

**ANNUAL ECONOMIC REPORT ON
THE OIC COUNTRIES, 2005**

SESRTCIC

In the light of the recent major developments in the world economy, this report analyses the economic situation in the OIC countries during the five-year period 2000-2004. It examines the major economic indicators of those countries and compares them with those of the world averages and the averages of both developing and developed countries during the same period. Overall, the Report shows that the average economic performance of the OIC countries, as a group, remained below the level maintained by the developing countries which reflects more vulnerability to the adverse external shocks in the world economy. The Report also shows that the said performance is highly influenced by that of a few members such that only 10 major countries account for more than 60% of the total OIC output and exports.

Such a situation becomes worse considering the high external debt burden and unsatisfactory levels of FDI in many OIC countries. Given this state of affairs, and noting the high pace of globalisation and liberalisation in the world economy, the OIC countries have become more vulnerable to the intense competition and unpredictable fluctuations in international trade, the instability in financial flows and changes in technology. In this connection, the Report suggests some broad indicative policy actions to which the attention of the member countries needs to be drawn in their efforts to attain a higher level of economic progress and integration.

1. INTRODUCTION

In fulfilment of the mandate given to the SESRTCIC by the various OIC fora, the recent economic developments in the OIC countries are analysed in the *Annual Economic Report on the OIC Countries*. In its attempt to give an insight into the recent economic situation in the

member countries, the Report starts with observations on the world economy. Against this background, it reviews, in section 2, the recent developments in global growth and the risks contained in the underlying dynamics. It then presents, in section 3, the basic economic developments in the OIC economies during the last five-year period for which the data are available. Section 4 studies, as a special topic, the recent developments in oil prices and analyses their underlying effects on the economies of selected member countries.

Owing to the wide differences between the countries constituting the Organisation of the Islamic Conference (OIC), it is a must that the economies of those countries be analysed under different sub-groupings. Hence, those countries are categorised into 3 sub-groups that would better illustrate their overall performance. The first sub-group represents the least-developed member countries, hereafter referred to as the OIC-LDCs¹. The second comprises the medium-developed member countries, hereafter referred to as the OIC-MDCs². The third is made up of the fuel-exporting member countries, hereafter referred to as the OIC-FECs³.

The Report observes that the economic growth and performance of the OIC countries as a group are highly influenced by those of a few countries in certain sub-groups, mainly the OIC-MDCs and OIC-FECs. In this context, it highlights a number of challenges that confront the OIC countries' efforts to enhance their economic progress and ends with some broad indicative policy actions to which the attention of the member countries is drawn.

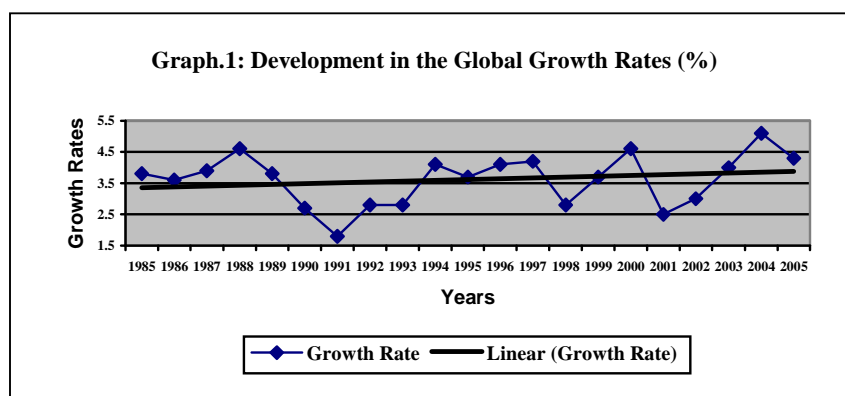
¹ This sub-group is formed according to the UN classification of the least-developed countries and is given priority while reclassifying the member countries.

² This sub-group constitutes those OIC countries not classified as least-developed (LDC) or fuel exporting countries (FEC) in this Report. Most of those countries are classified by the World Bank as middle-income countries according to their 2003 per capita gross national income (World Bank, 2005b).

³ In defining this group of member countries, the SESRTCIC took into consideration parameters such as the share of fuel exports in total exports, the share of manufacturing industry in GDP and per capita GDP as well as the relevant internationally-accepted classifications. Although Yemen fits into this category, it is placed under the OIC-LDCs for the reason mentioned in footnote (1) above.

2. WORLD ECONOMY: RECENT MAJOR DEVELOPMENTS

Gradually picking up from its growth level of 2.5 percent in 2001, the world economy realised a record rate of 5.1 percent in 2004. As evident from Graph 1 below, this is the highest annual growth rate recorded when the performance of the global economy is considered since 1985⁴, and well above the average of the rates realised in the said period (3.6 percent).



Remarkable as the 2004 global growth performance was, it concealed a number of expected risks that needed to be adeptly managed. First of all, a rate which is above the long-run rate of global growth is likely to impose a sustainability problem under a given level of inflation in the coming years. Another risk emerges from the distribution of growth among the regions and the balances on which those economies operate.

To understand the hidden risks in the global growth performance in the light of its region-wise composition, the disparities in this regard are given in Table A.1 in the Statistical Annex. From the said table, it is evident that in 2004, the growth rate of the developed countries was 3.4 percent while that of the developing ones was 7.2 percent. When the weights of those two main groups in the global production are considered (54.6 and 45.4⁵ percent respectively), it is calculated that of the 5.1 percent global growth rate in 2004, 1.8 percentage points were

⁴ IMF, WEO (2005), p.20; IMF, WEO (1997), p.147 and IMF, WEO (1993), p.129.

⁵ The weights are available at the IMF, WEO, 2005, p.193.

realised by the advanced economies while the rest, i.e. 3.3 percentage points, by the group of developing countries. As this disparity indicates, the growth dynamics in the developing countries seem stronger also on the individual basis compared to the developed ones. For instance, as the US contributed 0.9 percentage points to this global growth rate, the Euro Area, whose weight in the global output is 15.3 percent, contributed only 0.3 percentage points. On the other hand, Japan and the UK contributed 0.2 and 0.1 percentage points, respectively.

As pointed out above, while the US contributed half of the growth realised in the developed countries in 2004, the contributions of other developed countries remained limited. On the other hand, despite the solid growth dynamics all over the developing regions, the strongest hub appears in the developing Asia with its contribution of 2 percentage points. In this region, China appears as a leading centre of growth with a 9.5 percent annual growth or a contribution of 1.2 percent to the global growth rate in the said year.

Table 1A: Current Account Balance
(Billions of US\$)

	2000	2001	2002	2003	2004	2005
Developed Economies	-250.9	-201.6	-218.1	-231.9	-327.8	-510.7
- United States	-413.5	-385.7	-473.9	-530.7	-665.9	-805.0
- Euro Area	-28.5	13.1	53.5	25.8	35.6	2.5
- Japan	119.6	87.8	112.6	136.2	171.8	163.3
- Others	71.4	83.1	89.7	136.7	130.7	130.6
Developing Countries	88.2	40.8	85.0	149.1	246.6	423.3
- Sub-Saharan Africa	-1.3	-9.2	-13.1	-11.4	-9.7	-6.6
- Middle East	69.5	39.1	29.4	59.3	112.5	196.0
- Developing Asia	46.3	40.8	72.2	85.8	103.3	159.5
- China	20.5	17.4	35.4	45.9	70.0	173.3
- CEE	-32.7	-16.6	-24.5	-37.0	-50.6	-72.2
- CIS	46.3	32.8	32.2	36.2	64.4	112.4
- Western Hemisphere	-47.8	-53.9	-16.4	6.6	15.9	22.7

Source: IMF, 2005a.

- CEE: Central and Eastern Europe.

- CIS: Commonwealth of Independent States.

In the light of the above-mentioned facts, it is apparent that the remarkable growth performance in 2004 was led basically by two economies, i.e. the USA and China, followed by the other developing

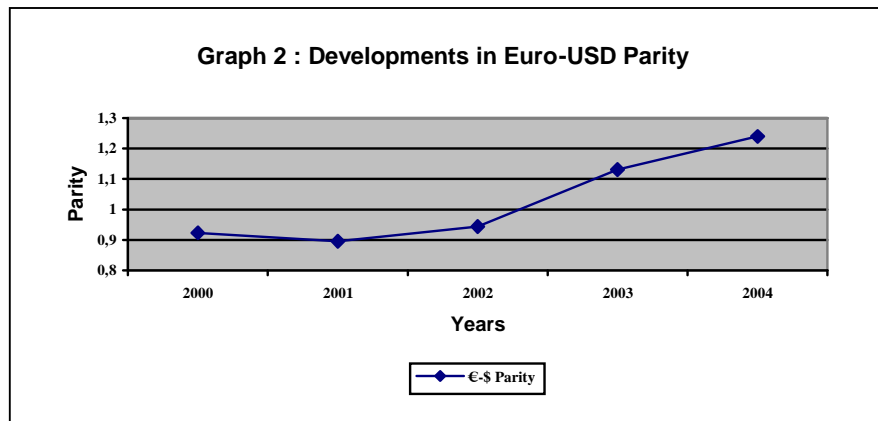
countries. However, in this composition of growth, there lies the risk of a slowdown in the world economy in case of a falter in any one of the two economies in the absence of other centres that can compensate such a situation. In addition to the risks stemming from the uneven distribution of the growth performances over the world, the imbalances caused by the external transactions may also jeopardise the stability of the global system. As can be seen in Table A.1 in the Annex, the real domestic demand growth of the US, one of the leading growth hubs in 2004, was remarkably high compared to the other regions of the world. This relative demand structure is also reflected in the current account balances of different countries and country groups as summarised in Table 1A above. From the mentioned table, it can be observed that the US economy operated in 2004 on a current account deficit that was higher than the rest of the world. In fact, this has been the case for many years and continued in 2005.

On the other hand, when the fiscal balances in 2004 are considered (Table 1B below), it is noticed that the US appear once again as an economy that operates on high deficits. This behaviour is noticed to have continued since 2001, after which the ratio of the fiscal deficit in GDP stabilised at an average of 4.3 percent. A similar behaviour is also witnessed in 2005.

Table 1B: Central Govt. Fiscal Balance
(% of GDP)

	2000	2001	2002	2003	2004	2005
Developed Economies	--	-1.5	-3.4	-3.9	-3.5	-3.1
- United States	1.3	-0.7	-4.0	-4.6	-4.3	-4.1
- Euro Area	-1.0	-1.8	-2.4	-2.8	-2.7	-2.3
- Japan	-7.5	-6.1	-7.9	-7.8	-7.1	-5.8
- UK	3.9	0.8	-1.7	-3.3	-3.0	-3.6
Developing Countries	-2.9	-3.3	-3.6	-3.0	-1.9	-0.8
- Sub-Saharan Africa	-2.4	-2.6	-2.7	-2.5	-1.1	-0.2
- Middle East	4.2	-0.5	-2.3	-0.2	3.4	5.9
- Developing Asia	-4.3	-4.1	-4.1	-3.5	-3.1	-2.0
- China	-3.6	-3.1	-3.3	-2.8	-2.4	-1.3
- CEE	-5.4	-7.6	-8.6	-6.5	-5.0	-3.1
- CIS	0.3	1.8	1.0	1.2	2.7	5.4
- Western Hemisphere	-2.4	-2.6	-3.1	-3.1	-1.6	-2.1

Source: IMF, 2005a, pp. 221, 222, 227.



Source: Calculated from the figures in Table A.1.

Though fiscal indicators show that fiscal deficits are a relatively common behaviour among the economies, the size of those deficits, their persistence over the years and their combination with the current account balance position have implications in terms of the future risks to the economies. Those concerns are more felt and connected to the systemic risks when the economy has a heavier weight in the global production. In this context, the high twin deficits persistently attached to the US economy impose certain risks on the global economy as will be elaborated below.

The first of these risks is the abrupt value loss of the US\$. As the sustainability of the twin deficits in the US economy is questioned, the value of the US\$ is prone to depreciation. In fact, Graph 2 shows that beginning with the year 2002, the parity between the Euro and US\$ slid against the latter. The nominal depreciation of the US\$ against the Euro since 2001 till the end of 2004 reached 38.4 percent. The continuation of such a trend could lead to the adoption of different positions in the financial markets which could, in turn, cause troublesome situations. The other risk, also attached to such expectations regarding the value of the US\$, is the possibility that the central banks which have accumulated reserves of that currency could turn away from this policy. Table 1C indicates that the current account surpluses recorded by the developing countries (Table 1A) helped them to accumulate their foreign currency reserves, most of which are US\$ or assets denominated in US\$.

Table 1C: Reserves
(Including Official Gold Holdings-Billion US\$)

	2000	2001	2002	2003	2004	2005
Developing Countries	818.9	915.7	1,095.5	1,419.8	1,856.0	2,396.4
- Sub-Saharan Africa	35.5	35.9	37.0	41.1	63.2	85.9
- Middle East	155.9	168.2	174.2	208.6	259.8	362.6
- Developing Asia	321.8	380.4	496.9	670.1	931.8	1,163.4
- China	168.9	216.3	292.0	409.2	615.8	824.0
- CEE	97.3	98.9	132.0	160.9	173.8	224.5
- CIS	33.2	44.2	58.2	92.6	148.2	224.2
- Western Hemisphere	156.1	159.2	161.3	196.2	218.0	253.0

Source: IMF, 2005a, pp. 259-260.

Thus, in a situation where the US\$ depreciates further and abruptly, it is probable that those central banks would discharge an important portion of those reserves/assets. Such a situation entails double threats. Discharging the US\$/assets would disturb the value of that currency causing it to plummet which would lead to a turmoil in the global financial markets. Additionally, as those reserves serve to finance the huge deficits realised by the US economy, the financing of the US growth would be depressed, threatening also the stability of the global growth.

Grave as the hidden risks regarding both the financial markets and the global growth may be, important steps are being taken by the most influential central banks in order to manage and reduce them. To this end, a measured pace of interest rate hikes are being implemented. The details of such moves and their repercussions are given in the SESRTCIC report entitled *Developments in the International Financial Architecture, 2005*.

In addition to those developments and risks regarding the global economic conditions, another important issue is the oil prices. Though the strong growth in 2004 drove all commodity prices up, the rise in oil prices has a special implication: it generates inflationary expectations which have adverse effects on a wide range of issues from real sector policies to the global financial indicators. As those prices and the underlying conditions of the oil market are elaborated in section 4, the topic will not be dealt with further in this section. However, it should be noted that the rise in those prices has so far been perceived as the cost of

the excessive global growth rate. Both this perception, along with the related adjustments in the economies and policies giving way to a gradual tightening in the global liquidity, led to the oil price increases' not affecting the global inflation but instead curbing the growth expectations for the year 2005. Those prices, which seemed to become relatively stable, though at a higher plateau compared with the previous years, contributed also to the containment of the inflationary expectations for 2005.

