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DEVELOPMENT PROSPECTS

Developing Trends

THE WORLD BANK

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Developing Trends was prepared by the Development Economics Prospects Group (DECPG) of the World Bank. The team is coordinated by Allen Dennis (Overview), and is comprised of Tehmina Khan (High-income), Gerard Kambou (Industrial Production), Derek Chen (Business Sentiment), Eung Ju Kim (High-income, Finance and Overview), John Baffes (Commodities and Focus Section) and Damir Cosic (Commodities), Sanket Mohapatra (Exchange Rate), Ekaterine Vashakmadze (Inflation and Trade), Thanh Nguyen (Statistical Annex), and Kristina Cathrine Mercado (layout). John Baffes, Allen Dennis, and Ekaterine Vashakmadze contributed to the Focus Section. The report was prepared under the guidance of Andrew Burns.
This note reflects the views of the team, but is not formally cleared by the World Bank Group.

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Overview

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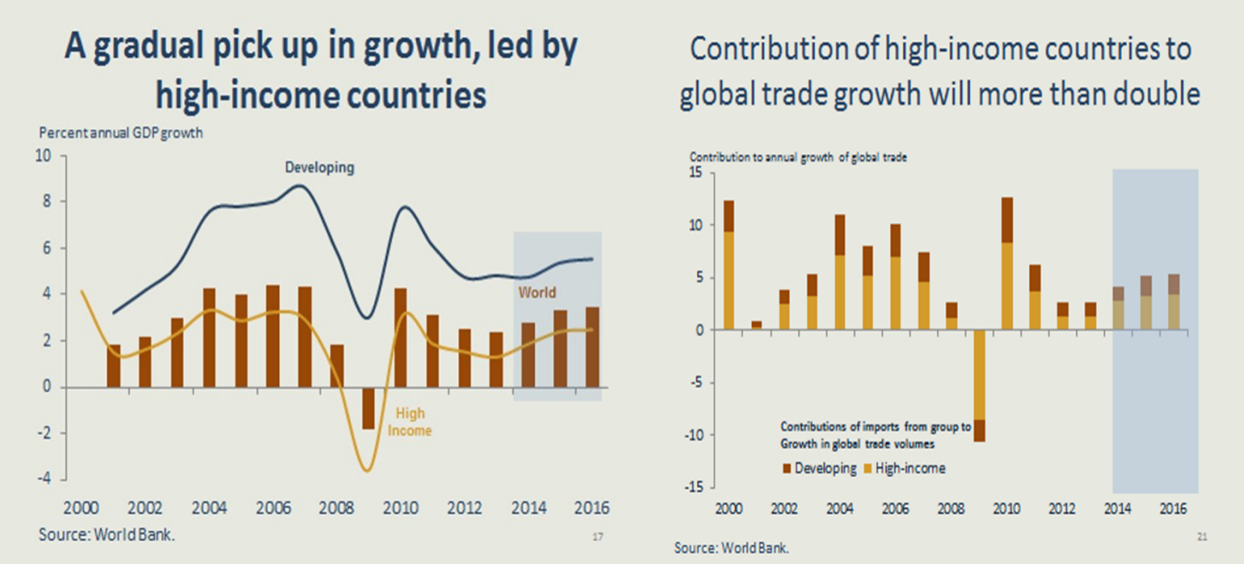
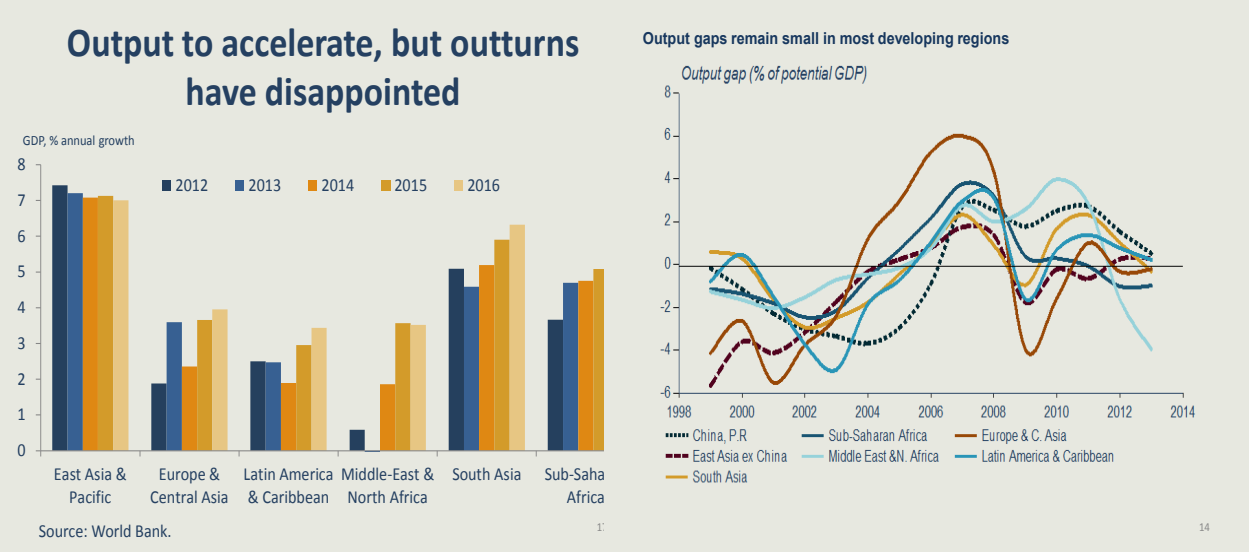
World Bank lowers projections for the global economic outlook. In the recently released *Global Economic Prospects*, the World Bank reports that the global economy got off to a bumpy start in 2014 buffeted by poor weather in the United States, financial market turbulence and the conflict in the Ukraine. As a result, global growth projections for 2014 as a whole have been marked down from 3.2 percent in January to 2.8 percent now. Despite the early weakness, growth is expected to pick up speed as the year progresses and world GDP is projected to expand by 3.4 percent in 2015 and 3.5 percent in 2016 – broadly in line with earlier forecasts. The bulk of the acceleration will come from high-income countries (notably the U.S. and the Euro Area) as reduced drag on growth from fiscal consolidation, improving labor market conditions and a steady release of pent-up demand in these countries are projected to overcome first quarter softness (which was largely influenced by transitional factors). High-income GDP is projected to grow at 1.9 percent in 2014, from 1.3 percent in 2013, and to 2.4 and 2.5 percent in 2015 and 2016.



Developing country growth to pickup slowly, as tailwinds from stronger high-income growth are countered by capacity constraints and an eventual tightening of financial conditions. The outlook for developing countries is for flat growth in 2014. This marks the third year in a row of sub-5 percent growth and reflects a more challenging post-crisis global economic environment. The flat yearly profile masks an expected firming of activity during the course of 2014, with developing country growth reaching 5.4 and 5.5 percent in 2015 and 2016 — broadly in line with potential. The outlook reflects countervailing forces. On the one hand, the high-income acceleration will supply an important tailwind, with their contribution to global growth expected to rise from less than 40 percent in 2013 to nearly 50 percent in 2015. As a result, high-income import demand is projected to accelerate from 1.9 percent growth last year to 4.2 percent in 2014 and as much as 5.0 percent in 2016, and developing country exports from 3.7 percent last year to 6.6 percent by 2016. On the other hand, a medium term outlook for tightening financial conditions, capacity constraints in some economies, and declining commodity prices (for the commodity exporters) represent headwinds to growth prospects. Performance will however differ across countries (see next page and focus section for details).



Regional Outlooks

The **East Asia Pacific** region continues to adjust to more balanced growth, while dealing with accumulated imbalances. Growth is projected to ease to 7.0 percent in 2016 reflecting offsetting effects of moderation in China and pick-up in the rest of the region as adjustment in large ASEANs eases, exports firm and tensions subside in Thailand. Volatility and eventual tightening of global financing conditions related to policy normalization and the possibility of a sharp slowdown in China, represent major risks to the regional outlook.

A diverging recovery is underway in the developing **Europe and Central Asia** region. The recovery in the Euro Area is boosting exports in Central and Eastern Europe. For the countries further east, which are highly exposed to weakening activity in Russia and declining commodity prices, near-term prospects have weakened. An escalation of political tensions between the EU and Russia is a key downside risk to the regional forecasts.

Activity in the **Latin America and the Caribbean** region has been weak reflecting stable or declining commodity prices, the drop in first quarter U.S. GDP growth and domestic challenges. Firming regional exports on the continued recovery among advanced countries and strong capital inflows should lift regional GDP growth from 1.9 percent in 2014, to 2.9 percent in 2015 and 3.5 percent in 2016. The region faces a major risk of slower longer term growth unless productivity enhancing reforms are stepped up.

In the **Middle-East and North Africa**, activity in oil-importing countries remains weak, but is exhibiting signs of an uptick. Oil-exporting countries have seen their oil output recover too, albeit not to pre-2011 levels. Political transitions continue to unfold with a number of elections being held in 2014, delaying measures to address persistent structural challenges. Meanwhile, fiscal and external balances remain weak. Overall, growth in developing economies is expected to pick up to 1.9 percent in 2014 and strengthen to about 3.5 percent by 2016.

South Asia's GDP grew 4.7 percent in 2013, about 2.6 percentage points below average growth in 2003-12, mainly reflecting weak manufacturing performance and slowing investment in India. Growth is expected to pick up modestly in 2014, and then rise to about 6 percent in 2015 and 2016, with firming global demand and easing domestic constraints offsetting a tightening of international financial conditions. Key risks include weak monsoon rains and stressed banking sectors.

Sub-Saharan Africa's GDP grew 4.7 percent in 2013 led by robust domestic demand, and is set to continue to rise. Despite emerging challenges, the medium-term outlook remains positive. Supported by investment in the resource sector, public infrastructure, and agriculture, GDP growth is projected to remain stable at 4.7 percent in 2014 and to rise to 5.1 percent in 2015 and 2016. The outlook is sensitive to downside risks from lower commodity prices, tightening global financial conditions, and political instability.

Focus Section

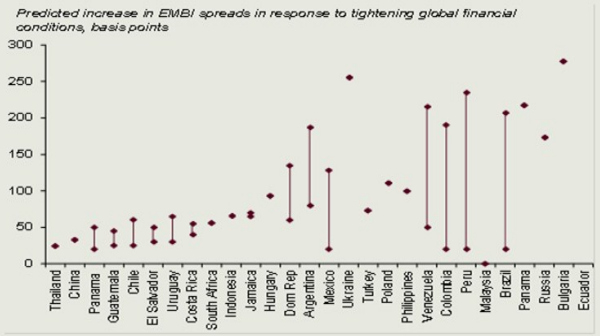
Risks to the Outlook

Acute global risks emanating from high income countries have subsided considerably. That said, some earlier risks remain and new ones have risen to the fore. In the Euro Area, sliding inflation has raised real interest rates, potentially slowing the recovery. Inflation expectations remain anchored so far, but downward adjustments could unleash a pernicious debt-deflation cycle and undermine the ability of monetary policy to support the economy. In Japan, the key risks are that the sales tax hike might significantly dent the domestic recovery, while medium-term prospects will depend on the degree to which supply-side reforms succeed in boosting growth. In the US, there are signs that the recovery in some asset markets is running ahead of the economic cycle, driven in part by very low interest rates. If conditions stay very loose too long some of the same kind of vulnerabilities that built up prior to the crisis of 2008 could re-emerge. Increasingly, these risks are being balanced by the possibility of better than expected growth, particularly in the Euro Area, in light of recent monetary support measures announced, and the US.

Risks to developing countries are less acute than a year ago but remain Although risks are reduced compared to last year due to financial and policy adjustments, developing countries remain vulnerable to volatility in global financial markets and other risks. Tighter global financial conditions over the next five years as monetary policy is normalized in high income economies is inevitable (although the timing and extent of the tightening remain uncertain). And it will imply weaker financial flows and rising costs of capital for developing countries. If interest rates rise too rapidly or there are sharp pullbacks in capital flows, economies with large external financing needs or rapid expansions in domestic credit in recent years could come under considerable stress. Moreover, market sentiment could become unsettled around key decision points associated with the normalization of high-income monetary policy, for instance the timing of the first policy rate hikes in the US. Heavy external financing needs (high current account deficits, and large amounts of short-term debt) make a country more vulnerable to reversals in international capital flows and increases in interest rates. The most vulnerable to a deterioration in financing conditions include countries that rely more on portfolio flows (as opposed to less volatile remittances and FDI) to furnish foreign currency. Some 18 developing countries find themselves with external financing needs that exceed their foreign currency reserves, with requirements exceeding 10 percent of GDP in many cases.

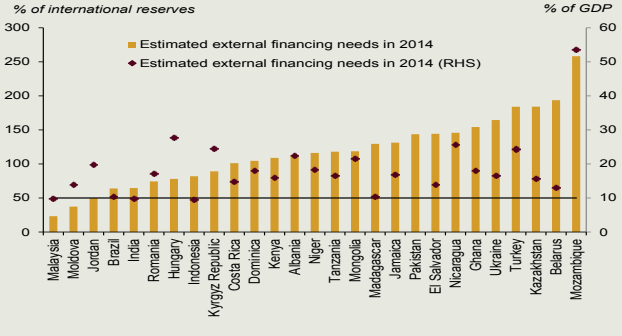
Tail risks include the rebalancing of China's economy amid a cooling property market, and an intensification of country-specific problems in other systemically important large middle-income economies such as Turkey that could be the spark for volatility in global financial markets, with contagion spreading to other developing economies with similar weaknesses. Geo-political risks remain elevated, including the conflict in Syria. A further sustained escalation in tensions in Ukraine — either militarily or in the form of tit-for-tat sanctions — could have significant impacts on global economic confidence, especially if they increase uncertainty to the point that investors and consumers hold back on spending. A physical disruption of energy and grain supplies would take a further toll on the already weak economies of Russia and Ukraine, and set back a nascent recovery in the Euro Area (a major buyer of Russian energy) although significant mutual interdependence in energy markets reduces the likelihood of such disruptions.

As and when global financial conditions tighten, developing country bond spreads could increase significantly for some



Source: World Bank, Agosin and Diaz-Maureira, 2013, Kennedy and Palerm, 2013, and Kennedy 2014).

Countries with large funding needs and low reserve cover may be most vulnerable to a tightening of financial conditions



Source: World Bank, BIS. External financing needs measured as current account balance less short term debt coming due in 2014 minus estimated

High-income I

As the impacts of an unusually severe weather recede, activity in the US is on course for a cyclical upturn, led by private spending. Growth remains tepid in the Euro Area, underlining the fragile nature of the recovery there. However, consumer confidence has risen to a six-year high, while the ECB has announced substantial credit easing which should support the recovery there. Sentiment indicators suggest that activity in Japan is stabilizing after a sharp slide following the sales tax increase in April.

US economy is rebounding after a weak Q1

- Q1 was derailed more than initially thought by weather conditions, with GDP contracting by 1% (q/q saar), which will weigh on outturns for the year as a whole.
- However, as the cyclical recovery has firmed, activity has rebounded. With household wealth boosted by stock markets that have repeatedly tested new highs, and by an ongoing recovery in house prices, consumer demand is slowly strengthening. Retail spending rose at a 4.4% (3m/3m saar) pace in April.
- This in turn is boosting firm output and hiring. while manufacturing output (which comprises three quarters of total industrial output) rose at 6.8% pace in May, the fastest in two years. Both service and manufacturing PMI indicators continue to indicate a solid pace of growth, while regional Fed surveys showing a strong pick up in the second half of the year in business investment, which has so far lagged the recovery.

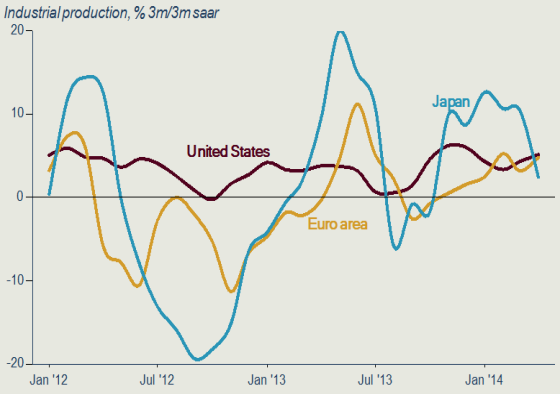
A muted recovery in the Euro Area should be supported by the recent ECB stimulus

- With inflation continuing to drift down and weakness in bank lending hampering the recovery underway, the ECB announced substantial policy easing, cutting its deposit rate to below zero, lowering its benchmark rate and announcing significant credit easing measures.
- These measures have helped to bolster confidence, with 10 year bond yields in the periphery economies falling lower (tightening by some 15bp compared to prior to the ECB announcement).
- Despite growth remaining tepid in Q1, activity and sentiment indicators continue to improve. Consumer confidence has risen to a six year high, while PMI indicators point to continued expansion in both industrial and service sectors. With unemployment beginning to inch down, private consumption is beginning to rise in the troubled periphery economies of Portugal and Spain.

Incoming data suggest Japan's economy is recovering after the sales tax increase

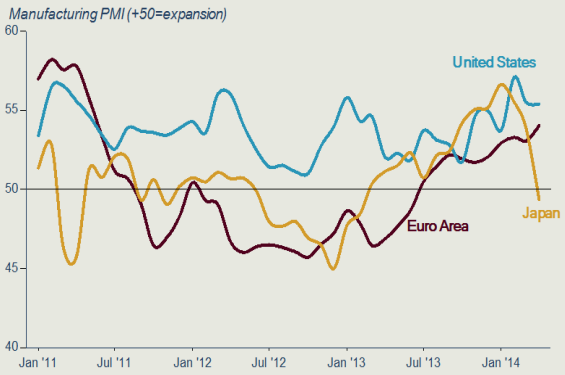
- Given the sharp acceleration in growth to 5.9% in Q1 annualized ahead of the sales tax hike in April, a similar payback can be expected in Q2. This was confirmed in a sharp slide in activity and sentiment data in April. However incoming data suggest that the economy is stabilizing. Consumer confidence recovered in May (albeit not to Q1 levels), while manufacturing PMIs have stabilized at just below 50. The government released a preliminary blueprint in mid-June on proposed reforms on corporate income taxes, female labor force participation and government pension fund reforms. If these and other needed structural reforms are implemented, they could help to boost growth over the medium term.

