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ANNUAL ECONOMIC REPORT

on the OIC Countries

Statistical Economic and Social Research and Training Centre for Islamic Countries

ANNUAL ECONOMIC REPORT ON THE OIC COUNTRIES 2012

With Special Reports on

- Energy Sources
- Economics of Natural Disasters

SESRIC

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Contents

Acronyms

ATM	Automated Teller Machines
BCF	Billion Cubic Feet
CAEMC	Central African Economic and Monetary Community
CFM	Council of Foreign Ministers
COMCEC	The Standing Committee for Economic and Commercial Cooperation
EU	European Union
FDI	Foreign Direct Investment
FiT	Feed-in-Tariff
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GCC	Gulf Cooperation Council
GCF	Gross Capital Formation
GFCF	Gross Fixed Capital Formation
GW	Giga Watt
HIPC	Heavily Indebted Poor Countries
ICECS	The Islamic Commission for Economic, Cultural and Social Affairs
IFS	International Financial Statistics
ILO	International Labour Organisation
IMF	International Monetary Fund

IMFCR	IMF Credits
LAC	Latin America and the Caribbean
LDC	Least Developed Countries
LDOD	Long-term Debt
MENA	Middle East and North Africa
MFN	Most Favoured Nation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OIC	Organisation of Islamic Cooperation
PPP	Purchasing Power Parity
PPP	Public-Private Partnership
PRETAS	Protocol on the Preferential Tariff Scheme for TPS-OIC
R&D	Research and Development
SSA	Sub-Saharan Africa
STD	Short-term Debt
TCF	Trillion Cubic Feet
TPS-OIC	Trade Preferential System among the Member States of the OIC
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Development of Economic and Social Affairs
UNSD	United Nations Statistics Division
USD	United States Dollar
VET	Vocational Education and Training
WAEMU	West African Economic and Monetary Union
WB	World Bank
WDI	World Development Indicators
WTO	World Trade Organisation

Foreword

The Annual Economic Report on the OIC Countries has been prepared by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) since 1979 to serve as the basic background document for the agenda item of the Council of Foreign Ministers (CFM) under Economic Affairs entitled "World Economy and the Islamic Countries". The Centre has also been presenting this Report to the annual sessions of both the Islamic Commission for Economic, Cultural and Social Affairs (ICECS) and the Standing Committee for Economic and Commercial Cooperation (COMCEC).

In the light of the recent major global and regional economic developments, the Annual Economic Report on the OIC Countries analyses and examines the trends in the major economic indicators of the OIC member countries, as a group, during the latest five-year period for which the data are available. It investigates these trends in a comparative manner with their counterparts in the groups of the developed and other developing countries as well as with the world economy as a whole. The analysis is usually carried out using current statistical data on OIC member countries, specially compiled from various international and national sources, in addition to the Centre's databases.

The Annual Economic Report on the OIC Countries 2012 is appearing in a time when the world economic recovery is threatened by the sovereign debt crisis in the euro area, as loss of confidence and escalating financial stress remain major downside factors in the euro area. In contrast to poor growth performance in developed countries, growth in developing countries has been robust in 2010 and 2011. Yet, developing countries are still vulnerable to the economic woes in developed countries through trade and financial channels. The growth of world exports in goods and services decelerated in 2011 after a full recovery to its pre-crisis peak in 2010. While projections show that the fiscal tightening is expected to be in effect in the developed countries, global inflation increased to 4.8 per cent in 2011. Expansionary monetary policies, aimed at mitigating the risk of deflation in the financial post-crisis in developed countries, also played an important role to the upward pressure. In line with their growth performance in 2010 and 2011, developing countries contributed to the boost in prices. Meanwhile, with high youth unemployment rates remaining a major concern worldwide, the total global unemployment rate averaged 6 per cent in 2011, remaining above the pre-crisis level of 5.5 per cent in 2007.

Considering these developments in the world economy and the recent projections for 2012 and 2013, the current issue of the Annual Economic Report on the OIC Countries analyses the trends in the major economic indicators of the OIC countries during the five-year period of 2007-2011. During this period, the OIC countries, as a group, followed in general similar trends of other developing countries. Yet, while the total GDP of the group of the OIC countries has increased constantly reaching $8.6 trillion in 2011 compared to $6.9 trillion in 2007, their share in the total GDP of the group of developing countries has declined to 22.2 per cent in 2011 compared to 23.5 per cent in 2007. The average real GDP growth rate of the group of the OIC countries recorded at 5 per cent in 2011 compared to the rate of 6.6 per cent of the group of other developing countries. However, when excluding China and India from that group, the average growth rates of the OIC group indicate better performance in 2011 and even in the projected two years of 2012 and 2013. Under these circumstances, the Report highlights a number of constraints and challenges confronting the OIC member countries in their efforts to further their economic development and progress. The Report also devotes a special section to shed light on energy sources in the OIC countries with a focus on fossil fuels and renewable energy sources. Another special section is devoted to highlight the economic impacts of natural disasters in the OIC countries.

Dr. Savaş Alpay
Director General
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Executive Summary

World Economic Trends and Prospects

Real GDP Growth

Growth of global GDP is forecast to reach 3.5 and 4.1 per cent in 2012 and 2013, respectively. Developing countries are expected to be the engine of the growth in the world economy, growing on average by 5.7 per cent in 2012 and 5.9 per cent in 2013, while the rates in developed countries are expected to remain at around 1.4 and 2 per cent in 2012 and 2013, respectively. Among the developed countries, the impact of the 2008 crisis on the US economy has been less severe compared to the others. The euro area is still forecast to go into a recession in 2012 as a result of sovereign debt and financial sector problems. On the other hand, after the post-quake re-construction that boosted the output by 4.4 per cent in 2010, Japan was in another recession in 2011.

In contrast to developed countries, growth in developing countries has been robust in 2010 and 2011. Yet, developing countries are still vulnerable to the economic woes in developed countries through trade and financial channels. Sub-Saharan Africa will continue to see a growth performance despite the high vulnerability to international commodity prices shocks.

Global Trade Volumes

The growth of world exports in goods and services decelerated to 5.8 per cent in 2011 after a full recovery to its pre-crisis peak in 2010. The recovery is undertaken by the developing countries, particularly newly industrialized Asian economies, which have large shares in the trade of manufactured goods. The export volume of developed countries, on the other hand, is foreseen to remain well-below its 2007 level even in 2012. Similar patterns are also observed in imports of goods and services. After a strong rebound of more than 12 per cent in 2010, the volume of world imports in goods and services decelerated to 5.8 per cent in 2011.

Current Account and Fiscal Balances

During the economic crisis current account balances had been deteriorated in general in all the regions and groups of countries. The only exception is the newly industrialized Asian countries in which the crisis led to improvements in current account balances. Projections show that current account surplus is foreseen to remain stable in developing countries. As the oil prices increased during the period of 2010 and 2011, current account surplus in Middle East and North Africa region bounced back, and it is projected that the surplus will further increase to 14.5 per cent of GDP in 2012. Developed countries, on the other hand, are foreseen to retain a stable current account deficit at 0.35 and 0.17 per cent of GDP in 2012 and 2013, respectively.

The fiscal withdrawal in 2013 in advanced economies is projected to amount to about 1.2 per cent of GDP, up from about 0.25 per cent of GDP in 2012. On the other hand, in developing economies, tightening is projected to drop from about 1.5 per cent of GDP in 2011 to less than 0.1 per cent of GDP in 2012. The low-income countries are expected to show a similar pattern whereas oil producers are foreseen to improve their fiscal balance position by taking the advantage of the rapid increase in oil prices.

Inflation and Unemployment

Because of the supply-side shocks, global inflation increased 4.8 per cent in 2011. In line with their growth performance in 2010 and 2011, developing countries contributed to the boost. Overall price level has been also pushed up in Japan due to the post-quake re-construction and other factors. Nonetheless, inflation is not foreseen to be a major concern for developed countries. As the weak demand and high unemployment rates persist, inflation is expected to be moderate, below 2 per cent during the forecast period.

Prices of most commodities have been on the rise over the last decade. After sharp reduction in the second half of 2008, prices could not endure at low levels for too long and began to rebound in February 2009. Increasing demand from developing economies along with the stable demand from developed countries may push the prices further up in 2012, but recent economic uncertainty –particularly coming from the euro zone- will apparently prevent significant increases in prices of most commodities for the upcoming years.

The total global unemployment rate averaged 6 per cent in 2011, remaining above the pre-crisis level of 5.5 per cent in 2007. United States is one of the origins in the recent unemployment problem with an unemployment rate jumping to 9.4 per cent in 2010. High youth unemployment is a major concern worldwide. 74.7 million young people were unemployed in 2011, which is well above the pre-crisis level of 70.7 million in 2007. Notably, more young people are in the queue for entering labour markets worldwide.

Recent Economic Developments in the OIC Countries

Production, Growth and Employment

Production and Income

Total GDP of the OIC countries has grown constantly over the period 2007-2011. Compared to $6.9 trillion in 2007, it reached $8.6 trillion in 2011. In 2011, having accounted for 22.8 per cent of the world total population, the 57 OIC member countries produced only 10.9 per cent of the world total GDP – expressed in current USD and based on PPP. According to the forecasts by IMF, this share will not improve significantly in the short-term outlook. On the other hand, the share of the OIC countries in the total GDP of developing countries group has declined steadily and was recorded at 22.2 per cent in 2011, a decrease by 1.3 percentage points.

Per capita output differential has widened further

During the same period, the average GDP per capita in the OIC countries has increased continuously and reached $5,507 in 2011, compared to $4,724 in 2007. However, the gap between the average per capita GDP levels of the OIC member countries and other developing countries has widened further. The per capita GDP differential between the two groups in the period 2007-2011 has more than doubled from $739 to $1,497. The average GDP per capita in the OIC countries has diverged also from the world average as the differential increased from $5,438 to $5,984 during the same period.

Imbalances among the member countries remain

Diverse economic characteristics of the group of OIC countries manifest themselves through significant variations in their contributions to the group's economic aggregates. For example, in 2011, only 10 countries produced 73.4 per cent of the total OIC countries' output. The level of per capita output in the richest member country was, on the other hand, 18.7 times higher than that of the OIC countries average, pointing to a high level of income disparity between the OIC countries.

Economic Growth

The OIC countries, as a group, recorded an average growth rate of 5 per cent in their real GDP in 2011 compared to 5.9 per cent in 2010. Although the OIC countries have recovered from the negative impacts of the slowdown in the global economic activity, the deceleration in 2011 which is expected to spread further into 2012 and 2013 indicates that the OIC member countries are not exempt from the downside risks facing the world economy. During 2009-2011, average growth of the OIC countries has even outpaced the average growth of the other developing economies excluding China and India. However, the outlook for 2012-2013 is unsettled, with an expected moderation in the average rate of growth in the OIC countries to 4.6 per cent in 2012 and 4.4 per cent in 2013. Yet, these figures are still better than the predicted average growth rates for the group of other developing economies excluding China and India, as well as the world as a whole. Qatar, with a growth rate of 18.8 per cent in 2011, was the fastest growing economy both within the group of OIC countries and in the world.

Per capita GDP growth unrestored

Although the per capita GDP growth in OIC countries was restored to its pre-crisis levels in 2010 with an average growth rate of 4 per cent in that year, the upward trend was interrupted in 2011 as the global economy encountered another round of problems – mainly stemming from the sovereign debt crisis in the euro area. With a 3.3 per cent growth in 2011, per capita GDP growth in OIC countries is projected to slide further during 2012-2013.

GDP by Major Economic Activities

After showing signs of contraction during the crisis period and the resulting decrease in its share in 2008, the average share of the service sector in total GDP of the OIC countries started to recover and the sector continued to be the most important source of income in OIC countries as a group during 2009-2010. Industry sector – including manufacturing – accounted on average for 42.8 per cent of the total GDP of the OIC member countries in 2010. Compared to other developing countries where the sector's contribution to the GDP averaged at 37.4 per cent in 2010, industrial activity apparently constitutes a larger portion of the economic activity in the OIC member countries.

GDP by Major Expenditure Items

In 2010, final consumption continued to be the largest expenditure item in the group of OIC member countries, accounting for as much as 69.1 per cent of the total GDP – which is 2.9 per cent below the previous year's level. Notably, in Afghanistan, Comoros, Guyana, Kyrgyzstan, Palestine and Tajikistan, total final consumption expenditure, per se, exceeded the total GDP of the country. The decrease in the share of final consumption was mainly accommodated by an expansion in the share of net exports of the member countries as a group.

High levels of final consumption expenditure, on the other hand, prevent the group of OIC countries from investing sufficiently in productive capacities. Indeed, the share of gross capital formation in the GDP of OIC countries as a group has improved since year 2000 but is still significantly below the levels observed in other developing countries.

Employment and Productivity

In OIC member countries the total participation rate of those aged 15 and above stood in 2010 at 58.9 per cent compared to 64.2 per cent in the world. According to the latest available data, OIC countries recorded significantly higher unemployment rates compared to the world, developed and other developing countries during the period 2006-2010. During this period, total unemployment rate in OIC countries initially decreased from a level above 9.9 per cent in 2006 to below 9.0 per cent in 2008. However, triggered by the crisis, the unemployment rate peaked to 9.7 per cent in 2009 before declining to 9.4 per cent in 2010.

OIC member countries recorded labour productivity levels comparable to those of the other developing countries. However, this level remained very low compared to the level of the world and developed countries. An average worker in OIC countries produces less than one third of the output produced by an average worker in the world and one tenth of the output of average worker in the developed countries.

Inflation

Unprecedented surge in food and energy prices during 2007-2008 pushed average inflation in the OIC countries above to double-digit levels. The moderation observed in 2009 was again replaced by an upward trend during 2010-2011, which was mainly due to the steep increase in inflation in Iran, where the government subsidies are reallocated within the context of new subsidy reform plan. The outlook for 2012 is still vulnerable to still-elevated inflationary upside risks mainly due to the continued momentum in the large OIC economies such as Bangladesh, Indonesia, Iran, Nigeria, Pakistan, Saudi Arabia and Turkey.

Foreign Trade

Trade in Goods

In 2011, total merchandise exports of the OIC countries reached to its historically highest level of $2.1 trillion and surpassed the pre-crisis peak of $1.9 trillion in 2008. More importantly, this increase was higher than the world average, resulting in an increase in the share of OIC countries in total world trade. Compared to its pre-crisis level of 11.8 per cent in 2008 and previous level of 11.1 per cent in 2010, this share reached to 12 per cent in 2011. Similarly, after declining to $1.2 trillion in 2009, merchandise imports of OIC countries increased almost 50 per cent just in two years and already surpassed its previous peak of $1.5 trillion achieved in 2008. The share of OIC countries in global merchandise imports continued to increase throughout the period under consideration and reached to 9.7 per cent in 2011.

In 2011, the top 5 exporting countries accounted for more than 53 per cent of total merchandise exports of all member countries and top 10 exporting countries accounted for more than 76 per cent. Saudi Arabia, with more than $300 billion exports and 15.5 per cent share in total, became the largest exporter in 2011. As in the case of exports, merchandise imports of OIC countries are also heavily concentrated in a few countries. While the top 5 importers accounted for more than 53 per cent of total OIC imports, the top 10 countries accounted for 71.4 per cent. With more than $240 billion imports, Turkey took the lead in 2011 in terms of volume of merchandise imports and accounted for 13.6 per cent of total merchandise imports of OIC countries.

Export Structure

OIC countries are becoming increasingly more diversified and relieve from high dependence on few export items. The simple average of export concentration index in OIC countries was around 0.31 in 2006, but it decreased to around 0.18 in 2011, indicating increased diversification in export products. Decomposition of exports by technology intensity in OIC countries reveals that the share of most vibrant export commodity group, mineral fuels, decreased from 59 per cent in 2006 to 48 per cent in 2010 and the shares of all other remaining categories rose. The share of least technology intensive commodities is, however, extremely high in some member countries, increasing their vulnerability to international price shocks and limiting their prospects for long-term competitiveness.

Trade in Services

Unlike the trade in goods, the volume of trade in services remained significantly lower in OIC countries and they demonstrate a falling trend since 2008. Together, OIC countries are net importer of services. While they exported $237 billion when it reached to its highest level in 2008, they imported $397 billion worth of services in the same year. As of 2010, exports and imports of services dropped to $183 billion and $288 billion, respectively. Accordingly, the share of OIC member countries in world services export decreased from 6.1 per cent in 2008 to 5 per cent in 2010. Their share in total services import in the world also fell from 10.9 per cent and to 8.7 per cent. When the trade of OIC countries in services are disaggregated under subsectors, it is observed that the bulk of their trade in services is classified under transportation and travel services.

In 2010, the top 10 countries accounted for 89.4 per cent of total services exports of OIC countries. Turkey, with $34.4 billion exports and 18.8 per cent share in total services exports of OIC countries, was the top exporter in services in 2010. In the same year, the top 10 importers accounted for 88.3 per cent of total services imports of OIC countries. Saudi Arabia was the top importer of services ($76.7 billion), corresponding to 26.6 per cent of total services imports of OIC countries.

Trade Balance

OIC countries recorded a trade balance surplus in merchandise trade in each year from 2007 through 2011. Though it did not reach to its pre-crisis level, trade surplus in OC countries was over $350 billion in 2011, indicating a strong recovery after the crisis. In contrast, OIC countries recorded trade deficit in services trade over the period under consideration. After reaching almost $160 billion in 2008, their deficit fell to $105 billion in 2010. In 2010, around 50 per cent of exports of services in OIC are made in travel or tourism sector, which require relatively less sophisticated infrastructure and knowledge.

Intra-OIC trade

From 2006 to 2010, the share of intra-OIC trade in OIC total trade continuously increased. Intra-OIC trade accounted for 17.6 per cent of total OIC trade in 2010, and it declined slightly to 17.3 per cent in 2011. In 2011, although intra-OIC export reached to its highest level of $322 billion, its share in total exports of OIC countries witnessed a decline of 0.7 percentage points, falling to 15.1 per cent. During the period of 2010-2011, intra-OIC imports increased rapidly and reached to $354 billion in 2011, corresponding to 20.0 per cent of OIC total imports. In 2011, 78.3 per cent of the intra-OIC exports were undertaken by only 10 OIC countries.

Trade Policy

Most of the member countries experienced a fall in their openness to trade, mostly due to contraction in international trade during the period of 2007-2011. By applying an average of 11.3 per cent tariff rate, OIC countries reveal a more protectionist picture when compared to the world average of 9 per cent. This ratio doubles the tariff rates applied by major developed countries.

Balance of Payments and External Financing

Current Account Balance

After witnessing a decreasing trend between 2007 and 2009, current account surplus increased in OIC countries in the following two years, parallel to the improvement in world current account balances (Figure 4.1). For OIC member countries, current account balance surplus accounted for almost 8 per cent of GDP in 2011 compared to 2 per cent in 2009. This increase is mainly generated by oil exporters thanks to rapidly rising oil prices.

External Debt

The total external debt stock of the OIC countries showed an increasing trend during the period 2006-2010. In 2010, the total external debt of the OIC countries exceeded $1 billion, with 8 per cent increase from 2009. Nevertheless, the Debt to GDP ratio of the OIC countries and their share in the total debt of developing countries indicate a downward trend throughout the period under consideration. The debt to GDP ratio of OIC countries, as a group, was around 23 per cent in 2006; however, it steadily declined in the following years to reach 20 per cent in 2010 after a slight increase in 2009. The composition of the total external debt of the OIC countries and other developing countries differ. Even though long-term debt accounted for the largest share of total external debt in both country groups, its portion in OIC countries remained comparatively high.

Foreign Direct Investment Flows

Foreign direct investment (FDI) has been significantly rising since 2009. World total FDI flows, with an annual increase of 16.5 per cent, amounted to $1,524 billion in 2011 with most of these flows went increasingly to developed countries. However, FDI inflows to OIC countries were generally unsatisfactory. Nevertheless, there was a notable improvement in these flows as they increased up to $171.5 billion in 2008, however, parallel to the global trends, FDI flows to OIC member countries declined to $133 billion in 2009. Although there was a slight increase in the volume of FDI flows in 2010, there was another decline in 2011 to $134 billion. As was the case in most of the major macroeconomic aggregates, FDI flows into OIC countries also concentrated in a few of them. In 2011, only five countries, together, accounted for 52.1 per cent of the total FDI flows to all OIC countries

Official Development Assistance Flows

In 2010, net official development assistance flows from all donors to developing countries reached $91.5 billion compared to $83 billion in 2006. However, during this period, there was a decline in ODA flow to OIC countries from $49.1 billion in 2006 to 41.5 billion in 2010. It is also observed that ODA flows to the OIC member countries are concentrated in a few of them. Only five countries, together, accounted for almost 40 per cent of the total ODA flows to all OIC countries in 2010. On the other hand, ODA-to-GDP ratio in OIC countries also declined to 0.8 per cent in 2010 from 1.5 per cent in 2006. ODA per capita has witnessed the same trend in line with the net ODA flow. It declined in OIC member countries from $34.3 in 2006 to $26.7 in 2010.

Reserves Position

The world total reserves –excluding gold- amounted to 10.1 trillion in 2011 almost 40 per cent higher than the amount in 2007. Of this amount, $3.2 trillion was recorded in the developed countries. The share of OIC countries in total reserves showed a declining trend during the period under consideration. With 0.26 percentage points decline from the previous year, it reached down to 22.13 per cent in 2011, compared to 25.71 per cent in 2007. Yet, it is observed that the bulk of the total reserves of the OIC countries are still accumulated in a few of them where only 10 countries accounted for 86.3 per cent of the total reserves of OIC group in 2011. In terms of the reserves equivalent to monthly imports, OIC countries remained far above the world average. In 2010, with the exception of Sudan, all OIC member countries for which the data are available kept reserves equivalent to import value of more than three months threshold level.

Remittances

The inflows of remittances to OIC member countries increased from $58.7 billion in 2006 to $87.6 billion in 2010 even though the growth rate of these inflows decreased from a high record of 26.1 per cent in 2007 to 4.6 per cent in 2010. The inflows of remittances into OIC countries also concentrated in a few of them. Only 10 countries, together, accounted for 76.6 per cent of the total remittances inflows to all OIC countries.

Developments in the Financial Sector

The degree of financial development varies substantially across the OIC region. This, in turn, offers a significant room for improvement and intra-OIC cooperation. Particularly when the depth of financial markets, accessibility to financial services and the degree of financial openness are considered, the results reveal that more needs to be done to reinforce the institutional capacities and promote the development of the financial sector in the OIC member countries.

Financial Deepening

The volume of broad-money – a commonly used indicator of financial deepening when measured as a percentage of the gross domestic output – is slightly over 50 per cent of the GDP in 2011 and compares poorly to other developing countries where it has reached levels on average close to the size of the GDP. In developed countries, on the other hand, the amount of broad money in the economy far exceeds the size of the GDP. Apparently, the financial system in OIC member countries is deprived of the financial access, liquidity, diversification and stability benefits offered by deeper financial markets.

Access to Finance

Low penetration of financial services, in terms of both their use and physical outreach, introduces another challenge for the development of the financial sector in the member countries. The relative sizes of commercial bank loans and deposits with respect to the GDP are smaller when compared to other developing as well as developed countries. This situation is compounded by the inadequacy of financial sector physical infrastructure which is measured by population and land densities of commercial bank branches and automated teller machines (ATMs). Notably, in 2010, there were only 14 ATMs servicing per 100,000 adults living in the member countries, as compared to 60 in other developing countries and 141 in developed countries.

Financial Openness and Exchange Rate Policies

OIC countries are less financially open, as suggested by their scores in the Chinn-Ito Financial Openness Index, and, thus, they are more conservative in managing their capital accounts and they impose relatively more intensive restrictions on the flow of capital through their financial systems. In terms of financial sector development, this state of affairs indicates that financial system in the member countries is relatively less capable of effectively managing international capital inflows with the help of efficient domestic financial markets and appropriate products. This situation also manifests itself in the selection of monetary policy frameworks and exchange rate regimes as, according to the IMF, 48 OIC member countries out of 56 for which data are available *de facto* implement capital account restrictions to varying extents either through hard peg regimes such as currency board, conventional pegs such as exchange rate anchor, soft regimes such as crawling peg, or intermediate regimes such as managed float.

Energy Sources

Energy is a key factor for economic development and, thus, rising living standards. It is required for satisfying all of the basic demands, from agriculture, education, infrastructure to information services. Energy is also a key factor in economic growth, which is among the most important factors to be considered in projecting changes in world energy consumption. There are three groups of energy sources: fossil fuels, renewable energy and nuclear power. Fossil fuels are the remains of decomposition of plants and animals which forms in finite supply. There are also three main types of fossil fuels: coal, petroleum and natural gas. Renewable energy is coming from the natural sources such as wind, rain and sunlight.

World's current recoverable coal reserves are approximately 948 billion tons. Coal reserves are very limited in OIC countries. Only 5.75 per cent of the world's recoverable coal is hold by OIC member states. Accordingly, the coal production of the OIC countries only constitutes 7.3 per cent of the world total production. On the other hand, in 2010, the coal consumption of the OIC countries increased to 297.9 million tons which is almost 61 per cent higher than the level in 2000.

By 2011, recoverable natural gas reserves worldwide were approximately 6216.605 trillion cubic feet (Tcf) of which the OIC countries held 62.1 per cent of the world total. The OIC countries produced 35862 billion cubic feet (Bcf) of natural gas in 2010 compared to 9493 Bcf in 1990 which is equivalent to an annual average growth rate of 5.25 per cent between 2000-2010 compared to 8.52 per cent between 1990 and 2000. The natural gas consumption of the OIC countries also remained above the average for the period under consideration. In 2010, the consumption increased to 25563 (Bcf) which is almost 71.5 per cent higher than the level in 2000.

In 2011, world crude oil reserves reached to 1.5 trillion barrels, of which OIC countries represent a share of 63 per cent equivalent to 911 billion barrels. At the individual country level, Saudi Arabia, alone, with total proved oil reserves of 263 billion barrels, possesses 18 per cent of the world total crude oil reserves and 29 per cent of the OIC total. In 2011, the crude oil production of the OIC countries constituted 44 per cent of the world total, which was 5 percentage points higher than the share observed in 1990. In 2008, OIC countries had a trade surplus of 23 million barrels of crude oil per day, compared to 16.9 million barrels per day in 1990 which simply implies the significant increase in oil export of the OIC member countries. However, the OIC countries could only produce 11.4 million barrels of refined oil even though they amounted to 38.3 million barrels of crude oil per day. This is simply due to the low capacity of the OIC countries to refine crude oil. On the other hand, non-OIC developing countries and developed countries represented a different trend. Both of the country groups had better refining capacity.

Investment in wind energy has shown impressive growth rates in OIC member countries since 2006. It increased to 2.2 GW in 2011 from only 0.53 GW in 2006 which is almost quadrupled. Yet, it is worth mentioning that the percentage of total wind generation capacity in OIC countries constitutes only 1 per cent of the worldwide wind capacity by 2010. This ratio is expected to be 2 per cent in 2020. The OIC countries, as a group, generated 0.19 million MWh of hydroelectric power, approximately 50 per cent higher than the amount generated in 1990, with an annual average growth rate of 2 per cent which is higher than the EU average (0.6 per cent) in the same period. Yet, the OIC countries were able to generate only 6.0 per cent of the world hydroelectric power generation in 2009.

Economics of Natural Disasters

There is a considerable increase in the frequency of natural disasters in the world during the period 1970-2011, increasing from below 100 disasters per year in the 1970s to 450 disasters in the 2000s. Compared to the world level, OIC countries experienced relatively steeper trend over the same period, indicating a six fold increase in the number of natural disasters, increasing from about 20 disasters per year in the 1970s to almost 120 disasters in the 2000s. Natural disasters cost OIC countries $140 billion in the period 1970-2011. As for cost per occurrence, it is observed that damages of natural disasters are becoming more costly in monetary terms. While the average cost per occurrence was $26 million in the 1970s, this figure reached $60 million in the 2000s.

During the period 1970-2011, damages of natural disasters ranged between 0.11 per cent and 1.25 per cent of total GDP of OIC member countries. Considering the saving rates in OIC countries, it is observed that much of these savings are considerably worn down by natural disasters. For example, in Tajikistan damages of natural disasters in a year corresponded to almost 35 per cent of the country's savings during the same period. Particularly for small economies, damages of natural disasters may correspond to higher share of their GDPs, and hence it will be harder to absorb such severe exogenous shocks. For example, damages of Great Flood in Guyana, affecting over half of its population, reached almost 60 per cent of Guyana's GDP in 2005.

Part I

Recent Developments in the World Economy

section 1 World Economic Trends and Prospects

After demonstrating signs of recovery in 2010, the global economy is threatened by the sovereign debt crisis in the euro area, which is expected to go into a recession as a result of the impacts of bank deleveraging on related assets. Even though it is foreseen a weak growth for euro area for the upcoming two years, such growth is apparently not sufficient to handle the existing job crises in most of these developed countries within the region. Moreover, any fiscal consolidation in response to market pressures will make fiscal adjustment more challenging, which, in turn, will be stalling the recovery in the short-run.

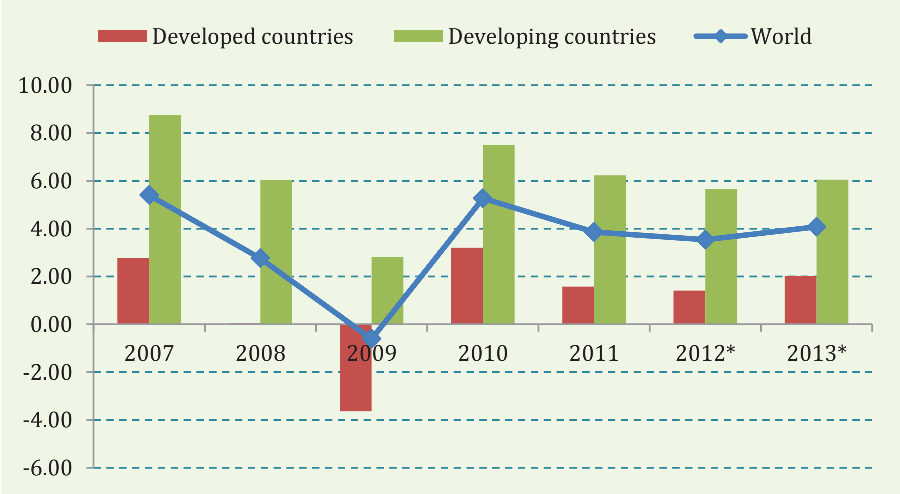


Figure 1.1: GDP Growth in the World

Developing countries seem to be the driving force of the world economy.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.

While the recovery in developed countries remains slow, developing countries seem to be the driving force of the world economy. However, it should be noted that the worsening external environment and weakening of internal demand constitute a downside risk for developing countries, and short-term policies should focus on these two issues.

Figure 1.1 shows the growth rates in real GDP from 2007 to 2013. Growth of global GDP is forecast to reach 3.5 and 4.1 per cent in 2012 and 2013, respectively. Developing countries are expected to be the engine of the growth in the world economy, growing on average by 5.7 per cent in 2012 and 5.9 per cent in 2013, while the rates in advanced economies are expected to remain at around 1.4 and 2.03 per cent in 2012 and 2013, respectively. It is foreseen that the weak recovery will likely to resume in developed economies, however, recent improvements are very fragile, and there is a need for policymakers to focus on implementing the fundamental changes to provide sustainable growth in the medium and long-run. On the other hand, continuing to stoke the engine of the world economy, developing countries remain vulnerable to economic conditions in the developed economies.

Output growth has slowed in developed countries

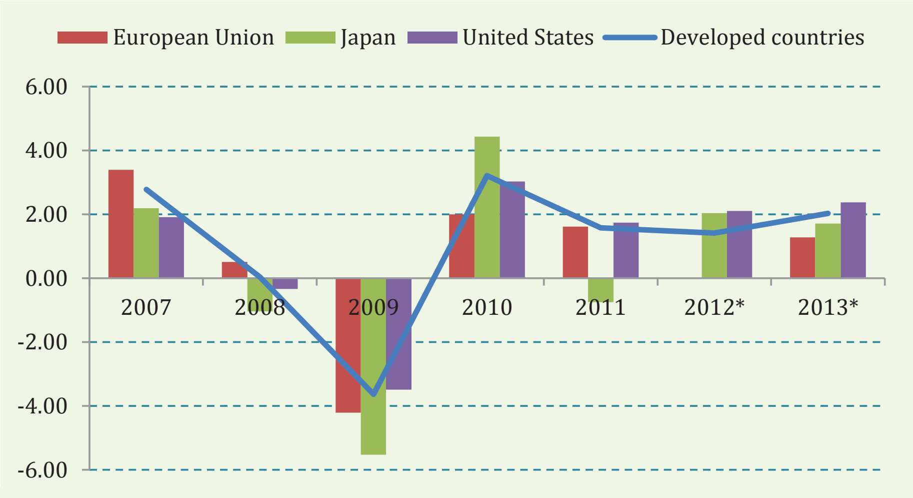
Output growth in developed countries has already slowed considerably since 2010. Even though it is foreseen a continued economic growth at a rate of 1.4 and 2 per cent in 2012 and 2013, respectively, the developed countries remain vulnerable against spillovers from bank deleveraging in Europe.

The euro area is still forecast to go into a recession in 2012 as a result of sovereign debt and financial sector problems (Figure 1.2). Loss of confidence and escalating financial stress are major downside factors in the euro area economy. European Central Bank's policies played important role in improvements in 2011, but their attempts were not sufficient. Various fundamental problems remain unsolved. On the other hand, after the post-quake re-construction that boosted the output by 4.4 per cent in 2010, Japan was in another recession in 2011. The GDP growth will be anemic, projected at a rate of 2 and 1.7 per cent in 2012 and 2013, respectively.

Figure 1.2: GDP Growth in Developed Countries

The euro area is foreseen to go into a recession in 2012.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.



The impact of the 2008 crisis on US economy has been less severe compared to others. After a contraction in 2009, the US economy recovered rapidly by growing at a rate of 3 and 1.7 per cent in 2010 and 2011, respectively. For the upcoming two years, the foreseen growth rate will be above 2 per cent. However, such growth rate may not be sufficient to offset the negative impacts of persistent high unemployment and low wage growth – which will hold back aggregate demand- on the economy.

Strong recovery in developing economies

In contrast to developed countries, growth in developing countries has been robust in 2010 and 2011. Yet, developing countries are still vulnerable to the economic woes in developed countries through trade and financial channels. Growth rates in China and developing Asia are projected to remain above 7.5 per cent during the forecast period (Figure 1.3).

Economic growth in Latin American and the Caribbean slowed from 6.2 per cent in 2010 to 4.5 per cent in 2011. The forecast for this developing region foresee a slowdown during 2012 and 2013, *albeit* a mild one. Middle Eastern and North African countries show a similar pattern. The output growth in this region is foreseen to remain above 4 and 3.5 per cent in 2012 and 2013, respectively.

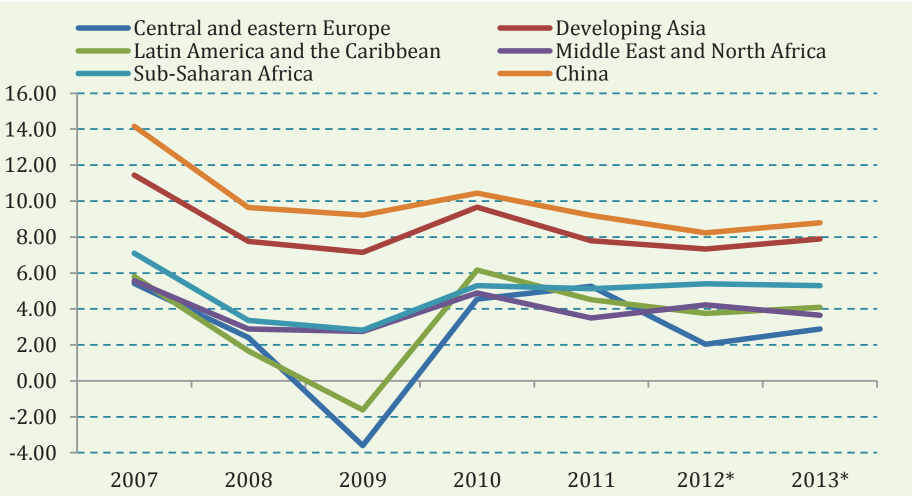


Figure 1.3: GDP Growth in Developing Countries

Recovery has been strong in developing countries.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.

Sub-Saharan Africa will continue to see a robust growth performance despite the high vulnerability to international commodity prices shocks. The main advantage of this region is the less exposure to global financial shocks due to their less integrated financial markets with the rest of the world. The projections for 2012 and 2013 indicate that Sub-Saharan African countries will record growth rates around 5.4 per cent.

Since Central and Eastern Europe countries' economies are closely integrated with the euro area, growth performance of this region is projected to be in line with that of the global trend. The economic growth in the region is projected to decelerate to 2 per cent in 2012, down from 5.3 per cent in 2011, and is expected to remain around 2.9 per cent in 2013.

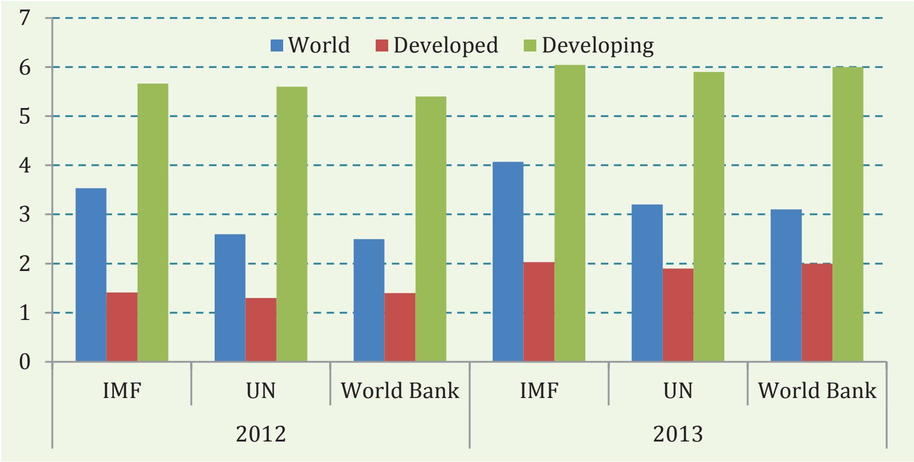
Projections do not always match

As is known, GDP growth projections are made by different institutions under different assumptions. The results of these projections, therefore, do not always match. Figure 1.4 illustrates the projections of world GDP growth made by three international organizations. It is clear that the IMF forecasts are relatively optimistic compared to the projections made by the UN and the World Bank. According to the IMF projections, the world GDP will grow 3.5 per cent in 2012 compared to 2.6 and 2.5 per cent growth forecast of the UN and the WB, respectively. Similarly, for 2013, IMF forecasts are almost 1 per cent higher than those of the UN and the World Bank. Yet, the projections of these institutions for the groups of developing and developed countries are almost similar. With the slight differences, the projections of growth rates for developed countries are expected to be around 1.4 and 2 per cent in 2012 and 2013, respectively. On the other hand, developing countries are foreseen to grow about 5.5 and 6 per cent in the same two years.

Figure 1.4: Comparisons of Growth Projections

Growth projections differ.

Source: IMF, World Economic Outlook, April 2012; UN DESA Global Economic Outlook, June 2012; World Bank Global Economic Prospects, June 2012.



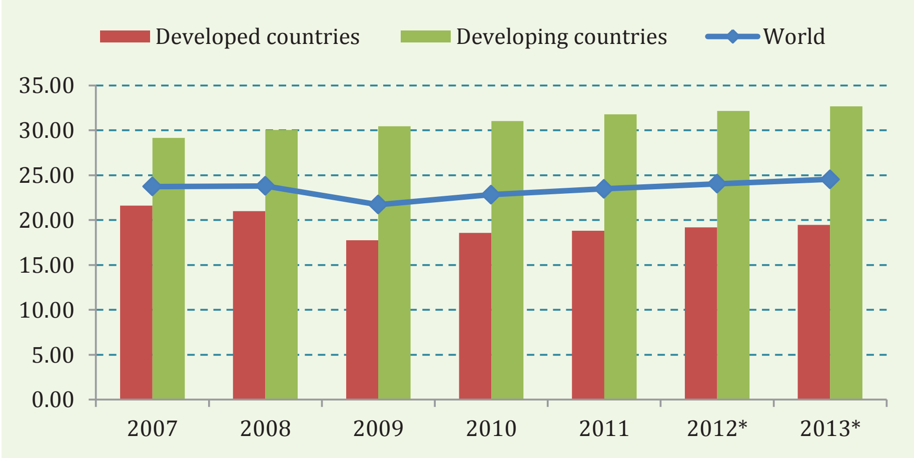
Developing countries are investing more

Investment is one of the most important factors in fostering and sustaining economic growth, especially in developing countries. It ensures continuous enhancement and expansion of productive capacities for the future growth and development of countries. Figure 1.5 demonstrates the share of investment in GDP.

Figure 1.5: Share of investment in GDP

Developing countries will keep investing more.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.



It is clear that the share of investment in GDP continuously rises in developing countries and is expected to rise for the upcoming two years, and by 2013, it is projected to constitute almost one-third of GDP. The developed countries, however, do not provide a common picture. The share of investment in output in these countries decelerated to 17.8 in 2009, down from 21.6 in 2007, and is foreseen to remain well below its pre-crisis level for the upcoming two years.

Growth in export and import will likely to remain above 5 per cent in developing countries

The growth of world exports in goods and services decelerated to 5.8 per cent in 2011 after a full recovery to its pre-crisis peak in 2010 (Figure 1.6). The recovery is undertaken by the developing countries, particularly the newly industrialized Asian economies, which have large shares in the trade of manufactured goods. The export volume of developed countries, on the other hand, is foreseen to remain well-below its 2007 level even in 2012. The performance of Middle East and North Africa economies indicates a similar pattern in the sense that the recovery from the crisis is still ongoing.

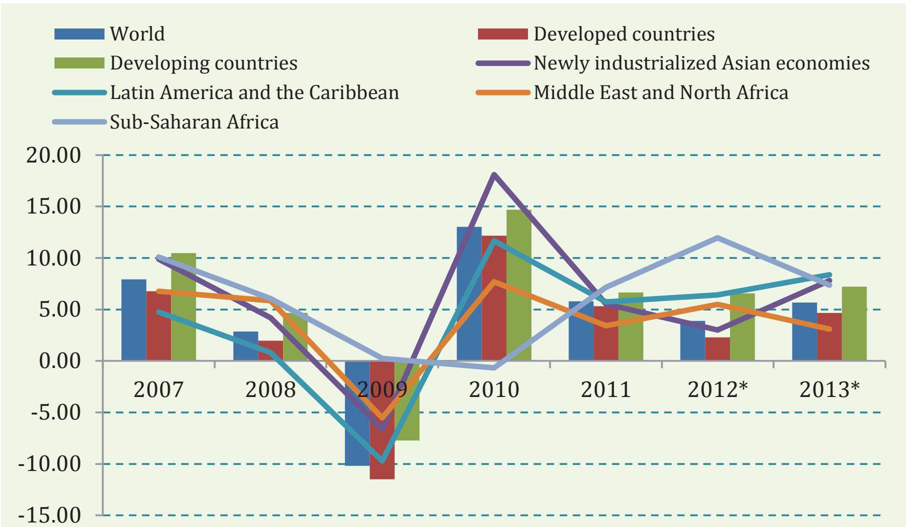


Figure 1.6: Export Volume of Goods and Services (Annual % Change)

Growth rate of exports will remain higher in developing countries.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.

Projections show that growth of export volume of Latin American and the Caribbean countries will rise up to 6.4 and 8.3 per cent in 2012 and 2013, respectively. As for the Sub-Saharan African economies, the situation is expected to be much better in 2012. Their export volume is expected to grow by 12 and 7.3 per cent during the forecast period.

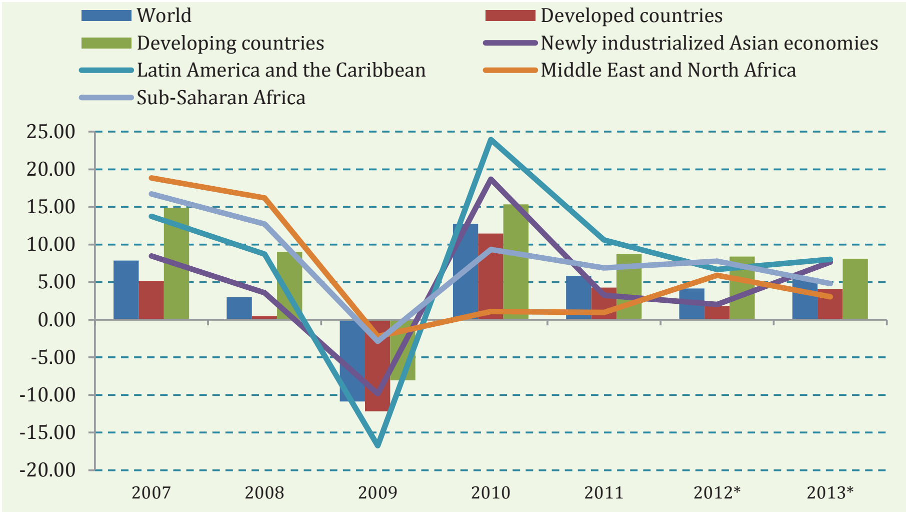
Similar patterns are also observed in imports of goods and services (Figure 1.7). After a strong rebound of more than 12 per cent in 2010, the volume of world imports of goods and services decelerated to 5.82 per cent in 2011.

As in the case of their export performance, the developing regions of Sub-Saharan Africa and Latin America and Caribbean again led the recovery. The share of these regional country groups in total import has been rising up after the crisis, and it is projected that the import growth of these three regions will be well-above to that of the other country groups in the world. In contrast, the recovery in the developed economies and region of the Middle East and North Africa are foreseen to remain limited after the strong rebound in 2010.

Figure 1.7: Import Volume of Goods and Services (Annual % Change)

Growth rate of imports in 2012 is expected to be below 2 per cent in developed countries.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.



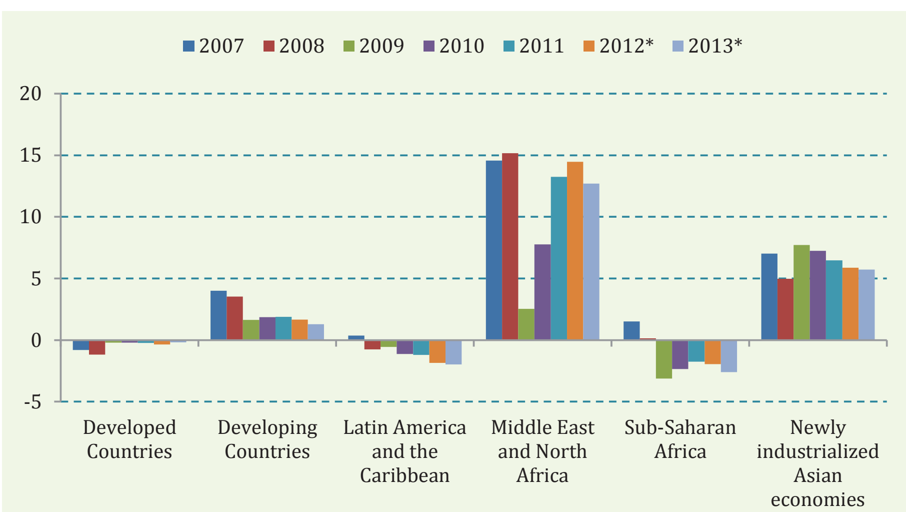
Current account surplus is foreseen to remain stable in developing countries

Current account balances can simply be thought of as savings minus investment of a country. Figure 1.8 demonstrates that during the economic crisis current account balances had been deteriorated in general in all the regions and country groups. The only exception is the newly industrialized Asian countries in which the crisis led to improvements in current account balances. Projections show that current account surplus is foreseen to remain stable in developing countries. On the other hand, deterioration in current account deficit is foreseen for Sub-Saharan Africa and Latin America and Caribbean regions at which, by 2012, the deficit is expected to be at the level of 1.96 and 2.6 per cent of GDP, respectively. As the oil prices increased during the period of 2010 and 2011, current account surplus in Middle East and North Africa region bounced back, and it is projected that the surplus will further increase to 14.47 per cent of GDP in 2012. Developed countries, on the other hand, are foreseen to retain a stable current account deficit at 0.35 and 0.17 per cent of GDP in 2012 and 2013, respectively.

Figure 1.8: Current Account Balance (% of GDP)

MENA countries continue to have large current account surpluses.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.



Fiscal balances are severe except oil producers

Projections show that the fiscal tightening is expected to be in effect in the developed countries (Figure 1.9). The fiscal withdrawal in these economies in 2013 is projected at 1.2 per cent of GDP, up from about 0.25 per cent of GDP in 2012. In the G-20 countries, the projected tightening for 2013 is about 0.7 per cent of GDP, up from less than 0.1 per cent of GDP in 2012. On the other hand, in developing economies, tightening is projected to drop from about 1.5 per cent of GDP in 2011 to less than 0.1 per cent of GDP in 2012. The low-income countries are expected to show a similar pattern whereas oil producers are foreseen to improve their fiscal balance position by taking the advantage of the rapid increase in oil prices. During 2012-13, oil producers are projected to be the only country group ending up with budget surpluses.

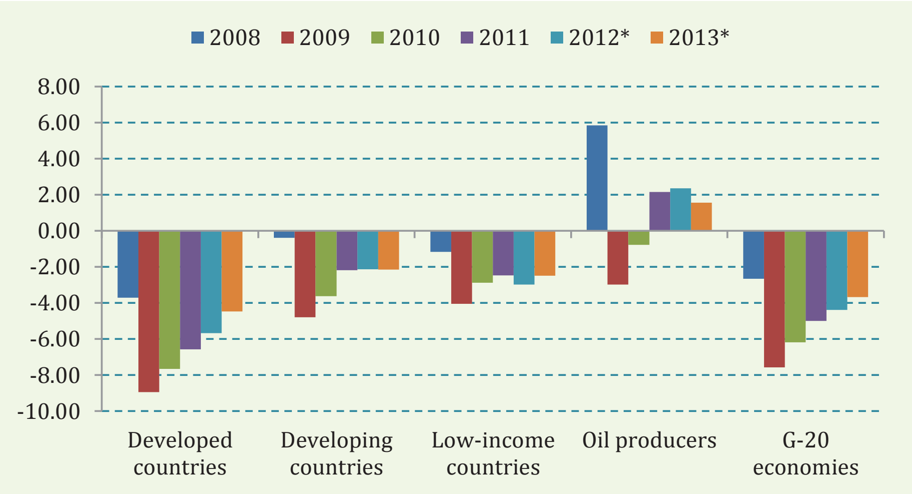


Figure 1.9: Fiscal Balances (% of GDP)

Oil producers will be the only region with budget surpluses.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.

Inflation is not foreseen to be a major concern for developed countries

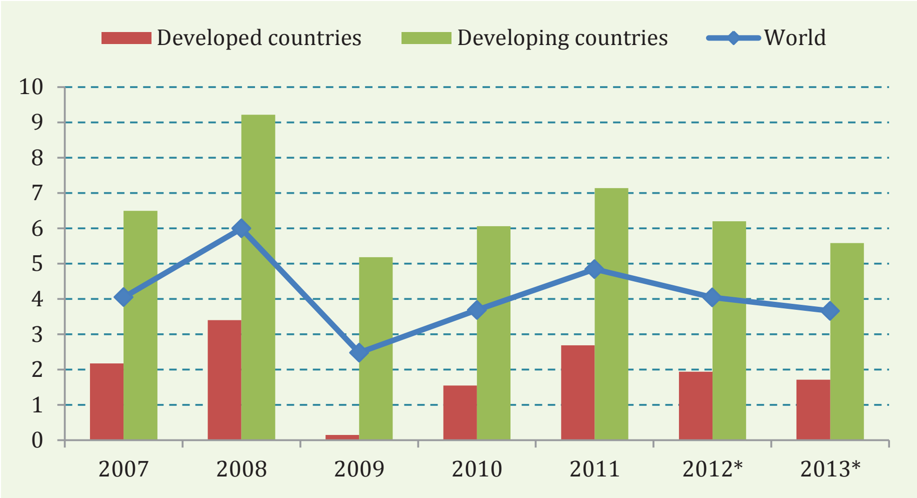
Because of the supply-side shocks, global inflation increased to 4.8 per cent in 2011. Expansionary monetary policies, aimed at mitigating the risk of deflation in the financial post-crisis in developed countries, also played an important role to the upward pressure. In line with their growth performance in 2010 and 2011, developing countries contributed to the boost. Overall price level has been also pushed up in Japan due to the post-quake re-construction and other factors.

Nonetheless, as seen in Figure 1.10, inflation is not foreseen to be a major concern for developed countries. As the weak demand and high unemployment rates persist, inflation is expected to be moderate, below 2 per cent during the forecast period. Even though the average consumer prices in developing countries is expected to be about 4 per cent higher than developed countries, inflation in most developing countries is also expected to decelerate in 2012-13 along with a lower commodity prices and anemic global growth.

Figure 1.10: Inflation, average consumer prices (% change)

Inflation in developing countries is expected to decelerate.

Source: IMF, World Economic Outlook, April 2012. (*) IMF projections.



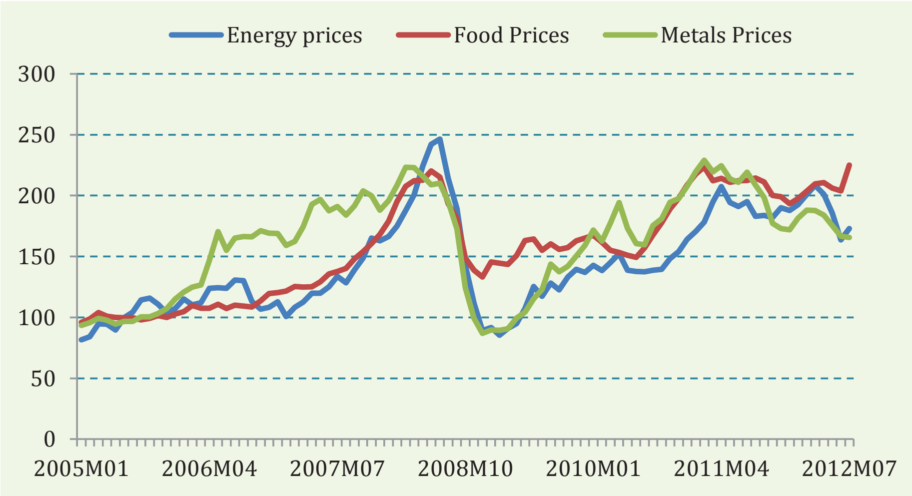
Partial reduction in prices is projected in most of the commodity's prices

Prices of most commodities have been on the rise over the last decade. After sharp reduction in the second half of 2008, commodity prices could not endure at low levels for too long and began to rebound in February 2009 (Figure 1.11). Yet, the upturns were much quicker than anticipated, reflecting strong demand from rapidly growing developing economies.

Figure 1.11: Commodity Prices (Index, 2005=100)

Commodity prices almost reached to its pre-crisis level.

Source: World Bank, Prospects for Global Economy, August 2012.



As seen in Figure 1.11, prices of the main commodity groups have at least doubled since 2005. Even though the prices sharply declined during the economic crisis, energy and food prices reached in July 2012 to almost the same levels before the crisis took place. Increasing demand from developing economies along with the stable demand from developed countries may push the prices further up in 2012, but recent economic uncertainty –particularly coming from the euro zone- will apparently prevent significant increases in prices of most commodities for the upcoming years. Except for metals and minerals and base metals, partial reduction in prices is projected in other commodities for 2013 (Table 1.1). Agricultural food prices are also forecasted to decline beyond 2013 but they will be supported by the increase in the emerging-market consumption, population growth and the impact of bio-fuels production. Structural changes on the supply side –including rapidly increasing urbanization and resultant reduction in arable land, declining global water resources and the unpredictable consequences of climate change on weather patterns- will constitute major risks on the agricultural prices.

Table 1.1: Commodity Price Forecasts (Constant US$, 2005=100)

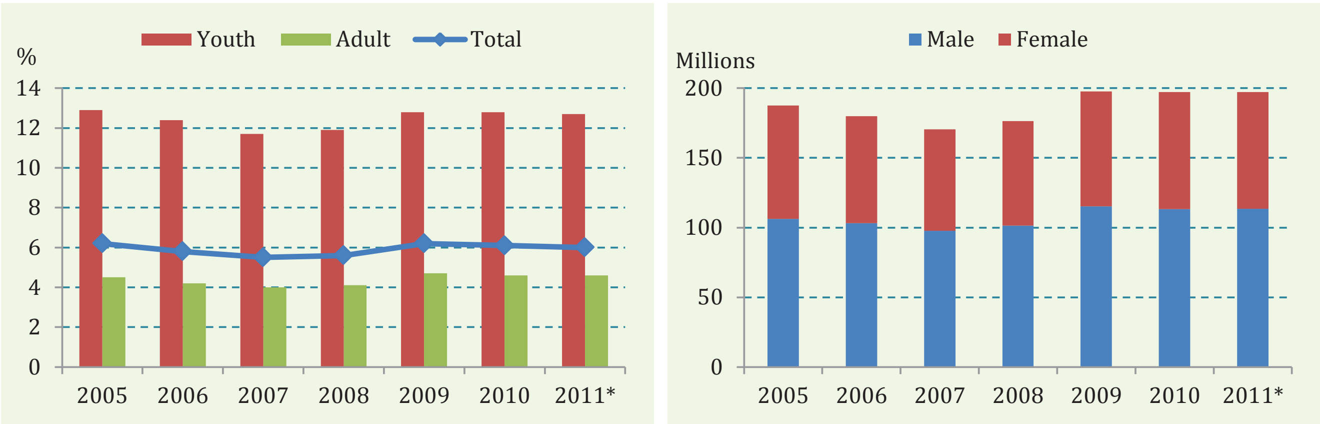
	Actual					Projection				
	1980	**1990**	**2000**	**2010**	**2011**	**2012**	**2013**	**2015**	**2020**	**2025**
Energy	66.0	43.4	53.2	144.7	188.1	190.6	184.8	182.4	180.2	179.8
Non-energy commodities	102.2	84.0	72.2	173.9	209.9	192.2	188.0	174.8	171.0	173.7
Agriculture	119.6	90.5	78.7	170.4	209.0	192.8	184.2	174.3	172.8	171.3
Beverages	157.7	90.5	76.8	182.1	208.2	168.0	163.5	156.6	153.1	150.7
Food	124.6	90.6	76.6	169.6	210.1	204.4	192.8	179.7	176.3	173.6
Grains	126.8	99.4	79.9	171.8	238.5	228.8	216.2	207.9	203.2	198.6
Raw Materials	88.0	90.2	84.7	166.3	206.7	177.1	173.8	170.2	174.3	176.3
Fertilizers	89.1	65.4	67.0	187.2	267.0	268.0	245.4	219.8	199.0	180.6
Metals and minerals	68.1	72.8	59.5	179.6	205.5	182.4	189.2	170.7	164.3	177.8
Base Metals	73.9	78.1	63.0	169.2	193.2	174.0	184.9	171.0	165.8	178.0

Source: World Bank, Prospects for Global Economy June 2012. 2000=100, constant 2005$.

Global unemployment is still above its pre-crisis level

According to the *ILO Global Employment Trends 2012* report, the total global unemployment rate averaged 6 per cent in 2011, remaining above the pre-crisis level of 5.5 per cent in 2007 (Figure 1.12). United States is one of the origins in the recent unemployment problem with an unemployment rate jumping to 9.4 per cent in 2010. Overall, the ILO projects global unemployment rate at 6 per cent in 2012, which is equivalent to 197.2 million unemployed. There is an upward trend in both the adult and youth unemployment rates. Adult unemployment rate jumped from 4 per cent in 2007 to 4.7 per cent in 2009.

Figure 1.12: Unemployment in the World



Source: ILO, Global Employment Trends 2012. (f) Forecast.

High youth unemployment is a major concern worldwide. According to the ILO, 74.7 million young people were unemployed in 2011, which was well above the pre-crisis level of 70.7 million in 2007. Notably, more young people are in the queue for entering labor markets worldwide. As for the gender groups, the number of male unemployed was 113.2 million in 2010 and further increase is estimated for 2011. Female unemployment shows a different pattern. Despite an increase in the number of employed female between the years of 2010 and 2011, the number of unemployed female is still 83.7 million, well-above the pre-crisis level of 73 million.

PART II

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

The current 57 OIC countries are dispersed over a large geographical region, spread out on four continents, extending from Albania (Europe) in the north to Mozambique (Africa) in the south, and from Guyana (Latin America) in the west to Indonesia (Asia) in the east. The OIC countries as a group account for one sixth of the world area and more than one fifth of the total world population. The OIC member countries constitute a substantial part of the developing countries[1], and, being at different levels of economic development, they do not make up a homogenous economic group.