In this context, when the inflation rate is considered (Table A.7 in the Annex), it is noticed that due to the strong growth dynamics in 2004, the inflation rate in the developed countries showed a slight increase to 2 percent from its level of 1.8 percent in the previous year. In contrast, the inflation rate of the developing countries decreased to 5.7 percent in 2004 from its level of 6 percent in 2003. Owing to those conditions, the inflation rate for 2005 decreased to 5.4 percent for the developing countries while increased to 2.3 percent level for the developed countries.

At the regional level, it is observed that of the 7.2 percent of the growth performance realised by the developing countries, 4.4 percentage points were contributed by the Developing Asian group of countries thanks to their high annual growth rate of 8.2 percent. In fact, the relatively higher growth performance realised by the latter group is a systematic issue that is also observed in the previous years.

On the other hand, the 5.7 percent growth rate realised by the western Hemisphere countries in 2004 contributed to that of the developing countries by 0.9 percentage points. In fact, the growth performance of the said area is remarkable considering that it accelerated from -0.1 percent in 2002 to 2.2 percent in 2003. Another group whose growth performance in 2004 is also remarkable and has been consistently high over the previous years is the Commonwealth of Independent States (CIS). That group's growth rate of 8.2 percent in 2004 contributed 0.7 percentage points to the developing country performance. In fact, its annual growth rate did not fall below 5.4 percent even in 2002 when a relative deterioration in performance was experienced by a number of country groups. As for the 6.1 percent growth rate realised by the Central and Eastern European (CEE) countries in 2004, it was translated

into a contribution of 0.5 percentage points to the overall developing country performance. This year's growth rate is also a culmination of the group's growth performances since 2001.

With its 5.1 percent growth in 2004, Africa contributed 0.4 percentage points to the developing country performance. In this geographical area, the Sub-Saharan Africa group contributed 0.3 percentage points thanks to its 5.1 percent growth rate. On the other hand, the group of Middle Eastern countries contributed 0.3 percentage points thanks to its 5.5 percent annual growth rate. Compared to its performance in the previous year (5.8 percent), it is obvious that this group's growth rate in 2004 witnessed a slight decrease. In contrast, both the Africa and Sub-Sahara Africa groups of countries increased their growth rates from 4.6 to 5.1 percent and from 4.2 to 5.1 percent in 2003 and 2004, respectively.

3. RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

3.1. Background

As the OIC community comprises economies with different characters, i.e. least-developed countries, commodity exporting countries or developing countries with limited natural resources, any development in any of these groups would have a direct impact on the economic performance of the community as a whole. In the light of the previous section, which also dealt with the recent economic performances of the world's different regions, this section aims to study the OIC economies in this perspective. However, before embarking on that task, it would be useful to provide an overview of the basic facts of the OIC countries in general.

With approximately 22 percent of the world's total population, the OIC countries accounted, in the light of recent figures, for only 5 percent of the world's total output (GDP) and 8.2 percent of its total merchandise exports. Furthermore, both the output (income) and trade of those countries are still heavily concentrated in a few of them such that only 8 countries accounted for 66 percent of the total OIC countries' income (GDP) and almost 70 percent of their total exports. During the last five-year period for which the data are available, i.e. 2000-2004, the OIC countries recorded the highest average real GDP growth rate of 5.9

percent in 2003. Yet, although this rate was relatively higher than the world average (4 percent), it was still below the average of 6.4 percent recorded by the developing countries in the same year. In terms of per capita GDP in current US dollars, the OIC average was recorded as US\$ 1,528 in 2004. Compared to the world average of US\$ 6,345 and the average of the developing countries of US\$ 1,566, it is clear that this OIC average also needs to be raised.

Against this concise background, the rest of this section examines in detail the trends in the major economic indicators in the OIC countries during the most recent five-year period for which the relevant data are available (2000-2004). Those trends are also compared to their counterparts in both the developing and developed countries as well as for the world economy as a whole.

3.2. Production and Growth

With a total population of 1.4 billion in 2004, or 22 percent of the world population, the OIC countries produced a total output (GDP) in current US dollars amounting to US\$ 2,049.6 billion. This level of production represents only 5, 6.4 and 24.3 percent of the GDP of the world, the developed countries and the developing countries, respectively (Table 2). When compared to the OIC countries' potential in various fields, it is easily noticed that those figures are far from satisfactory. Yet, in parallel with the world economy, which entered into an expansionary phase, the OIC economies as a group also benefited from this condition by increasing their share in the world GDP from 4.6 percent in 2001 to 4.7, 4.9 and 5 percent in 2002, 2003 and 2004 respectively. This shows that the OIC region was successful in utilising its potential in the face of the current expansionary wave.

When the composition of this success is considered at the sub-group level, it is noticed that the OIC-MDCs, with a current US\$ 1,062.4 billion total GDP, generated 51.8 percent of the total OIC output in 2004 while the OIC-FECs, with a current US\$ 844.5 billion total GDP, contributed 41.2 percent (Table 2). Throughout the recent years, the share of the OIC-FECs in the total OIC production, which was 39.9 percent in 2002, increased to 41.2 percent. During the same period, the share of the OIC-MDCs output in the said total decreased from 52.7 to 51.8 percent.

The share of the OIC-LDCs (22 countries with about 27 percent share in the total OIC population) in the total OIC income is very low (7 percent). In other words, the countries of the first two groups (73 percent of the total OIC population) generated 93 percent of the total OIC output (calculated using the data in Table 2). It is also observed that an important portion of the total OIC output is produced by a limited number of member countries. For instance, only 9 OIC countries produced together almost 70 percent of the total OIC output in current US dollars in 2004⁶.

Table 2: Population, GDP and Per Capita GDP

	2000	2001	2002	2003	2004
<u>Population (Millions)</u>					
OIC-LDC	346.3	355.3	364.5	373.2	382.3
OIC-MDC	653.7	664.9	676.9	690.0	701.6
OIC-FEC	296.2	303.1	310.2	317.7	325.3
OIC countries	1,296.2	1,323.2	1,351.5	1,380.9	1,409.2
As % of:					
World Total	21.3	21.5	21.6	21.8	22.0
Developing countries	25.4	25.6	25.8	26.0	26.1
<u>GDP (Current Billion \$)</u>					
OIC-LDC	101.7	104.0	111.5	125.8	142.6
OIC-MDC	776.2	719.2	801.5	932.3	1,062.4
OIC-FEC	592.1	601.6	606.9	705.1	844.5
OIC countries	1,470.0	1,424.8	1,519.9	1,763.2	2,049.6
As % of:					
World Total	4.7	4.6	4.7	4.9	5.0
Developing countries	23.7	22.7	23.7	24.4	24.3
Developed countries	5.8	5.7	5.8	6.1	6.4
<u>Per Capita GDP (\$)</u>					
OIC-LDC	327	326	341	375	415
OIC-MDC	1193	1,087	1,190	1,358	1,522
OIC-FEC	2,169	2,153	2,122	2,408	2,817
OIC countries	1,191	1,131	1,181	1,341	1,528
World average	5,170	5,061	5,190	5,742	6,345
Developing countries	1,215	1,215	1,222	1,357	1,566
Developed countries	25,571	25,018	25,899	28,770	31,596

Source: Tables A.2, A.3 and A.4 in the Annex.

⁶ Those countries are Turkey, Indonesia, Malaysia, Pakistan and Egypt from the OIC-MDCs, and Saudi Arabia, Iran, the U.A.E. and Algeria from the OIC-FECs (see Table A.3 in the Annex).

On the other hand, the average OIC per capita GDP (in current US dollars) amounted to US\$ 1,528 in 2004, the highest during the period under consideration. However, this level was still lower than that of the developing countries (US\$ 1,566) and considerably lower than the world average (US\$ 6,345) in the same year (Table 2). In fact, during the period under consideration, the OIC per capita GDP remained systematically below that of the developing countries.

At the level of the OIC sub-groups, the highest per capita GDP in 2004 was recorded by the OIC-FECs (US\$ 2,817) followed by the OIC-MDCs (US\$ 1,522). Although the level reached by the first group was considerably higher than that of the developing countries, it was still significantly below the world (US\$ 6,345) and developed country (US\$ 31,596) averages. On the other hand, the per capita GDP of the OIC-FECs was almost 6.8 and 1.9 times higher than its averages in the OIC-LDCs and OIC-MDCs respectively. At the individual country level, the income per person in the richest OIC country reached 187 times that in the poorest (Table A.4 in the Annex). In fact, these figures reflect a high level of income divergence and a huge gap between the rich and poor countries within the OIC community, thus constituting one of the basic factors that hinder intra-OIC economic cooperation.

Taking all the above into account, it is observed that the average growth performance of the OIC countries as a group is highly influenced by the developments in the OIC-MDCs and OIC-FECs whose performance is again led by a number of major member economies.

Parallel to the developments in the world economy, which has been in an expansionary phase since 2002, the OIC countries also experienced acceleration in their economies during the period under consideration. The real economic growth in those countries increased, on average, from 1.8 percent in 2001 to 4.1 and 5.9 percent in 2002 and 2003, respectively. In 2004, that growth slightly slowed down to 5.7 percent (Table 3).

During the same period, growth in world output in real terms accelerated from its minimum of 2.5 percent in 2001 to 3, 4 and 5.1 percent in the following years, respectively (Table 3). As observed, in the years following their minimum growth rate of 1.8 percent in 2001, the OIC

countries in general also showed a similar upward trend. In addition, the average growth rates in the OIC countries were higher than those realised by the developed countries during the period under consideration. However, the OIC performance, in real terms, was below the developing country average, which accelerated from 4.2 percent in 2001 to 7.2 percent in 2004 (Table 3). The combination of high demand in the international commodity markets and the favourable interest rates and low spreads that prevailed in recent years provided a favourable environment for the developing countries.

Table 3: Real GDP
(Average annual % change)

	2000	2001	2002	2003	2004
Real GDP					
OIC-LDC	4.6	5.6	5.1	5.4	5.5
OIC-MDC	5.6	0.6	4.9	4.9	6.1
OIC-FEC	5.5	2.6	2.8	7.2	5.3
OIC countries	5.5	1.8	4.1	5.9	5.7
World	4.6	2.5	3.0	4.0	5.1
Developed countries	3.8	1.2	1.6	2.0	3.4
Developing countries	5.8	4.2	4.7	6.4	7.2

Source: Derived from Tables A.2 and A.6 in the Annex.

At the level of the sub-groups, it is observed that the annual growth performances vary from one OIC sub-group to another. Especially the OIC-FECs followed a volatile pattern whereas the OIC-LDCs followed a relatively more stable one. On the other hand, the growth performance of the OIC-MDCs accelerated in the last year. In spite of the above annual patterns, the growth averages for the last three years were 5.33 percent for the OIC-LDCs, 5.30 percent for the OIC-MDCs and 5.1 percent for the OIC-FECs.

The better and relatively more stable performance observed in the OIC-LDCs, amounting to an average annual rate of 5.33 percent during 2002-2004, might be hailed as a catalyst for bridging the growth and development gaps between that group and other developing countries. However, when considered together with their considerably low performance in the 1990s compared to other developing country groups, it is realised that this improved performance in recent years needs to be accelerated or, at least, continued to meet the challenges that confront those countries, in particular achieving the Millennium Development Goals.

Owing to the increases in the world oil prices, the OIC-FECs grew at an average annual rate of 5.1 percent during the last three years. The remarkably high growth rate in 2003, which served to raise this average, indicates the close correlation between the performances of those economies and the oil prices. On the other hand, despite allocating more resources to the commodity and fuel inputs under the rising world commodity indexes, the OIC-MDCs realised an average growth rate of 5.3 percent during the same period. Hence, it is a unique experience that both commodity producers and the economies which rely on those commodities as inputs experienced, on average, similar growth performances. Needless to say, the average performances of those two sub-groups were influenced by the developments in certain major countries within them such as Turkey, Indonesia, Malaysia, Pakistan, Egypt, Morocco and Kazakhstan in the OIC-MDCs and Saudi Arabia, Iran, the U.A.E., Algeria, Nigeria and Kuwait in the OIC-FECs.

In order to maintain a stable pattern in the annual growth performances, it is necessary to diversify the activities among complementary sectors. Thus, development also requires a restructuring of the economies so that such a balanced output structure would give way to a sustainable growth in the long-run. The next sub-section elaborates on the structure of the OIC economies with a view to understanding the current situation while approaching the aim of a balanced growth.

3.3. Structure of the Economy

This sub-section presents an overall picture of the structure of the OIC economies based on an analysis of the sectoral distribution of their output (GDP). In this context, the averages of the sectoral shares in the GDP for the different OIC sub-groups and for the OIC countries as a whole are provided in Table 4. To avoid problems resulting from missing data for some countries and the effects of year-to-year cyclical fluctuations in others, the average of the five-year period (1999-2003) is used.

Agriculture is traditionally recognised as the primary economic activity and is assumed to play a major role in the economies of most developing countries. However, when the OIC economies as a group are observed in this context, it is noticed that the share of agriculture in their GDP amounts, on average, to 15 percent during the five year-period of 1999-2003. The highest share of agriculture in GDP (28 per cent) was

recorded by the OIC-LDCs followed by the OIC-MDCs (17 percent) and the OIC-FECs (10 per cent). At the individual country level, the sector dominates in only 7 countries, 5 of which are OIC-LDCs (Afghanistan, Guinea-Bissau, Mali, Sierra Leone and Togo) and 2 are OIC-MDC (Cameroon and Kyrgyzstan). The share of agriculture in GDP varies from only 1 percent in Bahrain, Kuwait and Qatar to 60 percent in Guinea-Bissau (Table A.5 in the Annex).

Table 4: Structure of Output
(Value-added as % of GDP, average 1999-2003)

	Agriculture	Industry:	of which Manufacture	Services
OIC-LDC	28	25	12	47
OIC-MDC	17	33	20	50
OIC-FEC	10	47	10	43
OIC countries	15	38	15	47

Source: Table A.5 in the Annex.

Although the share of agriculture in some of the OIC member countries is relatively low, for most of them, the sector preserves its importance in terms of feeding the populace as well as absorbing a certain portion of the manpower which would otherwise exert further pressure on the economy. With such a continuing strategic role, the performance and welfare of the sector OIC-wide may need closer attention. Fluctuations in the global agricultural commodity prices and the difficulties in connection with the foreign trade of agricultural goods could be cited as important external factors to the current situation. On the other hand, inadequacy in the application of efficient techniques and the deviation of resources to other sectors could be mentioned as internal factors.

With a 38 percent average share in GDP, industry constitutes an important source of economic activity in the OIC countries as a group. The highest share of industry in GDP (47 per cent) was registered by the OIC-FECs while the lowest (25 per cent) by the OIC-LDCs. At the individual country level, the sector takes the lead in 12 OIC countries, 10 of which are fuel exporters (Algeria, Azerbaijan, Gabon, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Turkmenistan and the UAE) and 2 OIC-MDCs (Indonesia and Malaysia). On the other hand, the share of industry in GDP varied from 11 percent in the Comoros to 55 percent in Qatar and UAE (Table A.5 in the Annex). Such a significant role of

industry in the economies of the OIC fuel-exporting countries could be ascribed to oil and/or gas production as such activities are classified under industry. Therefore, in addition to the share of industry in GDP, the level of industrialisation of an economy also needs to be analysed by referring to the share of the manufacturing sector.