Industrial Production



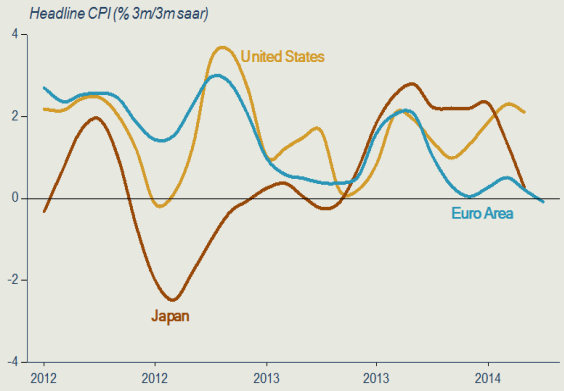
Source: Datastream, World Bank

Manufacturing PMIs



Source: Markit Economics, World Bank

Inflation



Source: Datastream, World Bank

High-income II

- **G3 equities have been mostly stable since mid-April with U.S. equities remaining mostly robust, while Japanese shares have experienced heightened volatility. Longer-term bond yields in U.S. and German have fallen sharply since February, leading to a significant flattening of yield curve. Yields on high-yield euro-zone government bonds have declined to record lows in June, helped by an unprecedented monetary stimulus by the European Central Bank.**

G3 equities have been mostly steady since mid-April.

- G3 equities have been mostly in the upward trend since mid-April with U.S. equities remaining mostly stable, while Japanese stocks have experienced heightened volatility.
- After reaching a new record high in early June, supported by strong financial stocks, U.S. equities have struggled to regain its momentum through the month amid jitters over the Iraq turmoil and the Fed's monetary policy decision.
- After underperforming its G3 counterparts during the first 4 months of 2014, Japanese stocks have posted strong May-to-mid June gain of 5.2%, after posting a sharp 11% loss preceding 4 months.

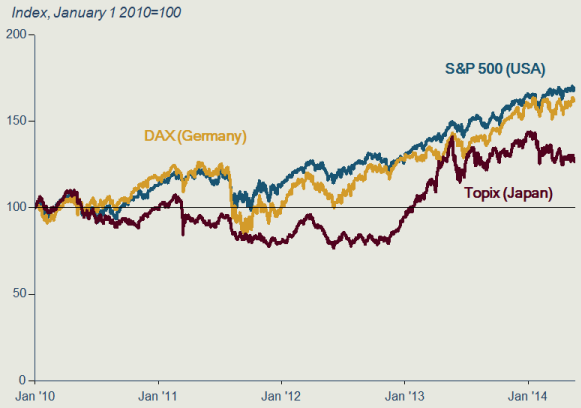
Long-term yields in U.S. and Europe have fallen significantly since February.

- Yields on longer-term U.S. and German government securities have fallen sharply since February. The rally was especially material in the U.S. Treasuries with yields on 10-year and 30-year securities falling more than 50 basis points.
- The strong demand for U.S .debt was initially supported by a period of heightened global risk aversion earlier months, then reflected mixed economic data and expectations of lower policy rate over the medium term.
- In contrast, shorter-dated Treasury yields were more stable (given the Fed's dovish sentiment has already kept rates lower) causing a significant flattening of yield curve.

The global bond-market rally has been particularly pronounced in the euro-area periphery this year.

- Euro-zone periphery government bonds have continued to perform well through early June, but they retreated in recent days amid signs that they are losing momentum.
- The average yields of Ireland, Italy, Portugal, and Spain has fallen to a fresh record low of 2.77% in early June in the wake of the ECB's unprecedented stimulus measures, after climbing above 10% at the height of the region's debt crisis in late 2011.
- However, yields on euro-area periphery bonds moved higher recently on concern that the bond rally is losing momentum.

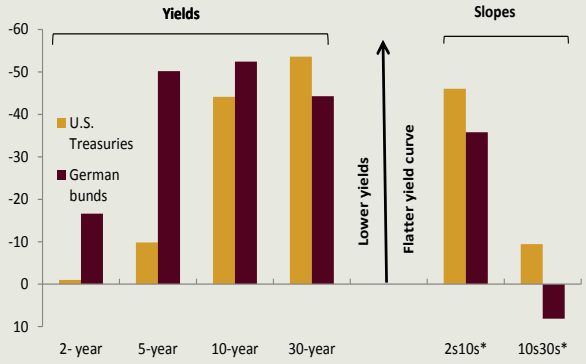
G –3 stock markets



Source: Bloomberg, World Bank

Changes in U.S. and German bond yields

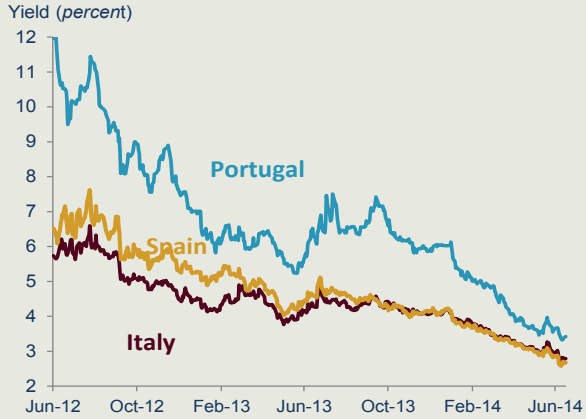
Year-to-date basis points change in government bonds yields (inverted scale)



* The difference between yields on 2-and 10-year bonds and 10-and 30-year bonds

Source: Bloomberg, World Bank

Yields on 10-year government bonds



Source: Bloomberg, World Bank

Industrial Activity

Global industrial production grew at a robust pace at the beginning of the second quarter, led by high income countries, suggesting a firming of the global economic recovery. April figures show that IP growth accelerated in the U.S. and Euro area, offsetting a slowdown in Japan. IP growth was steady in developing countries, as factory output picked up in China. Excluding China, IP growth, however, slowed in developing countries in April, reflecting a slowdown in Middle East and North Africa and South Asia, and a contraction of industrial output in Sub-Saharan Africa.

Global IP growth strengthened at the start of the second quarter, led by high-income countries.

- Global IP grew at the seasonally adjusted annualized 4.2 percent (3m/3m, saar) pace in April, after slowing to 3.7 percent in March.
- Contributing to this gain, high-income country IP growth accelerated to 4.2 percent in April, after slowing to 3.5 percent in March. Notably, IP growth strengthened to 5.1 percent in the U.S., following March's 4.3 percent growth; and, after slowing to 3.2 percent in March, the Euro area's IP growth accelerated to 4.8 percent in April. In contrast IP growth slowed markedly to 2.8 percent in Japan down from 10.5 percent in March, as the VAT increase came into effect.
- Developing countries' IP growth stabilized at 4.1 percent in April (4.0 percent in March). The acceleration in China's IP growth was however counterbalanced by a slowdown in growth from the rest of developing countries (IP grew 2.7 percent , slowing from a 3.1 percent growth in March).

After a period of sustained slowdown, China's IP growth picked up noticeably in April.

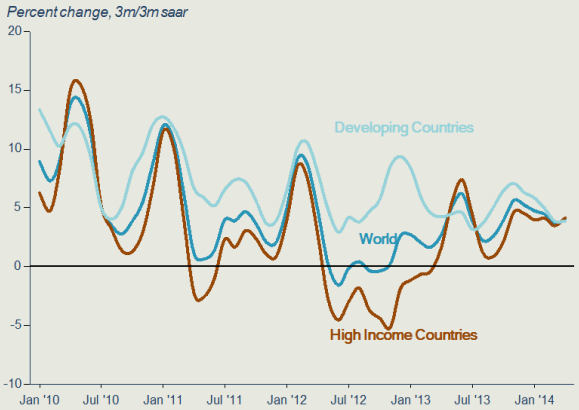
- China's IP growth was recorded at 5.1 percent in April, up from 4.7 percent in March, as manufacturing output picked up. Excluding China, IP contracted again in the rest of East Asia and Pacific but at a slower pace, reflecting a sharp fall in IP growth in Thailand and improvements in Indonesia.
- Meanwhile IP growth in developing Europe and Central Asia remained strong in April, supported by a pick up in factory output in Hungary and Romania.
- IP growth in Latin America and the Caribbean improved, picking up to 1.6 percent in April from 0.6 percent in March, helped by an acceleration of IP growth in Mexico and steady expansion in Brazil.

IP growth slowed in Middle East and North Africa South Asia, and fell in Sub-Saharan Africa

- IP growth in the MENA region slowed to 7.2 percent in April, following a 13.6 percent increase in March, as Egypt's non-oil private sector shrank.
- India's IP grew at a slower 3.3 percent pace in April, following a 4.7 percent expansion in March. Excluding India, IP growth was also slower in the rest of the South Asia region.
- Industrial production contracted further in South Africa in April as labor strikes led to a sharp contraction in mining production. Manufacturing output also fell, reflecting weak economic conditions.

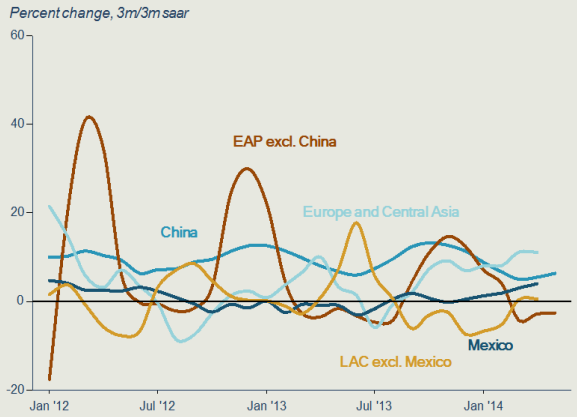
June 19, 2014

Global IP growth



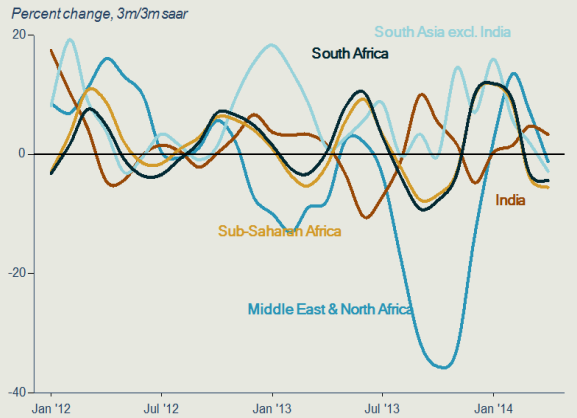
Source: World Bank

Regional IP growth: EAP, ECA, LAC



Source: World Bank

Regional IP growth: MENA, SAS, SSA



Source: World Bank

Business Sentiment

Business sentiment within the global manufacturing sector rebounded modestly in May from the six-month low in April. Advanced countries continue to show improved sentiment and operating conditions in the U.S. and the Eurozone, with conditions stabilizing in Japan. Sentiment among developing regions continue to be diverse with East Asia and Pacific rebounding sharply but still remaining in negative territory, and South Asia showing a small uptick in sentiment. In contrast, sentiment in Latin American and the Caribbean and Europe and Central Asia retreated in May, but with only the former signaling deteriorating operating conditions.

Global manufacturing sector sentiment rebounded in May, signaling expansion for the 18th straight month

- Global manufacturing sentiment rebounded modestly in May with the global purchasing manager's index (PMI) climbing to 52.2 from April's six month low of 51.9, led by stronger output growth in the U.S., U.K. and the Czech Republic.
- Amid the continued recovery from the winter weakness, the ISM PMI for the U.S. climbed from 54.9 in April to 55.4 in May. With manufacturing output declining in France and easing in a number of other countries, the Eurozone PMI posted its lowest reading in 6 months at 52.5, down from 53.4 in April.
- Signaling a broad stabilization in business conditions, Japan's PMI increased modestly to 49.9 from the decline to 49.4 in April due to the recent sales tax increase. Similarly, Russia's PMI rose from 48.5 to 48.9 in May signaling easing operating conditions amid the continuing crisis in Ukraine.

Due to strengthening external demand, several emerging economies saw improved sentiment and signaled continued growth in the manufacturing sector.

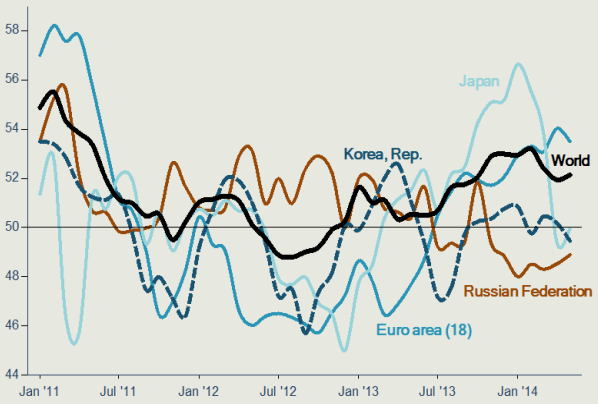
- Increasing for the 3rd consecutive month, Chinese manufacturing PMI posted a PMI of 50.8 up from 50.4 in April on stronger production and new orders. Similarly, aided by a depreciating rupee, India saw an uptick in the PMI from 51.3 to 51.4 in May on stronger new orders, export business and employment.
- On the back of stronger external demand and the successful launch of new production lines, a record rise in new orders led to the Indonesian PMI rising from 51.1 in April to a record 52.4 in May. Reflecting improved demand from the U.S., stronger new export business contributed to an uptick in Mexico's PMI from 51.8 in April to 51.9 in May.

Sentiment was less optimistic in other emerging economies due to a variety of domestic influences

- Falling from 49.3 to 48.8 in May, which is a 10-month low, Brazil's manufacturing PMI signaled continued deteriorating business conditions due to weakened domestic demand amid tighter credit conditions. Similarly, Turkey's PMI dropped to 50.1 from 51.1 in April reflecting stagnant business conditions with domestic demand facing a post-election lull.
- With mining strikes weighing on domestic demand, South Africa's PMI increased from 49.4 to 49.7, but still signaling deteriorating operating conditions with falling output and new orders.

Manufacturing Purchasing Managers' Index (PMI)

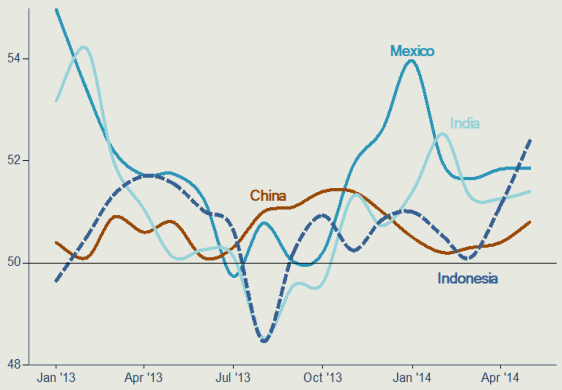
Diffusion Rate, 50 and above indicates growth



Source: World Bank and Markit

PMI Indexes—Emerging Economies 1

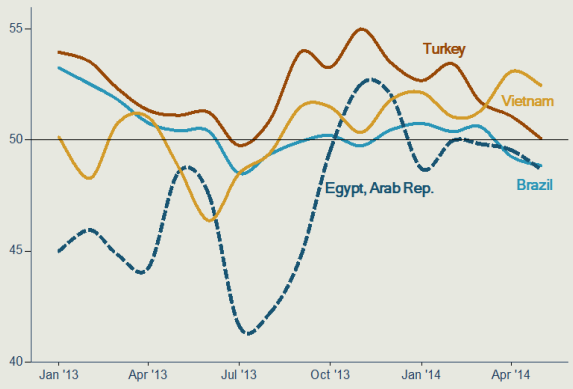
Diffusion Index, 50 and above indicates growth



Source: World Bank and Markit

PMI Indexes—Emerging Economies 2

Diffusion Index, 50 and above indicates growth



Source: World Bank and Markit

International Trade I

Global trade contracted at the start of Q2 on account of weaker developing country imports, but also due to some softening of high-income demand. Among developing countries, domestic demand adjustments related to policy tightening and currency depreciation and on-going political tensions in some developing economies contributed to the slow down. Nonetheless, tail winds from an up-tick in high-income economic activity is expected to provide support to developing countries economies in H2 2014, thereby supporting a pick-up in imports there.

For the first time in a year global trade contracted.

- The post-crisis recovery in global trade has, in general been very subdued, however, until April 2014 it had managed to sustain ten months of continued expansion. However a cyclical uptick which peaked in February (8.8%, 3m/3m saar), global trade volumes contracted by 1.5 percent in April.
- This expansion has been mostly driven by weakness in developing countries, where import demand slumped to 8.5% (6.8%, excluding China).
- Reflecting the co-cyclicality of developments between high-income and developing countries, high-income import growth also adjusted downwards, albeit continued expanding at a subdued 1.5% pace (from 4.9% in January 2014).
- To the extent that a pick-up in high-income economic activity is expected in H2 2014 (given that transitory factors played a role in weak Q1 performance) this bodes well for near-term global trade prospects, including from developing countries.

Import demand slowed in most of developing regions led by the East Asia and Pacific region reflecting on-going domestic adjustment.

