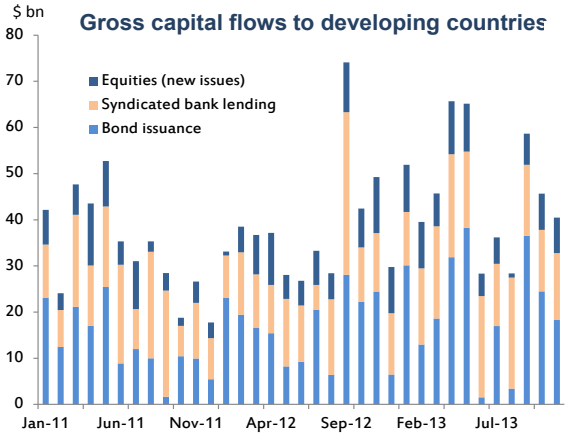
Developing Trends: December 2013

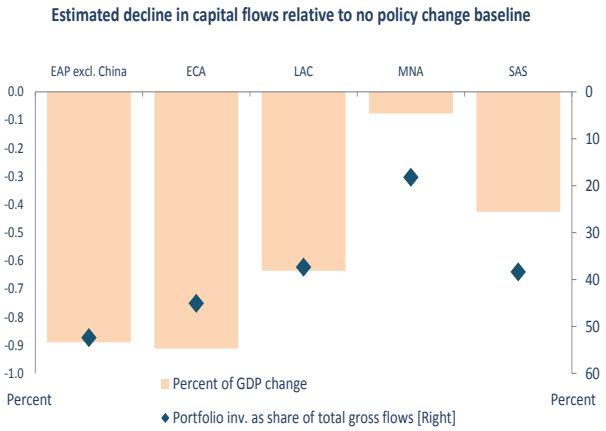
Overview

The solid rebound in capital flows to developing countries in September, following the US Federal Reserve's non-tapering announcement, has proven to be short-lived. Capital flows to developing countries declined by 22.2% in October and a further 11.3% in November. Since the September announcement a string of positive US economic data (falling unemployment, improving business sentiment, etc) has fueled renewed expectations of an imminent tapering than perhaps the September announcement suggested. Reflecting, the higher sensitivity of bonds to a rise in interest rates relative to other kinds of capital flows, during the September –November period bond issuances experienced the sharpest decline (50%) compared to cross-border lending (5.8% decline) and equity issuances (14% increase). Nevertheless this year's total flows are estimated to be some 18% above 2012 levels as both sovereign and corporate borrowers have been trying to lock in external financing before borrowing costs increase further.

Normalization of long-term interest rates will dampen capital flows to developing countries over the short-to-medium run. Going forward, our baseline assumption is that of a gradual normalization of long-term interest rates, with rates rising by some 30 bps during the course of 2014 and continuing to increase



Source: Dealogic and World Bank Prospects Group.



Source: World Bank staff Calculations

gradually through 2016, to a cumulative increase of 100 bps. Under this baseline scenario, our econometric analysis suggests that, capital flows to developing countries will decline by some 10 percent or 0.6 percent of GDP by 2016. However, given the differentiation in the mix of capital flows going to different developing regions the impact by region will differ. Our simulations suggest that regions with a higher composition of portfolio flows in their capital inflows, such as East Asia and the Pacific (53 percent, i.e. excluding China) and Europe and Central Asia (45 percent) will endure a much significant decline in flows relative to other developing regions where portfolio flows are a much smaller proportion of total flows. Besides the composition of flows, domestic conditions will be a determining factor on the impact across economies. Indeed, as observed over the mid-summer period when concerns of QE taper-

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 and Finance), John Baffes and Damir Cosic (Commodities), and Sanket Mohapatra (Exchange rate) Ekaterine Vashakmadze (Inflation and Trade), and Adil Islam (Statistical Annex). 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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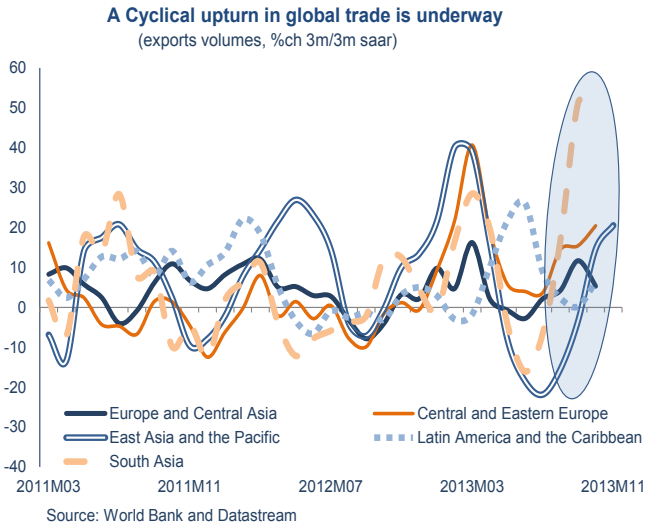
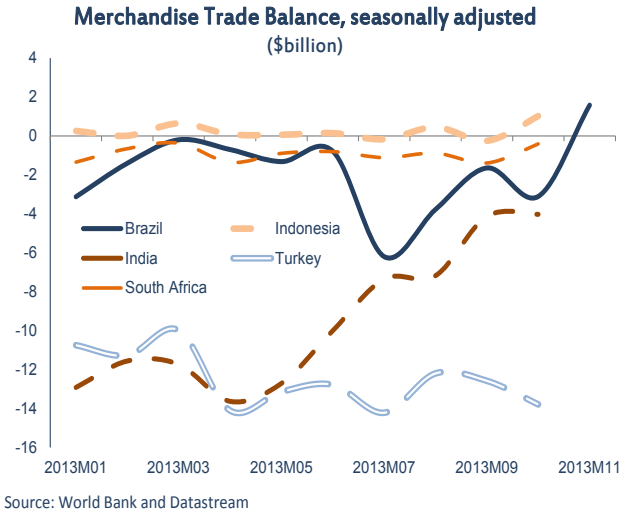




ing were heightened, economies with stronger fundamentals (e.g. China, Mexico and Peru) were less impacted relative to developing economies facing growing external and domestic imbalances (including current account deficits, and government deficits) notably, Brazil, India, Indonesia, Turkey, and South Africa.

Reflecting the sustained strengthening of global economic activity and sentiment, global trade has picked up in recent months. Since Q1 2013, when global trade was expanding at a solid 10 percent pace, global trade has been in the doldrums for much of 2013, expanding at only 2.5 percent in Q2 and contracting at 0.1 percent in Q3. Nonetheless, with the sustained strengthening of global economic activity (global GDP rose at 3.1 percent and 2.9 percent in Q2 and Q3), particularly in high-income economies and China, this has provided some impetus for the nascent pick-up in global trade observed in October (i.e. 2.1 percent expansion in the three months to October compared to the contraction in Q3 2013). The pick-up in exports has been broad based across developing regions, expanding most solidly in South Asia (thanks to a surge in India's exports which have benefitted from the depreciation of the rupee); Central and Eastern Europe (thanks to the recovery, albeit subdued, in the Euro Area) and in East Asia and Pacific (thanks to strengthening high-income demand and intra-regional trade). Nonetheless, reflecting varying domestic demand situations, developing country import performance has been mixed. Import demand has accelerated in China (supported by recent mini-stimulus measures) but has been contracting in India, Indonesia, Brazil and Turkey, (thanks to recent currency depreciations, tightening of monetary policy and trade restrictions for some economies). Not surprising this has contributed to the recent improvements in their trade balances compared to mid-summer levels.

Notwithstanding the recent cyclical uptick, in general, global trade has been relatively subdued over the past two years. Global trade grew at 3.2 percent in 2012 and an estimated 3.5 percent in 2013 - well below the pre-boom average of about 7 percent (between 2000-2005), suggesting more fundamental factors are at play. The main driver of this weakness stems from the weak post-crisis global recovery in high-income economies, particularly from the European Union, the world's largest trading bloc, whose recovery continues to be shackled by necessary banking sector deleveraging, fiscal consolidation and high unemployment. Nonetheless, even abstracting from the weakness in global demand, the trade elasticity in this period of sluggish trade growth is less than in the pre-boom period (1.3 vs 2.1), suggesting that for the same unit increase in global GDP, the trade response has been weaker than implied by traditional trade elasticities. Our analysis suggests some 30 percent of the decline in elasticity can be attributed to the change in the composition of final demand. In other words, components of final demand which have higher import content such as investment have been harder hit in the post-crisis period than other components of final demand with weaker import content such as government spending, thereby restricting the overall trade responsiveness of GDP increases during the current period.

High income (2)

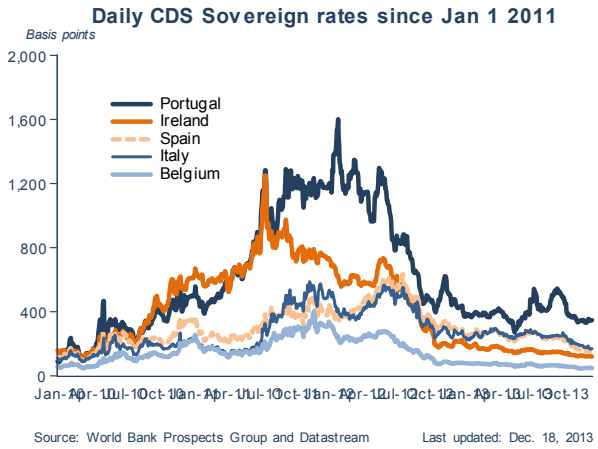
G3 equities have been exceptionally strong this year with Japanese stocks significantly outperforming U.S. and German shares. The cost of insuring troubled Euro-zone countries' debt has fallen further recently, reflecting the market's assessment of reduced risk. Italian and Spanish bonds have continued to outperform most of their European peers through mid-December, but Portuguese bonds have fallen recently amid renewed bailout concerns.

G3 equities have been exceptionally robust this year with Japanese shares significantly outperforming German and U.S. equities.

- G3 equities have been quite strong thus far this year, with Japanese stocks significantly outperforming German and U.S. stocks.
- Japan's benchmark Topix index has gained 43% this year, the most among major developed markets, helped by weaker yen that has depreciated more than 25%. U.S. (S&P 500) and German (DAX) benchmark stock gauges have also surged 19.3% and 21.8%, respectively, extending their record highs.
- This year's rally in G3 equities was supported by an upbeat economic outlook and growing optimism on Japan's reforms plans.

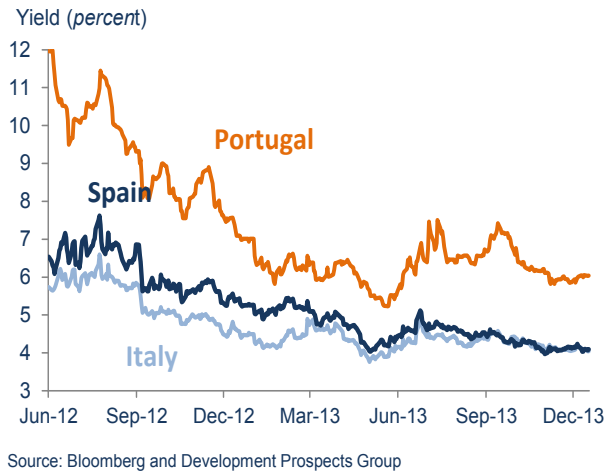
Credit default swap spreads for troubled Euro-Area economies have continued their downward trend.

- CDS spreads for high-spread Euro-zone economies have continued to tighten through December, down more than 120 basis points from July highs. This reflects the market's assessment of reduced credit risk for those countries.
- Meanwhile, the cost of insuring Portuguese sovereign bonds against default rose recently amid renewed concerns that the nation may still need additional international support to balance its fiscal burdens.



Borrowing costs for Italy and Spain have been declining, but those for Portugal rose recently.

- Italian and Spanish government bond yields have fallen 39 basis points (bps) and 21 bps since the end of September, respectively. Furthermore, Italian and Spanish bonds outperformed most of their European peers, gaining 7.5% and 11% this year, respectively.
- After tightening considerably between September and November, Portuguese yields have widened recently as lingering concerns over needing additional bailout pared some of their gains after debt swap in early December.

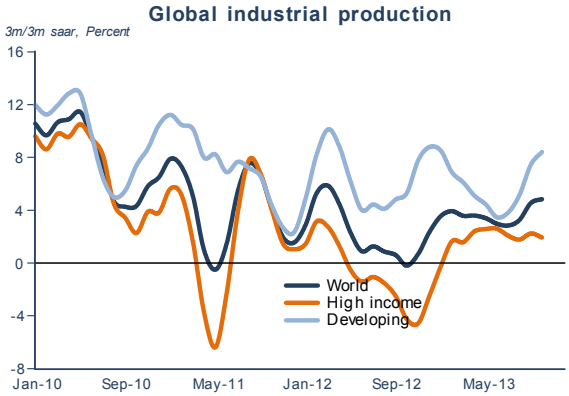


Industrial Activity

Global industrial production growth eased at the beginning of Q4 but remained high, with production ebbing from peaks in Q3 in both developing and high income countries. October figures show that while industrial production accelerated to above trend in the US, it decelerated in Japan and contracted moderately in the Euro area. Among developing countries, IP growth softened but remained high China, while robust gains were seen in many other countries.

Global IP growth remained strong at the start of Q4.

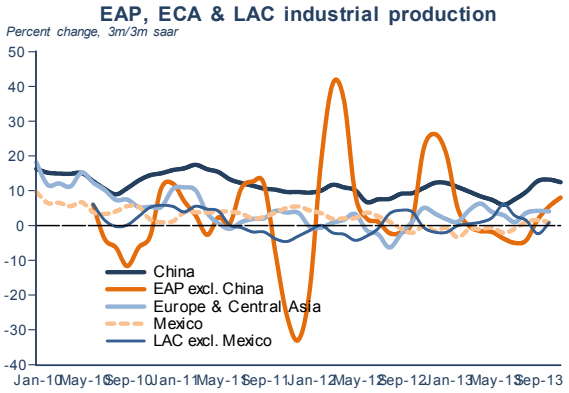
- Global IP expanded at the seasonally adjusted annualized pace of 6.4 percent (3m/3m, saar) in October, after rising 8.1 percent (3m/3m, saar) in September, reflecting robust global demand.
- Developing countries IP growth remained robust on aggregate in October, at 11.5 percent saar, continuing to drive global growth.
- IP growth in the high income region moderated to 1.7 percent (3m/3m, saar) in October, after rising 2.2 percent (3m/3m, saar) in September. IP growth contracted for the second consecutive month in October in the Euro Area albeit at a slower pace, but accelerated to 3.3 percent saar in the US and moderated to 5.3 percent saar in Japan.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

IP growth strengthened further in East Asia and Pacific at the start of Q4

- IP growth in East Asia and Pacific strengthened to 12. 6 percent saar in October. Excluding China, EAP IP growth accelerated to 4.6 percent sarr, reflecting rising manufacturing output in Malaysia and Indonesia.
- IP growth was mixed in Europe and Central Asia. While factory output continued to expand robustly in Romania, it slowed markedly in Turkey.
- IP growth was subdue in Latin America and the Caribbean. It slowed in Brazil and contracted in Argentina; but Mexico's November PMI figure signals a strengthening of its IP growth.