The figures on the share of the manufacturing sector in GDP indicate a relatively low performance in most of the OIC economies. That share varies from as low as 3 percent in Djibouti to 31 percent in Malaysia. Although countries belonging mostly to the OIC-MDCs, such as Syria, Indonesia, Malaysia and Tajikistan, took up the top ranks with a share exceeding 20 percent, only Turkmenistan from the OIC-FECs showed a similar performance. At the level of the sub-groups, the highest average share of manufacturing (20 per cent) was recorded by the OIC-MDCs followed by the OIC-LDCs (12 percent) and the OIC-FECs (10 percent). For the OIC countries as a group, the weight of the manufacturing sector is limited to 15 percent.

On the other hand, with the highest share in GDP (47 per cent), the services sector plays a major role and constitutes an important source of income in many OIC countries. At the sub-group level, the OIC-MDCs recorded the highest share of services in GDP (50 per cent) followed by the OIC-LDCs (47 percent) and the OIC-FECs (43 percent). At the individual country level, the sector accounts for the highest share in GDP in 37 OIC countries. The range varies from 22 percent in Sierra Leone to 80 percent in Djibouti (Table A.5 in the Annex).

As indicated by the above figures, the restructuring of the OIC economies should be handled with special care and in a time perspective including the national priorities so as to increase the share of industry, especially that of the manufacturing industry, in economic activity with a view to realising a more balanced and sustainable growth. In such a setting, it would also be easier to enhance the links among the OIC countries.

It is obvious that the current structure of the OIC economies, as summarised above, is closely related to both the volatility in those countries' production levels and their foreign trade performance. Therefore, the following sub-section analyses the developments in foreign trade and balance of payments in those countries.

3.4. Foreign Trade and Payments Balances

3.4.1. Merchandise Exports and Imports

In parallel with the year 2001, in which a setback for growth was experienced, the OIC countries' merchandise exports also fell by 7.5 percent (Table 5). In the following years, the exports were on the rise, particularly in 2003 and 2004, the two years in which the global economy recorded a remarkable growth. Yet, although the export growth in the OIC countries showed consecutive jumps by 20.7 percent and 31.5 percent, respectively, in these two years, these rates were still lower than the growth rate realised in 2000. However, the high export performance in 2004 was an important step to restore the share of the OIC merchandise exports in total exports of both the world and developed countries which reached 8.8 and 14.7 percent, respectively, in 2004, being the highest shares observed throughout the period under consideration.

Table 5: Merchandise Exports
(FOB, Million US \$)

	2000	2001	2002	2003	2004
OIC-LDC	15,516	15,757	15,684	18,741	24,174
OIC-MDC	243,765	231,734	248,906	286,034	371,287
OIC-FEC	277,449	249,073	240,486	304,909	406,208
OIC	536,730	496,564	505,076	609,684	801,668
As % of:					
World	8.4	8.1	7.9	8.1	8.8
Developed countries	13.3	12.7	12.5	13.1	14.7
Developing countries	22.8	22.3	21.1	21.3	22.0
OIC-LDC/OIC	2.9	3.1	3.1	3.1	3.0
OIC-MDC/OIC	45.4	46.7	49.3	46.9	46.3
OIC-FEC/OIC	51.6	50.2	47.6	50.0	50.6
Annual % change					
OIC-LDC	32.3	1.6	-0.5	19.5	29.0
OIC-MDC	16.9	-4.9	7.4	14.9	29.8
OIC-FEC	52.2	-10.2	-3.4	26.8	33.2
OIC	33.3	-7.5	1.7	20.7	31.5
World	12.7	-3.8	4.7	16.7	21.3
Developed countries	7.1	-2.8	3.1	15.0	17.5
Developing countries	23.9	-5.6	7.5	19.5	27.5

Source: Tables A.8 and A.10 in the Annex.

At the level of the OIC sub-groups, it is observed that the large annual setbacks in the performance of merchandise exports are realised in 2001 for the OIC-MDCs and OIC-FECs with decreases of 4.9 and 10.2 percent, respectively. This setback continued at the moderate rate of 3.4 percent in 2002 for the OIC-FECs. Thus, the adverse conditions in global growth that emerged in 2001 affected the OIC-FECs' exports more deeply and persistently compared to the other two sub-groups. On the other hand, the contraction in the exports of the OIC-LDCs was relatively late and milder with a 0.5 percent decrease in 2002. However, following those instances of decrease, high growth rates in exports were resumed in all three sub-groups in 2003 and 2004.

As a result of those developments, the share of the merchandise exports of the OIC-FECs within the total OIC exports decreased from its 2000 level of 51.6 percent to 50.6 percent in 2004 while the share of the OIC-MDCs, which was 45.4 percent in 2000, reached 46.3 percent in 2004. In contrast, the share of the merchandise exports of the OIC-LDCs within the OIC total showed a negligible rise of 0.1 percentage point, from 2.9 percent in 2000 to 3.0 percent in 2004. When the individual country performances are considered, it is noticed that Malaysia, Saudi Arabia, Indonesia, the UAE and Turkey took the lead by realising 55.0 percent of the total OIC merchandise exports in 2004.

Contrary to the behaviour of the merchandise exports, the merchandise imports to the OIC countries recorded a trend of increase during the 2000-2004 period except for the decrease of 0.6 percent in 2001 (Table 6). Thus, the share of the total OIC merchandise imports in the total world imports followed an increasing trend beginning with 6 percent in 2000 and ending with 7.4 percent in 2004. On the other hand, the share of the total OIC merchandise imports relative to the total imports of the developed countries increased by 2.7 percentage points during the period, which marks a higher increase compared to the share in the world total. However, owing to the higher annual increases in the imports of the developing countries, the share of the OIC merchandise imports in the total increased from 18.0 to 19.9 percent throughout the period. When the annual changes of imports of the OIC sub-groups are considered, it is noticed that the performance of import growth of the OIC-LDCs was relatively stable in the first three years of the period while it accelerated in the last two years.

On the other hand, the merchandise imports of the OIC-FECs grew annually with high rates except the contraction of 4.8 percent in 2000.

Finally, the pattern of import growth rates of the OIC-MDCs shows a relative volatility as the high rate of increase of 24.1 percent in 2000 gave way to a contraction of 12.3 percent in 2001 which then marks 11.5 and 14.7 percent increases in the following two years, respectively. The import growth rate for the OIC-MDCs marks a jump of 38.6 percent in 2004, the record growth rate throughout the whole period.

Table 6: Merchandise Imports
(CIF, Million US\$)

	2000	2001	2002	2003	2004
OIC-LDC	23,817	24,908	26,429	34,281	43,308
OIC-MDC	256,112	224,545	250,316	287,099	397,784
OIC-FEC	117,372	145,472	162,785	200,418	259,474
OIC	397,301	394,926	439,530	521,797	700,565
As % of:					
World	6.0	6.2	6.6	6.7	7.4
Developed countries	9.1	9.4	10.2	10.4	11.8
Developing countries	18.0	18.3	19.1	19.1	19.9
OIC-LDC/OIC	6.0	6.3	6.0	6.6	6.2
OIC-MDC/OIC	64.5	56.9	57.0	55.0	56.8
OIC-FEC/OIC	29.5	36.8	37.0	38.4	37.0
Annual % change					
OIC-LDC	5.5	4.6	6.1	29.7	26.3
OIC-MDC	24.1	-12.3	11.5	14.7	38.6
OIC-FEC	-4.8	23.9	11.9	23.1	29.5
OIC	12.8	-0.6	11.3	18.7	34.3
World	13.3	-3.1	3.9	16.8	22.1
Developed countries	10.7	-3.5	2.5	16.0	18.5
Developing countries	18.8	-2.2	6.6	18.4	28.7

Source: Tables A.9 and A.11 in the Annex.

As a result of those developments in the merchandise imports, the share of the OIC-LDCs within the total OIC imports remained within a band of 6.0-6.6 percent during the period under analysis, closing the period with 6.2 percent in 2004. On the other hand, the shares of the other two sub-groups showed a fluctuating pattern. In the OIC-MDCs, that share was 64.5 percent in 2000 from where it dropped to 56.9 in the following year and further to 56.8 at the end of the period under analysis with 56.8 percent. On the other hand, the OIC-FECs started with a share of 29.5 percent in 2000, which then jumped to 36.8 percent in the following year from where it reached a maximum share of 38.4 percent in 2003 and

terminated with 37.0 percent at the end of the period. When the individual country performances are considered, it is noticed that Malaysia, Turkey, the UAE, Indonesia, Saudi Arabia, Iran and Egypt took the lead by realising 61.9 percent of the total OIC merchandise imports in 2004.

3.4.2. Trade Balance, Current Account and Reserves Positions

As a result of the developments in exports and imports during the 2000-2004 period, for which the latest data are available, the OIC countries recorded an external trade surplus that started with US\$ 139.5 billion in 2000, then fell in the two consecutive years where by the year 2003 it picked up again and reached US\$ 101.1 billion in 2004, a level which was still below that of the start of the period (Table 7). During the same period, both the world and developed country data revealed high external trade deficits. However, as is the case for the OIC countries as a whole, the developing countries recorded a surplus in their aggregate trade balance figures.

Table 7: Trade Balance and Current Account
(Billion US\$)

	2000	2001	2002	2003	2004
Trade balance					
OIC-LDC	-8.3	-9.2	-10.7	-15.5	-19.1
OIC-MDC	-12.3	7.2	-1.4	-1.1	-26.5
OIC-FEC	160.1	103.6	77.7	104.5	146.7
OIC countries	139.5	101.6	65.5	87.8	101.1
World	-210.4	-251.6	-212.8	-258.8	-370.7
Developed countries	-348.9	-307.4	-294.3	-382.6	-496.5
Developing countries	141.8	60.0	84.4	127.0	129.2
Current Account					
OIC-LDC	-4.3	-5.3	-4.5	-5.5	-6.3
OIC-MDC	1.0	13.7	16.5	18.2	8.3
OIC-FEC	87.3	52.2	30.4	67.4	128.2
OIC countries	84.0	60.6	42.4	80.1	130.2
Developed countries	-250.9	-201.6	-218.1	-231.9	-327.8
Developing countries	88.2	40.8	85.0	149.1	246.6

Source: Tables 5 and 6 above and Table A.12 in the Annex.

The high levels of external trade surplus recorded by the whole OIC group are basically determined by the performance of the OIC-FECs. In this context, it should be noted that the OIC-LDCs recorded external trade deficits throughout the period under consideration. In contrast, the OIC-MDCs showed a volatile trend in terms of both the level and

direction of their external trade balance during the period, recording first a deficit of US\$ 12.3 billion in 2000 then a surplus of US\$ 7.2 billion in 2001 which again turned to negligible deficits of US\$ 1.4 billion and US\$ 1.1 billion in the years 2002 and 2003, respectively. The final years witnessed a relatively high deficit of US\$ 26.5 billion.

Aside from the external trade balance developments, when the behaviour of the current account balance is considered, it is noticed that during the period under consideration, just as in the trade balance, the OIC countries recorded a surplus within a similar pattern. The OIC-FECs served as the main sub-group determining the pattern and volume of the OIC current account total. This is followed by the OIC-MDCs. While both the mentioned sub-groups released a surplus in the current account balances, the OIC-LDCs reduced the total OIC surplus level as they gave current account deficit systematically throughout the period.

Table 8A: Foreign Exchange Reserves
(Billion US\$)

	2000	2001	2002	2003	2004
Reserves Excluding Gold					
OIC-LDC	8.9	9.1	12.2	15.6	18.0
OIC-MDC	117.4	119.9	148.9	186.2	212.3
OIC-FEC	80.6	91.3	97.3	114.5	150.5
OIC countries	206.8	220.9	258.3	316.3	380.7
As % of:					
Developed countries	24.2	25.4	26.0	25.9	27.1
Developing countries	17.6	17.2	16.9	16.3	15.5

Source: Table A.13 in the Annex.

In the light of the figures discussed above, the reserves of the OIC economies might be followed in Table 8A, which conveys that overall external trade surplus and current account surplus in the OIC region contributed to an overall reserve accumulation throughout the period. The total reserves increased by US\$ 173.9 billion from US\$ 206.8 billion in 2000 to US\$ 380.7 billion in 2004. With this remarkable volume of increase, the OIC reserves, which were 24.2 percent compared to the developed country reserves in 2000, jumped to 27.1 percent in 2004. However, owing to a similar behaviour of reserve accumulation by the developing countries, this ratio decreased from 17.6 percent in 2000 to 15.5 percent in 2004 when compared to the level of the developing country reserves. When the OIC sub-groups are

considered, it is noticed that the OIC-MDCs contributed most to reserves accumulated in the OIC region (US\$ 94.9 billion) followed by the OIC-FECs (US\$ 69.9 billion). However, the contribution of the OIC-LDCs was modest with a limited increase by US\$ 9.1 billion in the period.

Though extensively studied in the SESRTCIC's report entitled *External Debt Situation in African and other OIC Countries*, it could be recalled here that the total external debt, which is mainly accumulated by the OIC-MDCs, increased from US\$ 627.8 billion in 1999 to US\$ 694.6 billion in 2003, marking a 10.6 percent increase throughout the period under consideration. This increase led to a corresponding increase in the ratio of the total OIC external debt within the total of the developing countries from 26.8 to 27.2 percent during the period 1999-2003.

Table 8B: Total External Debt and Net Foreign Direct Investment
(Billion US\$)

	1999	2000	2001	2002	2003
Total External Debt					
OIC-LDC	76.2	72.6	69.2	74.5	80.3
OIC-MDC	472.6	479.6	469.3	501.3	535.0
OIC-FEC	78.9	76.4	71.8	72.2	79.3
OIC countries	627.8	628.6	610.4	647.9	694.6
As % of:					
Developing countries	26.8	27.5	27.0	27.7	27.2
Foreign Direct Investment					
OIC-LDC	1.2	1.5	2.1	3.1	3.4
OIC-MDC	8.2	6.1	8.7	9.0	10.7
OIC-FEC	6.1	1.5	2.8	4.2	5.4
OIC countries	15.4	9.2	13.6	16.3	19.6
As % of:					
Developing countries	8.4	5.5	7.8	10.6	12.9

Source: Tables A.14 and A.15 in the Annex.

To balance the rapid rise of the external debt of the OIC countries, one option is to increase the inflow of capital in the form of foreign direct investment (FDI). When the latter is considered, it is noticed that the performance throughout the period under consideration cannot be considered as remarkable as the average of those flows was limited to US\$ 14.8 billion. The FDI flows to the OIC region as a share in the total FDI receipts by the developing countries vary between 5.5 and 12.9 percent through the years under analysis. At the sub-group level, the

OIC-MDCs contributed most to the OIC total and followed an increasing trend. Along with the OIC-MDCs, the OIC-LDCs also followed a similar trend. However, the FDI flows received by the OIC-FECs show a volatile pattern and are concentrated in a few countries.