[1] In 2011, the OIC member countries as a group accounted for 26.7 per cent of the total population, 22.2 per cent of the total GDP PPP and, 29.8 per cent of the total merchandise exports of the developing countries (calculated based on the data extracted from World Bank WDI Database, IMF WEO Database, and UN COMTRADE Database).

The mixed nature of the group of the OIC countries reflects high levels of heterogeneity and divergence in the economic structure and performance of these countries. After graduation of Maldives from the UN list of Least Developed Countries (LDCs) in January 2011, out of the world's remaining 48 LDCs, 21 are OIC countries, almost all of which depend for their growth and development on the exports of a few non-oil, mostly agricultural, primary commodities. On the other hand, according to the IMF, 19 OIC countries are classified as fuel-exporting countries, for which the prospects of growth and the development are dependent mainly on production and export of only oil or gas (IMF, 2012).

The gap between the rich and the poor OIC countries is substantial. The average per capita GDP based on purchasing power parity (PPP) in the richest member country (Qatar, $102.9K) was 18.7 times higher than the average of the OIC countries ($5.5K) in 2011. Moreover, 19 OIC member countries are currently classified by the World Bank as low-income countries and 31 are middle-income countries (17 lower middle-income and 14 upper middle-income). In contrast, only 7 OIC member countries are classified as high-income countries.[2] The total output (GDP) and trade of the group of the OIC countries are still heavily concentrated in a few of them; in 2011, only 10 member countries accounted for 73.4 per cent of the total GDP, based on purchasing power parity (PPP), of the OIC countries and 76 per cent of their total merchandise exports, both measured in current US Dollars (IMF DOT Database, UN COMTRADE Database).

As the prospects for a quick recovery from the crisis remain vulnerable to recently elevated downside risks, the key near-term challenge for the OIC countries – like many other developing countries – is how to appropriately calibrate macroeconomic policies to address these significant downside risks spilling over from developed economies while keeping in check overheating pressures from strong activity, rapid credit growth, volatile capital flows and renewed risks to inflation. In this connection, the rest of this section examines in detail the trends in the major economic indicators of the OIC countries as a group in the latest 5-year period for which the data are available, in comparison with the averages of the world, developed as well as other non-OIC developing countries.

[2] Income classification of countries is based on World Bank data for GNI per capita for the year 2011. The groups are low-income countries, $1,025 or less; lower-middle-income countries, $1,026 - $4,035; upper middle-income countries, $4,036 - $12,475; and high-income countries, $12,476 or more.

section 2 Production, Growth and Employment

The group of OIC countries are well-endowed with potential economic resources in different fields and sectors such as agriculture, energy and mining, human resources, and they constitute a large strategic trade region. Yet, this inherent potential does not manifest itself in the form of reasonable levels of economic and human development in many individual OIC countries as well as in the OIC countries as a group. In 2011, having accounted for 22.8 per cent of the world total population, the 57 OIC member countries produced only 10.9 per cent of the world total GDP – expressed in current USD and based on PPP (see Figure 2.1).

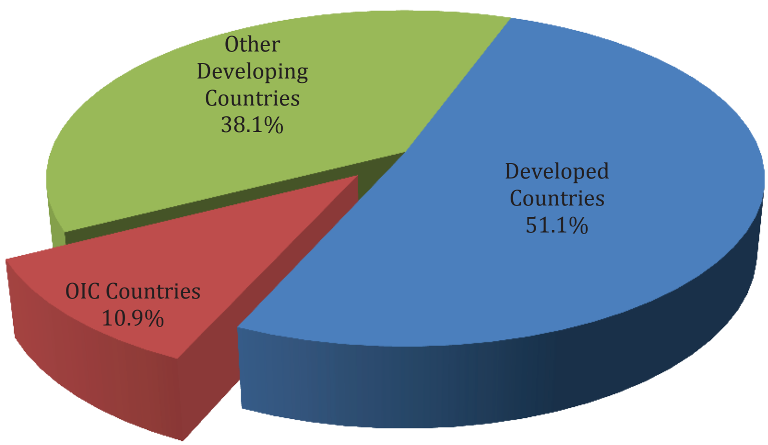


Figure 2.1: Gross Domestic Product, PPP Current USD (2011)

Contribution of the member countries to the global output is below their potential.

Source: IMF WEO Database April 2012 (updated: July 2012).

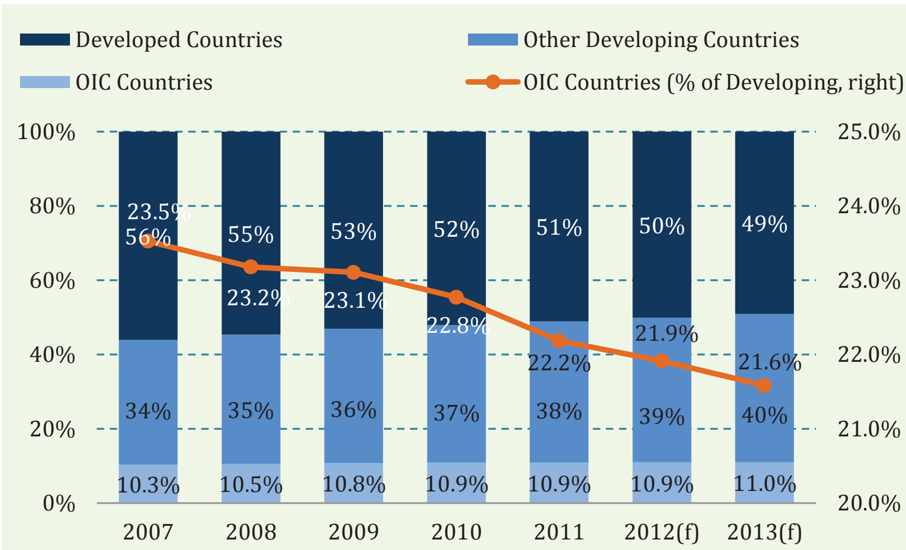
2.1 Production and Growth

Over the last 5 years, the group of OIC countries has increased its share in the world output only by 0.6 percentage point to 10.9 per cent (Figure 2.2). Considering the fact that the individual countries such as United States and China had higher shares than that of the OIC countries as a group in 2011 (19.1 and 14.3 per cent, respectively), it can be stated that the contribution of the OIC countries to the world output is below potential. On the other hand, the share of the OIC countries in the total GDP of developing countries group has declined steadily and was recorded as 22.2 per cent in 2011, a decrease by 1.3 percentage points (Figure 2.2).

Figure 2.2: Gross Domestic Product, PPP Current USD

The share of the OIC countries in developing countries output continued to decline in 2011.

Source: IMF WEO Database April 2012 (updated: July 2012).

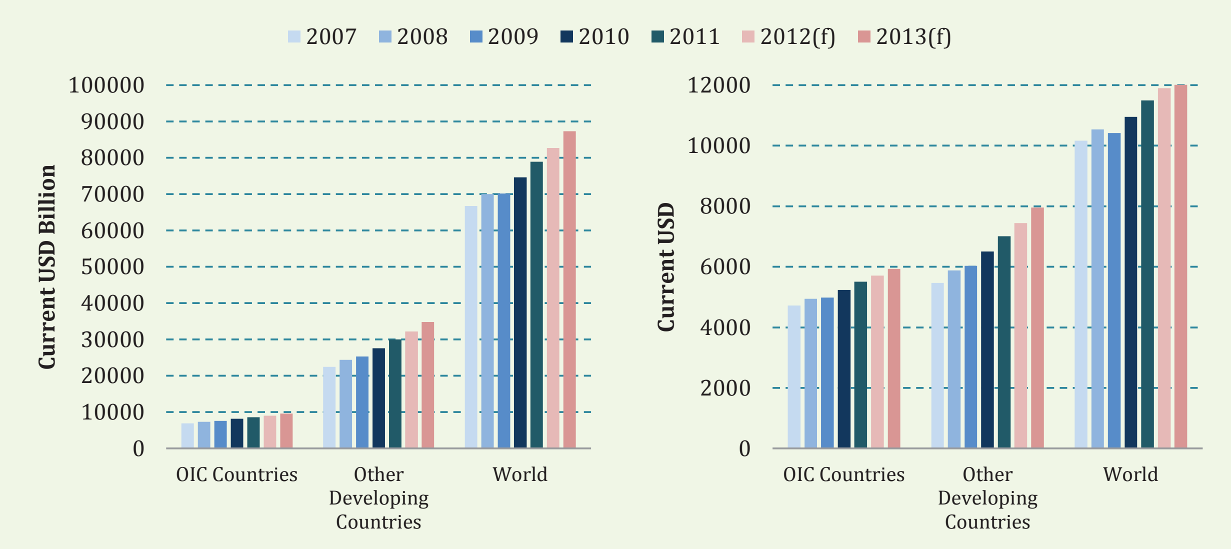


The decline in the share of the OIC countries in total GDP of the developing countries indicates that the OIC economies have performed poorer than other developing countries in expanding their output. Although the projections for 2012 and 2013 indicate that the GDP of the OIC countries as a whole will continue to grow (see Figure 2.3), it is predicted that the share of the OIC countries in the world output will be stable around 11 per cent through 2013. However, the share of the OIC countries in the total output of the developing countries is estimated to shrink further to 21.9 per cent in 2012 and 21.6 per cent in 2013 (Figure 2.2).

Total GDP of the OIC countries has grown constantly over the period 2007-2011. Compared to $6.9 trillion in 2007, it reached $8.6 trillion in 2011 (Figure 2.3, left panel). During the same period, other developing countries experienced a more rapid increase in their output as the total GDP in these countries reached $30 trillion as of year 2011, which is well above the $22.4 trillion recorded in 2007.

During the same period, the average GDP per capita in the OIC countries – expressed in current USD and based on PPP – has increased continuously and reached $5,507 in 2011, compared to $4,724 in 2007 (Figure 2.3, right panel). However, the gap between the average per capita GDP levels of the OIC member countries and other developing countries has widened further. The per capita GDP differential between the two groups in the period 2007-2011 has more than doubled from $739 to $1,497. The average GDP per capita in the OIC countries has diverged also from the world average as the differential increased from $5,438 to $5,984 during the same period.

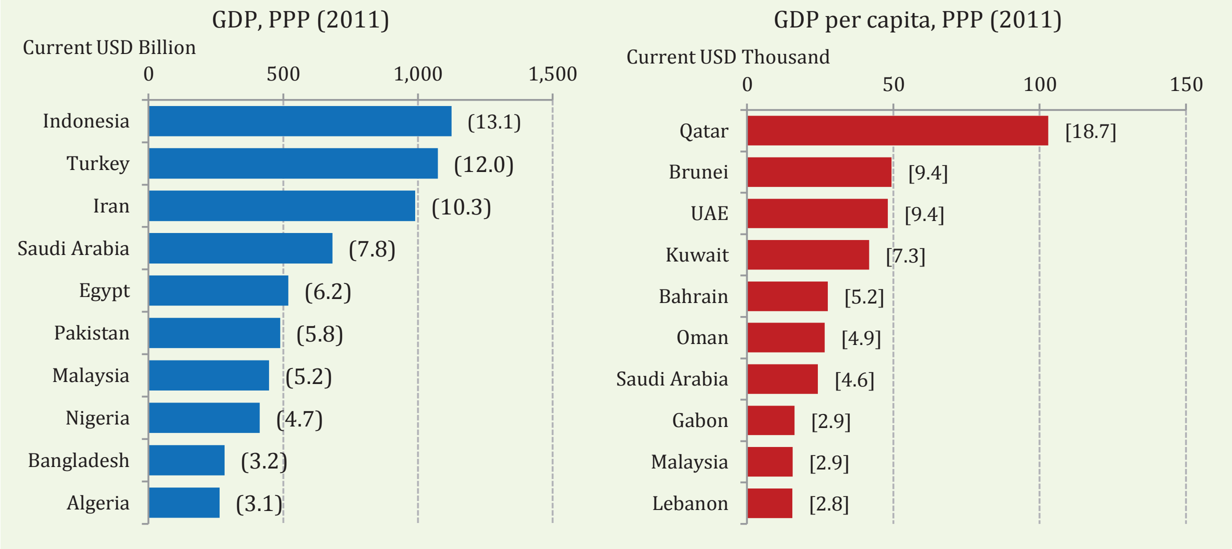
Figure 2.3: Total GDP and GDP per capita, based on PPP



Source: IMF WEO Database April 2012 (updated: July 2012).

Furthermore, it is observed that the total GDP of the OIC countries is still produced by a few member countries. In 2011, the top 10 OIC countries in terms of the volume of GDP produced 73.4 per cent of the total OIC countries output (Figure 2.4, left panel). The overall economic performance of the group of OIC member countries remained highly dependent on the developments in these countries. Fuel is the main source of export earnings for 4 out of these 10 OIC countries; namely, Saudi Arabia, Nigeria, Iran and Algeria (IMF, 2012).

Figure 2.4: Top 10 OIC Countries by GDP and GDP per capita (2011)



Source: IMF WEO Database April 2012 (updated: July 2012) and SESRIC BASEIND Database.

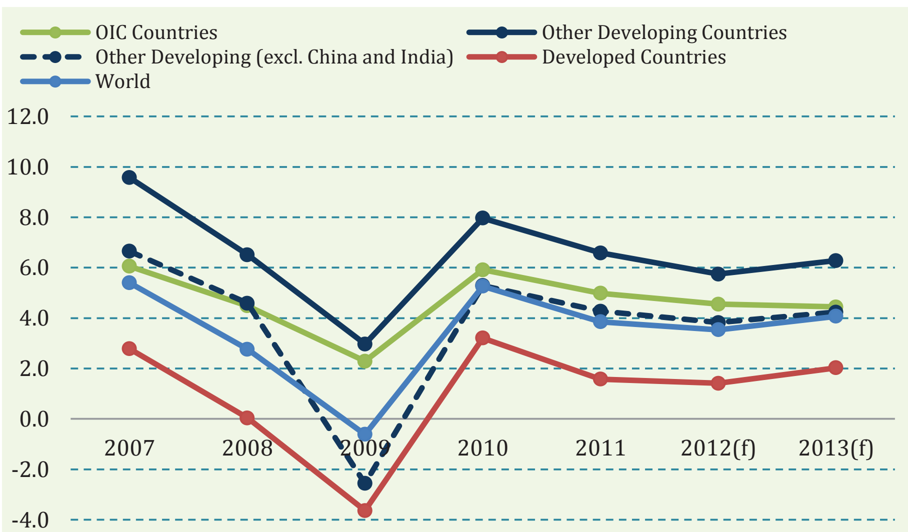
In 2011, the per capita GDP of Qatar was highest in the world and 18.7 times higher than that of the OIC countries average (Figure 2.4, right panel). This situation points to a high level of income disparity between the OIC countries.

The OIC countries, as a group, recorded an average growth rate of 5 per cent in their real GDP in 2011 compared to 5.9 per cent in 2010 (Figure 2.5). Although the OIC countries have recovered from the negative impacts of the slowdown in the global economic activity, which were widely felt in 2009, the deceleration in 2011, which is expected to spread further into 2012 and 2013, indicates that the OIC member countries are not exempt from the downside risks facing the world economy. The economic performance of other developing countries, on the other hand, has so far been highly influenced by the pace of growth in the two leading Asian economies: China and India. Indeed, the average real GDP growth rates in the other developing countries excluding China and India were almost the same as that of the OIC countries in the period 2007- 2008. During 2009-2011, average growth of the OIC countries has even outpaced the average growth of the other developing economies excluding China and India. Moreover, the impacts on the average economic growth in the OIC countries of the global financial turmoil were not as severe as those on the developed countries, the other developing countries and the world as a whole. However, the outlook for 2012-2013 is unsettled, with an expected moderation in the average rate of growth in the OIC countries of 4.6 per cent in 2012 and 4.4 per cent in 2013. Yet, these figures are still better than the predicted average growth rates for the group of other developing economies excluding China and India, as well as the world as a whole (Figure 2.5).

Figure 2.5: Real GDP Growth, Annual Percentage Change

Downside risks remain elevated for OIC countries as the economic slowdown is expected to continue into 2013.

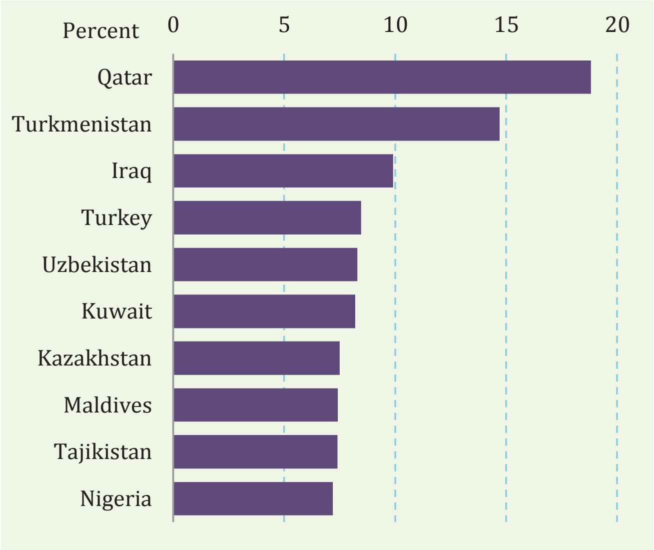
Source: IMF WEO Database April 2012 (updated: July 2012) and SESRIC BASEIND Database.



Qatar, with a growth rate of 18.8 per cent in 2011, was the fastest growing economy both within the group of OIC countries and in the world (Figure 2.6). Nigeria, 10th among the OIC countries, was the 27th fastest growing economy in the world in the same year. None of the OIC LDCs were able to be listed among the top 10 fastest growing OIC countries with their real GDP growth rates ranging between 7.1 per cent (Mozambique) and -10.5 per cent (Yemen).[3]

During the pre-crisis period of 2007-2008, the average growth rate of the real GDP per capita in the OIC countries has been positive (3.7 and 2.2 per cent, respectively), implying that their real GDP has grown on average faster than their population. This can be interpreted as a real increase in standards of living in the OIC community. However, in 2009, the growth in average real GDP per capita in the OIC member countries shrunk by 0.1 per cent (Figure 2.7). Although the growth rate recovered to 4 per cent in 2010, this upward trend was short-lived and the average real GDP per capita of the OIC countries declined again to 3.3 per cent in 2011 – with projections of 2.7 and 2.6 per cent for the years 2012 and 2013, respectively. In general, the pace of the real GDP per capita growth in the OIC member countries was almost similar to that of the world and other developing countries, excluding China and India, and favourably comparable to the pace of growth in the developed countries. Yet, it remained slower than that of the group of other developing countries as a whole.

Figure 2.6: Top 10 OIC Countries in terms of GDP Growth Rate (2011)



Source: IMF WEO Database April 2012 (updated: July 2012) and SESRIC BASEIND Database.

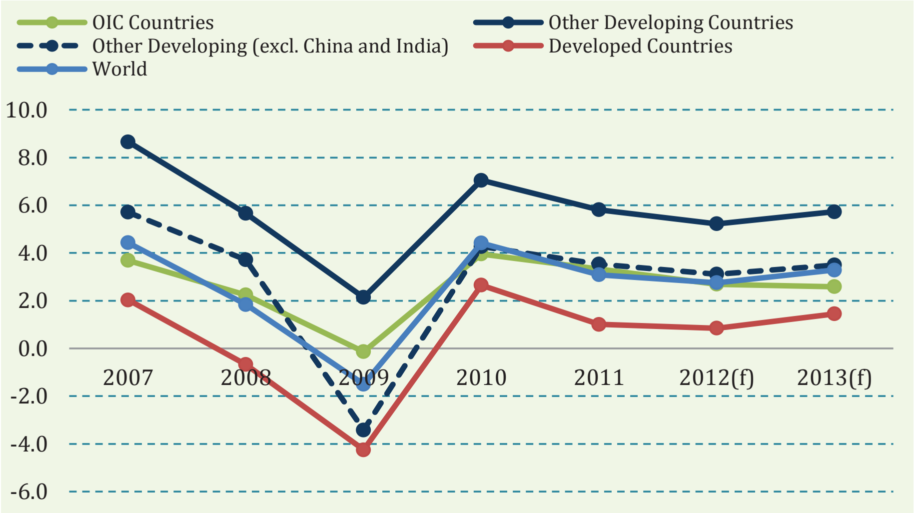


Figure 2.7: Real GDP per capita Growth, Annual Percentage Change

Strong signs for a weak recovery in the outlook.

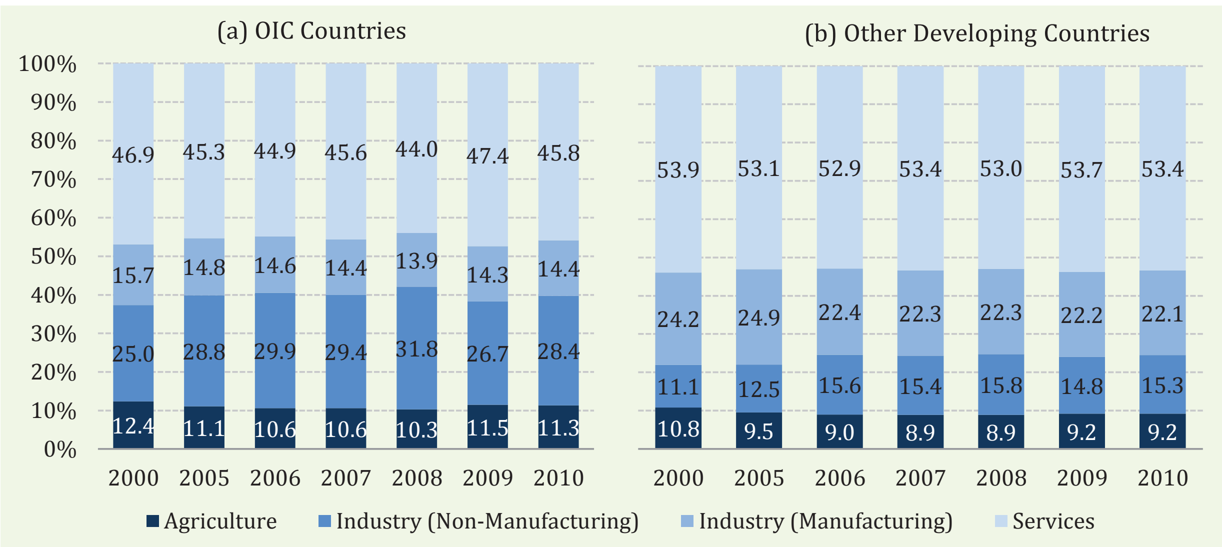
Source: IMF WEO Database April 2012 (updated: July 2012) and SESRIC BASEIND Database.

[3] Maldives graduated from the LDC status on January 1st, 2011.

2.1.1 GDP by Major Economic Activities

Figure 2.8 displays the average shares of the value-added by four major sectors in the total GDP of the OIC countries, in comparison to the other developing countries. Although agriculture is widely known to be the primary economic activity and assumed to play a major role in the economies of developing countries, this feature does not stand firm in the case of OIC countries as a group. Indeed, the share of agriculture in the total GDP of the OIC countries has gradually declined from 12.4 per cent in 2000 to as low as 10.3 per cent in 2008. With the breakout of the global financial crisis and contraction in the share of the non-manufacturing industry, the share of the agricultural sector expanded to 11.5 per cent in 2009 – before declining slightly to 11.3 per cent in 2010. A similar trend was also observed in other developing countries, where the average share of agriculture in the economy decreased to 9.4 per cent in 2010, from 10.8 per cent in 2000 (Figure 2.8).

Figure 2.8: Value-added by Major Sectors of the Economy (% of GDP)



Source: UNSD National Accounts Main Aggregates Database.

At the individual country level, in 2010, the agriculture sector accounted for more than one third of the total value-added in 12 OIC member countries; namely Afghanistan, Benin, Burkina Faso, Comoros, Guinea Bissau, Mali, Niger, Nigeria, Sierra Leone, Somalia, Sudan, and Togo – 11 of which were listed among the LDCs in the same year according to the classification by the UN. The share of agriculture in GDP varied substantially among the OIC countries, with the highest share of 60.2 per cent recorded by Somalia and the lowest share of only 0.1 per cent by Qatar.

In contrast, the services sector continued to play a major role in the economies of many OIC countries as the most important source of income. After the signs of a contraction during the crisis period and the resulting decrease in its share to 44 per cent in 2008, the average share of the service sector in total GDP of OIC countries started to recover and reached 47.4 per cent in 2009 (Figure 2.8, left panel). In 2010, the service sector has seen a decline in its average share in the economies of the OIC countries by 1.6 per cent to 45.8

per cent – which was mainly offset by an increase in the share of the non-manufacturing industry sector. In the same year, the contribution of the services sector to the economy was still less than one third of the GDP in 9 OIC member countries; namely in Azerbaijan, Brunei, Chad, Gabon, Guinea, Libya, Nigeria, Qatar, and Somalia (UNSD National Accounts Main Aggregates Database). The share of the services sector in GDP varied from 21.9 per cent in Libya to 82.8 per cent in Maldives. As for other developing countries, the sector accounted for over half of the total GDP (Figure 2.8, right panel) and its share was recorded at 53.4 per cent in 2010.

Industry sector – including manufacturing – accounted on average for 42.8 per cent of the total GDP of the OIC member countries in 2010 (Figure 2.8, left panel). Its 45.7 share in 2008 was more than that of the services sector, however, the situation was reversed in the period 2009-2010 and the industry continued to be the second largest sector following the services sector in the group of OIC countries. Compared to other developing countries where the sector's contribution to the GDP averaged at 37.4 per cent in 2010, industrial activity apparently constitutes a larger portion of the economic activity in the OIC member countries.

However, the share of industry in the GDP of a country, per se, does not reflect the actual industrialization level of its economy. Particularly in the case of OIC countries, the oil industry accounts for a significant portion of the total value-added of industry sector. Figure 2.8 reveals that, during the period 2005-2007, the share of manufacturing sector in total GDP of the OIC countries has been slightly above 14 per cent (left panel). In 2008, however, the share of the sector fell below that level and improved slightly to 14.3 per cent in 2009, followed by a 14.4 per cent in 2010. Yet, the share of manufacturing sector in total GDP of the OIC countries is below 15.7 per cent which was observed in 2000. In contrast, the share of the manufacturing sector in the total GDP of the other developing countries was recorded at 22.1 per cent in 2010.

Industrial Production

Although the industry has been losing ground to services sector in terms of its share in world total value-added since early 1970s, the industry sector is still one of the key determinants of economic performance. In 2010, industrial production accounted for 29 per cent of the world total GDP.[4] The share of the OIC countries as a group in the world total industrial value-added has increased steadily until 2008 and reached 12.3 per cent (Figure 2.9). In 2009, however, the share of the member countries decreased by 1.1 per cent to 11.2 per cent, primarily due to the sharp decline in the prices of fuel products. When considered as a part of the developing countries, it is observed that the share of the OIC countries in the group of developing countries remained around 29 per cent until 2008. In 2009, this share declined by 3 per cent to 26 per cent and remained at the same level in 2010. The relatively faster contraction in the share of OIC countries in the developing countries' industrial production during the crisis period – as compared to that in the world's – indicates that the industrial output in other developing countries

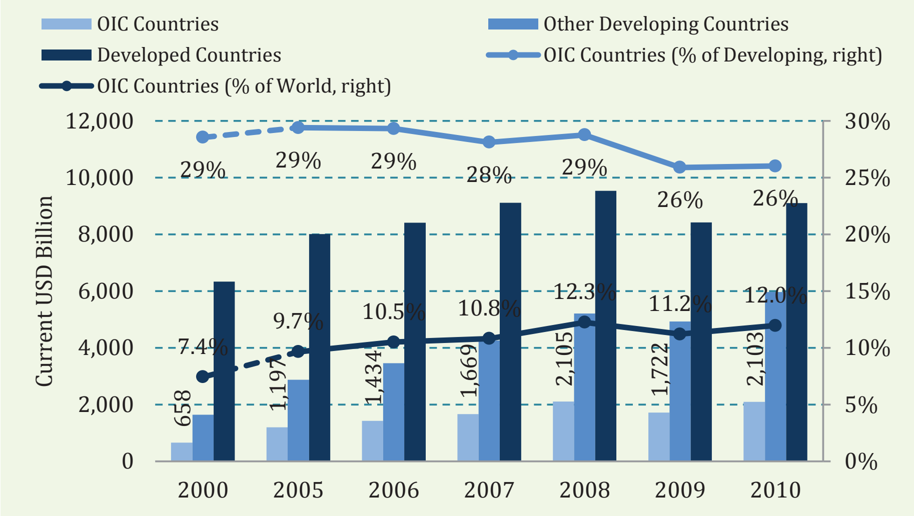
[4] UNSD National Accounts Main Aggregates Database, December 2011

were relatively less prone to the adverse effects of the global economic slowdown, in comparison to the OIC countries.

Figure 2.9: Industrial Production, Volume and Share (right)

Prospects for industrial recovery remains pegged to the energy prices.

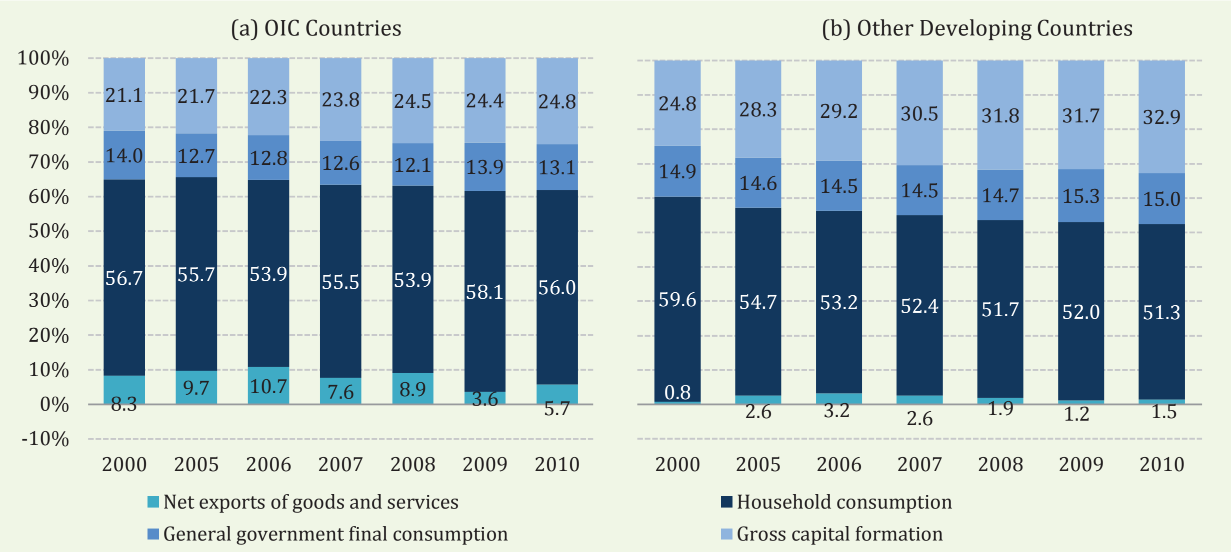
Source: UNSD National Accounts Main Aggregates Database.



2.1.2 GDP by Major Expenditure Items

The shares of the major expenditure items in the total GDP of OIC countries and other developing countries are shown in Figure 2.10. In 2010, final consumption, which is comprised of household and general government spending, continued to be the largest expenditure item in the group of OIC member countries, accounting for 69.1 per cent of the total GDP (left panel). As constituents of the final consumption expenditure, expenditure by households and governments accounted for 56 and 13.1 per cent of the GDP, respectively. These figures marked a decrease in the shares of both consumption types compared to the previous year, where, the share of household consumption in the total GDP of the OIC member countries decreased by 2.1 per cent whereas the share of

Figure 2.10: GDP by Major Expenditure Items (% of GDP)



Source: UNSD National Accounts Main Aggregates Database.

government spending contracted by 0.8 per cent in 2010. The decrease in the share of final consumption was mainly accommodated by an expansion in the share of net exports from 3.6 per cent in 2009 to 5.7 per cent in 2010. On the other hand, the share of final consumption in total GDP of other developing countries was recorded at 66.3 per cent in 2010 and household consumption, with a 51.3 per cent share in GDP, was again the main source of final consumption expenditure in these countries (Figure 2.10, right panel).

Gross Capital Formation

Gross capital formation measures the amount of savings in an economy which are transformed into investments in production. In year 2010, 24.8 per cent of the total GDP generated in the OIC member countries was invested in productive assets (Figure 2.10, left panel). In comparison, other developing countries on average channelled 32.9 per cent of their GDP into productive investments. The share of gross capital formation in the GDP of OIC countries as a group has improved by 3.7 per cent from 21.1 per cent to 24.8 per cent since 2000, whereas it increased by as much as 8.1 per cent in the group of other developing countries over the same period. Yet, gross capital formation is flawed primarily by the significant fluctuations in inventories and, most of the time, non-availability of the industry-level inventory information. Gross fixed capital formation[5], on the other hand, is promoted as being a better indicator on the net additions of productive assets created during a specific year. In view of that, Figure 2.11 offers a look at the gross fixed capital formation trends in the OIC countries in comparison to other developing as well as developed countries. According to the figure, the share of the OIC countries as a whole in world total fixed capital formation reached 8.2 per cent in 2010. This marks an increase of 3.7 percentage points since year 2000. Despite this upward trend, the share of the OIC countries in the total gross fixed capital formation of the developing countries has been on decline and contracted from 20.8 per cent to 18.2 per cent over the same period. This indicated the relatively poor performance shown by the OIC countries in accumulating investment capital, in comparison to other developing countries.

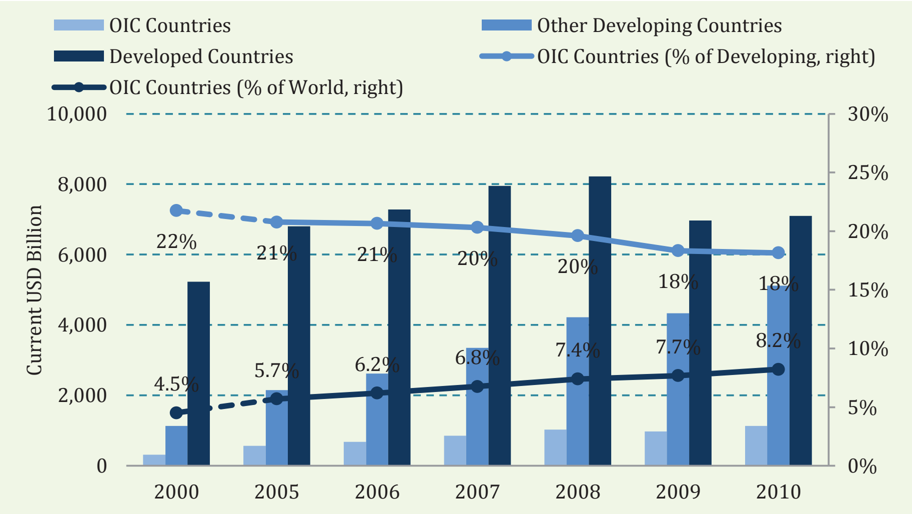


Figure 2.11: Gross Fixed Capital Formation, Volume and Share (right)

Share of the OIC countries in global GFCF is on rise.

Source: UNSD National Accounts Main Aggregates Database.

[5] Formally, the relationship between Gross Fixed Capital Formation (GFCF) and Gross Capital Formation (GCF) is given by *GFCF = GCF - change in inventories*.

2.2 Employment and Productivity

2.2.1 Labour Force Participation

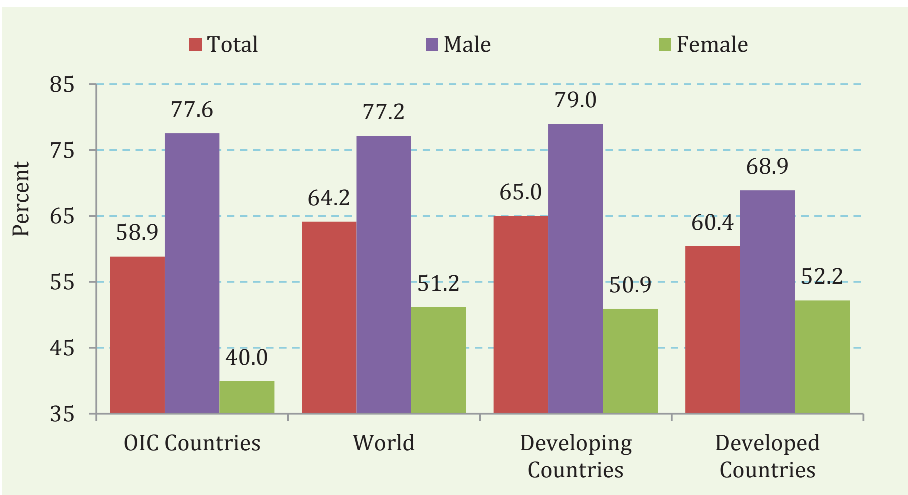
Although unemployment rate is accepted as one of the leading macroeconomic indicator on the state of the productivity of the economy, it may not accurately reflect the health of labour market as the definition focus on people seeking employment for pay but not the magnitude of people who are not working actually. Due to these deficiencies, it is preferred to look at other economic indicators such as labour market participation rate. Labour force participation rate measures the proportion of people aged 15 and above who are either working or actively searching for a job.

As shown in Figure 2.12, in OIC member countries the total participation rate of those aged 15 and above stood at 58.9 per cent compared to 64.2 per cent in the world, 65.0 per cent in developing countries and 60.4 per cent in developed countries. In case of male labour force participation rate, OIC member countries recorded a rate of 77.6 per cent compared to 77.2 per cent in the world, 79.0 per cent in developing countries and 68.9 per cent in developed countries. This shows that although OIC member countries registered globally comparable performance in terms of total and male labour force participation rates, their performance in case of female labour force participation rate remained significantly lower. As shown in Figure 2.12, in OIC member countries female labour force participation rate was recorded at 40.0 per cent, a rate which is significantly lower than the world average of 51.2 per cent, 50.2 per cent in developing countries and 52.2 per cent in developed countries.

Figure 2.12: The Labour Force Participation Rates, 2010

The OIC countries registered comparable performance in terms of total and male labour force participation rates.

Source: World Bank, WDI Database and SESRIC BASEIND Database.



At the individual country level, Qatar recorded the highest total labour force participation rate (86.4%) followed by Mozambique (84.7%), Burkina Faso (83.8%), Togo (80.8%) and United Arab Emirates (79.1%). It is worth mentioning that with the exception of Qatar and United Arab Emirates, all top 10 performing member countries belong to low and middle income group. In general, 33 member countries recorded participation rates higher than the average OIC rate, whereas for 24 member countries participation rates were below the OIC average. At the global level, with respect to total labour force participation rate, Qatar is ranked the 3rd, Mozambique the 7th, Burkina Faso the 11th, Togo the 15th and UAE the 17th.

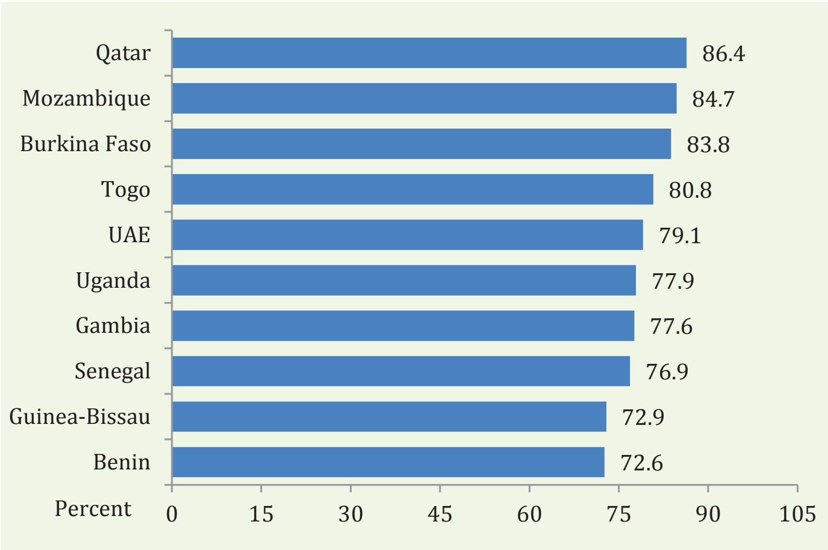


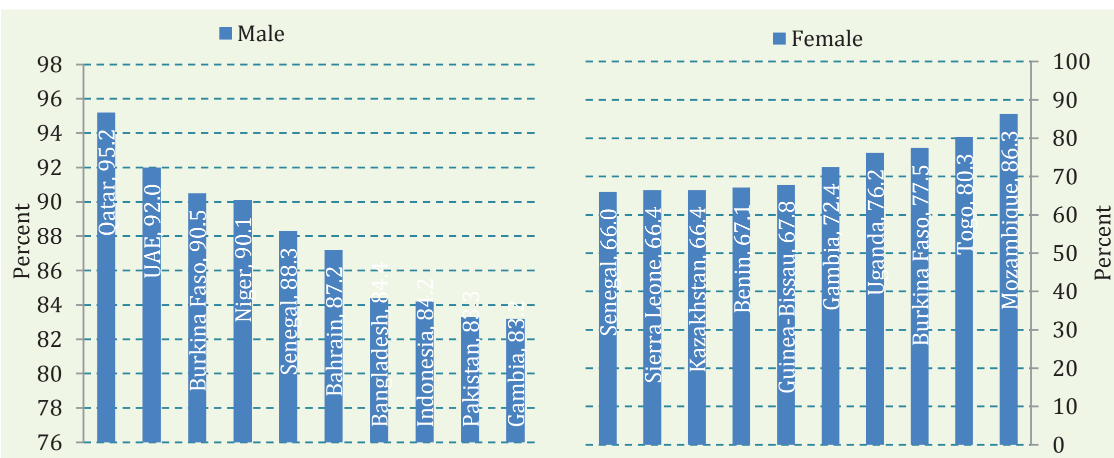
Figure 2.13: Top 10 OIC Member Countries in terms of Labour Force Participation Rate, 2010

Qatar ranked 1st at OIC and 3rd at global level.

Source: World Bank, WDI Database and SESRIC BASEIND Database.

In 2010, as shown in Figure 2.14, OIC member country with the highest male labour force participation rate was Qatar with a rate of 95.2 per cent. It is closely followed by United Arab Emirates (92.0%), Burkina Faso (90.5%), Niger (90.1%) and Senegal (88.3%). At the global level, with respect to male labour force participation rate, Qatar is ranked the 1st, UAE the 3rd, Burkina Faso the 4th, and Niger the 6th. On the bottom side, Nigeria and Gabon recorded the lowest male labour participation rates (63.0% and 64.9% respectively) followed by Jordan (65.4%) and Palestine (66.3%).

Figure 2.14: OIC Member Countries with Highest Male and Female Labour Force Participation Rates



Source: World Bank, WDI Database and SESRIC BASEIND Database.

Although average female labour force participation rate remained comparatively very low in OIC countries, 32 of these countries recorded female labour force participation rates higher than the OIC average (40.0%). As shown in Figure 2.14, Mozambique recorded the highest female labour force participation rate (86.3%) followed by Togo

(80.3%), Burkina Faso (77.5%), Uganda (76.2%) and Gambia (72.4%). At the global level, with respect to female labour force participation rate, Mozambique is ranked the 3rd, Togo the 10th, Burkina Faso the 14th and Uganda the 16th. On the bottom side, eight member countries namely: Syria, Iraq, Palestine, Algeria, Jordan, Afghanistan, Iran and Saudi Arabia recorded female labour force participation rate of less than 20 per cent.

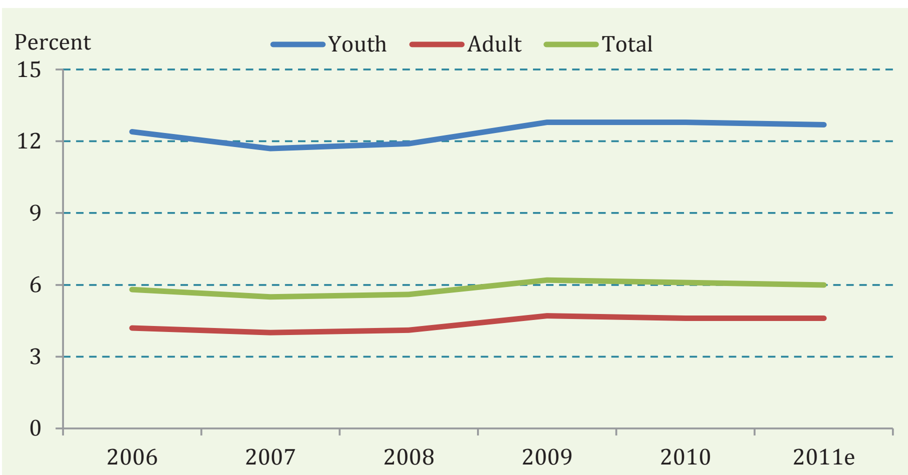
2.2.2 Unemployment

Globally, unemployment remained one of the most challenging issues as one in every three workers in the global labour force of 3.3 billion is currently either unemployed or working poor. According to the *ILO Global Employment Trends 2012* report, total global unemployment rate recorded at 6.1 per cent in 2010, and, despite the modest economic growth in 2011, it was estimated at 6.0 per cent, a rate which is still well above the 5.5 per cent rate in 2007 (Figure 2.15). Adult unemployment rate (% of labour force age 24 and over) was recorded at 4.6 per cent in 2010 and estimated at the same level for 2011. The report mentioned that an estimated 456 million workers were living with their families at the extreme poverty level of US$ 1.25 a day in 2011, a reduction of 233 million since 2000 and a decline of 38 million since 2007. Moreover, around 1.52 billion workers worldwide fall in the category of vulnerable employment[6] in the same year, corresponding to an increase of 136 million since 2000 and of nearly 23 million since 2009.

The job prospects for the young people (aged 15 to 24 years) are even bleaker as young people are nearly three times as likely as adults to be unemployed. According to the latest estimates, 75 million young people around the globe are unemployed, corresponding to an increase of more than four million since 2007 (ILO, Global Employment Trends 2012). The average youth unemployment rate worldwide was recorded at 12.8 per cent in 2010 whereas estimates for year 2011 are showing no improvement in the situation in near future. Furthermore, research conducted by the ILO reveals that an estimated 6.4 million young people have given up hope of finding a job and have dropped out of the labour market during 2007-2010.

Figure 2.15: World Average Unemployment Rates

Youth are nearly three times as likely as adults to be unemployed.



Source: ILO, Global Employment Trends 2012.

[6] According to the ILO, vulnerable employment is a measure of what are deemed to be the more vulnerable statuses of employment, namely own-account workers and contributing family workers. It is calculated as the sum of own-account and contributing family workers as a proportion of total employment.

Though the crisis originated in developed countries, the negative impacts of the crisis were transmitted to developing countries, including the OIC members, and leading to deteriorations in their labour markets. Total unemployment rates varied widely among different regions and countries ranging from 2.3 per cent in South Asia, 2.7 per cent in South-East Asia and Pacific to 7.2 per cent in non-EU Central and South-eastern Europe, Commonwealth of Independent States and 7.0 per cent in North Africa.

According to the latest available data, OIC countries recorded significantly higher unemployment rates compared to the world, developed and other developing countries during the period 2006-2010 (Figure 2.16). During this period, total unemployment rate in OIC countries initially decreased from a level above 9.9 per cent in 2006 to below 9.0 per cent in 2008. However, triggered by the crisis, the unemployment rate peaked to 9.7 per cent in 2009 before declining to 9.4 per cent in 2010. Nevertheless, despite recording a downward trend, average unemployment rate in OIC member countries remained significantly higher than the world average (6.8%) and average of other developing countries (6.4%) whereas it was one percentage point higher than that of the developed countries in 2010.

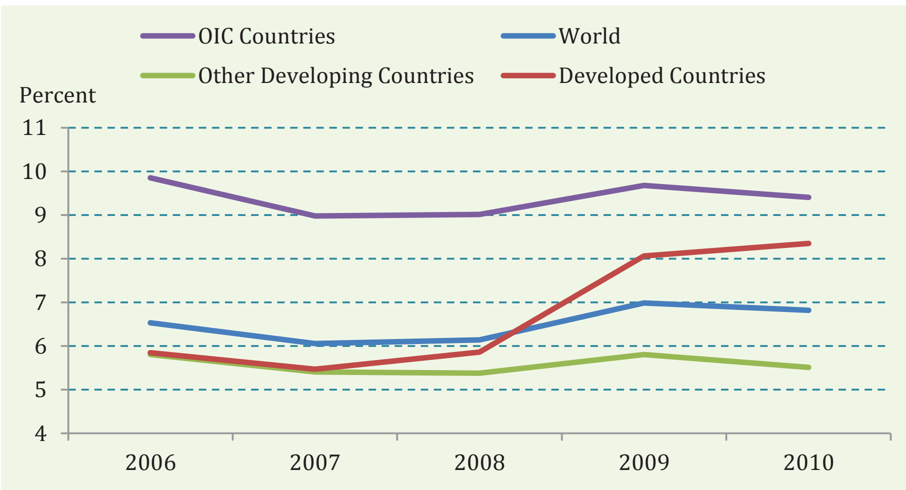


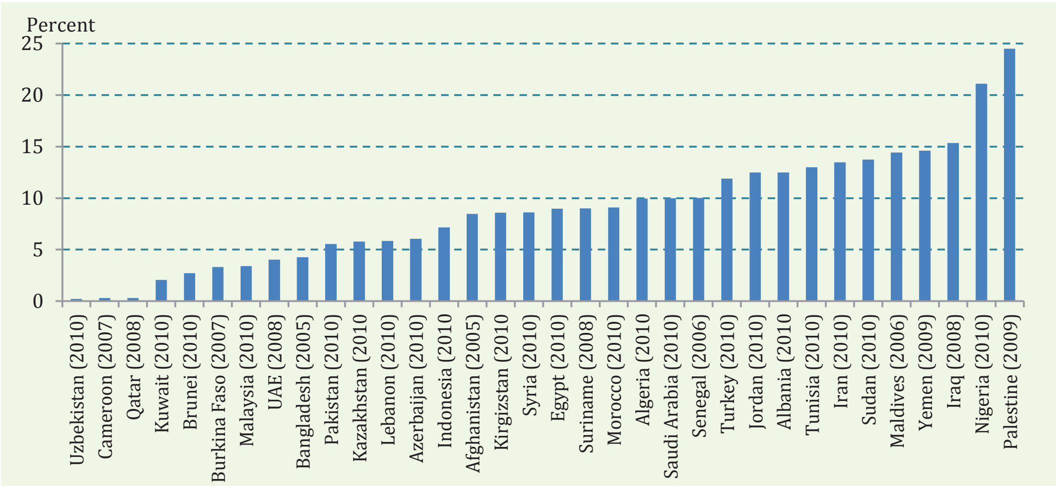
Figure 2.16: Total Unemployment Rate (% of Total Labour Force)

Unemployment rate remained comparatively very high in OIC countries.

Source: IMF, WEO April 2012; World Bank, WDI Database and SESRIC BASEIND Database.

At the individual country level, unemployment rates varied among OIC countries (Figure 2.17). Out of the 34 OIC member countries, for which the data are available for various years during the last five years, 20 had recorded unemployment rates lower than the average OIC unemployment rate of 9.4 per cent in 2010. The unemployment rates in 13 OIC countries were even below the rate of the other developing countries (6.8 per cent). The unemployed people, for example, constituted less than one per cent of total labour force in Uzbekistan, Cameroon and Qatar. However, during the last five years, many OIC countries recorded quite high unemployment rates, particularly during and after the crisis. This is clear in some OIC countries such as Algeria, Saudi Arabia, Senegal, Turkey, Jordan, Albania, Tunisia, Iran, Sudan, Maldives and Yemen where unemployment is still a serious concern, unemployment rates ranging between 10 to 15 per cent. Yet, among the countries, for which the data are available for 2010, Iraq,

Figure 2.17: Unemployment Rate (% of labour force) in OIC Member Countries



Source: IMF, WEO April 2012; World Bank, WDI Database and SESRIC BASEIND Database.

Nigeria and Palestine recorded unemployment rates ranging between 15 to 25 per cent, representing the severity of the problem.

The figures on youth unemployment in OIC countries are even less promising. The highest youth unemployment rate in OIC countries is recorded by Palestine where 46.9 per cent youth aged 15-24 were unemployed in 2009 whereas the lowest youth unemployment rate was recorded by Qatar with unemployment rate of just 1.6 per cent

Box 2.1: Weathering the crisis: a Turkish recipe

With GDP contracting by almost 5 per cent in 2009 and the unemployment rate soaring to 14 per cent, Turkey was negatively affected by the global financial crisis. But unlike many other European countries, Turkey has managed to recover relatively well. By early 2011, the unemployment rate was back to its pre-crisis level, falling to a little less than 11 per cent in March 2011. So, what types of policies have made this possible?

In addition to macroeconomic policies aimed at regaining stability, the government adopted measures to reduce non-wage labour costs and hence encourage companies to recruit workers rather than cut jobs and there was a drop in informal employment. Measures included a general reduction of social security contributions; incentives to hire youth, women and long-term unemployed; the promotion of training, as well as significant tax reductions for enterprises investing in less developed regions.

Reduction of employer social security contributions for disability, old age and death from 19.5 per cent to 14.5 per cent of gross wages helped to create more than 61,000 jobs in 2009 and more than 63,000 in 2010.

Under the Government's special incentive scheme for less developed regions a total of 730,000 workers, representing 17 per cent of total manufacturing employment in Turkey, were employed in the first two months of 2011. It's interesting to highlight that job creation for women exceeded that for average male workers.

Informal employment, defined as employment of workers not registered with any social security institution, declined from almost 53 per cent of total employment in 2001 to less than 45 per cent in 2010.

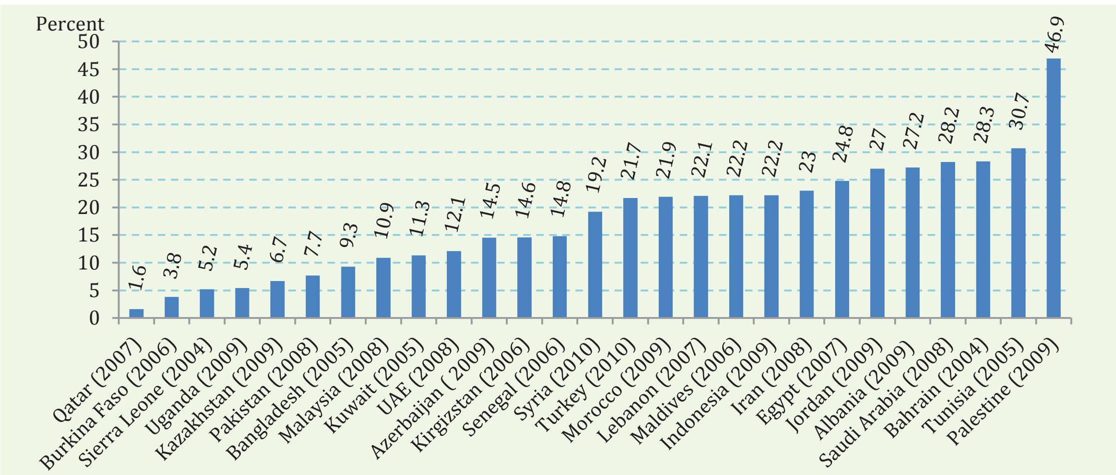
Subsidizing employer social security contributions raises various challenges however. First, it increases public debt. Second, the boost to employment may not last if taxes are subsequently increased to cover the associated costs. Last but not least, the replacement of taxes on (formal) labour by taxes on consumers also raises equity issues, especially in countries with high informality.

Source: Saget (2012).

in 2007. Despite the limitation of the availability of the data, Figure 2.18 indicates that in six OIC member countries, namely, Palestine, Tunisia, Bahrain, Saudi Arabia, Albania and Jordan, youth unemployment rate reached to more than 25 per cent. During the last seven years, youth unemployment rate reached more than 15 per cent in a significant number of OIC countries like Syria, Turkey, Morocco, Lebanon, Maldives, Indonesia, Iran and Egypt. Yet, during the period under consideration, seven member countries recorded youth unemployment rate less than 10 per cent.

All in all, notwithstanding the extent to which the economies of the OIC countries have been affected by the crisis, it is clear that unemployment is one of the major economic and social problems that is still facing many OIC countries and calling for urgent solutions. It is also clear that great emphasis should be given to young unemployed people through promoting their participation into labour market.

Figure 2.18: Youth Unemployment Rate in OIC Countries (% of labour force aged 15-24)



Source: World Bank, WDI Database and SESRIC BASEIND Database.

2.2.3 Labour Productivity

Productivity plays a pivotal role in the development of an economy. It helps to increase real income and improve living standards by catalyzing the economic growth. Labour productivity is usually defined as output per unit of labour input or output per hour worked. Labour productivity helps to identify the contribution of labour to the GDP of a country and provides a base for cross country comparison and explanation of income disparities (ILO, KILM 7th edition)[7].

Globally, labour productivity has witnessed an increasing trend during the period 2006-2010. As shown in Figure 2.19, world output per worker has increased from US$ 23 thousand in 2006 to US$ 27 thousand in 2010. This upward trend was interrupted by the financial crisis in 2008 when output per worker declined from US$ 27 thousand in 2008 to US$ 25 thousand in 2009; however, it rebounded to 2008 level in 2010. The labour productivity gap between the developed and developing countries remained substantial

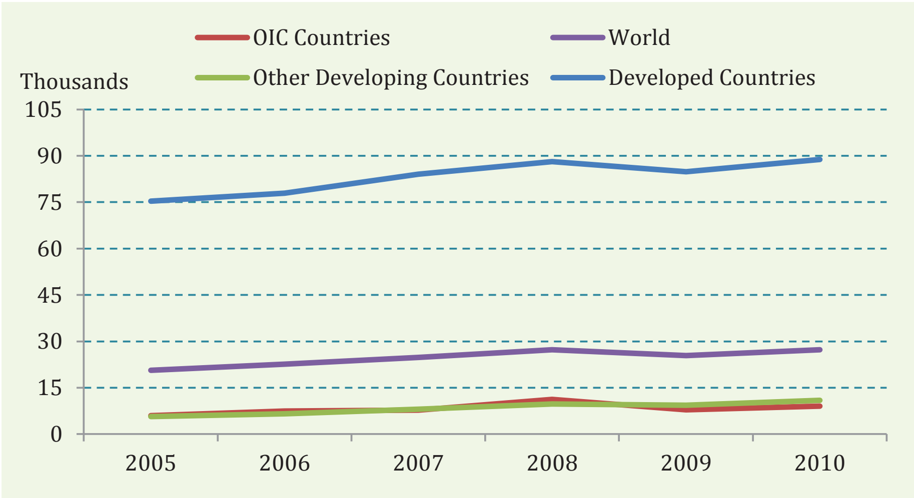
[7] http://kilm.ilo.org/manuscript/kilm17.asp

throughout the period under consideration as output per worker in the developed countries was recorded at US$89 thousands in 2010 compared to just US$ 11 thousand in other developing countries. This means that an average worker in other developing countries produces less than one eighth of the output of average worker in the developed countries. During the same period, OIC member countries recorded labour productivity levels comparable to those of the other developing countries. Labour productivity in OIC was recorded at US$ 9 thousand in 2010 compared to the level of US$ 11 thousand for other developing countries. However, this level remained very low compared to the level of the world and developed countries of US$ 27 thousand and US$ 89 thousand, respectively. This means that an average worker in OIC countries produces less than one third of the output produced by an average worker in the world and one tenth of the output of average worker in the developed countries.

Figure 2.19: Labour Productivity (GDP per worker, current US$)

An average worker in OIC countries produces less than one third of the output compared to the world level.

Source: SESRIC staff calculations based on IMF, WEO April 2012 and World Bank, WDI Database.



At the individual country level, out of the 22 member countries for which the data are available in 2010, Kuwait recorded the highest output per worker (US$ 93 thousand) followed by Brunei (US$ 65 thousand), Saudi Arabia (US$ 52 thousand), Turkey (US$ 31 thousand), Lebanon (US$ 27 thousand) and Malaysia (US$ 21 thousand). In general, 14 member countries recorded output per worker higher than the average OIC group level of US$ 9 thousand in 2010. The lowest labour productivity level was recorded by Burkina Faso (US$ 1.2 thousand) followed by Kirgizstan (US$ 2.1 thousand) and Pakistan (US$ 3.1 thousand). Only five member countries recorded output per worker equal to or higher than the world average and only one member country (Kuwait) recorded labour productivity higher than the average of developed countries.