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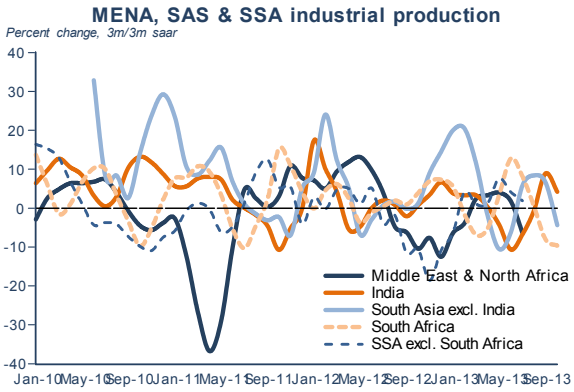
IP growth eased but remained robust in South Asia.

- After a strong rebound in Q3, IP growth decelerated in South Asia in October, puled down by a contraction of manufacturing output in India. India's improved November PMI indicators suggest. However, a recovery in factory production.
- After a sharp contraction in September, IP growth rebounded in South Africa, supported by a recovery in the manufacturing sector and improved business sentiment.
- In developing Middle East and North Africa data on IP growth is lagging; but the deceleration that began in June continued in Q3. Reflecting political uncertainty IP growth in the region contracted 6.4 percent saar in July after slowing to 1.7 percent sarr in June.



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Business Sentiment

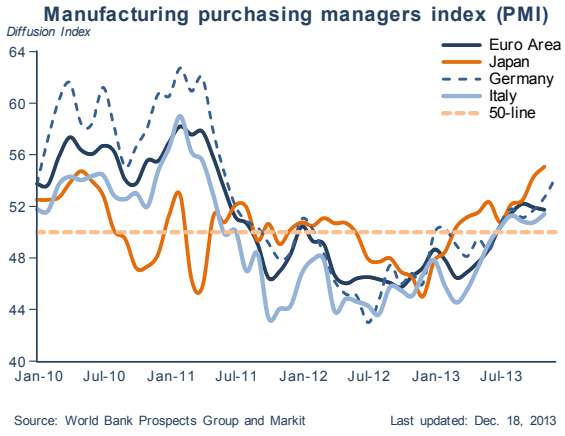
Business sentiment within the global manufacturing sector continued to improve in November with the latest global PMI reading at a 30 month high. Developed countries continue to show broad-based improvement in sentiment. Among the more diverse developing regions, South Asia emerged from a three-month spell of deteriorating sentiment and Europe & Central Asia also indicated improved operating conditions. On the other hand, East Asia & Pacific exhibited a less optimistic sentiment as the regional PMI decreased marginally in November.

Global Manufacturing Sector Sentiment highest since May 2011

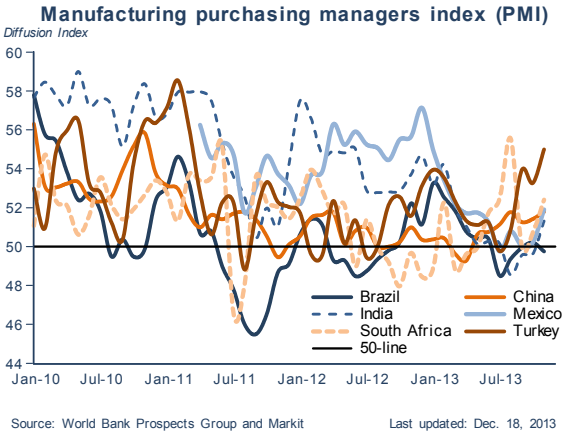
- Due to increases in production, new orders and job creation, the JPMorgan Global Manufacturing PMI, increased from 52.1 in October to 53.2, the highest since May 2011.
- With increases in new orders, production and employment, the U.S. (ISM) PMI rose from 56.4 in October to 57.3 , the highest this year. 15 out of 18 manufacturing industries reported growth.
- The Euro Area Manufacturing PMI edged up to 51.6 from 51.3 in October. Output, new orders and new export orders rose but employment declined.
- With the weak yen and consequent strong foreign as well as domestic demand, Japan's PMI rose from 54.2 in October to 55.1, the highest since July 2006. Output, new orders, new export orders and employment all rose sharply.

Business sentiment across the large emerging countries was diverse with a number signaling contractions while others showing substantial improvement.

- Sentiment in Brazil's manufacturing sector deteriorated with the PMI falling from 50.2 in October to 49.7. Output growth decelerated while new orders and employment contracted.
- With weak external demand and declines in new export orders, Russia's PMI fell from 51.8 in October to 49.4 as firms cut employment and purchases of new inputs.
- Signaling the first expansion since July, India's PMI improved from October's 49.6 to 51.3 as new order and production levels rose.
- Mexico's PMI improved from 50.2 in October to 51.9 as output grew and new orders saw the strongest increase since March, resulting from stronger domestic and external demand.



- The Chinese PMI was unchanged from October at 51.4, which the highest since May 2012. Over the month, production and employment increased while new orders fell.
- With increased tourism and stronger external demand, South Africa's PMI increased from 51.1 in October to 51.6, signaling the strongest improvement in sentiment in nearly a year.
- Turkey's PMI climbed from 53.3 in October to 55.0, the highest since March 2011, as stronger domestic and foreign demand led new order growth to accelerate to its fastest in 30 months.

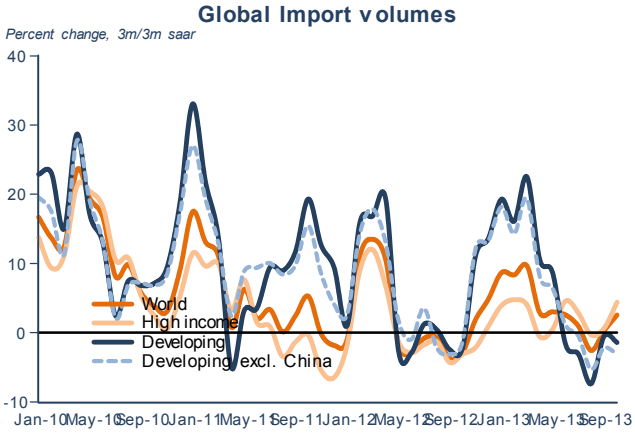


International Trade (1)

Contraction of global trade eased in October reflecting strong demand for imports in high income countries. Demand for imports in developing countries remains weak, especially in South Asia and East Asia Pacific region with the exception of China, where quarterly imports continued to contract reflecting the effects of currency devaluation and policy tightening. Demand for imports eased in ECA and LAC most recently reflecting moderation of domestic demand in Turkey and Brazil.

Contraction of developing country import demand, which has been weighing down on global trade, continued in October.

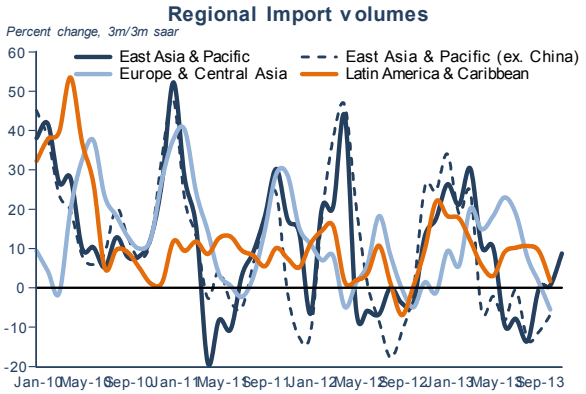
- Global trade volumes expanded at 2.5 percent annualized rate in the three months to October from 0.2 percent in September, with much of the improvement attributed to strengthening of demand in high income country imports.
- High income country quarterly import demand showed a strong rebound in October recovering to the levels observed in June (2.5 percent annualized rate).
- Developing country trade volumes contracted at an annualized pace of 1.4 percent in the three months to October—slightly stronger than in September (-0.5 percent annualized rate).



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Performance across developing countries and regions show considerable heterogeneity.

- Import demand continued to strengthen in China (8.6 percent in November) reflecting mini-stimulus, but continues to contract in the rest of the region (6.9 percent in October) reflecting policy tightening and currency devaluation.
- Import demand continued to ease in ECA reflecting weak domestic demand especially in Ukraine and Bulgaria and recently in Turkey. Import demand also eased in LAC reflecting weak demand in Brazil.
- Contraction of import demand has likely bottomed out but continues at an accelerated pace in South Asia (16.5 percent in October), reflecting adjustment to weaker currency in India.



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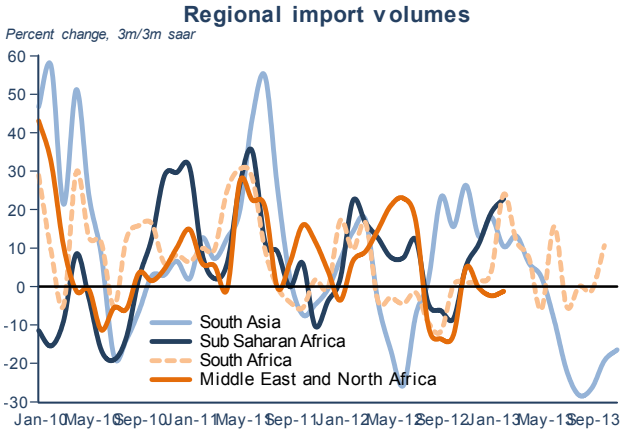
Data lags behind in Sub Saharan Africa and the Middle East

- Data for both sub Saharan Africa and the Middle East and North Africa lag behind. Latest available data shows that, as was the case for other developing countries, import demand for Sub Saharan Africa strengthened in January and February 2013 at an above 10 percent annualized pace. Import demand in the regions largest economy has been volatile showing a 16.5 percent expansion in June followed by a three month period of contraction and a 10.6 percent recovery in October.
- In the Middle East and North Africa, the contraction in import demand persisted through February (seven consecutive months of contracting imports), reflecting the effects of political challenges on demand conditions in the region.



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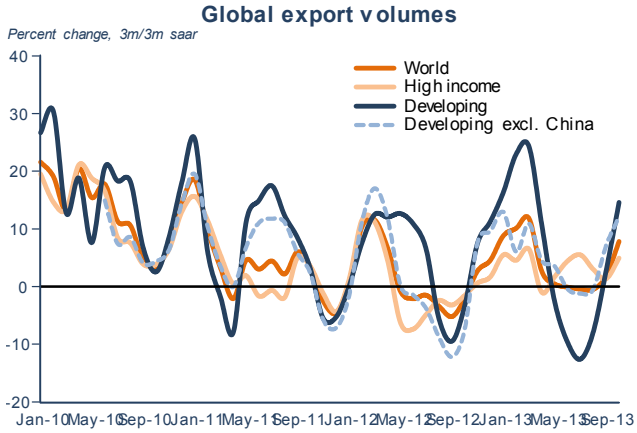
International Trade (2)

Supported by steady high-income demand, rebound of import demand in China, and in some cases depreciated local currencies, developing country export recovery accelerated in October. All developing regions, where high frequency data is available showed a significant rebound in exports in October, including East Asia and the Pacific region, Europe and Central Asia, South Asia and Latin America.

Supported by strengthening high-income imports, developing country exports have picked-up.

- After contracting for 5 consecutive months (in part reflecting statistical corrections of over invoicing in the first quarter) China's exports rebounded solidly in September (18.4 percent) and strengthened further in October (20.8 percent) signaling a recovery in global trade.
- Excluding China, developing country exports expanded at a 11.3 percent rate in October (an improvement from 7.9 percent in September). Improved external demand will support growth prospects in developing countries, particularly in those economies where domestic demand has weakened, on account of tighter credit conditions.



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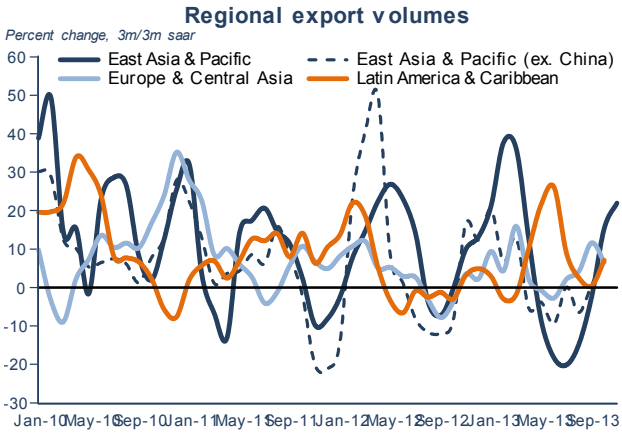
Export performance in developing regions shows continued improvement.

- Overall, the recovery in the Euro Zone is supporting export growth in Europe and Central Asia region since July following an earlier period of contraction.
- LAC exports also strengthened to 7 percent annualized rate in October from 0.4 percent in September) reflecting a rebound in Mexico.
- Led by India, South Asia continues to see a significant recovery in its exports since July of 2013 supported by a significantly depreciated rupee.



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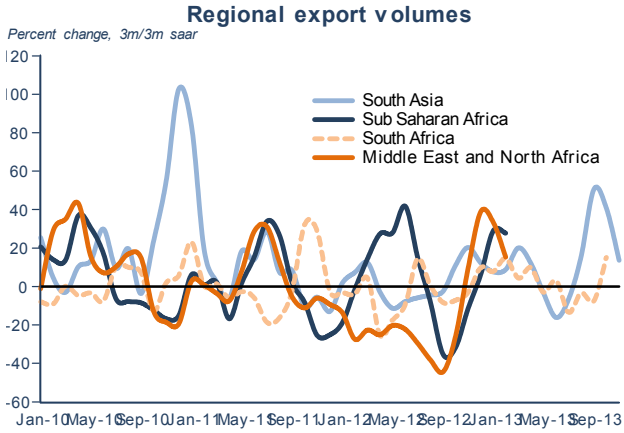
Global exports continue to expand in Q4 led by strong demand in high income countries and China.

- New export order indicators suggest that earlier weakness in developing country trade is easing led by ECA, EAP and SAS regions.
- In addition, if the strengthening of high-income country activity is to persist, as is expected, this should provide some further support to a pick-up in developing country exports, especially in those countries where export growth continued to lag behind.
- Data lags behind for the Middle east and Sub Saharan Africa, however data through February shows that exports in both regions recovered.