3.5. Inflation

Price stability, which is measured by inflation figures, is an important condition for a robust market economy. When the performance of the OIC as a whole is evaluated in this respect, it becomes evident that the inflationary performance improved in all OIC countries during the period 2000-2004: the average consumer prices decreased from 10.5 to 6 percent per annum (Table 9). Although the average inflation rate is systemically lower in the developing countries compared to that of the whole OIC average, it should not be overlooked that improvement in maintaining price stability was higher in the OIC group considering that, by the end of the period, the convergence of the inflation figures is almost complete with a slight difference.

Table 9: Average Inflation
(% change in annual average consumer price indices)

	2000	2001	2002	2003	2004
OIC-LDC	4.2	3.7	5.4	5.8	6.6
OIC-MDC	17.5	18.8	16.5	9.7	6.6
OIC-FEC	2.6	3.4	3.8	4.5	5.1
OIC countries	10.5	11.5	10.6	7.3	6.0
Developed countries	2.2	2.1	1.5	1.8	2.0
Developing countries	7.1	6.7	6.0	6.0	5.7

Source: Table A.7 in the Annex.

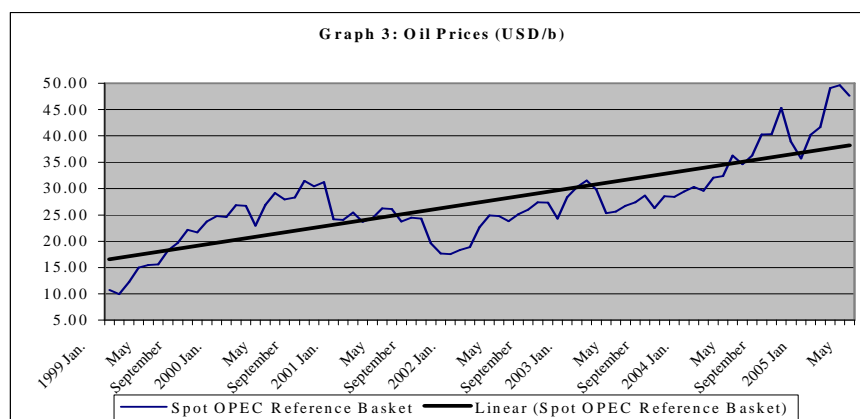
When the sub-groups are considered it becomes evident that the improvement in price stability was ruled by the rapid decline in the average inflation in the OIC-MDCs. In contrast, in the other two sub-groups, a rising trend in the average inflation is detected through the whole period under analysis (by a 2.5 percentage points increase in the OIC-FECs and 2.4 percentage points rise in the OIC-LDCs). When the countries with high inflation rates in 2004 are considered, it is evident that Guinea, Iran, Nigeria, Gambia, Sierra Leone and Afghanistan appear as the member countries with inflation rates of 13 percent and above.

4. DEVELOPMENTS IN OIL PRICES AND THE IMPACT ON THE OIC-FEC ECONOMIES

This section reviews the recent developments in oil prices and investigates the impact of those developments on the OIC-FECs under a set of indicators. In addition, it puts the oil prices in a historical perspective studies as well as the relation between the annual growth of the OIC-FECs and the developments in oil prices.

Referring to the figures on the annual changes in oil prices presented in Table A.16 in the Annex, it is noticed that since the year 1999, those prices have followed an increasing trend. The details of the behaviour and underlying reasons related to the recent developments in those prices over the sub-periods since the beginning of 1999 can be found in the previous *Annual Economic Report on the OIC Countries*. In this context, it should be noted that the main reason for the recent upward movement in those prices lies in the market perceptions of the demand-supply conditions. In other words, doubts over the possibility of failure to meet the high oil demand under the available supply conditions served as the main market maker in the oil market. However, the background of those doubts is made up of a high global growth rate which increases the oil demand; geostrategic worries which seem to have faded recently; and oil's increasingly becoming the subject matter of financial contracts in addition to being a pure commodity.

Graph 3 shows that the recent continuous surge in oil prices was first spotted during the period January 1999-November 2000. This movement was a result of the resilience of the global economy following the East Asian crisis. However, in December 2000 through November 2002, oil prices seem to oscillate within a certain range owing to the global slowdown experienced in 2001 and the increased crude oil stocks in 2002. However, starting from December 2002, a new phase of hike in oil prices is observed. This rising behaviour, though driven by the unanticipated strength in global growth conditions, is also exacerbated by a number of additional factors which are mentioned in the previous paragraph.



Although concerns related to the supply conditions intensified in 2004 owing to the unanticipated robust global growth of 5.1 percent, the constructive position taken by the OPEC members contributed to intensifying upward pressures on the oil prices as well as eliminating the risk of higher price volatility. As shown in Table 10, the rise in OPEC supply has increased gradually marking an 11.1 percent rise by April 2005 since the end of 2003 for the OPEC total, 9.5 percent for the OPEC-10 excluding Iraq, and 10.7 percent for OPEC excluding Venezuela.

Table 10: OPEC Crude Oil Production
(1000b/d)

	OPEC-10	OPEC-Venezuela	Total OPEC
2003	25,644	24,660	26,965
2004	27,052	26,488	29,068
2005 January	27,496	26,611	29,309
2005 February	27,596	26,742	29,442
2005 March	27,832	26,978	29,677
2005 April	28,081	27,300	29,953

Source: OPEC, 2005a, p.15

On the other hand, when the supply-demand balance is considered (Table 11), it is noticed that through 2001-2003, the balance figures were either on the verge, i.e. zero, or negative, indicating that world oil supply failed to meet the demand. However, as is evident in the 2004 and 2005 balance figures, mainly the OPEC supply rise gave way to a stock buildup. In this context, both figures realised in 2004 and 2005 do

not justify the gloomy anticipations which contribute to both the upward pressures and the volatility in oil prices.

Though it takes some time to adjust capacity expansion to the increased global demand, the OPEC is undertaking such investments so that its production capacity is expected to achieve 32.7 mb/d⁷. Major capacity investments will take place in Kuwait, Nigeria and the UAE. In addition, for the period 2006-2010, the investments are estimated to add further 3.5-4.0 mb/d⁸.

Table 11: World Oil Demand-Supply Balance
(mb/d)

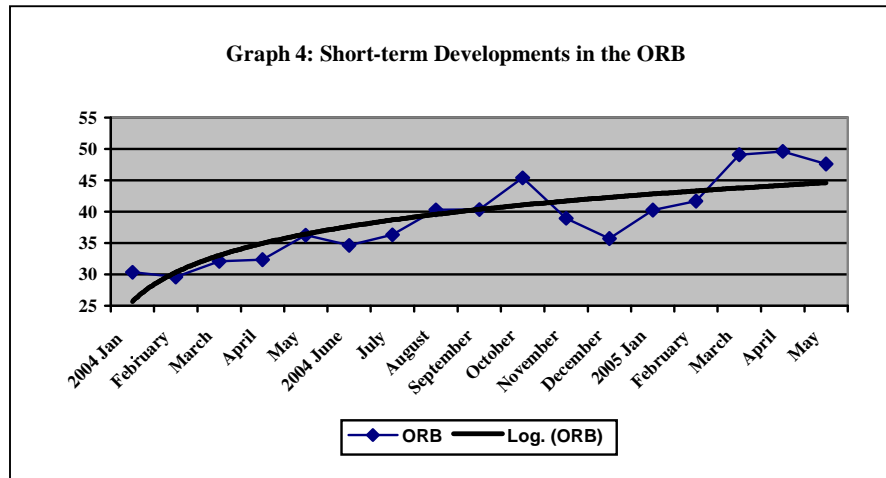
	2000	2001	2002	2003	2004	2005
Total World Demand	76.5	77.2	77.9	79.5	82.1	83.1
- OECD	48.0	48.0	48.1	48.9	49.6	49.6
- Developing Countries	19.3	19.7	20.2	20.5	21.3	21.1
Memo: China	4.7	4.7	5.0	5.6	6.5	6.4
Total Supply	77.0	77.2	76.7	79.3	82.8	84.3
- Total non-OPEC Supply and OPEC NGLs	49.0	50.0	51.4	52.3	53.7	54.4
- OPEC Crude Oil Production	28.0	27.2	25.4	27.0	29.1	29.9
Balance	0.6	0.0	-1.1	-0.2	0.7	1.2

Source: OPEC, 2005a, p.35.

The lower global growth recorded in 2005 and further capacity expansion plans are inevitably supposed to have an effect on the oil prices, provided that unexpected adverse conditions do not erupt. Although it is hard to perceive the effect of those capacity and supply-side initiatives in the face of volatile oil prices, combined with the 4.8 percent global growth rate recorded in 2005, the direction of the developments can be better understood through further analysis. Graph 4 presents a short-term analysis of the OPEC Reference Basket (ORB) from January 2004 through May 2005. The logarithmic trend line shows that the acceleration in the oil prices has entered into a mode of moderation in the last months.

⁷ OPEC (2005b), p.3.

⁸ *ibid*, p.3.



As the nominal oil prices indicate an upward movement since the beginning of 1999, the situation differs in terms of real oil prices⁹. Thus, despite the volatility and increase seen in nominal prices, one cannot speak yet of global risks stemming from the recently observed real oil price level.

The medium-term analysis, which is depicted in the first column of Table 12, shows the UAE, Nigeria and Brunei as the economies whose performances show the highest correlation with the oil price developments in the medium term with 61.5, 46.6 and 46.1 percent, respectively. Those economies are followed by Saudi Arabia with 26.5 percent, Iran with 25.5 percent, Turkmenistan with 23.01 percent, Algeria with 21.4 percent, Libya with 18.9 percent, Azerbaijan with 8.6 percent and Bahrain with 3.6 percent of correlation coefficients. On the other hand, Gabon, Oman, Qatar and Yemen reveal negative correlation coefficients in the medium term. Kuwait shows a negligibly small negative correlation between the output growth and oil prices.

As an additional measure as well as an indicator of the effect of the recent developments in oil prices, it is observed that the results obtained for the period 2001-2004 confirm those obtained for the medium-term analysis for Algeria, Azerbaijan, Bahrain, Iran, Nigeria, Saudi Arabia, the UAE and Yemen.

⁹ <http://www.eia.doe.gov/emeu/steo/pub/fsheets>

Table 12: Correlation of Real GDP Growth Rates and Nominal Oil Price Changes (%)

Period of Calculation	1990-2004*	2001-2004
Algeria	21.43	77.02
Azerbaijan	8.58	60.41
Bahrain	3.64	88.09
Brunei	46.13	-76.69
Gabon	-45.75	22.79
Iran	25.49	63.57
Iraq	---	---
Kuwait	-0.85	75.57
Libya	18.92	-30.78
Nigeria	46.63	30.94
Oman	-20.84	-71.21
Qatar	-15.88	98.54
Saudi Arabia	26.53	77.04
Turkmenistan	23.01	-89.34
UAE	61.50	64.10
Yemen	-23.45	-99.09

*Due to the outlier observations, the medium-term correlation coefficients are calculated as follows: Azerbaijan (1996-2004), Kuwait (1995-2004), Libya (1993-2004), Nigeria (1991-2004) and Turkmenistan (1998-2004).

All these show that the correlation between the oil prices and the economic performances are experienced in the same direction with more intensity. In other words, except for Yemen, whose annual growth seems to move in the opposite direction of the oil prices, all the above-mentioned countries feel intensely the effect of the developments in the oil prices and in the same direction during the recent rally of oil prices. Although a further sectoral analysis is required for the member countries which convey clashing results, the contradiction could stem from the non-linear effects of the oil prices on economies, a concept that commonly appears in the literature of oil economics.

In addition to the overview given in the previous section, the effect of the recent developments on the capacity of financing the foreign trade of the relevant OIC member countries can be observed (Table 13). Out of the countries whose annual growth rates are correlated in the same direction within the two periods analysed, throughout the period 2001-2003, the average annual growth rates are 4.5 percent for Algeria, 10 for Azerbaijan, 5.1 percent for Bahrain, 5.9 percent for Iran, 5 percent for Nigeria, 2.6 percent for Saudi Arabia, 4.1 percent for the

UAE and 3.9 percent for Yemen. When the export/import ratio of those countries are considered, only Saudi Arabia is observed to have increased it with a negligible 1 percentage point. While the ratios of all the other mentioned economies deteriorated, this deterioration was drastic especially in Azerbaijan, Nigeria, the UAE and Yemen. When the performances of exports and imports are analysed separately (Tables A.10 and A.11), falls in export earnings and persistently high growth rates in imports are observed within the period. Thus, the countries which grew in parallel with the oil price developments, except for Yemen which shows just the opposite characteristic, all depict a leaning for high imported inputs for their growth, including Yemen in this regard.

Table 13: Indicators on Foreign Trade Financing
(% share)

	Exports/Imports			Reserves/Imports		
	2001	2002	2003	2001	2002	2003
Algeria	188	157	164	185	197	216
Azerbaijan	161	130	65	63	43	28
Bahrain	220	208	213	46	43	36
Brunei	253	211	330	---	---	---
Gabon	238	264	279	1	12	15
Iran	131	96	103	---	---	---
Iraq	195	157	182	---	---	---
Kuwait	211	183	173	128	105	67
Libya	255	181	225	331	268	320
Nigeria	228	210	162	132	84	48
Oman	184	185	158	41	53	55
Qatar	289	271	273	35	39	60
Saudi Arabia	160	139	161	41	43	42
Turkmenistan	116	132	137	---	---	---
U.A.E.	134	128	89	48	50	27
Yemen	137	118	102	148	159	114

On the other hand, when the ratio of reserves/imports is considered for the mentioned countries, a drastic fall is observed in Azerbaijan, Nigeria, the UAE and Yemen while the 10 percentage points' fall in the ratio of Bahrain is rather modest and the negligible 1 percentage point's increase in the ratio of Saudi Arabia gives a sign of stability. On the

other hand, Algeria's international reserves increased much higher compared to its volume of imports.

All in all, it becomes obvious that the high nominal oil prices witnessed recently have added to the economic activity of the OIC-FECs and this is easily proven for a number of such countries with the calculation of correlation coefficients. Although the pressures on the oil prices stemming from the extraordinarily high global growth performance are about to soothe both as this growth rate enters into a sustainable position and the supply-side risks are eliminated through the addition of new capacities, a thorough analysis gives an indication of a deceleration in the oil prices. Despite this situation, the OIC-FECs with prices lingering at those nominal prices will have a chance to use them as a source of expanding and financing their growth. However, in this case, those countries' reliance on imported merchandise affects their reserve accumulation behaviour as well as their export/import ratios.

5. SUMMARY AND CONCLUDING REMARKS

After a record rate of 5.1 percent in 2004, global growth has decreased to 4.8 percent in 2005. The uneven distribution of growth rates among different regions and the huge imbalances are risk factors in the way of that growth.