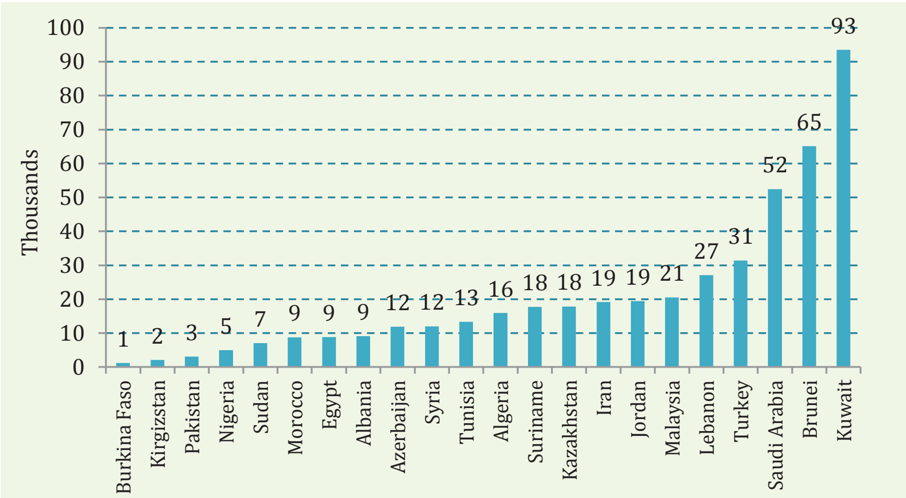


Figure 2.20: Labour Productivity in OIC Member Countries, 2010

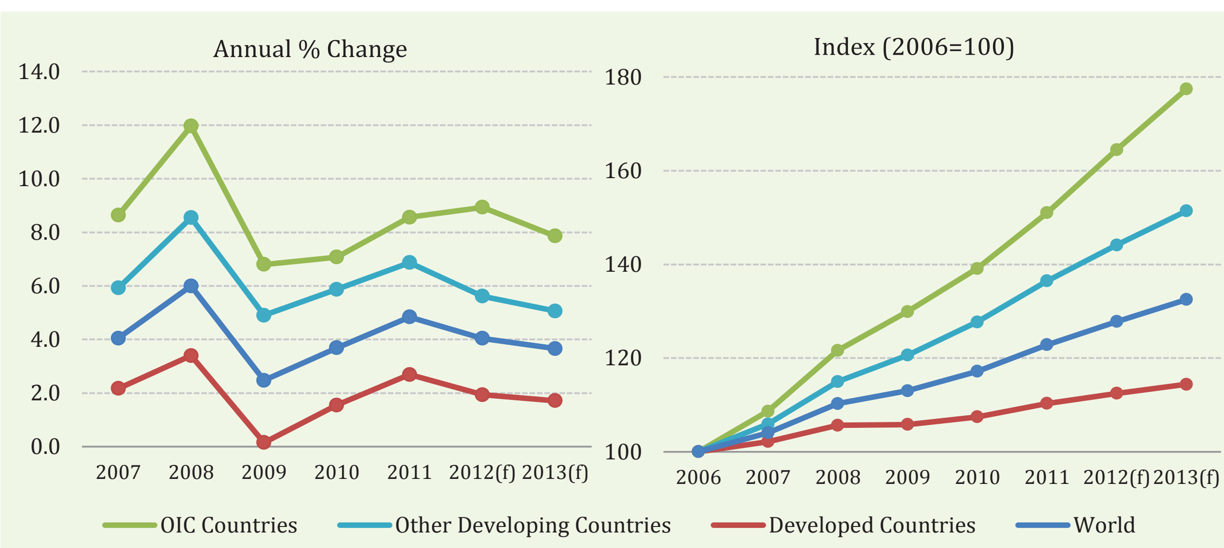
Kuwait registered the highest output per worker.

Source: SESRIC staff calculations based on IMF, WEO April 2012 and World Bank, WDI Database.

2.3 Inflation

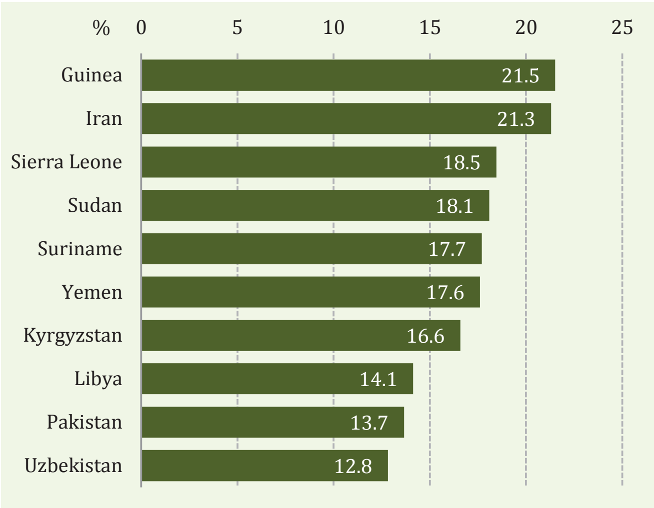
The OIC countries recorded a single-digit inflation rate in 2003 for the first time in decades. Since then, the average rate of consumer price inflation has remained at single-digit levels, except for 2008. Due to the unprecedented increase in food and energy prices during 2007-2008, inflation in the OIC countries climbed to 11.9 per cent in 2008, hitting once again a double-digit level (Figure 2.21, left panel). However, the average inflation moderated to 6.9 per cent in 2009, as a result of the slowdown in the global economy and weakened demand for food and energy. Yet, 2010 and 2011 witnessed a reversal in the average inflation rate as the average consumer price inflation in the OIC member countries increased to 7.1 per cent in 2010 followed by a further increase to 8.6 per cent in 2011. The overall inflation figures mark an increase of 51 per cent in consumer prices in the OIC countries over the last 5 years (Figure 2.21, right panel). This

Figure 2.21: Annual Average Inflation (Consumer Prices)



Source: IMF WEO Database April 2012 (Updated: July 2012) and SESRIC BASEIND Database.

Figure 2.22: Top 10 OIC Countries by Annual Average Inflation (2011)



Source: IMF WEO Database April 2012 (updated: July 2012) and SESRIC BASEIND Database.

is well above the average increase recorded in other developing countries (36 per cent) as well as the world average (23 per cent) in the same period.

In the short-term outlook, despite the downside risks remain a concern for the world economy in general, and for developed economies in particular, inflationary pressures are strong for the OIC countries particularly due to the strengthening domestic demand in the member countries. It is projected that the growth in average consumer prices in the OIC countries will accelerate to 8.9 per cent in 2012. In 2013, however, the average inflation is expected to moderate to 7.9 per cent (Figure 2.21, left panel).

At the individual OIC country level, Guinea recorded the highest average consumer prices inflation rate of 21.5 per cent in 2011, which was also the 3rd highest in the world (Figure 2.22). Uzbekistan, with an average inflation rate of 12.8 per cent, was ranked 10th within the OIC group and 21st in the world.

section 3 Foreign Trade

The total dollar value of world merchandise exports increased 19 per cent to $17.8 trillion in 2011. This increase was slightly lower than the 21 per cent rise in 2010 and was driven in large part by higher primary commodity prices. While most of the developed countries experienced weak growth rates in exports due to economic crisis, exports of developing economies were affected by several other adverse developments, including the interruption of oil supplies from Libya, severe flooding in Thailand and the Japanese earthquake that disrupted global value chains.

Commercial services exports also grew more than 11 per cent in 2011 to over $4 trillion, with significant differences across regions and countries. While most regions recorded double-digit growth between 10-14 per cent in commercial services exports, African exports recorded zero growth rates following the uprisings in some North African Arab countries, where, for example, commercial services exports of Egypt and Tunisia plunged almost 20 per cent.

Despite the sluggish pace of economic growth in 2011, especially in developed countries, and reduced import demand from large economies, the increase in world trade volume is noteworthy and it surpassed the previous peak of $16.1 trillion in 2008. According to the World Trade Report 2012 of the WTO, real growth rate of merchandise trade in 2011 was 5.0 per cent, which is below the pre-crisis average of 6.0 per cent for 1990-2008. As a result, the upward trend in world trade volume is still weaker than its pre-crisis level.

Given this state of affairs in world trade, the growth in trade of OIC countries was significantly better, despite uncertainties in some member countries. Better performance of OIC countries allowed them to increase their share in total world trade in 2011.

3.1 Trade in Goods

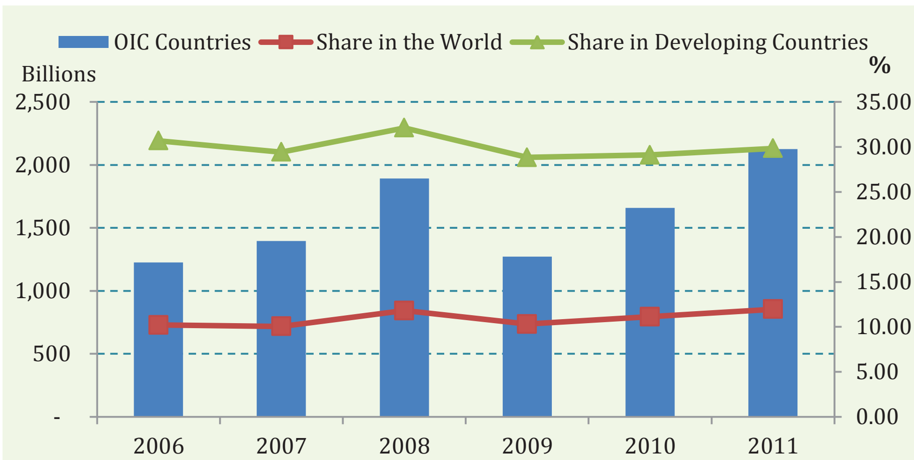
3.1.1 Merchandise Exports and Imports

After the sharp fall in total merchandise exports in 2009, from $1.9 trillion to $1.3 trillion, total merchandise exports of the OIC countries increased significantly to reach $1.7 trillion in 2010 (Figure 3.1). In 2011, it reached to its historically highest level of $2.1 trillion and surpassed the pre-crisis peak of $1.9 trillion in 2008. More importantly, this increase was higher than the world average, resulting in an increase in the share of OIC countries in total world trade. Compared to its pre-crisis level of 11.8 per cent in 2008 and previous level of 11.1 per cent in 2010, this share reached 12 per cent in 2011. The share of OIC countries in total exports of developing countries, while continued to increase in 2011 and reached 29.8 per cent, remained below its pre-crisis level of 32.1 per cent in 2008. The lower increase in the share of OIC countries in total exports of developing countries compared to total world exports is due to overproportional increase in the exports of developing countries compared to that of developed countries.

Figure 3.1: Merchandise Exports

Share of OIC countries in world total exports in 2011 exceeded its pre-crisis levels.

Source: IMF DOT Database and UN Comtrade Database.



The increase in the share of OIC countries in total exports of world and developing countries was due to relatively stronger growth in the total merchandise exports (Figure 3.2). As in 2010, the growth rate of exports in OIC countries in 2011 (28.1%) exceeded the world average growth rate (19.2%) and average growth rate of other developing countries (23.8%). Although the OIC countries as a group enjoy higher growth rates of exports compared to the world average and average of other developing countries during the last two years, their share in world total exports is far from matching their share in world total population.

Yet, achieving long-term strong growth in merchandise trade and higher share in total world exports require more competitive economies with significant diversification levels and higher technological intensity (see subsection 3.1.2). Some OIC member countries are still highly exposed to external shocks due to high dependence on few and technologically least intensive export items, mostly agricultural and fuel commodities.

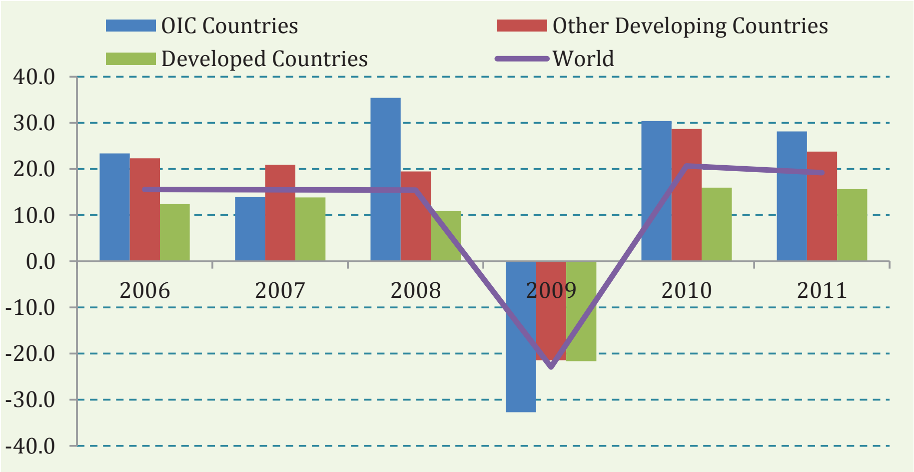


Figure 3.2: Merchandise Exports (Average Annual % Change)

Growth of exports in OIC countries continued to surpass the growth in other country groups.

Source: IMF DOT Database and UN Comtrade Database.

Total merchandise imports of OIC countries followed a similar trend as in merchandise exports and increased to $1.77 trillion in 2011 (Figure 3.3). After declining to $1.2 trillion in 2009, merchandise imports of OIC countries increased almost 50 per cent just in two years and already surpassed its previous peak of $1.5 trillion achieved in 2008. The share of OIC countries in global merchandise imports continued to increase throughout the period under consideration and reached 9.7 per cent in 2011. Their share in total merchandise imports of developing countries, on the other hand, followed a declining trend since 2009 and dropped to 25.9 per cent in 2011.

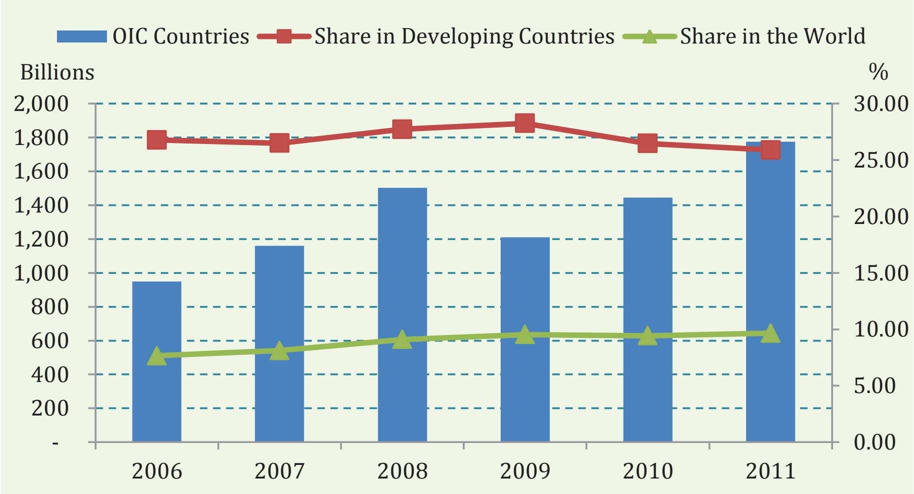


Figure 3.3: Merchandise Imports

Total imports of OIC countries reached to its highest level in 2011.

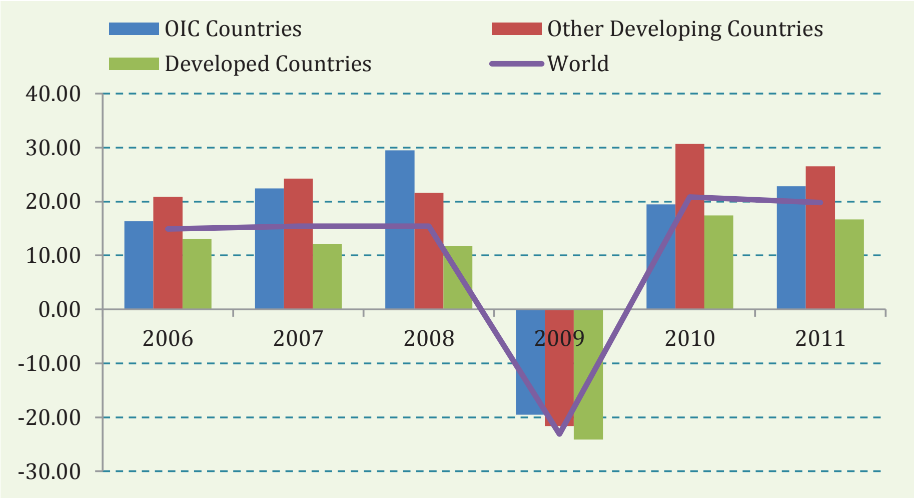
Source: IMF DOT Database and UN Comtrade Database.

The growth rates of merchandise imports in OIC countries remained close to the world average but they have been lower than the average of other developing countries after 2009, which explains the reduction in the share of OIC countries in total merchandise imports of all developing economies. In nominal terms, average rate of growth in merchandise imports of OIC countries reached to 22.9 per cent in 2011, compared to 19.8 per cent of world average and 26.6 per cent of developing countries average (Figure 3.4). The economic crisis that developed countries continued to suffer in 2011 reduced their demand for imported goods and their imports grew 16.7 per cent in 2011. This, in part, explains the increase of the share of OIC countries in total world imports.

Figure 3.4: Merchandise Imports (Average Annual % Change)

Growth of imports in OIC countries remained close to the world average in 2011.

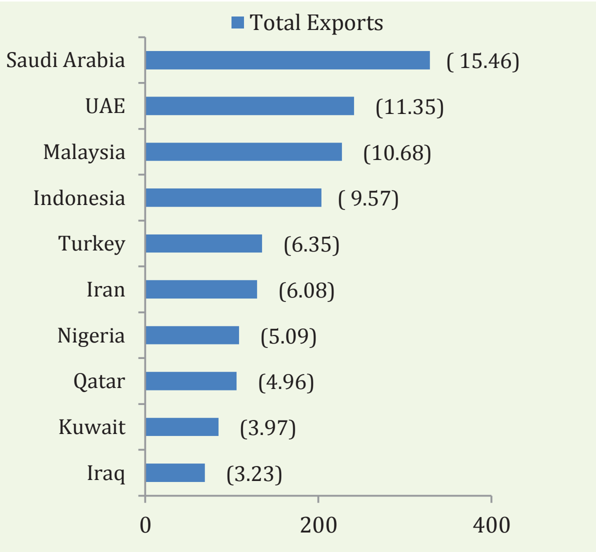
Source: IMF DOT Database and UN Comtrade Database.

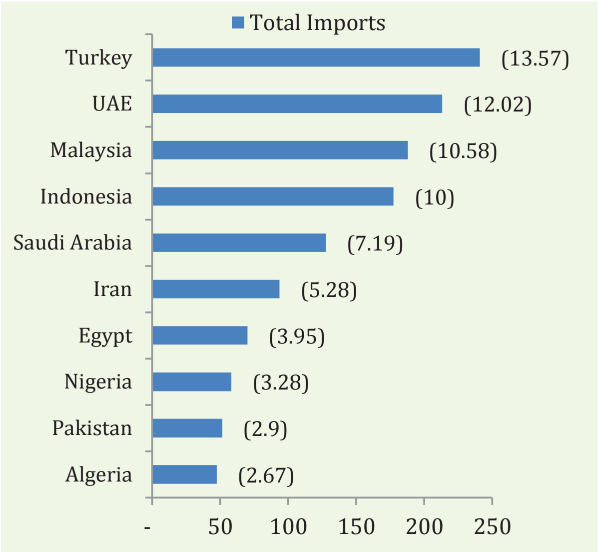


Top 10 Performers in Merchandise Exports and Imports

In terms of the shares of the individual member countries in total merchandise exports of OIC, it has been observed that the bulk of total exports of the OIC continue to concentrate in a few countries (Figure 3.5, left). In 2011, the top 5 exporting countries accounted for more than 53 per cent of total merchandise exports of all member countries and top 10 exporting countries accounted for more than 76 per cent. Saudi Arabia, with more than $300 billion exports and 15.5 per cent share in total, became the largest exporter in 2011. United Arab Emirates, Malaysia and Indonesia are the following top exporters with more than $200 billion exports each.

Figure 3.5: Top 10 Exporters and Importers in OIC, 2011* (Billion USD)





Source: IMF DOT Database and UN Comtrade Database. (*) The numbers in parenthesis represents the percentage share of the country in total exports of OIC.

As in the case of exports, merchandise imports of OIC countries are also heavily concentrated in a few countries (Figure 3.5, right). With more than $240 billion imports, Turkey took the lead in 2011 in terms of volume of merchandise imports and accounted for 13.6 per cent of total merchandise imports of OIC countries. United Arab Emirates, Malaysia and Indonesia are other countries whose shares exceed 10 per cent. While the top 5 importers accounted for more than 53 per cent of total OIC imports, the top 10 countries accounted for 71.4 per cent.

3.1.2 Export Structure

Export Diversification and Commodity Dependence

The high concentration of exports increases the vulnerability of countries to variability in international prices and other external shocks. The main argument for diversification of exports is to reduce risks and vulnerability arising from a reliance on too much income from a narrow range of products and/or markets. Recent literature has shown that diversification and discovery of new products and markets generate positive externalities, facilitate higher productivity and lead to better prospects of long-term economic growth.

Diversification is important for developing countries as it allows them to develop competence over a broader range of manufactured goods. In other words, countries develop by learning to make new things, but not by relying only on what they have traditionally done well. In order to estimate the diversification level of OIC countries, the Herfindahl index is used. Figure 3.6 (left panel) compares the index values for concentration of exports in 2006 and 2010. Evidently, as the share of less diversified countries falls and the share of more diversified economies rises, OIC countries are becoming increasingly more diversified and relieve from high dependence on few export items. Right panel in Figure 3.6 shows the trend over the last seven years, which displays a clear trend for higher diversification (lower index value) in

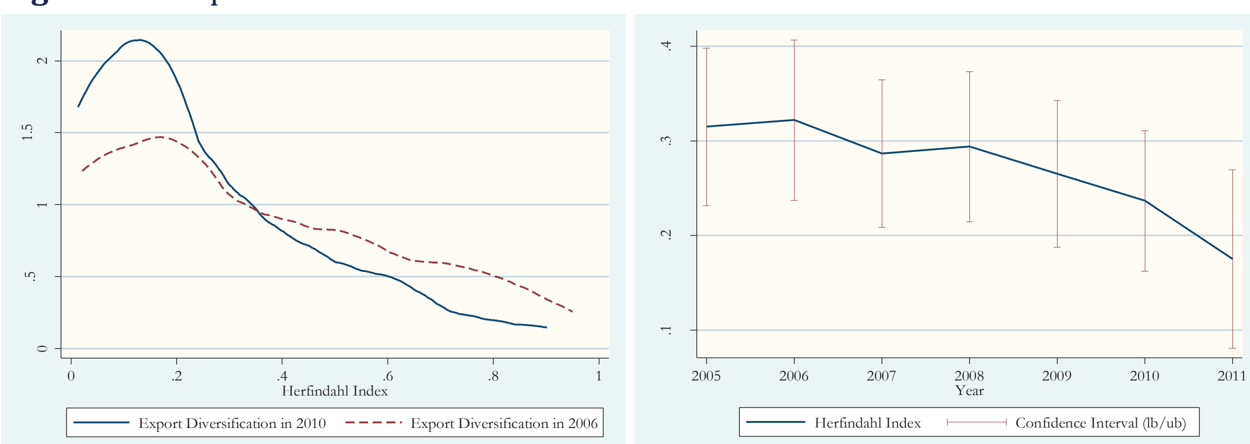
Diversification Index

Herfindahl Index is used to estimate export diversification. Formally,

$$H_i = \sum_i (s_{ij})^2$$

S is the share of product j in the total exports of country j. A country with highly diversified export portfolio will have an index close to zero, whereas a country which relies on a few export items will have a value close to one. In the extreme case, a country exporting only one type of goods will have a value of one.

Figure 3.6: Export Diversification in OIC Countries

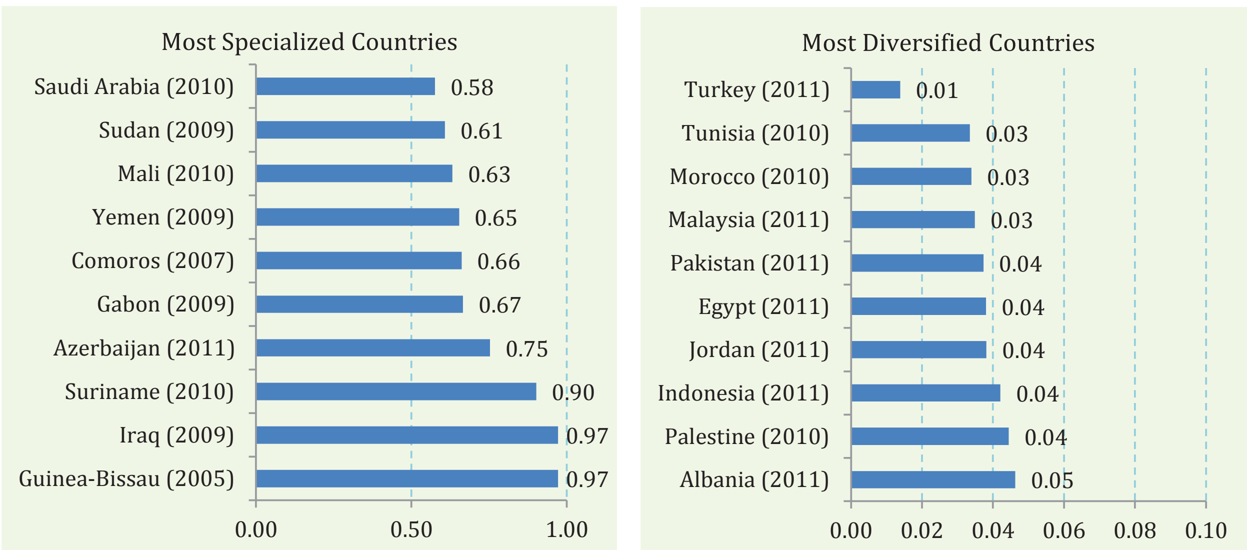


Source: SESRIC staff calculations, UN Comtrade Database.

the member countries. The simple average of export concentration index in OIC countries was around 0.31 in 2006, but it decreased to around 0.18 in 2011, indicating increased diversification in export products.

While observing significant improvement in the level of export diversification in OIC member countries as a group, there is considerable variation at the individual country level. Figure 3.7 shows the top 10 countries with respect to their levels of specialization and diversification of exports. According to the latest data available, the most specialized countries (countries with highest dependence on few export items) are Guinea-Bissau (0.97), Iraq (0.97), Suriname (0.9), Azerbaijan (0.75) and Gabon (0.67). According to UN Comtrade Database, Guinea-Bissau exported mostly fruits and nuts, and therefore, is highly vulnerable to price volatility in these agricultural commodities. Some other countries are also highly dependent on primary commodities and mineral fuels for their exports, which makes them highly vulnerable to international prices. The most diversified economies in exports are Turkey (0.01), Tunisia (0.03), Morocco (0.03), Malaysia (0.03) and Pakistan (0.04). These countries export a larger range of diversified products and commodities without heavily relying on any of them.

Figure 3.7: Most Specialized and Most Diversified OIC Countries



Source: SESRIC staff calculations, UN Comtrade Database.

Box 3.1: Is there a natural resource curse?

The traditional view of natural resources (and commodities) as being a "curse," constraining the long-term growth of developing countries, has been challenged by new empirical research and changes in global commodities markets. Evidence suggests it is not natural resources dependence per se that increases risk but rather the concentration of exports (Lederman and Maloney 2007). Indeed, with the demand for commodities rising and likely to be sustained over the medium term, diversification into agriculture and commodities is rising on the agenda of low-income countries.

See Lederman, D., and W. Maloney. 2007. Natural Resources: Neither Curse Nor Destiny. Washington, DC: World Bank and Stanford University Press.

Technological Intensity of Exports

Higher technological intensity in exports generally offers better prospects for future economic growth. Trade in high-technology products tends to grow faster than average, and has larger spillover effects on skills and knowledge-intensive activities. While factor endowments are important for the process of technological absorption, it is the national ability to harness and adapt technologies that affects the spillover impact. Therefore, country-specific policies for technology learning and technology import, including those aimed at attracting foreign direct investment (FDI), can create a comparative advantage between countries with otherwise similar endowments of labour, capital, or skills.[8]

Decomposition of exports by technology intensity in OIC countries reveals several interesting trends (Figure 3.8). First, the share of most vibrant export commodity group, mineral fuels, decreased from 59 per cent in 2006 to 48 per cent in 2010 and the shares of all other remaining categories rose. Second, the share of least technology intensive commodity group, non-fuel primary commodities, increased from 7.8 per cent in 2006 to 14 per cent in 2010. The share of technology intensive manufactures increased only slightly. During this period, exports of high technology manufactures increased its share from 11.8 per cent to 12.1 per cent, medium technology intensive manufactures from 5.8 per cent to 7.1 per cent and low technology intensive from 3 per cent to 3.4 per cent. Apparently, efforts should be made to reduce the high reliance on mineral fuels and non-fuel primary commodities, which involve the least technological intensity, and specific policies for high technology import and absorption should be implemented to increase the shares of more technology intensive commodities. This is required for better long-term growth prospects and increased competitiveness in export markets.

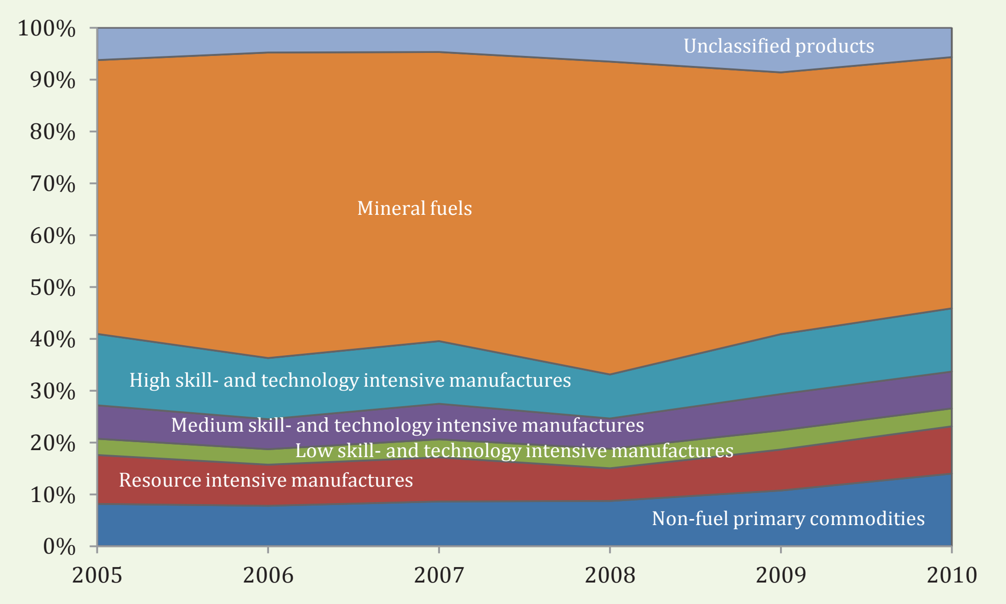


Figure 3.8: Technological Intensity of Exports

The shares of technology intensive manufactures increased only slightly in 2010.

Source: SESRIC staff calculations, UN Comtrade Database.

Table 3.1 displays the top 10 OIC countries that have the highest share in exports of specific subgroups. Concentration of exports in specific groups is especially high for

[8] See, S. Lall, "The Technological Structure and Performance of Developing Country Manufactured Exports, 1985-98," Oxford Development Studies, 2000, Vol. 28, No. 3, pp. 337-369.

non-fuel primary commodities and mineral fuels. Some member countries export up to 98 per cent only in these categories. The share of high skill and technology intensive manufactures in total exports is highest in Malaysia (43%), followed by Jordan (35.4%) and Morocco (24.7%). With respect to the shares of medium skill and technology intensive manufactures, Turkey has the highest share in this category with 28 per cent.

Table 3.1: Top 10 OIC Countries by Technological Intensity of Exports

Non-fuel primary commodities		Resource-intensive manufactures		Mineral fuels		Low skill- and technology-intensive manufactures		Medium skill- and technology intensive manufactures		High skill- and technology intensive manufactures	
Maldives	97.2%	Pakistan	62.0%	Algeria	98.3%	Albania	15.5%	Turkey	28.0%	Malaysia	43.0%
Burkina Faso	97.1%	Albania	41.5%	Azerbaijan	94.5%	Turkey	15.1%	Tunisia	23.2%	Jordan	35.4%
Guyana	93.7%	Palestine	39.5%	Nigeria	87.1%	Palestine	10.4%	Morocco	14.6%	Morocco	24.7%
Mali	93.1%	Tunisia	29.0%	Saudi Arabia	85.8%	Côte d'Ivoire	7.8%	Lebanon	12.1%	Tunisia	18.4%
Mauritania	91.9%	Turkey	25.9%	Bahrain	71.9%	Togo	7.2%	Malaysia	11.8%	Lebanon	16.0%
Gambia	86.9%	Togo	25.3%	Kazakhstan	71.7%	Lebanon	7.1%	Palestine	10.4%	Senegal	15.4%
Benin	84.5%	Morocco	22.4%	Iran	70.8%	Kazakhstan	6.9%	Jordan	10.1%	Egypt	13.4%
Mozambique	72.7%	Afghanistan	19.6%	Oman	69.3%	Uganda	6.9%	Togo	10.0%	Togo	11.7%
Uganda	62.7%	Jordan	18.8%	Niger	51.8%	Benin	6.8%	Indonesia	8.4%	Indonesia	9.9%
Kyrgyzstan	61.4%	Egypt	16.1%	Syria	49.9%	Egypt	6.2%	Niger	7.0%	Uganda	9.4%

Source: SESRIC staff calculations, UN Comtrade Database.

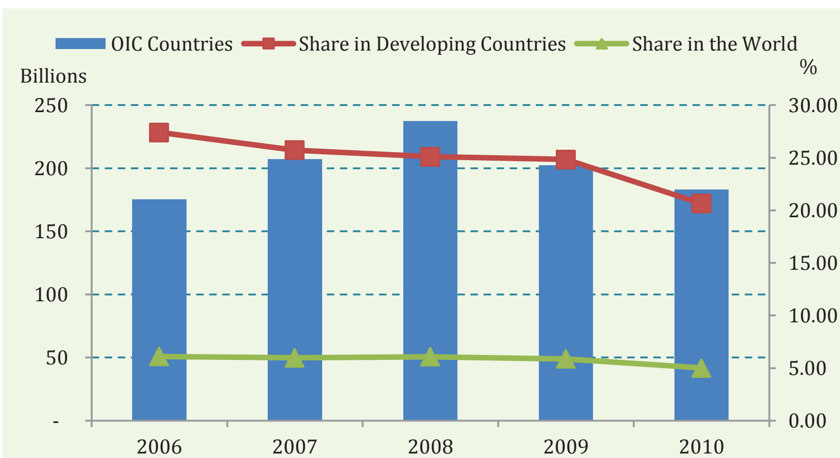
Evidently, the share of least technology intensive commodities is extremely high in some member countries, increasing their vulnerability to international price shocks and limiting their prospects for long-term competitiveness.

3.2 Trade in Services

The service sector is fundamental for economic development, export competitiveness, and poverty reduction. Globally, trade in services has grown more rapidly than trade in goods, and the share of trade in services in world total trade has been increasing for much of the last three decades. Together, the European Union and the United States still account for over 60 per cent of service exports in the world, but the business service

Figure 3.9: Exports of Services

Share of OIC countries in world exports of services dropped to 5 per cent in 2010.



Source: UN Service Trade Database.

exports of Brazil, China, and India have been growing by well over 10 per cent annually during the last decade (World Bank, 2010). Within the trade in services, commercial services such as financial services, communication services, and business and professional services have emerged as particularly dynamic. In 2010, the service sector comprises more than two-thirds of the world economy, 74.3 per cent of the gross domestic product (GDP) in high-income countries, 54.8 per cent in middle-income countries, and 50 per cent in low-income countries (World Bank WDI Database).

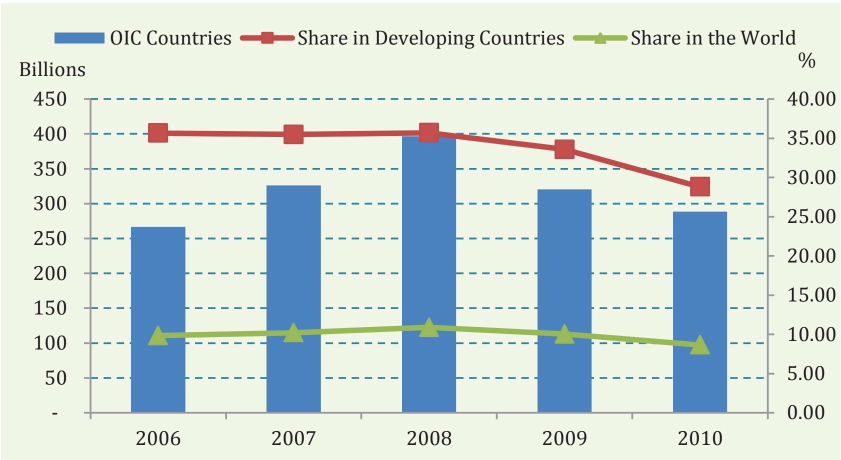


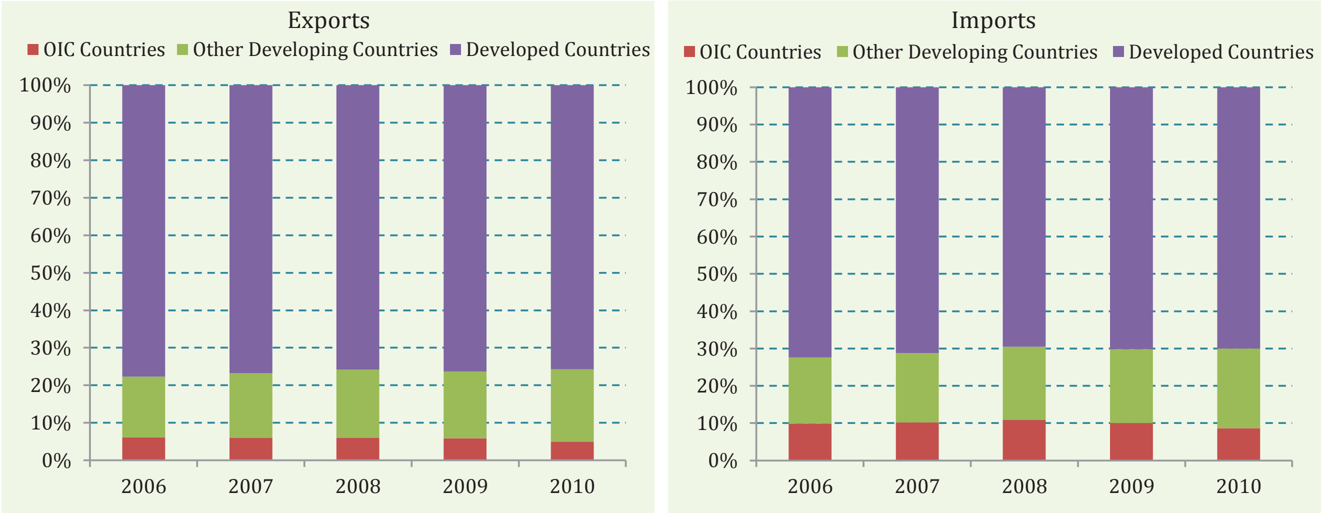
Figure 3.10: Imports of Services

Services imports of OIC countries decreased almost 30 per cent from 2008 to 2010.

Source: UN Service Trade Database.

Unlike the trade in goods, the volume of trade in services remained significantly lower in OIC countries and they demonstrate a falling trend since 2008. Together, OIC countries are net importer of services. While they exported $237 billion when it reached to its highest level in 2008, they imported $397 billion worth of services in the same year. As of 2010, exports and imports of services dropped to $183 billion and $288 billion, respectively.

Figure 3.11: Shares of Countries in Exports and Imports of Services



Source: UN Service Trade Database.

Accordingly, the share of OIC member countries in world services export decreased from 6.1 per cent in 2008 to 5 per cent in 2010 (Figure 3.9). While developing countries continuously improve their share in world services exports, with the existing trend, OIC countries fall behind with respect to their share in services trade of developing countries. In 2008, OIC countries accounted for 25.1 per cent of total services exports of developing countries, but this share shrank to 20.7 per cent in 2010. The same trend can be observed in the case of imports (Figure 3.10). Their share in total services import in the world fell from 10.9 per cent and to 8.7 per cent and, while their share in developing countries fell to 28.8 per cent in 2010 from 35.7 per cent in 2008.

Figures 3.11 show the shares of OIC, developed and other developing countries in total world trade in services. While developed countries account for the bulk of the world trade in services, the share of other developing countries increases steadily. The share of other developing countries in total world exports of services increased from 16.2 per cent in 2006 to 19.3 per cent in 2010 (left panel). With respect to imports, their share increased from 17.8 per cent in 2006 to 21.4 per cent in 2010. Together with OIC countries, developing countries accounted for 24.3 per cent of world total services export and 30 per cent of world total services import in 2010 (right panel).

Figure 3.12:
Exports of Services, by Subsectors

Travel services, with over 50 per cent share in total, grow as the most dynamic sector in OIC countries.

Source: UN Service Trade Database.

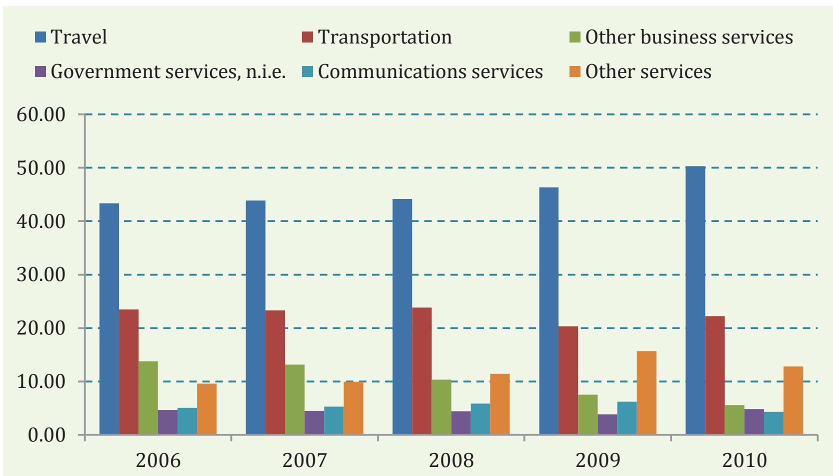
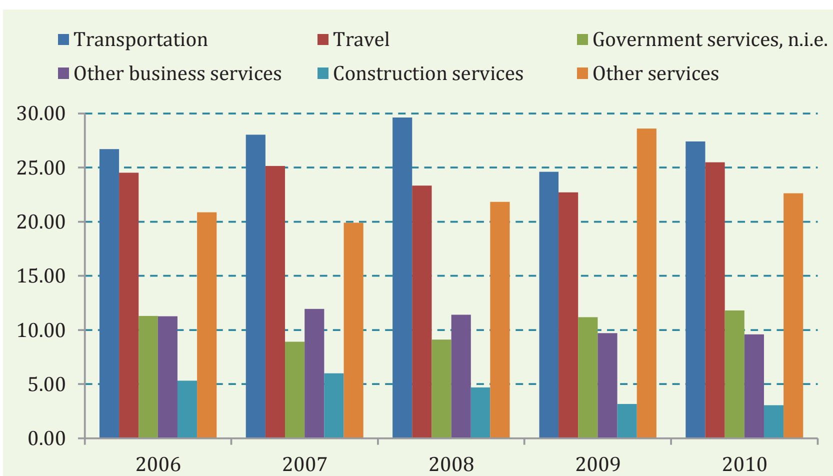


Figure 3.13:
Imports of Services, by Subsectors

Transportation and travel services together account for 50 per cent of services imports in OIC countries.

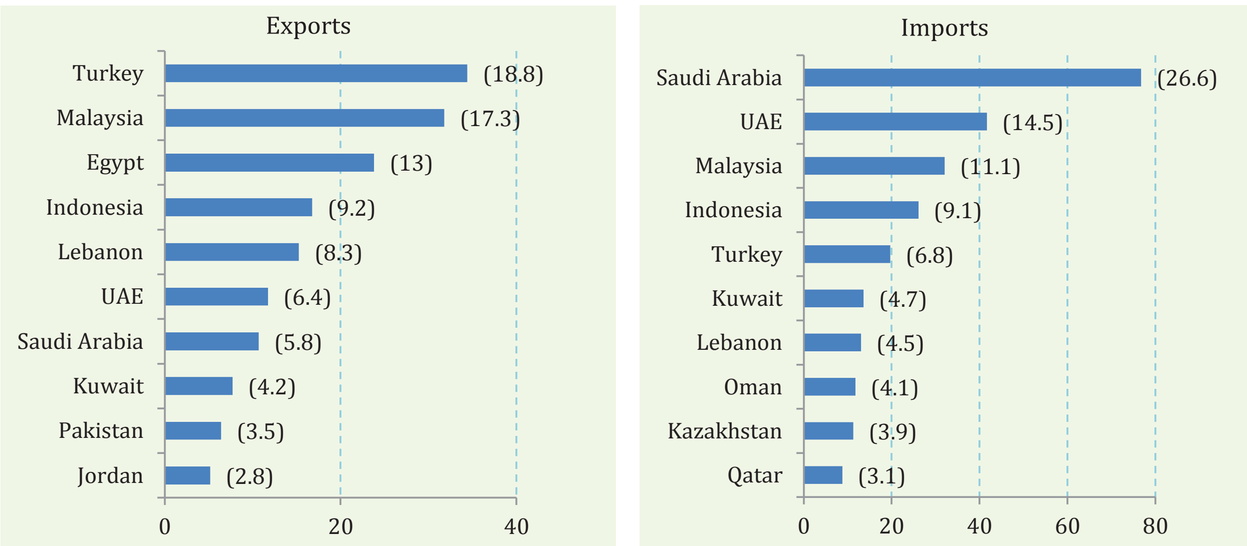
Source: UN Service Trade Database.



Trade in services are classified under 12 subcategories (Box 3.2). When the trade of OIC countries in services are disaggregated under these subsectors, it can be seen that the bulk of their trade in services is classified under transportation and travel services (Figures 3.12 and 3.13). Figure 3.12 shows that exports of travel services follow an upward trend, while exports of other types of commercial services have rather mixed trends.

Turkey, with $34.4 billion exports and 18.8 per cent share in total services exports of OIC countries, was the top exporter in services in 2010 (Figure 3.14, left). It was followed by Malaysia (17.3%), Egypt (13%) and Indonesia (9.2%). In 2010, the top 10 countries accounted for 89.4 per cent of total services exports of OIC countries. In the same year, Saudi Arabia was the top importer of services ($76.7 billion), corresponding to 26.6 per cent of total services imports of OIC countries. It was followed by United Arab Emirates (14.5%), Malaysia (11.1%) and Indonesia (9.1%). The top 10 importers accounted for 88.3 per cent of total services imports of OIC countries (right panel).

Figure 3.14: Top 10 Performers in Services Trade, 2010* (Billion USD)



Source: UN Service Trade Database. (*) The numbers in parenthesis represents the percentage share of the country in total exports of OIC.

Box 3.2: Trade in Services

The scope of activities that are defined as services in the framework of the General Agreement on Trade in Services (GATS) of the World Trade Organization is given in the table. The backbone services include, primarily, communications, financial intermediation, and transport. In contrast to merchandise trade, services are often intangible, invisible, and perishable and usually require simultaneous production and consumption. The need in many cases for proximity between the consumer and the producer implies that the consumer or the producer must move to make an international transaction possible.

The Scope of Services Covered in the GATS	
1. Business services	7. Financial services
2. Communication services	8. Health-related and social services
3. Construction services	9. Tourism and travel-related services
4. Distribution services	10. Recreational, cultural, and sporting services
5. Educational services	11. Transport services
6. Environmental services	12. Other services not elsewhere included

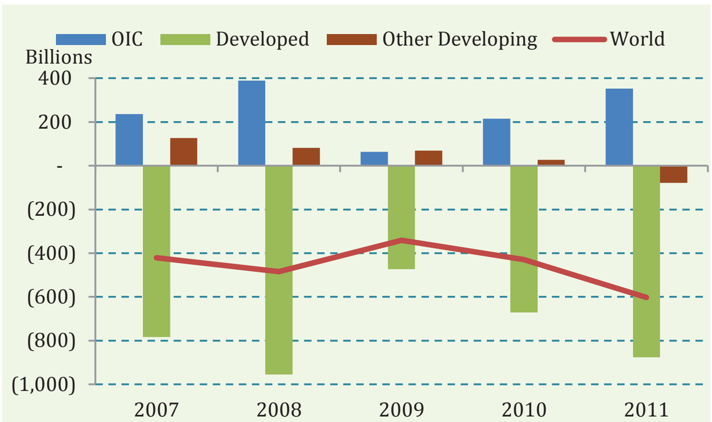
Source: International Trade in Services – New Trends and Opportunities for Developing Countries, World Bank, 2010.

3.3 Trade Balance

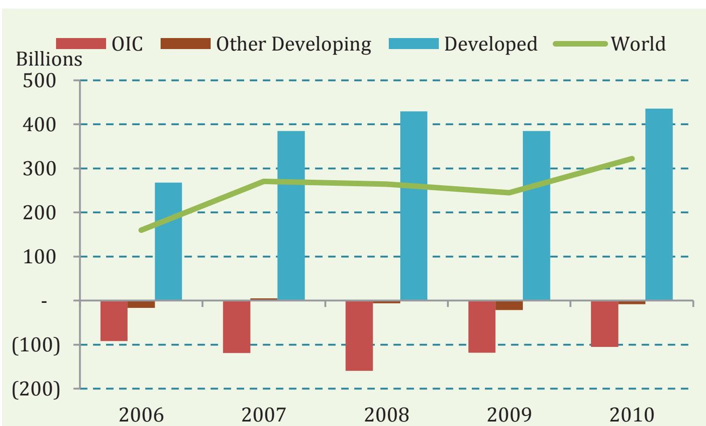
OIC countries recorded a trade balance surplus in merchandise trade in each year from 2007 through 2011 (Figure 3.15a). During this period, the highest trade surplus of the OIC countries ($389 billion) was recorded in 2008 while the lowest ($63 billion) was recorded in 2009. Though it did not reach to its pre-crisis level, trade surplus in OC countries was over $350 billion in 2011, indicating a strong recovery after the crisis.

Figure 3.15: Trade Balance in Goods and Services

a) In Goods



b) In Services



Source: IMF DOT Database, UN Comtrade Database.

The trade surpluses of other developing countries –that recorded at $127 billion in 2007– also melt down to $27 billion in 2010 before turning to deficit of $78 billion in 2011. In contrast, the group of developed countries experienced trade deficits in all the years of the period under consideration, although it declined to $474 billion in 2009. As their economies started to recover from their depressed levels of 2009, trade deficit for developed countries increased back to $876 billion in 2011.

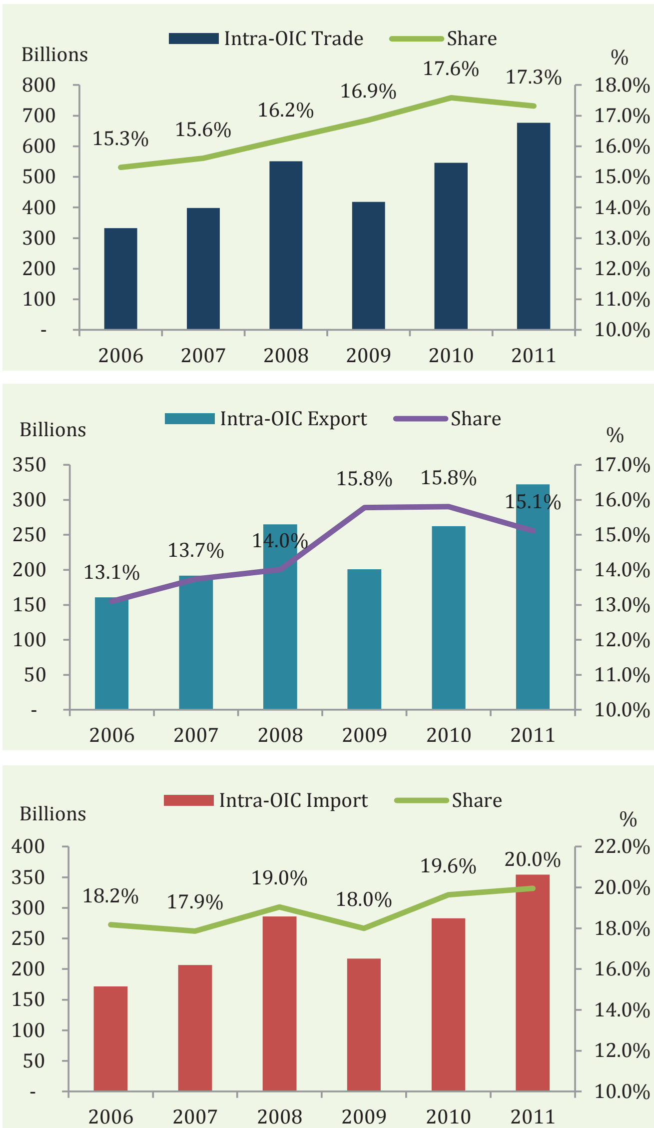
In contrast, OIC countries recorded trade deficit in services trade over the period under consideration (Figure 3.15b). After reaching almost $160 billion in 2008, their deficit fell to $105 billion in 2010. In 2010, around 50 per cent of exports of services in OIC are made in travel or tourism sector, which require relatively less sophisticated infrastructure and knowledge. However, in order to achieve a better performance in services trade, OIC countries need to invest more in dynamic services sectors, including communication services, financial services, health-related services and business and professional services.

Similar to the OIC countries, other developing countries are also net importer of services; albeit their trade deficits are significantly lower than that of the OIC group. India, Brazil and China are among the major developing countries with robust growth in services trade. Developed countries, on the other hand, enjoy significant trade surpluses in services trade owing to their significantly developed infrastructure in services provision.

3.4 Intra-OIC Merchandise Trade

After witnessing a sharp fall in 2009, total merchandise trade among the OIC countries rebounded to $677 billion in 2011 and surpassed its previous peak in 2008 (Figure 3.16, top). This increase was in line with the improvement in trade all over the world, but OIC countries as a group showed relatively stronger upturn compared to the world average. From 2006 to 2010, the share of intra-OIC trade in OIC total trade continuously increased. Intra-OIC trade accounted for 17.6 per cent of total OIC trade in 2010, and it declined slightly to 17.3 per cent in 2011.

Figure 3.16: Intra-OIC Trade, Volume and Share in Total Trade



Source: IMF DOT Database.

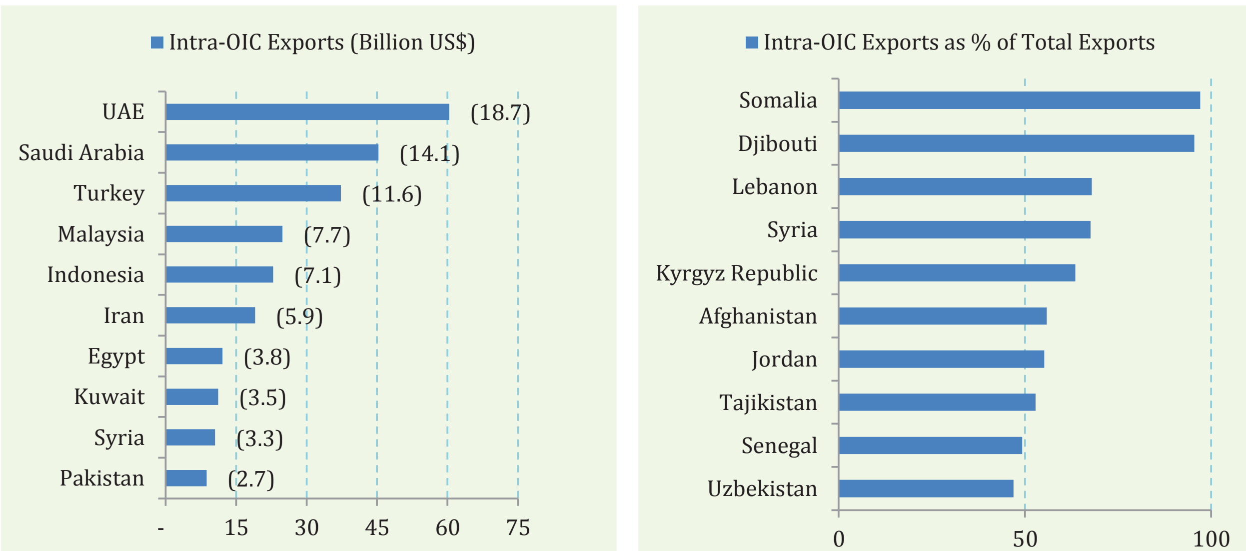
Similar patterns are observed in the case of both intra-OIC exports and imports. In the period 2006-2008, intra-OIC exports increased from $161 billion to $265 billion, which resulted in an increase in the share of total exports of OIC countries from 13.1 per cent in 2006 to 14.0 per cent in 2008 (Figure 3.16, middle). In 2009, despite the decline in intra-OIC exports volume to $201 billion, the share of intra-OIC exports in total exports of OIC countries increased to 15.8 per cent, indicating that OIC countries' exports to non-OIC countries fell more than the exports to OIC countries. In 2011, although intra-OIC export reached to its highest level of $322 billion, its share in total exports of OIC countries witnessed a decline of 0.7 percentage points, falling to 15.1 per cent.

Likewise, intra-OIC imports increased to $286 billion in 2008 compared to $172 billion in 2006, corresponding to an increase of its share in total OIC imports from 18.2 per cent to 19 per cent (Figure 3.16, bottom). In 2009, however, the fall in intra-OIC imports to $217 billion led to a decline in this share to 18 per cent. Over the last two years, intra-OIC imports increased rapidly and reached to $354 billion in 2011, corresponding to 20 per cent of OIC total imports.

Figure 3.17 shows the list of top 10 member countries in intra-OIC exports. In 2011, 78.3 per cent of the intra-OIC exports were undertaken by only 10 OIC countries. United Arab Emirates took the lead with $60.4 billion, or 18.7 per cent of the total intra-OIC exports, followed by Saudi Arabia and Turkey, with $45.3 billion and $37.3 billion, respectively (Figure 3.17, left). Together with Malaysia ($24.9 billion) and Indonesia ($22.9 billion), these five countries accounted for 59.2 per cent of the total intra-OIC exports. Iran, Egypt, Kuwait, Syria and Pakistan were also among the top 10 OIC countries in intra-OIC exports.

Some OIC countries with relatively lower volumes of intra-OIC exports reported higher shares of intra-OIC exports in their total exports. For instance, around 97.1 per cent of Somalia's exports went only to OIC countries in 2011. The share of intra-OIC exports reached 95.5 per cent of total exports in Djibouti, 67.9 per cent in Lebanon and 67.6 per cent in Syria. Syria –with $10.5 billion intra-OIC exports– was the only country to enter the top 10 list both by volume and share of intra-OIC exports. Kyrgyz Republic, Afghanistan, Jordan, Tajikistan, Senegal and Uzbekistan were also among the top 10 countries with the highest shares of intra-OIC exports in their total exports (Figure 3.17, right).

Figure 3.17: Top 10 Intra-OIC Trade Exporting Countries, 2011 (Billion USD, % of Total)



Source: IMF DOT Database. (*) The numbers in parenthesis represent the percentage share of the country in total intra-OIC exports.

3.5 Trade Policy

Openness

There is hardly any disagreement in the economic literature that trade openness is associated with better economic performance. Trade has been one of the most important drivers of global growth, convergence and poverty alleviation. The recent global economic crisis, however, brought back the debates over the benefits of trade openness for welfare. Despite the fears of protectionism after the global economic crisis, countries mostly preferred to adopt policies that can minimize the risks that higher openness can bring. With respect to the impacts of the crisis, analyses suggest that open economies experienced more rapid fall in their trade and income (GDP) compared to economies that were less integrated into the global markets. On the other hand, more integrated economies recovered more quickly.

Given the fact that more open economies are more vulnerable to external shocks, this subsection briefly compares the levels of openness to trade of individual OIC member countries in an attempt to show their levels of exposure to risks that may arise due to shocks in foreign demand. It also provides information on overall distribution of countries with respect to their openness to trade.

Figure 3.18 compares the openness in 2007 with the openness in 2011 (or latest data available), in order to assess the changes in the openness before and after the global economic crisis. Evidently, most of the member countries experienced a fall in their openness to trade, mostly due to contraction in international trade during this period. Mauritania showed the largest increase in openness compared to other OIC countries, which increased from 104 per cent in 2007 to 155 per cent in 2011.