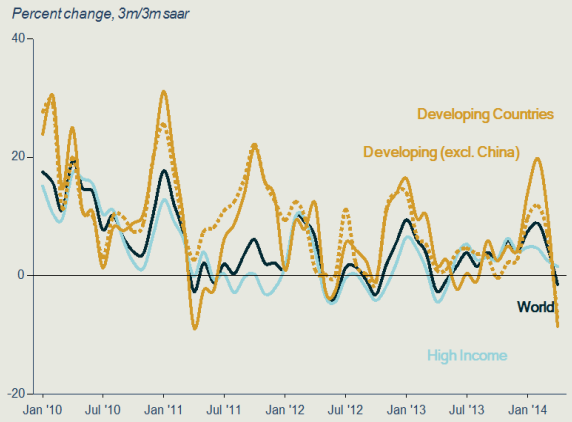
- Quarterly import growth contracted in China reflecting waning effects of 2013 mini-stimulus. Imports in the rest of the EAP region also recorded contraction reflecting depressed economic activity in Thailand combined with domestic adjustment in Indonesia and Malaysia.
- Import demand eased in ECA region reflecting currency devaluations in the Eastern part of the region and Ukraine combined with political unrest, depressed economic activity and import disruptions there.
- Import demand ticked-down in LAC reflecting policy tightening in Brazil and weak economic activity in Argentina. Import demand showed a considerable rebound in India following a long period of contraction.

Data lags behind in Sub Saharan Africa and the Middle East.

- Considerable lags in data lags for the Middle east and Sub Saharan Africa impede the assessment of most recent trends. In South Africa, where high frequency data is available, import demand continued to show quite double digit contraction through April reflecting weaker currency and economic activity.
- In the Middle East and North Africa, the contraction in import demand which persisted through February (seven consecutive months of contracting imports), reflected the effects of political challenges on demand conditions in the region, but the pace of contraction eased.

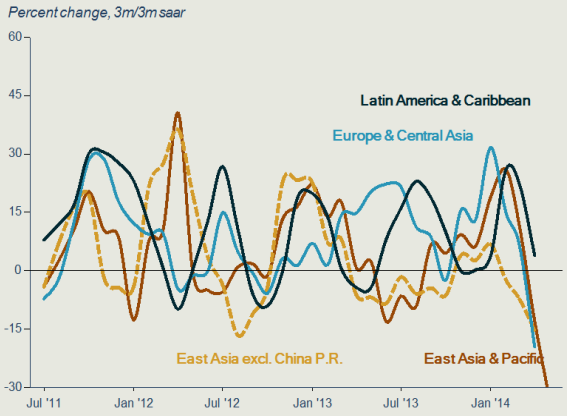
June 19, 2014

Global Import Volumes



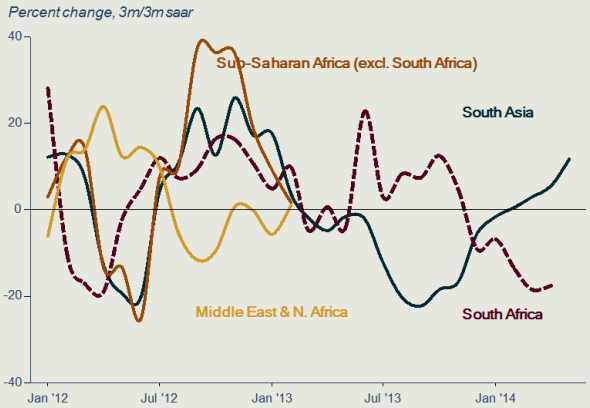
Source: Datastream, World Bank

Regional Import Volumes: EAP, ECA, LAC



Source: Datastream, World Bank

Regional Import Volumes: MENA, SAS, SSA



Source: Datastream, World Bank

International Trade II

Reflecting the weakness in global import demand, developing country exports also contracted, with the sharpest contraction occurring in China—the world's largest exporter. Excluding China the contraction was much milder, with divergent performances across regions: contraction in East Asia (mainly China); and expansion in Europe and Central Asia and Latin American and the Caribbean.

Weak global demand dampens developing country exports

- Developing country exports contracted at an annualized pace of 12.8 percent in the three month to April, however, this was mostly on account of weak Chinese exports in April. Excluding China, the contraction was less than one-percent
- Indeed, this reflects weak import demand from high-income countries, where in general Q1 GDP data has been largely disappointing, except in Japan. Further given the significance of South-South trade, the recent weakness observed in developing countries, including from China, has also contributed to the weakness in developing country exports.

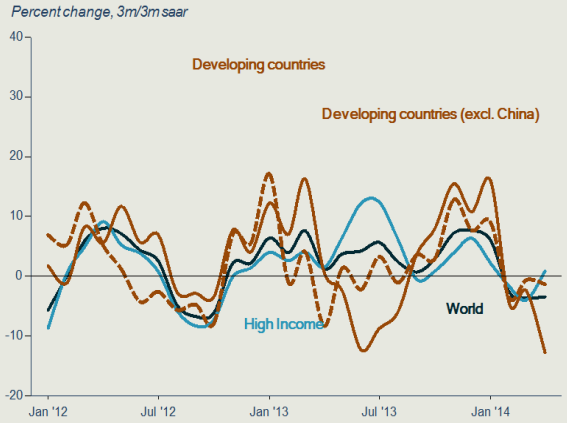
Export performance in developing regions shows some divergence.

- Excluding China, exports from East Asia has been positive (2.7%) although well below trend. Besides weak global demand, domestic factors have also played a part, such as the political tensions in Thailand.
- Export expansion continues in Europe and Central Asia albeit with a slowdown. This in part reflects two driving forces one where a recovering Euro Area is providing support to and the other where weakness in Russia, and metal and mineral prices is dampening exports.
- Exports from LAC show signs of a rebound led by Mexico and Argentina reflecting weaker currencies and stronger demand from the US following weak regional exports affected by drought in Brazil and weak demand from the US in the first quarter. And in South Asia, exports showed a rebound led by India.

Despite recent weak export performance, exports are projected to expand supporting by firming demand in high-income countries.

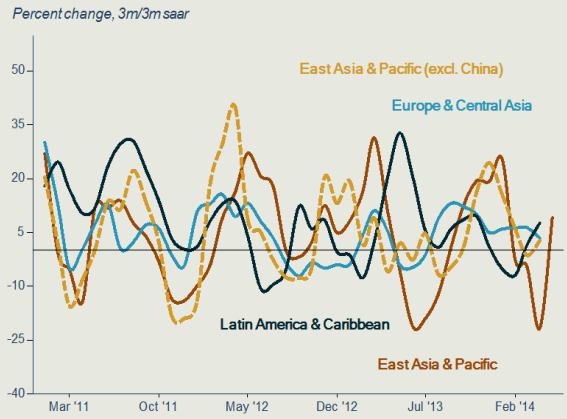
- Despite a bumpy start of the year, export growth should continue to be supported by rising demand from high income economies and an economic rebound in China (stimulus supported).
- If the strengthening of high-income country activity is to persist, this should provide further support to a pick-up in developing country exports, especially in those countries where export growth continues to lag behind.
- Indeed, where data is available for May, there has already been a rebound occurring in both East Asia (including China) and South Asia.

Global Export Volumes



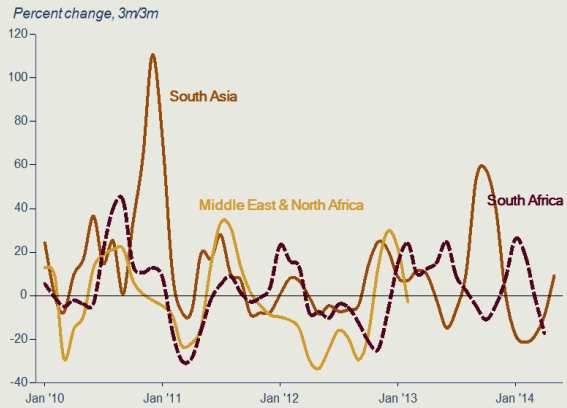
Source: Datastream, World Bank

Regional Export Volumes: EAP, ECA, LAC



Source: Datastream, World Bank

Regional Export Volumes: MENA, SAS, SSA



Source: Datastream, World Bank

Commodities I

Crude oil prices rose in May, supported by tensions in Ukraine and continuing supply outages, notably Libya. However, prices spiked in early June on security related concerns coming from Iraq. Prices of industrial metals declined in May partly due to concerns about growth in China. However the decline in precious metal prices was on account of better economic data, as this led to withdrawals by institutional investors.

Crude oil prices have risen slightly in recent months on account of tensions in Ukraine and supply outages.

- Crude oil prices were up on geopolitical tensions stemming out of Ukraine and supply outages. Prices averaged $106/bbl, up 0.8% (m/m) in May and last traded at $109.5/bbl in mid-June on security concerns stemming from Iraq.
- Global oil supplies rose by 0.5 mb/d to 92.6 mb/d in May. On a yearly basis, world output is up 1 mb/d, as non-OPEC growth more than compensated for declines in OPEC output.
- The gap between Brent and WTI narrowed to US$ 6.4bbl in May on sharply lower stocks at Cushing, OK (delivery point for WTI) which are now at a staggering 25 mb below year-ago levels.

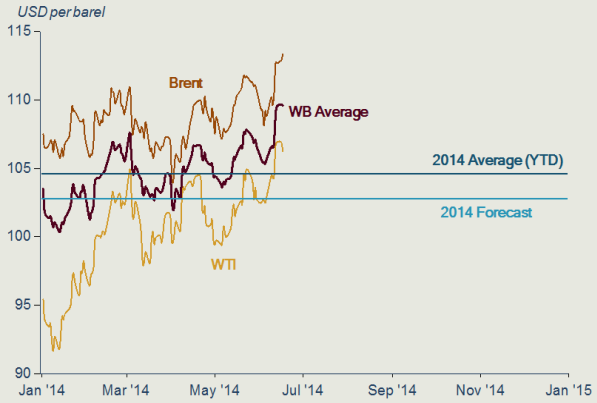
Metal prices were down in May partly due to concerns about slowing demand in China.

- Metals prices fell 0.8% (m/m) in May, down four of the last five months. The declines were led by aluminum and iron ore on oversupply issues.
- Prices of nickel increased by 12% (m/m) and up for the sixth consecutive month due to Indonesia's January 12th export ban on unprocessed ore. However, nickel prices fell from their highs into early June as stocks are still at record levels and severe market tightening is not expected until 2015.
- Global stocks of metals at major exchanges have declined (down 4.5% m/m in May), and are still elevated by historical standards. Copper (-70% y/y), zinc, lead and tin stocks are down (-30% y/y), while aluminum stocks are flat and nickel is up (+52% y/y).

Precious metals prices declined in May on better macro data in the advanced economies.

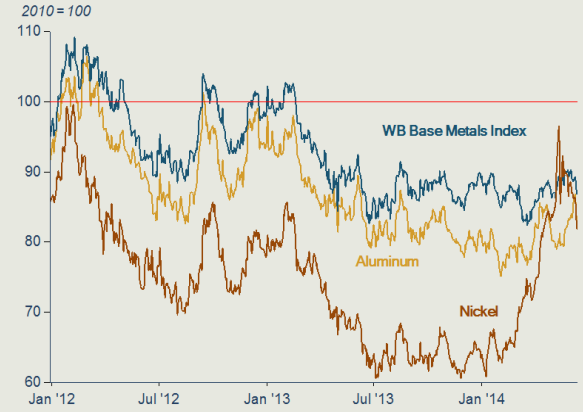
- Precious metals have been on the decline since early 2012, and prices reversed their previous two month gains by falling 1% (m/m) on improving macroeconomic conditions in advanced economies.
- Reduced demand for safe-heaven investments and expectations of changes in US monetary policy have triggered outflows out of exchange-traded funds, leading to price declines.
- In May, holdings of gold by exchange traded funds (ETFs) fell 1.6% (m/m), a four-year low. This followed two straight months of gains, the first increases since 2012.

Crude Oil Prices



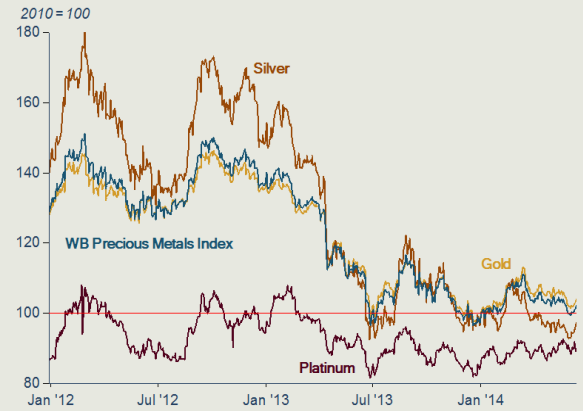
Source: Bloomberg, World Bank

Metals Prices



Source: Bloomberg, World Bank

Precious Metals Prices



Source: Bloomberg, World Bank

Commodities II

Following a moderate decline in April, key commodity food prices declined further in early May following an upbeat outlook by the U.S. Department of Agriculture (USDA) for the 2014/15 season, introduced on May 9. The price weakening extended to oils & meals (down almost 2% since March) and raw materials -0.5%). Despite the improved outlook, the possibility of an El Nino event this year (currently evaluated at 65-70%) poses upside price risks, especially for wheat and rice.

In its first global assessment for the 2014/15 crop year, USDA projected improved supply conditions for maize and rice—less so for wheat.

- Maize and rice are set for a record production at 979 and 481 million tons and stock-to-use (S/U) ratios of 18.8 and 22.9% for 2014/15. The outlook for wheat remains relatively tight, however, with production expected at 697 million tons, down 2% from the current season—the S/U ratio is expected to rise marginally due to lower feed use. Declines in wheat output in the U.S. and Australia and Ukraine will be offset by increases in Argentina, Mexico, and Paraguay. Lower maize production in Ukraine is expected to be offset by increases in Argentina and Mexico.
- The rice market continues to be well-supplied. In addition to improved production prospects, stocks are at high levels, especially in Thailand and India.

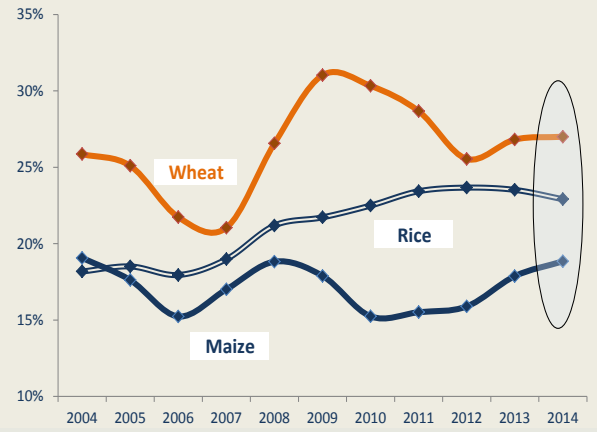
Grain prices eased following USDA's first outlook assessment for 2014/15.

- Although wheat prices did not change in April, they declined in early May following USDA's assessment. Yet, price risks are on the upside in view of the El Nino threat and the fact that the market is not as well supplied as other grains.
- Maize prices remained virtually unchanged in April (after gaining more than 12% since the beginning of the year) but they declined marginally in early May following the release of USDA's 2014/25 assessment. Overall, the global maize market is well-supplied.
- Rice prices declined 6.5% in April to $395/ton, the lowest since January 2008. The rice market is well supplied as the Thai government stocks are weighing heavily on the market. Yet, El Nino may pose some upside price risks.

Coffee (Arabica) prices reached almost $5/kg in mid-April, a 2-year high.

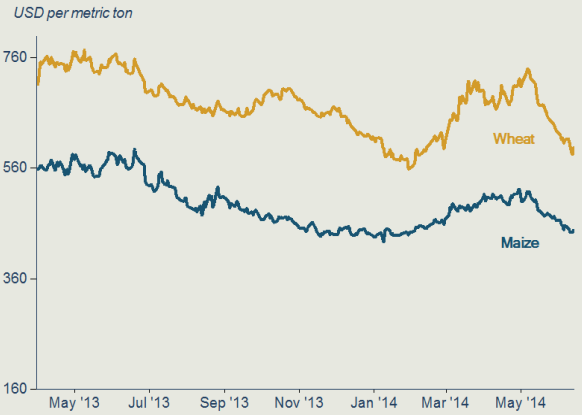
- Arabica prices gained 4.5% in April, up 75% since the beginning of the year—robusta prices did not change much. Dry and hot weather conditions in Brazil—world's largest coffee supplier—have taken a tol on Arabica output. The global coffee market is expected to incur a 0.5 million-bag deficit instead of an expected 4 million bag surplus.
- Separately, the oil and meal price index declined almost 2% in April, led by a 5.2% decline in palm oil prices. Soybean prices gained 3.2%, however, on delays of spring plantings in the U.S. and Canada due persistently to cold weather and wet conditions as well as delays in soybean harvest in Argentina due to wet conditions.

Stock-to-use ratios



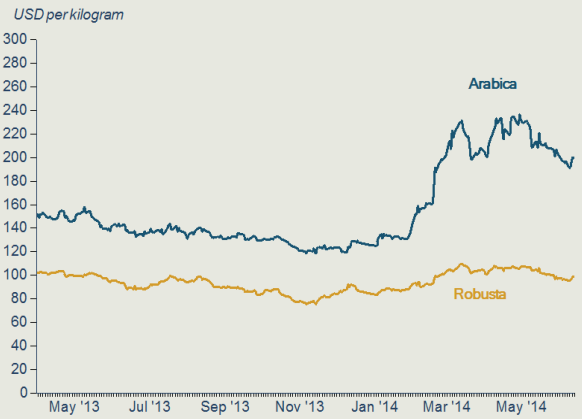
Source: US Department of Agriculture (May 9, 2014)

Maize and wheat prices



Source: World Bank

Coffee prices



Source: World Bank

Finance I

Credit-default swap rates for developing countries have widened recently led by Argentina and Ukraine. Global equities have been on edge this week as the turmoil in Iraq, renewed tensions in Ukraine, and the prospect of Argentinian debt default dampened market sentiment. Carry trade investment this year has been boosted by persistent low yields in high-income country assets, a weakening euro, and subdued market volatility.

Developing-country CDS rates have widened recently on Argentina.