Parallel to the developments in the world economy, which has been in an expansionary phase since 2002, the OIC countries also experienced acceleration in their economies. However, while the growth pattern of the OIC-FECs shows volatility, that of the OIC-LDCs seems relatively more stable. On the other hand, the growth of the OIC-MDCs accelerated in the last year. Though the annual patterns attached to each sub-group are as such, the growth averages of each sub-group for the last three years rank as 5.33 percent for the OIC-LDCs, 5.30 percent for the OIC-MDCs and 5.1 percent for the OIC-FECs.

When the structure of the OIC economies is observed during the five year-period of 1999-2003, it is noticed that the share of agriculture in GDP amounts, on average, to 15 percent in the OIC countries as a group. With a 38 percent average share in GDP, industry constitutes an

important source of economic activity in the OIC countries as a group. The figures on the share of the manufacturing sector in GDP indicate the relatively low performance of this sector in most of the OIC economies. At the individual country level, the share of this sector varies from as low as 3 percent in Djibouti to 31 percent in Malaysia. On the other hand, with the highest share in GDP (47 per cent), the services sector plays a major role and constitutes an important source of income in many OIC countries. It is obvious that both the volatility of the production levels as well as the performance in foreign trade are closely related with this structure.

The average OIC per capita GDP (in terms of current US dollars) amounted to US\$ 1,528 in 2004, the highest level during the period under consideration. However, this level was still lower than that of the developing countries of US\$ 1,566 and considerably lower than the world average of US\$ 6,345 in the same year. At the sub-group level, the figures reflect a high level of income divergence and a huge gap between the rich and poor countries. It is observed that the average growth performance of the OIC countries as a group is highly influenced by the developments in the OIC-MDCs and OIC-FECs whose performances are, again, determined by a number of major member economies.

Recently, one of the major developments witnessed on the world scale is the upward movement in oil prices. The high nominal oil prices have added to the economic activity of the OIC-FECs. Those countries will have a chance to use the level reached by the oil prices to expand and finance their growth. However, the analysis reveals that the increased export earnings resulting from the higher oil prices can help the OIC-FECs to activate their economies further owing to the correlation of those economies with the oil price developments. Nevertheless, their reliance on imported merchandise affects their reserve accumulation behaviour as well as their export/import ratios.

As a result of the analyses performed in this year's *Annual Economic Report on the OIC Countries*, it can be seen that the member countries are exposed to a number of challenges. To overcome those challenges and, at the same time, transform the gains into a

sustainable development, a number of recommendations could be listed as follows:

- 1- Member countries whose economic performance shows a close correlation with the developments in oil prices are recommended to take further steps toward sectoral diversification and increasing the share of the manufacturing sector. This would help them reap further benefits from fuel exporting by decreasing the import bill which seems, at the moment, to increase with economic growth.
- 2- On the other hand, the fuel exporting economies whose structures are still in the process of transformation are recommended to cooperate along the guidelines of the Plan of Action with those member states in the course of devising their sectoral networks.
- 3- Any further steps by the OIC-FECs toward establishing more self-sufficient economic structures by diversifying their productive bases are likely to serve as factors of an attractive environment for foreign investments.
- 4- The role of the private sector in the economic development of the OIC member countries should be enhanced through inducing that sector's participation in all the activities of their economies and urging and encouraging businessmen and representatives of the private sector to effectively participate in intra-OIC economic relations, in particular the OIC Private Sector Meetings.
- 5- As the management of imbalances in the global economy entails a gradual tightening of the international liquidity, the reserves built up by many of the OIC countries would help their economies in the situations where funds are further dried up. However, this advantage should be enhanced by the continued implementation of rational policies.
- 6- Considering the constructive position taken by the OPEC, which is made up largely of the OIC-FECs, in the face of the recent supply-demand imbalances in the oil market to ease the pressures and risks

on the global economy, the oil importing countries are also invited to adopt more efficient technologies of energy use to add to such efforts.

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STATISTICAL ANNEX

TABLE A.1: MAJOR RECENT DEVELOPMENTS IN THE WORLD ECONOMY

(Annual percentage change)

Output- Real GDP	2000	2001	2002	2003	2004	2005
World	4.6	2.5	3.0	4.0	5.1	4.8
Developed countries	3.8	1.2	1.6	2.0	3.4	3.0
United States	3.7	0.8	1.9	3.0	4.4	3.4
European Union	3.7	1.8	1.2	1.2	2.5	2.4
Japan	2.4	0.2	-0.3	1.4	2.6	2.8
Newly industrialised Asia	7.9	1.3	5.3	3.1	5.5	5.2
Developing countries	5.8	4.2	4.7	6.4	7.2	6.9
Central and Eastern Europe	4.9	0.2	4.4	4.6	6.1	5.2
Comm. of Indep. States	9.1	6.4	5.4	7.9	8.2	6.0
Africa	3.2	4.0	3.6	4.6	5.1	5.7
Sub-Saharan Africa	3.4	3.9	3.6	4.2	5.1	5.8
Middle East	5.4	3.3	4.1	5.8	5.5	5.7
Developing Asia	6.5	5.8	6.5	8.1	8.2	8.2
Western Hemisphere	3.9	0.5	-0.1	2.2	5.7	4.3
China	8.0	7.5	8.3	9.3	9.5	9.5
Real Domestic Demand						
Developed countries	3.8	1.0	1.7	2.1	3.4	2.9
United States	4.4	0.9	2.5	3.3	4.8	3.4
Euro Area	2.9	1.0	0.4	1.2	2.0	2.1
Japan	1.9	0.7	-0.9	0.8	1.9	2.3
Newly industrialised Asian c.	7.5	-0.3	4.1	-0.3	3.5	3.9
Volume of Trade						
World	12.4	0.2	3.3	4.9	9.9	8.0
Developed countries	11.7	-0.7	2.2	2.8	8.1	6.6
United States	8.7	-5.4	-2.3	1.9	8.5	8.2
Euro Area	12.1	3.4	1.7	0.1	5.8	5.5
Japan	12.2	-6.0	7.2	9.1	14.4	10.4
Newly industrialised Asian c.	17.1	-4.4	9.4	12.9	17.1	9.0
Developing countries	14.4	3.4	6.7	10.7	13.8	10.9
World Trade Prices (1)						
Oil	57.0	-13.8	2.5	15.8	30.7	14.8
Non-fuel primary commodities	4.5	-4.1	0.8	7.1	18.8	10.2
Manufactures	-5.7	-3.2	2.5	13.4	8.8	-1.4
Inflation Rate						
Developed countries	2.2	2.1	1.5	1.8	2.0	2.3
United States	3.4	2.8	1.6	2.3	2.7	3.2
European Union	2.5	2.5	2.2	2.0	2.2	2.2
Japan	-0.9	-0.7	-1.0	-0.2		0.3
Developing countries	7.1	6.7	6.0	6.0	5.7	5.4
US Dollar Exchange Rate (2)						
Euro	1.082	1.116	1.059	0.884	0.805	0.837
Pound sterling	0.660	0.694	0.666	0.612	0.546	0.571
Japanese yen	107.7	121.5	125.2	115.8	108.1	116.9
Long-term Interest Rate (3)						
Developed countries	5.0	4.4	4.2	3.7	3.9	3.9
United States	6.0	5.0	4.6	4.0	4.3	4.6
Euro Area	5.5	5.0	4.9	4.2	4.2	3.6
Japan	1.7	1.3	1.3	1.0	1.5	1.8
Unemployment Rate						
Developed countries	5.8	5.9	6.4	6.6	6.3	5.8
United States	4.0	4.8	5.8	6.0	5.5	4.9
Euro Area	8.2	7.8	8.2	8.7	8.8	8.1
Japan	4.7	5.0	5.4	5.3	4.7	4.1
Newly industrialised Asian c.	3.9	4.1	4.1	4.3	4.1	3.7

Source: IMF, World Economic Outlook, April 2005. (1) In US dollars. (2) Nominal exchange rate (national currency units per US dollar). (3) Long-term interest rate (period average).

TABLE A.2: TOTAL POPULATION (Millions)

	2000	2001	2002	2003	2004
Afghanistan*	26.55	27.26	27.99	28.27	28.86
Bangladesh	137.95	140.88	143.81	146.48	149.21
Benin	6.30	6.48	6.66	7.04	7.23
Burkina Faso	11.27	11.55	11.85	12.14	12.44
Chad	7.48	7.66	7.86	8.05	8.25
Comoros	0.57	0.58	0.60	0.62	0.63
Djibouti	0.74	0.77	0.79	0.81	0.84
Gambia	1.33	1.36	1.40	1.43	1.47
Guinea	8.27	8.51	8.76	9.01	9.27
Guinea-Bissau	1.20	1.22	1.29	1.31	1.35
Maldives	0.29	0.30	0.31	0.32	0.32
Mali	11.14	11.39	11.66	11.92	12.20
Mauritania	2.65	2.71	2.78	2.84	2.91
Mozambique	17.21	17.65	18.08	18.54	19.00
Niger	10.78	11.12	11.46	11.81	12.18
Senegal	9.39	9.62	9.85	10.13	10.41
Sierra Leone	4.79	4.92	5.05	5.18	5.31
Somalia*	8.72	9.02	9.32	9.51	9.78
Sudan	31.10	31.91	32.74	33.59	34.46
Togo	4.80	4.95	5.10	5.26	5.42
Uganda	22.59	23.36	24.17	25.00	25.86
Yemen	21.16	22.05	22.97	23.92	24.91
OIC-LDC	346.27	355.27	364.46	373.19	382.34
Albania	3.40	3.43	3.46	3.49	3.53
Cameroon	15.33	15.76	16.42	16.88	17.36
Côte d'Ivoire	16.40	16.94	17.50	18.08	18.67
Egypt	63.98	65.30	66.63	67.98	69.33
Guyana	0.74	0.75	0.75	0.75	0.75
Indonesia	210.14	212.87	215.64	218.44	221.28
Jordan	5.04	5.18	5.33	5.48	5.64
Kazakhstan	14.80	14.85	14.86	14.86	15.01
Kyrgyz Rep.	4.92	4.96	5.01	5.05	5.10
Lebanon	3.45	3.52	3.59	3.66	3.73
Malaysia	23.49	24.01	24.53	24.99	25.47
Morocco	28.70	29.17	29.64	30.11	30.58
Pakistan	138.94	141.76	144.56	147.33	150.11
Palestine*	3.27	3.34	3.41	3.52	3.60
Suriname	0.44	0.44	0.45	0.46	0.46
Syria	16.32	16.76	17.21	17.68	18.16
Tajikistan	6.13	6.18	6.23	6.27	6.30
Tunisia	9.56	9.67	9.78	9.88	10.01
Turkey	64.06	65.04	66.63	69.48	70.59
Uzbekistan	24.60	24.92	25.24	25.57	25.90
OIC-MDC	653.72	664.86	676.87	689.97	701.58
Algeria	30.42	30.88	31.36	31.84	32.31
Azerbaijan	8.08	8.15	8.21	8.28	8.34
Bahrain	0.69	0.71	0.73	0.75	0.78
Brunei	0.34	0.34	0.34	0.35	0.36
Gabon	1.21	1.24	1.27	1.30	1.33
Iran	63.86	64.95	66.05	67.17	68.32
Iraq*	23.22	23.68	24.17	24.89	25.47
Kuwait	2.22	2.31	2.42	2.55	2.65
Libya	5.24	5.34	5.45	5.56	5.67
Nigeria	128.06	131.57	135.16	138.86	142.65
Oman	2.24	2.27	2.30	2.33	2.38
Qatar	0.62	0.65	0.68	0.72	0.76
Saudi Arabia	22.15	22.83	23.52	24.23	24.95
Turkmenistan	4.64	4.72	4.79	4.87	4.94
U.A.E.	3.25	3.49	3.75	4.04	4.35
OIC-FEC	296.23	303.11	310.21	317.73	325.26
OIC	1,296.21	1,323.24	1,351.54	1,380.88	1,409.17
World	6,084.00	6,164.00	6,245.00	6,327.00	6,410.00
Developed Countries	988.00	996.00	1,004.00	1,012.00	1,020.00
Developing Countries	5,096.00	5,168.00	5,241.00	5,315.00	5,390.00

Source: IMF, World Economic Outlook, April 2005. (*) 2004 estimations.

TABLE A.3: GDP AT CURRENT PRICES (Billion US Dollars)

	2000	2001	2002	2003	2004
Afghanistan	..	..	..	..	..
Bangladesh	47,048	47,194	49,551	52,519	56,155
Benin	2,277	2,374	2,705	3,482	4,085
Burkina Faso	2,612	2,857	3,275	4,300	5,130
Chad	1,395	1,669	2,001	2,604	4,321
Comoros	0,204	0,220	0,248	0,318	0,368
Djibouti	0,553	0,574	0,592	0,625	0,663
Gambia	0,421	0,418	0,370	0,352	0,406
Guinea	3,112	3,039	3,210	3,630	3,774
Guinea-Bissau	0,215	0,199	0,204	0,239	0,281
Maldives	0,624	0,625	0,641	0,691	0,753
Mali	2,674	3,018	3,343	4,428	4,928
Mauritania	0,956	0,966	0,988	1,164	1,346
Mozambique	3,628	3,435	3,600	4,321	5,548
Niger	1,803	1,947	2,177	2,736	3,141
Senegal	4,495	4,564	4,998	6,422	7,627
Sierra Leone	0,634	0,806	0,936	0,990	1,070
Somalia	..	..	..	..	..
Sudan	12,191	13,618	15,374	17,791	21,270
Togo	1,333	1,301	1,449	1,698	2,032
Uganda	5,929	5,681	5,860	6,299	6,841
Yemen	9,561	9,533	9,985	11,211	12,903
OIC-LDC	101,665	104,038	111,507	125,820	142,642
Albania	3,687	4,098	4,494	5,720	7,513
Cameroon	8,854	8,501	9,863	12,499	14,431
Côte d'Ivoire	10,630	10,745	11,733	14,206	15,917
Egypt	99,155	95,399	87,506	81,384	77,032
Guyana	0,712	0,697	0,723	0,745	0,772
Indonesia	165,021	164,390	200,550	238,521	257,872
Jordan	8,447	8,940	9,449	9,952	10,972
Kazakhstan	18,295	22,135	24,599	30,834	40,754
Kyrgyz Rep.	1,368	1,526	1,608	1,911	2,167
Lebanon	16,399	16,660	17,292	18,042	19,513
Malaysia	90,320	88,001	95,164	103,737	117,776
Morocco	33,335	33,901	36,093	43,727	49,816
Pakistan	61,128	57,363	64,036	73,593	82,612
Palestine	..	..	..	..	..
Suriname	0,890	0,764	0,952	1,020	1,106
Syria	18,955	19,850	20,672	21,290	23,745
Tajikistan	0,991	1,057	1,212	1,555	2,073
Tunisia	19,456	19,977	21,024	25,038	28,568
Turkey	204,888	153,523	184,829	239,822	300,087
Uzbekistan	13,701	11,632	9,657	8,728	9,720
OIC-MDC	776,232	719,159	801,456	932,324	1,062,446
Algeria	54,422	54,935	55,906	66,484	81,463
Azerbaijan	5,273	5,708	6,236	7,138	8,540
Bahrain	7,966	7,927	8,415	9,133	10,754
Brunei	4,316	4,176	4,406	4,830	5,554
Gabon	5,096	4,709	4,960	6,066	7,276
Iran	96,440	115,136	117,162	138,073	168,971
Iraq	..	..	..	..	..
Kuwait	36,878	34,070	35,181	41,750	51,804
Libya	34,496	29,992	19,346	23,632	29,027
Nigeria	45,737	47,683	46,090	56,900	71,326
Oman	19,868	19,949	20,310	21,593	24,593
Qatar	17,760	17,741	19,707	23,604	28,451
Saudi Arabia	188,693	183,257	188,803	214,748	248,813
Turkmenistan	4,932	6,754	8,700	10,713	12,208
U. A. E.	70,249	69,546	71,711	80,425	95,721
OIC-FEC	592,126	601,583	606,933	705,089	844,501
OIC	1,470,023	1,424,780	1,519,896	1,763,233	2,049,589
World	31,455,180	31,195,306	32,410,025	36,327,444	40,670,538
Developed Countries	25,264,271	24,918,219	26,003,093	29,115,542	32,228,069
Developing Countries	6,190,910	6,277,087	6,406,932	7,211,902	8,442,469

Source: IMF, World Economic Outlook, April 2005.