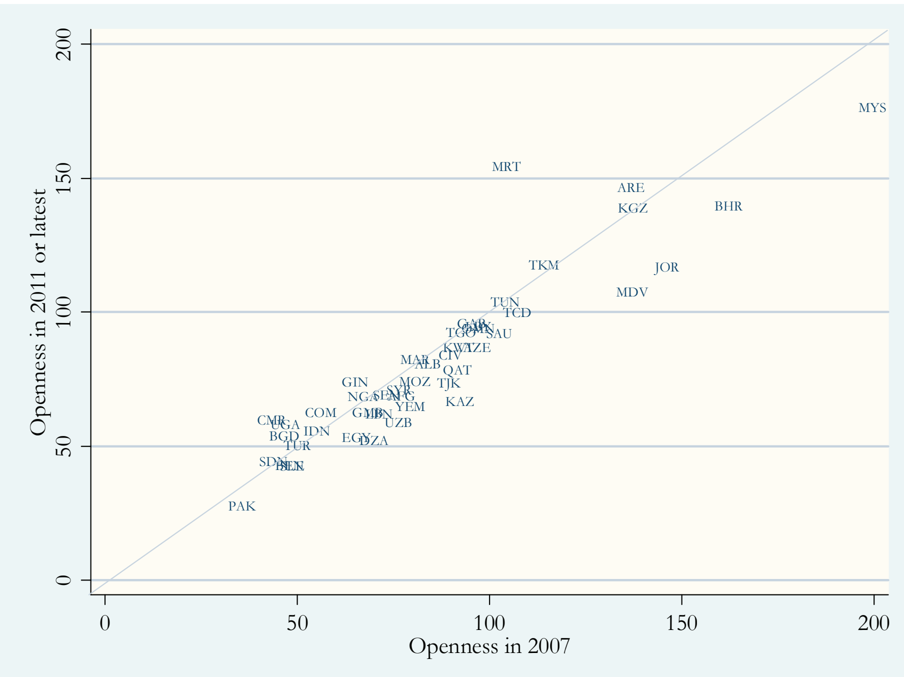


Figure 3.18: Trade Openness (% of GDP)

Most of the member countries experienced a fall in their openness to trade, mostly due to contraction in international trade after global economic crisis.

Source: World Bank WDI Database.

Protectionism (Average Tariff Rates)

Countries commonly use trade policy measures, which include tariffs and non-tariff barriers to discourage the importation of foreign products, together with industrial policy measures, in order to spur industrial growth and economic diversification. Accordingly, support measures for particular industrial sectors, combined with tariff and/or other trade measures aim to protect them from foreign competition on the domestic market and boost their export performance at the same time. Such trade policies affect economic activity and well-being not only in the country enacting these policies but in their trade partner countries as well.

Most-Favoured Nation (MFN) Tariffs

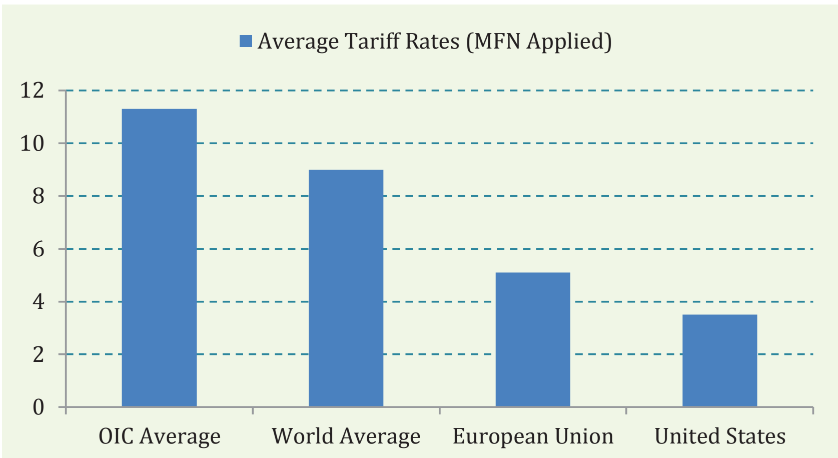
In current usage, MFN tariffs are what countries promise to impose on imports from other members of the World Trade Organization (WTO), unless the country is part of a preferential trade agreement (such as a free trade area or customs union). This means that, in practice, MFN rates are the highest (most restrictive) that WTO members charge one another.

Although the aim of such protectionist policies is to improve competitiveness and increase welfare, the evidence usually suggests the opposite. It is the free trade that is advocated by renowned scholars due to its impact on overall prosperity and distribution of income. If protectionism intensifies, the consequences over the longer term are expected to be grim as exporters will invest less, and the efforts at policy reform in poor countries will be more difficult than in a more prosperous international economy. The experience of great depression in 1930's has already showed that the period of crisis will extend with serious macroeconomic consequences when restrictive trade policies are implemented.

Figure 3.19 compares the average level of protectionism applied in OIC countries with the world average and other major economies by using the latest data available on most-favoured nation (MFN) tariffs. By applying an average tariff rate of 11.3 per cent, OIC countries reveal a more protectionist picture when compared to the world average of 9 per cent. This ratio doubles the tariff rates applied by major developed countries.

Figure 3.19:
Average Tariff Rates

OIC countries are imposing higher tariff rates than world average.



Source: World Tariff Profiles, WTO/ITC/UNCTAD.

While trade policy measures are important elements of industrial policies in promoting the competitiveness of domestic industries, careful analyses should be made to measure the effectiveness of such restrictive policies for the welfare of the country in the long-term. If not properly regulated, such measures may harm the majority of the people, without significantly contributing to the overall well-being of the country.

section 4 Balance of Payments and External Financing

The balance of payments records all economic transactions between resident and non-resident entities during a given period. The current account balance determines the exposure of an economy to the rest of the world, whereas the capital and financial account explains how it is financed. This section analyses the developments in the balance of payments and external financing in OIC member countries.

4.1 Current Account Balance

After witnessing a decreasing trend between 2007 and 2009, current account surplus increased in OIC countries in the following two years, parallel to the improvement in

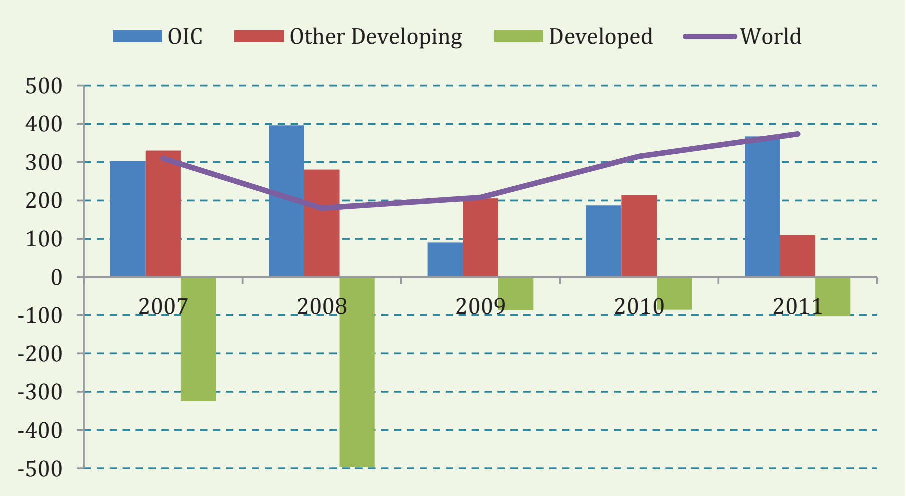


Figure 4.1: Current Account Balance

Current account surplus is expected to increase in the OIC countries.

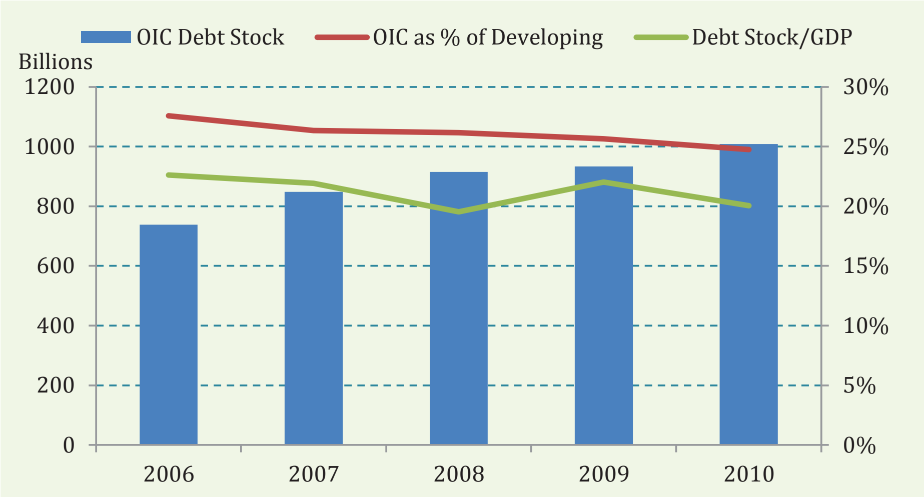
Source: IMF, World Economic Outlook 2012 and SESRIC BASEIND Database.

world current account balances (Figure 4.1). For OIC member countries, current account balance surplus accounted for almost 8 per cent of GDP in 2011 compared to 2 per cent in 2009. This increase is mainly generated by oil exporters thanks to rapidly rising oil prices. On the other hand, although there are some improvements, current account deficit have remained stable for developed countries, around 1 per cent of GDP since 2009. After exceeding $300 billion in 2007, current account surpluses of the other developing countries started to decelerate throughout the period under consideration. Overall current account balance in the world is in surplus. Moreover, partial recovery starting in 2009 has been more than sufficient to reach its level in 2007.

Figure 4.2: Total External Debt Stock

The total external debt stock of the OIC countries showed an increasing trend.

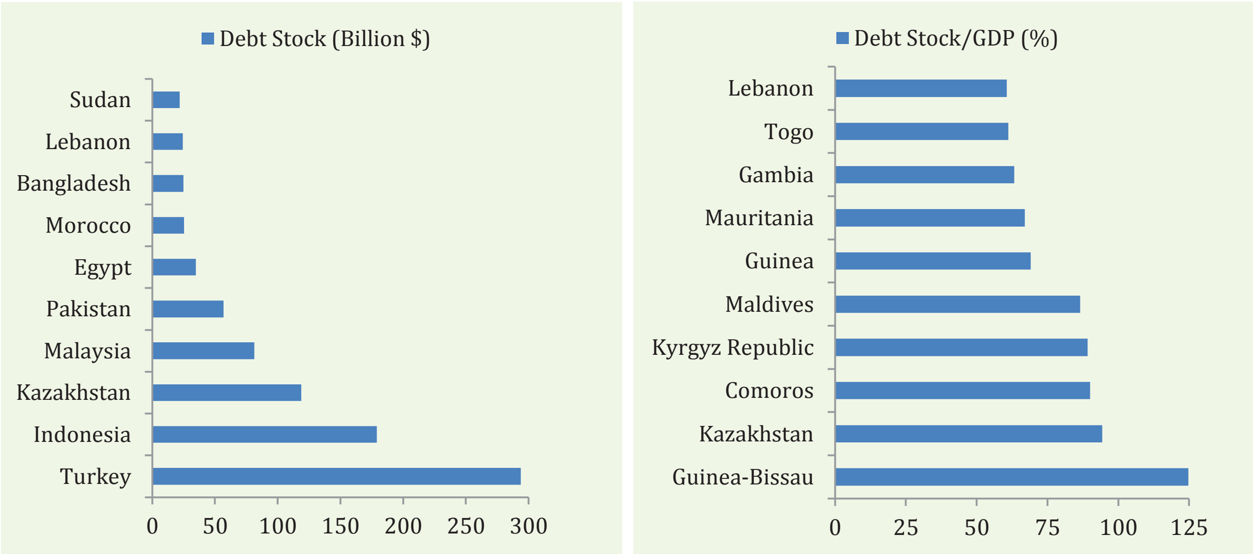
Source: World Bank, WDI Database and SESRIC BASEIND Database.



4.2 External Debt

Total external debt stock of the OIC countries showed an increasing trend during the period 2006-2010. In 2010, the total external debt of the OIC countries exceeded $1 billion, with 8 per cent increase from 2009. The situation becomes worse when we consider the fact that according to recent World Bank classification, 22 OIC countries are

Figure 4.3: The Most Indebted OIC Countries, 2010



Source: World Bank, WDI Database and SESRIC BASEIND Database.

still classified as Heavily Indebted Poor Countries (HIPC), of which 18 countries are also classified as Least Developed Countries (LDC's). Nevertheless, as illustrated in Figure 4.2, the Debt to GDP ratio of the OIC countries and their share in the total debt of developing countries indicate a downward trend throughout the period under consideration. The debt to GDP ratio of OIC countries, as a group, was around 23 per cent in 2006; however, it steadily declined in the following years to reach 20 per cent in 2010 after a slight increase in 2009. During the five-year period of 2006-2010, the total external debt stock of the OIC countries also showed a declining share in the total external debt stock of the developing countries. It decreased from 27.5 per cent in 2006 to 24.7 per cent in 2010 which indicates that the increase in the total debt stock of the OIC countries was less than that of other developing countries.

Debt-to-GDP ratio increased in only 15 OIC countries during this period. The top five countries in this category are Comoros (70 per cent to 90 per cent), Tajikistan (35 per cent to 53 per cent), Albania (26 per cent to 40 per cent), Maldives (78 per cent to 86.5 per cent) and Senegal (20.5 per cent to 28.5 per cent). In contrast, this ratio decreased in 6 countries by 30 to 90 percentage points, namely, Gambia (from 154.4 per cent to 63.3 per cent), Sierra Leone (108 per cent to 40.8 per cent), Guinea-Bissau (from 182 per cent to 124.7 per cent), Guinea (from 122 per cent to 69.1 per cent), Lebanon (from 111 per cent to 60.6 per cent) and Gabon (from 51.1 per cent to 20.3). As of 2010, there was only one country with a Debt-to-GDP ratio of over 100 per cent, namely Guinea Bissau (124.7 per cent). In absolute terms, the top-five most indebted countries were Turkey ($293.8 billion, corresponding to 40.4 per cent of its GDP), Indonesia ($179 billion, corresponding to 26.07 per cent of its GDP), Kazakhstan ($118.71 billion, corresponding to 94.29 per cent of its GDP), Malaysia ($81.4 billion, corresponding to 35.4 per cent of its GDP), and Pakistan ($56.7 billion, corresponding to 31.2 per cent of its GDP) (Figure 4.3).

The total external debt stock is made of three categories of debt: (i) long-term debt (LDOD), which is a combination of public debt, publicly guaranteed debt, and private non-guaranteed debt, (ii) short-term debt (STD), and (iii) the use of IMF credit (IMFCR).

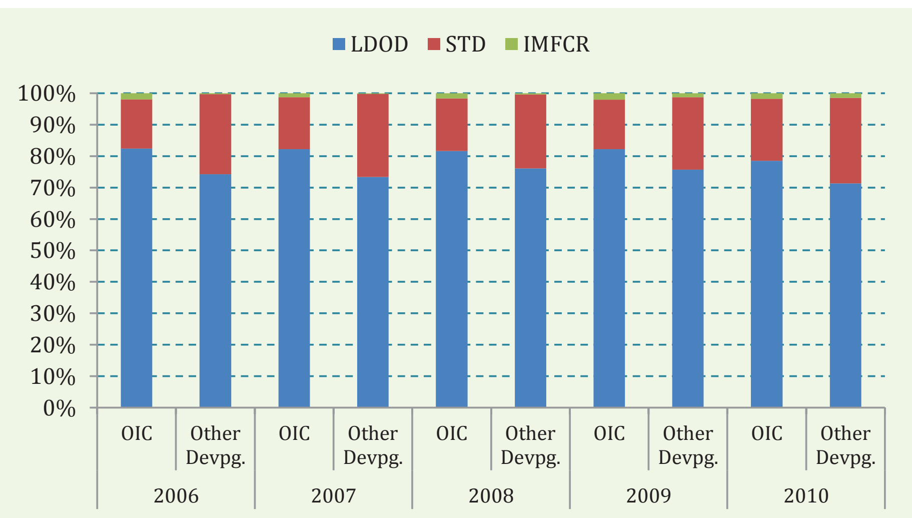


Figure 4.4: Composition of External Debt Stock

The use of IMF credit accounted for less than 1 per cent in 18 OIC member countries.

Source: World Bank, WDI Database and SESRIC BASEIND Database.

As illustrated in Figure 4.4, the composition of the total external debt of the OIC countries and other developing countries differ. Even though long-term debt accounted for the largest share of total external debt in both country groups, its portion in OIC countries remained comparatively high. For OIC countries, LDOD share in total debt decreased from 82.3 per cent in 2006 to 78.5 per cent in 2010. Similarly, for other developing countries, the relevant ratio declined from 74.2 per cent in 2006 to 71.2 per cent in 2010. The share of short-term debt in total debt was 19.7 per cent for the OIC countries and 27.1 per cent for the other developing countries in 2010 whereas; the use of IMF credit remained quite low in both groups.

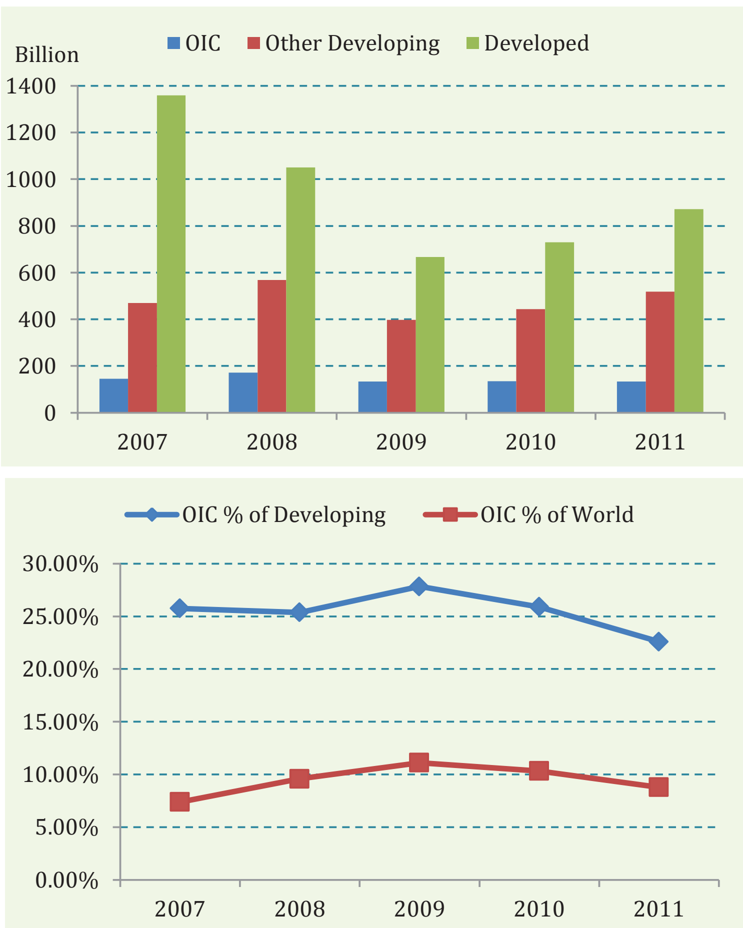
As for individual countries, long-term debt accounted for more than 90 per cent of the total external debt in 19 OIC member countries, and this share varied in 2010 from 98.5 per cent in Chad to 51 per cent in Iran. The use of IMF credit, on the other hand, accounted for less than 1 per cent in 18 OIC member countries, however, it reached up to 15.3 per cent in Pakistan and 14.5 per cent in Sierra Leone in 2010. As of 2010, the share of short-term debt was less than 5 per cent in 17 members, yet it reached up to 48.9 per cent in Iran, 43 per cent in Malaysia and 40.5 per cent in Nigeria.

4.3 Foreign Direct Investment (FDI) Flows

Foreign direct investment (FDI) has been significantly rising since 2009. World total FDI flows, with an annual increase of 16.45 per cent, amounted to $1524 billion in 2011 with most of these flows went increasingly to developed countries (Figure 4.5). As of 2007, developed countries were destination for 68.8 per cent of the $1975 billion of world FDI flows, yet this share declined to 57 per cent in 2011. Despite the decline in the share of FDI flows to developed countries over the years, developed countries were still home to more than half of the global FDI flows in 2011 with the remaining 42 per cent going to developing countries.

As for the OIC countries, FDI inflows during the period under consideration were generally unsatisfactory. Nevertheless, there was a notable improvement in these flows as they increased up to $171.5 billion in 2008, however, parallel to the global trends, FDI flows to OIC member countries declined to $133 billion in 2009. Although there was a slight increase in the volume of FDI flows in 2010, there was another decline in 2011 to $134 billion. The share of OIC countries in total FDI flows to developing countries

Figure 4.5: Net Foreign Direct Investment Flows



Source: UNCTAD, FDI Statistics 2012 and SESRIC BASEIND Database.

has been declining since 2009 (Figure 4.5). Accordingly, their share in world total FDI flows decreased from 11.1 per cent in 2009 to 8.79 per cent in 2011.

As was the case in most of the major macroeconomic aggregates, FDI flows into OIC countries also concentrated in a few of them. In 2011, Indonesia took the lead with $18.9 billion of FDI inflow, accounting for 12.97 per cent of the total FDI inflows to all OIC countries, followed by Saudi Arabia ($16.4 billion), Turkey ($15.8 billion), Kazakhstan ($12.9 billion), and Malaysia ($11.9 billion). These five countries, together, accounted for 52.1 per cent of the total FDI flows to all OIC countries (Figure 4.6).

Box 4.1: Foreign Direct Investment Inflows in Indonesia

FDI first took place when Government issued first law on foreign investment in 1967 which formally established the relevant legal framework. FDI in Indonesia focused oil and gas sector during the 1970s. Thereafter, in 1980s and 1990s, FDI was tempted into other sectors of economy as well, and Indonesia experienced a boom in FDI during this period. In the late 1990s, the new economic policy of the government had been to promote FDI in the manufacturing sector and to stimulate on export oriented economy. There is no doubt that FDI functioned as the new engine of the growth in Indonesia and major source of non-oil export revenues, to offset the fall in oil export revenues during the economic crisis in 1997 (Parjiono, 2009) (see also Gray (2002), Ikhsan (2006) and Thee (2006) on the contribution of FDI on growth in Indonesia).

This overall picture shows that most of the OIC countries are still not able to create a favourable economic environment and to provide the required conditions to attract more FDI flows. Consequently, OIC countries, in general, need to take certain measures to create an environment conductive to attracting more foreign investments. To achieve this goal, reforms are needed to improve the business climate and to introduce investment incentives for foreign investors. This requires building adequate infrastructure and investment in modern technologies to enhance their productive capacities, which is still more of a challenge in the majority of them.

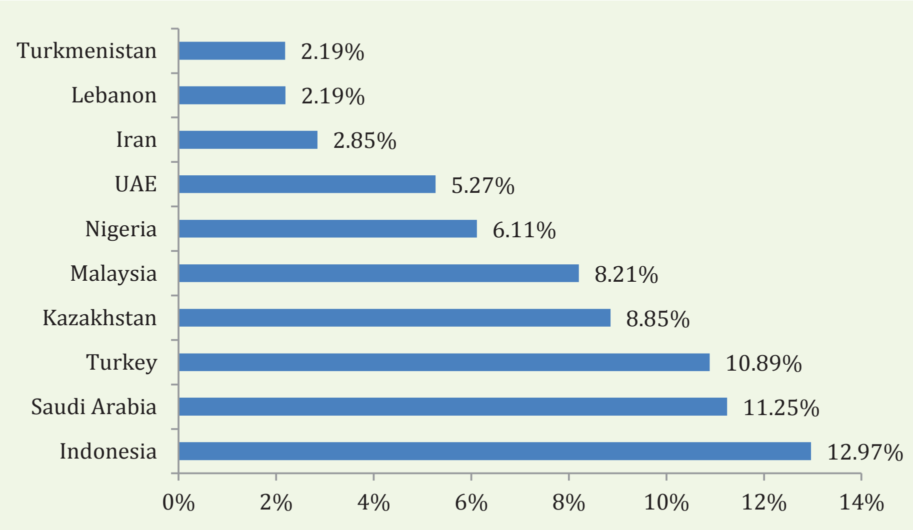


Figure 4.6: Top 10 OIC Countries by FDI Inflows, 2011

FDI flows to OIC countries concentrated in a few of them.

Source: UNCTAD, FDI Statistics 2012 and SESRIC BASEIND Database.

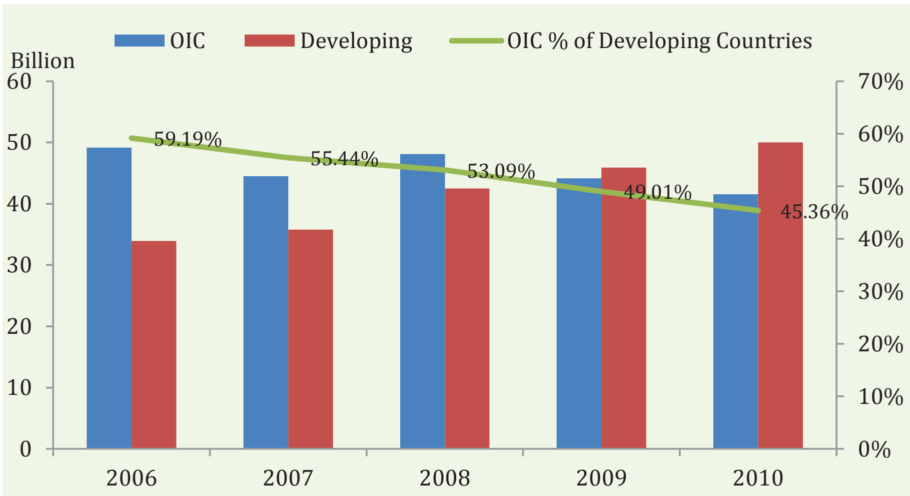
4.4 Official Development Assistance (ODA) Flows

Official Development Assistance (ODA) is still an important source of financing for many developing countries. It continues to constitute a significant part of the total net financial flows to these countries and play a key role in their economic growth and development. In 2010, net official development assistance flows from all donors to developing countries reached $91.5 billion compared to $83 billion in 2006. However, during this period, there was a decline in ODA flows to OIC countries from $49.1 billion in 2006 to 41.5 billion in 2010. Accordingly, OIC share in total ODA flows to developing countries also declined from 59.1 per cent in 2006 to 45.3 per cent in 2010 (Figure 4.7). This means that OIC member countries received lesser ODA compared to other developing countries.

Figure 4.7: Net ODA Flows

There was a decline in ODA flows to OIC countries.

Source: World Bank, WDI Database and SESRIC BASEIND Database.



It is also observed that ODA flows to the OIC member countries are concentrated in a few of them. In 2010, Afghanistan took the lead with inflows of $6.3 billion, followed by Pakistan ($3.02 billion), Palestine ($2.51 billion), Iraq ($2.19 billion), and Nigeria ($2.06 billion). These five countries, together, accounted for almost 40 per cent of the total ODA flows to all OIC countries in 2010.

Figure 4.8: ODA to GDP Ratio

ODA flows accounted for less than one per cent of GDP in 11 OIC member countries.

Source: World Bank, WDI Database and SESRIC BASEIND Database.

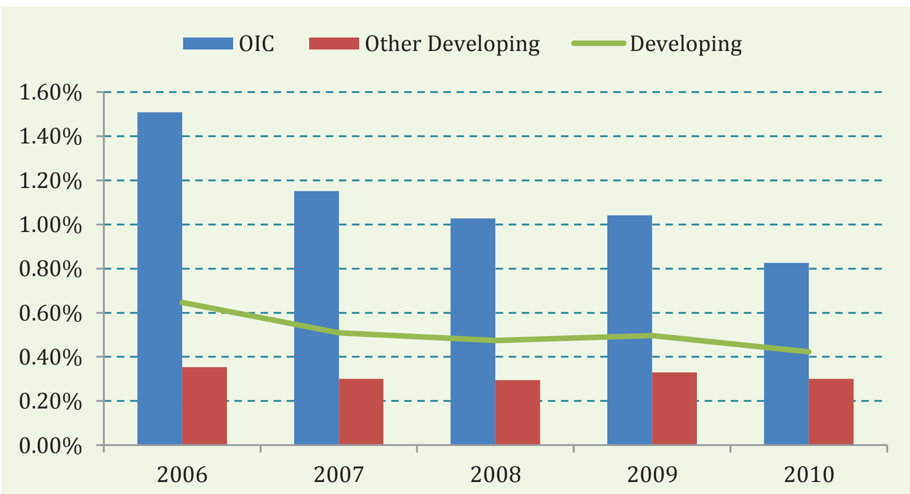


Figure 4.8 shows that net ODA disbursements as percentage of GDP has been declining for all country groups until 2008. This trend has been reversed in 2009 and ODA flows as percentage of GDP witnessed slight improvement. Yet, in 2010, there was another decline in this trend for all the groups. In general, ODA accounted for higher percentage of GDP in OIC countries than other developing countries. ODA-to-GDP ratio in other developing countries declined to 0.23 per cent in 2010 from 0.26 per cent in 2006. Similarly, in OIC countries, this ratio declined to 0.83 per cent in 2010 from 1.51 per cent in 2006.

At the individual country level, in 2010 ODA flows accounted for 42 per cent of GDP in Afghanistan, followed by 24.9 per cent in Sierra Leone, 20.8 per cent in Mozambique, 16.25 per cent in the Gambia, and 16.04 per cent in Guinea-Bissau. Notably, ODA flows accounted for less than one per cent of GDP in 11 member countries.

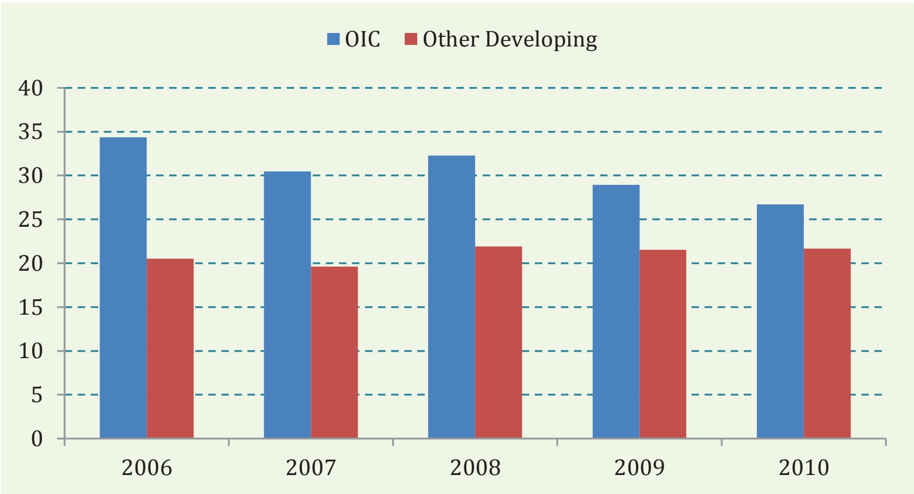


Figure 4.9: ODA Per Capita

ODA per capita declined in OIC member countries over the years.

Source: World Bank, WDI Database and SESRIC BASEIND Database.

ODA per capita has witnessed the same trend in line with the net ODA flows. It declined in OIC member countries from $34.3 in 2006 to $26.7 in 2010. In contrast, ODA per capita for the developing countries increased to $21.6 in 2010 from $20.5 in 2006 (Figure 4.9). At the individual country level, ODA per capita in OIC member countries in 2010 was highest in Palestine, Maldives, Guyana, Suriname and Afghanistan with $606, $351, $202, $197, $185, respectively.

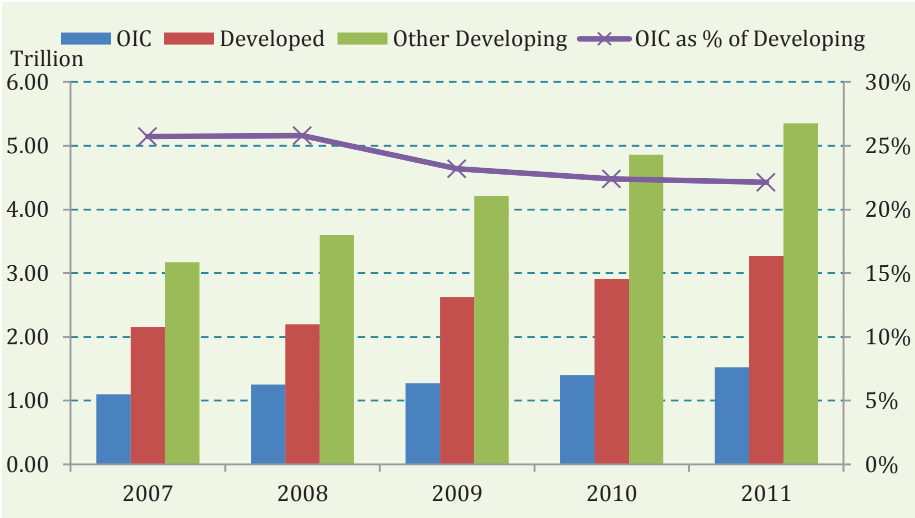
4.5 Reserves Position

The world total reserves –excluding gold- amounted to 10.1 trillion in 2011 almost 40 per cent higher than the amount in 2007. Of this amount, $3.2 trillion was recorded in the developed countries while the remaining of $6.9 trillion was accumulated by the developing countries (Figure 4.10). It should be noted that the reserves of the developed countries were higher than those of the developing countries until 2004, but since then the situation has been rapidly reversing where the developing countries owned, as of 2011, more than two-thirds of the total world reserves (68 per cent). Although this can be explained, in part, by the increasing trade flows and the large surpluses of some developing countries, such as China, newly industrialized Asian countries and oil exporting countries in the Middle East, it is more likely due to financial reforms efforts in some developing countries with chronic current account deficits to improve their reserves position. It seems that the widespread implementation of capital account liberalization in developing countries has brought about a need for accumulating more and more reserves in order to cushion against financial volatilities, such as sudden reversal of capital flows, and decrease their vulnerability to global financial crises.

Figure 4.10: Total Reserves minus Gold

The share of the OIC countries in total reserves of developing countries showed a declining trend.

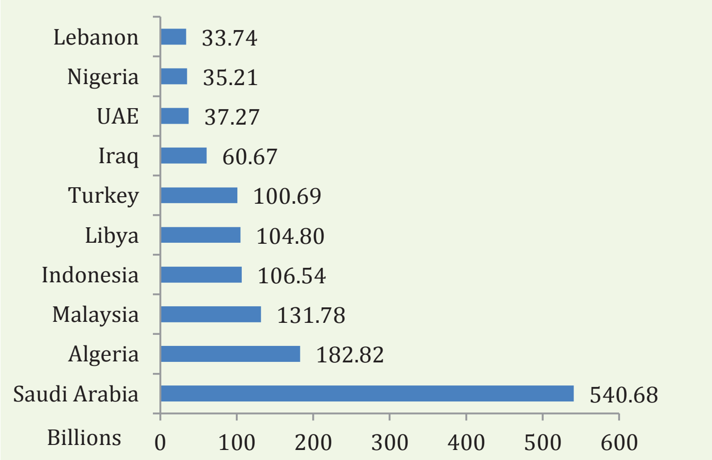
Source: IMF, IFS Database 2012 and SESRIC BASEIND Database.



The total reserves –excluding gold- of the OIC countries increased to $1.5 trillion in 2011 from $1.09 trillion in 2007. As in the case of the developed and other developing countries, the highest increase of the OIC countries' reserves was recorded in 2008. On the other hand, the share of the OIC countries in total reserves of developing countries showed a declining trend during the period under consideration. It reached down to 22.13 per cent in 2011, compared to 25.71 per cent in 2007. Yet, it is observed that the bulk of the total reserves of the OIC countries is still accumulated in a few of them where only 10 countries accounted for 86.3 per cent of the total reserves of OIC group in 2011 (Figure 4.11). Saudi Arabia alone, with $540.68 billion of reserves, accounted for more than one-third of the total reserves of all OIC countries. Algeria, Malaysia, Indonesia, Libya, Turkey, Iraq, United Arab Emirates, Nigeria, and Lebanon followed Saudi Arabia in terms of reserve positions.

At the individual country level, almost 80 per cent of the OIC countries, for which data are available, have improved their reserves positions during the period 2007-2011. Yet, although the term "improving" indicates an addition to these reserves, this situation may occur even when a country has a deficit in its current account balance, provided that it may manage to finance its deficit through external financing channels such as external borrowing (foreign debt) rather than using its reserves.

Figure 4.11: Top 10 OIC Countries by Total Reserves, 2011



Source: IMF, IFS Database 2012, SESRIC BASEIND Database and Central Bank of Turkey.

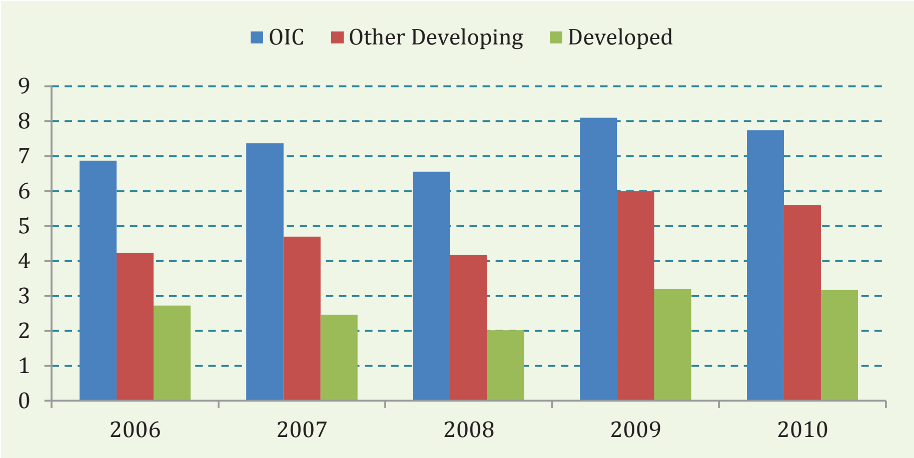


Figure 4.12: Total Reserves equivalent to Months of Imports

On average, OIC member countries accumulated reserves higher than the threshold level of three months worth of imports.

Source: World Bank, WDI Database.

Over the years, many countries across the world have build up huge reserves. However, according to economic experts, countries should maintain reserves equivalent to three months worth of imports. Reserves are usually considered as an important instrument to safeguard the economy against external shocks. According to the IMF study entitled "Assessing Reserve Adequacy" (2011); reserves played an important role to help many countries wither the negative impacts of recent financial and economic crisis.

As shown in Figure 4.12, OIC reserves equivalent to monthly imports fluctuated between 6.5 and 8.1 months. This indicates that during the period under consideration, on average, OIC member countries accumulated reserves higher than the threshold level of three months worth of imports. During the same period, other developing countries also witnessed improvement in reserves, increasing from equivalent to 4.2 months worth of imports in 2006 to 5.6 months in 2010. However, on the other hand, in developed countries reserves equivalent to months of imports remained below the threshold of three months during the period under consideration, except the last two years. Low performance of developed countries could be explained by the fact that usually countries with good institutions and policies are supposed to hold lower levels of reserves.

At the individual country level, Libya stood first in 2010 by keeping reserves equivalent to imports value of 38.5 months followed by Saudi Arabia (29.7 months), and Lebanon (16.4 months). With the exception of Sudan, all OIC member countries for which the data are available kept reserves equivalent to import value of more than three months in 2010.

4.6 Remittances

The inflows of remittances to OIC member countries increased from $58.7 billion in 2006 to $87.6 billion in 2010 even though the growth rate of these inflows turned into negative from 26.1 per cent growth in 2007 to 8.3 per cent fall in 2010 (Figure 4.13). Given the fact that the financial crisis has severely damaged the developed economies where majority of workers from developing countries are employed, remittances inflow to OIC countries even fell by 3 per cent in 2009 as migrant workers are losing jobs or not able to afford to send home as much money as they were sending before the crisis. Similarly, developing countries also suffer from the economic crisis. After a peak in 2008, the inflows of remittances declined in 2009. By 2010, it was still below its pre-crisis level.

Figure 4.13: Remittances Flows

Due to economic crisis the inflows of remittances declined in all country groups in 2009, but the inflows continued to fall in OIC countries in 2010.

Source: World Bank, WDI Database.

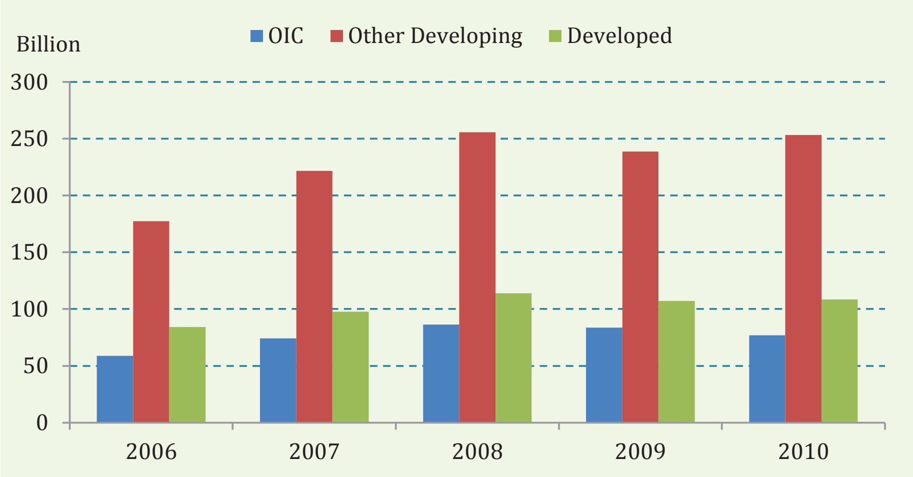
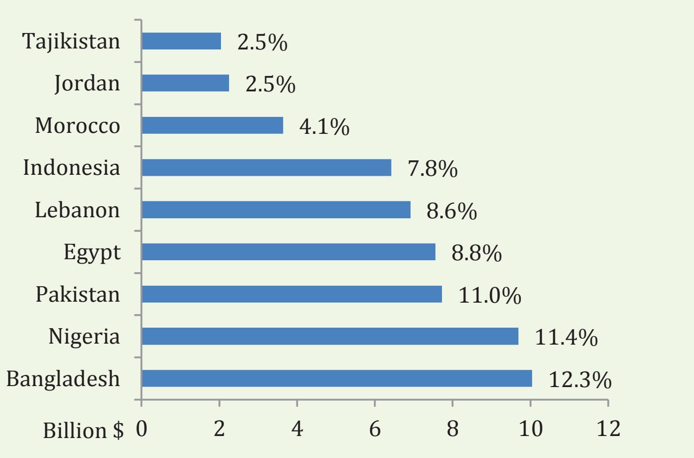


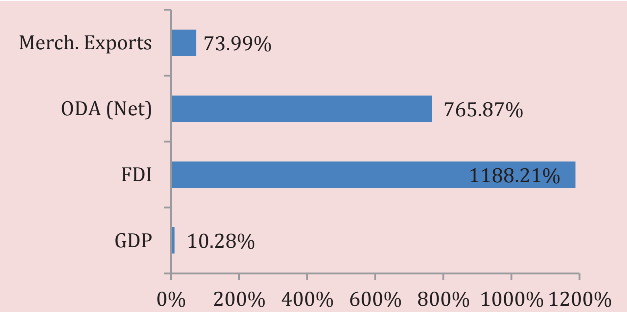
Figure 4.14: Top 10 OIC Countries by Remittances Inflows



Source: World Bank, WDI Database.

As was the case in most of the major macroeconomic aggregates, the inflows of remittances into OIC countries also concentrated in a few of them. In 2010, Bangladesh took the lead with $10.85 billion of remittances inflow, accounting for 12.3 per cent of the total remittances inflows to all OIC countries, followed by Nigeria ($10.04 billion), Pakistan ($9.69 billion), Egypt ($7.7 billion), Lebanon ($7.5 billion), Indonesia ($6.9 billion), Morocco ($6.4 billion), Jordan ($3.6 billion), Tajikistan ($2.2 billion), and (Algeria $2.0 billion). These ten countries, together, accounted for 76.6 per cent of the total remittances inflows to all OIC countries.

Box 4.1: Remittances Inflows in Bangladesh



Bangladesh, a labour-abundant country, has sent over an estimated 6.7 million migrant workers to more than 140 countries across the globe over a period of more than three decades since the mid- 1970s (Mamun and Nath, 2010). In 2010, the inflows of remittances to Bangladesh reached a phenomenal level of over $10 billion. Such a flow is equivalent almost to 74 per cent of the merchandise exports or 10.28 per cent of the GDP of Bangladesh. Moreover, it is 7.5 times higher than the official development assistance and 11.8 times higher than the foreign direct investment received by Bangladesh. The existing studies in the literature have shown that most of these remittance transfers augment household income and are used for consumption. However, there has been evidence to show that these remittances have helped reduce poverty in Bangladesh as well (Mamun and Nath, 2010). As noted by Bruyn and Kuddus (2005), "remittances have been causing a silent economic revolution in Bangladesh".

section 5 Financial Sector Development

The role of the financial sector in an economy is to channel resources from primary savers to investment projects. Therefore, a well-functioning financial system can create avenues for rapid economic development through, inter alia, the efficient allocation of domestic savings into productive economic activities. The importance of this role has indeed received much attention in the recent literature on economic growth and a strong consensus has emerged in the last decade that well-functioning financial intermediaries have a significant impact on economic growth (Box 5.1). Furthermore and in terms of monetary policy, a well-functioning financial system can act as an effective transmission channel for implementing monetary policy by facilitating the central banks' control over policy outcomes such as economic growth, inflation, exchange rates, and unemployment.

The degree of financial development varies substantially across the OIC region. Some member countries, including Malaysia, Turkey, Jordan and GCC countries such as Saudi Arabia, Bahrain, Qatar, UAE and Kuwait,[9] are fairly well advanced and have relatively well-developed financial systems including vibrant banking, insurance and other financial institutions; and effective financial regulatory and supervisory regimes, whereas many others lag behind in terms of their stages of financial development. This, in turn, offers a significant room for improvement and, all in all, more needs to be done to reinforce the institutional environment and promote financial sector development in the OIC countries.

[9] See, for example, World Economic Forum (WEF) Financial Development Report 2011.

The concept of financial development is multi-faceted and it encompasses not only monetary aggregates and some high-frequency indicators but also long-term dimensions such as the quality of regulation and supervision, degree of competition, financial openness, and institutional capacities, penetration of financial services, and the variety and depth of financial markets and products. In view of that, this section focuses on three major indicators to identify the level of financial development in the OIC countries and benchmark them against other developing countries as well as developed countries. These are financial deepening, access to finance and financial openness in terms of exchange rate frameworks and capital account controls through the choice of monetary policy frameworks.

Box 5.1: Financial development and growth

A large body of economic literature supports the premise that, in addition to many other important factors, the performance and long-run economic growth and welfare of a country are related to its stage of financial sector development. The higher the degree of financial development, the wider the availability of financial services that allow for the diversification of risks. This increases the long-run growth trajectory of a country and ultimately improves the welfare and prosperity of producers and consumers with access to financial services. The link between financial development and economic growth can be traced back to the seminal work of Joseph Schumpeter in the early 20th century (Schumpeter, 1912) and more recently to those of Ronald McKinnon and Edward Shaw. This link is now well established in terms of empirical evidence (Levine, 2004).

In general, economic recoveries after financial crises have been shown to be much slower than those that occur after recessions not associated with financial crises (Kannan, 2010). This perspective has proven itself to be accurate in the slow economic recovery experienced by many countries since the onset of the recent global financial crisis. However, it is also important to consider the positive impact that broader financial development and more dynamic financial systems can have on longer-term economic growth. Research supports the idea that countries that have undergone occasional financial crises have, on average, demonstrate higher economic growth than countries with more stable financial systems (Ranciere, Tornell and Westermann, 2008). While it is important to mitigate the short-term impact of crises, it is also important to view financial development in terms beyond financial stability alone.

Financial intermediation and financial markets contribute directly to increased economic growth and aggregate economic welfare through their effect on capital accumulation (the rate of investment) and on technological innovation. First, greater financial development leads to greater mobilization of savings and its allocation to the highest-return investment projects. This increased accumulation of capital enhances economic growth. Second, by appropriately allocating capital to the right investment projects and promoting sound corporate governance, financial development increases the rate of technological innovation and productivity growth, further enhancing economic growth and welfare.

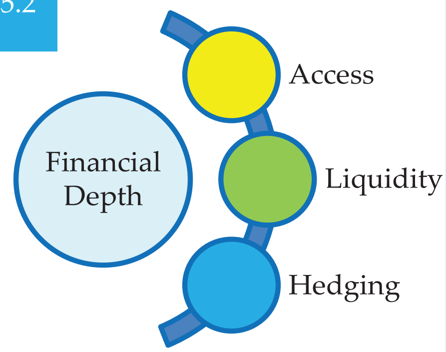
Source: WEF Financial Development Report 2011

5.1 Financial Deepening

Conceptually, financial depth is often understood to mean that: (i) sectors and agents are able to use a range of financial markets for savings and investment decisions, including at diverse maturities (access); (ii) financial intermediaries and markets are able to deploy larger amounts of capital and manage larger turnover, without necessitating large corresponding movements in asset prices (liquidity); and (iii) the financial sector can create a broad spectrum of assets for risk-sharing purposes (hedging or diversification)

(Box 5.2). A commonly used metric for determining the degree of financial deepening is the ratio of broad money[10] to GDP. A higher ratio is generally associated with greater financial liquidity and depth. As shown in Figure 5.1, the volume of broad money in OIC countries has been slightly over 50 per cent of the GDP in 2011, whereas it has reached levels close to the size of the GDP in other developing countries and far exceeded that level in developed countries. This situation clearly indicates that the financial sector in the member countries is lagging behind their counterparts in other developing as well as developed countries in terms of the provision of sufficient liquidity and better investment opportunities to the economy at a lower cost.

Box 5.2



Source: Goyal et al., 2011

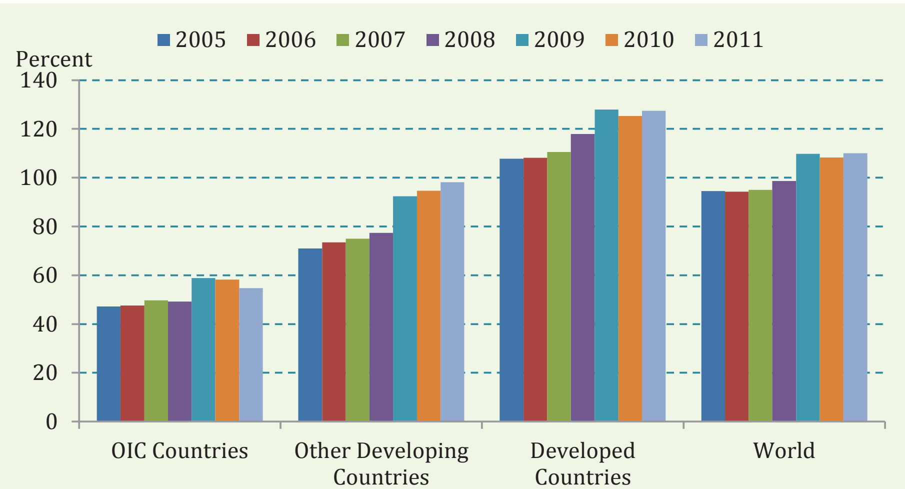


Figure 5.1: Ratio of Broad Money to GDP

There is a strong need for the further deepening of the financial sector in OIC countries.

Source: IMF International Financial Statistics (IFS) Database, World Bank WDI Database.

Taking into account the widely accepted view that the financial deepening confers important stability benefits to the economy, albeit with caveats, OIC countries are apparently deprived of these stability benefits. For instance, according to a recent report by the IMF, through and increase in financial transaction volumes, financial deepening can enhance the capacity of the financial system of a country to intermediate capital flows without large swings in asset prices and exchange rates (IMF, 2011). It can also lower the reliance on foreign savings and attenuate balance sheet mismatches by increasing the scope to raise funds in domestic currencies and at longer maturities (World Bank, 2011). Deeper financial markets can provide alternative sources of funding during times of international stress, limiting adverse spill-overs, as evidenced in the recent global financial crisis. Yet, deeper financial markets can also attract volatile capital inflows, complicating macroeconomic management of the country's economy. Moreover,

[10] The IMF defines broad money as the sum of currency outside banks; demand deposits other than those of the central government; the time, savings, and foreign currency deposits of resident sectors other than the central government; bank and traveler's checks; and other securities such as certificates of deposit and commercial paper.

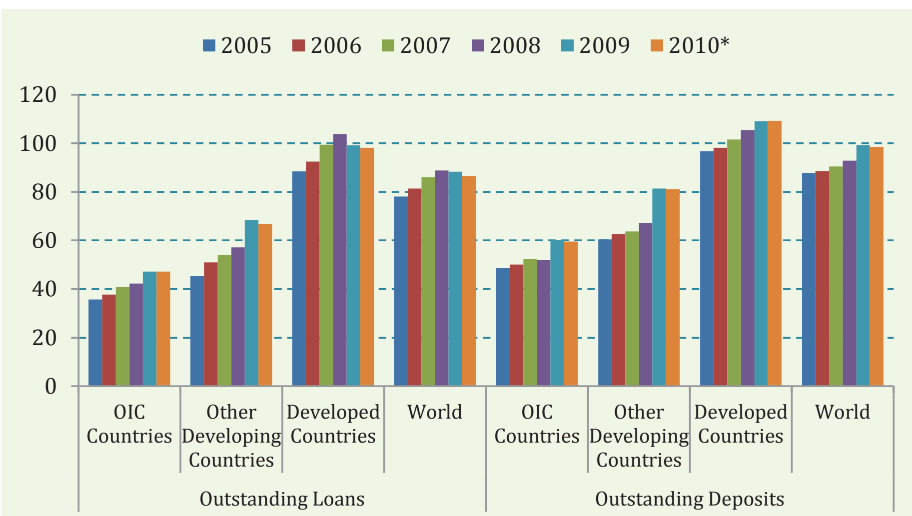
financial deepening can occur too quickly, leading to credit booms and subsequent busts. At the systemic level, all these factors, if properly managed, can attenuate the need to accumulate foreign assets, and, at the global level, promote global adjustment (Maziad et al., 2011).

5.2 Access to Finance

When viewed from the perspective of reducing risk and vulnerability for financially disadvantaged groups in the community, financial depth is closely linked to financial inclusion, or financial access – another indicator on financial sector development. Yet, although financial deepening is expected to increase the ability of individuals and households to have access to basic financial services, recent research (Demirguc-Kunt, 2012) suggest that financial depth and financial inclusion are distinct dimensions of financial development – and that financial systems can become deep without delivering access for all.

IMF's "Access to Finance" initiative aims to monitor the ability by individuals to access basic consumer financial services worldwide. This is achieved through collecting annual geographic and demographic data on the use of financial services and their physical outreach. In this context, Figure 5.2 depicts the relative sizes of commercial bank loans and deposits with respect to GDP in different country groups. In 2010, the sizes of the commercial bank loans and deposits in OIC countries corresponded on average to 47 and 60 per cent of the GDP, respectively. These figures poorly compared to other developing countries where the relative sizes of the commercial bank loans and deposits are 67 and 81 per cent, respectively. In developed countries, this ratio is as high as 98 per cent of the GDP for loans – despite the significant contraction in credit during the financial turmoil in 2008 – and 109 per cent for deposits.

Figure 5.2: Outstanding loans and deposits of commercial banks (% of GDP)



Source: IMF Financial Access Survey (FAS), World Bank WDI Database, * 2010 or previous year's data.

On the other hand, there is a strong positive relationship between the initial inability to use financial services, measured by the ratios of outstanding loans from and deposits with the commercial banks to GDP, and the speed of growth in the use these services. Figures 5.3 and 5.4 reflect this point. In both cases, the majority of the OIC countries and other developing countries with relatively poor use of financial services in the beginning of the period under consideration (2005), have seen much faster growth in the use of their financial services, as indicated by the annual compounded growth in the relative sizes of the loans provided by and deposits kept with the commercial banks with respect to GDP over the period 2005-2010.

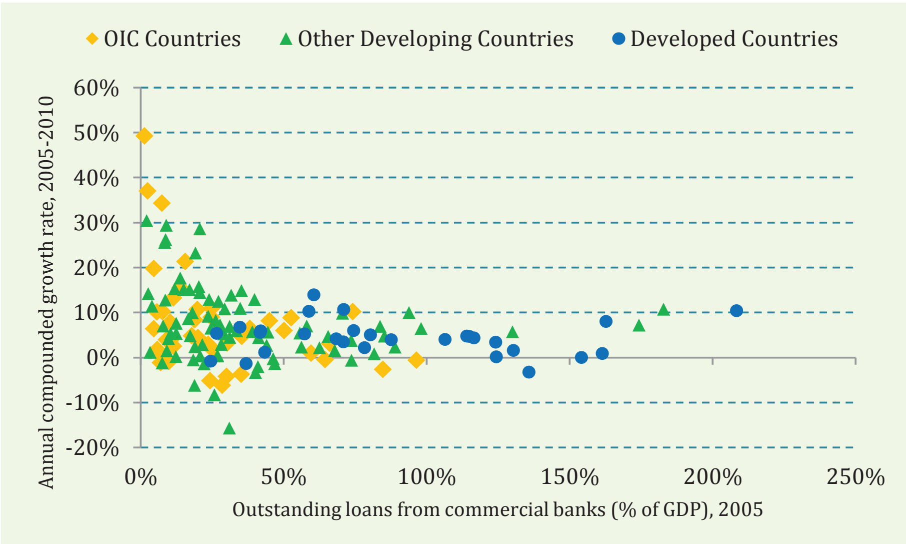


Figure 5.3: Growth in commercial bank loans (% of GDP) versus initial level of commercial bank loans (% of GDP)

Source: IMF Financial Access Survey (FAS). * 2010 or latest data available.

Note: Three outliers are excluded from the figure – Luxembourg, United Kingdom and Iceland with initial deposits-to-GDP ratios of 484%, 378% and 353%, respectively.

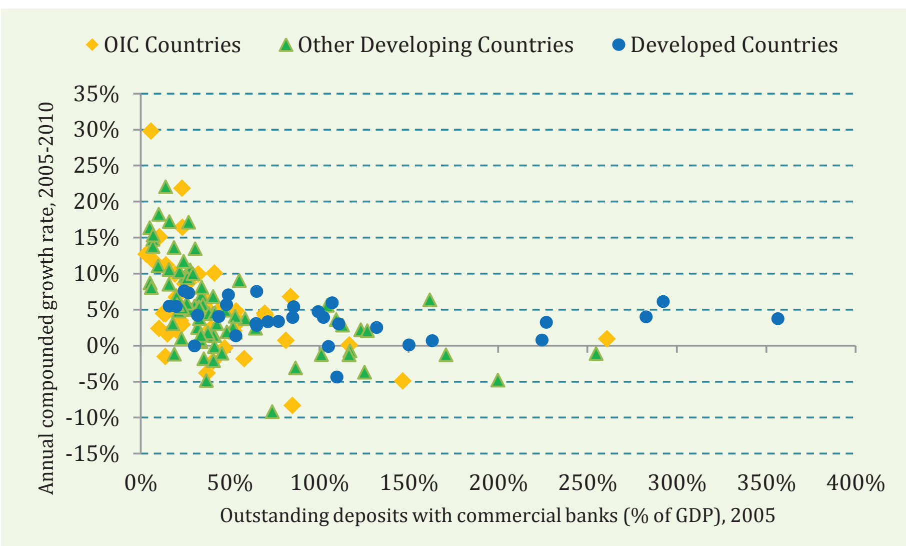


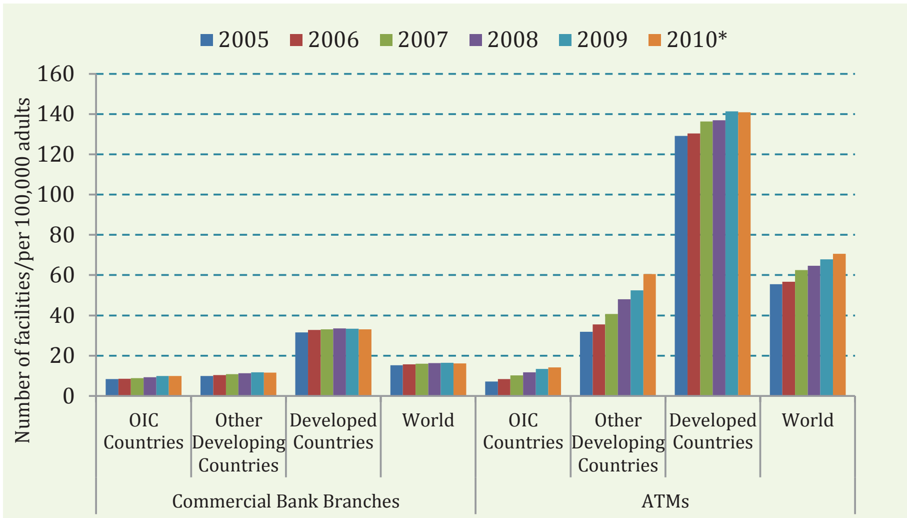
Figure 5.4: Growth in commercial bank deposits (% of GDP) versus initial level of commercial bank deposits (% of GDP)

Source: IMF Financial Access Survey (FAS).

