations	May 1995, Box 13
Subsidies and Tax Arrears	October 1995, Box 8
Focus on Fiscal Policy	May 1996
The Spillover Effects of Government Debt	May 1996, Annex I
Uses and Limitations of Generational Accounting	May 1996, Box 5
The European Union's Stability and Growth Pact	October 1997, Box 3
Progress with Fiscal Reform in Countries in Transition	May 1998, Chapter V
Pension Reform in Countries in Transition	May 1998, Box 10
Transparency in Government Operations	May 1998, Annex I
The Asian Crisis: Social Costs and Mitigating Policies	October 1998, Box 2.4
Fiscal Balances in the Asian Crisis Countries: Effects of Changes in the Economic Environment Versus Policy Measures	October 1998, Box 2.5
Aging in the East Asian Economies: Implications for Government Budgets and Saving Rates	October 1998, Box 3.1
Orienting Fiscal Policy in the Medium Term in Light of the Stability and Growth Pact and Longer-Term Fiscal Needs	October 1998, Box 5.2
 <i>Staff Studies for the World Economic Outlook</i>	
An International Comparison of Tax Systems in Industrial Countries <i>Enrique G. Mendoza, Assaf Razin, and Linda L. Tesar</i>	December 1993

VI. Monetary Policy; Financial Markets; Flow of Funds

Monetary Policy, Financial Liberalization, and Asset Price Inflation	<i>World Economic Outlook</i> May 1993, Annex I
Chronology of Events in the Recent Crisis in the European Monetary System	October 1993, Box 3
Information Content of the Yield Curve	May 1994, Annex II
Saving in a Growing World Economy	May 1995, Chapter V
Saving and Real Interest Rates in Developing Countries	May 1995, Box 10
Financial Market Turmoil and Economic Policies in Industrial Countries	October 1995, Chapter III
Financial Liberalization in Africa and Asia	October 1995, Box 4
Policy Challenges Facing Industrial Countries in the Late 1990s	October 1996, Chapter III
Using the Slope of the Yield Curve to Estimate Lags in Monetary Transmission Mechanism	October 1996, Box 2
Financial Repression	October 1996, Box 5
Bank-Restructuring Strategies in the Baltic States, Russia, and Other Countries of the Former Soviet Union: Main Issues and Challenges	October 1996, Box 7
Monetary and Financial Sector Policies in Transition Countries	October 1997, Chapter V
Dollarization	October 1997, Box 6
Interim Assessment (Focus on Crisis in Asia—Regional and Global Implications)	December 1997
Financial Crises: Characteristics and Indicators of Vulnerability	May 1998, Chapter IV
The Role of Hedge Funds in Financial Markets	May 1998, Box 1
International Monetary System: Measures to Reduce the Risk of Crises	May 1998, Box 3
Resolving Banking Sector Problems	May 1998, Box 6

Effective Banking Prudential Regulations and Requirements	May 1998, Box 7
Strengthening the Architecture of the International Monetary System Through International Standards and Principles of Good Practice	October 1998, Box 1.2
The Role of Monetary Policy in Responding to Currency Crises	October 1998, Box 2.3
Summary of Structural Reforms in Crisis Countries	October 1998, Box 3.2
Japan's Liquidity Trap	October 1998, Box 4.1
How Useful Are Taylor Rules as a Guide to ECB Monetary Policies?	October 1998, Box 5.1
The Crisis in Emerging Markets	December 1998, Chapter II
Turbulence in Mature Financial Markets	December 1998, Chapter III
What Is the Implied Future Earnings Growth Rate that Would Justify Current Equity Prices in the United States?	December 1998, Box 3.2
Leverage	December 1998, Box 3.3
The Near Collapse and Rescue of Long-Term Capital Management	December 1998, Box 3.4
Risk Management: Progress and Problems	December 1998, Box 3.5
Supervisory Reforms Relating to Risk Management	December 1998, Box 3.6
Emerging Market Banking Systems	December 1998, Annex
<i>Staff Studies for the World Economic Outlook</i>	
The Global Real Interest Rate <i>Thomas Helbling and Robert Wescott</i>	September 1995
A Monetary Impulse Measure for Medium-Term Policy Analysis <i>Bennett T. McCallum and Monica Hargraves</i>	September 1995
Saving Behavior in Industrial and Developing Countries <i>Paul R. Masson, Tamim Bayoumi, and Hossein Samiei</i>	September 1995