TABLE A.4: PER CAPITA GDP (Current US Dollars)

	2000	2001	2002	2003	2004
Afghanistan					
Bangladesh	341	335	345	359	376
Benin	361	366	406	495	565
Burkina Faso	232	247	276	354	412
Chad	187	218	255	323	523
Comoros	359	378	413	517	582
Djibouti	744	750	751	770	793
Gambia	318	307	265	246	276
Guinea	376	357	367	403	407
Guinea-Bissau	180	163	159	182	208
Maldives	2168	2105	2095	2191	2318
Mali	240	265	287	371	404
Mauritania	361	357	356	409	462
Mozambique	211	195	199	233	292
Niger	167	175	190	232	258
Senegal	479	474	507	634	733
Sierra Leone	132	164	185	191	201
Somalia					
Sudan	392	427	470	530	617
Togo	278	263	284	323	375
Uganda	263	243	242	252	265
Yemen	452	432	435	469	518
OIC-LDC	327	326	341	375	415
Albania	1084	1194	1298	1637	2131
Cameroon	578	540	601	740	831
Côte d'Ivoire	648	634	670	786	852
Egypt	1550	1461	1313	1197	1111
Guyana	957	933	965	992	1024
Indonesia	785	772	930	1092	1165
Jordan	1676	1725	1773	1816	1947
Kazakhstan	1236	1491	1655	2075	2715
Kyrgyz Republic	278	308	321	378	425
Lebanon	4753	4734	4817	4928	5225
Malaysia	3844	3665	3880	4151	4625
Morocco	1161	1162	1218	1452	1629
Pakistan	440	405	443	499	550
Palestine					
Suriname	2031	1722	2119	2242	2401
Syria	1161	1184	1201	1204	1308
Tajikistan	162	171	195	248	329
Tunisia	2034	2065	2149	2535	2855
Turkey	3198	2360	2774	3452	4251
Uzbekistan	557	467	383	341	375
OIC-MDC	1193	1087	1190	1358	1522
Algeria	1789	1779	1783	2088	2521
Azerbaijan	653	701	760	862	1024
Bahrain	11545	11154	11495	12113	13848
Brunei Darussalam	12755	12121	12930	13848	15612
Gabon	4228	3811	3917	4674	5469
Iran	1510	1773	1774	2055	2473
Kuwait	16612	14749	14538	16394	19559
Libya	6587	5616	3551	4253	5121
Nigeria	357	362	341	410	500
Oman	8879	8795	8832	9262	10339
Qatar	28519	27344	28858	32840	37610
Saudi Arabia	8519	8027	8027	8865	9972
Turkmenistan	1062	1431	1815	2201	2469
U. A. E.	21635	19939	19103	19902	22017
OIC-FEC	2169	2153	2122	2408	2817
OIC Countries	1191	1131	1181	1341	1528
World *	5170	5061	5190	5742	6345
Developed Countries *	25571	25018	25899	28770	31596
Developing Countries *	1215	1215	1222	1357	1566

Source: IMF, World Economic Outlook, April 2005.

TABLE A.5: STRUCTURE OF OUTPUT (% of GDP, average 1999-2003)

	Agriculture	Industrv	Manufacturing	Services
Afghanistan	53	24	18	23
Bangladesh	25	26	16	49
Benin	37	14	9	49
Burkina Faso	34	17	12	49
Chad	39	15	13	46
Comoros	40	11	4	49
Djibouti	4	16	3	80
Gambia	31	13	5	56
Guinea	24	37	6	39
Guinea-Bissau	60	13	10	27
Maldives	16	16	7	68
Mali	41	22	4	37
Mauritania	23	30	9	47
Mozambique	28	27	13	45
Niger	40	17	7	43
Senegal	18	21	13	61
Sierra Leone	48	30	5	22
Somalia	..	..	..	..
Sudan	40	18	9	42
Togo	40	21	9	39
Uganda	37	20	10	43
Yemen	16	41	7	43
OIC-LDC Average	28	25	12	47
Albania	30	18	11	52
Cameroon	42	20	11	38
Cote d'Ivoire	24	22	15	54
Egypt	17	32	19	51
Guyana	33	29	9	38
Indonesia	18	45	25	37
Jordan	2	26	16	72
Kazakhstan	9	37	16	54
Kyrgyz Republic	38	27	10	35
Lebanon	12	22	10	66
Malaysia	10	47	31	43
Morocco	16	31	17	53
Pakistan	26	23	16	51
Palestine	8	21	14	71
Suriname	11	23	9	66
Syria	25	28	24	47
Tajikistan	27	28	23	45
Tunisia	12	29	18	59
Turkey	15	26	16	59
Uzbekistan	33	24	10	43
OIC-MDC Average	17	33	20	50
Algeria	11	52	9	37
Azerbaijan	17	45	13	38
Bahrain	1	46	17	53
Brunei	3	38	9	59
Gabon	7	47	5	46
Iran	17	34	16	49
Iraq (*)	15	37	10	48
Kuwait	1	53	11	46
Libya	8	52	7	40
Nigeria	35	36	5	29
Oman	2	48	5	50
Qatar	1	55	8	44
Saudi Arabia	5	49	10	46
Turkmenistan	28	48	26	24
U.A.E	3	55	8	42
OIC-FEC Average	10	47	10	43
OIC Average	15	38	15	47

Source: World Development Indicators 2005.

(*) Since GDP of Iraq for 2000 is unavailable, the data for that country is not included in calculating the sub-group and OIC-total averages.

TABLE A.6: REAL GDP GROWTH RATES (In percent)

	2000	2001	2002	2003	2004
Afghanistan			28.6	15.7	7.5
Bangladesh	5.6	4.8	4.9	5.4	5.4
Benin	5.8	5	6	4.8	3
Burkina Faso	3.1	6.7	5.2	8	4.8
Chad	-0.6	9.9	9.9	11.3	30.5
Comoros	2.4	2.3	2.3	2.1	1.9
Djibouti	0.7	1.9	2.6	3.5	3
Gambia	5.5	5.8	-3.2	6.7	7.7
Guinea	1.9	4	4.2	1.2	2.5
Guinea-Bissau	7.5	0.2	-7.2	0.6	4.3
Maldives	4.8	3.5	6.5	8.4	8.8
Mali	-3.2	12.1	4.3	7.4	2.2
Mauritania	5.2	4.4	4.1	6.6	5.2
Mozambique	1.6	13	7.4	7.1	7.8
Niger	-1.4	7.1	3	5.3	0.9
Senegal	3	4.7	1.1	6.5	6
Sierra Leone	3.8	18.1	27.5	8.6	7.4
Somalia	..	..	..	..	..
Sudan	6.9	6.1	6	6	7.3
Togo	-0.4	0.6	4.5	4.4	2.9
Uganda	5.6	4.9	6.8	4.7	5.9
Yemen	4.4	4.6	3.9	3.1	2.7
OIC-LDC Average	4.6	5.6	5.1	5.4	5.5
Albania	7.3	7.2	3.4	6	5.9
Cameroon	4.2	5.3	6.5	4.5	4.3
Côte d'Ivoire	-2.2	0.1	-1.5	-1.6	-0.9
Egypt	5.4	3.5	3.2	3.1	4.1
Guyana	-1.3	2.3	1.1	-0.7	1.6
Indonesia	4.9	3.8	4.4	4.9	5.1
Jordan	4.1	4.9	4.8	3.3	6.7
Kazakhstan	9.8	13.5	9.8	9.3	9.4
Kyrgyz Republic	5.4	5.3	0	6.9	6
Lebanon	-0.5	2	2	3	5
Malaysia	8.9	0.3	4.1	5.3	7.1
Morocco	1	6.3	3.2	5.2	3.5
Pakistan	3.4	2.7	3.2	5.6	6.5
Palestine	..	..	..	..	..
Suriname	-0.1	4.5	3	5.3	4.6
Syria	0.6	3.8	4.2	2.6	3.4
Tajikistan	8.3	10.2	9.1	10.2	10.6
Tunisia	4.7	4.9	1.7	5.6	5.8
Turkey	7.4	-7.5	7.9	5.9	8
Uzbekistan	3.2	4.1	3.1	1.5	7.1
OIC-MDC Average	5.6	0.6	4.9	4.9	6.1
Algeria	2.1	2.6	4	6.9	5.3
Azerbaijan	10.3	9.6	9.7	10.8	10.1
Bahrain	5.3	4.5	5.1	5.7	5.5
Brunei Darussalam	2.8	3.1	2.8	3.1	1.1
Gabon	-1.9	2	0	2.6	1.9
Iran	5.1	3.7	7.5	6.6	6.6
Kuwait	1.9	0.7	-0.5	9.7	7.2
Libya	2.4	2.9	3.7	5.3	0.9
Nigeria	5.4	3.1	1.5	10.7	3.5
Oman	5.5	7.5	1.7	1.4	2.5
Qatar	9.1	4.5	7.3	8.5	9.9
Saudi Arabia	4.9	0.5	0.1	7.2	5.3
Turkmenistan	18.6	20.4	19.8	16.9	7.5
U.A.E.	12.3	3.5	1.9	7	5.7
OIC-FEC Average	5.5	2.6	2.8	7.2	5.3
OIC Average	5.5	1.8	4.1	5.9	5.7
World Average	4.6	2.5	3	4	5.1
Developed Countries	3.8	1.2	1.6	2	3.4
Developing Countries	5.8	4.2	4.7	6.4	7.2

Source: IMF, World Economic Outlook, April 2005.

TABLE A.7: AVERAGE INFLATION RATES
(% change in annual average consumer price indices)

	2000	2001	2002	2003	2004
Afghanistan	14	-43.4	52.3	10.3	13
Bangladesh	2.2	1.5	3.8	5.4	6.1
Benin	3	4	2.4	1.5	2.6
Burkina Faso	-0.3	4.9	2.3	2	-0.4
Chad	3.8	12.4	5.2	-1.8	-4.8
Comoros	4.6	5.9	3.3	4.4	4.3
Djibouti	2.4	1.8	0.6	2	3
Gambia	0.9	4.5	8.6	17	14.6
Guinea	6.8	5.4	3	12.9	17.5
Guinea-Bissau	8.6	3.3	3.3	3	3
Maldives	-1.2	0.7	0.9	-2.9	6.4
Mali	-0.7	5.2	2.4	-1.3	-3.1
Mauritania	3.3	4.7	3.9	5.5	10.4
Mozambique	12.7	9	16.8	13.4	12.6
Niger	2.9	4	2.7	-1.8	0.4
Senegal	0.7	3	2.3	0	0.5
Sierra Leone	-0.9	2.6	-3.7	8.2	13.7
Somalia	..	..	..	..	..
Sudan	8	4.9	8.3	7.7	8.4
Togo	1.9	3.9	3.1	-0.9	1.2
Uganda	4.5	-2	5.7	5.1	5.9
Yemen	10.9	11.9	12.2	10.8	12.5
OIC-LDC Average	4.2	3.7	5.4	5.8	6.6
Albania	0	3.1	5.2	2.4	2.9
Cameroon	0.8	2.8	6.3	0.6	0.3
Côte d'Ivoire	2.5	4.4	3.1	3.3	1.5
Egypt	2.8	2.4	2.4	3.2	8.1
Guyana	6.1	2.7	5.4	6	4.7
Indonesia	3.8	11.5	11.8	6.8	6.1
Jordan	0.7	1.8	1.8	2.3	3.4
Kazakhstan	13.3	8.3	5.9	6.4	6.9
Kyrgyz Republic	18.7	6.9	2.1	3.1	4.1
Lebanon	-0.4	-0.4	1.8	1.3	3
Malaysia	1.5	1.4	1.8	1.1	1.4
Morocco	1.9	0.6	2.8	1.2	2
Pakistan	4.4	3.1	3.2	2.9	6.7
Palestine	..	..	..	..	..
Suriname	58.6	39.8	15.5	23.1	9
Syria	-3.9	3	0.6	5	3.5
Tajikistan	32.9	38.6	12.2	16.4	7.1
Tunisia	3	1.9	2.8	2.8	3.6
Turkey	54.3	53.9	44.8	25.3	10.6
Uzbekistan	49.5	47.5	44.3	14.8	8.8
OIC-MDC Average	17.5	18.8	16.5	9.7	6.6
Algeria	0.3	4.2	1.4	2.6	3.6
Azerbaijan	1.8	1.5	2.8	2.2	8.1
Bahrain	-3.6	-1.2	-0.5	1.6	4.9
Brunei Darussalam	1.2	0.6	-2.3	0.3	0.9
Gabon	0.4	2.1	0.2	2.1	1
Iran	12.6	11.4	15.8	15.6	15.6
Kuwait	1.6	1.4	0.8	1	1.8
Libya	-2.9	-8.8	-9.9	-2.1	-1
Nigeria	6.9	18	13.7	14	15
Oman	-1.2	-1.1	-0.6	-0.4	1.6
Qatar	1.7	1.4	1	2.3	7.5
Saudi Arabia	-0.6	-0.8	0.2	0.6	0.2
Turkmenistan	8	11.6	8.8	5.6	5.9
U.A.E.	1.4	2.8	3.1	2.8	3.8
OIC-FEC Average	2.6	3.4	3.8	4.5	5.1
OIC Average	10.5	11.5	10.6	7.3	6
Developed Countries	2.2	2.1	1.5	1.8	2
Developing Countries	7.1	6.7	6	6	5.7

Source: IMF, World Economic Outlook, April 2005.