Note: Two outliers are excluded from the figure – Luxemburg and San Marino with initial deposits-to-GDP ratios of 841% and 514%, respectively.

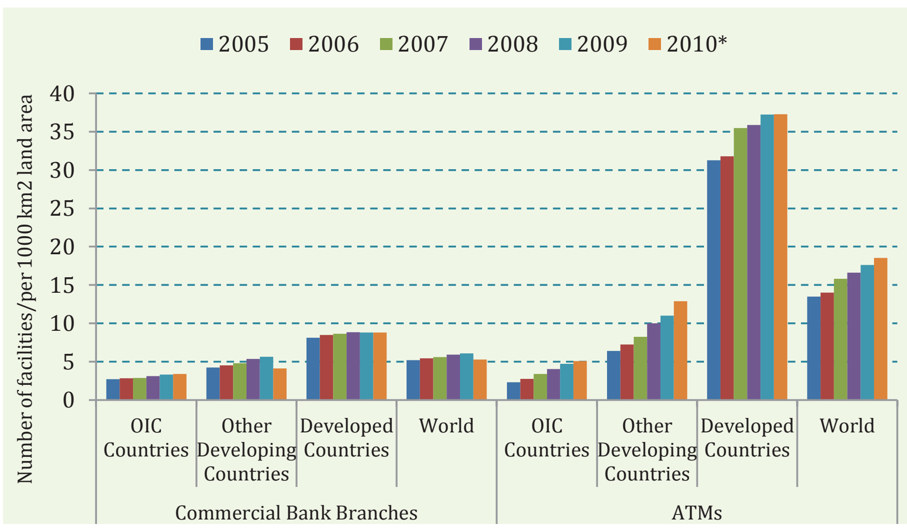
A critical barrier to accessing basic financial services in most developing regions, in general, and OIC countries, in particular, is the inadequacy of physical outreach. Due to the expense of establishing and operating bank branches and ATMs, investment costs are likely to be high compared with the scale of business. Figures 5.5 and 5.6 indeed support this argument. First, in Figure 5.5, where the penetration of financial services among the population is shown in terms of the number of commercial bank branches and automated teller machines (ATMs) per 100,000 adults, OIC countries are characterized by on average very low levels of branch and ATM *population* densities. In 2010, the member countries had on average 10 commercial bank branches per 100,000 adults, as compared to 12 for other developing countries and 33 for developed countries (left panel).

Figure 5.5: Penetration of Financial Services among Population through Branches and ATMs



Source: IMF IFS Database, World Bank WDI Database. * 2010 or latest data available.

Figure 5.6: Penetration of Financial Services across Land through Branches and ATMs



Source: IMF IFS Database, World Bank WDI Database. * 2010 or latest data available.

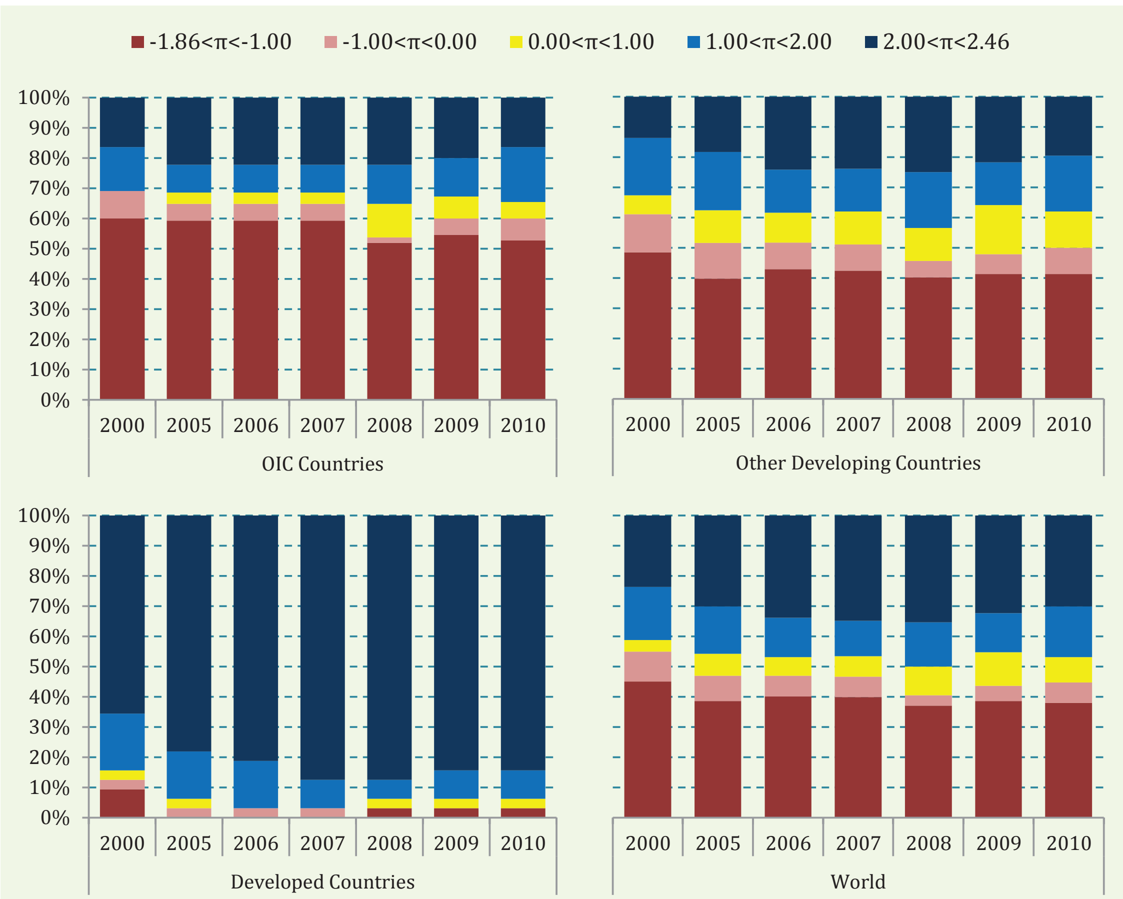
Note: Branch data for Russia is available for 2010 only and its huge land area causes a significant decrease in the land density of braches in other developing countries as well as world in that year.

Although the OIC member countries are fairly comparable in terms of their branch population density to other developing countries, as far as the ATM population density is considered, this point is no more valid. Despite the progress has been made over the 5-year period under consideration, the average number of ATMs servicing per 100,000 adults in the OIC countries reached only 14 in 2010 and still lag behind other developing countries (60 ATMs) as well as developed countries (141 ATMs). Second, as shown in Figure 5.6, a similar argument is valid for *land* densities of commercial bank branches and ATMs. OIC countries, on average, are associated with low penetration of banking facilities across land, particularly when the availability of ATMs in these countries is considered.

5.3 Financial Openness and Exchange Rate Policies

The financial openness aspect of financial sector development assesses the appropriateness of exchange regimes implemented by countries and examines whether there are significant restrictions on the trading of financial assets or currency by foreigners and residents. Restrictions on current account transactions could significantly hinder trade of goods and services. In the same vein, multiple exchange practices and misaligned exchange rates could hinder trade and resource allocation. Restrictions on capital account transactions, however, might be needed unless appropriate institutional arrangements, including prudential regulations and supervision, are in place. As is being debated in the context of currency and financial crises and liberalization, an open capital account without appropriate oversight and information disclosure could increase the risk of financial collapse. With appropriate institutions, however, a financially open economy can benefit from the worldwide pool of funds to finance promising domestic investment projects as well as the allocation of local savings to promising investment

Figure 5.7: Distribution of Countries according to their Chinn-Ito Financial Openness Index Values, 2000-2010



Source: Chinn and Ito (2012). Data extracted from authors' website at: http://web.pdx.edu/~ito/Chinn-Ito_website.htm alternatives globally (Creane, Goyal, Mobarak and Sab, 2004).

The Chinn-Ito Index is an index measuring a country's degree of capital account openness (Chinn and Ito, 2008). The Index is based on variables that codify the tabulation of restrictions on cross-border financial transactions reported in the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions. Index values range on a scale between -1.86 and 2.46, indicating the “least financially open” and “most financially open”, respectively. Figure 5.7 shows the distribution of countries in each country group according to their index scores. According to the Figure, in 2010, 53 per cent of the OIC member countries were ranked in the low financial openness cluster, marked with an index score lower than -1.00, which was even higher in 2000, representing 60 per cent of the member countries. In this regard, the member countries poorly compared to other developing as well as developed countries, respectively, 41 per cent and only 3 per cent of which fall under this category in 2010. On the other hand, while as much as 84 per cent of the developed countries scored Chinn-Ito Index values greater than 2.00 in 2010, which indicates the highest level of financial openness, only 16 per cent of the OIC countries were classified as such. All in all, these figures suggest that OIC countries are more conservative in managing their capital accounts and impose relatively more intensive restrictions on the flow of capital through their financial systems. This, in turn, is an indication that the financial sector in these countries is relatively less capable of effectively managing international capital inflows with the help of efficient financial markets and appropriate products.

Furthermore, the selection of monetary policy framework and exchange rate regime can be said to represent a critical component of financial openness simply because the latter has to do with the substitutability of foreign and domestic financial assets, and the exchange rate enters the pricing of these assets. Selection of an exchange rate regime that is most likely to suit a country’s economic interest would depend on, inter alia, the stage of its financial development. For an exchange rate regime to maintain a stable and competitive real exchange rate a supportive policy environment, including a strong financial sector, should be in place. A better managed and supervised financial system, including a prudent foreign exchange exposure as well as the risk management capability of the financial sector, is an important requirement for an exchange rate regime to successfully maintain competitiveness and avoid currency crises. Exchange rate regime flexibility can act as a shock absorber and increase the capacity of a country to accommodate external financial and economic shocks. On the other hand, studies show that financially less developed countries are more likely to adopt less flexible exchange rate regimes (Lin and Ye, 2011). In this context, Table 5.1 classifies the OIC member countries according to the exchange rate regimes they follow as of April 30, 2011 and as reported in the IMF Annual Report 2011 (IMF, 2011b). Box 5.9 supplements the table with a brief explanation of the monetary policy framework terminology used.

According to Table 5.1, except for 8 member countries which *de facto* let their currency float, the remaining 48 member countries out of 56 for which data are available implement capital account restrictions to varying extents either through hard peg regimes such as currency board, conventional pegs such as exchange rate anchor, soft regimes such as crawling peg, or intermediate regimes such as managed float. At the world level, 124 countries out of 190 countries captured by the Report are classified as such. Only 8 member countries implement more flexible frameworks such as floating and free floating exchange rate regimes. According to the report, 30 out of the 34 economies in the world that are recognized as 'advanced' by the IMF fall into this category.

Table 5.1: De Facto Classification of Exchange Rate Arrangements and Monetary Policy Frameworks in OIC Member Countries

Exchange rate arrangement (Number of countries)	**Monetary Policy Framework**						
	Exchange rate anchor				**Monetary aggregate target** (12)	**Inflation-targeting framework** (3)	**Other**[1] (6)
	U.S. dollar (15)	**Euro** (12)	**Composite** (7)	**Other** (1)			
Currency board (2)	Djibouti	-	-	Brunei	-	-	-
Conventional peg (22)	Bahrain Jordan Oman Qatar Saudi Arabia Turkmenistan UAE	Comoros Benin[6] Burkina Faso[6] Côte d'Ivoire[6] Guinea-Bissau[6] Mali[6] Niger[6] Senegal[6] Togo[6] Cameroon[7] Chad[7] Gabon[7]	Kuwait Libya Morocco[2]	-	-	-	-
Stabilized arrangement (11)	Guyana Iraq Lebanon Maldives (04/11) Suriname	-	Iran Syria Tunisia	-	Pakistan[3] (06/10) Tajikistan[3]	-	Azerbaijan[3]
Crawling peg (1)	-	-	-	-	Uzbekistan[3]	-	-
Crawl-like arrangement (3)	Kazakhstan	-	-	-	Bangladesh[3] (10/10)	-	Egypt[4,5] (03/09)
Other managed arrangement (8)	Sudan[4] (12/09)	-	Algeria	-	Guinea Nigeria Yemen	-	Kyrgyzstan Malaysia Mauritania
Floating (8)	-	-	-	-	Afghanistan (04/11) Gambia Mozambique Sierra Leone Uganda	Albania Indonesia (02/11) Turkey (10/10)	
Free floating (1)	-	-	-	-	-	-	Somalia

Source: IMF Annual Report 2011 (IMF, 2011b).

Note: Based on data as of April 30, 2011. If the member country's de facto exchange rate arrangement has been reclassified during the reporting period, the date of change is indicated in parentheses.

[1]Includes countries that have no explicitly stated nominal anchor, but rather monitor various indicators in conducting monetary policy.

[2]Within the framework of an exchange rate fixed to a currency composite, the Bank Al-Maghrib (BAM) adopted a monetary policy framework in 2006 based on various inflation indicators with the overnight interest rate as its operational target to pursue its main objective of price stability. Since March 2009, the BAM reference interest rate has been set at 3.25%.

[3]The de facto monetary policy framework is an exchange rate anchor to the U.S. dollar.

[4]The exchange rate arrangement was reclassified retroactively, overriding a previously published classification.

[5]The de facto monetary policy framework is exchange rate anchor to a composite.

[6]The country participates in the West African Economic and Monetary Union (WAEMU)

[7]The country participates in the Central African Economic and Monetary Community (CAEMC)

Box 5.3: De Facto Classification of Exchange Rate Arrangements and Monetary Policy Frameworks

The classification system is based on the members' actual, de facto arrangements, as identified by IMF staff, which may differ from their officially announced, de jure arrangements. The system classifies exchange rate arrangements primarily on the basis of the degree to which the exchange rate is determined by the market rather than by official action, with market-determined rates being on the whole more flexible than others. The system distinguishes between hard pegs (such as exchange arrangements with no separate legal tender and currency board arrangements); soft pegs (including conventional pegged arrangements, pegged exchange rates within horizontal bands, crawling pegs, stabilized arrangements, and crawl-like arrangements); floating regimes (such as floating and free floating); and a residual category, other managed.

Exchange rate anchor

The monetary authority buys or sells foreign exchange to maintain the exchange rate at its predetermined level or within a range. The exchange rate thus serves as the nominal anchor or intermediate target of monetary policy. These frameworks are associated with exchange rate arrangements with no separate legal tender, currency board arrangements, pegs (or stabilized arrangements) with or without bands, crawling pegs (or crawl-like arrangements), and other managed arrangements.

Monetary aggregate target

The monetary authority uses its instruments to achieve a target growth rate for a monetary aggregate, such as reserve money, M1, or M2, and the targeted aggregate becomes the nominal anchor or intermediate target of monetary policy.

Inflation-targeting framework

This involves the public announcement of numerical targets for inflation, with an institutional commitment by the monetary authority to achieve these targets, typically over a medium-term horizon. Additional key features normally include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for achieving its inflation objectives. Monetary policy decisions are often guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.

Other

The country has no explicitly stated nominal anchor, but instead monitors various indicators in conducting monetary policy. This category is also used when no relevant information on the country is available.

Source: IMF Annual Report 2011 (IMF, 2011b)

To conclude, the financial sector in OIC member countries – as examined through commonly used indicators such as financial depth, penetration of financial services and financial openness – is still at its early stages of development and lagging behind when compared with that of other groups. On average, shallow financial systems in the member countries hinders the development of adequate levels of liquidity – which is an important requisite for the stability of financial markets –, more accessible financial services and better risk management capabilities within the industry. Low penetration of financial services, on the other hand, leads to an inability, particularly within poor segments of the community, to manage their complex sets of financial relationships and the risks arising from them, stabilize their cash flows, save for large purchases, and invest in their children or in small businesses. Finally, on average less financial openness prevents those OIC countries with huge capital needs from tapping into worldwide pool of funds for their economic development and many others with surpluses of capital from diversifying their investment portfolio through a broader spectrum of international asset classes.

PART III

SPECIAL REPORTS

- Energy Sources in OIC Countries
- Economics of Natural Disasters in OIC Countries

section 6 Energy Sources in OIC Countries

Energy is a key factor for economic development and, thus, for raising living standards. It is required for satisfying all of the basic demands, from agriculture, education, infrastructure to information services. While energy is a key element in development, economic growth itself is also among the most important dynamics to be considered in projecting changes in world energy consumption. Despite the consensus regarding the correlation of economic growth and energy consumption, the direction of causality between these two variables is also an interest among economists and policy-makers. To consume energy, the countries should either be able to produce it or import it. It is, therefore, very important to possess energy sources as well as being able to process it.

This special report illustrates the trends in energy resources in the OIC countries, including their production and consumption. It is clearly demonstrated that even though the OIC countries are blessed with the wealth of energy resources, they are lacking the necessary technology and R&D investments to process these resources. As of renewable energy sources, the performance of the OIC countries during the last decade is impressing. However, it is still far below the performance of the developed countries where the OIC member countries are at the beginning of their journey.

6.1 Sources of Energy

There are three groups of energy sources: fossil fuels, renewable energy and nuclear power. Fossil fuels are the remains of decomposition of plants and animals which forms in finite supply (main types of fossil fuels are coal, petroleum and natural gas). Renewable energy is coming from the natural sources such as wind, rain and sunlight. Nuclear power is, on the other hand, obtained through fission and fusion reactions to generate energy from uranium. However, since the data is not widely available for nuclear power, this section will concentrate only on fossil fuels and renewable energy.

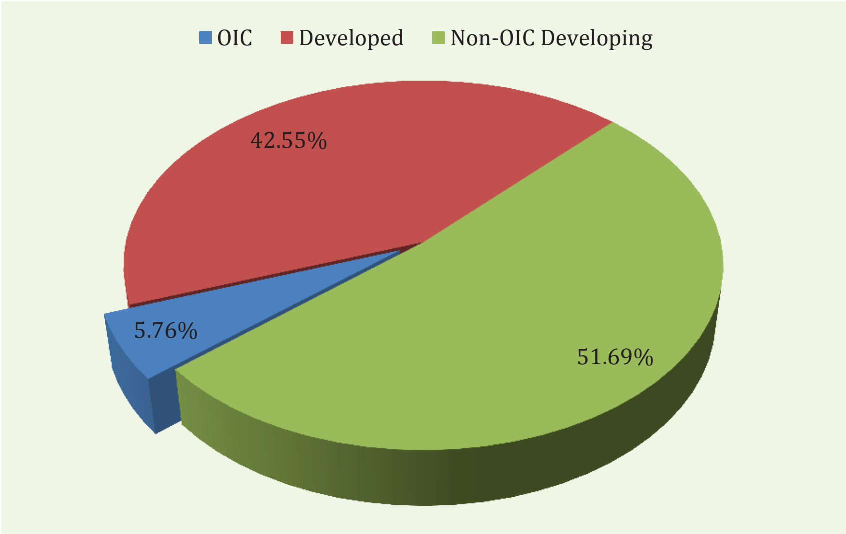
6.2 Fossil Fuels

Coal

Coal is a fossil fuel which is widely used in generating energy since the 18th century. Coal can be found in different forms with some being more common and more useful than others. As of 2008, world's current recoverable coal reserves are approximately 948 billion tons (Figure 6.1). Coal reserves are very limited in OIC countries. Only 5.75 per cent of the world's recoverable coal is hold by OIC member states. At the country level, Kazakhstan possesses 67 per cent of the total coal reserves of the OIC member countries, followed by Indonesia (11.1%) and Turkey (4.7%).

Figure 6.1: Share of Total Recoverable Coal Reserves, 2008

Coal reserves are limited in OIC countries.



Source: Energy Information Administration.

Accordingly, the coal production of the OIC countries in 2010 constituted only 7.3 per cent of the world total production (Table 6.1). However, as seen in the historical trends in Table 6.1, coal production of the OIC countries has been significantly increasing over time. It increased to 585 million tons in 2010 from only 72 million tons in 1990, despite a slight decrease in 2000s. The annual average growth rate is 13.1 per cent during the 1990s compared to 8.9 per cent in 2000s. Notably, the annual average growth rate of coal production of the OIC countries remained far above the world average for this period. In 2010, Indonesia was the leading country among OIC in terms of coal production. Indonesia produced 370 million tons of coal, accounting for 63.2 per cent of the total coal production of the OIC member countries, followed by Kazakhstan (122 million tons), Turkey (79 million tons), Pakistan (3.7 million tons), and Uzbekistan (3.6 million tons).

Table 6.1: Coal Production, (million short tons)

	1990	1995	2000	2005	2010	Annual Average Growth rate (%) 1990-2000	Annual Average Growth rate (%) 2000-2010
World	5,347	5,077	4,894	6,554	7,985	-0.8	5.0
Non-OIC Developing	3,693	2,943	2,706	4,156	5,411	-3.6	7.1
Developed	1,582	1,923	1,939	2,037	1,989	2.0	0.2
OIC	72	210	249	361	585	13.1	8.9
OIC % of World	1.3	4.1	5.0	5.5	7.3		

Source: Energy Information Administration.

The average growth of coal consumption of the OIC countries also remained above the world average for the period under consideration. In 2010, the consumption increased to 297.9 million tons which is almost 61 per cent higher than the level in 2000. The average annual growth rate of consumption was recorded at 8.1 per cent in 1990s, and 4.9 per cent in 2000s. OIC countries' coal consumption formed 3.7 per cent of the world total consumption in 2010 compared to 1.5 per cent in 1990. At the individual country level, Turkey consumed 109.1 million tons of coal, accounting for 36.6 per cent of total OIC consumption, followed by Kazakhstan (86.8 million tons), Indonesia (54.2 million tons), Malaysia (21.3 million tons), and Pakistan (11.5 million tons).

Table 6.2: Coal Consumption, (million short tons)

	1990	1995	2000	2005	2010	Annual Average Growth rate (%) 1990-2000	Annual Average Growth rate (%) 2000-2010
OIC	84	173	185	239	298	8.1	4.9
Non-OIC Developing	3,561	2,864	2,655	3,957	5,542	-2.8	7.6
Developed	1,618	2,042	2,203	2,302	2,155	3.1	-0.2
World	5,264	5,079	5,042	6,499	7,995	-0.4	4.7
OIC % of World	1.5	3.4	3.6	3.6	3.7		

Source: Energy Information Administration.

Natural Gas

Natural gas is one of the cleanest and safest burning fossil fuels which emit 50 per cent less carbon dioxide that that released by coal and 25 per cent less carbon dioxide than oil, for the same amount of energy produced. Therefore, its usage has been increasing in the world to satisfy the environmental concerns.

Figure 6.2 provides information on the share of various country groups in natural gas reserves worldwide. By 2011, recoverable natural gas reserves worldwide were approximately 6216.6 trillion cubic feet (Tcf). As seen from Figure 6.2, the OIC countries held 62.1 per cent of the world total in 2011. Developed and non-OIC developing countries, on the other hand, represented shares of 5.2 per cent and 35.7 per cent, respectively.

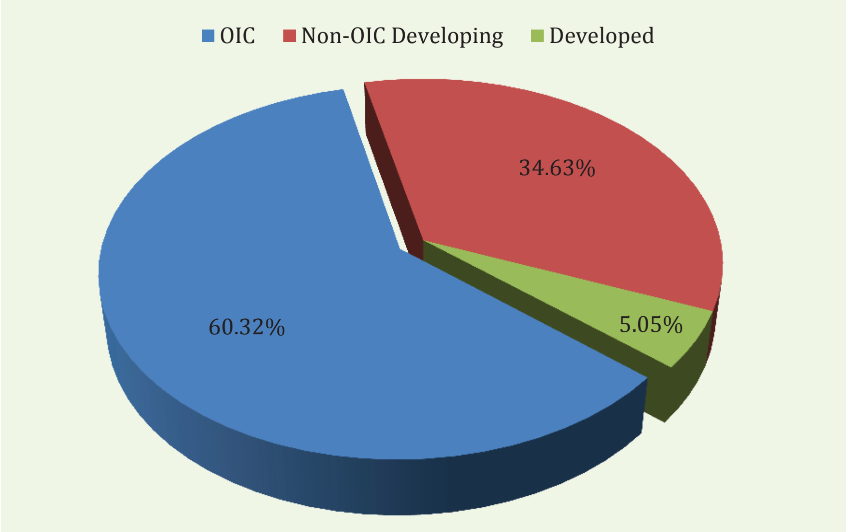
At the individual country level, with total proved natural reserves of 1045.7 Tcf, Iran, alone, possesses 27 per cent of the OIC total natural gas reserves followed by Qatar (895.8

Tcf), Saudi Arabia (275.7 Tcf), Turkmenistan (265 Tcf), and United Arab Emirates (227.9 Tcf). These five countries together accounted for almost 70 per cent of the OIC total.

Figure 6.2: Share of Natural Gas Proven Reserves, 2011

OIC countries hold 60 per cent of the world total natural gas reserves.

Source: Energy Information Administration.



Natural gas production has been increasing to satisfy the demand for the last twenty years (Table 6.3). In 2010, the OIC countries produced 35862 billion cubic feet (Bcf) of natural gas compared to 9493 Bcf in 1990 which is equivalent to an annual average growth rate of 5.25 per cent between 2000-2010 compared to 8.52 per cent between 1990 and 2000. Such growth rates simply imply that the pace of growth in natural gas production of the OIC member countries remained far above the world average throughout the period under consideration.

Table 6.3: Dry Natural Gas Production (billion cubic feet)

						Annual Average Growth rate (%)	
	1990	**1995**	**2000**	**2005**	**2010**	**1990-2000**	**2000-2010**
OIC	9,493	15,651	21,496	28,093	35,863	8.52	5.25
Non-OIC Developing	35,274	28,246	28,429	33,382	37,171	-2.13	2.72
Developed	29,021	34,207	37,175	36,919	39,057	2.51	0.50
World	73,788	78,105	87,100	98,393	112,090	1.67	2.55
OIC % of World	12.8	20.0	24.6	28.5	31.9		

Source: Energy Information Administration.

Natural gas production in the OIC countries concentrated in a few of them. In 2010, Iran took the lead with 5161 Bcf, accounting for 14.3 per cent of the total natural gas production of all OIC countries, followed by Qatar (4121 Bcf), Saudi Arabia (3095 Bcf), Algeria (2988 Bcf), and Indonesia (2917 Bcf). These five countries, together, accounted for 51.0 per cent of the total gas production in all OIC countries.

The growth in natural gas consumption of the OIC countries also remained above the average for the period under consideration. In 2010, the consumption increased to 25563 (Bcf) which is almost 71.5 per cent higher than the level in 2000 (Table 6.4). The annual average growth rate of natural gas consumption was 8.2 per cent in 1990s, and 5.5 per cent in 2000s. OIC countries' consumption formed 22.64 per cent of the world total in 2010 compared to 9.18 per cent in 1990. At the individual country level, Iran consumed 5105 Bcf of natural gas, accounting for 19.9 per cent of total OIC consumption, followed by Saudi Arabia (3095 Bcf), United Arab Emirates (2137 Bcf), Egypt (1630 Bcf), and Uzbekistan (1614 Bcf).

Table 6.4: Dry Natural Gas Consumption (billion cubic feet)

						Annual Average Growth rate (%)	
	1990	1995	2000	2005	2010	1990-2000	2000-2010
OIC	6,763	11,357	14,903	20,154	25,563	8.22	5.54
Non-OIC Developing	35,083	26,024	26,355	31,605	35,755	-2.82	3.10
Developed	31,783	41,545	46,001	48,251	51,602	3.77	1.16
World	73,629	78,926	87,259	100,009	112,920	1.71	2.61
OIC % of World	9.18	14.39	17.08	20.15	22.6		

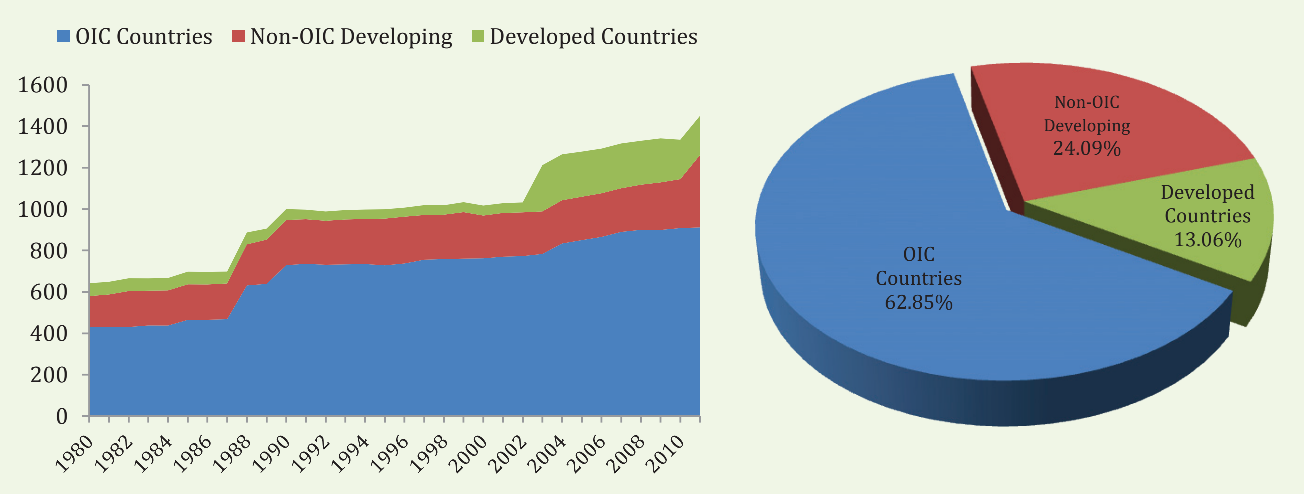
Source: Energy Information Administration.

Oil

Oil is another fossil fuel found in geological formations underneath the Earth's surface. It is refined and separated through a series of process to produce a large number of refined products from petrol to jet fuel, plastics and pharmaceuticals.

By 2011, world crude oil reserves reached to 1.5 trillion barrels, of which OIC countries represent a share of 63 per cent equivalent to 911 billion barrels. Developed and non-OIC developing countries hold 13 per cent and 24 per cent of the world total, respectively. At the individual country level, Saudi Arabia, alone, with total proved oil reserves of 263 billion barrels, possesses 18 per cent of the world total crude oil reserves and 29 per cent of the OIC total, followed by Iran (137 billion barrels), Iraq (115 billion barrels), Kuwait (104 billion barrels), and United Arab Emirates (97.8 billion barrels). These five countries together accounted for 78.6 per cent of the OIC total crude oil reserves.

Figure 6.3: Crude Oil Reserves (billion barrels) and Shares



Source: Energy Information Administration.

World crude oil production grew by 1.14 per cent per year between 2000 and 2011, compared to 1.58 per cent per year in the period 1990-2000 (Table 6.5). In 2011, the crude oil production of the OIC countries constituted 44 per cent of the world total, which was 5 percentage points higher than the share observed in 1990.

Table 6.5: Crude Oil Production (thousand barrels/day)

						Annual Average Growth rate (%)	
	1990	1995	2000	2005	2011	1990-2000	2000-2011
OIC	25,915	30,119	33,994	37,888	38,364	2.75%	1.22%
Non-OIC Developing	23,773	23,774	26,521	30,356	31,276	1.10%	1.66%
Developed	16,747	16,411	17,194	16,174	17,373	0.26%	0.10%
World	66,436	70,305	77,709	84,418	87,013	1.58%	1.14%
OIC % of World	39.0	42.8	42.9	44.8	44.0		

Source: Energy Information Administration.

On the other hand, world oil consumption grew by an annual average growth rate of 1.16 per cent in the period 2000-2011 compared to 1.44 per cent in the period 1990-2000 (Table 6.6). The main reason for the slight decline in consumption of oil is the sharp increase in the price level of oil from 2000 to 2008. Throughout the period under consideration, consumption of the OIC member countries remained far above the world average. The same is true for the non-OIC developing countries during 1990-2000 and for the developed countries between 2000 and 2011.

Table 6.6: Crude Oil Consumption (thousand barrels/day)

						Annual Average Growth rate (%)	
	1990	1995	2000	2005	2011	1990-2000	2000-2011
OIC	6,448	8,408	9,485	11,201	13,722	3.93	3.41
Non-OIC Developing	23,375	18,499	21,242	24,777	29,539	-0.95	3.04
Developed	36,327	42,770	45,596	47,573	43,396	2.30	-0.45
World	66,150	69,678	76,323	83,550	86,557	1.44	1.16
OIC % of World	9.7	12.0	12.4	13.4	15.8		

Source: Energy Information Administration.

In 2008, OIC countries had a trade surplus of 23 million barrels of crude oil per day, compared to 16.9 million barrels per day in 1990 which simply implies the significant increase in oil export of the OIC member countries (Table 6.7). During the same period, non-OIC developing countries could only increase their trade surplus of crude oil by 1.1 million barrels/day. The crude oil trade deficit of developed countries, on the other hand, increased to 26.1 million barrels/day in 2008 from 17 million barrels/day in 1990.

However, as shown in Table 6.7, in 2008, the OIC countries could only produce 11.4 million barrels of refined oil even though they amounted to 38.3 million barrels of crude oil per day. This is simply due to the low capacity of the OIC countries to refine crude oil. In 2008, refined oil trade surplus of OIC countries, as a whole, decelerated to 1.5 million barrels per day from 2.6 million barrels per day in 1990. On the other hand, non-OIC developing countries and developed countries represented a different trend. Both of the country groups had better refining capacity. The refining capacity of developed countries is impressive. In 2008, their crude oil production per day was only 17.7 million barrels. It is seen from Table 6.7 that developed countries refined more than they produced. Non-OIC developing countries, on the other hand, had a production of 26.1 million barrels of refined oil per day despite the production of 29.3 million barrels of crude oil in 2008.

Table 6.7: Output and Trade of Crude Oil and Refined Products (million barrels/day)

			1990	1995	2000	2005	2008
Crude Oil	OIC	Supply	25.9	30.1	34.0	37.9	38.3
		Trade Balance	16.9	18.6	21.3	22.6	23.0
	Non-OIC Developing	Supply	23.3	23.7	26.5	30.3	31.2
		Trade Balance	0.0	2.7	2.3	3.2	1.1
	Developed	Supply	16.7	16.4	17.1	16.1	17.3
		Trade Balance	-17.0	-21.4	-23.7	-26.5	-26.1
Refined Oil	OIC	Supply	7.8	9.5	10.4	11.9	11.4
		Trade Balance	2.6	2.7	2.9	2.4	1.5
	Non-OIC Developing	Supply	23.6	18.1	21.2	25.8	26.1
		Trade Balance	0.9	0.2	0.8	2.0	1.3
	Developed	Supply	34.2	40.9	43.5	44.9	37.0
		Trade Balance	-2.0	-1.5	-2.4	-2.4	0.0

Source: Energy Information Administration.

To sum, even though the OIC countries are major suppliers of primary oil and run large crude oil trade surpluses, this does not translate into a strong presence in the production and trade of refined oil products due to insufficient refinery capacity.

6.3 Renewable Energy Sources

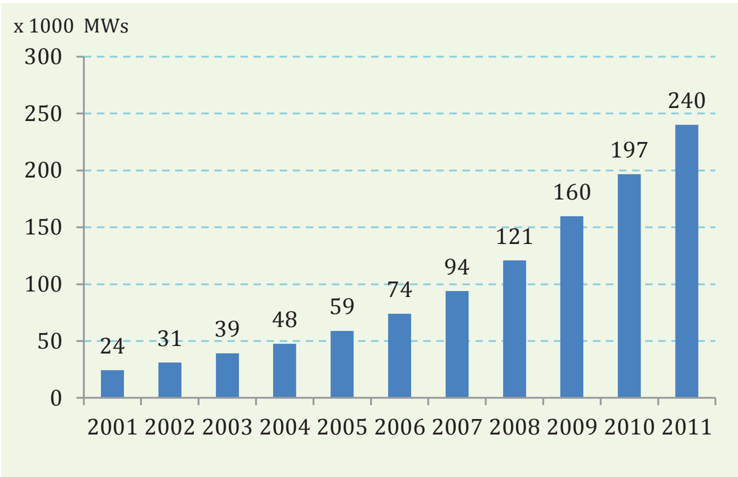
Although most of the energy demand is met by fossil fuels, combustion of fossil fuels has negative impacts on planet such as acid precipitation, stratospheric ozone depletion, and, as a result, global climate change. To overcome these issues, safe energy policies have to be implemented. Renewable energy sources appear to be the most efficient option among the others. There is also high correlation between renewable energy and sustainable development. In other words, sustainable development requires a sustainable supply of energy resources. Notably, supplies of energy resources such as fossil fuels are finite; other sources such as solar, wind and hydro are renewable and sustainable in the long-run.

In 2011, global investment in renewable energy reached a record high of $257 billion, of which developed countries' share was 65 per cent (Bloomberg, 2011). According to the Energy Information Administration, 21 per cent of all R&D expenditures in energy go to the development of renewable energy sources. The most important renewable energy sources are wind and hydro energy.

Wind Energy

As shown in Figure 6.4, the wind capacity worldwide increased to 240,000 MWe in 2011, corresponding to an increase by 22 per cent over 2010.

Figure 6.4: World Total Installed Wind Capacity (Thousand MegaWatts)



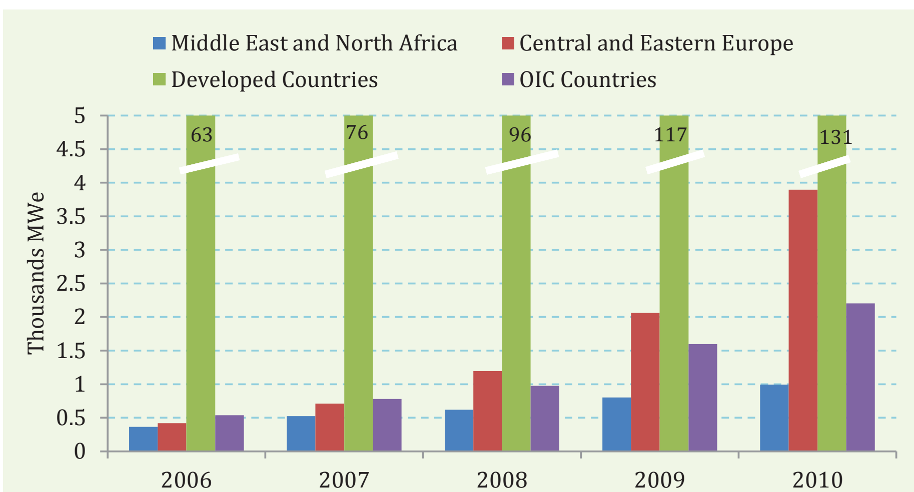
Source: World Wind Energy Association.

Figure 6.5 shows that developed countries are still accounting for the bulk of the world's total installation, with a total capacity of 131 gigawatt (GW) in 2011, followed by the Central and Eastern Europe (3.8 GW), and the OIC countries (2.2 GW).

Investment in wind energy has shown impressive growth rates in OIC member countries since 2006. It increased to 2.2 GW in 2011 from only 0.53 GW in 2006 which is almost quadrupled. According to Sopian et al. (2006), investments in wind energy farms in OIC countries will continue to grow at an average growth rate of 25 per cent per year in parallel to global wind markets. This is due to foreseen improvement in world financial markets, development in wind power generation technologies, additional financial and tax incentives, worldwide adoption of Feed-in-Tariff (FiT) by respective countries and improved community power ownership models as developed and applied in Scotland, Canada, Australia and many other parts of the world. Yet, it is worth mentioning that the percentage of total wind generation capacity in OIC countries constitutes only 1 per cent of the worldwide wind capacity by 2010. This ratio is expected to be 2 per cent in 2020.

Figure 6.5: Total Wind Installations by Regions (Thousand MWe)

Investment in wind energy has shown impressive growth rates in OIC countries.



Source: World Wind Energy Association.

At the individual country level, Turkey stood first in 2010 with wind tribunes installed capacity of 1274 MWe (58 per cent of the OIC capacity) out of which 477.5 MWe were added in 2009. Turkey is followed by Egypt with a capacity of 550 MWe, Morocco (286 MWe), Iran (47.4 MWe), and Tunisia (20.7 MWe) in 2010.

Hydro Energy

Being one of the oldest yet efficient methods of producing power, hydro energy is the production of electrical power through the kinetic energy of falling water. There are two important advantages of hydro energy. First, it is unceasingly renewable because of the recurring nature of the hydrologic cycle. Second, it has no direct waste in the sense that it does not particulate pollution.

In 2009, the world as a whole generated 3.23 million megawatt hours of hydroelectric power, approximately 30 per cent higher than the amount generated in 1990. Developed countries continued to be the leading group in electricity generation from hydroelectric sources in 2009 where 38.4 per cent of the world total hydroelectric energy is produced in these countries. In the year 2010, European Union countries lost their position as the second most dynamic region. Developing Asia and Pacific countries took the second rank and increased their capacity by 24 per cent between 2000 and 2002, adding 0.06 million megawatt hours, to a total of 0.28 million MWh. 2002 was, therefore, a kind of milestone for developing Asia and Pacific countries in terms of hydro energy which lead an important trend to start. By 2009, the total capacity of these countries increased to 0.7 million MWh which was 2.5 times greater than the amount generated in 2002.

The OIC countries, as a group, generated 0.19 million MWh of hydroelectric power, approximately 50 per cent higher than the amount generated in 1990, with an annual average growth rate of 2 per cent which is higher than the EU average (0.6 per cent) in the same period. Yet, the OIC countries were able to generate only 6.0 per cent of the world hydroelectric power generation in 2009.

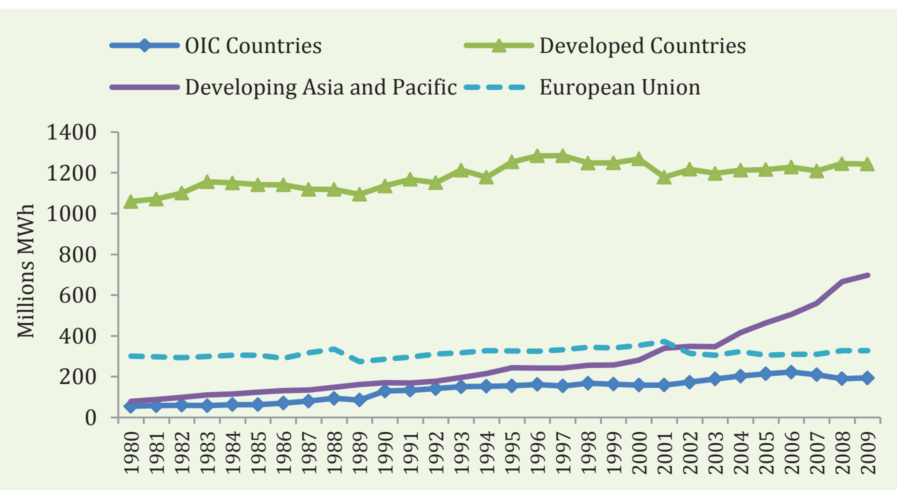


Figure 6.6: Electricity Generation from Hydroelectric Sources

OIC countries stayed far below the world average in terms of generating hydroelectric power since 1990.

Source: World Bank, WDI.

At the individual country level, Turkey was the leading OIC country in hydroelectric power generation since 1990s. According to Haktanir (2004), much of this can be attributed to the country's Southeastern Anatolia Project, which includes the construction of a system of 21 dams and 19 hydroelectric power plants on the Euphrates and Tigris rivers and their tributaries. Turkey is followed by Pakistan, Mozambique, Tajikistan, and Egypt with a production of 0.028, 0.017, 0.016, and 0.013 million MWh of hydroelectric power, respectively.

6.4 Final Remarks

OIC member countries are blessed with the wealth of energy resources, particularly with the crude oil and natural gas. They, as a group, hold almost two-thirds of the planet's proven crude oil and natural gas reserves, respectively. It is well known that strong economic growth, particularly coming from the developing countries, will increase the demand for energy for the upcoming years– exceeding the reductions with the help of the energy-efficient technologies. It is, therefore, very important to possess energy sources as well as being able to process it. However, it is illustrated that OIC member countries are lacking the necessary technology and R&D investments to process crude oil to produce more value-added energy products. This leads to an inability to take the full advantage of their leading position in primary energy supply.

On the other hand, it should also be noted that supplies of energy resources coming from fossil fuels are finite. Moreover, the combustion of fossil fuels has negative impacts on planet such as acid precipitation, stratospheric ozone depletion and, as a result, global climate change. Therefore, as the world faces an unsustainable energy future, renewable energy sources (wind, hydro and others) appear to be the most efficient alternative to overcome these challenges. OIC countries, however, show heterogenous structure in terms of renewable energy production from alternative sources.

There are several strategies proposed in the literature in order to enhance the widespread application of renewable energy technology among OIC countries. Establishing education and capacity building programs will lead to understanding of renewable energy technology. Creating a renewable energy market and financing mechanism, on the other hand will let the countries import high skill labor which may be needed for high-tech renewable energy investments. Moreover, such a market will allow host countries to implement appropriate taxes and incentives to attract international manufacturers utilizing the renewable energy technology. Adopting and implementing efficient energy policies would help to create a healthy business environment for manufacturers. Finally, enhancing industrial collaboration and R&D activities among OIC members would help member countries to not only capture knowledge spillovers but also reduce duplication. It will also support the exploitation of scale economies in R&D and accelerate the commercialization of new technologies and the transfer of research outcomes from universities to industry.

section 7

Economics of Natural Disasters in OIC Countries

There is a considerable increase in the number of natural disasters over the last four decades in the world (Figure 7.1). Although it can partly be explained by the improved capacity in collecting data on natural disasters, this increase is mainly driven by increased exposure to natural hazards. In 1970s, the average number of hazards per year was below 100, but it increased to almost 450 in 2000s. On the other hand, the death toll per event showed a declining trend in the same period. On average, number of victims per event decreased from around 1000 people in 1970s, to around 250 in 2000s.

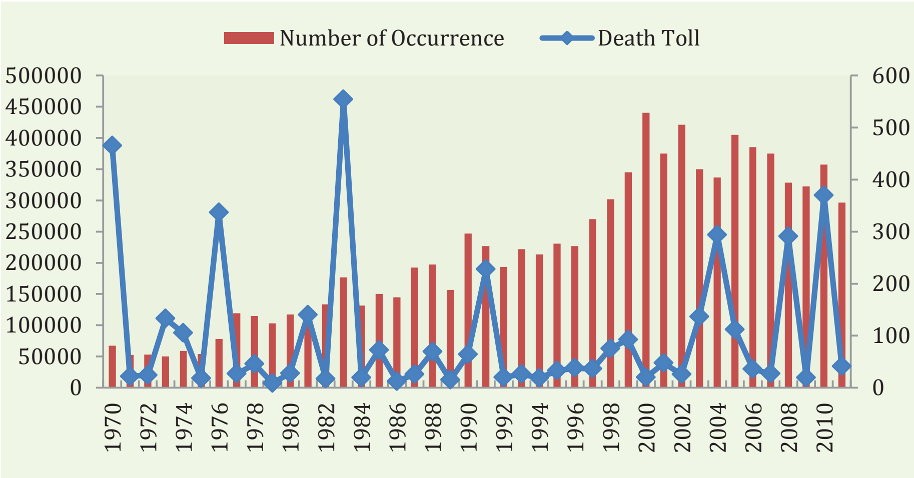


Figure 7.1: Number of Occurrence and Death Toll, during 1970-2011

There was a considerable increase in the number of natural disaster over the last four decades.

Source: EM-DAT: The OFDA/CRED International Disaster Database.

However, there is a considerable dissimilarity between countries and regions with respect to their levels of development as well as levels of exposure and vulnerability to natural hazards. In this regard, Kahn (2005) concludes that while richer countries do not experience fewer or less severe natural disasters, their death toll is substantially lower. In 1990, a poor country (per capita GDP<$2000) typically experienced 9.4 deaths per million people per year, while a richer country (per capita GDP>$14000) had only 1.8 deaths (Kahn, 2005). This difference is most likely due to the greater amount of resources spent on prevention efforts and legal enforcement of mitigation rules.

There are few countries in the world which can totally save themselves from damages of catastrophes. Depending on their geographical location, many countries may be exposed to different disastrous events with varying impacts. Some nations/regions are caught on the wrong foot by this kind of 'unscheduled' events, while others are relatively well-prepared. Some regions may experience a great earthquake lasting only a few seconds, whereas others may be exposed to a drought lasting more than a year. Some events may claim only human lives, but some others may also have grave destructive effects on the national economy. Only in 2011, total costs of natural disasters worldwide reached over $360 billion. Total estimated damages are equivalent or more than the gross domestic product (GDP) of 187 of the 214 countries as compiled by World Bank (WDI Database). Earthquake hitting Japan accounted alone for two third of total estimated damage caused by natural disasters all over the world in 2011. Sometimes a single devastating event may sweep away a country's savings and investments of many years at one jerk.

Mechler (2003) groups impacts of natural disaster into three categories: *humanitarian effects, ecological disruptions*, and *economic cost.* While humanitarian effects include loss of life, affected people, and psychological post-disaster effects; ecological effects / disruptions comprise the loss of land, forests and damage to ecosystems. As for economic effect of natural disasters, it is usually grouped into two categories: (i) *direct effects*, (ii) *indirect effects*, and some scholars add a third category which is (iii) *macroeconomic (secondary)* effects (Mechler, 2003). Direct effects are the damages to fixed assets and capital (including inventories), damages to raw material and extractable natural resource (Cavallo, 2010). In other words, direct losses describe the physical assets lost at the time of event and/or very after the event. Indirect losses occur as a consequence of these direct losses and include production and wage losses due to business interruption caused by natural catastrophes (Mechler, 2003).

7.1 Scheduled Savings vs. Unscheduled Losses

OIC member countries experienced relatively steeper upward trend in the frequency of natural disasters during the period 1970-2011, increasing from about 20 disasters per year in the 1970s to almost 120 in the 2000s indicating a six fold increase. Increasing trend in occurrence of natural disasters is clearly depicted in Figure 7.2 by using 5-years moving averages.

As for cost per occurrence, it is observed that damages of natural hazards are becoming costlier in monetary terms. As shown in Figure 7.3, while the average cost per occurrence was $26 million in 1970s, this figure reached $60 million in 2000s.

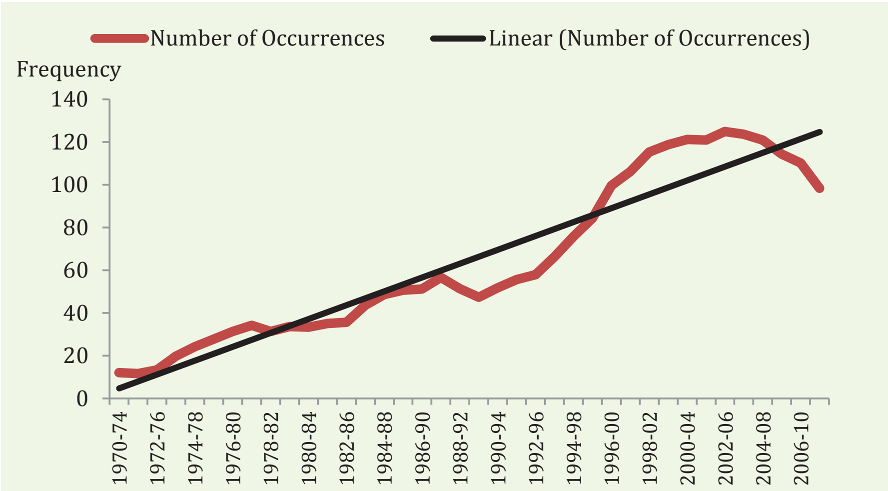


Figure 7.2: Number of Natural Disasters in OIC Countries

Increasing trend in the number of disasters in OIC countries is relatively steep.

Source: EM-DAT: The OFDA/CRED International Disaster Database.

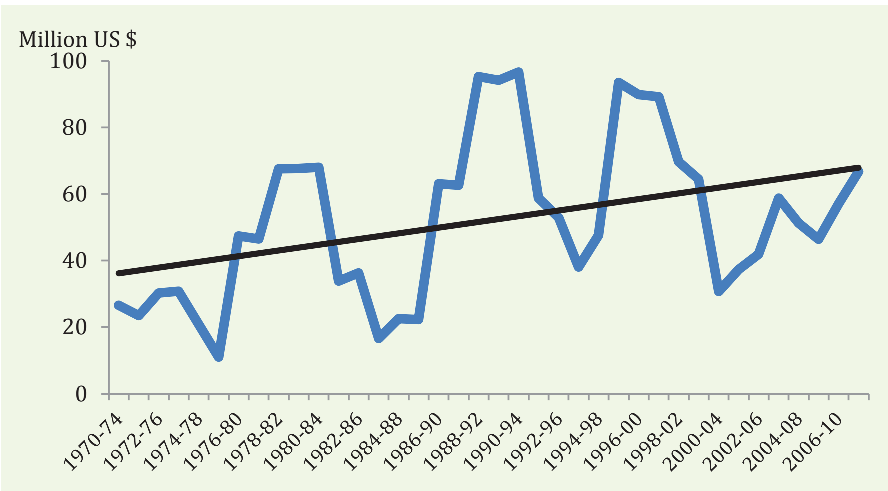


Figure 7.3: Cost per Occurrence in OIC Countries

Average cost per occurance in OIC countries reached $60 million in 2000s.

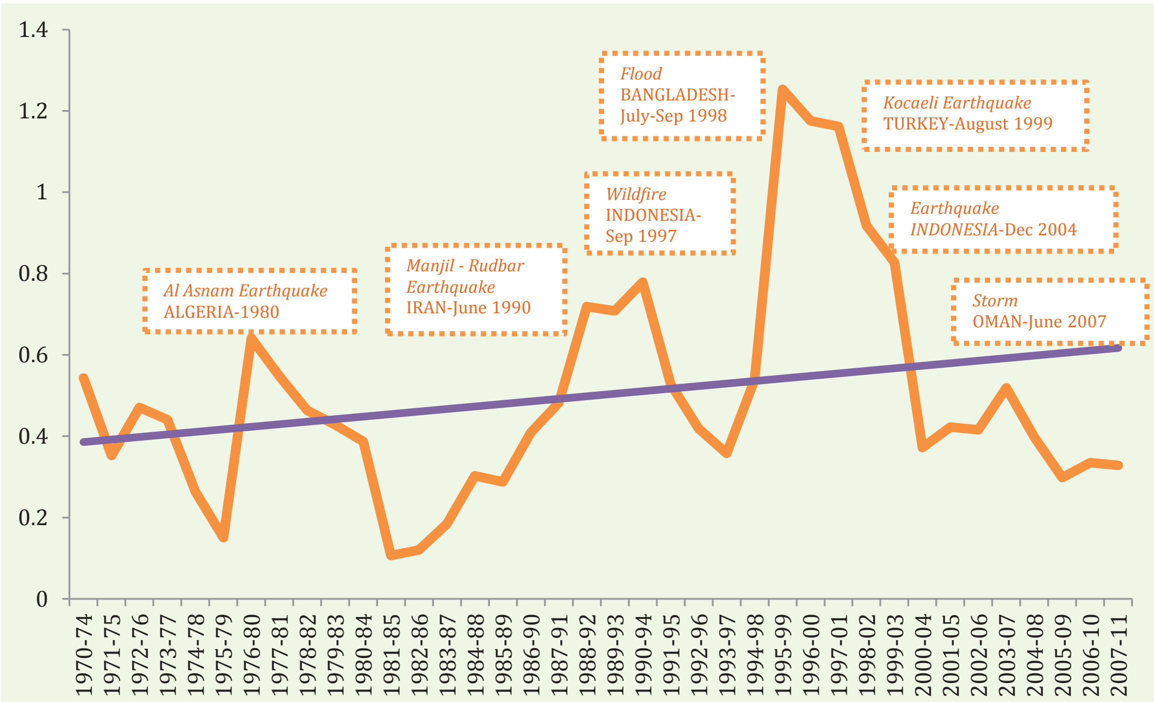
Source: EM-DAT: The OFDA/CRED International Disaster Database.

Due to their higher vulnerability to disasters and relatively volatile small-sized economies, the impacts of natural disasters on society, environment, and economy are likely to be more destructive in developing countries (see Cavallo 2010, Mechler 2003). The economic cost of recent earthquake and resultant tsunami in Japan was estimated at almost $250 billion, corresponding to 3.6 per cent of its GDP. Total cost of this damage is larger than the total size of the economies of many developing countries. During 1970-2011, total costs of natural disasters in OIC member countries exceeded $140 billion. This caused damages corresponding to between 0.11 per cent and 1.25 per cent of their total GDP (Figure 7.4). As shown in Figure 7.4, the share of estimated damage in GDP follows an increasing trend during the period under study, despite the fact that GDP in real terms has also been increasing. This ratio reached its highest average level of 1.25 per cent of the total GDP of OIC countries in the period 1998-2000. Such a high level of damage was mainly due to the deluge recorded in Bangladesh and earthquake in Turkey in the same period.

In development theory, the conventional perception is that savings contribute to higher investment and, therefore, lead to higher growth rates. Saving rates across the OIC member countries vary substantially, ranging from 4 per cent of GDP (Guinea-Bissau) to 49.6 per cent of GDP (Saudi Arabia) in the years for which the data are available during

1970-2011. On average, the OIC member countries, as a group, were saving 17.8 per cent of their total GDP annually during the period 1970-2011. Yet, it is observed that much of these savings are remarkably worn down due to natural disasters.

Figure 7.4: Ratio of Estimated Damage of Natural Disasters to GDP in OIC Countries



Source: SESRIC staff based on EM-DAT: The OFDA/CRED International Disaster Database.

Considering the limitation of funds that can be allocated for human development in developing countries, it is clear that damages of natural hazards considerably block the development process and increase poverty in these countries. Natural disasters worsen the fiscal stance of governments due to fall in revenues and increase in spending for response and recovery. If governments attempt to change their tax policy to collect more money to cover increased outlays at a time when economic activities significantly slowed down, welfare of average citizen may be severely affected in the post-disaster period. This may have consequences for income distribution as well. Moreover, considering the low level of insurance coverage, especially in developing countries, natural disasters may become even more uncomfortable if central authorities fail to satisfy the needs of people in recovering their possessions.

Figure 7.5 compares share of savings in GDP and estimated damage to total GDP in OIC member countries for the period between 1970 and 2011 by using 5-year moving averages. During the same period, impacts of natural disasters on national economies become more evident at the individual country level. For example, Tajikistan experienced on average a 3 per cent loss in its GDP resulting from damages by natural disasters (Figure 7.6). Severity of the impacts of natural disasters for the Tajik economy becomes more obvious, when the average yearly saving rate of 8 per cent as a share of GDP during the same period is considered. Almost 35 per cent of Tajikistan's savings have been used to finance the cost incurred due to natural disasters during the last four decades and only the two-thirds of its national savings are left for new possible investment areas, like infrastructure (Figure 7.7). Facing similar austerities with Tajikistan, economic impacts of natural disasters on the economies of Guyana and Mozambique reached to an average level above 1.5 per cent of GDP per annum during the same period; corresponding to around 15 per cent of their national savings.

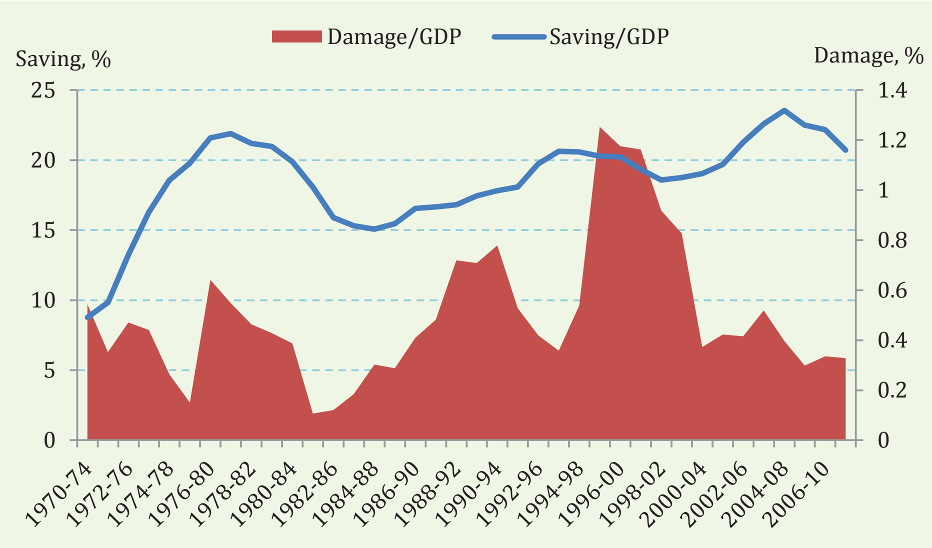


Figure 7.5: Damage vs. Saving as a Share of GDP

Much of savings are remarkably worn down.