VII. Labor Market Issues

<i>World Economic Outlook</i>	
Fostering Job Creation, Growth, and Price Stability in Industrial Countries	May 1994, Chapter III
Capital Formation and Employment	May 1995, Box 4
Implications of Structural Reforms Under EMU	October 1997, Annex II
Euro-Area Structural Rigidities	October 1998, Box 5.3
<i>Staff Studies for the World Economic Outlook</i>	
Unemployment and Wage Dynamics in MULTIMOD <i>Leonardo Bartolini and Steve Symansky</i>	December 1993
Evaluating Unemployment Policies: What Do the Underlying Theories Tell Us? <i>Dennis J. Snower</i>	September 1995
Institutional Structure and Labor Market Outcomes: Western Lessons for European Countries in Transition <i>Robert J. Flanagan</i>	September 1995
The Effect of Globalization on Wages in the Advanced Economies <i>Matthew J. Slaughter and Phillip Swagel</i>	December 1997
International Labor Standards and International Trade <i>Stephen Golub</i>	December 1997

VIII. Exchange Rate Issues

<i>World Economic Outlook</i>	
Interim Assessment (Focus on Crisis in the European Monetary System)	January 1993
Recent Changes in the European Exchange Rate Mechanism	October 1993, Chapter III

Chronology of Events in the Recent Crisis in the European Monetary System	October 1993, Box 3
Striving for Stability: Realignment of the CFA Franc	May 1994, Box 8
Currency Arrangements in the Former Soviet Union and Baltic Countries	May 1994, Box 10
Exchange-Rate-Based Stabilization	May 1994, Box 11
Exchange Market Reforms in Africa	October 1994, Box 3
Currency Convertibility	October 1994, Box 7
Currency Substitution in Transition Economies	October 1994, Box 8
Exchange Rate Effects of Fiscal Consolidation	October 1995, Annex
Exchange Rate Arrangements and Economic Performance in Developing Countries	October 1997, Chapter IV
Asymmetric Shocks: European Union and the United States	October 1997, Box 4
Currency Boards	October 1997, Box 5
The Business Cycle, International Linkages, and Exchange Rates	May 1998, Chapter III
Evaluating Exchange Rates	May 1998, Box 5
Determining Internal and External Conversion Rates for the Euro	October 1998, Box 5.4
The Euro Area and Effective Exchange Rates	October 1998, Box 5.5
Recent Dollar/Yen Exchange Rate Movements	December 1998, Box 3.1
	<i>Staff Studies for the World Economic Outlook</i>
Multilateral Unit-Labor-Cost-Based Competitiveness Indicators for Advanced, Developing, and Transition Countries <i>Anthony G. Turner and Stephen Golub</i>	December 1997

IX. External Payments, Trade, Capital Movements, and Foreign Debt

	<i>World Economic Outlook</i>
Trade as an Engine of Growth	May 1993, Chapter VI
New Theories of Growth and Trade	May 1993, Box 9
Is the Debt Crisis Over?	October 1993, Box 5
The Uruguay Round: Results and Implications	May 1994, Annex I
The New <i>Balance of Payments Manual</i>	May 1994, Box 13
The Recent Surge in Capital Flows to Developing Countries	October 1994, Chapter IV
Currency Convertibility	October 1994, Box 7
Trade Among the Transition Countries	October 1995, Box 7
World Current Account Discrepancy	October 1996, Annex III
Capital Inflows to Developing and Transition Countries— Identifying Causes and Formulating Appropriate Policy Responses	October 1996, Annex IV
Globalization—Opportunities and Challenges	May 1997
Moral Hazard and IMF Lending	May 1998, Box 2
The Current Account and External Sustainability	May 1998, Box 8
Review of Debt-Reduction Efforts for Low-Income Countries and Status of the HIPC Initiative	October 1998, Box 1.1
Trade Adjustment in East Asian Crisis Countries	October 1998, Box 2.2
	<i>Staff Studies for the World Economic Outlook</i>
Foreign Direct Investment in the World Economy <i>Edward M. Graham</i>	September 1995