TABLE A.8: TOTAL MERCHANDISE EXPORTS
(FOB, Million US Dollars)

	2000	2001	2002	2003	2004
Afghanistan	142	90	89	211	185
Bangladesh	5590	5736	5443	6229	7586
Benin	196	591	242	277	357
Burkina Faso	171	173	173	247	370
Chad	86	75	63	91	1110
Comoros	16	38	29	33	34
Djibouti	137	198	155	196	250
Gambia	41	27	31	18	41
Guinea	617	543	828	629	560
Guinea-Bissau	112	125	96	75	116
Maldives	76	77	91	113	123
Mali	234	153	162	215	323
Mauritania	368	362	401	424	539
Mozambique	364	704	682	1044	1504
Niger	196	162	169	200	223
Senegal	693	784	949	1159	1269
Sierra Leone	126	55	105	140	185
Somalia	62	71	108	144	241
Sudan	1625	1755	1887	2609	3774
Togo	190	220	249	416	554
Uganda	400	451	465	532	687
Yemen	4077	3370	3271	3740	4144
OIC-LDC	15516	15757	15684	18741	24174
Albania	260	305	330	446	535
Cameroon	1832	1749	1801	2240	3447
Côte d'Ivoire	3850	3887	4963	5493	5991
Egypt	6332	4140	6970	8344	12100
Guyana	597	578	547	579	654
Indonesia	62102	56302	57144	60995	71546
Jordan	1284	2292	2770	3081	3530
Kazakhstan	9876	9085	9670	12927	20814
Kyrgyz Rep.	504	476	486	582	703
Lebanon	714	987	1017	1189	1930
Malaysia	98153	88198	93386	104966	126507
Morocco	7418	7233	7839	8765	9738
Pakistan	8870	9205	9883	11929	13284
Palestine	..	..	..	..	..
Suriname	499	498	476	584	881
Syria	4759	6141	6495	5901	23586
Tajikistan	770	652	737	791	915
Tunisia	5996	6609	6798	8027	9679
Turkey	27769	31320	36034	47221	62923
Uzbekistan	2181	2079	1562	1974	2524
OIC-MDC	243765	231734	248906	286034	371287
Algeria	20540	18319	18528	24939	31882
Azerbaijan	1745	2314	2167	1863	2391
Bahrain	7693	8215	8376	10263	13524
Brunei	3161	3336	3439	4422	4514
Gabon	3793	3502	3061	3672	4473
Iran	26891	24219	22090	31683	40921
Iraq	14916	11063	9134	8140	16130
Kuwait	18780	16188	15496	18715	25513
Libya	12716	11337	9879	13763	19314
Nigeria	27042	18045	18340	24061	32757
Oman	10667	10681	11127	10362	12840
Qatar	11593	10868	10977	13380	18546
Saudi Arabia	74781	68672	66086	86298	112507
Turkmenistan	2505	2555	2816	3449	3810
U.A.E.	40626	39759	38971	49899	67086
OIC-FEC	277449	249073	240486	304909	406208
OIC Countries	536730	496564	505076	609684	801668
World Total	6384900	6140400	6427500	7498700	9099300
Developed Countries	4028100	3914400	4034000	4638800	5452800
Developing Countries	2354300	2223400	2391100	2857500	3643100

Source: Direction of Trade Statistics, 2005.

TABLE A.9: TOTAL MERCHANDISE IMPORTS
(CIF, Million US Dollars)

	2000	2001	2002	2003	2004
Afghanistan	633	578	1040	1608	2002
Bangladesh	9001	9011	7848	9672	11590
Benin	563	622	721	1803	2028
Burkina Faso	497	509	650	859	1019
Chad	139	366	463	351	409
Comoros	63	82	97	126	115
Djibouti	617	642	677	820	987
Gambia	334	399	412	506	575
Guinea	533	499	877	694	1114
Guinea-Bissau	106	108	102	159	176
Maldives	389	393	391	471	645
Mali	1285	1390	1383	1523	1858
Mauritania	652	711	882	1000	1124
Mozambique	1046	1063	1270	1740	2035
Niger	774	325	396	495	588
Senegal	1463	1727	1958	2403	2834
Sierra Leone	316	418	496	602	531
Somalia	326	347	371	427	576
Sudan	1479	1894	2196	2723	4086
Togo	324	355	397	563	1720
Uganda	955	1005	1029	1372	1452
Yemen	2323	2466	2777	4365	5844
OIC-LDC	23817	24908	26429	34281	43308
Albania	1091	1331	1504	1864	2300
Cameroon	1490	1851	1805	1789	2252
Côte d'Ivoire	2734	2794	2595	3516	3495
Egypt	22038	12720	19894	21418	27966
Guyana	650	708	562	584	609
Indonesia	35511	30959	31285	32544	46521
Jordan	4597	4871	5076	5743	8164
Kazakhstan	5048	6478	6584	8409	14776
Kyrgyz Rep.	555	465	587	712	1341
Lebanon	6228	6374	6253	7631	9208
Malaysia	82195	73352	79506	82726	104294
Morocco	11531	11471	11833	14200	17624
Pakistan	10721	10165	11238	13049	17756
Palestine	..	..	..	..	..
Suriname	480	666	595	681	750
Syria	5398	6403	7142	8588	26331
Tajikistan	671	680	710	881	1191
Tunisia	8601	9570	9528	10951	12724
Turkey	54502	41393	51543	69327	97337
Uzbekistan	2072	2293	2076	2487	3144
OIC-MDC	256112	224545	250316	287099	397784
Algeria	9027	9750	11809	15382	20715
Azerbaijan	1172	1434	1666	2882	4242
Bahrain	3542	3686	4054	4839	5883
Brunei	1427	1315	1629	1341	1641
Gabon	1396	1447	1144	1353	1614
Iran	14347	17690	22324	30619	38257
Iraq	3414	5619	6068	4452	10231
Kuwait	7365	7732	8804	11414	12983
Libya	4018	4425	5517	6102	8120
Nigeria	5823	7926	8727	14936	20282
Oman	5039	5797	6005	6572	7704
Qatar	3252	3758	4051	4897	6052
Saudi Arabia	30298	43076	48507	54291	44745
Turkmenistan	1788	2210	2128	2511	2737
U.A.E.	25464	29608	30353	38827	74268
OIC-FEC	117372	145472	162785	200418	259474
OIC Countries	397301	394926	439530	521797	700565
World Total	6595300	6392000	6640300	7757500	9470000
Developed Countries	4377000	4221800	4328300	5021400	5949300
Developing Countries	2212500	2163400	2306700	2730500	3513900

Source: Direction of Trade Statistics, 2005.

TABLE A.10: TOTAL MERCHANDISE EXPORTS
(FOB, Annual % change)

	2000	2001	2002	2003	2004
Afghanistan	15.2	-36.7	-0.8	137.7	-12.2
Bangladesh	23.7	2.6	-5.1	14.4	21.8
Benin	-5.6	202.1	-59.1	14.7	29.1
Burkina Faso	-4.8	1.4	-0.1	43.0	49.4
Chad	-12.3	-12.8	-16.1	45.3	1114.2
Comoros	34.8	141.9	-24.0	15.1	4.9
Djibouti	-9.7	45.3	-22.0	26.9	27.5
Gambia	397.6	-34.8	15.0	-39.9	120.7
Guinea	25.8	-12.1	52.6	-24.1	-11.0
Guinea-Bissau	95.5	11.4	-23.4	-21.8	54.8
Maldives	19.1	0.5	18.4	24.3	9.0
Mali	-6.8	-34.8	6.2	32.2	50.4
Mauritania	-10.4	-1.7	10.8	5.8	27.1
Mozambique	34.4	93.2	-3.1	53.1	44.1
Niger	9.5	-17.0	3.8	18.4	11.4
Senegal	-15.2	13.1	21.1	22.2	9.5
Sierra Leone	1895.2	-55.9	88.8	34.2	31.6
Somalia	-46.7	13.9	52.4	33.5	67.8
Sudan	130.3	8.0	7.5	38.3	44.6
Togo	-18.9	16.2	13.0	66.9	33.3
Uganda	3.9	12.8	3.1	14.4	29.2
Yemen	67.2	-17.3	-2.9	14.3	10.8
OIC-LDC	32.3	1.6	-0.5	19.5	29.0
Albania	-5.6	17.2	8.2	35.4	20.0
Cameroon	14.5	-4.6	3.0	24.4	53.9
Côte d'Ivoire	-8.5	1.0	27.7	10.7	9.1
Egypt	79.1	-34.6	68.4	19.7	45.0
Guyana	-2.4	-3.3	-5.3	5.8	12.8
Indonesia	27.6	-9.3	1.5	6.7	17.3
Jordan	3.9	78.4	20.9	11.3	14.6
Kazakhstan	76.4	-8.0	6.4	33.7	61.0
Kyrgyz Rep.	11.0	-5.5	2.0	19.8	20.8
Lebanon	5.6	38.2	3.1	16.9	62.3
Malaysia	16.1	-10.1	5.9	12.4	20.5
Morocco	-9.4	-2.5	8.4	11.8	11.1
Pakistan	5.1	3.8	7.4	20.7	11.4
Palestine	..	..	..	..	..
Suriname	-15.0	-0.1	-4.6	22.8	50.9
Syria	37.4	29.0	5.8	-9.1	299.7
Tajikistan	11.8	-15.4	13.1	7.3	15.7
Tunisia	-17.5	10.2	2.9	18.1	20.6
Turkey	4.5	12.8	15.1	31.0	33.3
Uzbekistan	11.1	-4.7	-24.9	26.4	27.8
OIC-MDC	16.9	-4.9	7.4	14.9	29.8
Algeria	61.2	-10.8	1.1	34.6	27.8
Azerbaijan	87.7	32.6	-6.3	-14.1	28.4
Bahrain	17.5	6.8	2.0	22.5	31.8
Brunei	23.9	5.5	3.1	28.6	2.1
Gabon	12.8	-7.7	-12.6	20.0	21.8
Iran	27.9	-9.9	-8.8	43.4	29.2
Iraq	54.0	-25.8	-17.4	-10.9	98.2
Kuwait	47.5	-13.8	-4.3	20.8	36.3
Libya	59.7	-10.8	-12.9	39.3	40.3
Nigeria	104.4	-33.3	1.6	31.2	36.1
Oman	50.4	0.1	4.2	-6.9	23.9
Qatar	86.4	-6.3	1.0	21.9	38.6
Saudi Arabia	53.0	-8.2	-3.8	30.6	30.4
Turkmenistan	111.0	2.0	10.2	22.5	10.5
U.A.E.	44.6	-2.1	-2.0	28.0	34.4
OIC-FEC	52.2	-10.2	-3.4	26.8	33.2
OIC	33.3	-7.5	1.7	20.7	31.5
World Total	12.7	-3.8	4.7	16.7	21.3
Developed Countries	7.1	-2.8	3.1	15.0	17.5
Developing Countries	23.9	-5.6	7.5	19.5	27.5

Source: Direction of Trade Statistics, 2005.

TABLE A.11: TOTAL MERCHANDISE IMPORTS
(CIF, Annual % change)

	2000	2001	2002	2003	2004
Afghanistan	29.1	-8.8	80.0	54.7	24.5
Bangladesh	7.8	0.1	-12.9	23.2	19.8
Benin	-33.3	10.6	15.9	150.1	12.5
Burkina Faso	-17.4	2.3	27.7	32.3	18.6
Chad	-0.1	163.2	26.5	-24.2	16.6
Comoros	-10.0	30.2	18.5	29.1	-8.7
Djibouti	0.0	4.1	5.3	21.2	20.4
Gambia	72.3	19.2	3.4	22.7	13.7
Guinea	-4.5	-6.4	75.8	-20.8	60.4
Guinea-Bissau	17.2	2.7	-5.9	55.8	10.7
Maldives	-3.2	1.0	-0.6	20.5	37.0
Mali	2.5	8.2	-0.5	10.2	22.0
Mauritania	7.9	9.1	24.1	13.3	12.4
Mozambique	-12.8	1.6	19.4	37.1	16.9
Niger	145.7	-58.0	21.8	25.1	18.8
Senegal	-9.0	18.1	13.4	22.7	17.9
Sierra Leone	58.6	32.3	18.7	21.4	-11.8
Somalia	14.4	6.5	7.0	15.0	34.9
Sudan	-6.2	28.1	15.9	24.0	50.1
Togo	-5.3	9.6	11.7	42.0	205.4
Uganda	16.9	5.2	2.3	33.4	5.9
Yemen	15.7	6.2	12.6	57.2	33.9
OIC-LDC	5.5	4.6	6.1	29.7	26.3
Albania	-4.3	22.0	13.0	24.0	23.4
Cameroon	13.1	24.2	-2.5	-0.9	25.9
Côte d'Ivoire	-10.3	2.2	-7.1	35.5	-0.6
Egypt	38.1	-42.3	56.4	7.7	30.6
Guyana	1.9	8.9	-20.6	3.8	4.3
Indonesia	48.0	-12.8	1.1	4.0	42.9
Jordan	25.4	6.0	4.2	13.1	42.1
Kazakhstan	37.0	28.3	1.6	27.7	75.7
Kyrgyz Rep.	-9.2	-16.3	26.4	21.2	88.4
Lebanon	0.4	2.4	-1.9	22.0	20.7
Malaysia	25.5	-10.8	8.4	4.1	26.1
Morocco	-3.4	-0.5	3.2	20.0	24.1
Pakistan	4.1	-5.2	10.6	16.1	36.1
Palestine	..	..	..	..	..
Suriname	-4.4	38.8	-10.8	14.4	10.1
Syria	40.9	18.6	11.5	20.3	206.6
Tajikistan	1.1	1.4	4.4	24.0	35.2
Tunisia	-15.6	11.3	-0.4	14.9	16.2
Turkey	34.0	-24.1	24.5	34.5	40.4
Uzbekistan	-16.5	10.7	-9.5	19.8	26.4
OIC-MDC	24.1	-12.3	11.5	14.7	38.6
Algeria	-1.6	8.0	21.1	30.3	34.7
Azerbaijan	13.1	22.3	16.2	73.0	47.2
Bahrain	3.3	4.0	10.0	19.3	21.6
Brunei	7.5	-7.9	23.9	-17.7	22.4
Gabon	-10.8	3.7	-21.0	18.3	19.3
Iran	13.1	23.3	26.2	37.2	24.9
Iraq	61.8	64.6	8.0	-26.6	129.8
Kuwait	-3.3	5.0	13.9	29.6	13.7
Libya	-5.5	10.1	24.7	10.6	33.1
Nigeria	-24.3	36.1	10.1	71.1	35.8
Oman	7.8	15.0	3.6	9.4	17.2
Qatar	30.1	15.6	7.8	20.9	23.6
Saudi Arabia	8.1	42.2	12.6	11.9	-17.6
Turkmenistan	21.0	23.6	-3.7	18.0	9.0
U.A.E.	-28.8	16.3	2.5	27.9	91.3
OIC-FEC	-4.8	23.9	11.9	23.1	29.5
OIC Countries	12.8	-0.6	11.3	18.7	34.3
World Total	13.3	-3.1	3.9	16.8	22.1
Developed Countries	10.7	-3.5	2.5	16.0	18.5
Developing Countries	18.8	-2.2	6.6	18.4	28.7

Source: Direction of Trade Statistics, 2005.