- CDS spreads for developing countries have increased more than 80 basis points (bps) on average since early June, due mostly to a surge in spreads for Argentina and to a lesser extent Ukraine. Excluding these two countries spreads are relatively
- Argentina's CDS spreads have surged more than 900 bps this week to highly distressed levels of 2,737 bps, their highest levels in more than four months, after a U.S. court ruling raised the possibility of sovereign default.
- Renewed geopolitical tensions also pushed Ukraine's CDS spreads higher by more than 100 bps since early June.

Rally in global equities has halted in recent weeks amid rising geo-political tensions and prospects of debt default in Argentina.

- After rallying through early June, world stock markets have been weak recently as Iraq, Ukraine tensions, the prospect of Argentinian debt default damped investor sentiment.
- The rally between late March and early June helped emerging-market stocks to recover all of the losses incurred during the January-February sell-off. On a year-to-date basis developing county equities are up 4.3% (versus year-to-date advance of 4% for developed-market equities).
- Since early June, however, emerging-market equities have lost 0.3%, compared with a 0.5% drop for developed-market stocks.

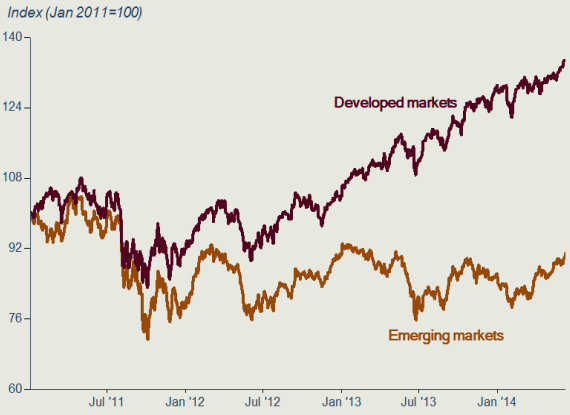
The pick-up in carry trade has contributed to asset price appreciation this year.

- The so-called carry trade investments, in which investors seek to boost expected returns by borrowing money in low interest rate/depreciating currencies in order to buy assets in higher yielding/appreciating ones, has increased since February.
- The continued decline in high-income countries' interest rate have enhanced the appeal of carry trade with G-10 carry trade index jumping 5% since the beginning of February.
- Demand for carry trade has been boosted by a low yields in high-income country assets, weakening euro following the European Central Bank's unprecedented stimulus measures and record low market volatility.

5-year sovereign CDS spreads for developing countries

Source: Bloomberg, World Bank

MSCI stock market indices



Source: Bloomberg, World Bank

G-10 carry trade index

Source: Bloomberg, World Bank

Finance II

Developing-country bond spreads have fallen sharply this year, reaching post-tapering lows in early June, but they have risen recently amid concerns over Iraq situation and Argentinian debt. Developing-country bond and equity funds posted their second consecutive month of inflows in May, though the pace of inflows moderated compared to the prior month. After a strong rebound in March and April, gross capital flows eased in May.

Developing-country bond spreads have fallen sharply this year, reaching post-tapering lows in June.

- Developing-country sovereign bond spreads reached post-tapering lows in early June, but they have edged higher recently amid concerns over fighting in Iraq, renewed tensions in Ukraine, Argentinian deb situation.
- Notwithstanding the recent episodes of market volatility, developing-country bonds have greatly benefited from the sustained period of market calm, with bond spreads falling sharply since February.
- The EMBIG bond spreads has fallen more than 120 bps between early February and early June. Much of the drop in spreads can be attributed to a tightening of U.S. Treasury yields. Easing in financial market tensions, a renewed appetite for yield and domestic adjustments in major EM countries that have helped to reduce vulnerabilities.

Portfolio flows into emerging-market bond and equity funds remained positive in May

- Net foreign inflows to developing-country bond and equity funds remained steady in May after recording their first combined positive inflows last month since last October, though net flows moderated to $6.5 billion compared to a spike of $8.8 billion in the prior month.
- EM bond and equity funds have suffered outflows since May last year on worries over monetary tightening in the U.S. But that tide has begun to turn recently as EM assets are among the main beneficiaries of a renewed rush for riskier assets by yielding-searching global investors.
- Further, investors put about $3 billion into developing country funds during the week ending June 11.

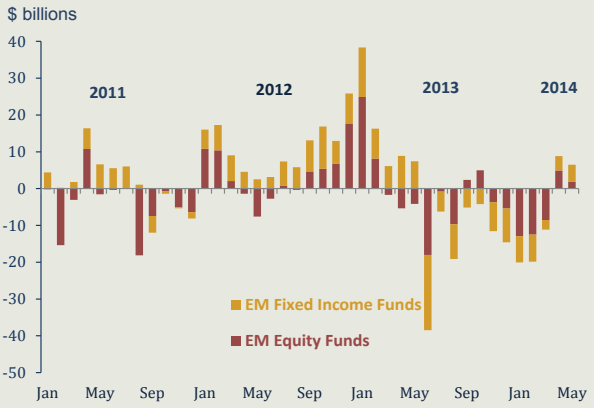
After a strong rebound in March and April, capital flows eased in May.

- Following a strong rebound from the emerging market turmoil in late January and February, gross capital flows eased in May.
- Capital flows between March and May averaged $55 billion, 14% above the 3-month average of $48 billion prior to the February faltering.
- The May weakness likely reflects some payback from the very high flows in the preceding two months, as secondary-market price indicators suggest continued appetite for developing country bonds, partly reflecting very accommodative global financial conditions and search for yields.

Developing-country sovereign bond spreads since 2011

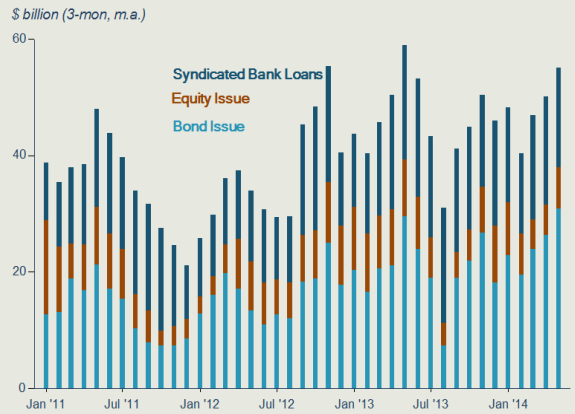
Source: World Bank and JPMorgan

Foreign portfolio inflows to developing countries



Source: World Bank and EPFR

Gross capital flows to developing countries



Source: World Bank and Dealogic

Finance III

Equity flows remained broadly steady in May, but year-to-date flows are down 40% from a year ago due to subdued IPO activities. Bond issuance activity faltered in May after reaching a record high in April with China accounting for much of the decline. Despite the February plunge, bond issuance by developing-country borrowers is on record pace this year. Syndicated bank lending has been slow in 2014, a reflection of overall weakness in global loan activity. Severe restrictions in bank risk taking and the low cost of bond funding are among the factors behind this weakness.

Equity flows remained steady.

- Equity flows (a combination of IPOs and follow-on issuance) amounted to $7.3 billion in May, up slightly from April.
- After faltering in February, equity flows bounced back between March and May, which was coincided with the rally in developing-country stock markets.
- But year-to-date equity issuance stands at only $30 billion, 40% lower than the like period in 2013, as the IPO activities remain subdued mostly due to China's nearly five-month moratorium on IPOs that begun in February.
- Looking ahead, the announced reopening of China's IPO markets with 7 new listings is likely to shore up issuance activity in June.

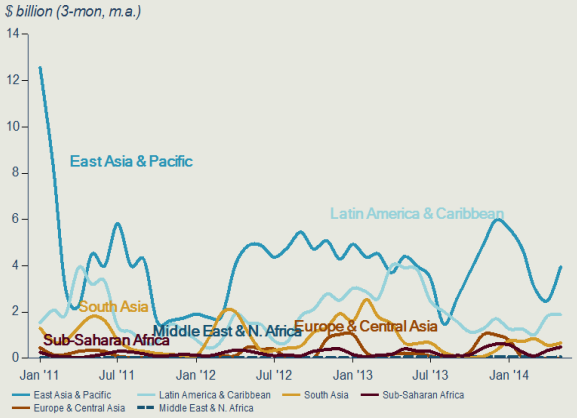
Bond issuance faltered from record highs.

- Bond issuance from developing-country sovereign & corporate borrowers fell sharply to $21.5 billion after reaching a record high of $47 billion in April.
- China accounted for much of the May decline, but the country's year-to-date volume make up about 30% of total bond sales by developing countries this year (an unprecedented share from just one country)—China became the biggest source of developing countries' international bonds in 2012, surpassing Brazil.
- Despite faltering in February, bond issuance is on a record pace with year-to-date volume standing at 7% above that of last year.
- Along with Kenya's inaugural international bond issue, Ecuador's return to bond market this week after the 2008 default underlines the huge appetite for the riskiest developing-country debt.

Syndicated bank lending remained subdued.

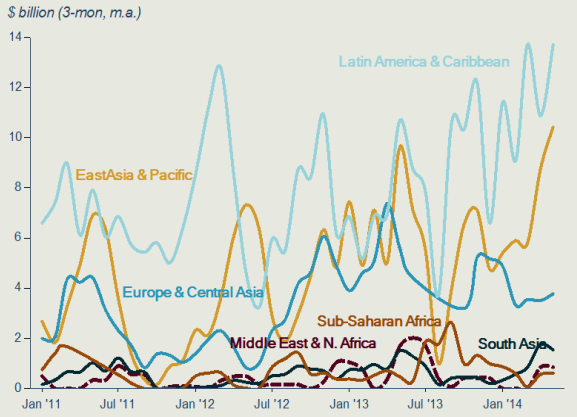
- Syndicated bank loans to developing countries remained weak at about $7 billion in May, due mostly to a drop in lending to ECA region.
- Severe restrictions in bank risk taking and the low cost of bond financing are among the factors behind weak bank lending, which has shown no signs of recovery in recent months.
- Bank lending totaled about only $70 billion in the first five months of 2014, down 19% from a year ago, a reflection of overall weakness in global syndicated loan activity.
- ECA and SSA regions accounted for much of decline in bank flows to developing countries this year.

Equity placements (IPOs and follow-on issuance)



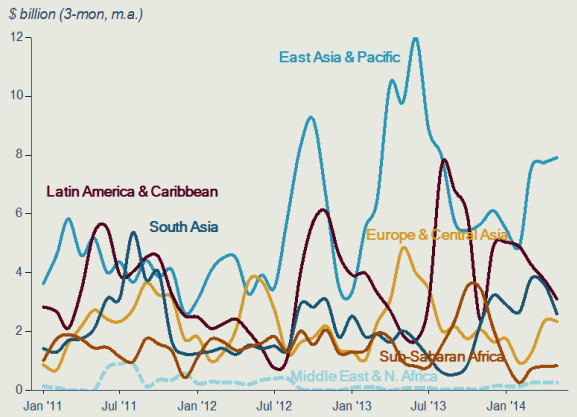
Source: World Bank and Dealogic

International bond issuance



Source: World Bank and Dealogic

Cross-border syndicated bank loan



Source: World Bank and Dealogic

Exchange Rates

The euro came under pressure in anticipation of (and following) monetary easing measures announced by the ECB on June 5 to ward off deflation risks. Currencies of several large middle-income developing countries have stabilized or appreciated (with some exceptions), after coming under pressure in late January. Despite financial market tensions earlier this year, a majority (60%) of developing country currencies have appreciated year-to-date, nonetheless, they remain vulnerable to monetary policy decisions and financial conditions in high income countries.

The euro depreciated in anticipation of (and following) monetary easing by the ECB on June 5

- Anticipation of monetary easing by the ECB to ward of deflation risks (announced on June 5) weakened the euro. Compared to the level in early May, the euro fell by 2.4 percent against the US dollar (0.9 percent down since June 5).
- Despite the recent depreciation, the euro is 6.2 percent higher in trade weighted effective terms compared to Jan. 2013. The US dollar has also gained with a firming recovery in the US.
- The Japanese yen has broadly stabilized, following an earlier steep depreciation, which had in part resulted from monetary stimulus.

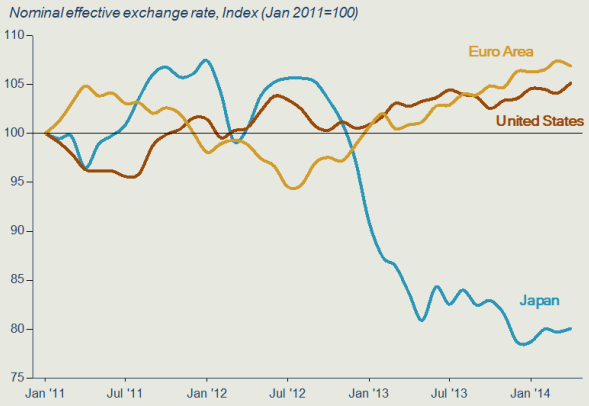
Currencies of large middle-income countries have appreciated (with exceptions) as financial market tensions abated since February

- After experiencing sharp depreciations in late January and February (triggered initially by weak macroeconomic data from China, and as steep currency losses in Argentina, Ukraine and Turkey spread to other countries), large middle-income developing currencies have appreciated, partially reversing earlier losses.
- The recent appreciation took place as financial tensions eased and after some countries (Turkey, India) maintained a tighter monetary stance. Policy reforms in Mexico and an improved current account position in India (partly due to curbs on gold imports) also helped to stabilize their currencies. Ukraine's currency fell sharply as the political crisis intensified, but has stabilized.

Majority of developing currencies were stable or appreciated in NEER terms since start of the year

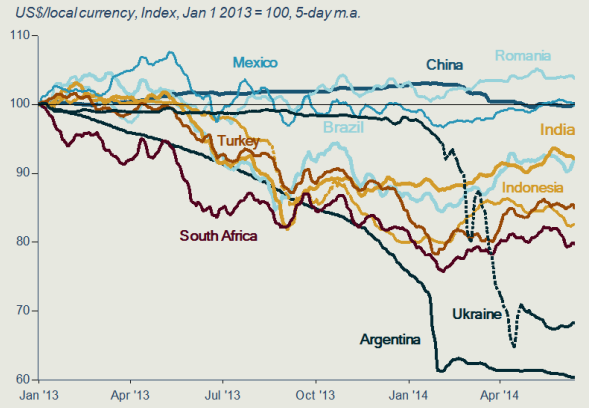
- Changes in effective exchange rates broadly mirror those against the USD. Brazil's *real* appreciated significantly in NEER terms (due the devaluation in Argentina, a large trading partner) but experienced a smaller appreciation against USD. Widening trade deficits in Indonesia (due to mineral ore exports ban and weak commodity exports) and in South Africa (strikes in the platinum sector) resulted in downward pressure on their currencies. Improving demand from Euro Area and raising of Romania's sovereign rating to investment grade by S&P resulted in the currency rising to its highest since early 2013.
- Only 30% of developing currencies lost 1 percent or more in NEER terms since Jan 1 (including some commodity exporters, Zambia, Kazakhstan, Mozambique), while 60% were stable or even appreciated.

Euro and US dollar appreciate, Yen stabilizes



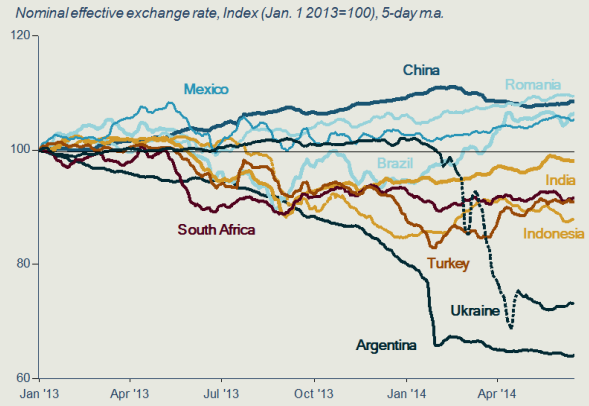
Source: Datastream, IFS

Recent appreciation of developing currencies vs US$



Source: Datastream, IFS

Appreciation of developing currencies (NEER)



Source: Datastream, IFS

Inflation

Global inflation ticked up reflecting a rebound of economic activity in China and reviving economic activity in high-income economies. Quarterly inflation has picked up in many high-income economies with the notable exception of the Euro Area which continues to suffer from considerable underutilization. Growth support measures contributed to a rebound of inflation in China. Currency devaluation and supply bottlenecks contribute to accelerated price pressures in the ECA region, particularly in Ukraine.

Global inflation accelerated to 3.6 percent in April reflecting a marginal pick-up in high-income country inflation and price pressures in developing economies.

- High-income country inflation accelerated to 1.8 percent in April (y/y). The uptick was broad-based, with the exception of the Euro Area due to considerable spare capacity there.
- Inflation in developing countries showed a strong rebound in May on account of heterogeneous factors, including policy stimulus (China); earlier currency devaluations; and supply-side bottlenecks.

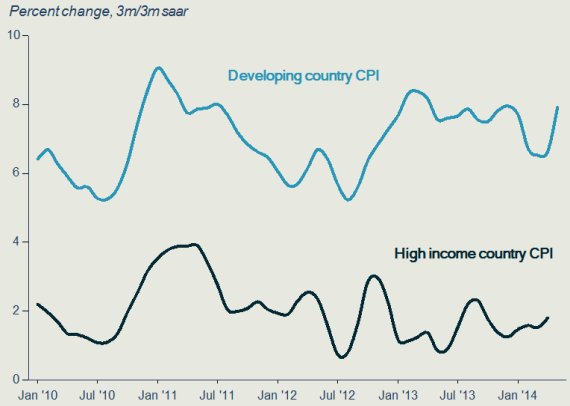
Quarterly inflation continues to slide down in the EAP region excluding China. Price pressures accelerated to two year heights in the ECA region and remain moderate in LAC (excluding Venezuela).

- In the EAP region, excluding China, quarterly inflation continued to ease reflecting price moderation in Indonesia, but accelerated considerably in China reflecting ongoing stimulus measures.
- Currency depreciations in Kazakhstan, Ukraine and Turkey continue to generate price pressures pushing quarterly inflation to double digit levels (11.3 percent annualized rate) in April of 2014.
- On account of continued policy tightening, particularly in Brazil, inflation in LAC (excl. Venezuela) stabilized following earlier acceleration. In Venezuela, inflation has started to ease but from high levels in Venezuela.