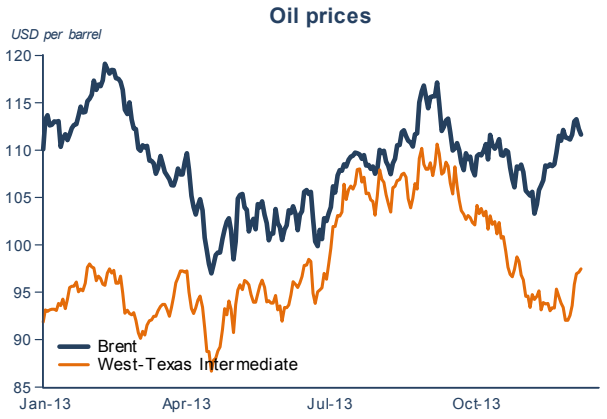
Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Commodities (1)

Crude oil prices eased in November as seasonal demand from refiners is weak and supplies are firm. However, prices have picked up in early December as refineries end their maintenance cycles. Prices of all industrial metals declined in November as markets remain well supplied. Precious metals were down in November as the US economic data improved thereby increasing the likelihood of US Fed 'tapering' starting.

Oil prices fell in November, but have picked up in December as refineries end their maintenance cycle.

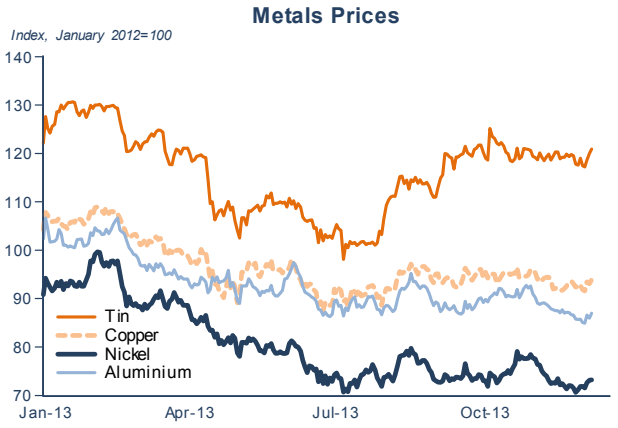
- Crude oil prices averaged $103/bbl during November, down 3% (m/m) on continued weak seasonal demand from refineries and ample supplies.
- Global oil supplies rose 0.3 mb/d to 92.3 mb/d in October on record non-OPEC supply. OPEC crude supply fell for the fourth month in a row led by cutback in Saudi Arabia and struggles in supply in Libya. Iran reached a 6-month agreement with six world powers that eased some restrictions but left oil export sanctions in place until a comprehensive agreement is reached.
- The gap between Brent and WTI widened to US$ 20/bbl by end-Nov 2013, as US stocks of crude weigh down WTI prices while strong demand picked up Brent as refiners ended maintenance.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Metal prices declined in November on ample supplies and persistently high stocks.

- Metals prices are down 2.4% (m/m) in November on ample supplies for most metals. Aluminum and nickel have reached multi-year lows, while copper is better balanced.
- In early December most metal prices rose on concerns about Indonesia's ore export ban from Jan 12, which is intended to increase the value of the country's mineral exports, and expand its processing capacity. The ban would affect the nickel market, but also bauxite, copper and tin.
- Global stocks of metals at major exchanges have declined (down 1% m/m in November), they are still elevated by historical standards. Copper have been declining since the mid year, but Nickel stocks are up 84% (y/y) in November.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Precious metals prices are down in November on improved US economic data.

- Precious metals have been on the decline since early 2012Q4 and price of silver, gold and platinum are down 26%, 35% and 10%, respectively, for the year to the 2nd week of December.
- Reduced demand for safe-heaven investments and expectations of changes in US monetary policy have triggered a rush out of the exchange-traded funds, which have been the main drivers on price declines. Delay of "tapering" has been a support for precious metals' prices in 2013Q3.
- While holdings of gold by exchange traded funds (ETFs) are down on y/y basis in November (28%), monthly declines have slowed since September to 2%, from 5-6% declines observed earlier in 2013.

Source: World Bank Prospects Group and Handy&Harman Last updated: Dec. 18, 2013

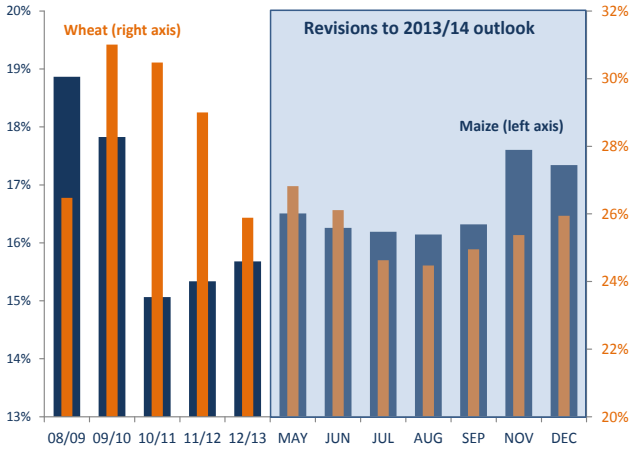
Commodities (2)

The global grain outlook improves further, according to the December 11 update by the U.S. Department of Agriculture. The World Bank's agricultural price index declined 1% in November, almost 9% lower than a year ago. Grains recorded a 2.5% loss, compensated by a 1.7% increase in oils and meals. Beverage and raw material prices declined 1.9% and 1.2%, respectively.

Maize and rice supply outlook remains solid; marked improvements in wheat.

- The maize outlook improved further in December with the stocks-to-use (S/U) ratio—an indicator of supply and demand conditions—expected to exceed 17% during 2013/14, similar to the November estimate and much higher than 15.7% in 2012/13.
- The rice market continues to be well-supplied. Current season's global rice production is expected to be almost 1%), implying a S/U ratio of 22.1% during 2013/14, up from last season's 20.8%.
- The outlook for wheat improved as well (albeit marginally) with the S/U ratio expected to reach almost 26% in 2013/14, up from the November estimate of 25.4% and the same as in 2012/13.

Marked improvements in both maize and wheat markets
(stock-to-use ratio, percent)

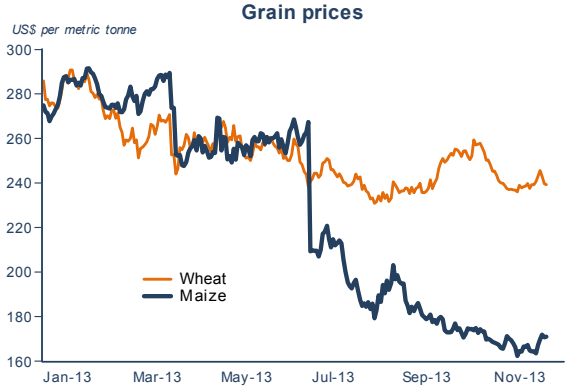


Note: October is not reported due to the US government shutdown.
Source: US Department of Agriculture

Maize and rice prices drop to 5-year lows. Wheat prices still high.

- Maize prices dropped below the $200-mark in November ($199/mt) for the first time since October 2008. In addition to improved global supply outlook, the weakness reflects a moderation of maize diversion to the production of biofuels.
- Rice prices averaged $438/mt in November, the lowest since January 2008. Ample supplies along with stock releases by Thailand have weighted heavily on the market. Price risks for maize and (more so) rice are on the downside.
- Wheat prices averaged $307/mt in November, almost 6% lower than October and 15% lower than a year ago. As it turns out that the drought-induced damage to the US crop earlier in the summer is less severe than originally thought.

Grain prices

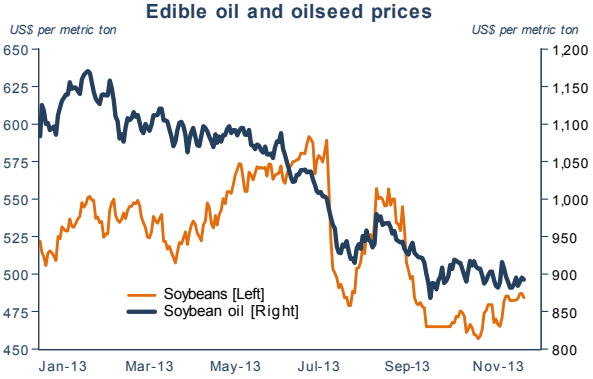


Source: World Bank Prospects Group and CME Last updated: Dec. 18, 2013

Soybean prices found support, edible oils largely unchanged.

- Soybean prices rose more than 2% in November, however, they are still 8.5% lower than a year ago. The recent strength in prices reflects in part lower South America exports due to seasonal decline but also strong import demand by China (some of which is destined to replenish stocks). China accounts for two thirds of global soybean imports. Soybean oil prices have largely unchanged though palm oil prices (close substitute to soybean oil) rose 7% in November due to declining supplies from Indonesia, world's top supplier.
- Separately, coffee prices declined considerably in November due to increased supplies from Vietnam (Robusta) and Brazil (Arabica)

Edible oil and oilseed prices



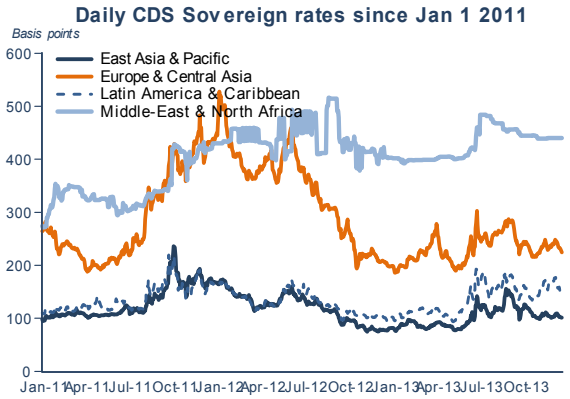
Source: World Bank Prospects Group and CME Last updated: Dec. 18, 2013

International Finance (1)

Credit risks for developing countries have fallen slightly in December as Ukraine's spreads fell sharply following a Russian bailout that averted the risk of sovereign default. Developing-country stocks have continued to underperform their counterparts this year. Developing countries' credit cycle turned negative this year for the first time since 2009, while high-income countries' ratings have stabilized.

Developing-country CDS rates have eased recently, mostly reflecting a sharp drop in Ukraine's spreads

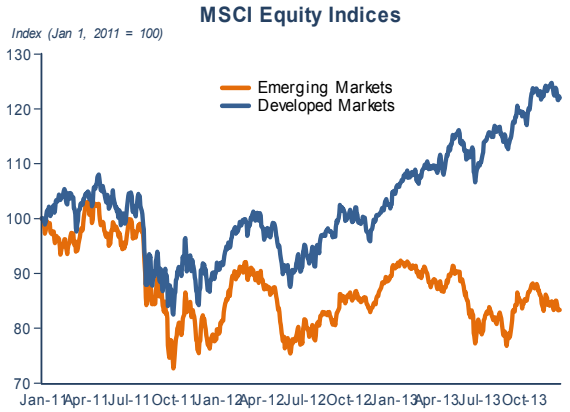
- CDS spreads for developing countries have tightened by about 20 bps on average thus far December, mostly reflecting a sharp drop in Ukrainian spreads.
- The cost of insuring Ukraine's sovereign debt against default with 5-year credit default swaps fell more than 250 basis points on December 17th following a $15 billion Russian bailout pledge which eased the risk of the government insolvency.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Developing-country stocks have continued to underperform mature-market equities.

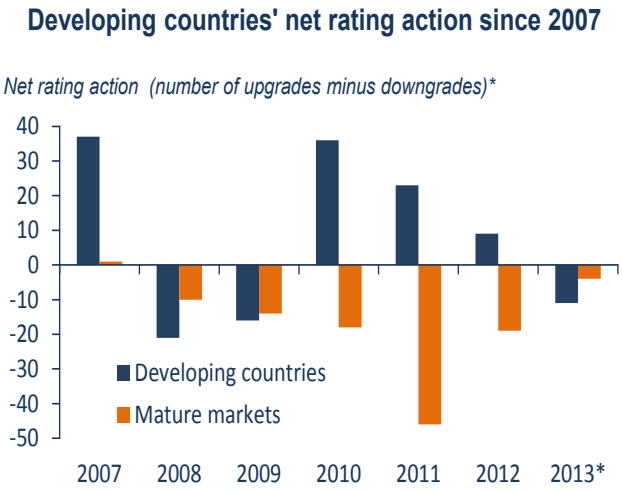
- Developing-country stocks have declined 2.7% since the end of November amid lingering concerns over the Fed decision on its stimulus program, compared with a 1.9% drop for developed-market shares.
- The uncertainty over when the Fed will begin to taper its quantitative easing has dominated global stocks trading for months with developing-country shares bearing most of turbulent market reactions.
- Developing-country shares have declined 6% thus far this year, while mature-market equities have surged 19%.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Credit rating downgrade outnumbered upgrades among developing countries in 2013, while ratings have stabilized in high-income countries.

- The credit cycle for developing countries turned negative this year for the first time since 2008-2009 with 30 downgrades and 19 upgrades.
- Countries with rising political and social tensions, including Egypt, Tunisia, and Ukraine, experienced multiple downgrades. Meanwhile, increased debt stress led to downgrades in Argentina and Jamaica. South Africa, El Salvador, Honduras, Venezuela, Ghana, and Zambia also experienced downgrades.
- Developed-country ratings have mostly stabilized as a result of improving fiscal positions and strengthening real-side activity.



* Including rating actions by Moody's S&P, and Fitch, as of December 12.

International Finance (2)

Developing-country bonds seem to be better positioned to withstand US Treasury re-pricing than they were during the summer volatility. Lingering outflows from emerging-market bond funds in recent months reflect investor's negative assessment of developing-country fundamentals and the risk of surging borrowing costs. Following a sharp rebound in September, capital flows have been relatively weak since then.

Borrowing costs for developing-country bonds have fallen in December, but they remain much higher than early-May levels.

- After going through bumpy roads for the past two months with the debate over the timing of the Fed's QE tapering dominating market sentiments, developing-country bond spreads have tightened about 20 basis points since the beginning of December.
- With bond spreads generally much higher than earlier levels seen in May, and the weak developing-country currencies remain considerably depreciated from their May levels, developing-country bonds seem to be better positioned to withstand a rise in US Treasury yields than they were during the summer volatility.

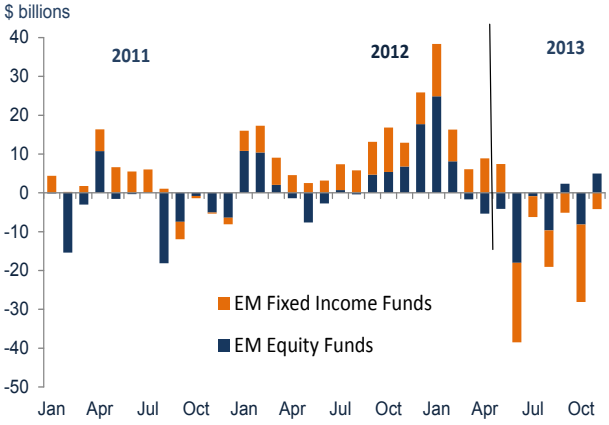
Developing-country bond spreads sicne June 2011

Source: Bloomberg and Development Prospects Group

Developing-country bond funds posted another outflows in November, continued to underperforming other asset classes.