Source: World Bank, WDI; EM-DAT: The OFDA/CRED International Disaster Database.

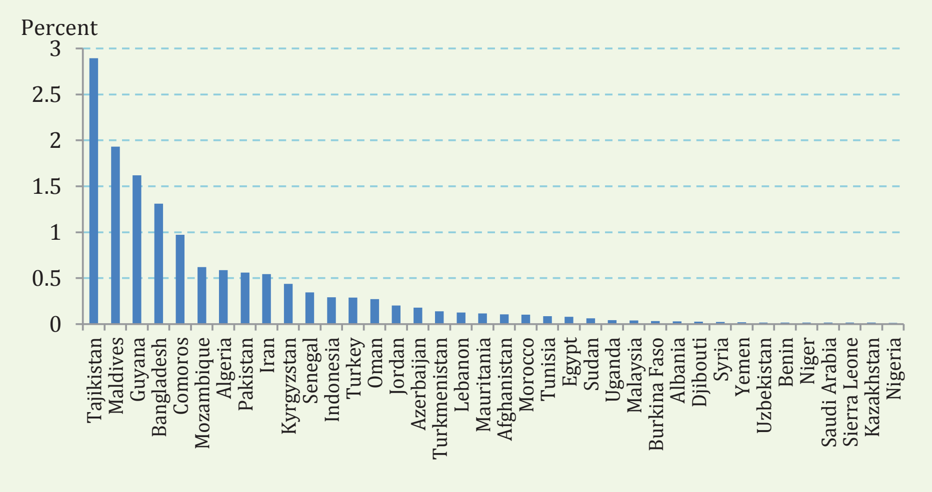
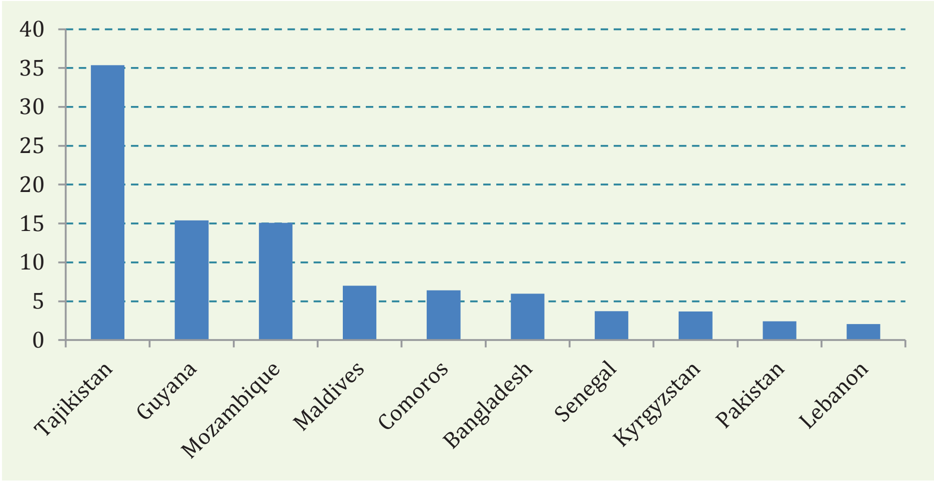


Figure 7.6: Loss by Natural Disasters as an Average Share of GDP during the period 1970-2011

Source: World Bank, WDI; EM-DAT: The OFDA/CRED International Disaster Database.

Natural hazards may turn into costly disasters if countries are relatively more vulnerable to these hazards. However, some disasters may turn to catastrophic events in the history of countries if they left long-lasting effects on the economies and permanently affect the development path of these countries in an unrecoverable way. Particularly for small economies exposed to such disasters, it will be harder to absorb such severe exogenous shocks. In this regard, Figure 7.8 shows the loss or damage caused by the most catastrophic natural disasters as percentage of GDP in OIC countries in different years. In 2005, Guyana experienced a severe flood affecting more than half of its population and claiming lives of many. In economic sense, the "*Great Flood*" alone swept away an estimated 60 per cent of Guyana's GDP, excluding indirect and macroeconomic long-run effects. When the average savings rate of 10 per cent (as a share of its GDP) is considered, it becomes evident that how severely this level of damage can affect the Guyana's economy in the long run. Besides, it is not hard to guess that for the country to reach its pre-disaster level of development, it will need excessive funds which are most probably provided by external sources with relatively unfavourable interest rates.

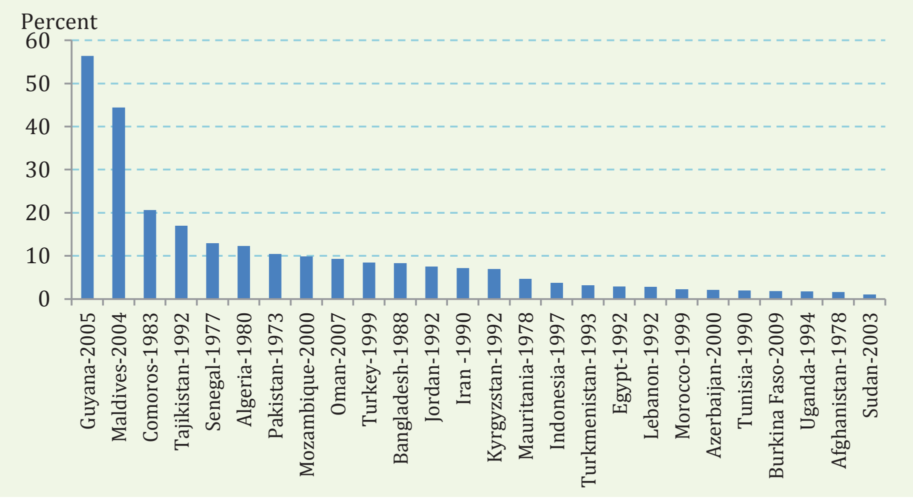
Figure 7.7: Top 10 Countries in terms of Loss by Natural Disasters as % of National Savings during 1970-2011



Source: World Bank, WDI; EM-DAT: The OFDA/CRED International Disaster Database.

Figure 7.8: The Most Devastating Disasters (% of GDP)

Direct damage by "*Great Flood*" alone reached 60% of Guyana's GDP.



Source: World Bank, WDI; EM-DAT: The OFDA/CRED International Disaster Database.

7.2 Natural Interference: Economic and Financial Impacts

The vulnerability of an economy to natural hazards is determined by a complex set of influences. While some of natural disasters such as droughts, floods, and storms severely threaten food security in developing countries by damaging agricultural production, some of natural disasters such as earthquake considerably reduce the level of domestic output directly by, among others, destroying physical infrastructure, ceasing electricity production and disrupting transportation facilities. That is to say, these disasters can block regular access to goods and services; and hence accelerate poverty incidence either for a while or permanently. Because the vulnerability of an economy to natural disasters as well as the type of disasters that countries may experience vary from country to country, it is so hard to get a universal rule as far as economic impacts of natural disaster is concerned. Therefore, the rest of this section is dedicated for country cases which typify broader evaluation about impacts of natural disasters. To do so, flood in Bangladesh (1998) and earthquake in Turkey (1999) are briefly examined.

7.2.1 Flood in Bangladesh (1998)

Bangladesh with its densely settled population is at risk to more than one type of natural disasters. Spreading over the low-lying Ganges-Brahmaputra river delta, Bangladesh experiences various natural events. Floods, tropical cyclones, droughts have all caused considerable economic, social, and environmental disruptions along with loss of many lives in the country (Benson, 2003). In economic sense, the 1998 floods in Bangladesh was one of the most devastating catastrophe recorded in the country's history. It affected more than two-thirds of the country and caused 2.04 million metric tons of rice crop losses which is equivalent to 10.5 per cent of target production in 1998/99 (del Ninno et al, 2001).

This flood also endangered lives of many people by causing food shortage, notably the poor. Because of the floods, 69 per cent of *aus (autumn rice)* production, 82 per cent of deep-water *aman (winter rice)*, and 91 per cent of transplanted *aman* was lost, representing 24 per cent of total value of anticipated agricultural production for the year (del Ninno et al, 2001). However, compared to previous catastrophes (1970, 1974, 1984, 1987), it is observed that fluctuations in food prices could be limited due to trade liberalization in the early 1990s, which could enabled private sector imports. Consequently, prices were increased only by 12.4 per cent and food inflation in post-disaster era was much lower than that of famine causing increase of 58.2 per cent in food prices in 1974.

Nevertheless, it can be argued that although increase in food prices was lower than that of previous disasters, by substitution effect, it considerably reduced the welfare of the average citizen, especially the most vulnerable parts of the society in rural areas. In the year following the disaster, employment level, notably for day labourers, could not reach its pre-disaster level. According to del Ninno's calculations (2001), for day labourers, average monthly earnings in the period July-October 1998 were 46 per cent below those in the same months in 1997, and in October-November 1998 were still 18 per cent below the 1997 level. In addition to that, flood also caused degradation in the quality of health facilities, that is, accessing to safe water reduced and the level of malnutrition has dramatically increased.

7.2.2 Earthquake in Turkey (1999)

In 1999, earthquake hit the Marmara and Bolu areas of Turkey, causing significant physical damage and claiming lives of many. The area is the centre of industrial production in the country. The most affected four cities (Kocaeli, Sakarya, Bolu, and Yalova) collectively contribute 7 per cent of Turkey's GDP and 14 per cent of industrial value added. Although the area accounts for 4 per cent of total population, it contributes over 16 per cent of national revenues (Bibbee et al, 2000). Including the other cities (Istanbul, Bursa) which are indirectly affected from the earthquake, the area comprises the most populous and economically the most active part of the country. For this reason, in economic sense, the impacts of the earthquake were rather destructive in the short-run. According to EM-DAT database, direct cost of the earthquake alone was $21 billion, corresponding to 8.4 per cent of Turkey's GDP. It had inflicted heavy damages especially on energy, transport, and communication sector.

According to estimations by State Planning Organization (SPO), only 19 state-owned enterprises in the region lost worth of $880 million. Value-added loss in manufacturing sector was estimated by SPO at $600 to 700 million. Microenterprises, on the other hand, suffered the most, losing most of their working capital and premises. They accounted for the major part of the 15,000 destroyed and nearly 31,000 damaged business premises (Bibbee et al, 2000). Wealth and income losses ranged from $ 5 billion to $14 billion. As a percentage of GDP, associated income losses were estimated at a level ranging from 0.5 per cent to 3 per cent. As for job losses, it could range from 20 to as much as 50 per cent of the pre-disaster labour force in the region due to both the damage to business premises, and loss of life/health and out-migration.

Earthquake had also impacts on government budget. In addition to above mentioned costs, there were direct budgetary costs arising from investments on interim prefabricated homes and reconstruction of destroyed infrastructure, extra consumption / transfer spending for relief effort and extra social security spending due to deaths resulting from the disaster. Finally, the government has provided extra community services, such as orphanages, child-care facilities, elderly accommodations, and training centres. The combined budgetary costs of all forms of emergency assistance incurred in 1999 were estimated at $700 million. As a result of all these unexpected government spending, impact of the disaster on the government budget reached to 1 per cent of GNP in 1999 and 2 per cent in 2000, totalling $5.9 billion. Additionally, higher risk premium on government debt due to the worsened budgetary position, and hence debt service burden, constituted other indirect costs. Moreover, according to Bibbee et al (2000), around $1 billion of private capital flowed out of the country in the week after the earthquake.

7.3 Final Remarks

Effects of natural disasters on countries may vary depending on various factors, including the depth and magnitude of hazards and the size of the economy. However, many researches reveal that impacts of natural disasters on developing countries are likely to be more severe mainly due to their higher vulnerability to disasters. Impacts of hazards may go well beyond borders and may affect a broader region with more than one country. This necessitates the cooperation between the countries that are prone to hazards for effective disaster risk management. Being highly prone to natural disasters, there is a great necessity of enhancing cooperation in disaster management among OIC countries. OIC countries should actively engage in recently adopted Islamic Strategy for Disaster Risk Management prepared in cooperation with World Bank, as well as in other international and regional initiatives including Hyogo Framework for Action, the Arab Strategy for Disaster Risk Reduction, the Asia-Pacific Economic Cooperation, and the Euro-Mediterranean Program for the Prevention, Preparedness and Response to Disasters. Effective cooperation will increase the resilience to natural disasters and reduce the burden on the economies.

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Country Profiles

Technical Notes

The following Country Profiles prepared by SESRIC give a general economic overview for each of the OIC Member Countries. These profiles include information on the country's key economic ratios, annual growth rates, structure of economy, inflation, trade as well as general social overview. The Country Profiles contain the latest available data from SESRIC, UNSD, UNESCO, World Bank, and IMF. The Country Profiles are intended for general information and background briefing purposes only.

Structure

The profiles exhibit data in both tables and charts. The data in the tables are presented in two main parts.

The first part presents data related to population, income, and social development indicators. The concerned country's data are then compared with the averages of the developing countries and world. In order to enhance the comparability, economic indicators such as Gross National Income (GNI) per capita, using Purchasing Power Parity (PPP) method, have also been included in the first part. GNI comprises the total value of currently produced final goods and services by the domestic economy of a country during a particular year (it is the same as Gross National Product: GNP). The Purchasing Power Parity method incorporates the relative purchasing power of different countries' currencies over the same types of goods and services with differential rates of inflation. This allows more accurate comparisons of living across countries, because the cost of goods and services may be higher in one country than in another.

The second part presents the basic economic indicators including key economic indicators, inflation and trade for the years 2009, 2010 and 2011, and economic structure and indebtedness for the years 2008, 2009 and 2010. Although most of the data are available for the majority of countries, the missing/unavailable data are denoted by three dots [...]

For a quick review of the data presented in the tables, 5 different charts are also displayed next to the tables. These charts include diamonds for the development and economic ratios, and time series graphs of inflation, current account balance, and intra-OIC merchandise trade.

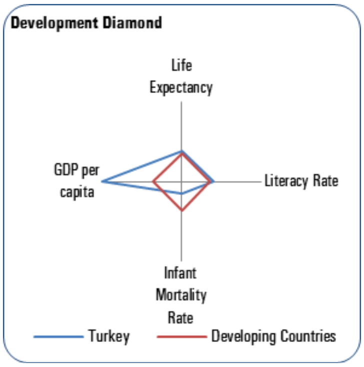


Chart 1: A diamond chart comparing a country's chosen aspects (blue) with the reference low income group (red).

A diamond chart visually compares several quantitative or qualitative aspects of a situation as shown in Chart 1. A visual comparison between the situations may be made when charts are drawn for several situations using the same axes. However; in a diamond chart, axes must not be interpreted as Cartesian coordinates. Any variable in the diamond can be compared to a reference diamond. For example, the red diamond in Chart 1 is the reference diamond. Each of the four variables of the reference diamond has been normalized to 1. The country's relative position is reflected by the blue diamond. Any point outside the reference diamond indicates the country's position exceeding the group average, while any point inside represents the country's position below the group average. For example, for the country presented in Chart 1, the country's average infant mortality rate is less than the average infant mortality rate of Developing Countries as the blue diamond is inside the red diamond for this variable.

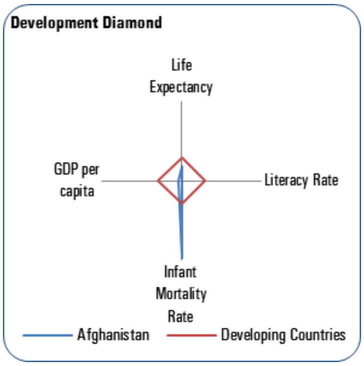


Chart 2: A partial diamond (blue) with its reference diamond (red) with intersection points on scale value of 1.

The diamond is considered to be partial when data are missing as shown in Chart 2. In Chart 2; since Literacy Rate data is not available for the country, it is not possible to draw a square by combining the values of the four aspects so a triangle is formed with values of Life Expectancy, GDP per capita and Infant Mortality Rate.

The development diamond in the Country Profiles illustrates the four chosen socioeconomic indicators (life expectancy, GDP per capita, literacy rate and infant mortality rates) for a given country in comparison with the related averages for the income classification to which the country belongs for the year 2010 or the latest year available.

The second diamond plots for the economic ratios, expressed as ratios to GDP, illustrates the four economic indicators (trade, domestic savings, capital formation and indebtedness) for a given country in comparison with the average of the Developing Countries. The four variables in these diamonds have been calculated as follows: trade is obtained by dividing the sum of total exports and imports of goods and services by GDP, gross domestic savings and gross fixed capital formation are also expressed as ratios to GDP, and indebtedness is total external debt divided by GDP.

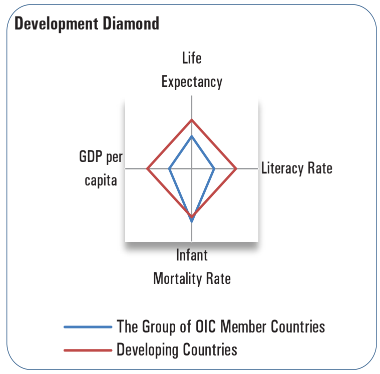
The last three charts show inflation, current account balance to GDP, and intra-OIC merchandise trade for the last five-year period of 2007 to 2011.

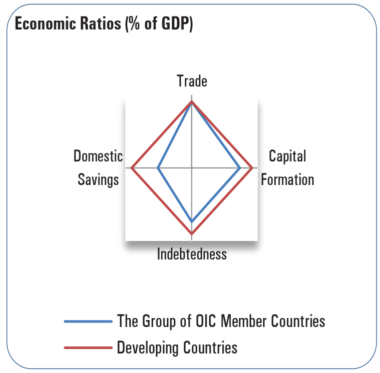
The Group of OIC Member Countries

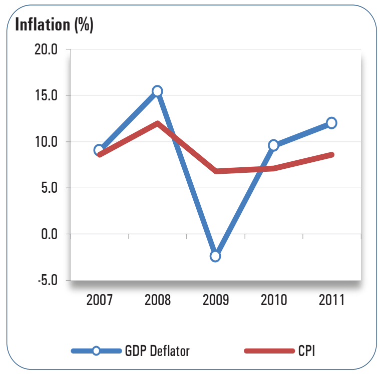
		The Group of OIC Member Countries	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.84	1.25	1.15
Labour Force (% of total population)	2010	38.83	46.25	46.70
GDP per capita (PPP, cur. $)	2011	5,507	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	5,514	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	47.19	47.01	51.98
Literacy (% of population age 15+)	2010	73.31	81.41	84.03
Infant Mortality (per 1000 live births)	2010	47.82	47.00	41.15
Life Expectancy at Birth (years)	2010	64.83	69.58	69.64

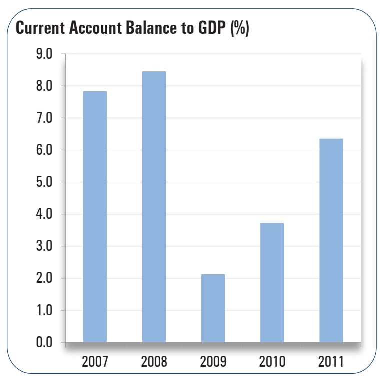
Basic Indicators

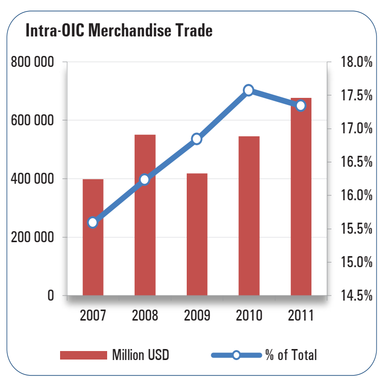
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	7,601.80	8,139.40	8,561.30
GDP (annual % change)	2.30	5.90	5.00
GDP per capita (annual % change)	-0.10	4.00	3.30
Current Account Balance (US$ billions)	89.80	186.90	366.90
Current Account Balance / GDP	2.12	3.72	6.35
Foreign Direct Investment (US$ millions)	133,099	135,249	134,000
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	12.00	6.80	7.10
Implicit GDP Deflator	-2.40	9.56	11.99
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,272,313	1,659,488	2,127,101
Intra-OIC Merchandise Exports (% of Merchandise Exports)	15.77	15.80	15.16
Merchandise Imports	1,205,914	1,440,961	1,774,736
Intra-OIC Merchandise Imports (% of Merchandise Imports)	17.96	19.60	19.95
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	10.30	11.50	11.30
Industry	45.80	41.10	42.80
Services	44.00	47.40	45.80
Household Final Consumption Expenditures	53.90	58.10	56.00
General Government Final Expenditure	12.10	13.90	13.10
Gross Capital Formation	24.50	24.40	24.80
Gross Domestic Savings	31.18	27.37	18.49
Exports of Goods and Services	44.80	35.65	37.05
Imports of Goods and Services	40.55	36.11	34.48
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	19.53	22.03	20.06
Interest Payments on External Debt / GDP	0.72	0.77	0.69
Total Debt Service / Exports	2.11	2.96	2.32









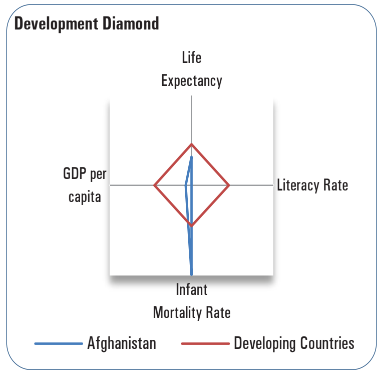


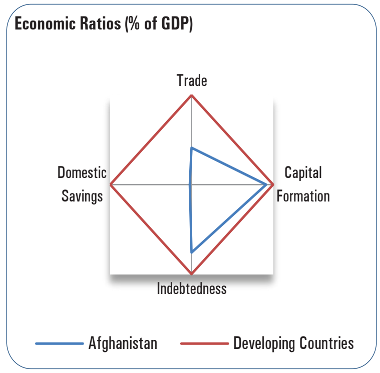
Afghanistan

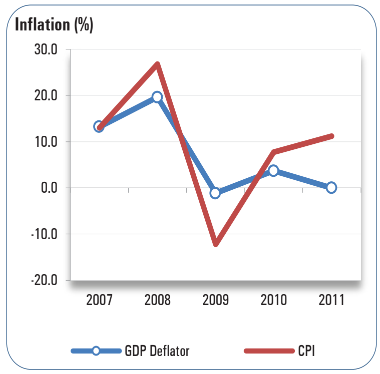
		Afghanistan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.72	1.25	1.15
Labour Force (% of total population)	2009	26.35	46.00	46.70
GDP per capita (PPP, cur. $)	2011	956	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	910	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	23.55	47.01	51.98
Literacy (% of population age 15+)	...	...	81.41	84.03
Infant Mortality (per 1000 live births)	2010	103.00	47.00	41.15
Life Expectancy at Birth (years)	2010	48.28	69.58	69.64

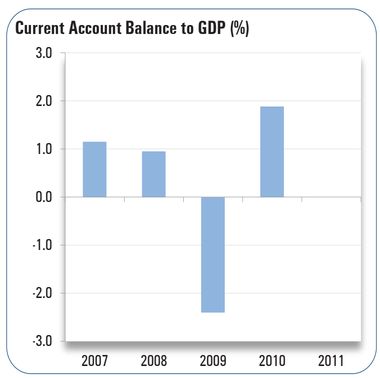
Basic Indicators

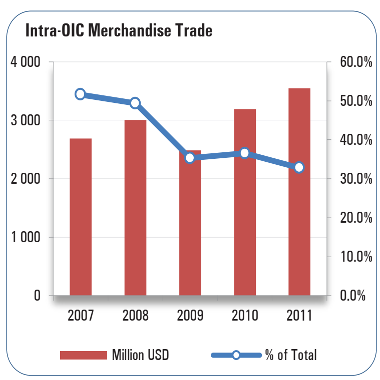
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	25.10	27.50	29.70
GDP (annual % change)	21.00	8.40	5.70
GDP per capita (annual % change)	17.30	5.20	2.70
Current Account Balance (US$ billions)	-0.30	0.30	0.00
Current Account Balance / GDP	-2.40	1.89	...
Foreign Direct Investment (US$ millions)	76	211	83
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-12.20	7.70	11.20
Implicit GDP Deflator	-1.16	3.68	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	444	498	483
Intra-OIC Merchandise Exports (% of Merchandise Exports)	40.52	42.11	53.11
Merchandise Imports	6,602	8,241	10,334
Intra-OIC Merchandise Imports (% of Merchandise Imports)	34.91	36.18	31.84
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	32.90	33.30	35.00
Industry	27.30	22.60	25.20
Services	39.90	44.00	39.80
Household Final Consumption Expenditures	97.90	98.20	81.50
General Government Final Expenditure	10.00	13.90	35.90
Gross Capital Formation	27.60	17.50	26.50
Gross Domestic Savings	-15.76	-27.48	-21.79
Exports of Goods and Services	...	...	...
Imports of Goods and Services	53.53	52.89	51.74
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	19.92	17.80	14.42
Interest Payments on External Debt / GDP	0.05	0.05	0.05
Total Debt Service / Exports	0.12	0.70	0.45









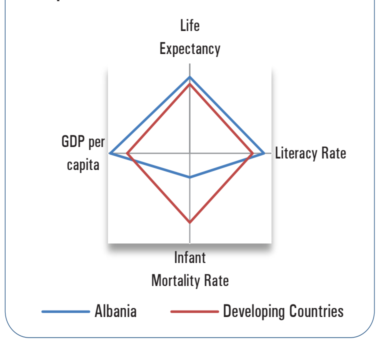


Albania

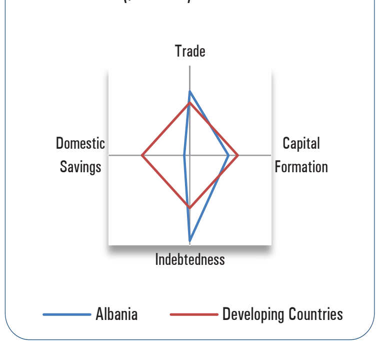
		Albania	Developing Countries	World
Population and Income				
Population Growth (%)	2011	0.37	1.25	1.15
Labour Force (% of total population)	2009	46.70	46.00	46.70
GDP per capita (PPP, cur. $)	2011	7,741	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	8,900	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	53.38	47.01	51.98
Literacy (% of population age 15+)	2008	95.94	81.41	84.03
Infant Mortality (per 1000 live births)	2010	16.40	47.00	41.15
Life Expectancy at Birth (years)	2010	76.90	69.58	69.64

Basic Indicators

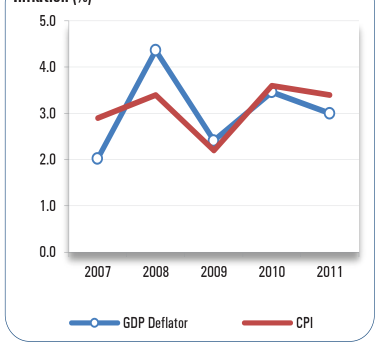
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	22.80	23.90	24.90
GDP (annual % change)	3.30	3.50	2.00
GDP per capita (annual % change)	2.80	3.00	1.50
Current Account Balance (US$ billions)	-1.60	-1.40	-1.70
Current Account Balance / GDP	-13.11	-11.76	-13.28
Foreign Direct Investment (US$ millions)	996	1,051	1,031
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.20	3.60	3.40
Implicit GDP Deflator	2.41	3.46	3.00
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,002	1,438	1,704
Intra-OIC Merchandise Exports (% of Merchandise Exports)	1.89	8.52	8.75
Merchandise Imports	4,374	4,349	5,002
Intra-OIC Merchandise Imports (% of Merchandise Imports)	8.47	8.78	8.72
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	18.50	18.90	18.80
Industry	24.80	23.50	24.20
Services	56.70	57.60	57.00
Household Final Consumption Expenditures	79.40	87.00	86.50
General Government Final Expenditure	10.20	9.60	9.50
Gross Capital Formation	37.10	29.00	25.10
Gross Domestic Savings	5.52	3.30	3.92
Exports of Goods and Services	24.42	28.60	32.98
Imports of Goods and Services	56.72	54.30	53.47
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	30.02	38.57	39.82
Interest Payments on External Debt / GDP	0.53	0.75	0.72
Total Debt Service / Exports	2.74	4.20	10.16



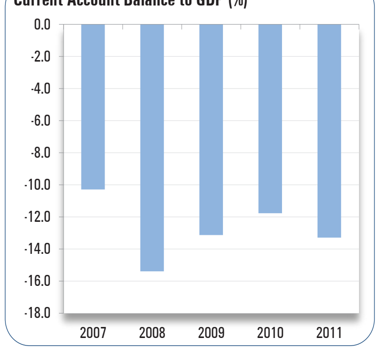
Development Diamond



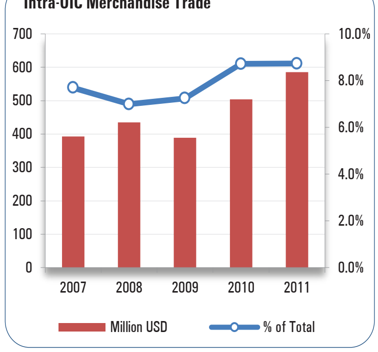
Economic Ratios (% of GDP)



Inflation (%)



Current Account Balance to GDP (%)



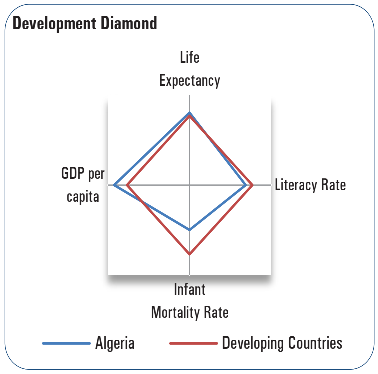
Intra-OIC Merchandise Trade

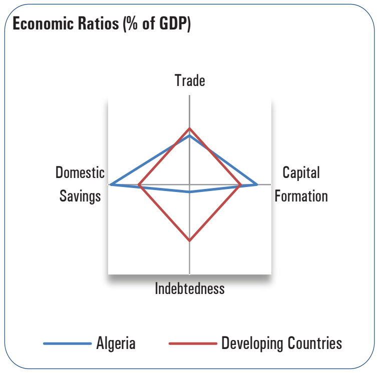
Algeria

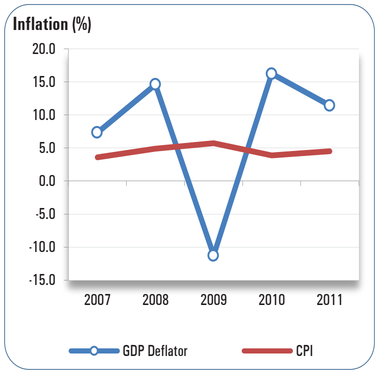
		Algeria	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.44	1.25	1.15
Labour Force (% of total population)	2009	31.59	46.00	46.70
GDP per capita (PPP, cur. $)	2011	7,333	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	8,370	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	72.87	47.01	51.98
Literacy (% of population age 15+)	2006	72.65	81.41	84.03
Infant Mortality (per 1000 live births)	2010	30.50	47.00	41.15
Life Expectancy at Birth (years)	2010	72.85	69.58	69.64

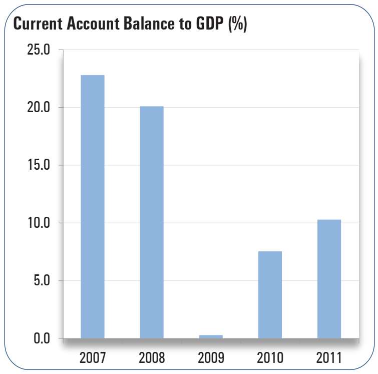
Basic Indicators

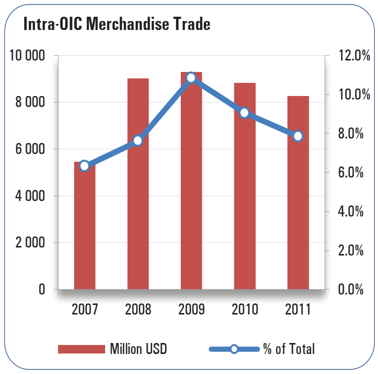
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	241.10	251.90	263.70
GDP (annual % change)	2.40	3.30	2.50
GDP per capita (annual % change)	0.90	1.70	1.00
Current Account Balance (US$ billions)	0.40	12.10	19.60
Current Account Balance / GDP	0.29	7.52	10.28
Foreign Direct Investment (US$ millions)	2,746	2,264	2,571
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	5.70	3.90	4.50
Implicit GDP Deflator	-11.27	16.25	11.43
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	45,188	57,064	58,006
Intra-OIC Merchandise Exports (% of Merchandise Exports)	8.13	8.44	6.74
Merchandise Imports	40,703	40,459	47,405
Intra-OIC Merchandise Imports (% of Merchandise Imports)	13.81	9.90	9.19
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	6.60	9.60	7.90
Industry	60.70	49.50	56.60
Services	32.80	40.90	35.40
Household Final Consumption Expenditures	28.80	37.40	35.20
General Government Final Expenditure	13.20	16.40	15.40
Gross Capital Formation	37.20	46.80	41.10
Gross Domestic Savings	56.73	51.17	50.73
Exports of Goods and Services	47.82	35.28	37.35
Imports of Goods and Services	29.35	37.97	25.16
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	3.46	3.93	3.28
Interest Payments on External Debt / GDP	0.11	0.10	0.07
Total Debt Service / Exports	1.18	0.81	0.61









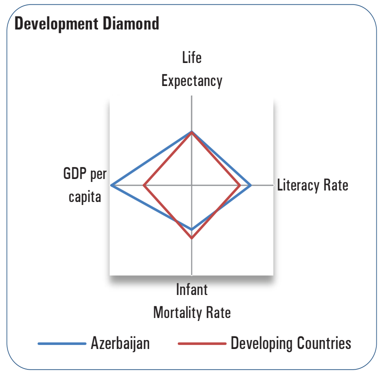


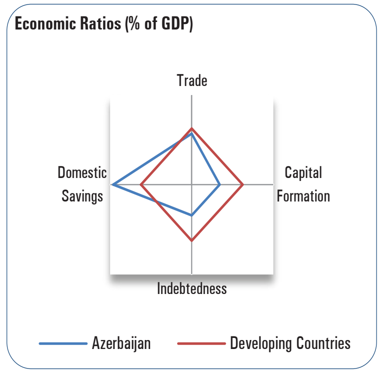
Azerbaijan

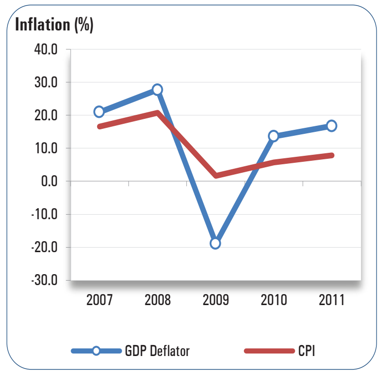
		Azerbaijan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.26	1.25	1.15
Labour Force (% of total population)	2009	50.87	46.00	46.70
GDP per capita (PPP, cur. $)	2011	10,202	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	9,020	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	53.64	47.01	51.98
Literacy (% of population age 15+)	2009	99.76	81.41	84.03
Infant Mortality (per 1000 live births)	2010	39.40	47.00	41.15
Life Expectancy at Birth (years)	2010	70.51	69.58	69.64

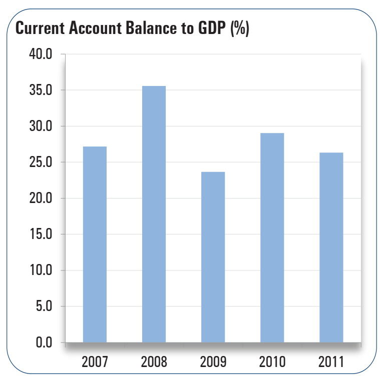
Basic Indicators

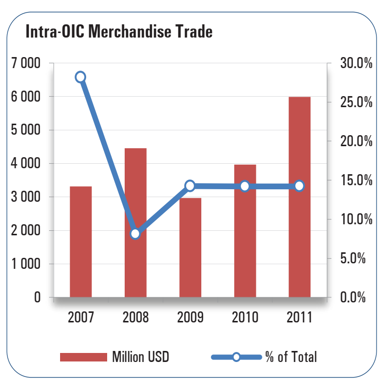
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	85.70	91.00	93.10
GDP (annual % change)	9.30	5.00	0.10
GDP per capita (annual % change)	8.30	4.10	-0.70
Current Account Balance (US$ billions)	10.20	15.00	16.40
Current Account Balance / GDP	23.67	29.01	26.32
Foreign Direct Investment (US$ millions)	473	563	1,465
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.60	5.70	7.90
Implicit GDP Deflator	-18.85	13.60	16.74
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	14,701	21,360	29,639
Intra-OIC Merchandise Exports (% of Merchandise Exports)	12.14	12.35	10.30
Merchandise Imports	6,122	6,599	12,534
Intra-OIC Merchandise Imports (% of Merchandise Imports)	19.30	20.11	23.44
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	5.90	6.50	5.70
Industry	69.20	60.00	64.00
Services	25.00	33.40	30.40
Household Final Consumption Expenditures	33.40	42.80	43.90
General Government Final Expenditure	8.50	11.10	9.60
Gross Capital Formation	18.70	18.90	17.00
Gross Domestic Savings	61.00	48.24	50.81
Exports of Goods and Services	105.66	37.72	44.75
Imports of Goods and Services	23.85	22.08	20.11
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	9.19	10.52	13.49
Interest Payments on External Debt / GDP	0.25	0.19	0.18
Total Debt Service / Exports	0.70	1.13	1.05











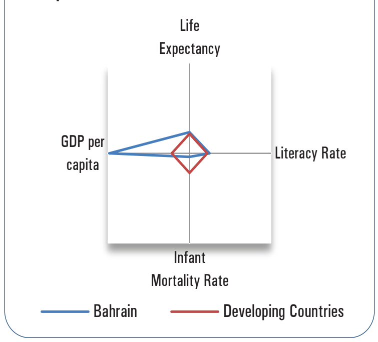
Bahrain

		Bahrain	Developing Countries	World
Population and Income				
Population Growth (%)	2011	4.89	1.25	1.15
Labour Force (% of total population)	2009	56.38	46.00	46.70
GDP per capita (PPP, cur. $)	2011	27,556	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	21,240	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	88.69	47.01	51.98
Literacy (% of population age 15+)	2010	91.92	81.41	84.03
Infant Mortality (per 1000 live births)	2010	8.70	47.00	41.15
Life Expectancy at Birth (years)	2010	75.02	69.58	69.64

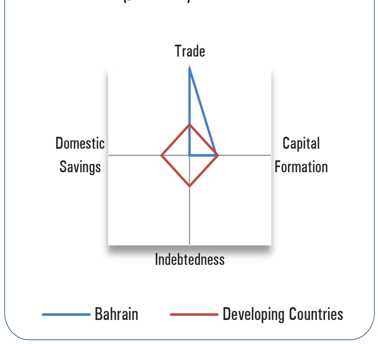
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	28.30	29.90	31.10
GDP (annual % change)	3.10	4.50	1.80
GDP per capita (annual % change)	-22.70	-1.90	-0.20
Current Account Balance (US$ billions)	0.60	0.80	1.10
Current Account Balance / GDP	3.11	3.57	4.21
Foreign Direct Investment (US$ millions)	257	156	781
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.80	2.00	1.00
Implicit GDP Deflator	-14.45	13.66	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	23,082	29,636	33,826
Intra-OIC Merchandise Exports (% of Merchandise Exports)	10.31	11.06	11.84
Merchandise Imports	9,151	11,514	13,012
Intra-OIC Merchandise Imports (% of Merchandise Imports)	32.46	33.39	36.96
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	0.30	0.40	0.40
Industry	47.20	40.40	43.80
Services	52.50	59.20	55.80
Household Final Consumption Expenditures	30.40	34.80	35.00
General Government Final Expenditure	13.30	15.50	12.40
Gross Capital Formation	33.90	27.20	29.40
Gross Domestic Savings	56.84	49.74	0.00
Exports of Goods and Services	146.93	139.07	148.50
Imports of Goods and Services	62.86	56.47	51.36
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

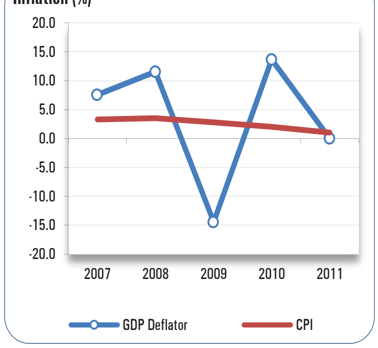
Development Diamond



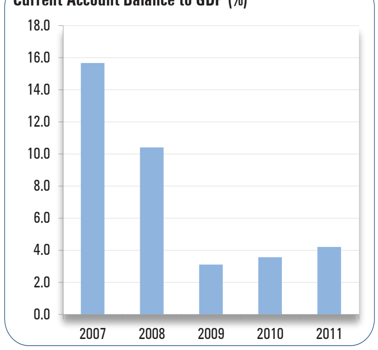
Economic Ratios (% of GDP)



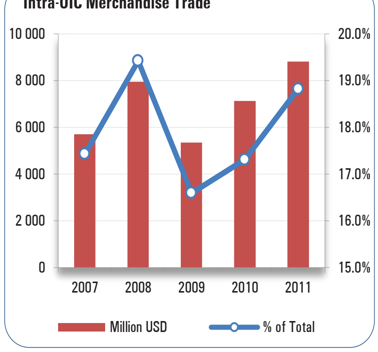
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

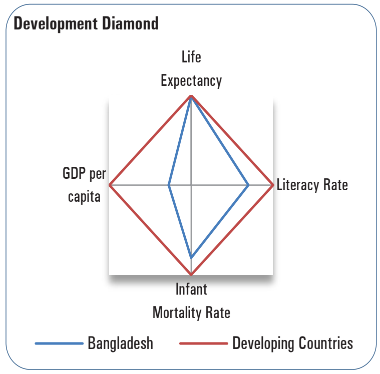


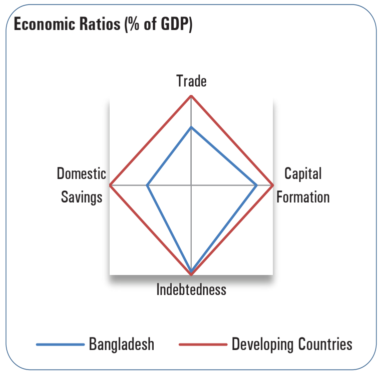
Bangladesh

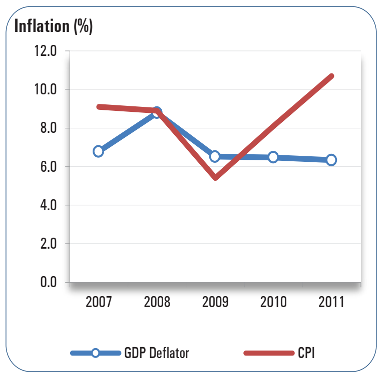
		Bangladesh	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.21	1.25	1.15
Labour Force (% of total population)	2009	48.64	46.00	46.70
GDP per capita (PPP, cur. $)	2011	1,693	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,940	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	28.39	47.01	51.98
Literacy (% of population age 15+)	2010	56.78	81.41	84.03
Infant Mortality (per 1000 live births)	2010	38.00	47.00	41.15
Life Expectancy at Birth (years)	2010	68.63	69.58	69.64

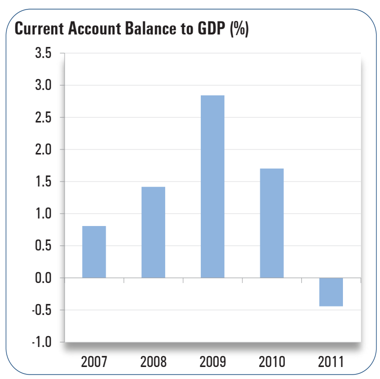
Basic Indicators

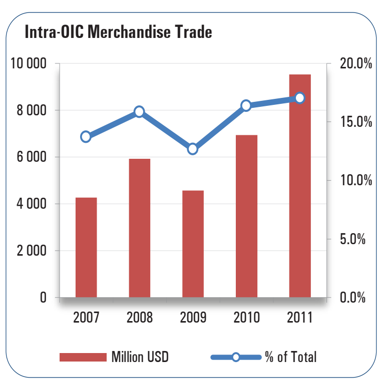
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	242.10	260.50	282.20
GDP (annual % change)	5.90	6.40	6.10
GDP per capita (annual % change)	4.50	4.90	4.60
Current Account Balance (US$ billions)	2.70	1.80	-0.50
Current Account Balance / GDP	2.85	1.70	-0.44
Foreign Direct Investment (US$ millions)	700	913	1,136
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	5.40	8.10	10.70
Implicit GDP Deflator	6.52	6.47	6.33
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	14,377	14,666	19,741
Intra-OIC Merchandise Exports (% of Merchandise Exports)	5.31	7.47	6.47
Merchandise Imports	21,803	27,771	36,191
Intra-OIC Merchandise Imports (% of Merchandise Imports)	17.49	21.05	22.77
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	19.00	18.70	18.60
Industry	28.50	28.70	28.50
Services	52.50	52.60	53.00
Household Final Consumption Expenditures	74.40	74.60	75.40
General Government Final Expenditure	5.30	5.30	5.40
Gross Capital Formation	24.20	24.40	24.90
Gross Domestic Savings	15.80	17.25	17.80
Exports of Goods and Services	18.04	17.26	15.74
Imports of Goods and Services	32.54	26.58	30.32
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	27.09	25.09	23.65
Interest Payments on External Debt / GDP	0.31	0.25	0.23
Total Debt Service / Exports	4.80	5.44	4.51











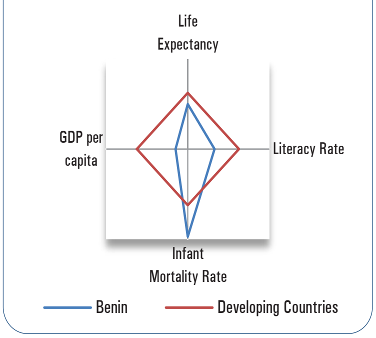
Benin

		Benin	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.83	1.25	1.15
Labour Force (% of total population)	2009	40.88	46.00	46.70
GDP per capita (PPP, cur. $)	2011	1,481	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,630	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	44.91	47.01	51.98
Literacy (% of population age 15+)	2010	42.36	81.41	84.03
Infant Mortality (per 1000 live births)	2010	73.20	47.00	41.15
Life Expectancy at Birth (years)	2010	55.59	69.58	69.64

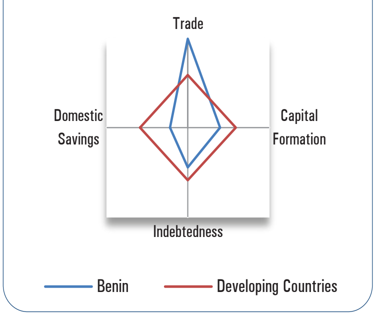
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	13.40	13.90	14.70
GDP (annual % change)	2.70	2.60	3.10
GDP per capita (annual % change)	-0.10	-0.20	0.30
Current Account Balance (US$ billions)	-0.60	-0.50	-0.60
Current Account Balance / GDP	-9.09	-7.58	-8.22
Foreign Direct Investment (US$ millions)	134	177	118
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.20	2.10	2.70
Implicit GDP Deflator	0.10	1.42	2.79
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	412	508	821
Intra-OIC Merchandise Exports (% of Merchandise Exports)	31.29	32.53	26.23
Merchandise Imports	6,013	7,163	10,129
Intra-OIC Merchandise Imports (% of Merchandise Imports)	14.77	17.75	12.69
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	35.20	35.20	35.40
Industry	13.70	14.20	14.40
Services	51.10	50.60	50.20
Household Final Consumption Expenditures	75.10	76.10	76.60
General Government Final Expenditure	11.80	12.00	11.90
Gross Capital Formation	20.70	21.20	21.00
Gross Domestic Savings	7.09	10.77	12.32
Exports of Goods and Services	14.09	11.52	11.12
Imports of Goods and Services	112.47	98.53	108.96
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	13.75	16.23	18.58
Interest Payments on External Debt / GDP	0.62	0.18	0.20
Total Debt Service / Exports	3.16	4.46	4.08

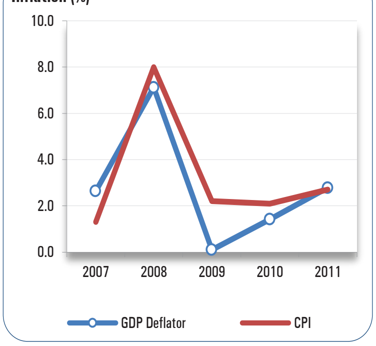
Development Diamond



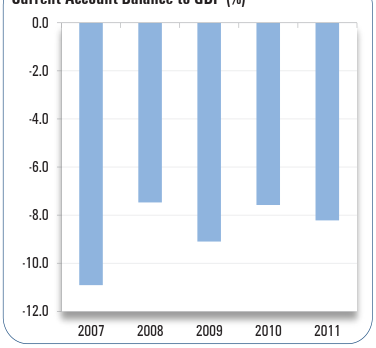
Economic Ratios (% of GDP)



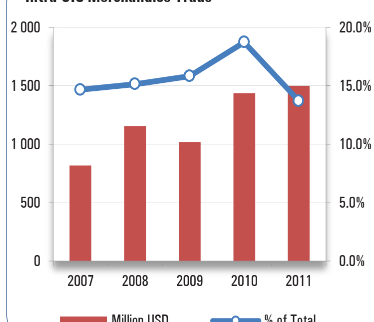
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



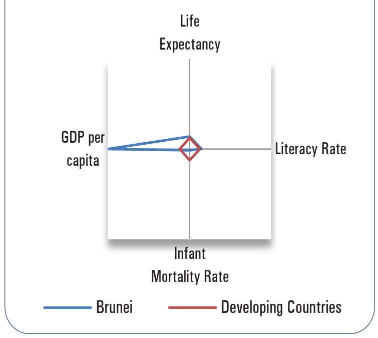
Brunei

		Brunei	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.76	1.25	1.15
Labour Force (% of total population)	2009	48.94	46.00	46.70
GDP per capita (PPP, cur. $)	2011	49,384	6,104	11,490
GNI per capita (PPP, cur.int. $)	2009	49,790	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	75.96	47.01	51.98
Literacy (% of population age 15+)	2010	95.22	81.41	84.03
Infant Mortality (per 1000 live births)	2010	5.80	47.00	41.15
Life Expectancy at Birth (years)	2010	77.93	69.58	69.64

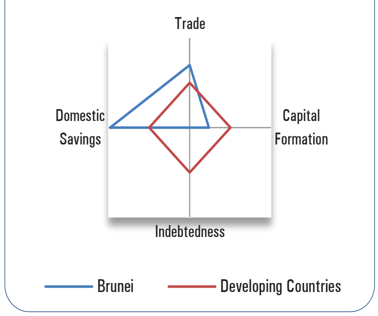
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	19.40	20.10	21.00
GDP (annual % change)	-1.80	2.60	1.90
GDP per capita (annual % change)	-3.70	0.60	-0.60
Current Account Balance (US$ billions)	4.30	5.60	8.40
Current Account Balance / GDP	40.19	45.16	54.19
Foreign Direct Investment (US$ millions)	371	626	1,208
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.00	0.40	2.00
Implicit GDP Deflator	-22.09	5.31	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	6,458	8,255	11,252
Intra-OIC Merchandise Exports (% of Merchandise Exports)	10.25	8.06	8.75
Merchandise Imports	2,550	3,133	6,267
Intra-OIC Merchandise Imports (% of Merchandise Imports)	22.78	18.45	11.41
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	0.60	0.90	0.70
Industry	74.10	65.40	70.30
Services	25.20	33.70	29.00
Household Final Consumption Expenditures	17.70	24.40	20.70
General Government Final Expenditure	17.10	23.30	21.00
Gross Capital Formation	13.70	17.60	14.70
Gross Domestic Savings	64.35	54.56	64.44
Exports of Goods and Services	76.57	68.25	74.13
Imports of Goods and Services	27.91	37.12	25.32
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

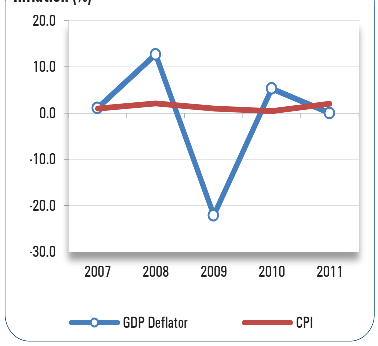
Development Diamond



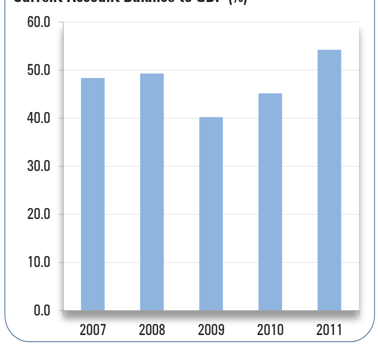
Economic Ratios (% of GDP)



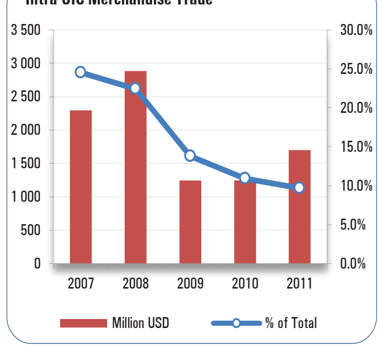
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



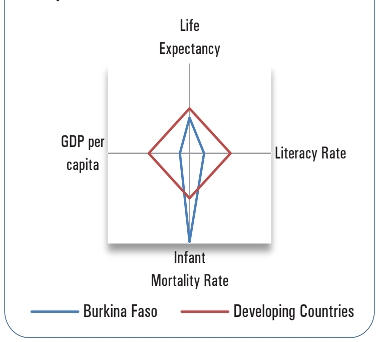
Burkina Faso

		Burkina Faso	Developing Countries	World
Population and Income				
Population Growth (%)	2011	3.03	1.25	1.15
Labour Force (% of total population)	2009	45.81	46.00	46.70
GDP per capita (PPP, cur. $)	2011	1,466	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,310	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	26.51	47.01	51.98
Literacy (% of population age 15+)	2007	28.73	81.41	84.03
Infant Mortality (per 1000 live births)	2010	92.60	47.00	41.15
Life Expectancy at Birth (years)	2010	54.92	69.58	69.64

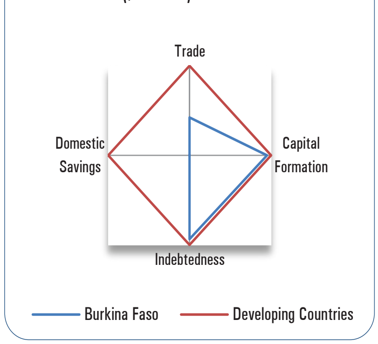
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	18.70	20.40	22.00
GDP (annual % change)	3.20	7.90	5.60
GDP per capita (annual % change)	0.80	5.50	3.20
Current Account Balance (US$ billions)	-0.40	-0.30	-0.40
Current Account Balance / GDP	-4.76	-3.33	-4.00
Foreign Direct Investment (US$ millions)	101	35	7
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.60	-0.60	2.80
Implicit GDP Deflator	2.38	2.78	5.58
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	458	624	789
Intra-OIC Merchandise Exports (% of Merchandise Exports)	22.44	30.73	40.73
Merchandise Imports	1,775	1,911	2,153
Intra-OIC Merchandise Imports (% of Merchandise Imports)	35.61	33.52	30.49
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	40.20	40.20	37.60
Industry	15.50	15.80	16.60
Services	44.30	43.90	45.80
Household Final Consumption Expenditures	70.90	69.50	65.20
General Government Final Expenditure	21.30	21.10	21.20
Gross Capital Formation	24.20	24.00	29.50
Gross Domestic Savings	...	...	...
Exports of Goods and Services	6.85	7.06	8.68
Imports of Goods and Services	31.67	27.92	21.33
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	20.17	21.79	22.91
Interest Payments on External Debt / GDP	0.21	0.18	0.20
Total Debt Service / Exports	5.81	4.62	3.14

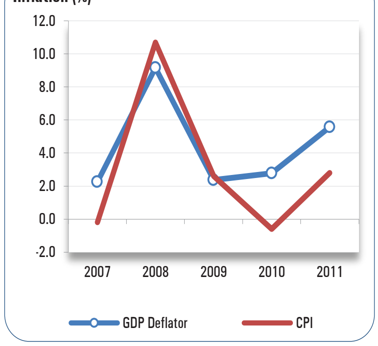
Development Diamond



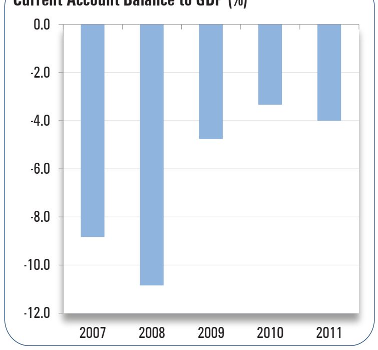
Economic Ratios (% of GDP)



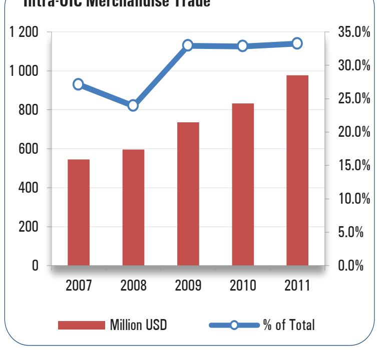
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

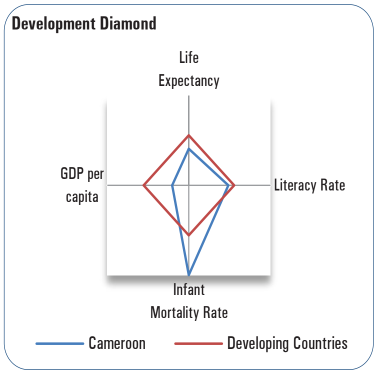


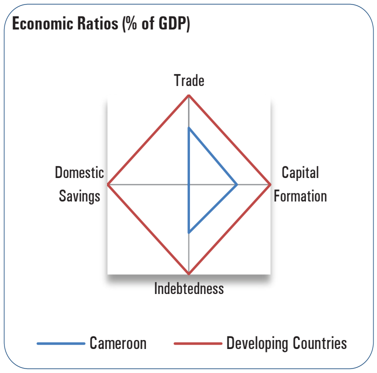
Cameroon

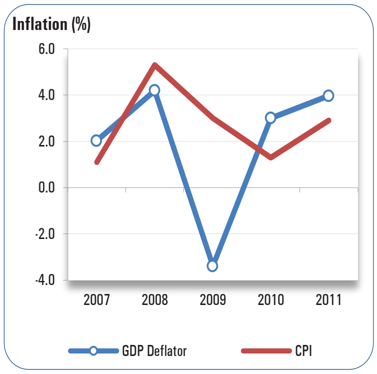
		Cameroon	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.20	1.25	1.15
Labour Force (% of total population)	2009	41.89	46.00	46.70
GDP per capita (PPP, cur. $)	2011	2,257	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,360	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	52.09	47.01	51.98
Literacy (% of population age 15+)	2007	70.68	81.41	84.03
Infant Mortality (per 1000 live births)	2010	84.40	47.00	41.15
Life Expectancy at Birth (years)	2010	51.06	69.58	69.64