X. Regional Issues

The Maastricht Agreement on Economic and Monetary Union	<i>World Economic Outlook</i> May 1992, Annex II
Interim Assessment (Focus on Crisis in the European Monetary System)	January 1993
Chronology of Events in the Recent Crisis in the European Monetary System	October 1993, Box 3
Economic Performance and Financing Needs in Africa	October 1993, Box 6
Stabilization and Economic Reform in the Baltic Countries	October 1993, Box 7
Adjustment and Recovery in Latin America and the Caribbean	May 1994, Annex III
European Economic Integration	October 1994, Annex I
Adjustment in Sub-Saharan Africa	May 1995, Annex II
Macroeconomic and Structural Adjustment in the Middle East and North Africa	May 1996, Annex II
Stabilization and Reform of Formerly Centrally Planned Developing Economies in East Asia	May 1997, Box 10
EMU and the World Economy	October 1997, Chapter III
Implications of Structural Reforms Under EMU	October 1997, Annex II
The European Union's Stability and Growth Pact	October 1997, Box 3
Asymmetric Shocks: European Union and the United States	October 1997, Box 4
Interim Assessment (Focus on Crisis in Asia—Regional and Global Implications)	December 1997
The Asian Crisis and the Region's Long-Term Growth Performance	October 1998, Chapter III
Economic Policy Challenges Facing the Euro Area and the External Implications of EMU	October 1998, Chapter V
Economic Policymaking in the EU and Surveillance by EU Institutions	October 1998, Chapter V, Appendix
How Useful Are Taylor Rules as a Guide to ECB Monetary Policies?	October 1998, Box 5.1
Orienting Fiscal Policy in the Medium Term in Light of the Stability and Growth Pact and Longer-Term Fiscal Needs	October 1998, Box 5.2
Euro Area Structural Rigidities	October 1998, Box 5.3
Determining Internal and External Conversion Rates for the Euro	October 1998, Box 5.4
The Euro Area and Effective Exchange Rates	October 1998, Box 5.5
The Design of EMU <i>David Begg</i>	<i>Staff Studies for the World Economic Outlook</i> December 1997

XI. Country-Specific Analyses

Voucher Privatization in the Czech and Slovak Federal Republic	<i>World Economic Outlook</i> October 1992, Box 2
Currency Reform in Estonia	October 1992, Box 3
Economic Reforms, Growth, and Trade in China	May 1993, Box 4
Economic Arrangements for the Czech-Slovak Breakup	May 1993, Box 6
India's Economic Rebound	October 1993, Box 1
Japan's Trade Surplus	October 1993, Box 2
The Treuhandanstalt	October 1993, Box 9
Adjustment and Recovery in Latin America and the Caribbean	May 1994, Annex III

Poland's Economic Rebound	May 1994, Box 9
Foreign Direct Investment in China	October 1994, Box 6
Factors Behind the Financial Crisis in Mexico	May 1995, Annex I
New Zealand's Structural Reforms and Economic Revival	May 1995, Box 3
Brazil and Korea	May 1995, Box 5
The Output Collapse in Russia	May 1995, Box 8
Foreign Direct Investment in Estonia	May 1995, Box 9
September 1995 Economic Stimulus Packages in Japan	October 1995, Box 1
Uganda: Successful Adjustment Under Difficult Circumstances	October 1995, Box 3
Changing Wage Structures in the Czech Republic	October 1995, Box 6
Resolving Financial System Problems in Japan	May 1996, Box 3
New Zealand's Fiscal Responsibility Act	May 1996, Box 4
Deindustrialization and the Labor Market in Sweden	May 1997, Box 7
Ireland Catches Up	May 1997, Box 8
Foreign Direct Investment Strategies in Hungary and Kazakhstan	May 1997, Box 12
China—Growth and Economic Reforms	October 1997, Annex I
Alternative Exchange Rate Assumptions for Japan	October 1997, Box 2
Hong Kong, China: Economic Linkages and Institutional Arrangements	October 1997, Box 9
Russia's Fiscal Challenges	May 1998, Box 9
Japan's Economic Crisis and Policy Options	October 1998, Chapter IV
Brazil's Financial Assistance Package and Adjustment Program	December 1998, Box 1.1
Recent Developments in the Japanese Financial System	December 1998, Box 1.2
Malaysia's Capital Controls	December 1998, Box 2.1
Hong Kong's Intervention in the Equity Spot and Futures Markets	December 1998, Box 2.2
Is China's Growth Overstated?	December 1998, Box 4.1
<i>Staff Studies for the World Economic Outlook</i>	
How Large Was the Output Collapse in Russia? Alternative Estimates and Welfare Implications <i>Evgeny Gavrilenko and Vincent Koen</i>	September 1995

World Economic and Financial Surveys

This series (ISSN 0258-7440) contains biannual, annual, and periodic studies covering monetary and financial issues of importance to the global economy. The core elements of the series are the *World Economic Outlook* report, usually published in May and October, and the annual report on *International Capital Markets*. Other studies assess international trade policy, private market and official financing for developing countries, exchange and payments systems, export credit policies, and issues discussed in the *World Economic Outlook*. Please consult the *IMF Publications Catalog* for a complete listing of currently available World Economic and Financial Surveys.