- Emerging-market bond funds posted a six consecutive monthly outflows of about $4.8 billion in November, pushing total June-to-November outflows to $64.5 billion.
- In contrast, EM equity funds posted inflows of $5 billion in the month, paring year-to-date equity outflow to $4.3 billion.
- In comparison with other global assets classes, the underperformance of developing-country bonds seems to reflect the risk of funding costs (especially for riskier borrowers) and deteriorating developing-country fundamentals.

Foreign portfolio inflows to developing countries

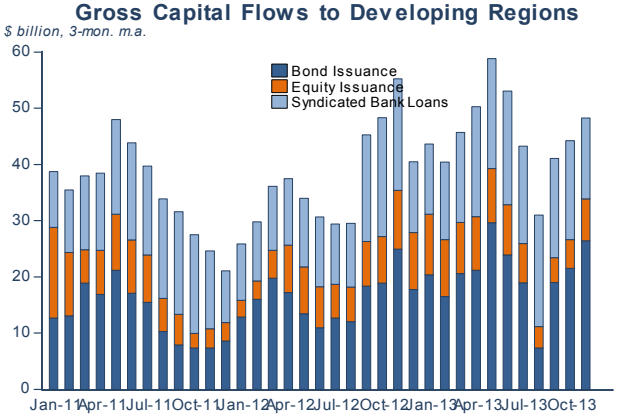


Source: EPFR and Development Prospects Group

Capital flows to developing countries fell moderately in November.

- Gross capital flows to developing countries amounted to $40.5 billion in November, remaining well below the January-May average of $53.6 billion and the year-to-date average of $46.5 billion.
- Following a sharp rebound in September, capital flows have been faltering somewhat since then amid lingering concerns over the future of the Federal Reserve's massive stimulus program.
- Nevertheless, total flows for the first eleven months of 2013 amounted to $506 billion, up 18% from the like period of 2012, supported especially by strong bond and bank flows.

Gross Capital Flows to Developing Regions



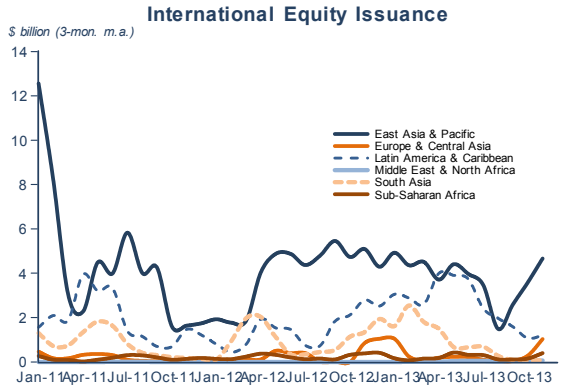
Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

International Finance (3)

Equity remained steady in November, and preliminary December data indicate equity flows will close the year on a strong note. Bond flows continued the downward trend in November, after a sharp rebound in September, but year-to-date flows are already surpassing last year's record levels. Meanwhile, bank lending has been relatively weak since August amid a less encouraging market tone.

Equity flows remained steady in August.

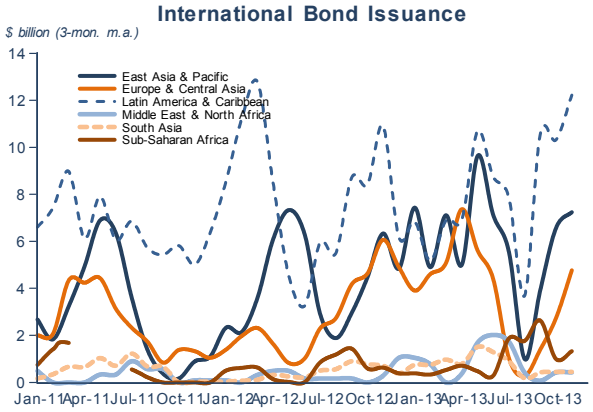
- Equity placements (a combination of IPOs and follow-on issuance) remained steady at $7.7 billion in November on the back of strong issuance activity in ECA and SSA.
- Meanwhile, year-to-date flows are up only 2.4% to $83 billion from a year before. A lukewarm growth in equity flows reflect declines in flows to EAP and SA which offset a sharp rise in flows to LAC (especially to Brazil and Mexico).
- Preliminary data, however, point to a surge in equity issuance activity in December, helped by an end of China's 14 month ban on initial public offering—Chines companies have raised about $4 billion through IPO thus far this month.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Bond issuance continued the downward trend in November.

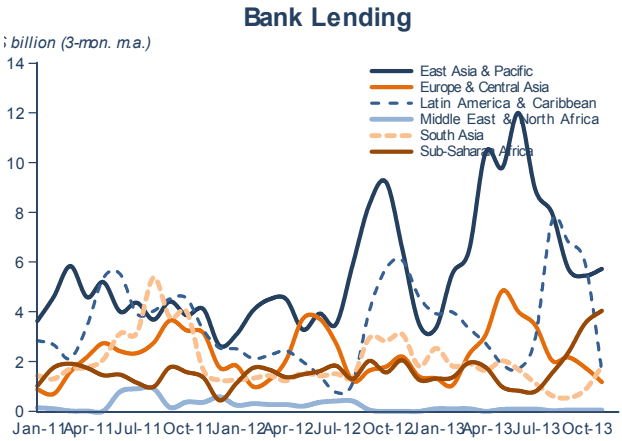
- Bond issuance reached $18.3 billion in November, up from $24.5 billion in October and $36.5 billion in September.
- Year-to-date bond flows are amounting to $233 billion, already surpassing last year's record levels, as more sovereign and corporate borrowers are trying to lock in external funding before further spikes in borrowing costs.
- Notably, about 40% of this year's corporate bond issuance was to extend maturity and/or obtain cheaper refinancing. This has allowed many developing-country corporate borrowers to expire expensive bonds and lengthen maturities into longer years.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

Bank lending has been relatively weak after reaching a peak in August.

- Syndicated bank loans to developing countries rose slightly to $14.5 billion in November from a month ago, but they have been relatively weak since reaching peak levels in August. This partly reflects a less encouraging market sentiment.
- Bank flows averaged $14.4 billion between September and November, compared with the January and August average of $18.3 billion.
- Nevertheless, bank flows rose 24 % year-on-year to a record high of $190 billion in the first eleven months of 2013, as more companies turn into loan market to do pre-funding for later years.



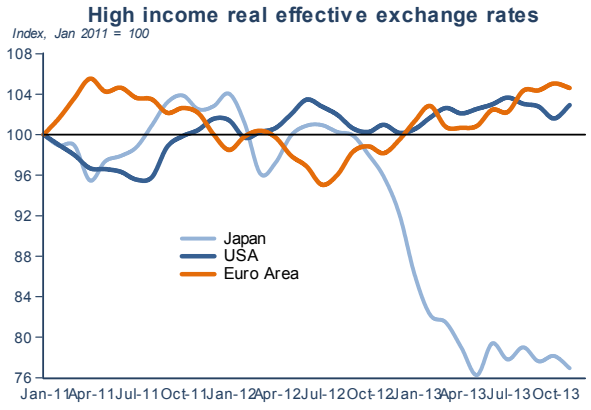
Source: Deallogic, DEC Prospects Group Last updated: Dec. 18, 2013

Exchange Rates

The euro has gained in recent months together with a firming economic recovery, while the US dollar has depreciated. Currencies of large middle-income developing countries have broadly stabilized and partially recovered after a mid-year sell-off. A few others however continued to depreciate as a result of weak commodity prices and volatile capital flows. Developing country currencies remain vulnerable to eventual QE tapering and tighter financial conditions in future.

The euro gained strength together with an economic upturn.

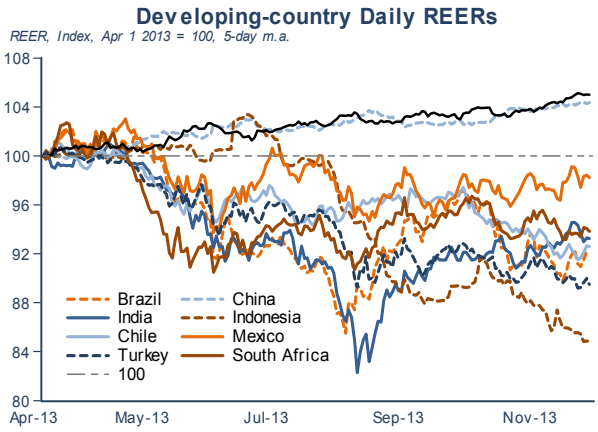
- The euro has continued to appreciate in trade weighted real effective (REER) terms in recent months along with a firming economic recovery in the Eurozone (despite a moderation in Q3), bolstered by the ECB's supportive policy stance.
- The US dollar has picked up recently in REER terms, as stronger real-side activity raised anticipations that the US Federal Reserve would start to taper its quantitative easing involving $85 billion/month bond purchases.
- The Japanese yen has broadly stabilized after an earlier steep depreciation resulting from sharp monetary stimulus.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

After a mid-year sell off, currencies of some large middle-income countries have partially recovered as trade balances started to narrow

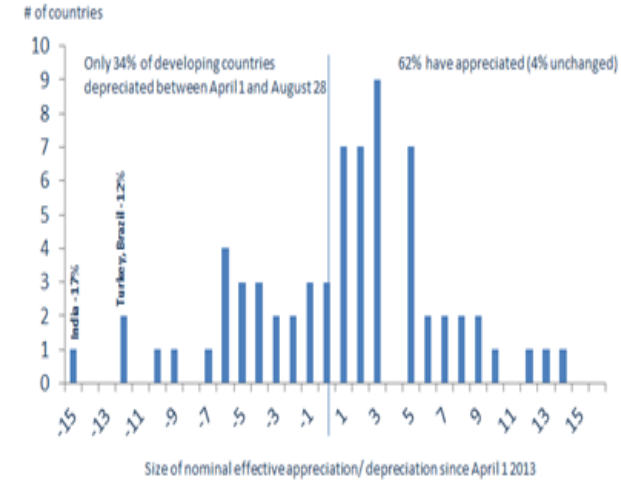
- After a mid-year sell-off due to tapering anticipations, currencies stabilized as portfolio rebalancing was completed.
- Some have recovered partially in subsequent months. The Indian rupee which was the hardest hit (-17% in April-Aug) has stabilized at a lower level, after policy interventions to support foreign exchange markets and narrowing trade balances
- Similarly, though less affected, the Turkish lira seems to have stabilized at a lower level. The Mexican peso, however, gained back its losses relatively quickly (gaining from stronger growth in the U.S, its largest trading partner, and capital inflows) and is close to April levels.



Source: World Bank Prospects Group and Datastream Last updated: Dec. 18, 2013

While some others continued to depreciate into the fourth quarter

- Several currencies continued to faced depreciation pressures due to domestic policy uncertainties, weak commodity prices, and weak and volatile capital inflows.
- Indonesia has a faced a combination of the above factors, with the rupiah the weakest among large developing countries compared to April levels. Commodity exporters' currencies (Brazilian real, Chilean peso, and South African rand) came under pressure from weak international prices.
- It is noteworthy that despite sharp depreciations in several large middle-income countries during mid-year, most developing-country currencies did not come under excessive pressure (62% of developing countries saw NEER appreciation in April-August, while only 34% depreciated).



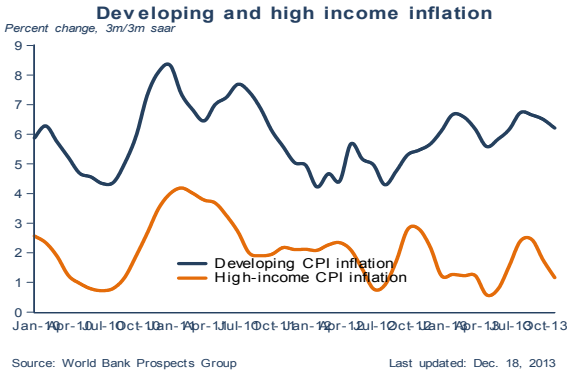
Source: World Bank, Datastream.

Inflation

Global inflation eased in November reflecting sharp slide in high income country inflation combined with insignificant moderation of price pressures in developing countries. A number of large middle income economies continued to tighten monetary policy in response to mid-year financial market turbulence and pressures on their currencies. Policies continue to ease in Europe where domestic demand remains weak.

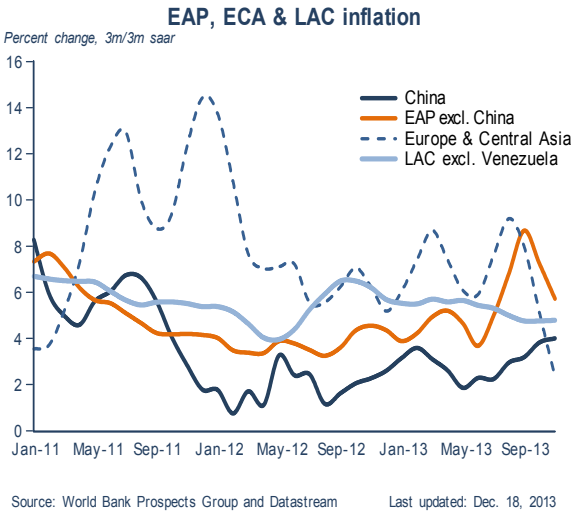
Global inflation eased to 3.2 percent in November reflecting sharp slide in high-income country inflation and moderation of price pressures related to currency devaluation in developing countries.

- High-income country inflation dropped to 1.2 percent annualized rate in the three months to November reflecting weak domestic demand and large spare capacity.
- Inflation in developing countries also ticked down to 6.2 percent in November—as the impact from earlier currency devaluations in several large middle income economies started to ease.



Inflation eased quite significantly in ECA, continued to moderate in LAC, and ticked down in the EAP region (excluding China).

- Weak domestic demand combined with lower global food prices contributed to easing price pressures in ECA region to a record low 2.3 percent in the three months to November.
- In LAC (excl. Venezuela), inflation remains 1.7 pp lower than last year reflecting policy tightening in Brazil. Inflation remains at its record high levels in Venezuela reflecting massive macroeconomic imbalances.
- Rising housing prices continue to fuel inflation in China pushing quarterly inflation above the 3.5 percent targeted rate in November. Excluding China, quarterly inflation in the EAP region declined to 5.7 percent in November from its five year record high 8.7 percent annualized rate in September reflecting policy tightening in Indonesia.



- **Inflation outcomes increasingly reflect local conditions in MENA, South Asia and Sub-Saharan Africa.**
- Inflation in South Asia region accelerated to 11.4 percent annualized rate in November reflecting pressures on local currency and supply bottlenecks, partly caused by recent trade restrictions.
- MENA's quarterly inflation eased since January reflecting declining food prices, but remains at its highest levels since mid-2008 reflecting political instability and large macro imbalances.
- Inflation in Sub-Saharan Africa (excluding South Africa), which has also been on a downward trend since the first quarter of this year has plateaued most recently. Inflation in South Africa however ticked up in the last quarter of 2013 reflecting pressures on local currency.