Inflation continued to ease at an accelerated rate in MENA, ticked-up in South Asia and continued to ease in Sub-Saharan Africa (except in South Africa where inflation recently accelerated).

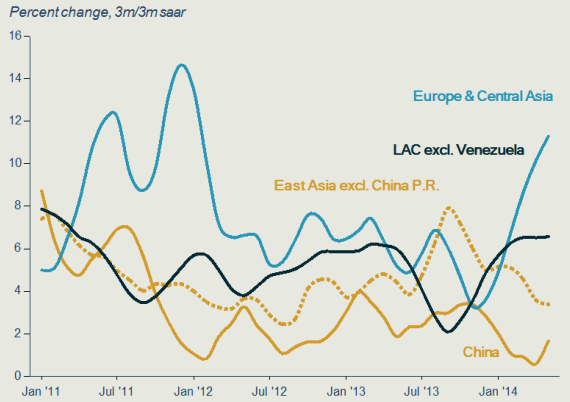
- Tighter policies, appreciation of Rial and easing sanctions all contributed to a fall-off of inflation in Iran. Inflation also eased in Egypt largely due to base effects and weak demand.
- Quarterly inflation in South Asia ticked-up after dropping below 5 percent annualized pace in February—the lowest level since December 2007 reflecting developments in India.
- In contrast to the rest of Sub-Saharan Africa where inflation is on a easing trend, inflation has picked-up in South Africa notwithstanding recent policy tightening.

Developing and high income inflation



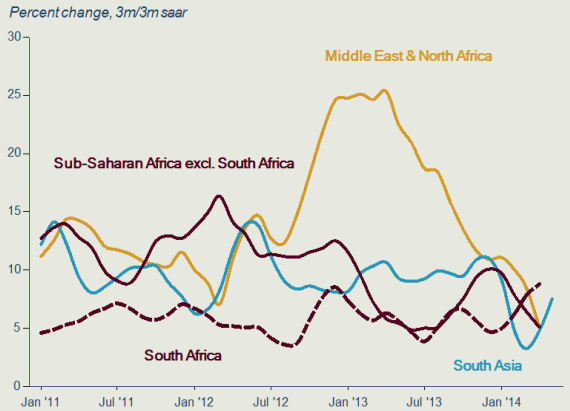
Source: World Bank Prospects Group; IMF IFS.

Inflation in EAP, ECA and LAC



Source: World Bank Prospects Group; IMF IFS.

Inflation in MENA, SAS and SSA



Source: Source: World Bank Prospects Group; IMF IFS.

Table A.1 Global industrial production growth

(constant prices; percent; seasonally adjusted annual rates except monthly figures which are in percent change over

	Weights	Average				2013			2014	2013	2014			
	2000	1999-09	2011	2012	2013	Q2	Q3	Q4	Q1	Dec	Jan	Feb	Mar	Apr
World	**100.0**	**2.2**	**5.2**	**3.0**	**2.6**	**6.2**	**2.6**	**5.3**	**3.6**	**0.4**	**0.8**	**0.1**	**-0.2**	**1.0**
High-income countries	**77.2**	**0.4**	**3.5**	**0.9**	**0.5**	**7.4**	**0.9**	**4.5**	**3.5**	**0.4**	**1.0**	**0.1**	**-0.2**	**1.0**
Industrial countries	72.7	0.2	2.7	0.4	0.5	8.0	-0.5	4.8	4.8	0.5	1.4	-0.1	-0.2	1.1
United States	25.1	0.3	3.4	3.8	2.9	3.2	1.4	6.0	4.3	0.0	0.1	0.8	0.7	-0.4
Japan	17.3	-1.0	-2.7	0.7	-1.0	15.0	-0.8	8.7	10.4	0.9	3.4	-2.4	1.4	-1.0
Euro Area	22.9	0.0	4.2	-2.9	-1.0	11.2	-2.5	1.6	3.2	0.7	2.2	-0.4	-2.1	4.1
United Kingdom	4.1	-1.0	1.8	-1.6	-0.7	8.2	0.4	3.3	6.0	2.6	2.1	-1.8	0.5	2.4
Other high income	4.5	0.2	2.7	0.4	0.5	8.0	-0.5	4.8	4.8	..	..	..	..	..
Hong Kong (China)	0.2	..	..	..	..	..	..	..	..	..	..	..	..	..
Singapore	0.4	5.6	7.6	0.4	1.6	25.9	8.6	9.0	-1.9	0.6	-2.9	1.3	2.2	-0.7
Taiwan (China)	1.1	3.8	4.8	-0.2	0.4	-5.2	6.9	9.3	1.2	2.0	-1.4	2.4	-3.7	2.3
Developing countries	**22.8**	**6.5**	**8.0**	**6.3**	**5.5**	**4.6**	**5.0**	**6.3**	**3.9**	**0.3**	**0.5**	**0.3**	**-0.1**	**1.0**
East Asia and Pacific	**8.7**	**10.5**	**11.4**	**9.1**	**8.9**	**4.5**	**11.1**	**11.6**	**3.6**	**0.8**	**-0.3**	**0.6**	**0.3**	**0.6**
China	6.3	13.7	13.7	10.0	9.7	6.0	12.3	11.4	5.0	0.6	-0.1	0.6	0.7	0.3
Indonesia	0.9	3.4	4.0	4.1	6.0	-4.4	1.2	10.3	7.5	1.3	0.3	0.7	-0.1	-0.2
Thailand	0.6	8.6	-8.7	2.5	-3.3	-20.6	-5.9	15.3	-13.7	2.2	-2.5	0.1	-6.7	2.9
Malaysia	0.5	6.1	5.7	5.3	4.2	14.3	8.9	8.3	-2.2	-0.4	-1.3	2.5	-2.4	2.2
Europe and Central Asia	**3.2**	**..**	**14.9**	**8.3**	**2.2**	**1.4**	**1.9**	**7.0**	**11.2**	**0.5**	**1.4**	**0.9**	**0.5**	**0.9**
Russian Federation	1.0	5.9	8.3	5.3	0.5	3.8	7.2	9.7	-9.6	-3.9	-3.9	3.7	0.5	0.9
Turkey	0.5	..	9.6	2.5	3.4	4.2	4.9	4.0	6.3	0.1	1.1	-0.3	-0.3	1.0
Poland	0.6	6.3	6.9	1.3	2.3	6.1	9.4	0.9	3.8	-2.9	5.2	-0.9	-0.5	3.0
Czech Republic	0.2	3.6	7.7	-0.6	0.7	4.9	23.6	-2.2	10.5	-0.7	3.6	0.6	0.4	3.1
Latin America and Caribbean	**6.2**	**1.8**	**2.5**	**-0.1**	**1.1**	**11.9**	**-4.0**	**-5.3**	**1.2**	**-2.2**	**2.7**	**0.4**	**-2.5**	**2.0**
Brazil	1.8	-	0.4	-2.6	2.9	15.9	-5.8	-9.3	2.4	-4.5	5.2	0.8	-4.7	2.8
Mexico	1.7	1.1	3.5	2.6	-0.6	-3.0	1.9	0.5	3.1	-0.4	0.6	0.4	0.2	0.6
Argentina	0.8	2.9	6.7	-1.1	-0.2	6.6	-6.8	-8.0	-3.6	-0.5	2.7	-1.6	-1.1	1.7
Colombia	0.3	1.9	4.9	-0.3	-1.2	20.0	-0.7	-0.3	1.8	1.5	0.3	1.1	-2.0	3.0
Middle East and North Africa	**1.9**	**2.3**	**-9.3**	**5.7**	**-7.8**	**2.0**	**-31.4**	**-13.5**	**7.3**	**2.0**	**3.3**	**-3.1**	**-0.3**	**0.9**
Saudi Arabia	1.2	0.0	12.4	5.7	-1.5	12.6	19.7	-5.3	1.8	2.7	-0.5	-0.2	-1.7	0.0
Iran	0.4	-0.3	0.2	-20.2	-10.0	-1.9	2.1	-1.3	8.9	0.0	1.3	0.1	0.7	-0.6
Egypt	0.4	..	-6.7	4.9	-7.7	-23.8	-41.0	2.8	57.2	3.7	9.5	-4.1	1.0	2.6
Algeria	..	4.2	0.2	-0.2	-0.4	7.7	-8.8	8.2	-24.8	0.7	-2.0	-11.5	5.6	0.1
South Asia	**1.6**	**7.3**	**5.4**	**1.3**	**1.5**	**-8.0**	**8.8**	**-2.9**	**4.2**	**0.5**	**1.3**	**-1.8**	**0.9**	**2.1**
India	1.3	7.5	4.8	0.7	0.5	-10.5	9.9	-4.8	4.7	0.0	1.9	-1.9	1.1	2.1
Pakistan	0.2	5.8	2.7	1.8	6.2	-0.7	8.9	6.0	-13.3	6.3	-5.5	-2.4	-1.2	..
Bangladesh	0.1	7.5	17.0	9.3	9.7	16.1	-0.4	3.6	..	-0.2	..	..	..	..
Sri Lanka	0.0	..	8.1	-0.3	1.0	-3.0	1.2	17.9	..	2.3	-1.1	1.6	..	..
Sub-Saharan Africa	**1.2**	**0.9**	**3.4**	**3.5**	**0.9**	**9.2**	**-7.6**	**9.9**	**-3.7**	**0.7**	**0.6**	**-2.2**	**-1.2**	**2.8**
South Africa	0.4	0.8	2.8	2.3	1.3	10.4	-9.1	10.1	-3.1	0.8	0.8	-2.1	-1.1	3.1
Nigeria	0.3	-	..	..	..	..	..	..	..	..	..	..	..	..
Memo:														
OECD	75.9	0.2	2.9	0.5	0.5	7.4	-0.2	4.5	4.8	0.5	1.4	-0.1	-0.2	1.1
Developing excl. China	16.6	2.9	3.2	2.8	1.3	3.1	-2.4	0.3	2.4	-0.1	1.2	-0.1	-1.2	1.8
Developing oil exporters	2.9	-	1.8	3.0	0.3	5.9	-6.1	0.9	2.0	0.5	0.5	0.1	-0.5	0.5
Dev. non-oil exporters	19.9	8.7	10.0	7.2	7.0	4.2	8.1	7.6	4.3	0.3	0.5	0.3	0.0	1.1
Asian high tech exporters	..	..			..			..	..					

[a] In general, series refer to industrial production excluding construction (e.g. manufacturing, mining and utilitites). Where this is not available the closest proxy is used, often manufacturing output or oil output, if the country is a major oil producer.

Table A.2 Demand conditions in high-income countries

(US dollar values unless otherwise indicated; percent change; seasonally adjusted annual rates

	Average					2013			2014	2014			
	1999-09	2010	2011	2012	2013	Q2	Q3	Q4	Q1	Jan	Feb	Mar	Apr
Real GDP													
High-income countries	2.0	3.3	2.1	1.1	1.1	3.1	2.0	2.6	0.8	..	..	..	..
Industrial countries	1.8	3.1	1.7	0.0	0.0	3.1	1.9	2.5	0.7	..	..	..	..
United States	2.1	2.5	1.8	0.0	0.0	2.5	4.1	2.6	-1.0	..	..	..	..
Japan	0.5	4.7	-0.4	0.0	0.0	2.9	1.3	0.3	6.7	..	..	..	..
Euro Area	1.6	2.0	1.7	0.0	0.0	1.4	0.6	1.0	0.8	..	..	..	..
United Kingdom	2.0	1.7	1.1	0.0	0.0	3.1	3.4	2.7	3.3	..	..	..	..
Other high income	4.3	1.8	1.8	1.8	1.8					..	..	..	..
Hong Kong (China)	..	2.4	2.4	2.4	2.4					..	..	..	..
Singapore	5.6	1.2	1.2	1.2	1.2					..	..	..	..
Taiwan (China)	3.8	0.7	0.7	0.7	0.7					..	..	..	..
Real merchandise imports													
High-income countries	3.7	11.8	4.2	0.8	1.4	3.3	3.1	4.0	2.6	1.7	-1.8	-0.2	2.2
Industrial countries	3.4	10.6	4.0	0.2	0.8	4.7	2.9	3.9	3.7	2.6	-2.0	-0.6	2.7
United States	3.0	14.9	4.1	2.9	0.7	5.5	5.4	4.9	-5.0	0.3	-1.3	0.2	5.7
Japan	2.3	10.5	4.3	4.2	0.2	9.7	-6.6	8.5	28.0	5.0	-3.7	7.6	-9.1
Euro Area	#DIV/0!	10.4	3.2	-3.4	-0.6	2.9	4.7	-5.2	3.9	1.7	0.0	0.5	..
United Kingdom	3.1	10.8	0.5	3.0	0.4	12.0	0.5	-7.9	-2.8	2.3	-2.3	3.0	1.2
Other high income	3.4	10.6	4.0	0.2	0.8	4.7	2.9	3.9	3.7	-3.2	-0.2	1.6	-0.2
Hong Kong (China)	3.0	17.4	3.9	0.7	2.6	-1.5	4.8	16.0	-16.2	-5.3	-0.7	4.5	1.2
Singapore	2.3	17.9	3.6	3.7	1.0	5.8	17.0	-7.0	13.9	0.1	4.1	1.0	0.2
Taiwan (China)	#DIV/0!	29.2	-2.7	-2.0	4.9	-15.1	0.1	20.2	6.0	-8.0	2.7	3.3	-4.2
Import Prices													
High-income countries	3.2	5.8	12.7	-1.8	-1.0	-6.5	3.5	1.8	-1.4	-0.6	0.0	-0.1	-0.4
Industrial countries	3.2	5.7	12.8	-2.4	-1.0	-6.7	4.1	1.6	-1.1	-0.6	-0.1	0.0	-0.5
United States	2.4	6.9	10.9	0.3	-1.1	-5.6	1.7	-2.1	2.1	-0.1	0.9	-0.3	-0.5
Japan	4.7	14.2	18.2	-0.5	-6.3	-17.4	10.8	7.2	-12.5	-0.8	-1.1	-1.3	-0.7
Euro Area	#DIV/0!	5.2	15.6	-2.8	0.6	-9.1	3.5	10.9	3.6	-0.2	0.6	-0.1	..
United Kingdom	1.6	4.4	13.1	-1.5	-0.9	-8.2	6.6	12.8	-0.9	-0.6	-0.6	-0.8	0.4
Other high income	3.2	5.7	12.8	-2.4	-1.0	-6.7	4.1	1.6	-1.1	-0.5	0.2	-0.6	0.1
Hong Kong (China)	2.4	6.3	7.8	3.7	0.9	-0.6	2.6	4.8	1.9	0.4	0.8	-0.7	-1.8
Singapore	4.7	7.4	13.5	0.3	-2.9	-7.9	1.6	4.9	-9.6	-2.4	0.5	-1.4	1.1
Taiwan (China)	#DIV/0!	12.2	15.3	-1.9	-4.9	-13.0	-1.3	4.3	-4.3	-0.7	-0.1	-1.4	0.1
Real effective exchange rates [a]													
Euro Area	1.1	-5.8	1.7	-4.4	4.6	3.2	7.2	5.8	3.6	-0.4	0.1	0.8	-1.2
United States	-0.9	-3.9	-4.9	3.0	1.1	0.5	1.4	1.6	1.7	1.0	-0.1	-0.4	-0.4
Japan	-0.2	1.2	1.7	-1.8	-20.2	-21.3	-22.1	-20.0	-10.5	-0.3	1.6	-0.2	-0.3
United Kingdom	-1.4	3.6	1.5	5.2	-1.0	-1.8	-2.6	0.5	6.9	1.5	0.3	-0.1	1.0
Canada	1.8	10.2	2.0	-0.3	-3.3	-1.6	-4.5	-5.9	-8.8	-2.5	-0.9	-0.5	0.8
Hong Kong (China)	-3.0	-3.8	-4.2	3.8	2.9	3.9	2.9	2.5	1.7	-1.1	0.3	-0.3	3.1
Korea, Rep.	-0.1	8.6	2.7	-0.3	5.5	4.6	5.6	6.5	3.8	-0.8	-0.7	-0.1	2.1
Singapore	-0.7	3.4	5.5	2.2	2.5	2.9	0.9	1.1	-1.1	-0.8	0.3	-0.4	0.3
Taiwan (China)	-2.5	3.8	0.3	-1.6	1.3	0.5	2.1	1.7	-0.1	-0.2	-0.4	-0.6	0.1
Switzerland	0.1	5.8	9.8	-3.1	-1.9	-2.8	-1.3	-0.5	0.5	-0.5	0.4	0.6	0.0

a/ JP Morgan Trade Weighted Indices (Real, Broad basis). Data are averages of monthly data for the period

Table A.3 Global credit conditions

(percent unless otherwise indicated a/)

