

P R O S P E C T S F O R G R O W T H A N D P O V E R T Y R E D U C T I O N

Table 1.2 World output growth, 1998–2001

(percent)

	Current				Global Development Finance 1999		
	Estimate	Forecasts			Forecasts		
	1998	1999	2000	2001	1999	2000	2001
World total	1.9	2.6	2.9	2.8	1.8	2.4	2.8
High-income countries	2.0	2.6	2.5	2.3	1.8	2.0	2.2
OECD high-income	2.0	2.6	2.5	2.3	1.8	2.0	2.2
G-7	1.8	2.6	2.4	2.1	1.7	1.9	2.1
G-4 Europe	2.2	1.6	2.7	2.8	1.6	2.6	2.4
Other industrial	3.7	2.9	3.1	3.1	2.7	2.7	2.9
Euro Area	2.7	2.0	2.9	2.9	2.2	2.7	2.7
Non-OECD high-income	1.2	3.0	4.0	4.6	1.3	3.6	4.7
Asian NIEs	1.8	3.6	4.9	5.2	2.0	4.3	5.2
Low- and middle-income countries ^a	1.6	2.7	4.2	4.5	1.5	3.7	4.6
Excluding Central and Eastern Europe and CIS	2.1	3.0	4.5	4.8	2.1	4.0	4.8
Sub-Saharan Africa	2.4	2.3	3.1	3.4	2.5	4.0	4.0
Excluding South Africa and Nigeria	3.6	3.2	3.6	3.9	3.6	4.5	4.4
Asia and Pacific	1.6	5.4	6.0	5.9	3.8	5.1	5.8
East Asia and Pacific ^b	0.1	5.5	6.2	6.2	3.6	5.2	6.0
Excluding China	−7.6	4.3	5.3	5.1	0.3	3.4	4.5
South Asia	5.1	5.4	5.5	5.3	4.4	4.8	5.2
Europe and Central Asia	−0.2	0.3	2.5	3.3	−1.5	2.3	3.6
Central and Eastern Europe	2.3	1.0	3.2	4.3	2.3	3.8	4.6
CIS	−2.7	0.7	1.3	2.3	−5.5	0.6	2.4
Middle East and North Africa	3.2	2.0	3.2	3.5	0.6	2.5	3.3
Maghreb	4.8	2.6	4.0	4.1	2.8	3.9	3.9
Mashreq	3.1	3.2	4.6	4.2	3.2	3.6	4.1
Developing GCC ^c	1.0	−0.3	1.7	2.1	−2.4	0.6	2.0
Latin America and the Caribbean	2.1	−0.6	2.7	3.5	−0.8	2.5	3.9
<i>Memo items</i>							
East Asia Crisis-5 ^d	−7.9	4.4	5.3	5.1	0.3	3.5	4.5
Low- and middle-income, excluding East Asia Crisis-5 ^d	3.3	2.4	4.0	4.4	1.7	3.8	4.7

a. Including Central and Eastern European countries and states of the CIS.

b. Including the Republic of Korea.

c. Gulf Cooperation Council (Bahrain, Oman, and Saudi Arabia).

d. Indonesia, Malaysia, the Philippines, the Republic of Korea, and Thailand.

Source: World Bank, *Global Development Finance 1999*; World Bank Development Prospects Group, November 1999.

During 1999 the U.S. expansion has continued to show resilience, with a recent strong pickup in exports complementing robust consumer and investment spending. But the economy also shows the widening imbalances that have resulted from the sustained period of rapid expansion, including a negative household savings rate (−1.5 percent)³, a current account deficit approaching 4 percent of GDP, potentially overvalued equity markets, and

modest signs of incipient inflationary pressures (figure 1.2).

Fears that higher oil prices and improving conditions in foreign markets would reinforce incipient inflationary pressures in the domestic market may have contributed to a recent rise in long-term interest rates. Partly offsetting these fears was evidence of accelerating growth in productivity, which could enable—if sustained—a higher path of output