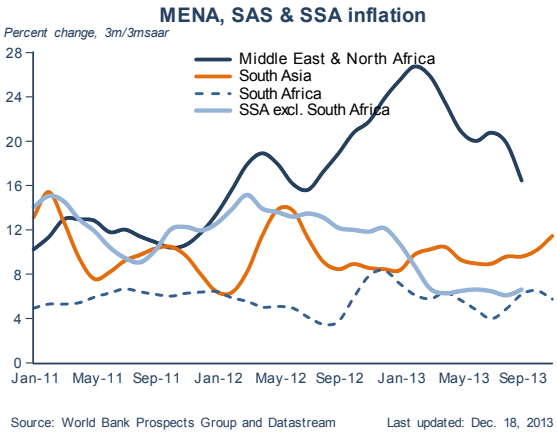


Table A.1 Global industrial production growth

(constant prices; percent; seasonally adjusted annual rates except monthly figures which are in percent change over previous month a/)

	Average 1999-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
World	2.3	9.3	4.8	3.0	2.3	3.6	3.0	4.5	0.2	0.5	0.3	..
High-income countries	0.4	7.9	2.5	0.8	-2.5	1.6	2.6	2.2	0.0	0.2	0.0	..
Industrial countries	0.2	7.7	2.0	0.6	-2.9	2.4	2.5	2.2	0.0	0.2	0.0	..
United States	0.2	5.7	3.4	3.6	2.5	4.1	1.2	2.3	0.5	0.5	0.1	1.1
Japan	-1.0	15.6	-2.6	0.2	-7.0	2.3	6.2	7.0	-0.9	1.3	1.0	..
Euro Area	0.0	6.8	3.1	-2.6	-7.7	1.4	2.8	-0.4	0.8	-0.2	-1.1	..
United Kingdom	-1.1	2.8	-1.2	-2.5	-7.9	2.4	3.3	2.2	-1.1	0.9	0.3	..
Other high income	0.2	7.7	2.0	0.6	-2.9	2.4	2.5	2.2	0.0	0.2	0.0	..
Hong Kong (China)	-3.7	3.4	0.8	-0.9	2.1	-3.1	-3.2	0.3	0.1	0.2	..	..
Singapore	5.6	29.6	7.9	0.2	8.7	-9.4	32.9	-6.4	-1.4	3.9	0.0	..
Taiwan (China)	3.5	24.2	4.4	-0.2	1.7	-1.2	-5.3	6.0	-0.2	0.1	0.4	..
Developing countries	6.5	11.5	8.0	6.1	8.8	6.1	3.4	7.4	0.5	0.8	0.6	..
East Asia and Pacific	11.6	14.5	11.7	9.2	13.9	8.4	4.7	11.3	1.1	0.9	0.8	0.8
China	13.7	15.5	13.7	10.0	12.3	9.7	6.0	12.7	1.2	0.8	1.0	0.8
Indonesia	3.4	4.7	4.0	4.1	40.5	-0.1	-6.2	0.0	1.1	2.5	-3.1	..
Thailand	8.6	14.6	-8.5	2.1	10.0	-4.0	-12.7	-7.3	1.3	-2.6	-0.1	..
Malaysia	4.7	7.2	1.2	4.4	16.5	-9.7	11.0	-0.5	-4.2	2.2	1.8	..
Europe and Central Asia	..	12.4	5.4	0.7	3.4	4.4	3.0	4.2	-2.1	3.6	-1.2	..
Russian Federation	4.1	8.3	4.8	2.5	-0.8	0.6	-2.0	2.0	0.3	-0.1	-0.3	-0.4
Turkey	..	12.4	9.7	2.4	4.1	3.0	4.7	3.1	-3.7	5.8	-3.1	..
Poland	6.3	10.8	7.1	1.8	-2.0	-1.0	7.5	9.8	-0.8	1.4	0.2	..
Czech Republic	3.0	8.1	5.9	-0.8	-10.5	6.6	0.9	9.1	3.1	-1.5	1.7	..
Latin America and Caribbean	1.0	5.9	2.7	-0.4	-1.8	0.1	3.8	-1.3	-0.1	0.3	0.5	..
Brazil	2.4	10.6	0.4	-2.7	-1.2	3.9	4.4	-5.5	0.2	0.5	0.6	..
Mexico	1.1	4.6	3.4	2.5	-1.6	-1.1	-2.1	1.6	0.3	-0.7	0.5	..
Argentina	2.3	9.2	5.9	-1.9	-1.1	1.2	7.5	1.3	0.2	0.9	0.5	..
Colombia	1.9	4.2	5.0	-0.2	-7.0	-14.4	22.8	-1.8	-3.2	1.7	..	..
Middle East and North Africa	2.0	2.1	-9.3	3.2	-12.5	2.4	1.8	..	..	..	..	..
Saudi Arabia	0.1	7.9	6.3	4.0	-4.6	-11.9	18.9	..	..	..	..	..
Iran	1.1	1.1	-0.6	-17.0	-16.4	19.8	0.7	..	..	..	..	..
Egypt	..	10.0	-6.8	4.9	24.6	10.3	-26.1	-49.5	-7.0	-4.1	-0.6	..
Algeria	2.5	-2.8	0.0	-0.5	-14.7	2.4	4.0	..	..	..	..	..
South Asia	7.1	9.9	5.6	1.3	7.9	4.6	-9.9	8.5	-1.1	0.4	-1.4	..
India	7.3	9.7	4.8	0.7	6.7	3.3	-10.6	8.9	-0.4	0.0	-1.4	..
Pakistan	5.8	11.0	6.4	1.7	10.3	20.9	-11.0	15.9	0.8	5.9	..	..
Sri Lanka	..	15.1	8.0	-0.3	7.8	3.1	0.8	..	..	..	..	..
Sub-Saharan Africa	0.8	4.9	0.6	1.5	-0.7	-3.8	9.1	..	..	..	..	..
South Africa	0.8	4.5	2.7	2.6	7.3	-6.9	12.8	-8.0	-3.8	-4.4	6.9	..
Nigeria	0.4	11.2	3.9	-1.2	-18.2	-1.5	-2.8	..	..	..	..	..
Memo:												
OECD	0.3	7.7	2.3	0.7	-2.7	2.3	2.4	2.2	-0.1	0.3	0.0	..
Developing excl. China	2.5	7.3	1.8	1.2	4.3	1.2	-0.1	-0.3	-0.6	0.9	-0.3	..
Developing oil exporters		3.7	0.7	1.8	4.1	-1.4	2.6	0.3	0.0	1.0	-0.9	..
Dev. non-oil exporters	8.8	13.9	10.1	7.2	9.9	8.0	3.7	9.0	0.6	0.8	0.8	0.8

[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.

December 19, 2013

Table A.2 Demand conditions in high-income countries

(US dollar values unless otherwise indicated; percent change; seasonally adjusted annual rates except monthly figures, which are m/m change)

	Weight 1995	Avg 1999-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
Real GDP													
High-income countries		1.6	3.4	1.3	1.5	0.1	2.0	2.6	2.0	..	..	..	..
Industrial countries		1.5	3.3	1.1	0.0	-0.1	2.1	2.6	1.9	..	..	..	..
United States		2.1	2.5	1.8	0.0	0.1	1.1	2.5	3.6	..	..	..	..
Japan		0.5	4.7	-0.4	0.0	0.6	4.5	3.6	1.1	..	..	..	..
Euro Area		1.5	1.9	1.6	0.0	-2.3	-0.8	1.3	0.4	..	..	..	..
United Kingdom		2.0	1.7	1.1	0.0	-1.2	1.5	2.7	3.2	..	..	..	..
Real merchandise imports													
High-income countries		3.3	12.3	4.8	0.5	0.9	4.0	4.6	0.6	-3.7	2.1	3.3	..
Industrial countries		3.4	11.2	4.6	-0.2	-0.9	2.9	6.5	0.9	-3.7	1.6	3.7	..
United States		3.0	14.9	3.8	2.9	0.2	-2.0	11.5	-1.3	-3.5	2.5	3.5	..
Japan		2.3	10.5	4.3	4.1	-12.5	4.3	5.1	3.2	-2.0	0.6	4.7	-2.7
Euro Area		3.4	8.1	4.7	-4.2	-2.4	7.1	7.0	0.0	-4.5	1.6	4.1	..
United Kingdom		2.8	10.7	0.6	2.9	-0.1	-8.8	..	..	..	..	..	..
Other high income		3.4	11.2	4.6	-0.2	-0.9	2.9	6.5	0.9	-3.9	5.2	1.0	..
Hong Kong (China)		3.0	18.7	4.3	1.2	18.8	-9.1	-0.7	4.7	-3.4	2.9	5.4	..
Singapore		2.3	14.6	1.5	3.3	17.7	-11.6	9.9	17.8	-1.0	3.3	0.9	-7.8
Taiwan (China)		3.4	29.4	-3.0	-1.9	0.4	29.6	-17.0	-0.8	1.4	5.7	-3.7	-0.1
Import Prices													
High-income countries		3.5	5.8	12.4	-1.4	5.2	-2.0	-9.7	5.0	0.1	0.6	-0.3	..
Industrial countries		3.1	5.7	12.4	-2.0	5.6	-1.4	-10.2	5.7	0.1	0.6	-0.3	..
United States		2.4	6.9	10.9	0.3	4.3	-1.4	-8.6	7.1	0.2	0.2	-0.3	..
Japan		4.7	14.2	18.3	-0.4	1.2	-7.6	-16.9	-0.4	0.4	0.2	1.1	-0.3
Euro Area		3.5	3.2	11.9	-3.4	8.3	1.1	-9.7	8.4	0.0	1.1	-1.1	..
United Kingdom		1.6	4.5	13.1	-1.5	12.1	-3.5	-11.7	..	..	..	..	..
Other high income		3.1	5.7	12.4	-2.0	5.6	-1.4	-10.2	5.7	0.0	0.2	0.0	..
Hong Kong (China)		2.4	5.1	7.4	3.2	2.6	-2.8	-1.4	1.0	0.0	0.1	-1.6	..
Singapore		4.7	10.5	15.8	0.7	3.1	-0.8	-15.4	2.2	-0.2	1.0	0.5	0.2
Taiwan (China)		3.5	12.2	15.3	-1.9	1.0	-9.3	-11.3	2.5	0.2	0.3	0.4	-0.1
Real effective exchange rates [a]													
Euro Area	33.5	1.1	-6.0	1.7	-4.4	-2.7	2.1	3.2	7.4	2.0	0.0	0.7	-0.4
United States	14.4	-0.9	-3.9	-4.9	3.0	-0.2	1.2	0.5	1.4	-0.6	-0.3	-1.2	1.3
Japan	7.4	-0.2	1.2	1.7	-1.2	-7.5	-17.1	-21.3	-22.2	1.5	-1.7	0.7	-1.5
United Kingdom	5.4	-1.4	3.6	1.5	5.2	5.3	0.2	-1.8	-2.6	1.1	2.3	0.0	0.8
Canada	3.5	1.8	10.2	2.0	-0.3	2.6	-1.0	-1.6	-4.6	-0.6	0.6	-0.7	-0.8
Hong Kong (China)	3.5	-3.0	-3.8	-4.2	3.8	2.0	2.5	3.9	3.1	0.2	0.5	-0.2	2.1
Korea, Rep.	2.5	-0.1	8.5	2.6	-0.4	4.8	5.3	4.5	5.5	0.4	2.9	0.5	1.0
Singapore	2.3	-0.7	3.4	5.5	4.6	7.6	5.8	2.9	0.9	-0.2	1.3	0.3	0.2
Taiwan (China)	2.1	-2.5	3.7	0.2	-1.6	0.2	0.7	0.5	2.0	-0.4	0.4	-0.8	-0.4
Switzerland	1.7	0.1	5.8	9.8	-3.1	-2.1	-2.9	-2.8	-1.3	0.4	-0.1	0.4	0.2

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

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Table A.3 Global credit conditions

(percent unless otherwise indicated a/)

	Average 1999-08	2009	2010	2011	2012	2013 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Aug	2013 Sep	2013 Oct	2013 Nov
Policy Rates													
United States	3.44	0.16	0.16	0.16	0.16	0.12	0.12	0.12	0.12	1.12	2.12	2.12	2.12
Japan	0.33	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	1.30	2.30	2.30	2.30
Euro Area	..	1.28	1.28	1.28	1.28	1.00	1.00	1.00	1.00	2.00	3.00	3.00	3.00
United Kingdom	4.80	0.65	0.65	0.65	0.65	0.50	0.50	0.50	0.50	1.50	2.50	2.50	2.50
Ten year bond													
United States	4.70	3.65	3.24	3.20	2.77	0.75	0.70	0.72	0.76	2.73	2.80	2.60	2.71
Japan	1.49	1.49	1.34	1.17	1.12	2.22	2.76	2.87	3.20	0.75	0.72	0.64	0.62
Euro Area	..	4.36	4.03	3.79	4.31	1.82	2.02	1.93	2.74	3.10	3.41	3.16	3.17
United Kingdom	4.77	4.49	3.66	3.58	3.06	0.00	0.00	0.00	0.00	2.78	2.89	2.69	2.75
Spreads (Basis points) [b,c]													
Developing countries	..	483	296	323	329	272	269	297	331	335	337	321	329
East Asia and Pacific	..	..	..	..	..	..	..	..	..	..	..	..	..
China	82	126	77	193	218	156	146	167	173	171	169	170	164
Indonesia	..	481	218	225	228	184	197	230	317	332	340	286	303
Phillippines	..	340	206	200	177	124	138	150	173	178	180	160	157
Malaysia	129	230	140	145	152	109	112	133	151	154	153	143	142
Europe and Central Asia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	262	443	229	259	255	184	177	203	225	227	228	215	220
Turkey	404	367	221	260	281	197	195	208	275	290	287	262	278
Poland	99	222	156	210	192	122	121	133	148	155	147	140	143
Latin America and Caribbean	522	522	345	353	345	308	303	334	364	365	364	356	366
Brazil	551	306	202	195	183	148	162	197	237	243	235	227	247
Mexico	206	302	187	186	188	161	167	183	204	206	203	200	209
Argentina	2920	1198	690	687	989	1041	1127	1200	1092	1068	1069	926	819
Colombia	370	329	189	168	148	117	129	149	178	183	181	171	183
Middle East and North Africa	..	578	346	369	455	438	415	463	444	435	456	451	432
Egypt	..	134	173	371	502	427	509	623	622	557	532	519	482
South Asia [a]	..	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	..	1186	624	922	1067	828	903	753	666	667	613	604	623
Sri Lanka	..	1066	369	358	414	331	352	383	441	496	429	463	470
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	172	301	167	195	206	176	190	213	272	281	265	272	264
Gross inflows [e]													
Developing countries	..	0	492	455	530	171.1	137.1	159.2	123.2	28.4	58.7	45.7	40.5
East Asia and Pacific	..	0	144	116	140	37.5	54.2	69.3	36.7	5.4	21.0	20.4	11.5
Europe and Central Asia	..	0	105	115	159	65.8	22.3	25.8	10.8	3.0	6.5	4.8	9.6
Latin America and Carribean	..	0	161	154	166	46.5	38.4	42.6	56.7	16.8	22.1	13.1	9.9
Middle East and North Africa	..	0	13	6	6	3.2	0.3	6.4	0.5	0.0	0.3	1.3	0.0
South Asia	..	0	53	33	36	12.3	14.1	10.8	3.1	0.4	1.5	2.2	3.4
Sub-Saharan Africa	..	0	15	30	23	5.8	7.8	4.2	15.4	2.8	7.2	4.0	6.0