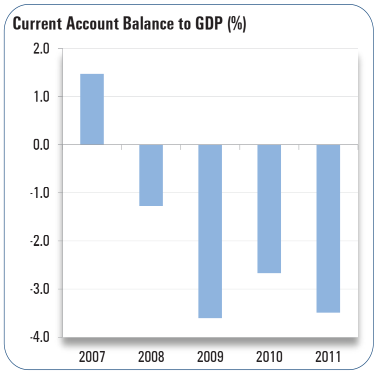
Basic Indicators

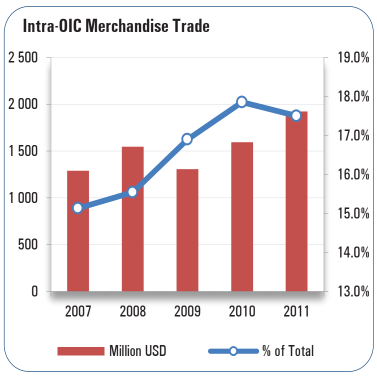
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	42.70	44.40	47.30
GDP (annual % change)	2.00	2.90	4.10
GDP per capita (annual % change)	-0.80	0.40	1.60
Current Account Balance (US$ billions)	-0.80	-0.60	-0.90
Current Account Balance / GDP	-3.60	-2.67	-3.49
Foreign Direct Investment (US$ millions)	668	354	360
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	3.00	1.30	2.90
Implicit GDP Deflator	-3.39	3.01	3.97
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	3,788	4,494	5,311
Intra-OIC Merchandise Exports (% of Merchandise Exports)	11.45	12.04	11.64
Merchandise Imports	3,953	4,437	5,671
Intra-OIC Merchandise Imports (% of Merchandise Imports)	22.10	23.73	22.98
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	23.30	23.30	24.90
Industry	28.80	29.70	31.60
Services	47.90	46.90	43.50
Household Final Consumption Expenditures	75.10	75.20	74.70
General Government Final Expenditure	10.80	11.30	11.50
Gross Capital Formation	18.20	18.50	18.30
Gross Domestic Savings	...	...	...
Exports of Goods and Services	29.32	23.75	25.50
Imports of Goods and Services	29.63	27.43	19.75
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	11.61	13.27	13.19
Interest Payments on External Debt / GDP	0.50	0.27	0.23
Total Debt Service / Exports	1.39	1.51	0.91





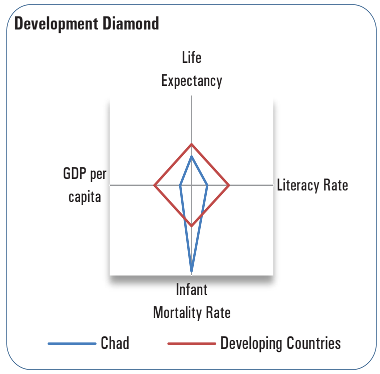






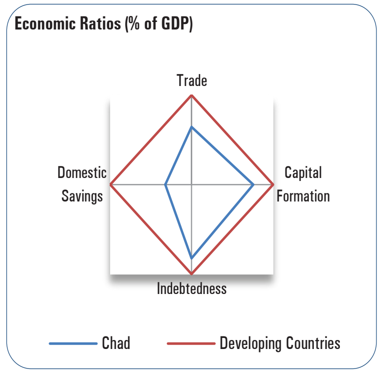
Chad

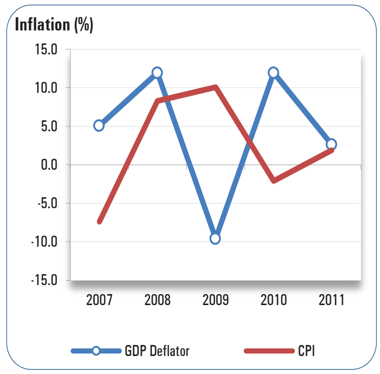
		Chad	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.66	1.25	1.15
Labour Force (% of total population)	2009	39.40	46.00	46.70
GDP per capita (PPP, cur. $)	2011	1,865	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,370	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	21.83	47.01	51.98
Literacy (% of population age 15+)	2010	34.47	81.41	84.03
Infant Mortality (per 1000 live births)	2010	98.90	47.00	41.15
Life Expectancy at Birth (years)	2010	49.19	69.58	69.64

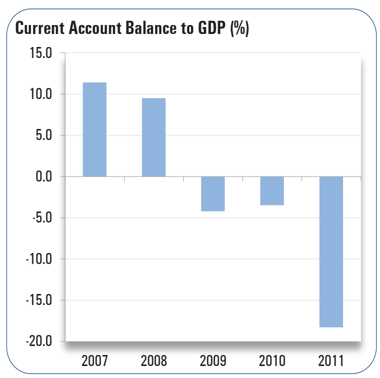


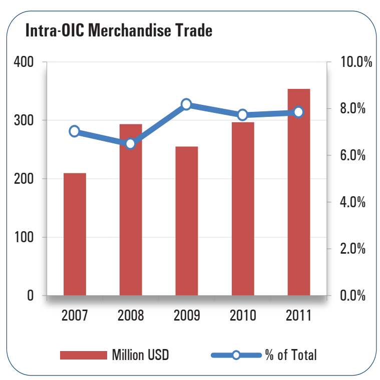
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	16.50	18.80	19.50
GDP (annual % change)	-1.20	13.00	1.60
GDP per capita (annual % change)	-3.60	10.30	-0.90
Current Account Balance (US$ billions)	-0.30	-0.30	-1.70
Current Account Balance / GDP	-4.23	-3.49	-18.28
Foreign Direct Investment (US$ millions)	1,105	1,940	1,855
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	10.10	-2.10	1.90
Implicit GDP Deflator	-9.60	11.94	2.63
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	2,102	2,656	3,547
Intra-OIC Merchandise Exports (% of Merchandise Exports)	0.23	0.32	0.60
Merchandise Imports	1,022	1,191	969
Intra-OIC Merchandise Imports (% of Merchandise Imports)	24.48	24.20	34.32
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	20.20	20.50	19.10
Industry	53.80	45.60	51.50
Services	26.00	33.90	29.30
Household Final Consumption Expenditures	26.80	32.50	25.80
General Government Final Expenditure	23.20	29.80	24.30
Gross Capital Formation	15.90	22.50	23.50
Gross Domestic Savings	27.40	5.70	10.66
Exports of Goods and Services	44.52	31.81	32.05
Imports of Goods and Services	36.64	44.47	13.92
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	20.85	24.59	20.26
Interest Payments on External Debt / GDP	0.22	0.33	0.19
Total Debt Service / Exports	3.07	2.21	1.46







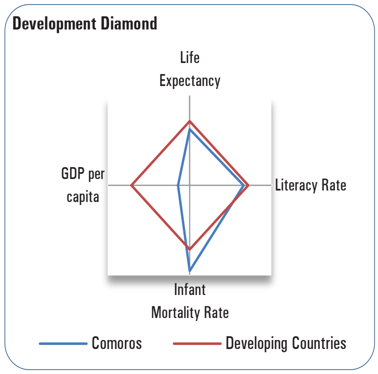


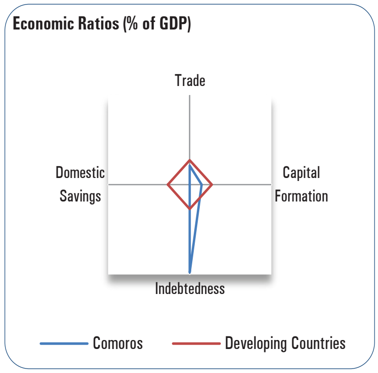
Comoros

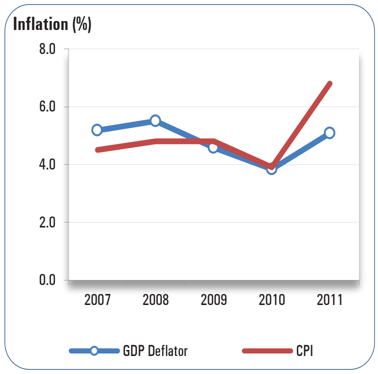
		Comoros	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.61	1.25	1.15
Labour Force (% of total population)	2009	33.00	46.00	46.70
GDP per capita (PPP, cur. $)	2011	1,232	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,120	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	28.07	47.01	51.98
Literacy (% of population age 15+)	2010	74.94	81.41	84.03
Infant Mortality (per 1000 live births)	2010	62.80	47.00	41.15
Life Expectancy at Birth (years)	2010	60.63	69.58	69.64

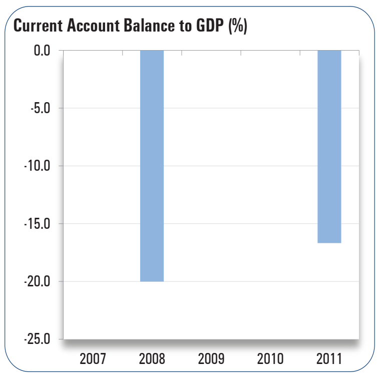
Basic Indicators

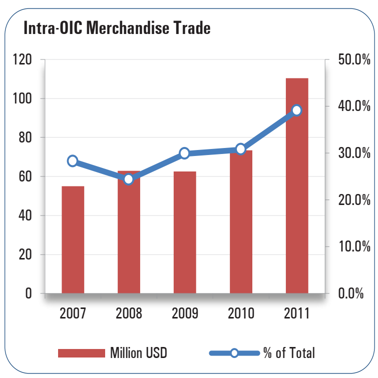
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	0.80	0.80	0.80
GDP (annual % change)	1.80	2.10	2.20
GDP per capita (annual % change)	-0.30	0.00	0.10
Current Account Balance (US$ billions)	0.00	0.00	-0.10
Current Account Balance / GDP	0.00	0.00	-16.67
Foreign Direct Investment (US$ millions)	14	4	7
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	4.80	3.90	6.80
Implicit GDP Deflator	4.59	3.84	5.08
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	28	30	52
Intra-OIC Merchandise Exports (% of Merchandise Exports)	33.21	16.11	30.64
Merchandise Imports	182	209	230
Intra-OIC Merchandise Imports (% of Merchandise Imports)	29.34	32.78	40.96
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	48.30	48.20	48.20
Industry	10.50	10.50	10.40
Services	41.30	41.40	41.30
Household Final Consumption Expenditures	104.30	105.90	104.60
General Government Final Expenditure	15.30	15.30	14.70
Gross Capital Formation	13.70	11.90	16.50
Gross Domestic Savings	-20.09	-21.10	0.00
Exports of Goods and Services	16.06	17.63	16.99
Imports of Goods and Services	57.90	49.68	38.49
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	52.41	51.69	89.23
Interest Payments on External Debt / GDP	0.80	0.54	0.21
Total Debt Service / Exports	15.15	14.85	0.00











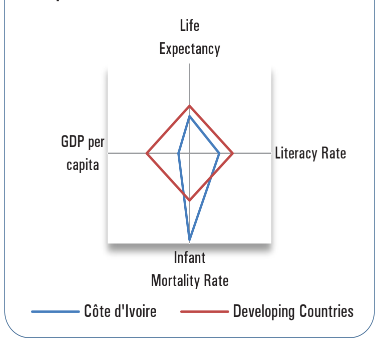
Côte d'Ivoire

		Côte d'Ivoire	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.10	1.25	1.15
Labour Force (% of total population)	2010	39.45	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,590	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,730	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	51.28	47.01	51.98
Literacy (% of population age 15+)	2010	56.17	81.41	84.03
Infant Mortality (per 1000 live births)	2010	85.90	47.00	41.15
Life Expectancy at Birth (years)	2010	54.74	69.58	69.64

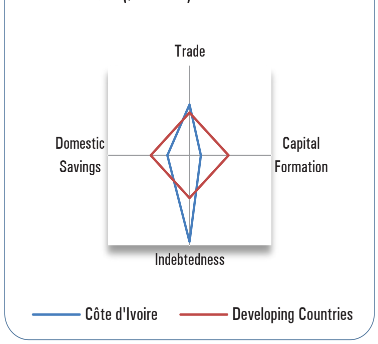
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	35.80	37.10	36.10
GDP (annual % change)	3.80	2.40	-4.70
GDP per capita (annual % change)	0.70	-0.60	-7.50
Current Account Balance (US$ billions)	1.60	0.30	1.60
Current Account Balance / GDP	7.11	1.30	6.64
Foreign Direct Investment (US$ millions)	377	339	344
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.00	1.40	4.90
Implicit GDP Deflator	-0.03	1.89	5.01
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	10,306	10,272	10,808
Intra-OIC Merchandise Exports (% of Merchandise Exports)	23.99	22.17	23.22
Merchandise Imports	7,004	8,145	8,991
Intra-OIC Merchandise Imports (% of Merchandise Imports)	29.65	35.04	45.07
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	27.00	28.50	27.40
Industry	28.40	26.70	27.60
Services	44.60	44.80	45.00
Household Final Consumption Expenditures	66.90	64.50	65.80
General Government Final Expenditure	14.70	14.30	15.00
Gross Capital Formation	11.20	9.50	9.00
Gross Domestic Savings	17.85	19.41	18.94
Exports of Goods and Services	45.91	50.37	49.21
Imports of Goods and Services	44.93	42.72	35.48
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	53.46	52.02	49.77
Interest Payments on External Debt / GDP	0.94	1.16	0.54
Total Debt Service / Exports	2.95	2.13	2.43

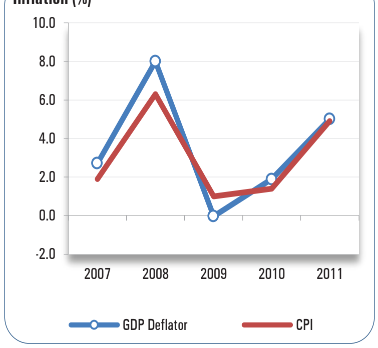
Development Diamond



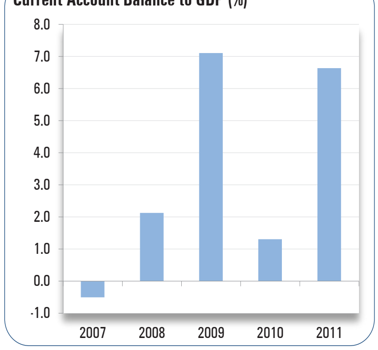
Economic Ratios (% of GDP)



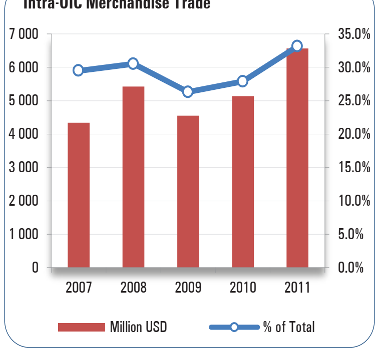
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



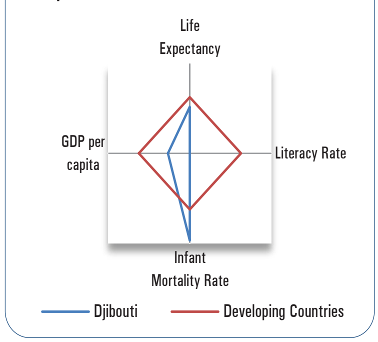
Djibouti

		Djibouti	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.90	1.25	1.15
Labour Force (% of total population)	2010	32.87	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,642	6,104	11,490
GNI per capita (PPP, cur.int. $)	2009	2,450	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	77.08	47.01	51.98
Literacy (% of population age 15+)	...	...	81.41	84.03
Infant Mortality (per 1000 live births)	2010	73.00	47.00	41.15
Life Expectancy at Birth (years)	2010	57.53	69.58	69.64

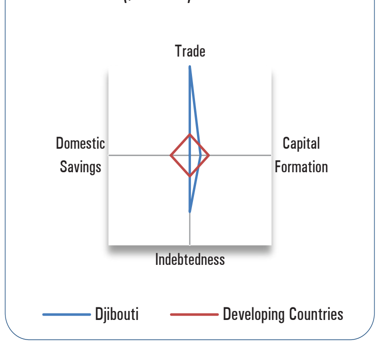
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	2.00	2.10	2.20
GDP (annual % change)	5.00	3.50	4.50
GDP per capita (annual % change)	2.50	1.00	1.90
Current Account Balance (US$ billions)	-0.10	-0.10	-0.20
Current Account Balance / GDP	-10.00	-9.09	-16.67
Foreign Direct Investment (US$ millions)	100	27	78
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.70	4.00	5.10
Implicit GDP Deflator	1.69	...	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	371	463	515
Intra-OIC Merchandise Exports (% of Merchandise Exports)	89.16	94.74	95.47
Merchandise Imports	2,336	2,641	3,433
Intra-OIC Merchandise Imports (% of Merchandise Imports)	35.64	39.54	39.10
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	4.10	3.90	3.90
Industry	17.90	19.70	19.60
Services	78.00	76.40	76.50
Household Final Consumption Expenditures	70.80	78.60	77.40
General Government Final Expenditure	19.80	19.50	18.60
Gross Capital Formation	16.90	17.70	17.30
Gross Domestic Savings	...	...	...
Exports of Goods and Services	67.26	63.65	69.52
Imports of Goods and Services	271.30	234.87	233.89
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	71.06	72.00	66.55
Interest Payments on External Debt / GDP	0.80	0.79	...
Total Debt Service / Exports	7.21	8.01	7.48

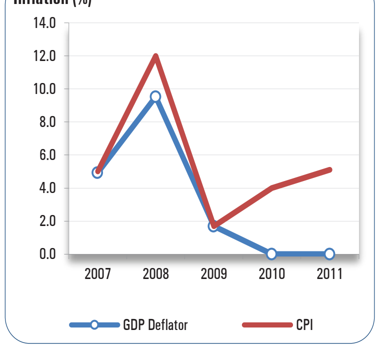
Development Diamond



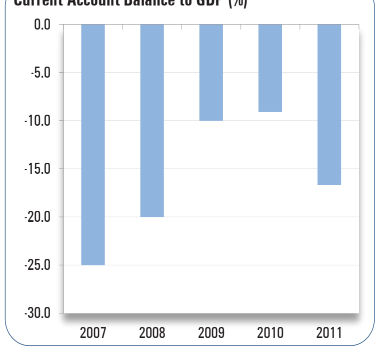
Economic Ratios (% of GDP)



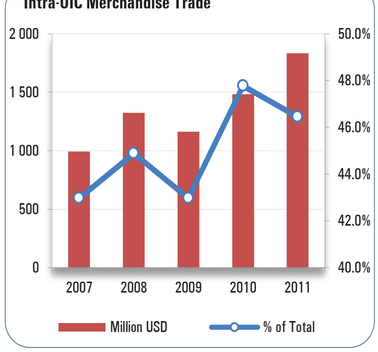
Inflation (%)



Current Account Balance to GDP (%)

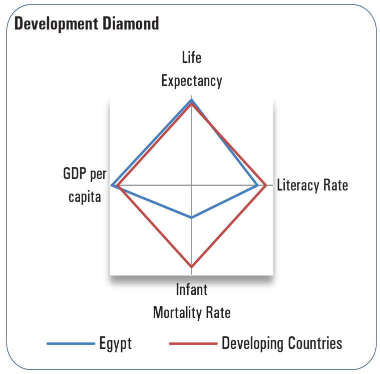


Intra-OIC Merchandise Trade



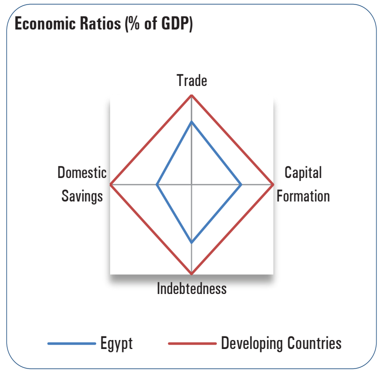
Egypt

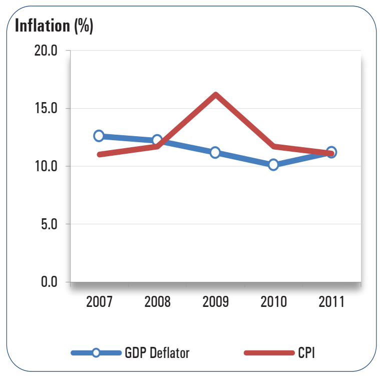
		Egypt	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.75	1.25	1.15
Labour Force (% of total population)	2010	33.41	46.25	46.70
GDP per capita (PPP, cur. $)	2011	6,540	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	6,160	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	43.54	47.01	51.98
Literacy (% of population age 15+)	2010	72.05	81.41	84.03
Infant Mortality (per 1000 live births)	2010	18.60	47.00	41.15
Life Expectancy at Birth (years)	2010	72.98	69.58	69.64

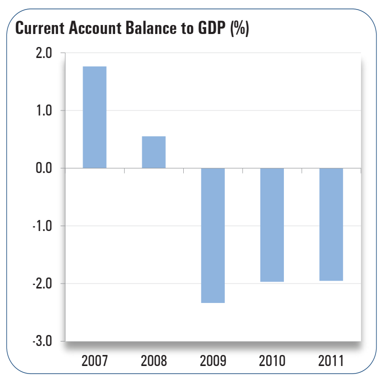


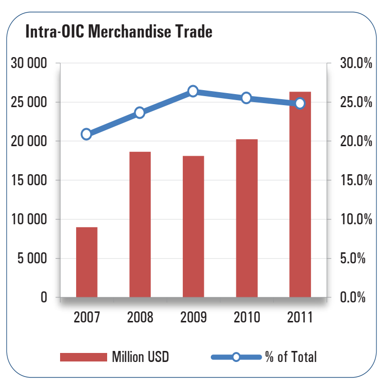
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	469.40	499.30	519.00
GDP (annual % change)	4.70	5.10	1.80
GDP per capita (annual % change)	2.50	3.80	-0.20
Current Account Balance (US$ billions)	-4.40	-4.30	-4.60
Current Account Balance / GDP	-2.33	-1.97	-1.95
Foreign Direct Investment (US$ millions)	6,712	6,386	-483
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	16.20	11.70	11.10
Implicit GDP Deflator	11.17	10.11	11.20
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	24,088	26,603	36,199
Intra-OIC Merchandise Exports (% of Merchandise Exports)	39.35	39.38	33.48
Merchandise Imports	44,655	52,812	70,068
Intra-OIC Merchandise Imports (% of Merchandise Imports)	19.30	18.45	20.28
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	13.20	13.60	14.00
Industry	37.90	37.50	37.50
Services	48.90	48.80	48.50
Household Final Consumption Expenditures	72.30	76.10	74.70
General Government Final Expenditure	10.90	11.30	11.20
Gross Capital Formation	22.40	19.20	18.90
Gross Domestic Savings	16.80	12.55	14.11
Exports of Goods and Services	28.46	25.81	22.03
Imports of Goods and Services	39.01	28.06	27.98
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	20.54	17.66	15.95
Interest Payments on External Debt / GDP	0.57	0.46	0.40
Total Debt Service / Exports	5.39	6.11	5.71







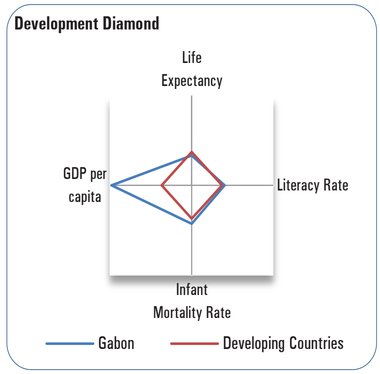


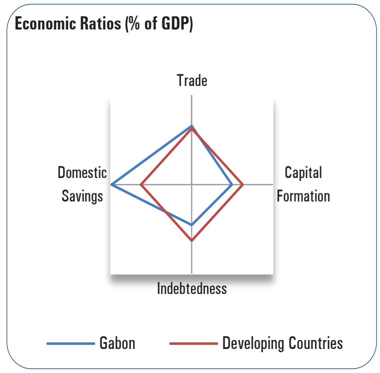
Gabon

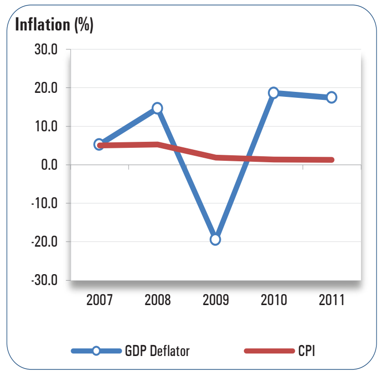
		Gabon	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.91	1.25	1.15
Labour Force (% of total population)	2010	39.04	46.25	46.70
GDP per capita (PPP, cur. $)	2011	16,183	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	13,650	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	86.15	47.01	51.98
Literacy (% of population age 15+)	2010	88.38	81.41	84.03
Infant Mortality (per 1000 live births)	2010	54.40	47.00	41.15
Life Expectancy at Birth (years)	2010	62.29	69.58	69.64

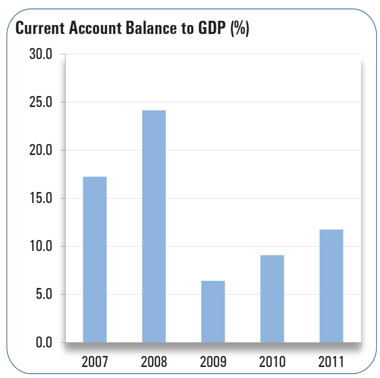
Basic Indicators

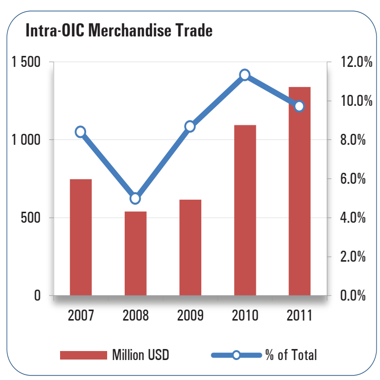
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	21.10	22.70	24.60
GDP (annual % change)	-1.40	6.60	5.80
GDP per capita (annual % change)	-2.80	5.10	4.30
Current Account Balance (US$ billions)	0.70	1.20	1.90
Current Account Balance / GDP	6.42	9.09	11.73
Foreign Direct Investment (US$ millions)	33	531	728
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.90	1.40	1.30
Implicit GDP Deflator	-19.43	18.64	17.42
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	4,736	6,990	10,245
Intra-OIC Merchandise Exports (% of Merchandise Exports)	7.56	11.14	9.39
Merchandise Imports	2,384	2,700	3,561
Intra-OIC Merchandise Imports (% of Merchandise Imports)	10.82	11.71	10.60
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	2.80	3.10	2.60
Industry	69.20	65.40	71.10
Services	28.10	31.50	26.30
Household Final Consumption Expenditures	27.40	29.60	24.70
General Government Final Expenditure	10.90	12.30	10.40
Gross Capital Formation	22.00	23.50	24.40
Gross Domestic Savings	58.96	44.64	51.86
Exports of Goods and Services	56.12	44.63	54.26
Imports of Goods and Services	29.48	33.47	20.45
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	14.96	19.46	17.66
Interest Payments on External Debt / GDP	1.57	1.35	1.05
Total Debt Service / Exports	...	...	...









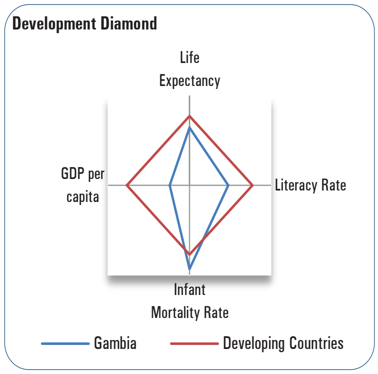


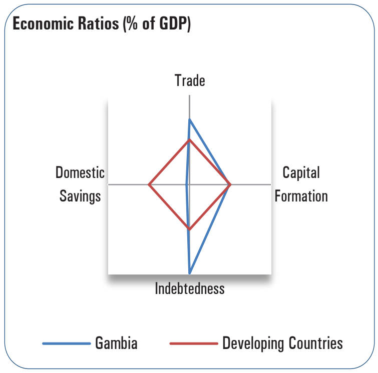
Gambia

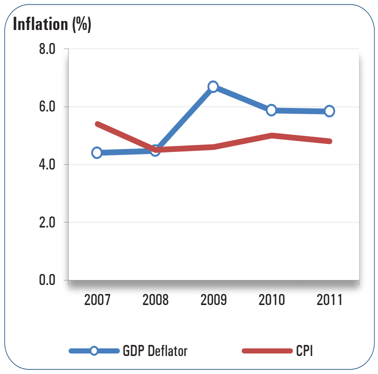
		Gambia	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.76	1.25	1.15
Labour Force (% of total population)	2010	43.47	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,943	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,060	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	57.21	47.01	51.98
Literacy (% of population age 15+)	2010	49.96	81.41	84.03
Infant Mortality (per 1000 live births)	2010	56.90	47.00	41.15
Life Expectancy at Birth (years)	2010	58.16	69.58	69.64

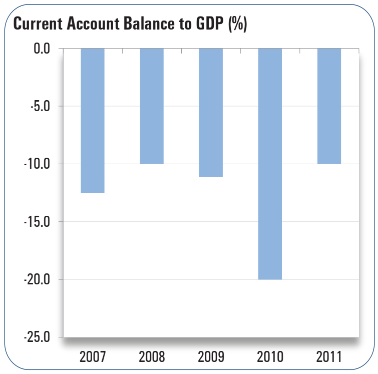
Basic Indicators

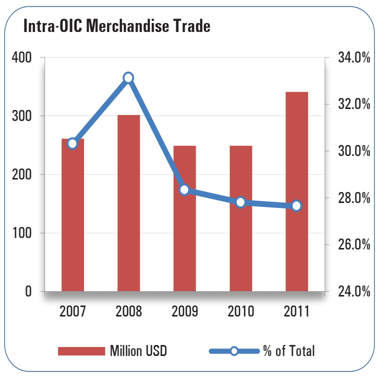
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	3.10	3.30	3.50
GDP (annual % change)	6.70	5.50	3.30
GDP per capita (annual % change)	3.90	2.70	0.50
Current Account Balance (US$ billions)	-0.10	-0.20	-0.10
Current Account Balance / GDP	-11.11	-20.00	-10.00
Foreign Direct Investment (US$ millions)	141	101	1,211
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	4.60	5.00	4.80
Implicit GDP Deflator	6.69	5.87	5.84
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	56	62	123
Intra-OIC Merchandise Exports (% of Merchandise Exports)	6.18	8.26	6.89
Merchandise Imports	823	834	1,111
Intra-OIC Merchandise Imports (% of Merchandise Imports)	29.83	29.26	29.95
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	26.70	30.10	32.10
Industry	12.80	11.70	11.30
Services	60.60	58.20	56.60
Household Final Consumption Expenditures	73.30	73.20	73.20
General Government Final Expenditure	8.00	7.70	7.70
Gross Capital Formation	32.00	31.10	30.20
Gross Domestic Savings	-1.32	2.89	2.44
Exports of Goods and Services	18.76	19.35	17.25
Imports of Goods and Services	96.67	99.92	86.47
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	37.33	50.72	48.77
Interest Payments on External Debt / GDP	0.65	0.76	0.68
Total Debt Service / Exports	9.22	8.44	8.53











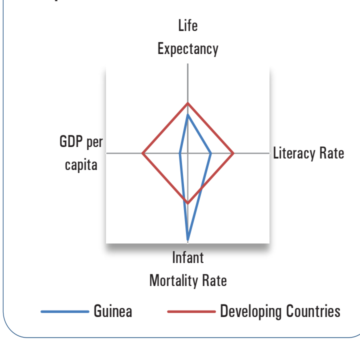
Guinea

		Guinea	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.41	1.25	1.15
Labour Force (% of total population)	2010	41.00	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,083	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,050	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	35.46	47.01	51.98
Literacy (% of population age 15+)	2010	41.05	81.41	84.03
Infant Mortality (per 1000 live births)	2010	81.20	47.00	41.15
Life Expectancy at Birth (years)	2010	53.64	69.58	69.64

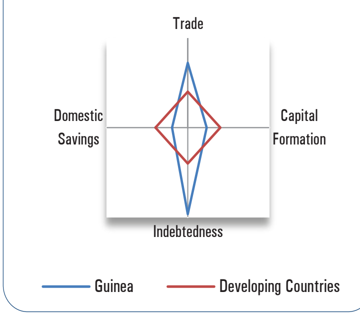
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	10.50	10.80	11.50
GDP (annual % change)	-0.30	1.90	3.60
GDP per capita (annual % change)	-2.70	-0.60	1.00
Current Account Balance (US$ billions)	-0.50	-0.60	-0.30
Current Account Balance / GDP	-10.87	-12.24	-5.77
Foreign Direct Investment (US$ millions)	18	33	19
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	4.70	15.50	21.50
Implicit GDP Deflator	6.81	20.20	20.94
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,279	2,194	2,232
Intra-OIC Merchandise Exports (% of Merchandise Exports)	5.68	2.27	2.47
Merchandise Imports	3,688	4,088	5,265
Intra-OIC Merchandise Imports (% of Merchandise Imports)	9.55	10.35	10.26
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	24.90	25.90	22.50
Industry	42.40	40.30	44.50
Services	32.70	33.80	33.10
Household Final Consumption Expenditures	78.20	80.90	76.10
General Government Final Expenditure	6.10	8.50	12.30
Gross Capital Formation	22.00	16.40	18.00
Gross Domestic Savings	10.27	16.61	15.99
Exports of Goods and Services	42.68	31.22	45.98
Imports of Goods and Services	104.84	86.70	82.94
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	68.49	62.91	59.30
Interest Payments on External Debt / GDP	0.98	0.78	0.52
Total Debt Service / Exports	7.95	6.66	4.65

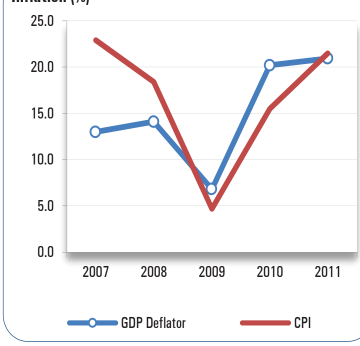
Development Diamond



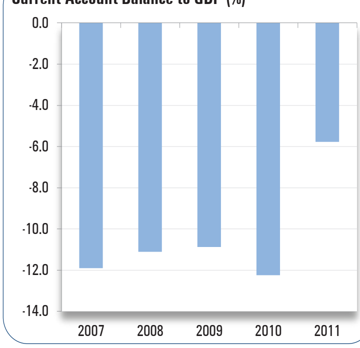
Economic Ratios (% of GDP)



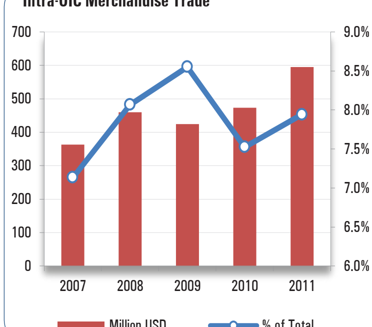
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

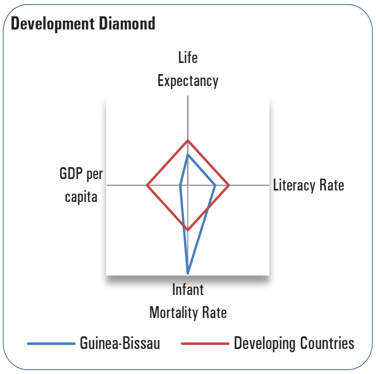


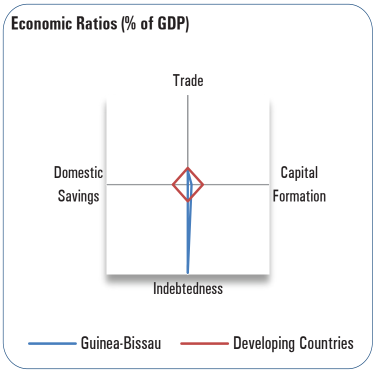
Guinea-Bissau

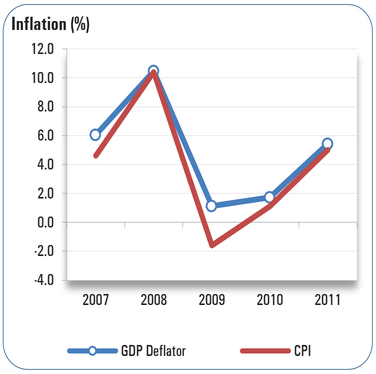
		Guinea-Bissau	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.10	1.25	1.15
Labour Force (% of total population)	2010	42.79	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,144	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,250	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	43.90	47.01	51.98
Literacy (% of population age 15+)	2010	54.18	81.41	84.03
Infant Mortality (per 1000 live births)	2010	92.00	47.00	41.15
Life Expectancy at Birth (years)	2010	47.70	69.58	69.64

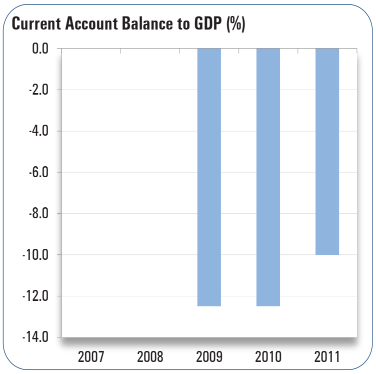
Basic Indicators

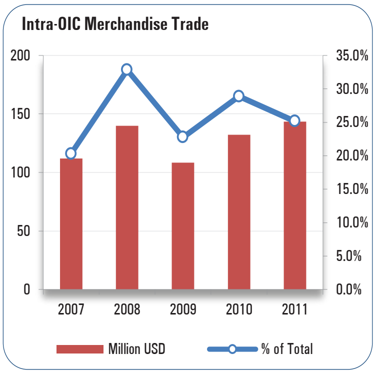
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	1.70	1.80	1.90
GDP (annual % change)	3.00	3.50	5.30
GDP per capita (annual % change)	0.70	1.20	3.10
Current Account Balance (US$ billions)	-0.10	-0.10	-0.10
Current Account Balance / GDP	-12.50	-12.50	-10.00
Foreign Direct Investment (US$ millions)	164	154	165
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-1.60	1.10	5.00
Implicit GDP Deflator	1.12	1.72	5.43
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	152	189	224
Intra-OIC Merchandise Exports (% of Merchandise Exports)	26.32	31.46	27.46
Merchandise Imports	325	269	346
Intra-OIC Merchandise Imports (% of Merchandise Imports)	21.09	27.05	23.65
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	47.50	43.20	45.30
Industry	13.50	13.30	13.30
Services	39.00	43.50	41.40
Household Final Consumption Expenditures	94.80	90.00	88.50
General Government Final Expenditure	12.10	14.80	9.50
Gross Capital Formation	8.70	8.50	7.30
Gross Domestic Savings	...	...	...
Exports of Goods and Services	20.44	23.42	26.62
Imports of Goods and Services	43.88	49.32	32.10
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	128.17	133.84	130.78
Interest Payments on External Debt / GDP	0.42	0.45	0.40
Total Debt Service / Exports	3.05	8.71	2.90









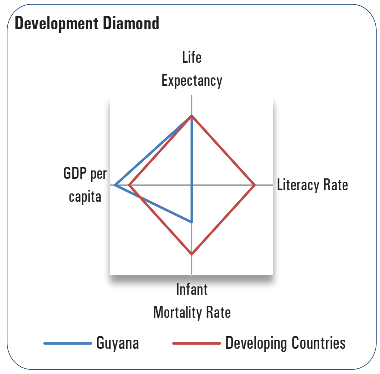


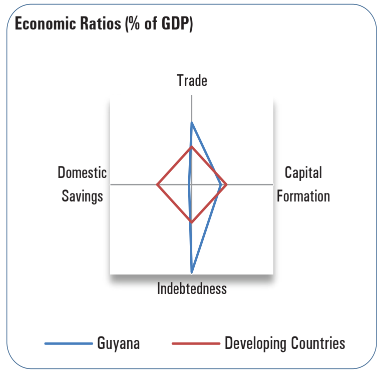
Guyana

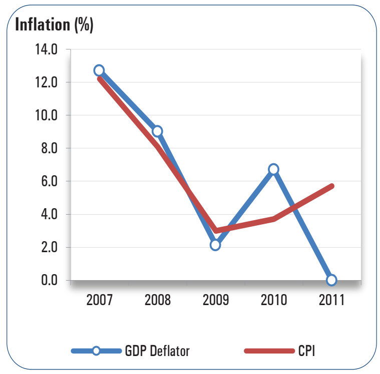
		Guyana	Developing Countries	World
Population and Income				
Population Growth (%)	2011	0.21	1.25	1.15
Labour Force (% of total population)	2010	39.99	46.25	46.70
GDP per capita (PPP, cur. $)	2011	7,466	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	3,460	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	28.40	47.01	51.98
Literacy (% of population age 15+)	...	...	81.41	84.03
Infant Mortality (per 1000 live births)	2010	25.30	47.00	41.15
Life Expectancy at Birth (years)	2010	69.55	69.58	69.64

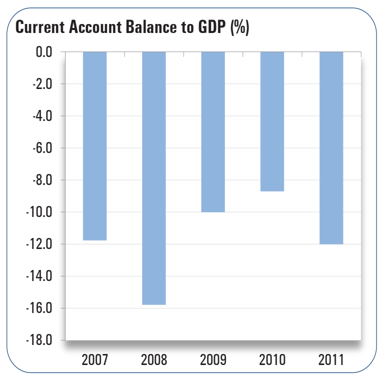
Basic Indicators

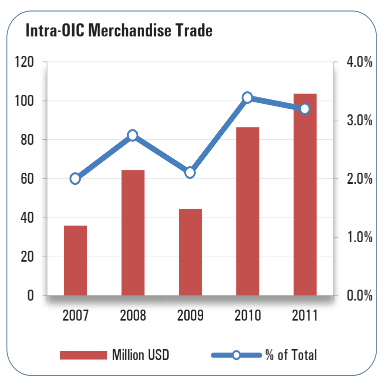
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	5.10	5.40	5.80
GDP (annual % change)	3.30	4.40	4.20
GDP per capita (annual % change)	3.00	4.00	3.90
Current Account Balance (US$ billions)	-0.20	-0.20	-0.30
Current Account Balance / GDP	-10.00	-8.70	-12.00
Foreign Direct Investment (US$ millions)	4,877	13,771	18,906
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	3.00	3.70	5.70
Implicit GDP Deflator	2.13	6.70	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	952	1,119	1,375
Intra-OIC Merchandise Exports (% of Merchandise Exports)	0.62	0.84	0.85
Merchandise Imports	1,163	1,436	1,875
Intra-OIC Merchandise Imports (% of Merchandise Imports)	3.31	5.36	4.90
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	21.70	19.80	17.40
Industry	33.50	33.10	34.20
Services	44.80	47.10	48.40
Household Final Consumption Expenditures	93.40	82.30	86.70
General Government Final Expenditure	15.40	16.20	15.30
Gross Capital Formation	23.90	26.60	25.80
Gross Domestic Savings	-8.81	1.49	-0.52
Exports of Goods and Services	61.26	57.51	57.13
Imports of Goods and Services	87.42	70.79	63.59
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	43.26	51.22	59.95
Interest Payments on External Debt / GDP	0.55	0.57	0.62
Total Debt Service / Exports	2.32	1.99	2.62











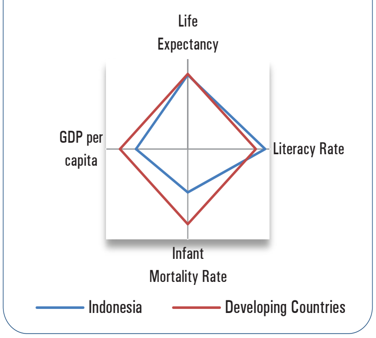
Indonesia

		Indonesia	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.02	1.25	1.15
Labour Force (% of total population)	2010	49.18	46.25	46.70
GDP per capita (PPP, cur. $)	2011	4,666	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	4,530	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	50.69	47.01	51.98
Literacy (% of population age 15+)	2009	92.58	81.41	84.03
Infant Mortality (per 1000 live births)	2010	27.20	47.00	41.15
Life Expectancy at Birth (years)	2010	68.89	69.58	69.64

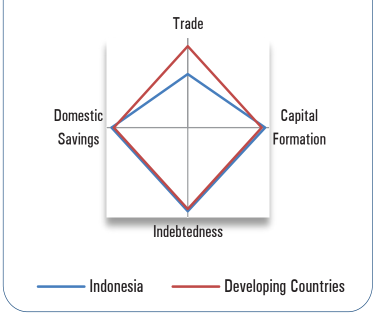
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	962.90	1,034.40	1,124.60
GDP (annual % change)	4.60	6.20	6.50
GDP per capita (annual % change)	3.20	4.70	5.00
Current Account Balance (US$ billions)	13.60	5.60	2.10
Current Account Balance / GDP	2.52	0.79	0.25
Foreign Direct Investment (US$ millions)	3,048	3,648	4,150
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	4.80	5.10	5.40
Implicit GDP Deflator	8.27	8.11	8.40
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	116,510	157,791	203,501
Intra-OIC Merchandise Exports (% of Merchandise Exports)	12.22	11.67	11.24
Merchandise Imports	96,968	135,691	177,451
Intra-OIC Merchandise Imports (% of Merchandise Imports)	15.59	15.00	15.13
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	14.50	15.30	15.30
Industry	48.10	47.70	47.00
Services	37.50	37.00	37.60
Household Final Consumption Expenditures	60.60	58.70	56.70
General Government Final Expenditure	8.40	9.60	9.10
Gross Capital Formation	27.80	31.00	32.50
Gross Domestic Savings	28.87	33.79	34.05
Exports of Goods and Services	29.26	24.46	24.13
Imports of Goods and Services	30.83	22.25	22.84
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	28.89	30.23	25.28
Interest Payments on External Debt / GDP	0.92	0.83	0.75
Total Debt Service / Exports	5.81	7.31	5.02

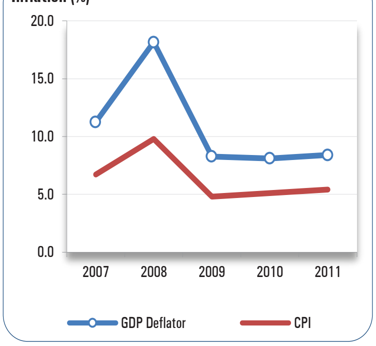
Development Diamond



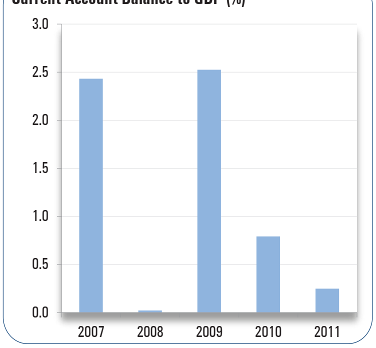
Economic Ratios (% of GDP)



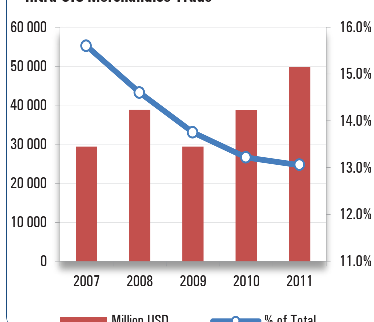
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

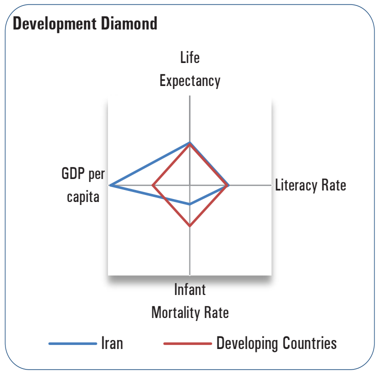


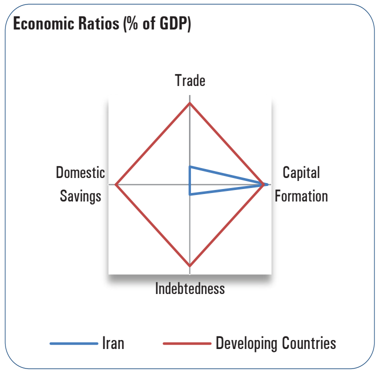
Iran

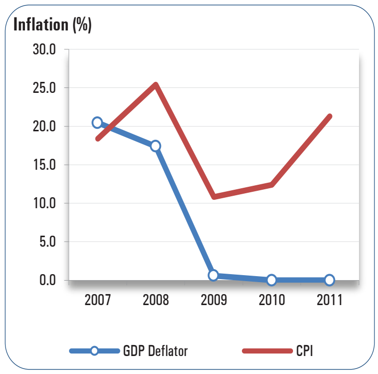
		Iran	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.12	1.25	1.15
Labour Force (% of total population)	2010	34.14	46.25	46.70
GDP per capita (PPP, cur. $)	2011	13,053	6,104	11,490
GNI per capita (PPP, cur.int. $)	2009	11,400	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	69.08	47.01	51.98
Literacy (% of population age 15+)	2008	85.02	81.41	84.03
Infant Mortality (per 1000 live births)	2010	21.80	47.00	41.15
Life Expectancy at Birth (years)	2010	72.75	69.58	69.64

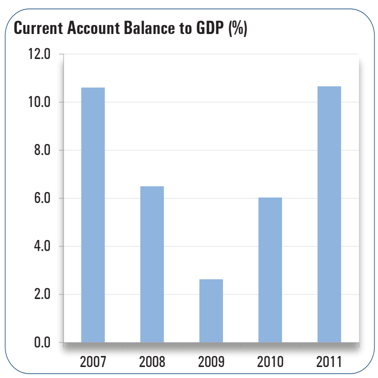
Basic Indicators

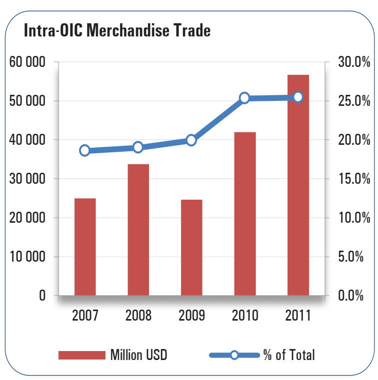
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	887.60	950.70	990.20
GDP (annual % change)	4.00	5.90	2.00
GDP per capita (annual % change)	2.40	4.40	0.50
Current Account Balance (US$ billions)	9.50	25.30	51.40
Current Account Balance / GDP	2.63	6.04	10.66
Foreign Direct Investment (US$ millions)	1,598	1,396	1,617
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	10.80	12.40	21.30
Implicit GDP Deflator	0.59	...	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	74,181	99,273	129,268
Intra-OIC Merchandise Exports (% of Merchandise Exports)	9.90	12.78	14.71
Merchandise Imports	49,740	66,395	93,674
Intra-OIC Merchandise Imports (% of Merchandise Imports)	34.83	44.03	40.21
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	9.80	9.40	9.20
Industry	43.00	43.60	44.10
Services	47.20	47.00	46.70
Household Final Consumption Expenditures	48.80	51.70	51.00
General Government Final Expenditure	9.90	11.20	10.70
Gross Capital Formation	34.90	33.00	32.60
Gross Domestic Savings	...	...	...
Exports of Goods and Services	36.04	22.79	0.00
Imports of Goods and Services	21.74	13.79	15.84
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	3.98	3.73	3.00
Interest Payments on External Debt / GDP	0.18	0.15	...
Total Debt Service / Exports	...	...	...











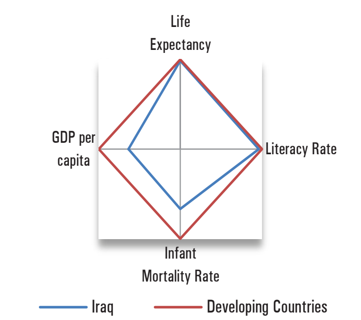
Iraq

		Iraq	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.91	1.25	1.15
Labour Force (% of total population)	2010	23.53	46.25	46.70
GDP per capita (PPP, cur. $)	2011	3,886	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	3,770	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	66.50	47.01	51.98
Literacy (% of population age 15+)	2010	78.17	81.41	84.03
Infant Mortality (per 1000 live births)	2010	31.40	47.00	41.15
Life Expectancy at Birth (years)	2010	68.49	69.58	69.64

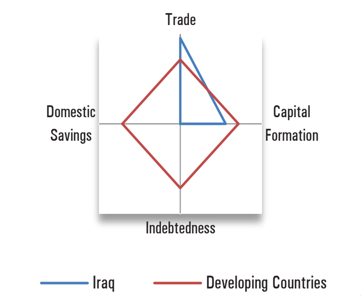
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	111.50	113.70	127.60
GDP (annual % change)	4.20	0.80	9.90
GDP per capita (annual % change)	1.50	-1.70	7.20
Current Account Balance (US$ billions)	-8.90	-1.40	9.10
Current Account Balance / GDP	-13.86	-1.73	7.89
Foreign Direct Investment (US$ millions)	2,413	1,651	1,469
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-2.20	2.40	6.00
Implicit GDP Deflator	-30.14	25.22	29.44
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	36,220	46,640	68,752
Intra-OIC Merchandise Exports (% of Merchandise Exports)	6.37	6.44	3.23
Merchandise Imports	23,803	28,205	36,449
Intra-OIC Merchandise Imports (% of Merchandise Imports)	49.53	49.97	50.87
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	3.80	4.40	5.00
Industry	62.20	49.10	49.80
Services	34.00	46.60	45.10
Household Final Consumption Expenditures	37.80	40.10	34.60
General Government Final Expenditure	20.10	55.30	42.80
Gross Capital Formation	18.40	25.70	24.30
Gross Domestic Savings	...	...	...
Exports of Goods and Services	66.68	59.45	60.73
Imports of Goods and Services	33.33	50.40	34.77
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

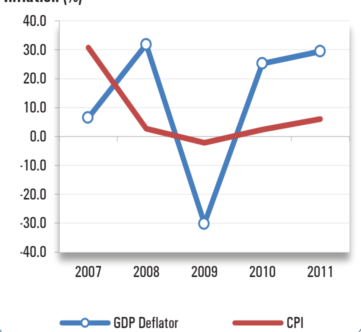
Development Diamond



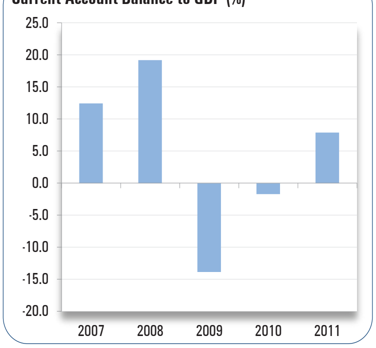
Economic Ratios (% of GDP)



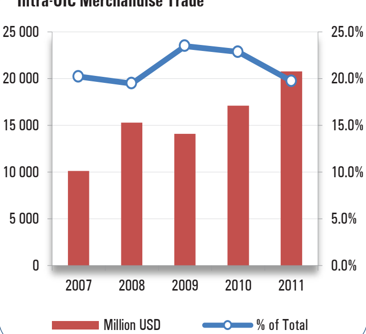
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



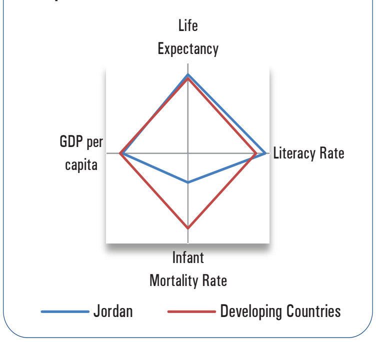
Jordan

		Jordan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.22	1.25	1.15
Labour Force (% of total population)	2010	25.68	46.25	46.70
GDP per capita (PPP, cur. $)	2011	5,900	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	5,970	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	82.71	47.01	51.98
Literacy (% of population age 15+)	2010	92.55	81.41	84.03
Infant Mortality (per 1000 live births)	2010	18.40	47.00	41.15
Life Expectancy at Birth (years)	2010	73.29	69.58	69.64

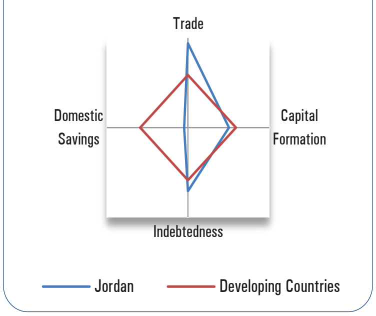
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	34.10	35.30	36.90
GDP (annual % change)	5.50	2.30	2.50
GDP per capita (annual % change)	3.20	0.10	0.20
Current Account Balance (US$ billions)	-1.20	-1.50	-2.80
Current Account Balance / GDP	-5.04	-5.68	-9.59
Foreign Direct Investment (US$ millions)	13,243	10,768	12,910
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-0.70	5.00	4.40
Implicit GDP Deflator	2.82	8.44	6.39
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	5,041	5,939	6,764
Intra-OIC Merchandise Exports (% of Merchandise Exports)	56.00	55.78	55.60
Merchandise Imports	14,236	15,402	18,731
Intra-OIC Merchandise Imports (% of Merchandise Imports)	37.04	41.16	41.85
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	2.50	2.70	2.60
Industry	30.50	30.10	29.60
Services	67.10	67.20	67.80
Household Final Consumption Expenditures	79.00	73.70	76.10
General Government Final Expenditure	21.40	20.10	17.40
Gross Capital Formation	29.60	27.60	26.60
Gross Domestic Savings	-1.11	3.11	2.78
Exports of Goods and Services	44.55	39.95	39.70
Imports of Goods and Services	96.07	75.75	74.41
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	29.93	27.75	29.58
Interest Payments on External Debt / GDP	1.06	0.69	0.61
Total Debt Service / Exports	19.45	4.69	4.81

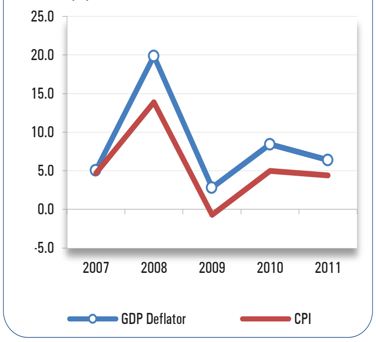
Development Diamond



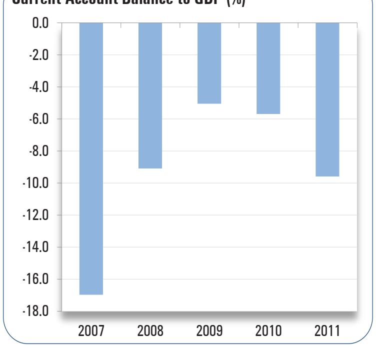
Economic Ratios (% of GDP)



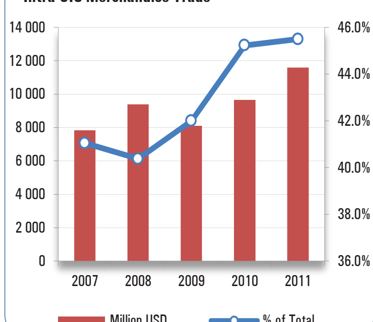
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



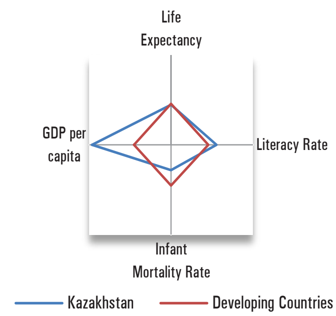
Kazakhstan

		Kazakhstan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.44	1.25	1.15
Labour Force (% of total population)	2010	53.84	46.25	46.70
GDP per capita (PPP, cur. $)	2011	13,001	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	11,310	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	53.64	47.01	51.98
Literacy (% of population age 15+)	2010	99.69	81.41	84.03
Infant Mortality (per 1000 live births)	2010	29.10	47.00	41.15
Life Expectancy at Birth (years)	2010	68.30	69.58	69.64

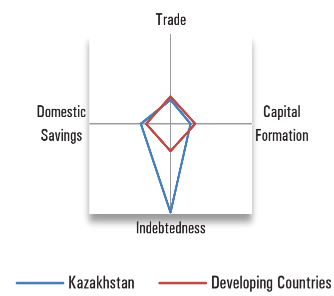
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	182.00	197.40	216.80
GDP (annual % change)	1.20	7.30	7.50
GDP per capita (annual % change)	-1.40	5.70	6.00
Current Account Balance (US$ billions)	-4.10	3.00	13.60
Current Account Balance / GDP	-3.56	2.03	7.63
Foreign Direct Investment (US$ millions)	1,114	319	399
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	7.30	7.10	8.30
Implicit GDP Deflator	4.69	19.54	16.41
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	36,631	47,581	64,232
Intra-OIC Merchandise Exports (% of Merchandise Exports)	7.84	9.17	6.69
Merchandise Imports	32,594	29,901	34,826
Intra-OIC Merchandise Imports (% of Merchandise Imports)	5.24	7.07	6.87
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	5.40	6.20	4.50
Industry	41.20	39.00	41.90
Services	53.30	54.80	53.60
Household Final Consumption Expenditures	43.50	47.40	45.20
General Government Final Expenditure	10.20	11.70	10.90
Gross Capital Formation	27.50	29.40	25.30
Gross Domestic Savings	47.61	37.64	39.85
Exports of Goods and Services	41.48	35.61	35.00
Imports of Goods and Services	40.14	36.98	27.83
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	79.33	96.36	80.19
Interest Payments on External Debt / GDP	3.29	4.92	3.36
Total Debt Service / Exports	0.25	0.37	0.50