World Economic Outlook: A Survey by the Staff of the International Monetary Fund

The *World Economic Outlook*, published twice a year in English, French, Spanish, and Arabic, presents IMF staff economists' analyses of global economic developments during the near and medium term. Chapters give an overview of the world economy; consider issues affecting industrial countries, developing countries, and economies in transition to the market; and address topics of pressing current interest.

ISSN 0256-6877.

\$36.00 (academic rate: \$25.00); paper.

1998 (Dec.). ISBN 1-55775-793-3. **Stock #WEO-1799.**

1998 (Oct.). ISBN 1-55775-773-9. **Stock #WEO-298.**

1998 (May). ISBN 1-55775-740-2. **Stock #WEO-198.**

Official Financing for Developing Countries

by a staff team in the IMF's Policy Development and Review Department led by Anthony R. Boote and Doris C. Ross

This study provides information on official financing for developing countries, with the focus on low-income countries. It updates the 1995 edition and reviews developments in direct financing by official and multilateral sources.

\$25.00 (academic rate: \$20.00); paper.

1998. ISBN 1-55775-702-X. **Stock #WEO-1397.**

1995. ISBN 1-55775-527-2. **Stock #WEO-1395.**

Issues in International Exchange and Payments Systems

by a staff team from the IMF's Monetary and Exchange Affairs Department

The global trend toward liberalization in countries' international exchange and payments systems has been widespread in both industrial and developing countries and most dramatic in central and eastern Europe. Countries in general have brought their exchange systems more in line with market principles and moved toward more flexible exchange rate arrangements in recent years.

\$20.00 (academic rate: \$12.00); paper.

1995. ISBN 1-55775-480-2. **Stock #WEO-895.**

Staff Studies for the World Economic Outlook

by the IMF's Research Department

These studies, supporting analyses and scenarios of the *World Economic Outlook*, provide a detailed examination of theory and evidence on major issues currently affecting the global economy.

\$25.00 (academic rate: \$20.00); paper.

1997. ISBN 1-55775-701-1. **Stock #WEO-397.**

International Capital Markets: Developments, Prospects, and Key Policy Issues

by a staff team led by Charles Adams, Donald J. Mathieson, Garry Schinasi, and Bankim Chadha

The 1998 report provides a comprehensive survey of recent developments and trends in the advanced and emerging capital markets, focusing on financial market behavior during the Asian crisis, policy lessons for dealing with volatility in capital flows, banking sector developments in the advanced and emerging markets, initiatives in banking system supervision and regulation, and the financial infrastructure for managing systemic risk in EMU.

\$25.00 (academic rate: \$20.00); paper.

1998 (Dec.). ISBN 1-55775-793-3. **Stock #WEO-1799.**

1998. ISBN 1-55775-770-4. **Stock #WEO-698**

1997. ISBN 1-55775-686-4. **Stock #WEO-697**

Private Market Financing for Developing Countries

by a staff team from the IMF's Policy Development and Review Department led by Steven Dunaway

The latest study surveys recent trends in flows to developing countries through banking and securities markets. It also analyzes the institutional and regulatory framework for developing country finance; institutional investor behavior and pricing of developing country stocks; and progress in commercial bank debt restructuring in low-income countries.

\$20.00 (academic rate: \$12.00); paper.

1995. ISBN 1-55775-526-4. **Stock #WEO-1595.**

Toward a Framework for Financial Stability

by a staff team led by David Folkerts-Landau and Carl-Johan Lindgren

This study outlines the broad principles and characteristics of stable and sound financial systems, to facilitate IMF surveillance over banking sector issues of macroeconomic significance and to contribute to the general international effort to reduce the likelihood and diminish the intensity of future financial sector crises.

\$25.00 (academic rate: \$20.00); paper.

1998. ISBN 1-55775-706-2. **Stock #WEO-016.**

Trade Liberalization in IMF-Supported Programs

by a staff team led by Robert Sharer

This study assesses trade liberalization in programs supported by the IMF by reviewing multiyear arrangements in the 1990s and six detailed case studies. It also discusses the main economic factors affecting trade policy targets.

\$25.00 (academic rate: \$20.00); paper.

1998. ISBN 1-55775-707-0. **Stock #WEO-1897.**

Available by series subscription or single title (including back issues); academic rate available only to full-time university faculty and students. For earlier editions please inquire about prices.

The IMF *Catalog of Publications* is available on-line at the Internet address listed below.

Please send orders and inquiries to:

International Monetary Fund, Publication Services, 700 19th Street, N.W.

Washington, D.C. 20431, U.S.A.

Tel.: (202) 623-7430 Telefax: (202) 623-7201

E-mail: publications@imf.org

Internet: <http://www.imf.org>