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/)

	Weights[b] 1990	Average 2000-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
Energy	..	..	100.0	128.7	127.6	124.7	128.6	123.1	130.2	130.9	131.6	128.3	125.5
Coal, Australia	..	10.7	100.0	122.7	97.4	87.8	93.9	87.0	78.1	77.8	78.4	80.2	83.1
Crude oil, average	..	13.1	100.0	131.6	132.9	129.0	133.0	125.7	135.9	136.8	137.6	133.4	129.8
Natural gas , Europe	..	15.1	100.0	126.9	138.4	141.6	142.8	149.2	138.7	140.5	135.7	137.2	137.8
Non-energy	100.0	..	100.0	119.8	109.5	108.2	107.2	101.7	99.0	99.2	98.5	98.9	97.7
Agriculture	69.1	..	100.0	121.6	114.5	113.5	110.1	107.2	104.0	103.4	103.2	103.7	102.6
Beverages	16.9	..	100.0	116.0	92.6	89.3	84.5	83.3	82.2	82.5	82.6	83.1	81.5
Cocoa	3.9	9.8	100.0	95.1	76.3	78.2	70.5	73.6	78.8	79.3	83.5	87.2	87.9
Coffee, arabica	8.0	3.3	100.0	138.3	95.2	82.7	77.7	74.0	69.0	69.0	67.5	65.7	62.3
Coffee, robusta	2.8	1.0	100.0	138.7	130.6	126.5	131.2	123.5	117.3	119.4	111.5	106.3	101.2
Food	29.4	..	100.0	122.5	124.5	124.9	120.7	117.4	113.2	112.1	111.5	112.0	111.0
Fats and oils	10.1	..	100.0	120.5	126.1	122.9	117.8	112.7	113.8	111.3	116.5	117.5	119.5
Palm oil	2.3	4.6	100.0	124.9	110.9	89.8	94.7	94.4	91.8	92.0	91.0	95.4	102.2
Soybean meal	4.1	10.4	100.0	105.2	138.5	155.0	140.3	139.6	145.8	139.0	149.6	153.3	147.2
Soybeans	2.0	8.0	100.0	120.2	131.5	134.4	125.9	112.3	117.2	114.7	123.6	120.9	123.5
Grains	6.9	..	100.0	138.2	141.3	150.2	143.6	138.3	121.6	120.9	111.7	111.7	109.0
Maize	1.7	6.3	100.0	156.9	160.5	170.6	164.0	156.7	130.1	128.4	111.6	108.5	107.1
Rice, Thailand, 5%	2.9	8.4	100.0	111.1	115.2	114.2	115.0	110.8	97.6	97.9	90.8	89.8	89.6
Wheat, US, HRW	1.9	7.2	100.0	141.5	140.1	159.1	143.7	140.3	136.8	136.6	137.5	145.7	137.2
Other food	12.4	..	100.0	111.1	107.1	104.7	104.0	104.7	104.7	105.3	104.8	105.0	101.6
Bananas, US	2.3	8.5	100.0	111.5	113.3	108.8	107.1	104.5	107.5	108.3	107.9	107.3	106.3
Sugar, world	7.5	4.2	100.0	122.1	101.2	92.3	87.1	82.2	80.3	80.0	81.7	87.7	83.0
Raw materials	22.8	..	100.0	122.0	101.3	98.3	97.3	94.6	92.8	92.9	93.7	94.0	92.8
Cotton ("A" Index)	5.9	1.7	100.0	145.8	86.1	79.2	86.8	89.5	88.7	89.6	87.0	86.3	81.7
Rubber, Singapore	4.8	11.8	100.0	132.0	92.4	84.7	86.4	79.5	70.9	70.3	72.2	69.4	68.1
Sawnwood, Malaysia	2.9	3.0	100.0	110.7	103.3	103.1	99.6	98.7	99.7	99.6	102.0	103.4	103.5
Fertilizers	2.7	..	100.0	142.6	137.6	132.0	128.9	119.8	108.2	107.5	102.6	98.8	96.6
Triple superphosphate	0.9	5.2	100.0	140.9	121.0	118.4	113.9	111.6	95.8	93.6	87.1	81.2	77.2
Metals and minerals	28.2	..	100.0	113.5	96.1	94.6	98.7	88.2	87.8	89.6	88.2	89.1	87.8
Aluminum	7.9	2.0	100.0	110.5	93.1	92.2	92.0	84.5	82.0	83.6	81.0	83.5	80.4
Copper	9.3	12.6	100.0	117.2	105.7	105.0	105.1	95.0	94.0	95.5	95.0	95.6	93.8
Gold	..	13.3	100.0	128.1	136.3	140.3	133.2	115.5	108.5	110.4	110.1	107.5	104.2
Nickel	2.2	9.3	100.0	105.1	80.5	77.9	79.3	68.6	64.0	65.6	63.3	64.7	62.7
Memo:													
Crude Oil (US$)	..	13.1	79.0	104.0	105.0	101.9	105.1	99.3	107.4	108.2	108.8	105.4	102.6

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.

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Table A.5 Developing countries' merchandise export growth

(US dollar values unless otherwise indicated; percent change; seasonally adjusted annual rates except monthly figures, which are m/m change /a)

	Average 1999-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
Export values												
Developing countries	13.3	29.3	21.6	3.5	15.1	14.3	-13.9	3.6	0.6	0.6	3.7	..
East Asia and Pacific	15.1	30.9	19.6	6.4	15.7	25.5	-19.9	-1.2	1.9	-0.7	5.9	0.0
China	19.5	31.6	20.1	8.1	14.9	36.2	-22.9	-2.2	3.6	-2.0	6.0	0.0
Indonesia	9.0	35.8	28.9	-6.4	6.3	8.4	-15.7	-22.4	-16.2	16.5	6.7	..
Thailand	10.4	26.9	15.0	3.1	16.2	0.7	-13.6	-7.2	3.2	-6.2	6.8	..
Europe and Central Asia	14.0	18.4	25.4	1.3	4.7	15.0	-7.5	10.6	-4.5	7.6	-4.2	..
Russian Federation	15.8	32.7	31.1	2.8	19.4	-10.1	-11.1	24.3	-3.2	2.9	-4.0	..
Turkey	14.0	11.1	18.7	13.2	-9.3	1.7	-11.4	5.7	-7.8	16.4	-14.0	..
Poland	17.2	17.1	18.3	-3.9	5.9	47.1	-8.8	15.4	-3.4	-0.4	..	..
Latin America and Caribbean	8.0	28.2	23.2	2.1	8.2	-8.3	8.0	2.8	-2.7	2.3	3.5	..
Brazil	11.5	31.5	27.0	-4.7	10.1	-5.5	9.2	-11.0	-4.9	6.4	6.3	-2.8
Mexico	7.0	29.8	17.2	6.2	8.1	-6.4	10.6	11.7	-5.0	3.6	2.9	..
Argentina	8.0	21.8	23.2	-3.2	2.1	-1.7	22.8	-12.9	-6.3	-1.4	4.8	..
Middle East and North Africa	18.5	26.6	17.0	1.4	36.8	..	..	..	..	..	..	..
Saudi Arabia	18.3	34.7	42.3	10.8	17.8	..	..	..	..	..	..	..
Iran	21.8	33.3	29.9	-20.2	127.9	..	..	..	..	..	..	..
Egypt	21.4	14.4	15.0	-3.3	7.4	2.2	-30.7	..	..	..	..	..
South Asia	14.3	33.4	32.5	-2.4	17.4	11.6	-20.2	51.3	3.9	1.5	-3.2	-4.5
India	16.5	37.0	33.3	-2.0	17.3	13.1	-24.0	56.3	4.6	0.1	4.4	-5.5
Pakistan	7.5	21.7	19.2	-2.6	3.6	-18.8	7.0	58.5	1.6	24.0	-27.2	10.4
Bangladesh	13.4	14.9	40.1	-3.9	42.1	21.7	3.8	11.4	-3.1	-1.9	-74.1	..
Sub-Saharan Africa	13.1	35.3	22.6	-3.3	19.1	..	..	..	..	..	..	..
South Africa	9.0	30.1	19.0	-9.5	5.5	2.6	1.4	-17.8	-1.8	-6.4	10.0	..
Nigeria	20.7	49.0	36.5	-0.1	13.2	..	..	..	..	..	..	..
Export prices [b,c]												
Developing countries	4.7	9.4	12.4	-1.7	3.5	-8.0	-4.6	0.9	0.1	-0.1	0.2	..
East Asia and Pacific	2.9	5.4	9.8	-1.7	2.2	-7.7	-2.0	1.2	0.0	0.1	0.0	0.6
China	1.7	3.8	9.3	-1.3	1.2	-6.8	-2.0	1.3	0.1	0.1	0.1	0.6
Indonesia	7.5	16.1	16.8	-6.9	10.6	-19.6	-1.1	-2.2	0.5	-0.8	1.0	..
Thailand	2.8	9.2	5.7	0.6	0.6	-0.6	-2.7	0.4	-1.0	1.3	-1.2	..
Europe and Central Asia	3.0	6.1	12.3	-2.9	2.4	-0.9	-4.9	-0.9	-0.1	0.1	0.5	..
Russian Federation	9.3	18.3	24.5	-1.4	5.7	-10.7	-12.9	29.0	1.6	0.7	-0.3	..
Turkey	3.3	0.1	11.5	-2.8	-5.8	16.1	-7.7	-1.7	0.7	-0.7	0.6	..
Poland	2.1	-8.6	9.2	-11.4	-21.8	41.9	-7.8	-10.5	-0.6	-0.1	..	..
Latin America and Caribbean	4.7	15.8	15.9	-4.5	3.2	-6.6	-14.4	2.3	0.3	-0.6	1.4	..
Brazil	4.6	18.9	16.9	-6.4	5.0	-7.5	-18.4	11.6	1.0	0.6	0.6	0.2
Mexico	4.0	12.2	14.4	-2.6	9.3	-1.7	-6.1	1.2	-0.1	-0.3	0.1	..
Argentina	-1.8	3.1	12.4	-6.7	-23.2	-17.7	-17.1	-26.1	-3.7	-3.4	10.6	..
Middle East and North Africa	11.9	16.3	16.2	20.3	-1.6	..	..	..	..	..	..	..
Saudi Arabia	19.5	35.8	34.0	6.6	59.1	-8.0	..	..	..	..	..	..
Iran	13.5	24.6	27.9	0.2	5.5	5.0	..	..	..	..	..	..
Egypt	5.3	7.7	16.9	0.0	1.5	-9.1	1.8	..	..	..	..	..
South Asia	2.1	8.7	11.5	-3.3	4.6	-7.0	-4.8	0.5	1.0	-0.2	0.0	-0.2
India	2.5	8.7	11.6	-3.8	5.1	-7.6	-5.5	2.0	1.3	-0.2	0.1	-0.2
Pakistan	0.4	13.5	18.3	0.5	2.3	10.2	-7.6	-14.7	-1.0	-1.5	1.1	-0.5
Bangladesh	1.6	3.7	9.0	-1.3	1.5	-10.4	2.8	0.5	0.0	-0.3	0.6	..
Sub-Saharan Africa	9.5	24.3	23.9	-3.1	11.0	..	..	..	..	..	..	..
South Africa	8.6	31.8	19.1	-7.3	-3.8	-2.1	-1.6	-10.7	-1.8	-0.5	-5.2	..
Nigeria	14.3	23.7	29.0	0.5	28.7	10.1	..	..	..	..	..	..

/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) countries whenever 60% or more of reporters by trade

Table A.6 Developing countries' merchandise import growth

(US dollar values unless otherwise indicated; percent change; seasonally adjusted annual rates except monthly figures, which are m/m change /a)

