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**Table 1.1 The global outlook in summary**

*Percentage change from previous year, except interest rates and oil price*

| | 2003 | 2004 | 2005e | 2006f | 2007f |
|---|---|---|---|---|---|
| *Global Conditions* | | | | | |
| World trade volume | 5.9 | 10.2 | 6.2 | 7.0 | 7.3 |
| Consumer prices | | | | | |
| G-7 countries[a,b] | 1.5 | 1.7 | 2.2 | 2.0 | 1.7 |
| United States | 2.3 | 2.7 | 3.4 | 3.0 | 2.4 |
| Commodity prices (USD terms) | | | | | |
| Non-oil commodities | 10.2 | 17.5 | 11.9 | −5.9 | −6.3 |
| Oil price (US$ per barrel)[c] | 28.9 | 37.7 | 53.6 | 56.0 | 51.5 |
| Oil price (percent change) | 15.9 | 30.6 | 42.1 | 4.5 | −8.0 |
| Manufactures unit export value[d] | 7.5 | 6.9 | 2.4 | 2.4 | 2.1 |
| Interest rates | | | | | |
| $, 6-month (percent) | 1.2 | 1.7 | 3.8 | 5.0 | 5.2 |
| €, 6-month (percent) | 2.3 | 2.1 | 2.2 | 2.1 | 2.8 |
| *Real GDP growth*[e] | | | | | |
| **World** | 2.5 | 3.8 | 3.2 | 3.2 | 3.3 |
| Memo item: world (PPP weights)[f] | 3.9 | 5.0 | 4.4 | 4.3 | 4.4 |
| **High income** | 1.8 | 3.1 | 2.5 | 2.5 | 2.7 |
| OECD countries | 1.8 | 3.0 | 2.4 | 2.5 | 2.7 |
| Euro area | 0.7 | 1.7 | 1.1 | 1.4 | 2.0 |
| Japan | 1.4 | 2.6 | 2.3 | 1.8 | 1.7 |
| United States | 2.7 | 4.2 | 3.5 | 3.5 | 3.6 |
| Non-OECD countries | 3.7 | 6.3 | 4.3 | 4.2 | 4.0 |
| **Developing countries in** | 5.5 | 6.8 | 5.9 | 5.7 | 5.5 |
| East Asia and Pacific | 8.1 | 8.3 | 7.8 | 7.6 | 7.4 |
| Europe and Central Asia | 6.1 | 7.2 | 5.3 | 5.2 | 5.0 |
| Latin America and Caribbean | 2.1 | 5.8 | 4.5 | 3.9 | 3.6 |
| Middle East and N. Africa | 5.2 | 4.9 | 4.8 | 5.4 | 5.2 |
| South Asia | 7.9 | 6.8 | 6.9 | 6.4 | 6.3 |
| Sub-Saharan Africa | 3.6 | 4.5 | 4.6 | 4.7 | 4.5 |
| *Memorandum items* | | | | | |
| Developing countries | | | | | |
| excluding transition countries | 5.3 | 6.8 | 6.1 | 5.8 | 5.6 |
| excluding China and India | 4.1 | 6.0 | 4.9 | 4.7 | 4.6 |

*Note:* PPP = purchasing power parity; e = estimate; f = forecast.
a. Canada, France, Germany, Italy, Japan, the UK, and the United States.
b. In local currency, aggregated using 1995 GDP weights.
c. Simple average of Dubai, Brent, and West Texas Intermediate.
d. Unit value index of manufactured exports from major economies, expressed in U.S. dollars.
e. GDP in 1995 constant dollars;1995 prices and market exchange rates.
f. GDP measured at 1995 PPP weights.

an estimated 3.5 percent, compared with 4.2 percent the year before. The slowdown was not as marked as it could have been, because low long-term interest rates boosted domestic demand, and the cumulative effect of past dollar depreciations improved net exports.

In Europe, the growth slowdown was less pronounced, but the expansion, at an estimated 1.2 percent (1.1 percent in the euro zone), was much weaker. The relatively low oil-intensity of European economies and relaxed macroeconomic policy stance help explain why the slowdown in Europe was not more pronounced. In Japan, GDP is estimated to have increased 2.3 percent. Rising domestic demand and household incomes, as a result of tighter labor market conditions and reduced