

Table 1.1 Global conditions affecting growth in developing countries and world GDP growth

(percentage change from previous year, except interest rates and oil price)

	Current	Current forecasts			April 2001		
					Forecasts		
	estimate 2000	2001	2002	2003	2001	2002	2003
Global conditions							
World trade (volume)	13.3	1.0	4.0	10.2	5.5	7.3	7.3
Inflation (consumer prices)							
G-7 OECD countries ^{ab}	1.9	1.8	1.4	1.5	1.8	1.7	1.8
United States	3.4	2.8	2.2	2.3	3.0	2.6	2.7
Commodity prices (nominal dollars)							
Commodity prices, except oil (dollars)	-1.3	-8.9	1.6	8.1	-0.3	5.4	5.6
Oil price (dollars, weighted average), dollars/barrels	28.2	25.0	21.0	20.0	25.0	21.0	20.0
Oil price, percent change	56.2	-11.3	-16.0	-4.8	-11.4	-16.0	-4.8
Manufactures export unit value (dollars) ^c	-2.0	-4.6	4.0	4.4	5.9	3.1	2.4
Interest rates							
LIBOR, 6 months (dollars, percent)	6.7	3.6	2.8	3.0	4.8	4.7	5.0
EURIBOR, 6 months (euro, percent)	4.5	4.1	3.3	3.3	4.3	4.2	4.5
World GDP (growth)	3.8	1.3	1.6	3.9	2.2	3.3	3.4
High-income countries	3.4	0.9	1.1	3.5	1.7	2.9	2.9
OECD countries	3.3	0.9	1.0	3.4	1.6	2.8	2.9
United States	4.1	1.1	1.0	3.9	1.2	3.3	3.2
Japan	1.5	-0.8	0.1	2.4	0.6	1.8	2.3
Euro Area	3.5	1.5	1.3	3.6	2.5	3.1	2.9
Non-OECD countries	6.3	0.6	3.2	5.7	4.1	4.9	5.2
Developing countries	5.5	2.9	3.7	5.2	4.2	4.9	4.9
East Asia and Pacific	7.5	4.6	4.9	6.8	5.5	6.0	6.1
Europe and Central Asia	6.3	2.1	3.0	4.2	2.3	4.2	4.1
Latin America and the Caribbean	3.8	0.9	2.5	4.5	3.7	4.4	4.4
Middle East and North Africa	3.9	3.4	2.9	3.6	3.9	3.5	3.6
South Asia	4.9	4.5	5.3	5.5	5.5	5.5	5.6
Sub-Saharan Africa	3.0	2.7	2.7	3.9	3.0	3.4	3.6
Memorandum items							
East Asia crisis-affected countries ^d	7.1	2.3	3.4	5.4	3.7	5.1	5.2
Transition countries of ECA	6.1	4.0	3.1	3.8	4.1	3.8	3.8
Developing countries excluding ECA	5.3	3.1	3.8	5.4	4.2	5.1	5.1
excluding China and India	5.0	1.9	2.9	4.6	3.4	4.4	4.4

^a Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.^b In local currency, aggregated using 1995 GDP weights.^c Unit value index of manufactures exports from G-5 to developing countries, expressed in dollars.^d Indonesia, the Republic of Korea, Malaysia, the Philippines, and Thailand.

Source: Economic Policy and Prospects Group, October 2001; and GDF 2001 projections of April 2001.

in the past. Lower international interest rates eased the pressure on developing countries' debt servicing, particularly in the most credit-worthy countries. However, this positive news is likely to be offset in the short run with a

flight to quality, and rising risk premiums globally. These have increased financial strains in some highly indebted countries. Investors, with memories of financial crises in East Asia and elsewhere firmly in mind, are more dis-