	Average 1999-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
Import values												
Developing countries	12.9	29.7	24.2	4.5	17.7	12.4	-10.0	0.4	-4.8	1.5	3.3	..
East Asia and Pacific	16.0	37.1	24.4	5.6	22.2	17.1	-14.5	7.1	-4.4	2.9	2.8	-2.2
China	20.3	39.0	25.2	4.7	19.5	21.7	-16.0	14.9	-4.0	2.4	2.2	-2.2
Indonesia	15.2	40.4	30.8	8.3	52.1	-7.0	-10.0	-17.7	-20.6	24.0	-3.0	..
Thailand	12.2	37.1	25.0	9.2	40.3	8.2	-19.4	-23.8	-2.4	-2.7	9.7	..
Europe and Central Asia	12.9	21.7	26.1	0.1	2.1	20.0	-0.6	-4.9	-8.6	5.7	-0.3	..
Russian Federation	14.2	32.7	30.7	5.7	12.9	25.2	-23.8	-4.0	-8.8	7.2	-1.3	..
Turkey	13.4	31.6	30.1	-1.6	13.2	24.6	7.9	-23.2	-12.6	9.4	-2.5	..
Poland	12.5	19.1	17.7	-6.7	16.4	30.0	-24.3	22.8	-3.6	-0.2	..	..
Latin America and Caribbean	7.4	28.5	21.4	3.3	24.3	7.9	-1.2	-6.1	-8.2	-0.4	8.8	..
Brazil	9.6	42.1	24.6	-1.0	45.8	33.6	-7.7	-7.0	-16.3	-0.7	18.5	-18.5
Mexico	6.7	28.5	16.5	5.7	18.3	0.0	11.0	-5.3	-7.4	1.4	4.6	..
Argentina	8.6	45.9	31.1	-7.5	12.8	23.4	34.8	-23.3	-1.5	-6.1	5.9	..
Middle East and North Africa	12.7	13.6	16.7	10.0	3.9	..	..	..	..	..	..	..
Saudi Arabia	11.8	12.6	23.3	18.4	8.7	24.4	-5.4	-42.4	-13.2	21.8	..	..
Iran	13.0	33.4	44.4	-2.9	-37.1	..	..	..	..	..	..	..
Egypt	12.9	17.8	11.3	18.1	9.1	-6.6	-33.6	..	..	..	..	..
South Asia	17.5	33.9	31.4	3.8	19.9	1.5	-18.3	-22.0	-6.4	1.6	-0.8	..
India	19.2	36.4	32.4	5.2	25.1	0.7	-23.7	-26.5	-8.9	3.3	-1.7	..
Pakistan	13.5	19.4	16.4	0.6	-0.4	8.9	12.4	-8.5	8.8	-13.5	9.3	..
Bangladesh		28.1	29.5	-5.7	-22.2	21.1	8.4	20.0	7.0	..	..	..
Sub-Saharan Africa	12.6	14.0	23.1	3.8	11.3	..	..	..	..	..	..	..
South Africa	10.3	23.8	24.5	1.6	4.5	-3.4	11.6	-2.6	1.1	0.6	..	..
Nigeria	20.2	9.8	24.1	-5.6	65.0	..	..	..	..	..	..	..
Import prices [b,c]												
Developing countries	3.8	9.2	11.7	-2.6	3.7	-8.2	-8.5	0.9	0.6	0.3	0.4	..
East Asia and Pacific	4.3	8.5	12.2	-2.4	3.9	-10.1	-5.5	7.4	0.8	0.4	0.1	-0.1
China	3.2	11.1	13.3	-3.5	4.4	-8.5	-6.7	9.3	0.9	0.3	0.1	-0.1
Indonesia	2.3	4.9	11.6	-2.0	1.3	-10.8	0.1	1.1	0.0	0.0	0.1	..
Thailand	2.0	-0.1	6.0	3.5	-0.1	-12.7	-5.9	13.7	2.2	1.9	0.6	..
Europe and Central Asia	-0.3	6.4	7.4	-7.0	3.4	-0.2	-19.2	-6.1	-0.2	-0.3	0.2	..
Russian Federation	1.9	4.8	9.9	-1.6	3.4	-10.7	0.3	0.5	0.1	-0.5	0.8	..
Turkey	-7.6	11.6	3.4	-9.4	10.9	10.4	-30.2	-21.4	-1.1	-0.3	-0.3	..
Poland	2.1	-3.3	9.6	-12.3	-8.1	18.2	-12.4	9.9	-1.9	0.0	..	..
Latin America and Caribbean	1.6	7.4	11.2	-3.7	1.9	-3.7	-9.4	-14.1	-0.7	1.6	1.7	..
Brazil	1.7	16.7	20.1	-13.3	11.9	2.5	-20.5	-33.7	-2.7	4.7	5.6	5.6
Mexico	2.7	4.3	7.3	1.0	1.7	-1.9	-2.3	1.7	-0.4	0.3	-0.4	..
Argentina	-5.5	-0.5	1.6	-10.4	-19.8	4.1	-8.8	-24.4	-0.3	-1.0	5.7	..
Middle East and North Africa	3.6	4.8	8.1	2.6	4.2	..	..	..	..	..	..	..
Saudi Arabia	2.2	4.9	10.5	-1.9	1.6	-10.7	1.0	0.6	0.1	0.0	..	..
Iran	2.6	4.2	11.3	-1.5	4.2	-15.2	..	..	..	..	..	..
Egypt	2.7	5.2	14.0	-1.6	5.0	-14.6	-0.1	..	..	..	..	..
South Asia	7.7	12.5	19.2	-0.5	6.0	-10.3	-10.5	6.0	0.8	0.0	-0.5	-1.1
India	5.6	13.6	19.2	-0.4	4.5	-10.6	-11.9	8.5	0.7	-0.2	-0.4	-1.3
Pakistan	7.8	13.9	23.8	4.7	7.1	4.7	-8.3	-10.5	0.6	0.7	0.2	0.5
Bangladesh		5.3	13.0	-3.7	-1.9	-13.7	6.4	-1.4	-0.8	-0.3	..	..
Sub-Saharan Africa	6.0	7.1	11.4	-1.3	3.0	..	..	..	..	..	..	..
South Africa	2.6	7.0	12.2	-0.9	3.0	-13.5	-3.5	-1.6	0.0	-0.2	0.1	..
Nigeria	1.9	3.4	10.0	-1.4	4.0	-11.3	..	..	..	..	..	..

/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

Table A.7 Merchandise trade balances

(Billion US dollars; annual rates)

	CAB US$ bn. 2008	CAB % GDP 2008	2009	2010	2011	2012	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Aug	2013 Sep	2013 Oct	2013 Nov
World	-168.7	-0.3	-107.8	-66.8	-142.5	-193.2	-219.8	-130.5	-44.1	-77.1	204.2	-87.9	-62.8	..
High-income countries [a]	-418.9	-1.0	-75.1	-10.7	37.4	46.6	39.6	108.3	244.5	171.1	330.1	90.2	96.0	..
Industrial countries	-499.8	-1.2	-324.2	-419.2	-576.1	-577.6	-580.9	-434.1	-351.3	-470.7	-329.1	-529.6	-533.2	..
United States	-706.1	-5.0	-549.9	-690.8	-786.7	-791.7	-776.4	-752.1	-744.2	-771.8	-718.2	-807.6	-818.5	..
Japan	183.2	3.7	28.0	75.3	-32.6	-87.0	-106.6	-109.0	-91.4	-123.0	-93.6	-145.3	-147.4	-118.6
Euro Area	-19.6	-0.2	53.6	34.6	28.2	145.9	151.4	220.3	257.4	228.2	251.2	226.1	218.8	..
United Kingdom	-73.6	-2.8	-130.4	-154.0	-161.8	-175.3	-179.6	-169.3	..	..	..	..	..	..
Other high income	80.9	4.2	-324.2	-419.2	-576.1	-577.6	-580.9	-434.1	-351.3	-470.7	330.1	90.2	96.0	..
Hong Kong (China)	30.5	12.8	-28.9	-43.1	-54.3	-61.5	-66.5	-59.2	-67.6	-63.9	-68.9	-63.3	-70.5	..
Singapore	26.9	13.9	23.76	40.65	43.78	29.00	23.43	29.37	46.69	31.84	26.09	31.53	53.34	49.27
Taiwan (China)	24.9	6.0	28.7	22.5	25.9	30.6	36.4	18.8	40.6	40.9	45.0	35.8	32.3	36.2
Developing countries	293.5	1.8	-33.0	-56.5	-181.3	-241.8	-261.8	-245.8	-299.4	-256.4	-133.2	-182.3	-163.7	..
East Asia and Pacific	469.7	9.6	254.8	240.6	189.9	222.2	238.0	301.6	240.8	184.1	278.3	178.9	275.9	339.7
China	426.1	11.5	194.9	182.4	147.5	219.0	251.9	328.2	267.3	189.2	270.7	180.5	266.6	310.7
Indonesia	0.6	0.1	19.6	22.2	26.0	-1.6	-12.7	-5.4	-8.2	-10.3	-2.7	-14.7	2.8	..
Thailand	-0.1	0.0	18.9	10.3	-6.5	-20.7	-27.3	-32.1	-26.5	-14.0	-7.1	-15.1	-22.7	..
Malaysia	38.9	19.7	33.7	34.3	40.5	31.0	34.2	15.0	15.1	25.5	22.8	33.3	26.7	..
Europe and Central Asia	..	..	-106.1	-140.0	-178.9	-173.3	-171.8	-185.2	-194.1	-172.8	-159.9	-160.0	-180.4	..
Russian Federation	102.4	6.0	112.4	149.3	196.4	192.6	191.0	157.2	166.0	197.7	204.7	197.1	179.7	..
Turkey	-41.3	-5.7	-38.5	-71.6	-106.0	-84.3	-85.7	-98.5	-108.0	-89.5	-83.4	-81.4	-98.1	..
Poland	-29.0	-5.6	-13.1	-18.4	-20.6	-13.9	-11.9	-6.6	2.8	-0.2	0.1	-0.4	..	..
Czech Republic	-6.6	-3.0	8.0	6.6	10.7	15.5	17.2	15.4	18.5	19.6	19.8	19.7	20.2	..
Latin America and Caribbean	-21.6	-0.5	-36.9	-49.4	-47.0	-60.0	-73.0	-110.8	-90.7	-69.1	-57.5	-33.1	-83.8	..
Brazil	-28.2	-1.7	25.3	19.8	29.4	19.7	12.9	-7.7	2.5	-0.2	5.0	21.1	-4.6	36.8
Mexico	-15.8	-1.6	-4.7	-3.0	-1.5	0.0	-4.0	-10.1	-10.7	5.2	5.7	14.0	7.8	..
Argentina	7.6	2.6	17.1	11.5	9.7	12.6	12.4	8.3	6.9	9.1	6.5	10.0	9.6	..
Colombia	-6.7	-3.0	0.0	-0.6	2.8	1.1	2.6	-2.6	0.1	0.1	1.6	2.1	-3.3	..
Middle East and North Africa	..	..	-11.8	20.9	25.5	-5.4	-1.6	..	..	..	..	..	..	..
Saudi Arabia	132.9	27.3	80.7	128.9	203.0	215.1	205.8	..	..	..	..	..	..	..
Iran	0.0	0.0	29.5	39.3	41.3	16.4	11.6	..	..	..	..	..	..	..
Egypt	-1.3	-0.8	-21.7	-26.4	-28.4	-40.0	-36.3	-35.0	-31.3	..	..	..	..	..
Algeria	0.04	0.03	4.5	16.1	26.3	5.7	1.1	..	..	..	..	..	..	..
South Asia	..	..	-119.6	-161.2	-208.9	-239.0	-254.2	-246.4	-236.3	-162.4	-174.3	-131.9	-153.5	-167.0
India	..	..	-91.7	-124.0	-162.3	-192.7	-210.6	-202.1	-189.2	-119.3	-132.6	-91.0	-90.6	-102.2
Pakistan	-15.7	-9.8	-14.3	-16.6	-18.8	-19.7	-19.0	-21.2	-22.2	-18.2	-18.1	-15.9	-18.0	-19.5
Bangladesh	..	..	-7.5	-11.5	-13.1	-11.9	-9.2	-9.6	-10.1	-11.1	-9.5	-12.4	..	..
Sub-Saharan Africa	-29.9	-3.0	-13.5	33.2	39.2	13.9	0.4	..	..	..	..	..	..	..
South Africa	-21.0	-7.5	-2.2	1.2	-2.9	-13.7	-15.9	-14.5	-17.0	-20.4	-17.8	-24.2	-17.1	..
Nigeria	20.3	9.3	9.0	30.3	47.3	50.5	44.1	..	..	..	..	..	..	..
Memo:														
OECD	..	..	-346.9	-470.9	-663.4	-650.0	-660.3	-534.1	-457.3	-537.0	-389.4	-576.9	-600.5	..
Developing excl. China	..	..	-228.3	-239.1	-328.7	-461.4	-514.6	-566.9	-551.5	-403.7	-375.6	-309.7	-405.9	..
Developing oil exporters	191.2	..	92.0	184.0	236.8	173.1	152.4	127.2	127.0	180.9	184.9	207.8	..	..
Developing non-oil exporters	..	..	-125.7	-241.3	-419.2	-415.9	-415.1	-372.5	-417.3	-418.8	-311.3	-368.0	-354.6	-233.6

a/ Seasonally adjusted

December 19, 2013

Table A.8 Exchange Rates (USD/LCU)

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

	Weights 1995	Average 2000-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
World	100.0	94.0	..	..	..	..	..	..	..	..	..	..	..
High-income countries	78.3	..	..	..	..	..	..	..	..	..	..	..	..
Industrial countries	70.6	..	9.2	5.7	-1.4	2.4	-0.9	-3.4	-4.2	1.2	1.6	1.6	-0.5
United States (SDR/USD)	15.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Japan	7.4	112.0	6.7	10.1	-0.1	-4.9	-14.0	-18.8	-20.5	2.0	-1.5	1.5	-2.4
Euro Area	29.5	..	-4.7	5.0	-7.6	..	..	..	..	1.8	0.3	2.2	-1.1
United Kingdom	5.6	0.6	-0.9	3.8	-1.1	2.2	-1.3	-2.9	-1.9	2.2	2.3	1.5	0.1
Other high income	7.7	101.4	..	..	..	..	..	..	..	..	..	..	..
Hong Kong (China)	3.7	7.8	-0.2	-0.2	0.4	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Singapore	2.3	1.6	6.7	8.4	0.6	5.3	2.1	1.2	-1.7	-0.3	0.7	1.6	-0.4
Taiwan (China)	2.1	33.0	4.9	7.2	-0.6	3.8	0.7	-0.7	0.0	0.0	1.0	0.9	-0.4
Developing countries	21.7	115.5	..	..	..	..	..	..	..	..	..	..	..
East Asia and Pacific	7.5	100.4	7.8	0.1	-4.6	-4.4	-4.3	-3.7	-8.0	-2.9	-5.0	-0.1	-1.6
China	2.7	7.9	0.9	4.7	2.5	1.8	1.4	2.9	3.7	0.2	0.0	0.3	0.2
Indonesia	1.1	9360.6	14.3	3.6	-6.4	-6.7	-6.4	-5.2	-10.8	-4.4	-7.0	-0.2	-2.3
Thailand	1.3	38.9	8.2	4.1	-1.9	1.1	4.0	4.7	-0.4	-1.5	-0.3	1.6	-1.4
Malaysia	1.4	3.7	9.4	5.3	-0.9	3.1	-0.7	1.4	-3.7	-2.6	0.8	2.4	-0.7
Europe and Central Asia	4.3	94.5	-5.7	-32.8	-32.4	-1.4	-4.6	-5.6	-6.0	-0.5	-1.3	-1.1	-1.3
Russian Federation	1.5	28.6	4.6	3.3	-5.3	0.5	-0.9	-1.9	-2.6	-0.8	1.4	1.6	-2.1
Turkey	..	1.3	3.2	-10.3	-6.7	2.5	0.6	-1.9	-8.5	-1.5	-2.7	1.7	-2.0
Poland	0.5	3.5	3.4	1.8	-8.9	3.6	2.5	3.2	3.1	2.8	0.1	3.4	-1.3
Czech Republic	0.5	26.6	-0.2	8.0	-9.6	-3.2	-1.2	-0.4	2.7	2.3	0.4	2.7	-5.8
Latin America and Caribbean	5.5	142.6	..	..	..	..	..	..	..	..	..	..	..
Brazil	1.1	2.3	13.6	5.1	-14.3	-12.6	-11.4	-5.3	-11.3	-3.8	3.2	3.7	-4.8
Mexico	1.7	10.8	6.9	1.6	-5.5	5.4	2.7	8.3	1.9	-1.2	-1.2	0.5	-0.6
Argentina	0.4	2.7	-4.7	-5.2	-9.3	-11.4	-13.4	-15.1	-17.5	-2.6	-2.7	-1.9	-2.8
Colombia	0.3	2329.3	13.6	2.8	2.8	6.4	0.4	-4.2	-5.7	-0.2	-0.7	1.8	-2.0
Middle East and North Africa	1.7	163.8	..	..	..	..	..	..	..	..	..	..	..
Saudi Arabia	0.8	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iran	0.4	..	-4.1	3.8	-11.6	-10.6	-2.7	0.0	-49.5	-6.0	0.1	-0.4	0.0
Egypt	0.3	5.2	-1.4	-5.2	-2.1	-2.2	-9.8	-13.0	-12.7	0.3	1.2	0.2	0.0
Algeria	0.3	73.4	-1.8	1.1	-5.9	-6.1	-4.6	-4.4	0.1	-1.3	-1.5	0.5	1.3
South Asia	1.2	107.4	3.8	-2.0	-11.8	-6.8	-6.4	-2.9	-9.4	-4.1	-1.4	2.6	-1.4
India	0.8	45.5	5.9	-2.0	-12.6	-6.2	-7.2	-3.3	-11.3	-4.9	-1.4	3.5	-1.6
Pakistan	0.2	62.4	-4.1	-1.3	-7.5	-8.8	-7.5	-6.5	-8.1	-2.4	-2.2	-1.0	-1.2
Bangladesh	0.1	62.3	-0.8	-6.0	-9.5	-4.9	4.7	5.1	5.1	0.0	0.0	0.1	0.0
Sri Lanka	0.1	99.8	1.7	2.2	-13.4	-13.5	-6.1	2.6	0.2	-0.6	-0.3	1.1	-0.1
Sub-Saharan Africa	1.5	117.9	-6.8	-7.5	-2.5					0.3	-0.4	0.6	-0.1
South Africa	0.6	7.7	15.1	0.8	-11.6	-6.8	-13.4	-14.4	-17.3	-1.5	0.9	0.7	-3.0
Nigeria	0.3	124.9	-0.9	-3.1	-1.8	1.9	1.0	0.4	-1.3	0.0	-0.6	1.3	0.7
Memo:													
OECD	73.7	..	9.0	5.6	-1.5	2.6	-0.6	-3.0	-4.1	1.0	1.5	1.6	-0.7
Developing excl. China	19.0	118.7	..	..	..	..	..	..	..	..	..	..	..
Developing oil exporters	2.8	171.6	..	..	..	..	..	..	..	..	..	..	..
Developing non-oil exporters	19.0	108.8	..	..	..	..	..	..	..	..	..	..	..