TABLE A.12: CURRENT ACCOUNT BALANCE
(Million US Dollars)

	2000	2001	2002	2003	2004
Afghanistan					
Bangladesh	-678	-391	157	50	-670
Benin	-183	-159	-242	-296	-349
Burkina Faso	-319	-291	-300	-298	-435
Chad	-251	-586	-1037	-1043	-764
Comoros	-4	2	-10	-20	-11
Djibouti	-40	-33	-55	-55	-71
Gambia	-13	-11	-10	-17	-18
Guinea	-200	-81	-137	-119	-185
Guinea-Bissau	-12	-45	-23	-2	4
Maldives	-51	-59	-36	-32	-89
Mali	-268	-314	-104	-205	-234
Mauritania	-26	-105	15	-112	-290
Mozambique	-701	-735	-802	-727	-687
Niger	-111	-93	-142	-164	-187
Senegal	-230	-212	-296	-421	-472
Sierra Leone	-96	-131	-45	-75	-97
Somalia	..	..	..	..	..
Sudan	-1840	-2116	-1472	-1457	-1446
Togo	-140	-169	-140	-219	-253
Uganda	-383	-317	-347	-388	-129
Yemen	1265	507	535	128	126
OIC-LDC	-4281	-5339	-4491	-5472	-6257
Albania	-162	-139	-310	-323	-379
Cameroon	-153	-349	-690	-302	-240
Côte d'Ivoire	-293	-115	719	551	497
Egypt	-1163	-33	614	1943	3418
Guyana	-109	-129	-107	-85	-94
Indonesia	8029	6900	7822	7254	7282
Jordan	59	-5	357	1124	-88
Kazakhstan	768	-896	-862	-69	921
Kyrgyz Republic	-59	-24	-41	-54	-66
Lebanon	-3123	-3789	-2574	-2459	-3132
Malaysia	8487	7286	8025	13381	15670
Morocco	-478	1611	1477	1591	606
Pakistan	-1153	240	2897	3045	280
Palestine	..	..	..	..	..
Suriname	-34	-116	-60	-141	-146
Syria	830	954	1375	752	-89
Tajikistan	-62	-69	-32	-20	-81
Tunisia	-821	-863	-746	-730	-594
Turkey	-9819	3390	-1522	-8037	-15573
Uzbekistan	216	-113	116	777	80
OIC-MDC	960	13741	16458	18198	8272
Algeria	9143	7062	4359	8840	10801
Azerbaijan	-187	-50	-769	-2021	-2332
Bahrain	827	220	-515	-50	871
Brunei Darussalam	3526	3495	3116	3813	4237
Gabon	1004	518	256	581	754
Iran	12426	5962	3585	2059	8743
Kuwait	14671	8328	4250	7318	15098
Libya	7745	3682	123	3641	7451
Nigeria	4806	1433	-5054	-2082	2017
Oman	3204	1978	1766	1429	2699
Qatar	3205	3530	3261	6838	11955
Saudi Arabia	14336	9366	11911	29701	49276
Turkmenistan	412	115	583	450	525
U.A.E.	12158	6543	3529	6856	16138
OIC-FEC	87276	52182	30401	67373	128233
OIC Countries	83955	60584	42368	80099	130248
Developed Countries	-250900	-201600	-218100	-231900	-327800
Developing Countries	88200	40800	85000	149100	246600

Source: IMF, World Economic Outlook, April 2005.

TABLE A.13: RESERVES EXCLUDING GOLD (Million US Dollars)

	2000	2001	2002	2003	2004
Afghanistan	...	...	...	...	...
Bangladesh	1486	1275	1683	2578	3172
Benin	458	578	616	718	640
Burkina Faso	244	261	313	752	669
Chad	111	122	219	187	222
Comoros	43	62	80	94	104
Djibouti	68	70	74	100	94
Gambia	109	106	107	59	84
Guinea	148	200	171	---	---
Guinea-Bissau	67	69	103	33	73
Maldives	123	93	133	159	204
Mali	381	349	595	953	861
Mauritania	280	285	396	415	---
Mozambique	725	716	819	998	1130
Niger	80	107	134	260	258
Senegal	384	447	637	1111	1386
Sierra Leone	49	51	85	67	125
Somalia	...	...	...	...	...
Sudan	247	118	441	848	1626
Togo	152	126	205	205	360
Uganda	808	983	934	1080	1308
Yemen	2900	3658	4411	4987	5665
OIC-LDC	8864	9678	12155	15605	17981
Albania	616	740	839	1009	1358
Cameroon	212	332	630	640	829
Côte d'Ivoire	668	1019	1863	1304	1694
Egypt	13118	12926	13242	13589	14273
Guyana	305	287	284	276	232
Indonesia	28502	27246	30971	34962	34952
Jordan	3331	3062	3976	5194	5267
Kazakhstan	1594	1997	2555	4236	8473
Kyrgyzstan	239	264	289	365	549
Lebanon	5944	5014	7244	12519	11735
Malaysia	29523	30474	34222	44515	66384
Morocco	4823	8474	10133	13851	16337
Pakistan	1513	3640	8078	10941	9799
Palestine	384	346	357	482	542
Suriname	63	119	106	106	129
Syria	2148	2994	4704	5150	---
Tajikistan	93	93	90	112	158
Tunisia	1811	1989	2290	2946	3936
Turkey	22488	18879	27069	33991	35669
Uzbekistan	...	...	...	...	...
OIC-MDC	117374	119896	148942	186189	212314
Algeria	12024	18081	23238	33125	43246
Azerbaijan	680	897	722	821	1090
Bahrain	1564	1684	1726	1778	1941
Brunei	-	-	-	-	-
Gabon	190	10	140	197	443
Iran	23	33	9	10	---
Iraq	...	...	...	...	...
Kuwait	7082	9897	9208	7577	8242
Libya	12461	14800	14307	19584	25689
Nigeria	9911	10457	7331	7128	16956
Oman	2380	2365	3174	3594	3597
Qatar	1158	1313	1567	2944	3396
Saudi Arabia	19585	17596	20610	22620	27291
Turkmenistan	...	...	...	...	...
U.A.E.	13523	14146	15219	15088	18530
OIC-FEC	80581	91279	97250	114465	150420
All OIC Total	206819	220852	258347	316259	380715
Developed Countries	854873	866785	993790	1218795	1404353

TABLE A.14: TOTAL EXTERNAL DEBT (Million US Dollars)

	1999	2000	2001	2002	2003
Bangladesh	16570	15721	15255	17061	18778
Benin	1687	1591	1661	1836	1828
Burkina Faso	1622	1457	1540	1630	1845
Chad	1145	1119	1108	1285	1499
Comoros	228	232	243	270	288
Djibouti	275	262	263	335	396
Gambia	465	483	487	573	629
Guinea	3522	3388	3254	3401	3457
Guinea-Bissau	934	804	668	699	745
Maldives	219	206	235	271	281
Mali	3196	2980	2917	2834	3129
Mauritania	2532	2488	2291	2269	2360
Mozambique	6977	7046	4564	4766	4930
Niger	1667	1686	1590	1798	2116
Senegal	3944	3606	3665	4121	4418
Sierra Leone	1298	1229	1295	1448	1612
Somalia	2606	2562	2563	2689	2838
Sudan	16132	15741	15414	16389	17496
Togo	1521	1432	1406	1587	1707
Uganda	3498	3497	3731	3991	4553
Yemen	6194	5075	5087	5225	5377
OIC-LDC Total	76231	72606	69237	74478	80282
Albania	709	1061	1093	1119	1482
Cameroon	9485	9299	8401	8555	9189
Côte d'Ivoire	13170	12138	11618	11791	12187
Egypt	31045	29187	29333	30001	31383
Ghana	1423	1373	1318	1382	1447
Indonesia	151201	144407	134045	131755	134389
Jordan	8083	7355	7534	8108	8337
Kazakhstan	6122	12427	14883	17288	22835
Kyrgyzstan	1736	1827	1717	1850	2021
Lebanon	8205	9856	12446	17077	18598
Malaysia	41903	41941	44612	48833	49074
Morocco	23015	20753	19196	18395	18795
Pakistan	33891	32779	31704	33672	36345
Palestine	-	-	-	-	-
Suriname	-	-	-	-	-
Syria	22369	21657	21341	21466	21566
Tajikistan	1275	1034	1058	1142	1166
Tunisia	11868	10612	10871	12923	15502
Turkey	102242	117335	113351	131185	145662
Uzbekistan	4882	4577	4818	4739	5006
OIC-MDC Total	472624	479618	469339	501281	534984
Algeria	27997	25272	22586	22876	23386
Azerbaijan	1045	1273	1266	1483	1681
Bahrain	-	-	-	-	-
Brunei	-	-	-	-	-
Gabon	3982	3920	3423	3546	3792
Iran	9905	7981	7463	9135	11601
Iraq	-	-	-	-	-
Kuwait	-	-	-	-	-
Libya	-	-	-	-	-
Nigeria	29128	31355	31042	30476	34963
Oman	6839	6564	6021	4639	3886
Qatar	-	-	-	-	-
Saudi Arabia	-	-	-	-	-
Turkmenistan	-	-	-	-	-
U.A.E.	-	-	-	-	-
OIC-FEC Total	78896	76365	71801	72155	79309
All OIC Total	627751	628589	610377	647914	694575
Developing Countries	2346638	2282550	2260516	2336472	2554138

TABLE A.15: NET FOREIGN DIRECT INVESTMENT (Million US Dollars)

	1999	2000	2001	2002	2003
Bangladesh	180	280	79	52	102
Benin	39	64	44	41	51
Burkina Faso	8	23	8	9	11
Chad	25	116	453	1030	837
Comoros	0.3	0.1	1.1	0.4	1
Djibouti	4.2	3.3	3.4	3.5	11.4
Gambia	49.5	43.5	35.5	42.8	60
Guinea	63	10	2	30	79
Guinea-Bissau	8.6	0.7	0.7	1	2.1
Maldives	12.3	13	11.7	12.4	13.5
Mali	2	82	122	244	129
Mauritania	1	40	92	118	214
Mozambique	382	139	255	348	337
Niger	0	9	26	8	31
Senegal	157	72	38	80	78
Sierra Leone	1	39	10	2	3
Somalia	-1	0	0	0	1
Sudan	371	392	574	713	1349
Togo	43	42	64	54	20
Uganda	140	161	151	187	194
Yemen	-308	6	155	114	-89
OIC-LDC Total	1177.9	1535.6	2125.4	3090.1	3435
Albania	41	143	207	135	178
Cameroon	40	31	67	86	215
Côte d'Ivoire	324	235	273	213	180
Egypt	1065	1235	510	647	237
Guyana	46	67	56	44	26
Indonesia	-2745	-4550	-3278	-1513	-597
Jordan	158	783	96	31	376
Kazakhstan	1587	1283	2835	2583	2088
Kyrgyzstan	44	-2	5	5	46
Lebanon	250	298	249	257	358
Malaysia	3895	3788	554	3203	2473
Morocco	1376	423	2808	481	2279
Pakistan	532	308	383	823	534
Palestine	..	..	..	..	..
Suriname	10	..	..	..	..
Syria	263	270	110	115	150
Tajikistan	21	24	9	36	32
Tunisia	350	752	457	795	541
Turkey	783	982	3266	1038	1562
Uzbekistan	121	75	83	65	70
OIC-MDC Total	8161	6145	8690	9044	10748
Algeria	507	438	1196	1065	634
Azerbaijan	510	130	227	1392	3285
Bahrain	10	..	..	..	..
Brunei	4	..	..	..	..
Gabon	-157	-43	169	123	53
Iran	35	39	55	276	120
Iraq	..	..	..	..	..
Kuwait	-10	..	..	..	..
Libya	1500	..	..	..	..
Nigeria	1005	930	1104	1281	1200
Oman	40	16	83	24	138
Qatar	106	..	..	..	..
Saudi Arabia	2400	..	..	..	..
Turkmenistan	..	..	..	..	..
U. A. E.	100	..	..	..	..
OIC-FEC Total	6050	1510	2834	4161	5430
All OIC Total	15388.9	9190.6	13649.4	16295.1	19613
Developing Countries	182429	166190	174833	153952	151776

TABLE A.16: DEVELOPMENTS IN OIL PRICES AND REAL GDP GROWTH RATES OF THE OIC-FECS
(Percentage changes, annual)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Oil Price	28.4	-6.2	-1.7	-11.8	-5	7.9	18.4	-5.4	-32.1	37.5	57	-13.8	2.5	15.8	30.7
Real GDP Growth															
Country															
Algeria	0.8	-1.2	1.6	-2.1	-0.9	3.8	3.8	1.1	5.1	3.2	2.1	2.6	4	6.9	5.3
Azerbaijan			-22.7	-23.1	-19.7	-11.8	1.3	6.1	8.6	7.9	10.3	9.6	9.7	10.8	10.1
Bahrain	7.3	1.7	6.7	12.9	-0.2	3.9	4.1	3.1	4.8	4.3	5.3	4.5	5.1	5.7	5.5
Brunei	2.7	4	-0.2	0.5	1.8	2.1	2	2.6	-4	2.6	2.8	3.1	2.8	3.1	1.1
Gabon	5.2	6.1	-3.1	3.9	3.7	5	3.6	5.7	3.5	-8.9	-1.9	2	0	2.6	1.9
Iran	16.9	15.2	4.3	-1.6	-0.4	2.7	7.1	3.4	2.7	1.9	5.1	3.7	7.5	6.6	6.6
Iraq															
Kuwait	-26.2	-41	50.7	33.8	8.6	1.4	0.6	2.5	3.7	-1.8	1.9	0.7	-0.5	9.7	7.2
Libya	-20.2	13.5	-0.3	1.6	-1.3	0.7	3.1	4.3	-1.3	0.4	2.4	2.9	3.7	5.3	0.9
Nigeria	12	-1	2	1.5	-0.6	2.3	6.6	3.2	0.3	1.5	5.4	3.1	1.5	10.7	3.5
Oman	8.4	6	8.5	6.1	3.8	4.8	2.9	6.2	2.7	-0.2	5.5	7.5	1.7	1.4	2.5
Qatar	-14.6	-1.4	11.5	-1.4	0.9	5.5	4.5	31.1	11.7	4.5	9.1	4.5	7.3	8.5	9.9
Saudi Arabia	10.6	9.2	2.9	-0.6	0.5	0.5	1.4	2.6	2.8	-0.7	4.9	0.5	0.1	7.2	5.3
Turkmenistan			-5.3	-10	-17.3	-7.2	-6.7	-11.3	6.7	16.4	18.6	20.4	19.8	16.9	7.5
UAE	16.6	2.4	3.5	2.2	8.1	7	6.1	8.3	1.4	4.4	12.3	3.5	1.9	7	5.7
Yemen*	1.3	2.7	5.6	7.1	3.7	12.5	7.4	6.4	5.3	3.5	4.4	4.6	3.9	3.1	2.7

Source: International Monetary Fund, World Economic Outlook Database.

*Although Yemen is a fuel exporting country, it is classified under the OIC-LDCs in parallel with the explanation in footnote 1.