	Average					2013				2014	2013	2014				
	1999-08	2010	2011	2012	2013	Q1	Q2	Q3	Q4	Q1	Dec	Jan	Feb	Mar	Apr	May
Policy Rates																
High-income countries																
Industrial countries																
United States	3.44	0.16	0.16	0.16	0.16	0.12	0.12	0.12	0.12	0.12	0.25	0.25	0.25	0.25	0.25	0.25
Japan	0.33	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.10	0.10	0.10	0.10	0.10	0.10
Euro Area	..	1.28	1.28	1.28	1.28	1.00	1.00	1.00	1.00	1.00	0.25	0.25	0.25	0.25	0.25	0.25
United Kingdom	4.80	0.65	0.65	0.65	0.65	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Ten year bond																
United States	4.70	3.24	3.20	2.77	1.78	0.70	0.72	0.76	0.64	0.63	2.90	2.85	2.70	2.72	2.69	2.57
Japan	1.49	1.34	1.17	1.12	0.85	2.76	2.87	3.20	3.21	3.06	0.67	0.68	0.60	0.60	0.62	0.60
Euro Area	..	4.03	3.79	4.31	3.05	2.02	1.93	2.74	2.79	2.78	3.31	3.21	3.09	2.89	2.61	..
United Kingdom	4.77	3.66	3.58	3.06	1.85	0.00	0.00	0.00	0.00	0.00	2.93	2.87	2.75	2.72	2.68	2.63
Spreads (Basis points) [b,c]																
Developing countries	..	**296**	**323**	**329**	**305**	**269**	**297**	**331**	**324**	**325**	**321**	**324**	**338**	**315**	**293**	**285**
East Asia and Pacific	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	82	77	193	218	162	146	167	173	162	163	152	160	169	159	151	148
Indonesia	..	218	225	228	260	197	230	317	298	298	305	318	307	270	267	243
Phillippines	..	206	200	177	153	138	150	173	153	143	142	146	150	133	130	123
Malaysia	129	140	145	152	134	112	133	151	141	119	139	136	122	100	96	101
Europe and Central Asia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	262	229	259	255	206	177	203	225	217	255	217	219	241	304	302	312
Turkey	404	221	260	281	239	195	208	275	277	308	291	314	307	303	256	224
Poland	99	156	210	192	135	121	133	148	137	119	130	120	121	116	107	106
Czech Republic	..	..	..	..	..	..	..	..	..	..	..					
Latin America and Caribb	**522**	**345**	**353**	**345**	**340**	**303**	**334**	**364**	**361**	**372**	**360**	**372**	**389**	**354**	**325**	**319**
Brazil	551	202	195	183	209	162	197	237	240	251	245	255	258	239	224	214
Mexico	206	187	186	188	189	167	183	204	201	193	192	196	196	188	178	173
Argentina	2920	690	687	989	1067	1127	1200	1092	850	925	804	927	970	880	788	782
Colombia	370	189	168	148	158	129	149	178	177	182	177	182	188	177	162	155
Middle East and North Af	..	**346**	**369**	**455**	**439**	**415**	**463**	**444**	**433**	**414**	**416**	**416**	**421**	**405**	**392**	**386**
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Iran	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Egypt	..	173	371	502	565	509	623	622	506	403	427	403	381	369	369	..
Algeria	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Asia [d]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	..	624	922	1067	734	903	753	666	612	530	578	546	466	507	461	..
Bangladesh	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	..	369	358	414	406	352	383	441	449	398	442	404	348	351	339	..
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..	..	**270**	**241**	**219**	**207**	..
South Africa	172	167	195	206	235	190	213	272	265	258	262	..	..	..	..	..
Nigeria	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Gross inflows [e]																
Developing countries	..	**447**	**403**	**458**	**558**	**137.2**	**159.4**	**123.3**	**137.9**	**140.7**	**45.5**	**54.3**	**21.2**	**65.1**	**64.0**	**35.8**
East Asia and Pacific	..	154	123	163	211	54.2	69.3	36.7	50.5	49.2	18.6	19.6	8.4	21.2	27.4	18.1
Europe and Central Asia	..	44	58	66	82	22.3	25.8	10.8	23.5	14.4	5.0	4.9	2.9	6.6	8.0	3.7
Latin America and Carribean	..	156	146	150	178	38.4	42.8	56.8	39.6	57.0	14.1	26.9	4.7	25.4	19.3	11.4
Middle East and North Africa	..	19	7	7	9	0.3	6.4	0.5	1.9	0.8	0.6	0.0	0.0	0.8	2.5	0.2
South Asia	..	56	44	42	39	14.1	10.8	3.1	11.3	16.5	4.4	2.9	4.6	9.0	4.2	1.1
Sub-Saharan Africa	..	18	25	30	39	7.8	4.2	15.4	11.2	2.7	2.7	0.1	0.7	2.0	2.6	1.3

a/Monthly figures are simple averages of daily figures. Quarterly and Annual figures are simple averages of monthly figures.

b/Average values for Spreads are for the period 1996-2003.

c/Aggregates as defined by JP Morgan.

d/East Asia and Pacific including South Asian countries.

e/In billions of US dollars.

Table A.4 Commodity price indices

(current US dollar index,index unless otherwise indicated; a/)

	Average				2013			2014	2014				
	2010	2011	2012	2013	Q2	Q3	Q4	Q1	Jan	Feb	Mar	Apr	May
Energy	100.0	128.7	127.6	127.4	123.1	130.2	127.7	128.3	126.6	130.9	127.4	128.4	128.9
Coal, Australia	100.0	122.7	97.4	85.4	87.0	78.1	82.9	77.9	82.5	77.1	74.1	73.6	74.5
Crude oil, average	100.0	131.6	132.9	131.7	125.7	135.9	132.2	131.1	129.2	132.6	131.6	132.7	133.7
Natural gas , Europe	100.0	126.9	138.4	142.2	149.2	138.7	138.1	135.8	139.8	136.3	131.3	129.5	123.1
Non-energy	100.0	119.8	109.5	101.7	101.7	99.2	98.6	99.2	97.8	99.8	100.0	100.0	99.9
Agriculture	100.0	121.6	114.5	106.3	107.3	104.3	103.6	105.5	102.3	106.1	108.2	107.3	107.5
Beverages	100.0	116.0	92.6	83.3	83.3	82.2	83.1	94.5	85.8	94.6	103.2	106.1	105.1
Cocoa	100.0	95.1	76.3	77.8	73.6	78.8	88.4	94.2	90.0	95.5	97.1	97.4	96.7
Coffee, arabica	100.0	138.3	95.2	71.2	74.0	69.0	64.1	88.5	67.7	88.6	109.3	114.0	109.3
Coffee, robusta	100.0	138.7	130.6	119.6	123.5	117.3	106.4	122.3	111.4	121.8	133.8	134.0	130.8
Food	100.0	122.5	124.5	115.6	117.4	113.2	111.2	111.9	108.7	113.1	114.0	112.5	113.2
Fats and oils	100.0	120.5	126.1	115.9	112.7	113.8	119.2	120.1	117.9	123.1	119.4	117.1	117.4
Palm oil	100.0	124.9	110.9	95.1	94.4	91.8	99.6	101.2	96.0	100.8	106.7	101.1	99.2
Soybean meal	100.0	105.2	138.5	144.1	139.6	145.8	150.6	153.7	149.8	157.0	154.3	149.6	152.9
Soybeans	100.0	120.2	131.5	119.7	112.3	117.2	123.4	122.8	125.8	131.4	111.2	114.7	115.9
Grains	100.0	138.2	141.3	128.2	138.3	121.6	109.5	110.1	105.5	110.3	114.5	113.1	112.9
Maize	100.0	156.9	160.5	139.5	156.7	130.1	107.3	112.9	106.5	112.6	119.6	119.6	116.9
Rice, Thailand, 5%	100.0	111.1	115.2	103.5	110.8	97.6	90.5	90.7	92.0	93.9	86.3	80.8	79.4
Wheat, US, HRW	100.0	141.5	140.1	139.7	140.3	136.8	137.8	132.9	123.2	130.7	144.7	145.3	149.7
Other food	100.0	111.1	107.1	103.9	104.7	104.7	102.4	102.8	99.5	102.5	106.6	106.0	108.0
Bananas, US	100.0	111.5	113.3	106.4	104.5	107.5	106.6	109.2	106.6	109.9	111.1	107.1	105.4
Sugar, world	100.0	122.1	101.2	83.1	82.2	80.3	82.8	78.5	73.4	78.0	84.1	82.7	85.8
Raw materials	100.0	122.0	101.3	95.4	94.9	94.1	95.4	95.6	95.1	95.1	96.5	95.3	94.8
Cotton ("A" Index)	100.0	145.8	86.1	87.3	89.5	88.7	84.2	90.7	87.8	90.8	93.6	91.0	89.5
Rubber, Singapore	100.0	132.0	92.4	76.5	79.5	70.9	69.2	61.6	63.7	58.7	62.4	60.1	56.7
Sawnwood, Malaysia	100.0	110.7	103.3	100.5	98.7	99.7	104.1	106.3	105.8	106.4	106.8	107.6	108.2
Fertilizers	100.0	142.6	137.6	113.7	119.8	108.2	97.9	102.5	102.4	104.2	100.8	95.0	96.3
Triple superphosphate	100.0	140.9	121.0	100.0	111.6	95.8	78.9	95.8	84.3	101.5	101.6	97.2	95.6
Metals and minerals	100.0	113.5	96.1	90.8	88.2	87.8	88.5	85.7	88.1	86.2	83.0	85.5	84.8
Aluminum	100.0	110.5	93.1	85.0	84.5	82.0	81.3	78.7	79.5	78.0	78.5	83.3	80.6
Copper	100.0	117.2	105.7	97.3	95.0	94.0	95.1	93.3	96.8	94.9	88.3	88.6	91.5
Gold	100.0	128.1	136.3	115.3	115.5	108.5	103.8	105.6	101.6	106.1	109.1	106.0	105.2
Nickel	100.0	105.1	80.5	68.9	68.6	64.0	63.8	67.2	64.7	65.1	71.9	79.7	89.0
Memo:													
Crude Oil (US$)	79.0	104.0	105.0	104.1	99.3	107.4	104.5	103.7	102.1	104.8	104.0	104.9	105.7

a/ The World Bank primary commodity price indices are computed from 1987-89 export values in US dollars for low- and middle-income economies, rebased to 1990.
b/ Energy and gold prices are not included in the index.

Table A.5 Developing countries' merchandise export growth

(US dollar values unless otherwise indicated; percent change; seasonally adjusted annual rates except

	Average				2013		2014		2014			
	1999-09	2011	2012	2013	Q2	Q3	Q4	Q1	Jan	Feb	Mar	Apr
Export values												
Developing countries	**12.9**	**21.2**	**4.2**	**2.6**	**-13.9**	**3.2**	**13.5**	**-9.6**	**6.0**	**-13.0**	**4.1**	**4.5**
East Asia and Pacific	**14.2**	**19.7**	**6.2**	**6.2**	**-19.6**	**-0.9**	**25.7**	**-11.8**	**9.3**	**-20.7**	**8.5**	**5.7**
China	19.5	20.2	8.1	8.3	-24.0	1.8	26.6	-15.6	12.9	-27.1	11.2	7.4
Indonesia	9.0	28.8	-6.2	-4.0	-13.5	-21.5	52.9	-13.5	-5.1	1.1	-2.3	-2.6
Thailand	10.4	15.0	3.1	-0.2	-12.1	-6.5	21.9	-4.5	-1.0	-1.7	-4.1	1.8
Europe and Central Asia	**14.9**	**20.4**	**1.9**	**0.9**	**-7.5**	**14.1**	**4.1**	**6.7**	**0.4**	**0.8**	**0.1**	**-1.4**
Russian Federation	15.8	31.1	2.6	-0.9	-9.8	25.9	-4.5	-15.6	0.9	-16.8	21.0	1.2
Turkey	14.0	18.4	12.8	0.0	-2.3	8.8	-3.6	36.6	4.3	4.0	3.5	-7.3
Poland	16.6	22.4	-3.1	10.2	-7.3	19.9	9.7	19.2	4.2	-4.7	5.4	2.0
Latin America and Caribbean	**8.3**	**23.2**	**1.5**	**0.7**	**6.2**	**2.1**	**2.5**	**-12.5**	**-0.7**	**0.8**	**-3.5**	**3.4**
Brazil	11.5	27.0	-4.7	-0.5	6.3	-8.1	22.9	-23.3	0.7	-4.5	-5.4	7.3
Mexico	7.0	17.5	5.9	2.3	4.9	10.7	-2.4	-1.3	-3.1	5.2	-0.9	2.1
Argentina	8.0	23.3	-4.5	1.8	30.0	-16.0	-18.6	-23.4	9.6	3.3	-9.2	6.3
Middle East and North Africa	**16.2**	**16.2**	**5.9**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Saudi Arabia	18.3	42.3	10.8	..	..	..	..	..	..	..	..	..
Iran	20.7	29.9	-20.2	..	..	..	..	..	..	..	..	..
Egypt	21.4	15.1	-3.4	-3.3	-24.8	-8.5	-3.7	..	4.3	-6.3	..	..
South Asia	**14.9**	**31.6**	**-1.7**	**6.2**	**-20.0**	**51.5**	**0.0**	**-18.7**	**0.7**	**-3.9**	**-1.1**	**5.6**
India	16.5	33.4	-1.9	6.0	-23.2	52.0	0.0	-22.1	1.5	-4.8	-1.2	7.3
Pakistan	7.1	18.9	-2.6	2.6	8.2	54.6	-24.8	8.9	-9.5	8.0	-5.6	-15.3
Bangladesh	-	26.7	3.6	12.2	-15.8	56.9	8.7	..	-0.4	-3.1	..	..
Sub-Saharan Africa	**11.9**	**24.7**	**2.9**	**-11.9**	**-6.9**	**-18.5**	**-24.6**	**..**	**..**	**..**	**..**	**..**
South Africa	9.2	19.3	-7.9	-4.1	-5.3	-11.6	6.5	-4.8	7.8	-5.1	-8.7	5.9
Nigeria	13.6	44.4	16.8	-35.5	-27.4	-35.5	-53.9	..	..	..	..	..
Export prices [b,c]												
Developing countries	4.7	12.0	0.1	-0.6	-1.9	-0.5	2.5	-7.3	-1.5	-2.5	-1.8	1.5
East Asia and Pacific	**3.4**	**14.4**	**2.0**	**0.6**	**2.2**	**-2.0**	**5.5**	**-7.7**	**-2.8**	**-1.7**	**-2.9**	**0.6**
China	3.5	15.2	4.5	1.9	6.2	-2.0	8.7	-10.9	-4.8	-0.7	-4.8	0.7
Indonesia	5.1	17.0	-6.8	-4.4	-9.7	-8.0	1.5	-4.2	-0.9	-0.9	-0.6	-0.2
Thailand	2.0	10.9	-3.0	-2.7	-3.1	-3.1	-1.2	0.4	0.1	-0.1	0.1	-0.3
Europe and Central Asia	**5.5**	**9.9**	**-2.8**	**-1.5**	**-2.9**	**0.8**	**-0.8**	**0.3**	**0.0**	**0.2**	**0.0**	**0.0**
Russian Federation	9.3	24.7	-1.3	-1.8	-15.7	17.9	-5.8	-3.0	-2.0	1.5	-0.6	0.4
Turkey	2.3	10.0	-1.6	-1.4	-0.7	0.1	-0.5	1.9	0.5	0.1	0.0	0.0
Poland	1.9	10.2	-1.7	-1.8	-1.7	-1.2	0.3	2.4	0.5	0.1	0.1	-0.1
Latin America and Caribbean	**4.7**	**5.2**	**-4.5**	**-4.8**	**-11.7**	**-3.8**	**1.6**	**-13.7**	**-1.4**	**-2.7**	**-2.8**	**5.1**
Brazil	9.0	-3.5	-5.8	-3.1	-28.6	-12.7	35.2	-2.3	-1.2	0.3	-3.7	0.1
Mexico	3.8	3.5	-4.0	-2.1	9.0	6.3	-4.6	-12.9	0.3	-5.0	-1.9	-0.4
Argentina	-2.1	12.4	-6.8	-18.1	-17.8	-30.2	-35.4	-55.5	-6.4	-7.7	-9.3	62.9
Middle East and North Africa	**13.7**	**16.4**	**18.5**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Saudi Arabia	12.6	28.0	0.8	-0.9	-17.0	29.2	-8.8	-2.6	-2.6	2.2	-0.7	0.6
Iran	13.5	28.3	0.3	-0.8	-18.2	29.5	-8.7	-3.6	-2.8	2.1	-0.9	0.7
Egypt	5.3	17.0	0.1	-0.9	-2.2	2.5	-6.1	-0.6	-0.5	0.6	-0.6	0.0
South Asia	**2.3**	**11.1**	**-3.4**	**-1.9**	**-6.2**	**-1.3**	**-1.0**	**0.0**	**0.2**	**-0.1**	**-0.4**	**-0.1**
India	2.5	11.6	-3.8	-1.9	-7.2	-1.0	-1.0	-0.2	0.1	0.0	-0.3	-0.1
Pakistan	2.1	9.8	-1.5	-2.3	-1.3	-5.1	-3.5	2.5	0.5	0.3	-0.6	-0.6
Bangladesh	1.6	9.0	-1.3	-1.4	-0.1	0.1	0.0	2.2	0.5	0.0	0.0	0.0
Sub-Saharan Africa	**5.5**	**14.7**	**-4.1**	**1.5**	**13.9**	**20.6**	**-22.5**	**..**	**..**	**..**	**..**	**..**
South Africa	4.5	22.3	-7.7	-6.5	-24.2	-6.7	-1.3	-4.9	-0.3	0.0	-0.8	-0.6
Nigeria	3.5	4.3	0.6	-1.0	63.5	26.3	-16.6	-45.2	-10.0	32.1	-19.8	54.5

/a Merchandise export (F.O.B), customs basis.

/b Implicit export unit values, U.S. Dollar basis.