Table A.9 Global Inflation

(annual percent change; seasonally adjusted a/)

	Average 1999-09	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
World	2.6	3.0	4.3	3.3	3.5	3.5	2.8	2.8	2.7	2.4	2.0	1.4
High-income countries	2.1	1.7	2.8	2.0	2.4	1.8	1.5	1.4	1.4	1.1	0.9	0.9
Industrial countries	1.9	1.5	2.6	1.8	2.2	1.6	1.3	1.3	1.4	1.1	0.9	0.9
United States	2.5	1.6	3.2	2.1	1.9	1.7	1.4	1.6	1.5	1.2	1.0	1.2
Japan	-0.3	-0.7	-0.3	0.0	-0.2	-0.6	-0.3	0.9	0.9	1.0	1.1	..
Euro Area	2.0	1.5	2.6	2.3	2.2	1.7	1.4	1.3	1.3	1.0	0.7	0.8
United Kindgom	1.8	3.3	4.5	2.8	2.6	2.7	2.7	2.7	2.7	2.7	2.1	..
Other high income	1.9	1.5	2.6	1.8	2.2	1.6	1.3	1.3	1.4	1.1	0.9	0.9
Hong Kong (China)	-0.5	2.3	5.3	4.1	3.8	3.6	4.0	5.4	4.6	4.6	4.3	..
Singapore	1.4	2.8	5.2	4.6	4.0	4.0	1.6	1.8	2.1	1.6	2.0	..
Taiwan (China)	0.9	1.0	1.4	1.9	1.9	1.8	0.8	0.1	-0.8	0.9	0.7	0.7
Developing countries	3.4	5.2	6.7	5.3	4.8	4.9	4.8	4.6	4.6	4.2	4.2	3.4
East Asia and Pacific	1.9	3.4	5.4	2.8	3.0	3.2	2.4	2.8	2.6	3.2	3.2	3.0
China	1.6	3.3	5.4	2.6	2.1	2.4	2.4	2.8	2.6	3.0	3.2	3.0
Indonesia	9.5	5.1	5.4	4.3	4.5	5.3	5.6	8.6	8.8	8.4	8.3	8.4
Thailand	2.3	3.3	3.8	3.0	3.2	3.1	2.4	1.7	1.6	1.4	1.4	1.9
Malaysia	2.2	1.6	3.2	1.7	1.3	1.5	1.8	2.2	1.9	2.6	2.8	2.9
Europe and Central Asia		7.8	7.7	8.9	4.8	3.5	4.5	3.1	3.2	1.8	3.0	1.0
Russian Federation	20.5	6.9	8.4	5.1	6.4	7.2	7.2	6.3	6.5	6.1	6.2	6.5
Turkey	10.4	8.6	6.5	8.9	6.7	7.2	7.0	8.3	8.2	7.9	7.7	7.3
Poland	3.9	2.7	4.2	3.7	3.0	1.6	0.8	1.4	1.4	1.4	1.1	0.8
Czech Republic	2.7	1.4	1.9	3.3	2.8	1.7	1.5	1.3	1.3	1.0	0.9	1.1
Latin America and Caribbean	6.7	6.5	7.5	6.8	4.6	4.7	4.8	5.3	5.4	4.6	4.2	3.5
Brazil	6.7	5.0	6.6	5.4	5.6	6.3	6.6	6.1	6.1	5.9	5.8	5.8
Mexico	6.2	4.2	3.4	4.1	4.1	3.7	4.5	3.4	3.5	3.4	3.4	3.6
Argentina	7.7	10.5	9.8	10.0	10.5	10.8	10.4	10.5	10.5	10.5	10.5	10.5
Colombia	6.7	2.3	3.4	3.2	2.7	1.9	2.1	2.2	2.3	2.2	1.8	1.7
Middle East and North Africa	7.2	7.0	11.3	15.7	6.0	7.3	7.2	5.7	5.1	3.9	4.5	5.8
Saudi Arabia	1.8	5.3	5.8	2.9	3.5	3.9	3.7	3.4	3.5	3.2	3.0	..
Iran	15.7	10.2	20.6	27.3	35.6	41.0	42.5	39.0	..	..	..	..
Algeria	3.2	3.9	4.5	8.9	9.1	5.8	3.6	3.0	3.3	2.3	..	..
South Asia	..	11.9	9.8	9.5	9.2	9.0	8.2	7.5	8.0	7.3	8.1	9.0
India	..	12.2	9.6	9.7	10.1	10.7	9.5	9.7	9.5	9.8	10.2	11.3
Pakistan	20.3	12.9	11.9	9.7	7.5	7.3	5.6	8.1	8.6	7.4	9.1	10.9
Bangladesh	5.9	8.1	10.3	6.5	6.5	7.3	8.2	7.5	7.4	7.1	7.1	7.1
Sri Lanka	10.5	6.2	6.7	7.5	9.2	9.0	6.8	6.2	6.3	6.2	6.8	5.6
Sub-Saharan Africa	7.7	7.7	8.6	9.8	6.0	4.1	3.7	4.2	4.4	3.6	3.2	0.7
South Africa	6.0	4.3	5.0	5.7	5.6	5.7	5.7	6.3	6.5	6.0	5.5	5.3
Nigeria	11.7	13.7	10.8	12.2	12.0	8.9	8.8	8.3	8.4	7.9	7.7	..
Memo:												
OECD	2.1	1.7	2.7	2.1	2.3	1.6	1.5	1.4	1.4	1.2	1.0	1.1
Developing excl. China	7.1	7.4	8.1	8.4	4.8	4.9	4.9	4.7	4.8	4.4	4.2	3.4
Developing oil exporters	7.6	7.8	9.2	10.2	5.7	6.3	6.1	5.7	5.3	3.4	3.4	3.3
Developing non-oil exporters	2.8	4.7	6.2	4.3	4.8	4.6	4.4	4.5	4.4	4.4	4.2	3.4

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

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Table A.10 Global Central Bank Interest Rates

(percentage a/)

	Weights 1995	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
World	100.0											
High-income countries°	82.8	-1.45	-1.45	-1.45	..	..	..	..	..	..	..	..
Industrial countries	80.6	-1.44	-1.44	-1.44					..	..	..	..
United States (US Federal funds rate)	25.5	0.18	0.10	0.14	0.16	0.14	0.12	0.09	0.08	0.08	0.09	0.08
Japan (Discount Rate)	18.4	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)	24.5	1.00	1.25	0.88	0.75	0.75	0.58	0.50	0.50	0.50	0.50	0.25
United Kingdom (Clearing bank's base rate)	3.9	0.50	0.50	0.50	6.50	7.50	8.50	9.50	0.50	0.50	0.50	0.50
Other high income	2.2	..	..	..	..	..	..	..	..	..	..	..
Hong Kong (Discount rate)	0.5	3.13	3.13	3.13	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Singapore (MAS Interbank 1 month rate)	0.3	1.15	1.15	1.15	0.44	0.44	0.44	0.44	0.35	0.33	0.36	0.36
Taiwan (Interbank swap overnight rate)	0.9	1.93	1.93	1.93	0.11	0.11	0.11	0.11	0.39	0.39	0.39	0.39
Developing countries	17.2											
East Asia and Pacific	4.4	..	..	..	..	..	..	..	..	..	..	..
China (Lending rate, 6m to 1y)	2.4	7.18	7.18	7.18	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Indonesia (Interbank 3m rate)	0.7	9.18	9.18	9.18	4.92	4.93	4.98	6.32	6.19	6.98	7.20	7.44
Thailand (Repurchase Rate)	0.6	1.50	3.00	2.94	2.75	2.75	2.63	2.50	2.50	..	2.50	2.25
Malaysia (Interbank overnight rate)	0.3	4.48	5.48	6.48	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97
Europe and Central Asia	3.0	..	..	..					..	..	..	..
Russian Federation (Discount (Refin.))	1.2	10.87	10.87	10.87	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Turkey (Interbank 1 week average)	0.6	17.05	17.05	17.05	5.61	5.47	5.57	7.21	7.39	7.42	6.92	7.36
Poland (Interbank 2 week)	0.4	5.88	5.88	5.88	4.51	3.75	2.95	2.38	2.36	2.36	2.47	2.46
Czech Republic (Repo rate 2 weeks)	0.2	3.49	3.49	3.49	0.12	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Latin America and Caribbean	5.8	..	..	..					..	..	..	..
Brazil (SELIC Target rate)	2.4	12.45	12.45	12.45	7.28	7.25	7.63	8.62	8.55	9.00	9.35	9.55
Mexico (CETES 91 day closing)	1.0	7.88	7.88	7.88	4.34	4.17	3.81	3.82	3.89	3.68	3.47	3.47
Argentina (30 Day deposit)	0.9	11.43	11.43	11.43	13.39	13.29	14.44	15.71	15.64	16.11	16.49	16.35
Colombia (Fixed Term Deposit)	0.3	9.68	9.68	9.68	5.30	4.90	4.09	4.02	4.04	4.07	4.03	4.04
Middle East and North Africa	1.4	..	..	..					..	..	..	..
Saudi Arabia (Interbank 3m rate)	0.4	2.89	2.89	2.89	0.98	0.98	0.96	0.96	0.96	0.95	0.96	..
Egypt (IMF discount rate)	0.2	10.17	10.17	10.17	9.50	10.25	10.25	9.25	9.25	9.25	8.75	8.75
Algeria (IMF discount rate)	0.1	4.00	4.00	4.00	..	..	..	..	..	..	..	..
South Asia	1.6	..	..	..					..	..	..	..
India (Bank deposit 365+ days)	1.2	7.90	7.90	7.90	9.00	9.00	9.00	..	..	..	..	..
Pakistan (Repo 7-15 day)	0.2	10.63	10.63	10.63	..	..	..	..	..	..	..	..
Bangladesh (Bank Rate)	0.1	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)	0.0	10.50	10.50	10.50	7.69	7.50	7.22	7.00	7.00	7.00	6.72	6.50
Sub-Saharan Africa	1.0	..	..	..					..	..	..	..
South Africa (Repo rate)	0.5	11.61	11.61	11.61	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Nigeria (IMF discount rate)	0.1	9.85	9.85	9.85	..	..	..	..	..	..	..	..

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).

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Table A.11 Stock Markets

(indices, year 2000=100)

	Average 1999-08	2010	2011	2012	2012 Q4	2013 Q1	Q2	Q3	2013 Aug	Sep	Oct	Nov
World	91	..	..	..	..	..	..	..	..	..	..	..
High-income countries	..	..	..	..	..	..	..	..	..	..	..	..
Industrial countries	..	..	..	..	..	..	..	..	..	..	..	..
United States	89	100	112	122	126	134	143	146	145	146	146	152
Japan	84	100	101	93	90	101	111	115	112	114	116	117
Euro Area	99	100	111	94	93	98	88	89	86	90	96	93
United Kindgom	88	100	108	107	118	125	130	139	135	141	145	146
Other high income[a]	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong (China)	..	100	102	96	108	116	115	112	111	113	117	117
Singapore	80	..	..	..	..	..	..	..	..	..	..	..
Taiwan (China)	72	100	110	100	104	109	110	110	103	107	111	108
Developing countries[a,b]	156	100	105	98	104	109	103	99	95	100	103	102
East Asia and Pacific[c]	123	..	..	..	..	..	..	..	..	..	..	..
China	118	100	97	90	96	102	94	94	91	96	97	99
Indonesia	207	100	117	117	136	145	149	122	121	111	115	108
Thailand	188	100	125	139	176	198	197	177	172	176	183	176
Malaysia	116	100	116	119	137	136	146	140	137	138	144	143
Europe and Central Asia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	525	100	114	98	96	101	91	91	87	94	99	96
Turkey	87	100	89	87	113	126	126	102	96	96	102	97
Poland	168	100	107	86	94	97	91	93	92	91	98	99
Czech Republic	354	100	103	86	80	73	65	63	61	64	68	68
Latin America and Caribbean	203	100	101	91	92	97	89	80	77	81	84	81
Brazil	199	100	97	82	76	80	73	64	60	65	70	67
Mexico	193	100	111	117	134	144	137	132	133	130	130	130
Argentina	104	100	113	56	52	66	63	72	71	78	88	95
Middle East and North Africa	..	100	108	99	104	108	99	97	95	99	104	101
Egypt	213	100	73	74	77	72	64	65	67	66	72	76
South Asia		..	..	..	..	..	..	..	..	..	..	..
India	198	100	94	81	91	94	90	81	76	78	84	83
Pakistan	241	..	..	..	..	..	..	..	..	..	..	..
Bangladesh	..	100	78	56	62	61	57	58	59	59	57	63
Sri Lanka	229	..	..	..	..	..	..	..	..	..	..	..
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	216	100	111	109	118	120	109	110	108	113	118	114

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

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