

## 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 29–August 26, 2013, 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 in the Statistical Appendix); that the average price of oil will be \$104.49 a barrel in 2013 and \$101.35 a barrel in 2014 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 2013 and 0.6 percent in 2014; that the three-month euro deposit rate will average 0.2 percent in 2013 and 0.5 percent in 2014; and that the six-month Japanese yen deposit rate will yield on average 0.2 percent in 2013 and 0.3 percent in 2014. 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 23, 2013.

The following conventions are used throughout the WEO:

- . . . to indicate that data are not available or not applicable;
- between years or months (for example, 2012–13 or January–June) to indicate the years or months covered, including the beginning and ending years or months;
- / between years or months (for example, 2012/13) 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).

For some countries, the figures for 2012 and earlier are based on estimates rather than actual outturns.

Data refer to calendar years, except for a few countries that use fiscal years. Please refer to Table F in the Statistical Appendix, which lists the reference periods for each country.

On July 31, 2013, the U.S. Bureau of Economic Analysis released the Comprehensive Revision of the National Income and Product Accounts (NIPA). The revision includes improvements in methodology and data sources as well as significant changes in definitions and classifications. With this update, the accounts more accurately portray the evolution of the economy. Most notably, expenditures on research and development activities and for the creation of entertainment, literary, and artistic originals are now treated as capital expenditures. Furthermore, the treatment of defined-benefit pension plans is switched from a cash basis to an accrual basis. The revisions increase the level of GDP by 3.4 percent and boost the personal savings rate. The revised data also show that the Great Recession was shallower and the recovery was stronger through the first half of 2012, but also that cyclical weakness was greater during the past year. Overall, the revision does not significantly change the IMF staff’s broad view on the U.S. economic outlook.

Starting with the July 2013 *WEO Update*, India’s data and forecasts are presented on a fiscal year basis.

On July 1, 2013, Croatia became the 28th member state of the European Union.

Projections for Cyprus, which were excluded from the April 2013 WEO due to the crisis, are once again included.

As in the April 2013 WEO, data for Syria are excluded for 2011 onward due to the uncertain political situation.

Data for Palau are now included in the Developing Asia region.

Iran’s real GDP growth for 2012 and beyond has not been significantly updated from the April 2013 WEO in light of the pending publication of national accounts by the central bank and the new authorities’ plans.

Zambia redenominated its currency by replacing 1,000 old Zambian kwacha notes with 1 new Zambian kwacha note. Local currency data for Zambia are expressed in the new currency starting with the October 2013 WEO database.

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. Some territorial entities included here are not states, although their 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 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.