/c In many cases countries are very late in reporting trade prices. To estimate more timely figures individual trade prices were updated using the median (mean) regional trade price for developing (developed)

Table A.6 Developing countries' merchandise import growth

(US dollar values unless otherwise indicated; percent change; seasonally adjusted annual rates

	Average				2013			2014	2014			
	1999-09	2011	2012	2013	Q2	Q3	Q4	Q1	Jan	Feb	Mar	Apr
Import values												
Developing countries	**12.8**	**24.5**	**4.9**	**3.5**	**-8.4**	**1.1**	**3.7**	**-2.1**	**3.5**	**-4.0**	**-5.7**	**3.9**
East Asia and Pacific	**15.7**	**24.2**	**5.6**	**5.4**	**-14.0**	**7.8**	**7.9**	**-2.7**	**5.9**	**-5.8**	**-10.4**	**7.0**
China	20.4	24.9	4.9	7.5	-14.6	15.4	8.7	0.3	6.6	-5.7	-13.2	8.1
Indonesia	15.2	30.8	8.3	-2.7	-10.4	-18.0	9.2	-0.6	2.4	-4.1	-1.5	4.2
Thailand	12.0	23.8	9.8	-0.8	-21.5	-19.6	5.0	-27.0	3.9	-8.8	-0.2	2.2
Europe and Central Asia	**12.5**	**28.0**	**0.2**	**4.6**	**3.4**	**-1.2**	**9.4**	**-12.4**	**-1.5**	**-3.2**	**-2.0**	**1.6**
Russian Federation	14.2	30.7	5.6	2.4	-18.8	0.2	-0.6	-8.6	-0.6	-5.7	-0.8	1.4
Turkey	13.4	30.0	-1.7	6.2	7.8	-15.9	22.0	-18.1	-0.9	-5.9	-3.0	1.1
Poland	12.6	18.8	-5.9	3.0	-15.4	16.8	8.2	24.5	12.6	-1.2	-3.5	4.9
Latin America and Caribbean	**7.5**	**22.7**	**3.9**	**3.2**	**1.7**	**-2.6**	**-2.8**	**3.9**	**3.4**	**-0.1**	**-4.6**	**3.0**
Brazil	9.6	24.7	-1.1	7.3	-2.0	0.6	-2.6	1.8	6.4	-2.2	-11.6	2.8
Mexico	6.7	16.5	5.7	2.8	9.6	-4.0	-3.6	9.7	2.4	-2.0	1.8	3.2
Argentina	8.6	30.5	-7.0	7.4	30.2	-20.3	-19.4	13.7	6.9	9.1	-8.9	2.8
Middle East and North Africa	**12.7**	**16.8**	**10.3**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Saudi Arabia	11.8	22.5	19.8	8.4	-12.8	-11.8	-6.1	-4.6	-6.7	4.0	-0.3	1.8
Iran	13.0	44.4	-2.9	..	..	..	..	..	..	..	..	..
Egypt	12.8	11.3	17.9	-16.0	-8.3	-30.4	42.8	..	-8.8	6.4	..	..
South Asia	**17.7**	**31.4**	**4.9**	**-3.7**	**-15.5**	**-19.3**	**-9.5**	**3.0**	**-1.4**	**10.5**	**-6.5**	**-1.5**
India	19.2	32.4	5.5	-4.8	-19.2	-22.8	-10.7	-2.0	-0.9	12.2	-7.6	-0.2
Pakistan	14.8	16.4	0.5	1.1	15.1	-9.2	-20.8	47.4	-3.1	-3.4	4.4	-13.5
Bangladesh		29.7	-5.7	5.5	7.7	19.5	22.1	16.0	-3.4	8.8	..	..
Sub-Saharan Africa	**14.4**	**22.9**	**6.1**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
South Africa	14.6	23.6	1.4	-0.5	7.6	0.5	-7.6	-12.0	-10.6	3.9	7.6	..
Nigeria	26.2	22.1	-1.0	..	..	..	..	..	..	..	..	..
Import prices [b,c]												
Developing countries	2.2	13.5	-1.5	-2.1	-6.3	-4.4	-0.7	-11.7	-2.1	-1.4	0.2	4.0
East Asia and Pacific	**3.5**	**16.7**	**1.1**	**-0.2**	**-1.2**	**1.0**	**1.5**	**-12.7**	**-1.6**	**-2.6**	**-0.1**	**2.6**
China	4.6	19.2	1.6	0.6	0.4	3.2	0.9	-16.4	-2.1	-3.7	0.0	3.5
Indonesia	2.3	11.6	-2.0	-1.8	-2.0	-0.2	-0.8	1.4	0.2	0.3	0.0	0.0
Thailand	3.4	10.2	1.6	-2.1	-5.8	-2.8	3.1	0.2	-0.1	0.8	0.5	-0.4
Europe and Central Asia	**1.2**	**7.5**	**-6.1**	**-4.6**	**-15.4**	**-9.1**	**-3.3**	**-17.7**	**-4.3**	**0.2**	**0.2**	**9.8**
Russian Federation	1.9	9.9	-1.6	-1.6	-1.1	-0.9	0.2	2.5	0.4	0.1	0.2	-0.1
Turkey	-7.7	3.4	-9.5	-6.8	-22.5	-23.1	-9.7	-29.9	-7.4	0.9	-0.2	20.9
Poland	4.6	11.4	-3.9	1.7	-7.8	0.8	9.0	0.1	-1.0	0.2	-2.4	-0.2
Latin America and Caribbean	**0.1**	**11.7**	**-5.8**	**-3.7**	**-5.9**	**-18.0**	**-3.0**	**-15.1**	**-4.0**	**-0.3**	**1.9**	**6.6**
Brazil	1.8	20.3	-13.3	-10.6	-16.0	-35.4	2.4	-16.8	-3.2	0.3	3.6	3.6
Mexico	-0.6	9.3	-4.7	2.8	2.7	-11.8	-2.2	-3.2	-1.3	-0.1	0.4	1.1
Argentina	-5.7	1.5	-10.5	-13.4	-11.9	-26.4	-27.6	-58.1	-19.6	0.0	0.0	45.3
Middle East and North Africa	**3.6**	**8.2**	**2.4**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Saudi Arabia	2.2	10.5	-1.8	-1.7	-2.4	-1.5	-0.6	1.7	0.3	0.2	0.1	-0.1
Iran	2.6	11.3	-1.5	-2.0	-2.2	-2.6	-1.2	2.0	0.3	0.3	0.1	-0.1
Egypt	2.7	14.0	-1.6	-2.0	-3.9	-4.3	-1.2	0.9	-0.1	0.6	0.6	-0.1
South Asia	**4.7**	**17.9**	**-1.0**	**-3.5**	**-13.7**	**3.7**	**-4.2**	**0.0**	**-0.6**	**1.0**	**0.1**	**-0.3**
India	5.6	19.2	-0.4	-3.8	-15.3	5.2	-5.0	-0.1	-0.7	1.2	-0.1	-0.2
Pakistan	2.2	11.6	-4.3	-2.2	-1.4	-1.6	0.0	1.2	0.3	0.1	0.3	-0.1
Bangladesh		13.0	-3.7	-1.8	-1.1	-2.1	-1.4	2.1	0.2	0.7	0.6	-0.2
Sub-Saharan Africa	**3.5**	**9.6**	**-2.6**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
South Africa	4.9	9.3	-5.7	-6.6	-12.4	-6.5	1.6	8.0	1.0	0.9	1.0	-2.5
Nigeria	2.4	5.0	-1.4	-1.6	29.8	-8.8	-1.4	-14.6	-9.4	0.1	-1.9	5.5

/a Merchandise import (C.I.F.), customs basis.

/b Implicit import unit values, U.S. Dollar basis.

/c In many cases countries are very late in reporting trade prices. To estimate more timely figures individual trade prices were updated using the median (mean) regional trade price for developing (developed) countries whenever 60% or more of reporters by trade weight reported.

Table A.7 Merchandise trade balances

(Billion US dollars; annual rates)

	Average				2013			2014	2014			
	2010	2011	2012	2013	Q2	Q3	Q4	Q1	Jan	Feb	Mar	Apr
World	-44.3	-86.8	-115.5	-45.7	-87.6	-122.8	112.0	-101.2	27.3	-524.2	193.4	140.2
High-income countries [a]	**-191.7**	**-126.4**	**-113.6**	**11.4**	**36.2**	**-23.1**	**83.0**	**-12.9**	**-79.7**	**-78.5**	**119.6**	**21.7**
Industrial countries	-541.6	-691.0	-682.9	-510.8	-482.3	-569.1	-464.9	-533.5	-633.3	-522.8	-444.3	-553.7
United States	-635.2	-726.7	-733.2	-690.3	-676.1	-707.2	-685.7	-697.2	-706.4	-719.1	-666.1	-789.0
Japan	75.5	-32.0	-88.3	-116.7	-107.1	-108.7	-136.2	-185.9	-209.0	-137.7	-210.9	-119.5
Euro Area	-19.5	-25.0	111.1	211.1	213.9	189.4	238.5	241.6	221.0	247.2	256.6	261.6
United Kingdom	-152.3	-160.5	-172.3	-168.7	-156.2	-184.0	-173.3	-175.3	-186.9	-173.9	-165.1	-193.4
Other high income	-541.6	-691.0	-682.9	-510.8	-482.3	-569.1	-464.9	-533.5	-79.7	-78.5	119.6	21.7
Hong Kong (China)	-43.1	-54.1	-61.3	-64.6	-66.9	-64.3	-67.6	-69.1	-47.1	-95.1	-65.3	-80.4
Singapore	40.70	43.84	28.86	36.94	45.46	31.49	41.35	35.21	38.81	38.24	28.58	37.30
Taiwan (China)	10.9	11.4	15.2	18.4	26.0	25.2	17.4	13.9	11.4	20.7	9.4	25.1
Developing countries	**147.6**	**39.8**	**-0.1**	**-53.9**	**-122.3**	**-94.4**	**36.1**	**-77.7**	**114.3**	**-446.5**	**99.1**	**137.8**
East Asia and Pacific	**322.3**	**298.6**	**331.8**	**373.5**	**354.3**	**297.8**	**421.6**	**342.9**	**534.4**	**-12.5**	**506.7**	**503.1**
China	179.8	150.5	217.5	249.1	237.9	178.3	267.0	171.1	391.4	-181.2	303.2	313.0
Indonesia	22.1	25.7	-1.6	-4.1	-7.5	-9.0	6.1	-0.4	-6.4	3.4	1.9	-10.4
Thailand	8.2	-7.0	-22.6	-21.1	-25.9	-16.2	-7.9	7.7	-0.5	16.4	7.2	6.4
Malaysia	34.6	40.9	29.2	14.9	19.6	13.6	8.1	18.1	15.2	-3.6	42.7	38.9
Europe and Central Asia	**-27.7**	**-73.1**	**-63.2**	**-88.7**	**-101.7**	**-79.7**	**-89.2**	**-55.9**	**-78.9**	**-51.5**	**-37.2**	**-56.9**
Russian Federation	149.2	196.5	192.2	179.3	167.0	196.9	191.3	176.9	192.1	121.2	217.5	219.5
Turkey	-71.5	-106.3	-84.9	-99.5	-104.5	-90.4	-104.3	-79.4	-98.2	-76.6	-63.5	-78.7
Poland	-22.2	-20.9	-14.3	-1.4	-1.1	0.2	0.9	-1.4	-2.7	-10.4	8.9	2.8
Czech Republic	6.3	10.2	15.7	18.1	18.0	17.4	19.5	23.0	20.7	20.5	27.9	25.3
Latin America and Caribbean	**-50.6**	**-57.9**	**-80.9**	**-106.5**	**-113.0**	**-101.7**	**-88.9**	**-128.5**	**-139.2**	**-130.9**	**-115.4**	**-116.0**
Brazil	19.6	29.1	19.7	2.3	2.7	-2.8	11.4	-5.7	-7.5	-12.9	3.2	13.3
Mexico	-3.3	-1.0	-0.6	-2.4	-10.6	3.1	4.2	-5.9	-20.6	6.6	-3.7	-8.0
Argentina	11.7	10.3	11.7	8.0	7.9	8.5	8.2	0.9	3.6	-0.3	-0.5	1.9
Colombia	-0.7	2.7	1.0	-0.6	0.4	0.2	-0.6	-7.4	-3.0	-10.2	-9.1	..
Middle East and North Africa	**7.6**	**6.7**	**-9.7**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Saudi Arabia	126.8	201.3	211.3	..	..	..	..	..	..	..	..	..
Iran	32.6	32.7	9.6	..	..	..	..	..	..	..	..	..
Egypt	-26.3	-28.3	-39.9	-29.8	-30.9	-26.4	-31.7	..	-25.0	-30.2	..	..
Algeria	11.3	20.1	13.5	..	..	..	..	..	..	..	..	..
South Asia	**-155.4**	**-203.6**	**-237.8**	**-194.0**	**-230.9**	**-161.5**	**-147.8**	**-171.5**	**-146.6**	**-154.5**	**-213.5**	**-155.5**
India	-124.0	-162.2	-193.5	-152.3	-185.1	-122.7	-110.1	-127.7	-102.0	-113.4	-167.7	-110.5
Pakistan	-16.6	-18.8	-19.7	-19.5	-21.9	-18.0	-17.3	-21.1	-23.5	-20.0	-19.9	-25.8
Bangladesh	-8.6	-11.8	-8.8	-7.6	-8.5	-7.0	-8.2	..	-9.0	-8.6	..	..
Sri Lanka	-5.1	..	..	..	..	..	..	..	..	..	..	..
Sub-Saharan Africa	**52.5**	**70.5**	**61.7**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
South Africa	8.2	6.2	-3.9	-7.4	-7.5	-10.6	-7.1	-5.0	-5.1	1.0	-11.0	-13.2
Nigeria	47.8	77.1	97.9	..	..	..	..	..	..	..	..	..
Memo:												
OECD	-593.3	-777.7	-757.8	-602.1	-586.7	-642.1	-554.8	-603.3	-745.5	-573.8	-490.7	-623.2
Developing excl. China	-32.3	-110.8	-219.3	-288.0	-349.7	-248.6	-210.5	-220.8	-272.5	-186.5	-203.4	-162.7
Developing oil exporters	352.7	417.7	394.2	310.6	305.6	313.4	314.2	309.1	274.2	300.5	352.5	339.5
Developing non-oil exporters	-205.5	-378.4	-397.8	-361.1	-419.3	-400.0	-278.9	-376.7	-183.7	-707.3	-239.0	-198.9
Asian high tech exporters	..			..			..	..				

a/ Seasonally adjusted

Table A.8 Exchange Rates (USD/LCU)

(annual percent change except monthly data which is change over previous month a/)

	Average				2013				2014	2014				
	2010	2011	2012	2013	Q1	Q2	Q3	Q4	Q1	Jan	Feb	Mar	Apr	May
World	..	..	..	..	..	..	..	..	..	..	..	..	..	..
High-income countries	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Industrial countries	9.3	5.7	-1.3	-3.1	-0.9	-3.4	-4.2	-3.8	-2.0	-0.8	0.2	0.0	1.8	1.4
United States (SDR/USD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Japan	6.7	10.1	-0.1	-18.2	-14.1	-18.8	-20.5	-19.1	-10.1	-0.3	1.7	-0.2	-0.2	0.7
Euro Area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	-1.0	3.8	-1.1	-1.4	-1.4	-2.9	-1.8	0.8	6.8	0.6	0.6	0.3	0.8	0.6
Other high income	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong (China)	-0.2	-0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.1	0.0
Singapore	6.7	8.4	0.6	-0.1	2.1	1.2	-1.7	-2.2	-2.5	-1.1	0.5	-0.1	1.0	0.2
Taiwan (China)	4.9	7.2	-0.6	-0.4	0.7	-0.8	-0.2	-1.4	-2.7	-1.3	-0.5	-0.3	0.6	0.3
Developing countries	..	..	..	..	..	..	..	..	..	..	..	..	..	..
East Asia and Pacific	**7.9**	**0.0**	**-4.7**	**-7.2**	**-4.3**	**-3.5**	**-8.0**	**-12.4**	**-13.2**	**-0.5**	**1.4**	**3.1**	**-0.1**	**-0.7**
China	0.9	4.7	2.5	2.6	1.4	2.9	3.7	2.5	2.0	0.4	-0.5	-1.5	-0.8	-0.2
Indonesia	14.5	3.6	-6.5	-10.2	-6.4	-5.0	-10.9	-17.0	-18.0	-0.7	2.0	4.4	-0.1	-0.9
Thailand	8.2	4.0	-1.9	1.1	4.0	4.6	-0.4	-3.4	-8.7	-1.7	1.0	0.7	0.2	-0.7
Malaysia	9.4	5.3	-1.0	-2.0	-0.7	1.4	-3.7	-4.7	-6.5	-1.6	-0.1	0.8	0.8	0.8
Europe and Central Asia	**-5.8**	**-32.2**	**-32.2**	**-5.9**	**-4.6**	**-5.6**	**-5.9**	**-7.4**	**-10.2**	**-1.3**	**-1.6**	**-1.1**	**-1.0**	**-0.9**
Russian Federation	4.6	3.3	-5.3	-2.5	-0.9	-1.9	-2.6	-4.6	-13.2	-2.7	-4.3	-2.2	1.3	2.4
Turkey	3.1	-10.3	-6.7	-5.5	0.6	-1.9	-8.5	-11.4	-19.3	-6.9	0.5	-0.2	4.1	1.7
Poland	3.4	1.8	-8.9	3.0	2.4	3.2	3.1	3.1	3.1	-0.8	0.5	0.4	0.3	-0.5
Czech Republic	-0.2	8.0	-9.6	0.0	-1.3	-0.4	2.7	-1.1	-3.3	-0.5	0.5	1.3	-0.3	-0.6
Latin America and Caribbean	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	13.6	5.1	-14.3	-9.5	-11.5	-5.3	-11.4	-9.6	-15.5	-1.5	0.0	2.4	4.2	0.5
Mexico	6.9	1.6	-5.4	3.0	2.7	8.4	1.9	-0.6	-4.5	-1.6	-0.6	0.7	1.0	1.0
Argentina	-4.7	-5.3	-9.3	-16.9	-13.5	-15.1	-17.5	-20.9	-34.2	-10.5	-9.7	-1.0	-0.9	-0.4
Colombia	13.6	2.7	2.9	-3.9	0.3	-4.1	-5.8	-5.7	-10.7	-1.6	-3.7	1.2	4.1	1.1
Middle East and North Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iran	-2.0	-5.1	-13.0	-32.1	-3.2	0.2	-45.7	-50.1	-50.3	0.1	-0.3	-0.2	-0.6	-1.8
Egypt	-1.4	-5.2	-2.1	-11.7	-9.8	-13.0	-12.7	-11.2	-3.9	-0.8	0.0	0.0	-0.3	-1.4
Algeria	-1.8	1.1	-6.2	-2.3	-4.5	-4.0	0.1	-1.0	0.8	0.5	0.4	0.4	-1.2	-0.3
South Asia	**3.8**	**-2.0**	**-11.7**	**-7.5**	**-6.4**	**-2.9**	**-9.3**	**-10.7**	**-10.1**	**-0.1**	**-0.1**	**2.2**	**1.1**	**1.1**
India	5.9	-2.0	-12.6	-8.8	-7.2	-3.3	-11.2	-12.6	-12.3	-0.4	-0.2	2.0	1.0	1.7
Pakistan	-4.1	-1.4	-7.5	-8.1	-7.5	-6.4	-8.2	-10.0	-5.4	1.4	0.4	5.2	2.3	-1.1
Bangladesh	-0.8	-6.0	-9.5	4.8	4.7	5.1	5.1	4.4	1.8	0.0	0.0	0.0	0.0	0.2
Sri Lanka	1.7	2.3	-13.4	-1.2	-6.1	2.6	0.2	-1.4	-3.0	0.1	-0.1	0.2	0.0	0.1
Sub-Saharan Africa	**-6.6**	**-5.2**	**-3.2**	**-0.5**						**-0.5**	**-0.4**	**-0.2**	**0.2**	**-0.3**
South Africa	15.0	0.8	-11.5	-15.0	-13.4	-14.4	-17.4	-14.5	-17.6	-4.7	-0.7	1.9	1.9	1.3
Nigeria	-0.8	-3.1	-1.9	-0.3	1.1	0.4	-1.3	-1.3	-3.3	-0.7	-2.3	-0.4	1.6	0.2
Memo:														
OECD	9.1	5.6	-1.5	-2.9	-0.6	-3.0	-4.2	-3.9	-2.6	-0.8	0.0	-0.1	1.7	1.3
Developing excl. China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Developing oil exporters	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Developing non-oil exporters	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Table A.9 Global Inflation

(annual percent change; seasonally adjusted a/)

	Average				2013				2014	2013		2014			
	2000-10	2011	2012	2013	Q1	Q2	Q3	Q4	Q1	Nov	Dec	Jan	Mar	Apr	May
World	3.0	4.2	3.4	3.4	3.5	2.9	2.9	2.7	2.7	2.6	2.6	2.8	2.6	2.4	2.6
High-income countries	2.1	2.8	2.1	1.6	1.7	1.5	1.4	1.2	1.1	1.2	1.3	1.3	1.1	1.2	0.7
Industrial countries	1.9	2.6	1.9	1.3	1.6	1.4	1.3	1.0	1.0	1.2	1.2	1.1	0.8	0.7	0.5
United States	2.5	3.1	2.1	1.5	1.7	1.4	1.5	1.2	1.4	1.2	1.5	1.6	1.5	2.0	..
Japan	-0.3	-0.3	0.0	0.4	-0.6	-0.3	0.9	1.4	1.5	1.6	1.5	1.4	1.6	3.4	..
Euro Area	2.0	2.6	2.3	1.3	1.7	1.4	1.3	0.8	0.7	0.8	0.9	0.8	0.6	0.8	0.6
United Kindgom	2.8	5.2	3.2	3.0	3.2	3.1	3.2	2.6	2.7	2.6	2.6	2.8	2.6	2.3	..
Other high income		2.6	1.9	1.3	1.6	1.4	1.3	1.0	1.0	1.2	1.2	1.1	0.8	0.7	0.5
Hong Kong (China)	0.1	5.3	4.0	4.3	3.6	4.1	5.3	4.4	4.2	4.4	4.3	4.4	4.0	3.6	..
Singapore	1.6	5.2	4.6	2.3	3.8	1.7	1.9	2.0	1.1	2.4	1.4	1.3	1.4	2.0	..
Taiwan (China)	0.9	1.4	1.6	1.0	2.0	1.2	0.5	0.4	0.8	0.5	0.5	0.2	1.6	1.7	1.6
Developing countries	5.3	7.5	6.4	..	4.5	4.6	4.4	4.0	3.9	3.8	3.7	4.0	3.7	3.6	4.2
East Asia and Pacific	**2.6**	**5.6**	**2.8**	**..**	**3.4**	**2.6**	**3.2**	**3.4**	**4.1**	**3.5**	**3.7**	**4.2**	**3.8**	**2.9**	**4.6**
China	2.0	5.5	2.6	2.6	2.3	2.3	2.7	2.9	2.3	3.0	2.6	2.4	2.4	1.8	2.6
Indonesia	8.1	5.3	4.0	6.4	4.5	5.0	8.0	8.1	7.8	8.1	8.2	8.3	7.3	7.2	7.3
Thailand	2.5	3.8	3.0	2.2	3.1	2.4	1.7	1.6	2.0	1.9	1.6	1.9	2.1	2.5	2.6
Malaysia	2.2	3.2	1.7	2.1	1.5	1.8	2.2	2.9	3.4	2.9	3.1	3.3	3.5	3.4	..
Europe and Central Asia		**8.2**	**8.7**	**6.2**	**3.6**	**4.5**	**3.2**	**2.0**	**2.7**	**1.8**	**2.4**	**2.5**	**3.1**	**1.7**	**1.9**
Russian Federation	13.3	8.4	5.1	6.8	7.2	7.3	6.3	6.3	6.5	6.4	6.4	6.1	7.0	7.4	7.7
Turkey		6.5	8.9	7.5	7.2	7.0	8.2	7.5	8.0	7.4	7.4	7.7	8.4	9.4	9.7
Poland	3.5	4.2	3.7	1.2	1.6	0.9	1.3	0.9	0.9	0.8	0.8	0.9	1.0	0.5	0.5
Czech Republic	2.7	1.9	3.3	1.4	1.7	1.5	1.2	1.1	0.2	1.1	1.4	0.2	0.2	0.1	0.5
Latin America and Caribbean	**7.1**	**7.6**	**7.0**	**..**	**3.8**	**3.9**	**3.7**	**3.7**	**3.4**	**3.5**	**3.7**	**3.4**	**3.5**	**3.6**	**3.7**
Brazil	7.0	6.6	5.4	6.4	6.9	7.0	6.0	5.6	5.4	5.6	5.6	5.3	5.6	5.8	6.1
Mexico	5.1	3.4	4.1	3.8	3.7	4.4	3.4	3.7	4.2	3.6	4.0	4.5	3.7	3.5	3.5
Argentina	8.8	9.8	10.0	10.6	10.8	10.4	10.6	10.6	..	10.5	10.9	..	..	..	..
Colombia	5.9	3.4	3.2	2.0	2.0	2.1	2.2	1.8	2.3	1.7	2.0	2.1	2.4	2.9	2.9
Middle East and North Africa	**7.7**	**11.8**	**12.2**	**..**	**6.9**	**6.0**	**4.5**	**4.8**	**3.1**	**2.7**	**3.0**	**3.7**	**2.6**	**1.9**	**3.7**
Saudi Arabia	2.4	3.9	2.9	3.5	3.9	3.7	3.5	3.0	2.7	3.1	3.0	2.8	2.6	2.7	2.7
Iran	14.8	20.6	19.9	39.2	39.6	42.9	42.9	32.7	23.7	32.0	29.7	28.9	19.7	17.4	..
Egypt	-	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Algeria	3.4	5.8	9.7	4.1	6.4	4.6	3.5	1.9	2.1	2.1	2.6	2.0	2.2	1.8	..
South Asia		**9.8**	**9.5**	**..**	**7.4**	**7.2**	**8.0**	**8.4**	**7.3**	**8.6**	**8.2**	**7.3**	**7.8**	**8.5**	**8.3**
India		9.6	9.7	10.0	10.7	9.5	9.6	10.4	8.4	11.2	9.9	8.9	8.3	8.5	8.3
Pakistan		11.9	9.7	7.7	7.4	5.6	8.1	9.7	8.1	10.9	9.1	7.9	8.6	9.2	8.3
Bangladesh	6.0	10.3	6.5	7.5	7.1	8.1	7.7	7.2	7.3	7.1	7.2	7.3	7.4	7.3	..
Sri Lanka	10.4	6.7	7.5	6.9	9.2	6.8	6.1	5.7	4.3	5.6	4.8	4.5	4.2	5.0	3.2
Sub-Saharan Africa	**8.5**	**9.5**	**10.8**	**..**	**4.7**	**4.5**	**4.9**	**4.5**	**5.1**	**4.4**	**4.0**	**5.0**	**4.4**	**6.0**	**6.1**
South Africa	5.3	5.0	5.7	5.8	5.7	5.6	6.3	5.4	5.9	5.3	5.3	5.8	6.1	6.2	..
Nigeria	12.5	10.8	12.2	8.5	9.2	8.6	8.2	8.0	8.0	7.9	8.1	8.3	7.8	7.8	7.8
Memo:	2.1														
OECD	7.5	2.7	2.1	..	1.7	1.5	1.4	1.1	1.1	1.2	1.3	1.1	0.9	0.8	0.6
Developing excl. China	8.0	8.4	8.1	..	4.6	4.7	4.5	4.1	4.1	3.9	3.7	4.1	3.7	3.9	4.4
Developing oil exporters	4.5	9.6	9.4	..	4.5	4.6	3.5	3.9	3.8	3.5	3.5	4.1	3.7	4.0	4.8
Developing non-oil exporters		6.7	5.2	..	4.5	4.7	4.6	4.0	3.9	4.0	3.7	3.9	3.6	3.6	4.0
Asian high tech exporters	..			..											

a/ The CPI aggregates are the medians of the growth rates.

Table A.10 Global Central Bank Interest Rates

(percentage a/)

	Average				2013				2014	2013		2014			
	2010	2011	2012	2013	Q1	Q2	Q3	Q4	Q1	Nov	Dec	Jan	Feb	Mar	Apr
World															
High-income countries[b]	-1.45	-1.45	-1.45	-1.45	..	..	..	..	..	..	..	..	..	..	..
Industrial countries	-1.44	-1.44	-1.44	-1.44						..	..	..	..	..	..
United States (US Federal funds rate)	0.18	0.10	0.14	0.11	0.14	0.12	0.09	0.09	0.07	0.08	0.09	0.07	0.07	0.08	0.09
Japan (Discount Rate)	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Euro Area (Eurosys main refi rate-minimum bid)	1.00	1.25	0.88	0.55	0.75	0.58	0.50	0.35	0.25	0.30	0.25	0.25	0.25	0.25	0.25
United Kingdom (Clearing bank's base rate)	0.50	0.50	0.50	0.50	7.50	8.50	9.50	10.50	10.50	0.50	0.50	0.50	0.50	0.50	0.50
Other high income	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong (Discount rate)	3.13	3.13	3.13	3.13	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Singapore (MAS Interbank 1 month rate)	1.15	1.15	1.15	1.15	0.44	0.44	0.44	0.44	0.44	0.36	0.37	..	..	..	..
Taiwan (Interbank swap overnight rate)	1.93	1.93	1.93	1.93	0.11	0.11	0.11	0.11	0.11	0.39	0.39	0.39	0.39	0.39	0.39
Developing countries															
East Asia and Pacific	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China (Lending rate, 6m to 1y)	7.18	7.18	7.18	7.18	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Indonesia (Interbank 3m rate)	9.18	9.18	9.18	9.18	4.93	4.98	6.32	7.45	8.01	7.44	7.71	7.92	8.00	8.09	8.14
Thailand (Repurchase Rate)	1.50	3.00	2.94	2.56	2.75	2.63	2.50	2.38	2.13	2.25	..	2.25	..	2.00	2.00
Malaysia (Interbank overnight rate)	4.48	5.48	6.48	7.48	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97
Europe and Central Asia	..	..	..	..						..	..	..	..	..	..
Russian Federation (Discount (Refin.))	10.87	10.87	10.87	10.87	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Turkey (Interbank 1 week average)	17.05	17.05	17.05	17.05	5.47	5.57	7.21	7.37	10.42	7.36	7.82	8.33	11.10	11.84	10.83
Poland (Interbank 2 week)	5.88	5.88	5.88	5.88	3.75	2.95	2.38	2.46	2.47	2.46	2.46	2.47	2.47	2.48	2.49
Czech Republic (Repo rate 2 weeks)	3.49	3.49	3.49	3.49	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Latin America and Caribbean	..	..	..	..						..	..	..	..	..	..
Brazil (SELIC Target rate)	12.45	12.45	12.45	12.45	7.25	7.63	8.62	9.63	10.51	9.55	10.00	10.26	10.53	10.75	10.98
Mexico (CETES 91 day closing)	7.88	7.88	7.88	7.88	4.17	3.81	3.82	3.45	3.36	3.47	3.41	3.40	3.39	3.29	3.36
Argentina (30 Day deposit)	11.43	11.43	11.43	11.43	13.29	14.44	15.71	16.87	20.84	16.35	17.78	18.79	21.69	22.05	22.53
Colombia (Fixed Term Deposit)	9.68	9.68	9.68	9.68	4.90	4.09	4.02	4.04	3.98	4.04	4.04	4.04	3.98	3.92	3.82
Middle East and North Africa	..	..	..	..						..	..	..	..	..	..
Saudi Arabia (Interbank 3m rate)	2.89	2.89	2.89	2.89	0.98	0.96	0.96	0.92	0.95	0.96	0.85	0.96	0.95	0.95	..
Egypt (IMF discount rate)	10.17	10.17	10.17	10.17	10.25	10.25	9.25	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75
Algeria (IMF discount rate)	4.00	4.00	4.00	4.00	..	..	..	..	..	..	..	..	..	..	..
South Asia	..	..	..	..						..	..	..	..	..	..
India (Bank deposit 365+ days)	7.90	7.90	7.90	7.90	9.00	9.00	..	..	..	..	..	..	..	..	..
Pakistan (Repo 7-15 day)	10.63	10.63	10.63	10.63	..	..	..	..	..	..	..	..	..	..	..
Bangladesh (Bank Rate)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Sri Lanka (Central bank repurchase)	10.50	10.50	10.50	10.50	7.50	7.22	7.00	6.57	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Sub-Saharan Africa	..	..	..	..						..	..	..	..	..	..
South Africa (Repo rate)	11.61	11.61	11.61	11.61	5.00	5.00	5.00	5.00	5.35	5.00	5.00	5.04	5.50	5.50	5.50
Nigeria (IMF discount rate)	9.85	9.85	9.85	9.85	..	..	..	..	..	..	..	..	..	..	..
Memo:															
OECD	..			..											
Developing excl. China	..			..											
Developing oil exporters	..			..											
Developing non-oil exporters	..			..											
Asian high tech exporters	..			..											

a/ Monthly figures are simple averages of the daily figures; except for the latest month, the figure reported for the latest month is the value on the date the data has been reported (which is the last daily observation one day before the note becomes available).

Table A.11 Stock Markets

(indices, year 2010=100)

	Average				2013				2014	2013	2014				
	2000-10	2011	2012	2013	Q1	Q2	Q3	Q4	Q1	Dec	Jan	Feb	Mar	Apr	May
World	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
High-income countries	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Industrial countries	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United States	98	112	122	141	134	143	146	151	155	154	155	152	156	157	158
Japan	109	101	93	112	101	111	115	117	114	116	117	112	111	108	109
Euro Area	79	111	94	93	98	88	89	96	86	91	88	86	78	80	82
United Kindgom	123	108	107	131	125	130	139	150	159	148	154	155	155	153	155
Other high income[a]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong (China)	68	102	96	110	116	115	112	119	118	118	118	115	116	120	118
Singapore	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Taiwan (China)	83	110	100	108	109	110	110	115	116	110	111	110	112	115	115
Developing countries[a,b]	63	105	98	100	109	103	99	104	99	101	97	96	97	101	102
East Asia and Pacific[c]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	59	97	90	96	102	94	94	101	95	100	95	93	91	94	92
Indonesia	42	117	117	116	145	149	122	109	113	100	104	110	120	125	125
Thailand	59	125	139	156	198	197	177	174	157	164	153	157	163	169	168
Malaysia	63	116	119	126	136	146	140	145	141	144	140	139	141	144	146
Europe and Central Asia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	79	114	98	96	101	91	91	98	86	93	91	86	76	78	81
Turkey	61	89	87	101	126	126	102	101	81	90	79	76	77	91	96
Poland	82	107	86	95	97	91	93	102	100	97	94	98	96	99	97
Czech Republic	67	103	86	72	73	65	63	69	68	64	63	66	68	70	70
Latin America and Caribbean	**52**	**101**	**91**	**85**	**97**	**89**	**80**	**83**	**74**	**78**	**74**	**72**	**73**	**80**	**82**
Brazil	49	97	82	71	80	73	64	68	59	62	59	56	58	65	68
Mexico	62	111	117	128	144	137	132	132	127	135	131	125	124	129	133
Argentina	68	113	56	62	66	63	72	96	89	99	87	82	91	104	105
Middle East and North Africa	**70**	**108**	**99**	**98**	**108**	**99**	**97**	**102**	**95**	**98**	**95**	**93**	**93**	**96**	**99**
Egypt	60	73	74	71	72	64	65	74	85	80	83	87	91	90	93
South Asia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	52	94	81	82	94	90	81	86	87	85	85	83	89	93	96
Pakistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bangladesh	34	78	56	51	61	57	58	59	67	63	67	72	68	70	68
Sri Lanka	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	61	111	109	105	120	109	110	115	112	112	110	108	115	120	123

a/ Average for Developing countries and Other High Income countries is for the period 1995-2002

Note: Quarterly and Monthly data is constructed from daily data by taking the last observation for the month. Annual data is the average over 12 months.

b/ Aggregates defined by IFC/S&P

c/ East Asia Pacific including South Asia

Source: World - Morgan Stanley Capital International Index; USA - Wilshire 5000; Japan - Topix; Euro Area - S&P EUROPE 350; UK - Standard and Poor's 350; Hong Kong - Hang Seng Composite; Singapore - Singapore Stock Exchange Composite Index; All Others are IFC/S&P Indices