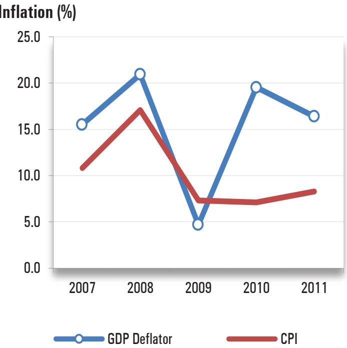
Development Diamond



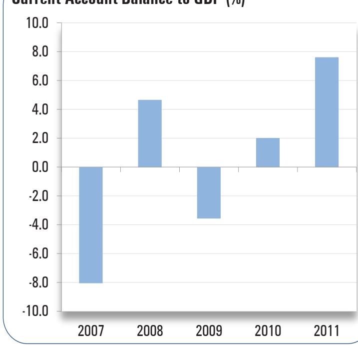
Economic Ratios (% of GDP)



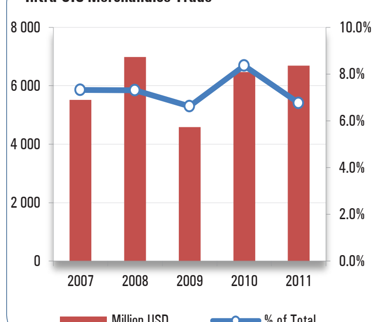
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



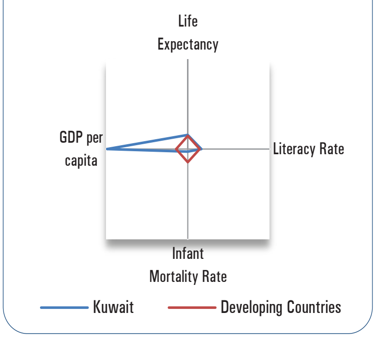
Kuwait

		Kuwait	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.97	1.25	1.15
Labour Force (% of total population)	2010	49.62	46.25	46.70
GDP per capita (PPP, cur. $)	2011	41,691	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	53,820	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	98.25	47.01	51.98
Literacy (% of population age 15+)	2008	93.91	81.41	84.03
Infant Mortality (per 1000 live births)	2010	9.60	47.00	41.15
Life Expectancy at Birth (years)	2010	74.60	69.58	69.64

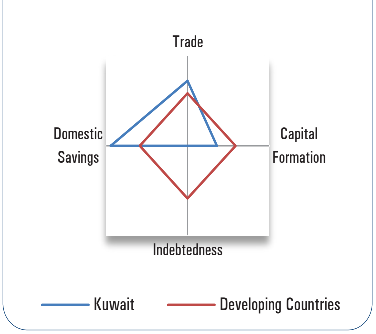
Basic Indicators

Key Economic Indicators	**2009**	**2010**	**2011**
GDP (PPP, cur. $ billion)	132.80	138.90	153.50
GDP (annual % change)	-5.20	3.40	8.20
GDP per capita (annual % change)	-6.30	0.60	5.30
Current Account Balance (US$ billions)	25.90	36.90	73.90
Current Account Balance / GDP	24.46	29.69	41.82
Foreign Direct Investment (US$ millions)	189	438	694
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	4.00	4.00	4.70
Implicit GDP Deflator	-18.90	13.06	26.41
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	47,634	61,661	84,502
Intra-OIC Merchandise Exports (% of Merchandise Exports)	14.25	14.37	13.23
Merchandise Imports	19,070	22,784	24,605
Intra-OIC Merchandise Imports (% of Merchandise Imports)	20.52	22.42	26.20
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	0.20	0.20	0.20
Industry	63.90	55.10	57.50
Services	35.90	44.70	42.40
Household Final Consumption Expenditures	28.10	33.50	30.40
General Government Final Expenditure	13.40	18.50	16.70
Gross Capital Formation	17.60	18.00	19.10
Gross Domestic Savings	58.47	48.05	52.88
Exports of Goods and Services	60.35	56.28	58.69
Imports of Goods and Services	28.17	31.09	29.27
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

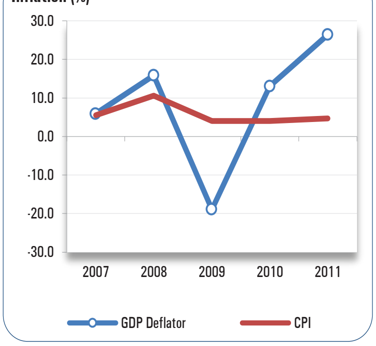
Development Diamond



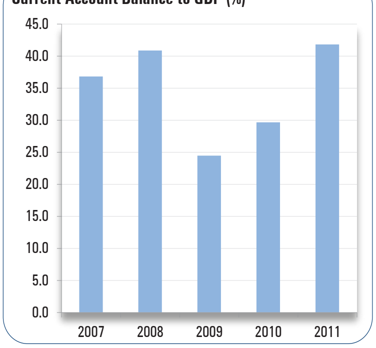
Economic Ratios (% of GDP)



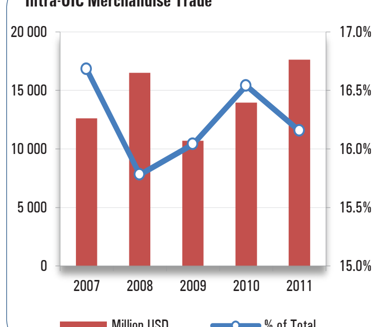
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

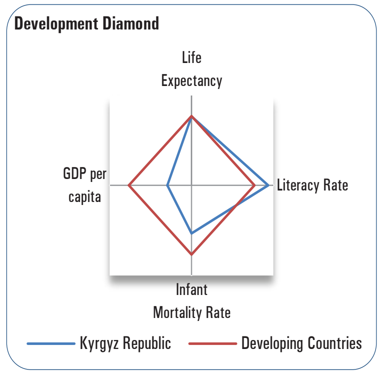


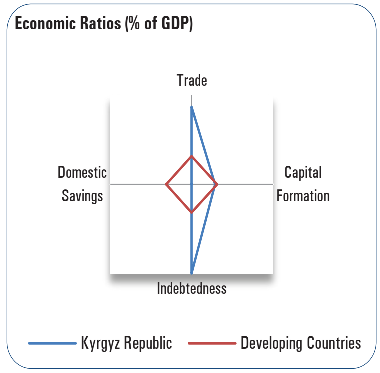
Kyrgyz Republic

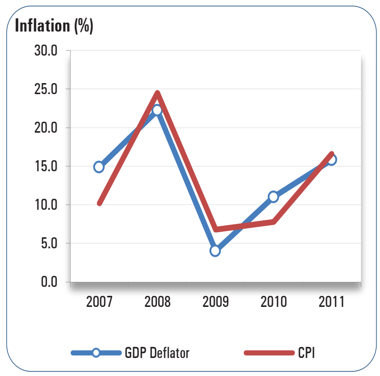
		Kyrgyz Republic	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.08	1.25	1.15
Labour Force (% of total population)	2010	46.45	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,372	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,290	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	35.39	47.01	51.98
Literacy (% of population age 15+)	2009	99.24	81.41	84.03
Infant Mortality (per 1000 live births)	2010	32.80	47.00	41.15
Life Expectancy at Birth (years)	2010	69.37	69.58	69.64

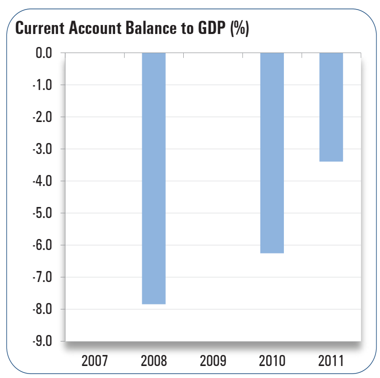
Basic Indicators

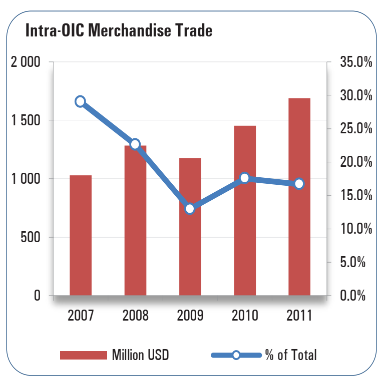
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	12.10	12.20	13.10
GDP (annual % change)	2.90	-0.50	5.70
GDP per capita (annual % change)	1.60	-1.50	4.60
Current Account Balance (US$ billions)	0.00	-0.30	-0.20
Current Account Balance / GDP	0.00	-6.25	-3.39
Foreign Direct Investment (US$ millions)	4,804	4,280	3,200
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	6.80	7.80	16.60
Implicit GDP Deflator	4.04	11.02	15.82
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	960	1,101	1,138
Intra-OIC Merchandise Exports (% of Merchandise Exports)	54.00	57.31	63.57
Merchandise Imports	8,124	7,184	8,985
Intra-OIC Merchandise Imports (% of Merchandise Imports)	8.11	11.44	10.73
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	26.20	20.30	20.00
Industry	22.80	25.60	26.90
Services	51.10	54.10	53.10
Household Final Consumption Expenditures	92.50	78.30	83.90
General Government Final Expenditure	17.50	18.40	19.00
Gross Capital Formation	28.90	27.30	28.40
Gross Domestic Savings	-10.06	3.29	-2.92
Exports of Goods and Services	44.87	63.00	59.00
Imports of Goods and Services	118.53	210.49	149.85
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	68.17	85.12	83.10
Interest Payments on External Debt / GDP	0.99	0.91	1.53
Total Debt Service / Exports	2.73	3.27	3.26









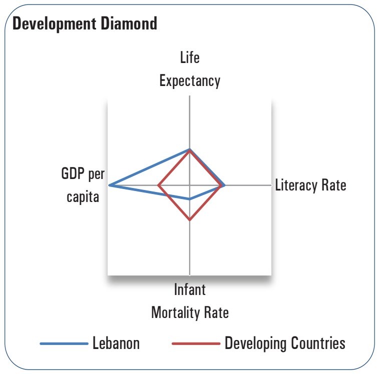


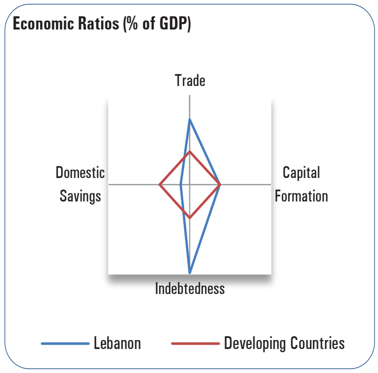
Lebanon

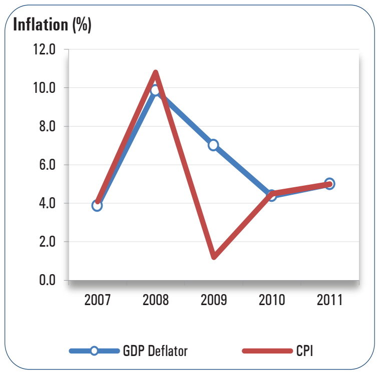
		Lebanon	Developing Countries	World
Population and Income				
Population Growth (%)	2011	0.75	1.25	1.15
Labour Force (% of total population)	2010	34.37	46.25	46.70
GDP per capita (PPP, cur. $)	2011	15,523	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	14,000	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	87.25	47.01	51.98
Literacy (% of population age 15+)	2007	89.61	81.41	84.03
Infant Mortality (per 1000 live births)	2010	18.80	47.00	41.15
Life Expectancy at Birth (years)	2010	72.41	69.58	69.64

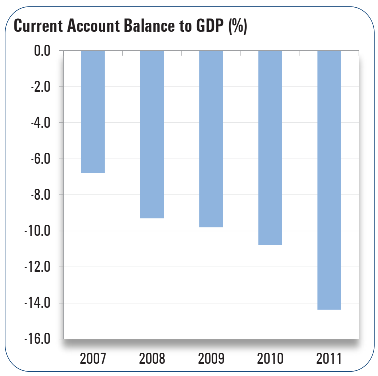
Basic Indicators

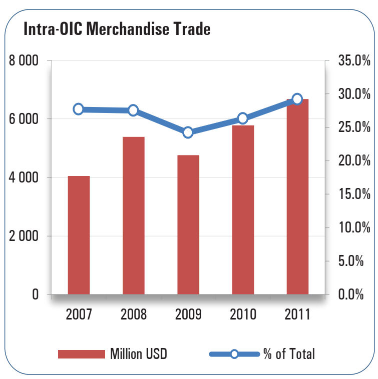
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	54.80	59.30	61.40
GDP (annual % change)	8.50	7.00	1.50
GDP per capita (annual % change)	7.10	5.60	0.20
Current Account Balance (US$ billions)	-3.40	-4.00	-5.60
Current Account Balance / GDP	-9.80	-10.78	-14.36
Foreign Direct Investment (US$ millions)	3,310	1,909	-
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.20	4.50	5.00
Implicit GDP Deflator	7.01	4.38	5.00
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	3,480	4,248	3,771
Intra-OIC Merchandise Exports (% of Merchandise Exports)	52.89	51.77	67.91
Merchandise Imports	16,225	17,790	19,152
Intra-OIC Merchandise Imports (% of Merchandise Imports)	18.01	20.15	21.53
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	5.60	5.20	5.60
Industry	17.80	17.20	17.90
Services	76.60	77.50	76.50
Household Final Consumption Expenditures	83.90	75.10	78.60
General Government Final Expenditure	14.70	17.90	15.90
Gross Capital Formation	30.60	34.70	30.80
Gross Domestic Savings	1.42	6.85	9.84
Exports of Goods and Services	53.94	60.76	56.94
Imports of Goods and Services	98.55	87.37	82.96
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	80.86	70.71	65.44
Interest Payments on External Debt / GDP	5.33	4.63	4.11
Total Debt Service / Exports	16.64	19.15	17.48











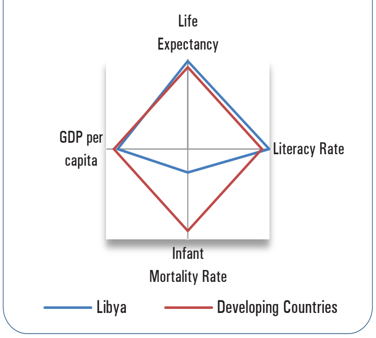
Libya

		Libya	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.06	1.25	1.15
Labour Force (% of total population)	2010	37.44	46.25	46.70
GDP per capita (PPP, cur. $)	2011	5,787	6,104	11,490
GNI per capita (PPP, cur.int. $)	2009	16,750	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	77.74	47.01	51.98
Literacy (% of population age 15+)	2010	89.21	81.41	84.03
Infant Mortality (per 1000 live births)	2010	13.40	47.00	41.15
Life Expectancy at Birth (years)	2010	74.75	69.58	69.64

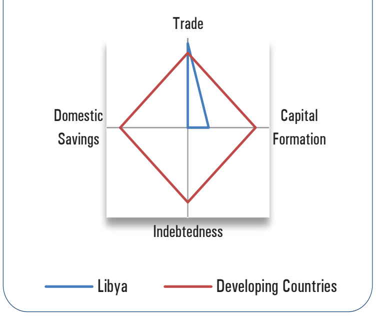
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	90.80	94.20	37.50
GDP (annual % change)	-0.10	2.50	-61.00
GDP per capita (annual % change)	-2.00	0.50	-60.60
Current Account Balance (US$ billions)	9.40	16.80	1.60
Current Account Balance / GDP	14.92	20.90	4.34
Foreign Direct Investment (US$ millions)	1,453	9,103	11,966
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.40	2.50	14.10
Implicit GDP Deflator	-32.81	...	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	35,066	42,189	18,105
Intra-OIC Merchandise Exports (% of Merchandise Exports)	4.85	5.46	12.47
Merchandise Imports	21,164	21,940	10,127
Intra-OIC Merchandise Imports (% of Merchandise Imports)	23.03	25.52	47.19
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	1.90	2.60	2.20
Industry	79.70	72.50	75.90
Services	18.40	24.90	21.90
Household Final Consumption Expenditures	35.60	36.60	36.10
General Government Final Expenditure	12.50	12.60	12.50
Gross Capital Formation	9.50	9.70	9.60
Gross Domestic Savings	67.82	...	...
Exports of Goods and Services	...	56.06	53.26
Imports of Goods and Services	24.21	41.66	27.27
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

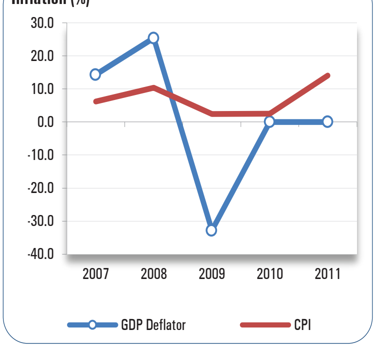
Development Diamond



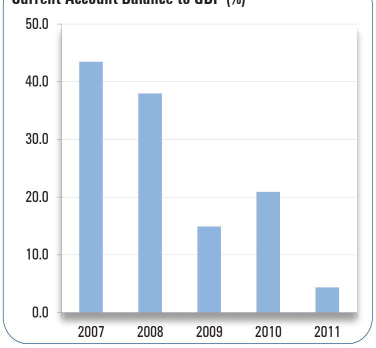
Economic Ratios (% of GDP)



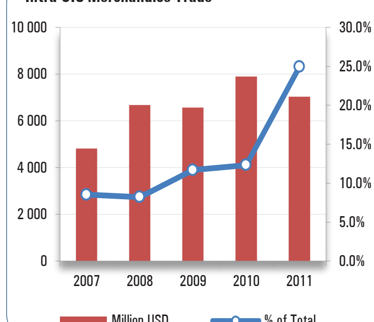
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

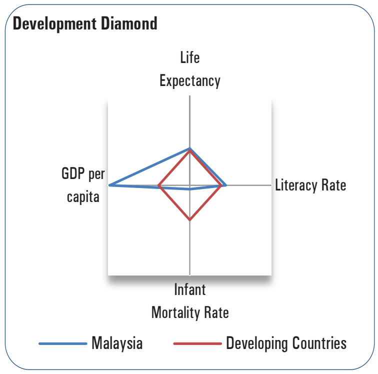


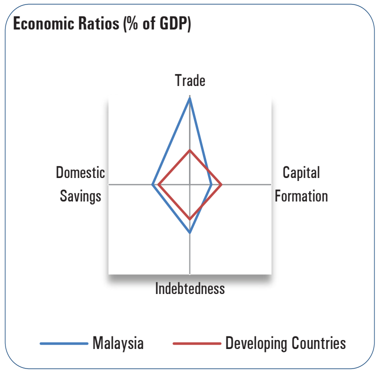
Malaysia

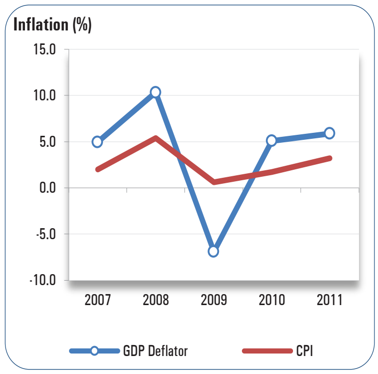
		Malaysia	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.61	1.25	1.15
Labour Force (% of total population)	2010	42.15	46.25	46.70
GDP per capita (PPP, cur. $)	2011	15,568	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	15,190	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	72.68	47.01	51.98
Literacy (% of population age 15+)	2010	93.12	81.41	84.03
Infant Mortality (per 1000 live births)	2010	5.40	47.00	41.15
Life Expectancy at Birth (years)	2010	74.02	69.58	69.64

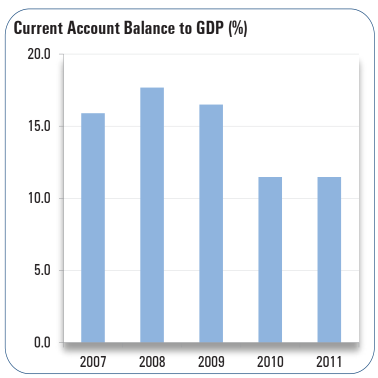
Basic Indicators

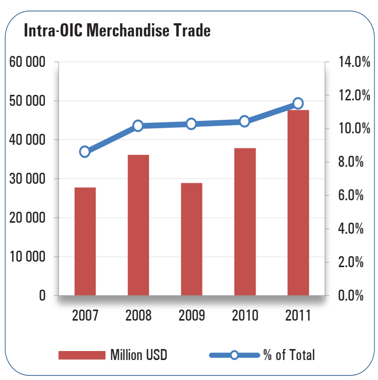
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	384.20	416.50	447.30
GDP (annual % change)	-1.60	7.20	5.10
GDP per capita (annual % change)	-2.90	5.80	3.40
Current Account Balance (US$ billions)	31.80	27.30	32.00
Current Account Balance / GDP	16.49	11.48	11.48
Foreign Direct Investment (US$ millions)	152	212	282
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	0.60	1.70	3.20
Implicit GDP Deflator	-6.90	5.09	5.89
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	157,337	198,752	227,196
Intra-OIC Merchandise Exports (% of Merchandise Exports)	10.79	10.44	10.95
Merchandise Imports	123,827	164,746	187,837
Intra-OIC Merchandise Imports (% of Merchandise Imports)	9.60	10.37	12.12
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	10.00	9.30	10.40
Industry	47.20	42.90	43.60
Services	42.80	47.70	46.00
Household Final Consumption Expenditures	45.10	49.90	48.00
General Government Final Expenditure	12.40	14.10	12.70
Gross Capital Formation	19.30	14.40	21.40
Gross Domestic Savings	42.48	35.98	39.23
Exports of Goods and Services	102.74	97.27	95.68
Imports of Goods and Services	84.02	78.40	82.76
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	29.65	34.35	34.27
Interest Payments on External Debt / GDP	1.13	1.17	0.81
Total Debt Service / Exports	1.03	3.12	1.11











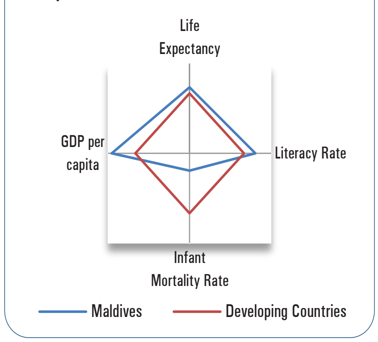
Maldives

		Maldives	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.33	1.25	1.15
Labour Force (% of total population)	2010	48.29	46.25	46.70
GDP per capita (PPP, cur. $)	2011	8,731	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	8,540	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	41.11	47.01	51.98
Literacy (% of population age 15+)	2006	98.40	81.41	84.03
Infant Mortality (per 1000 live births)	2010	13.60	47.00	41.15
Life Expectancy at Birth (years)	2010	76.55	69.58	69.64

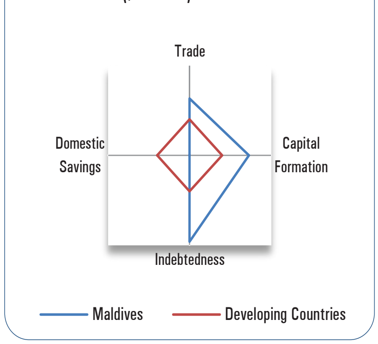
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	2.40	2.60	2.80
GDP (annual % change)	-4.70	5.70	7.40
GDP per capita (annual % change)	-6.30	4.00	5.60
Current Account Balance (US$ billions)	-0.40	-0.40	-0.30
Current Account Balance / GDP	-21.05	-19.05	-15.79
Foreign Direct Investment (US$ millions)	748	406	178
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	4.00	4.70	12.10
Implicit GDP Deflator	7.77	1.09	4.86
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	113	141	194
Intra-OIC Merchandise Exports (% of Merchandise Exports)	0.72	4.16	1.43
Merchandise Imports	1,038	1,230	1,509
Intra-OIC Merchandise Imports (% of Merchandise Imports)	29.87	30.96	30.85
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	5.20	5.40	5.00
Industry	17.00	12.20	12.20
Services	77.90	82.30	82.80
Household Final Consumption Expenditures	26.10	24.60	26.20
General Government Final Expenditure	40.40	40.00	38.90
Gross Capital Formation	58.40	57.50	56.70
Gross Domestic Savings	...	...	...
Exports of Goods and Services	43.97	42.91	38.58
Imports of Goods and Services	92.93	68.20	74.02
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	60.25	59.95	59.18
Interest Payments on External Debt / GDP	1.90	1.34	1.16
Total Debt Service / Exports	5.37	7.58	6.72

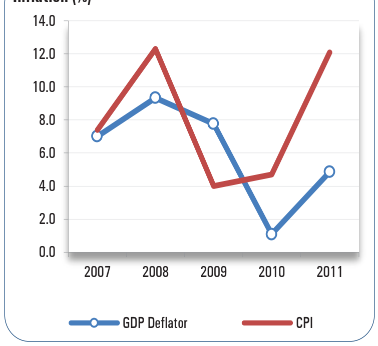
Development Diamond



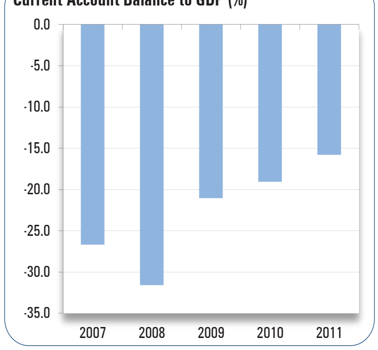
Economic Ratios (% of GDP)



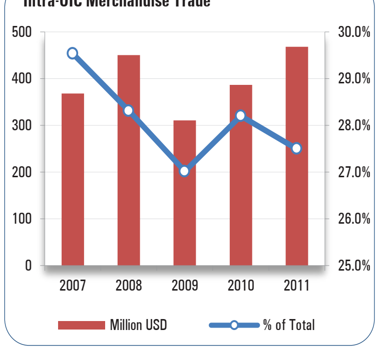
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



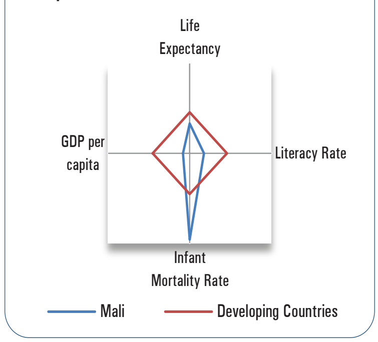
Mali

		Mali	Developing Countries	World
Population and Income				
Population Growth (%)	2011	3.06	1.25	1.15
Labour Force (% of total population)	2010	27.95	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,128	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,050	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	34.93	47.01	51.98
Literacy (% of population age 15+)	2010	31.10	81.41	84.03
Infant Mortality (per 1000 live births)	2010	99.20	47.00	41.15
Life Expectancy at Birth (years)	2010	50.95	69.58	69.64

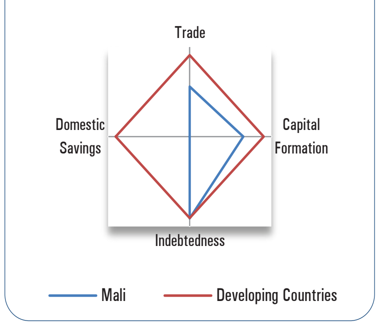
Basic Indicators

Key Economic Indicators	**2009**	**2010**	**2011**
GDP (PPP, cur. $ billion)	15.90	17.00	17.90
GDP (annual % change)	4.50	5.80	2.70
GDP per capita (annual % change)	1.30	2.70	-0.40
Current Account Balance (US$ billions)	-0.70	-1.20	-1.10
Current Account Balance / GDP	-7.78	-12.77	-10.38
Foreign Direct Investment (US$ millions)	-3	131	45
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.20	1.30	3.10
Implicit GDP Deflator	3.52	4.20	4.26
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	158	296	435
Intra-OIC Merchandise Exports (% of Merchandise Exports)	26.45	20.47	30.74
Merchandise Imports	3,045	3,453	4,012
Intra-OIC Merchandise Imports (% of Merchandise Imports)	24.58	27.72	26.15
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	39.70	38.90	40.10
Industry	20.10	21.00	19.90
Services	40.20	40.20	40.00
Household Final Consumption Expenditures	63.80	62.20	61.70
General Government Final Expenditure	17.60	17.30	17.30
Gross Capital Formation	20.20	21.20	22.50
Gross Domestic Savings	...	...	...
Exports of Goods and Services	6.87	6.82	7.28
Imports of Goods and Services	47.96	43.56	36.57
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	23.14	23.04	24.64
Interest Payments on External Debt / GDP	0.28	0.25	0.23
Total Debt Service / Exports	4.34	3.25	3.53

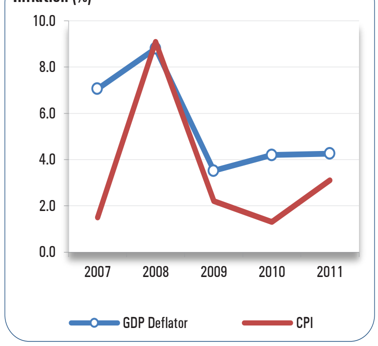
Development Diamond



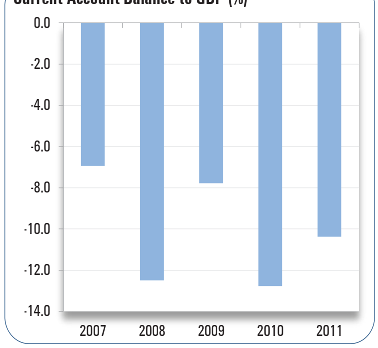
Economic Ratios (% of GDP)



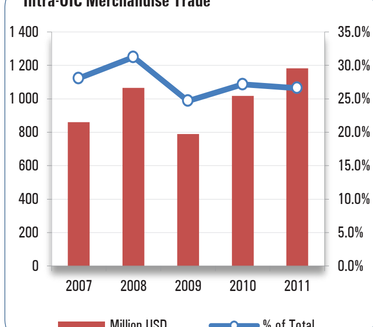
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



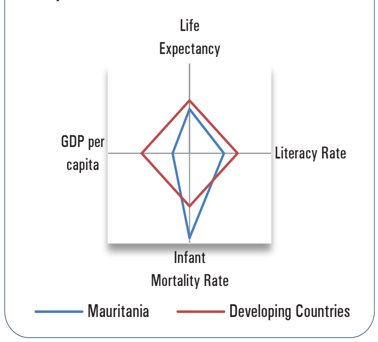
Mauritania

		Mauritania	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.36	1.25	1.15
Labour Force (% of total population)	2010	32.28	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,179	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,410	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	41.51	47.01	51.98
Literacy (% of population age 15+)	2010	58.02	81.41	84.03
Infant Mortality (per 1000 live births)	2010	75.30	47.00	41.15
Life Expectancy at Birth (years)	2010	58.22	69.58	69.64

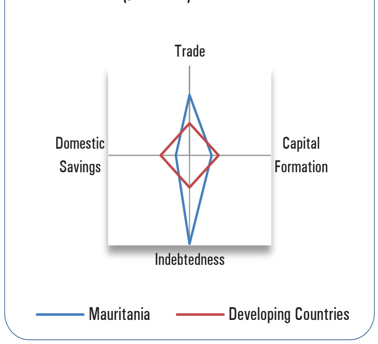
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	6.30	6.70	7.10
GDP (annual % change)	-1.20	5.10	3.60
GDP per capita (annual % change)	-3.50	2.60	1.20
Current Account Balance (US$ billions)	-0.30	-0.30	-0.30
Current Account Balance / GDP	-10.00	-8.33	-7.14
Foreign Direct Investment (US$ millions)	1,952	1,574	2,519
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.20	6.30	5.70
Implicit GDP Deflator	-5.86	19.35	9.70
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,741	2,156	3,032
Intra-OIC Merchandise Exports (% of Merchandise Exports)	11.98	12.59	10.13
Merchandise Imports	2,112	2,540	3,431
Intra-OIC Merchandise Imports (% of Merchandise Imports)	13.98	15.63	15.87
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	21.50	24.10	23.60
Industry	41.00	34.10	38.00
Services	37.50	41.70	38.50
Household Final Consumption Expenditures	60.90	69.60	60.40
General Government Final Expenditure	24.80	27.90	23.60
Gross Capital Formation	36.80	21.80	23.40
Gross Domestic Savings	12.50	13.90	15.70
Exports of Goods and Services	68.95	60.86	64.32
Imports of Goods and Services	85.21	87.84	70.06
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	56.15	67.55	67.88
Interest Payments on External Debt / GDP	0.71	0.80	0.91
Total Debt Service / Exports	3.81	2.58	2.76

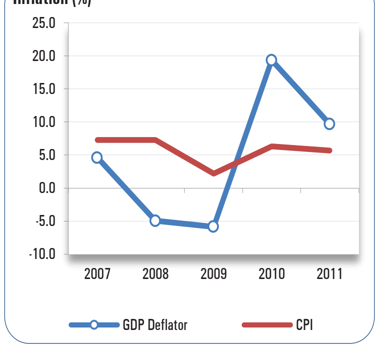
Development Diamond



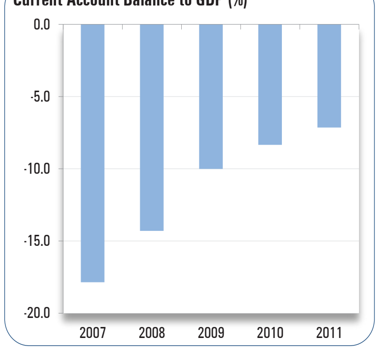
Economic Ratios (% of GDP)



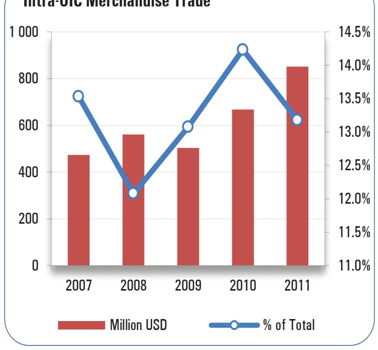
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



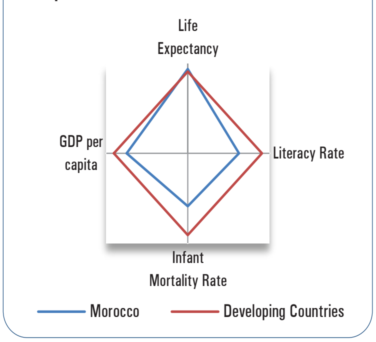
Morocco

		Morocco	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.01	1.25	1.15
Labour Force (% of total population)	2010	35.64	46.25	46.70
GDP per capita (PPP, cur. $)	2011	5,052	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	4,910	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	57.04	47.01	51.98
Literacy (% of population age 15+)	2009	56.08	81.41	84.03
Infant Mortality (per 1000 live births)	2010	30.40	47.00	41.15
Life Expectancy at Birth (years)	2010	71.86	69.58	69.64

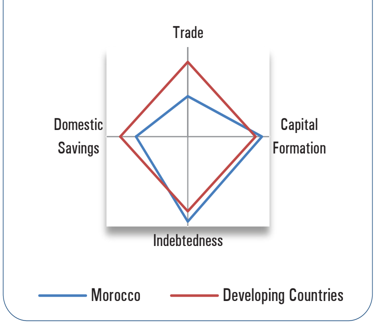
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	145.60	152.70	162.60
GDP (annual % change)	4.90	3.70	4.30
GDP per capita (annual % change)	3.80	2.60	3.20
Current Account Balance (US$ billions)	-4.90	-3.80	-7.30
Current Account Balance / GDP	-5.39	-4.19	-7.36
Foreign Direct Investment (US$ millions)	893	989	2,093
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.00	1.00	0.90
Implicit GDP Deflator	1.50	0.65	1.47
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	13,461	16,610	20,231
Intra-OIC Merchandise Exports (% of Merchandise Exports)	10.56	11.61	11.34
Merchandise Imports	32,394	35,139	43,478
Intra-OIC Merchandise Imports (% of Merchandise Imports)	14.86	17.51	17.64
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	13.90	15.60	14.10
Industry	28.80	27.10	27.20
Services	57.30	57.30	58.60
Household Final Consumption Expenditures	58.10	57.00	57.70
General Government Final Expenditure	17.10	18.00	17.70
Gross Capital Formation	38.10	36.00	34.00
Gross Domestic Savings	24.72	24.66	25.21
Exports of Goods and Services	34.96	29.63	0.00
Imports of Goods and Services	53.29	35.63	38.70
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	23.43	26.13	27.98
Interest Payments on External Debt / GDP	0.85	0.77	0.96
Total Debt Service / Exports	7.04	6.41	6.78

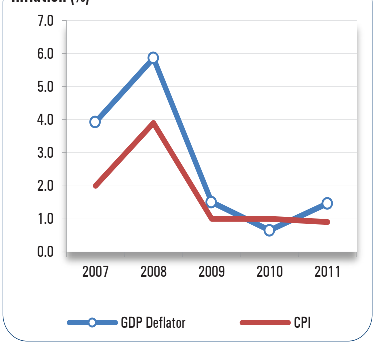
Development Diamond



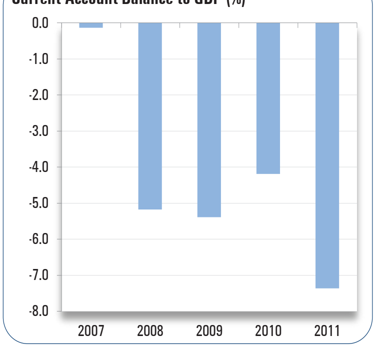
Economic Ratios (% of GDP)



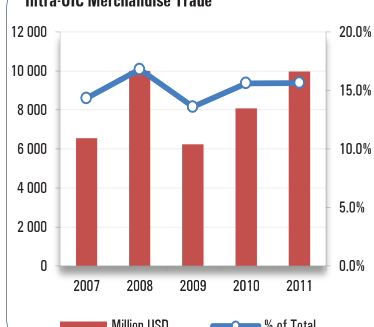
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



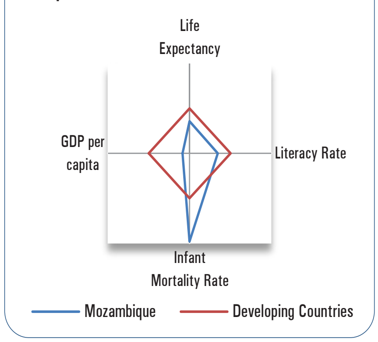
Mozambique

		Mozambique	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.30	1.25	1.15
Labour Force (% of total population)	2010	47.36	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,085	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	980	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	31.22	47.01	51.98
Literacy (% of population age 15+)	2010	56.11	81.41	84.03
Infant Mortality (per 1000 live births)	2010	92.20	47.00	41.15
Life Expectancy at Birth (years)	2010	49.70	69.58	69.64

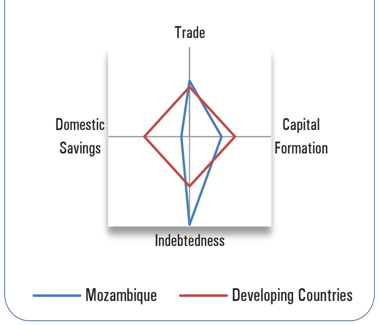
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	20.20	21.80	23.90
GDP (annual % change)	6.30	6.80	7.10
GDP per capita (annual % change)	4.20	4.70	5.00
Current Account Balance (US$ billions)	-1.20	-1.10	-1.70
Current Account Balance / GDP	-12.00	-11.58	-13.28
Foreign Direct Investment (US$ millions)	791	940	1,014
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	3.30	12.70	10.40
Implicit GDP Deflator	4.16	10.00	11.06
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	2,147	2,243	3,521
Intra-OIC Merchandise Exports (% of Merchandise Exports)	2.23	2.33	3.66
Merchandise Imports	3,764	3,564	7,556
Intra-OIC Merchandise Imports (% of Merchandise Imports)	6.96	5.13	6.16
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	28.50	28.80	28.10
Industry	23.90	23.00	24.00
Services	47.60	48.20	47.90
Household Final Consumption Expenditures	80.10	80.50	83.90
General Government Final Expenditure	12.40	12.90	12.90
Gross Capital Formation	17.60	14.90	21.90
Gross Domestic Savings	1.57	2.20	5.96
Exports of Goods and Services	31.30	27.11	30.11
Imports of Goods and Services	48.13	48.49	49.76
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	34.12	40.59	43.50
Interest Payments on External Debt / GDP	0.23	0.30	0.54
Total Debt Service / Exports	2.53	2.02	2.28

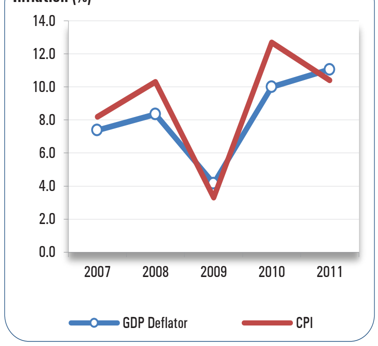
Development Diamond



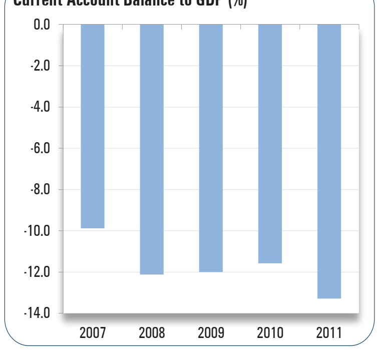
Economic Ratios (% of GDP)



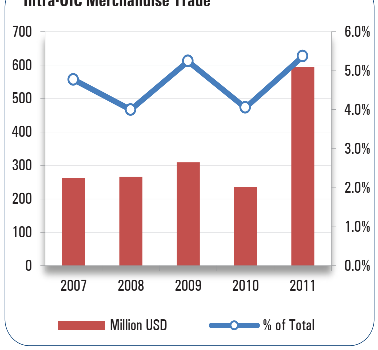
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



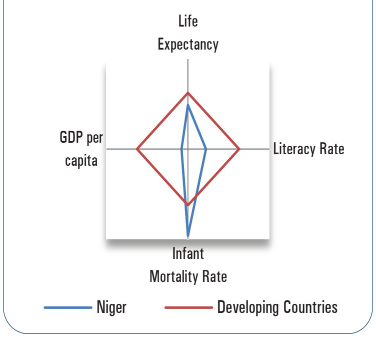
Niger

		Niger	Developing Countries	World
Population and Income				
Population Growth (%)	2011	3.59	1.25	1.15
Labour Force (% of total population)	2010	32.97	46.25	46.70
GDP per capita (PPP, cur. $)	2011	771	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	720	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	17.87	47.01	51.98
Literacy (% of population age 15+)	2005	28.67	81.41	84.03
Infant Mortality (per 1000 live births)	2010	72.50	47.00	41.15
Life Expectancy at Birth (years)	2010	54.27	69.58	69.64

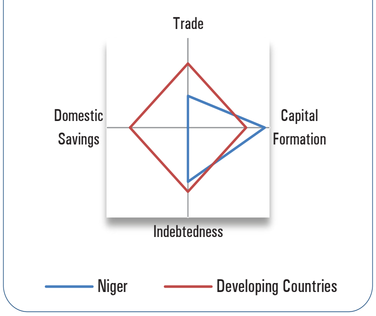
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	10.20	11.10	11.60
GDP (annual % change)	-0.90	8.00	2.30
GDP per capita (annual % change)	-3.90	4.70	-0.80
Current Account Balance (US$ billions)	-1.30	-1.10	-1.70
Current Account Balance / GDP	-24.53	-20.37	-28.33
Foreign Direct Investment (US$ millions)	8,650	6,099	8,915
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.10	0.90	2.90
Implicit GDP Deflator	4.11	0.01	3.57
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	532	213	542
Intra-OIC Merchandise Exports (% of Merchandise Exports)	24.00	69.16	31.18
Merchandise Imports	1,593	1,587	1,614
Intra-OIC Merchandise Imports (% of Merchandise Imports)	25.86	26.36	30.92
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	46.00	42.60	44.20
Industry	15.20	16.00	16.10
Services	38.80	41.40	39.70
Household Final Consumption Expenditures	70.90	74.20	69.30
General Government Final Expenditure	15.00	16.50	15.00
Gross Capital Formation	32.10	32.60	41.10
Gross Domestic Savings	...	...	...
Exports of Goods and Services	6.67	12.58	6.25
Imports of Goods and Services	42.50	44.32	29.27
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	18.57	20.93	20.79
Interest Payments on External Debt / GDP	0.21	0.19	0.17
Total Debt Service / Exports	1.82	1.99	1.34

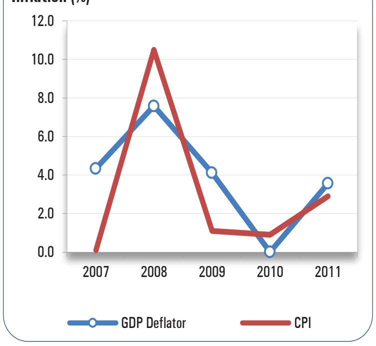
Development Diamond



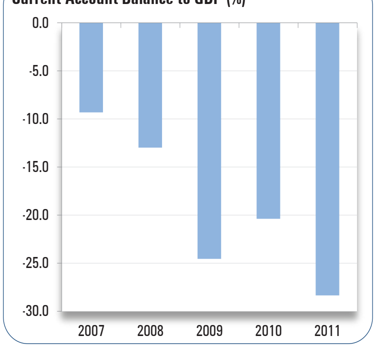
Economic Ratios (% of GDP)



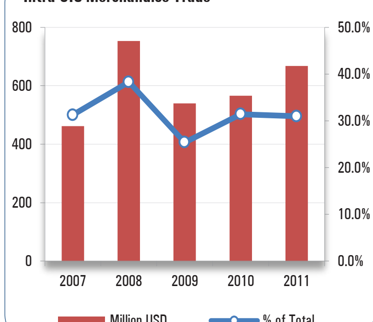
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

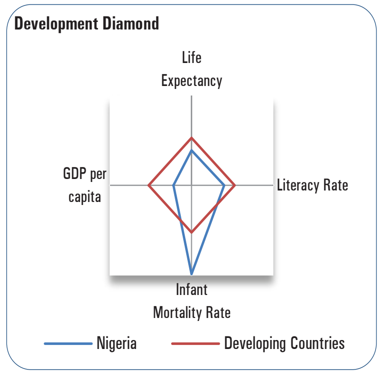


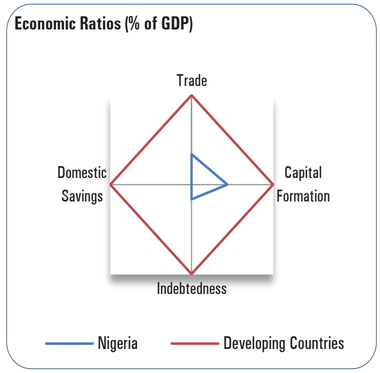
Nigeria

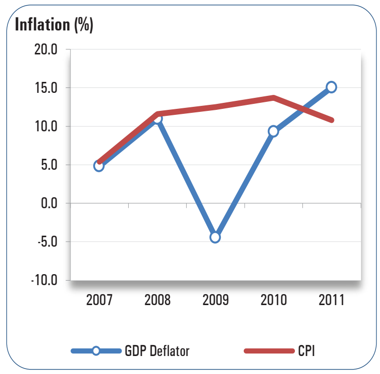
		Nigeria	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.55	1.25	1.15
Labour Force (% of total population)	2010	31.74	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,578	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,300	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	49.62	47.01	51.98
Literacy (% of population age 15+)	2010	61.34	81.41	84.03
Infant Mortality (per 1000 live births)	2010	88.40	47.00	41.15
Life Expectancy at Birth (years)	2010	51.41	69.58	69.64

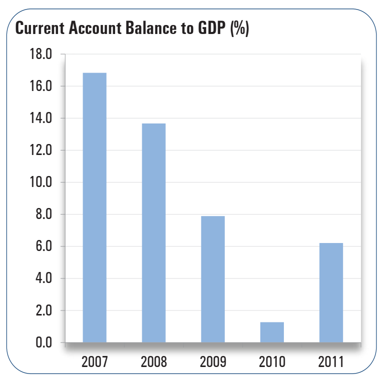
Basic Indicators

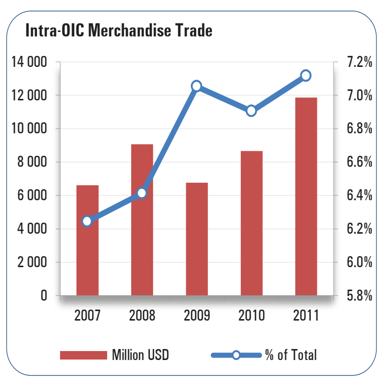
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	345.70	377.60	413.40
GDP (annual % change)	7.00	8.00	7.20
GDP per capita (annual % change)	4.10	5.10	4.30
Current Account Balance (US$ billions)	13.30	2.50	14.80
Current Account Balance / GDP	7.89	1.27	6.20
Foreign Direct Investment (US$ millions)	301	180	214
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	12.50	13.70	10.80
Implicit GDP Deflator	-4.46	9.31	15.05
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	52,657	77,845	108,367
Intra-OIC Merchandise Exports (% of Merchandise Exports)	7.19	6.87	6.72
Merchandise Imports	43,291	47,570	58,292
Intra-OIC Merchandise Imports (% of Merchandise Imports)	6.88	6.96	7.86
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	31.40	35.40	35.20
Industry	39.90	32.90	37.30
Services	28.70	31.70	27.50
Household Final Consumption Expenditures	63.90	74.80	59.50
General Government Final Expenditure	12.70	12.70	14.50
Gross Capital Formation	8.30	12.10	13.60
Gross Domestic Savings	...	...	...
Exports of Goods and Services	42.69	32.59	0.00
Imports of Goods and Services	37.78	25.68	24.17
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	5.47	4.58	4.00
Interest Payments on External Debt / GDP	0.11	0.09	0.05
Total Debt Service / Exports	...	...	...









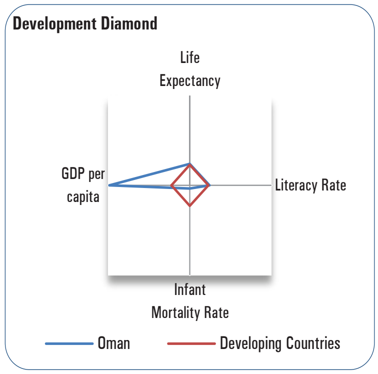


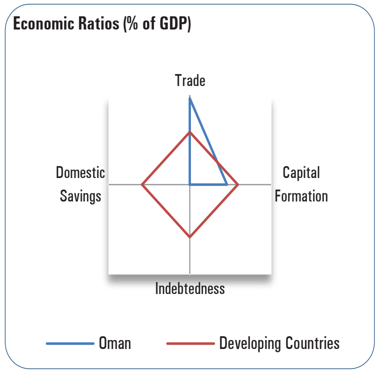
Oman

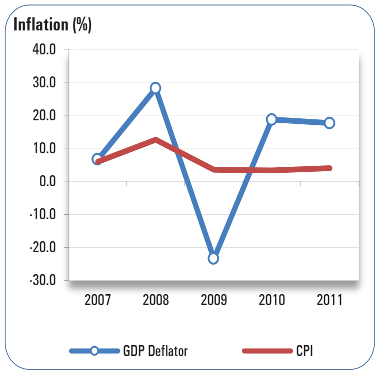
		Oman	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.29	1.25	1.15
Labour Force (% of total population)	2010	43.70	46.25	46.70
GDP per capita (PPP, cur. $)	2011	26,519	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	25,770	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	73.44	47.01	51.98
Literacy (% of population age 15+)	2008	86.62	81.41	84.03
Infant Mortality (per 1000 live births)	2010	7.80	47.00	41.15
Life Expectancy at Birth (years)	2010	73.12	69.58	69.64

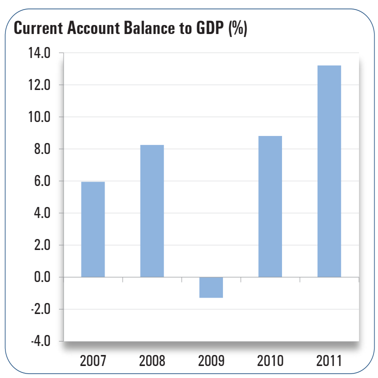
Basic Indicators

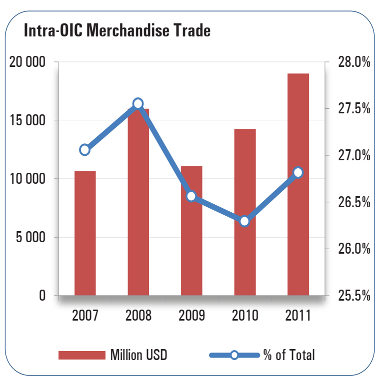
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	72.20	75.90	81.80
GDP (annual % change)	1.10	4.00	5.50
GDP per capita (annual % change)	-2.30	0.50	2.00
Current Account Balance (US$ billions)	-0.60	5.10	9.50
Current Account Balance / GDP	-1.28	8.82	13.21
Foreign Direct Investment (US$ millions)	1,508	1,142	788
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	3.50	3.30	4.00
Implicit GDP Deflator	-23.46	18.69	17.62
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	23,931	32,668	44,967
Intra-OIC Merchandise Exports (% of Merchandise Exports)	18.97	18.82	18.93
Merchandise Imports	17,851	21,535	25,891
Intra-OIC Merchandise Imports (% of Merchandise Imports)	36.73	37.63	40.50
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	1.00	1.40	1.20
Industry	66.40	57.80	62.10
Services	32.50	40.80	36.70
Household Final Consumption Expenditures	30.90	40.60	35.30
General Government Final Expenditure	14.20	19.90	17.60
Gross Capital Formation	33.50	28.40	24.20
Gross Domestic Savings	50.99	...	...
Exports of Goods and Services	60.73	54.96	59.27
Imports of Goods and Services	55.39	59.09	57.52
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...





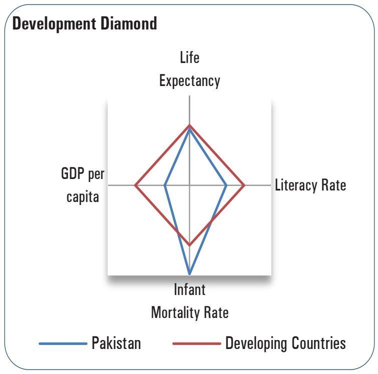






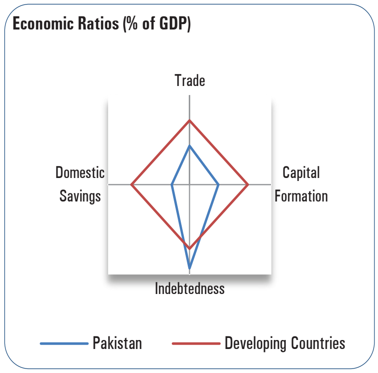
Pakistan

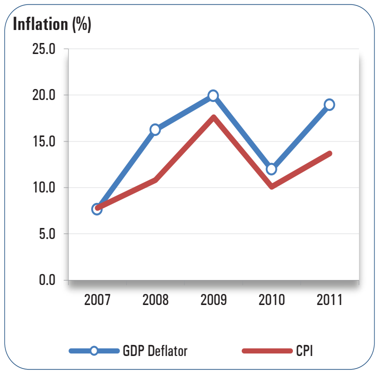
		Pakistan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.82	1.25	1.15
Labour Force (% of total population)	2010	34.38	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,787	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,880	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	36.22	47.01	51.98
Literacy (% of population age 15+)	2009	54.89	81.41	84.03
Infant Mortality (per 1000 live births)	2010	69.70	47.00	41.15
Life Expectancy at Birth (years)	2010	65.20	69.58	69.64

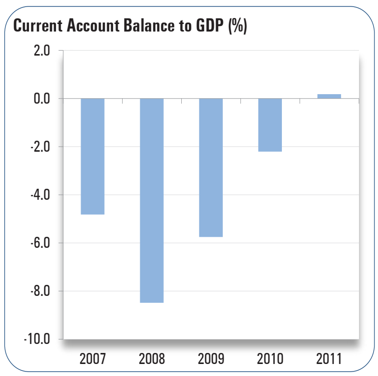


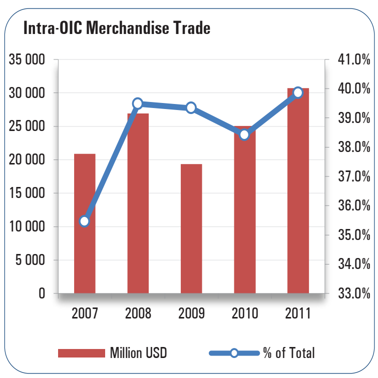
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	445.10	467.20	488.60
GDP (annual % change)	1.70	3.80	2.40
GDP per capita (annual % change)	-2.60	1.60	0.30
Current Account Balance (US$ billions)	-9.30	-3.90	0.40
Current Account Balance / GDP	-5.75	-2.20	0.19
Foreign Direct Investment (US$ millions)	2,338	2,022	1,327
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	17.60	10.10	13.70
Implicit GDP Deflator	19.91	11.96	18.94
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	17,523	21,501	25,617
Intra-OIC Merchandise Exports (% of Merchandise Exports)	34.16	33.81	33.93
Merchandise Imports	31,649	43,711	51,497
Intra-OIC Merchandise Imports (% of Merchandise Imports)	42.20	40.68	42.79
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	20.30	21.60	21.20
Industry	26.80	24.70	25.40
Services	52.90	53.70	53.40
Household Final Consumption Expenditures	76.50	81.20	82.50
General Government Final Expenditure	12.50	8.10	7.90
Gross Capital Formation	22.10	18.20	15.40
Gross Domestic Savings	11.02	10.68	10.15
Exports of Goods and Services	15.56	13.46	14.41
Imports of Goods and Services	34.30	23.61	28.72
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	29.93	33.73	32.10
Interest Payments on External Debt / GDP	0.66	0.63	0.60
Total Debt Service / Exports	8.86	11.91	11.57









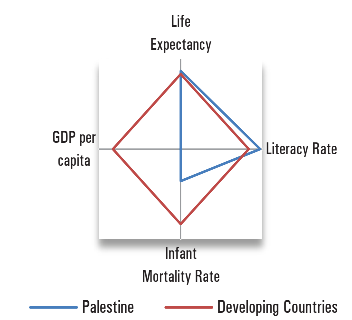
Palestine

		Palestine	Developing Countries	World
Population and Income				
Population Growth (%)	2011	6.33	1.25	1.15
Labour Force (% of total population)	2010	23.46	46.25	46.70
GDP per capita (PPP, cur. $)	2011	...	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	...	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	74.35	47.01	51.98
Literacy (% of population age 15+)	2010	94.93	81.41	84.03
Infant Mortality (per 1000 live births)	2010	20.10	47.00	41.15
Life Expectancy at Birth (years)	2010	72.64	69.58	69.64

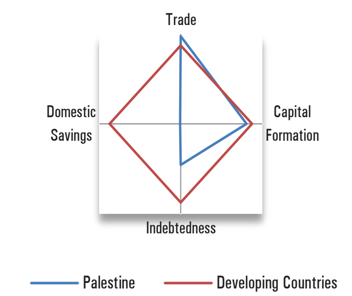
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	...	...	...
GDP (annual % change)	7.40	6.50	...
GDP per capita (annual % change)	...	...	...
Current Account Balance (US$ billions)	...	...	...
Current Account Balance / GDP	...	...	...
Foreign Direct Investment (US$ millions)	265	115	...
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.80	3.80	...
Implicit GDP Deflator	...	...	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	...	...	...
Intra-OIC Merchandise Exports (% of Merchandise Exports)	...	...	...
Merchandise Imports	...	...	...
Intra-OIC Merchandise Imports (% of Merchandise Imports)	...	...	...
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	6.70	6.60	6.60
Industry	21.10	21.30	24.30
Services	72.20	72.10	69.00
Household Final Consumption Expenditures	110.20	109.50	113.60
General Government Final Expenditure	20.60	22.50	21.80
Gross Capital Formation	19.30	18.90	26.10
Gross Domestic Savings	-30.72	-32.04	-35.40
Exports of Goods and Services	15.37	13.59	13.70
Imports of Goods and Services	65.40	64.50	75.20
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

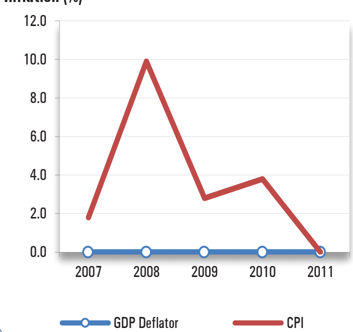
Development Diamond



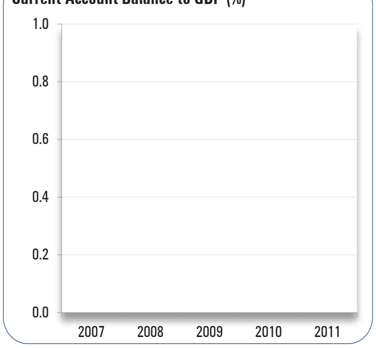
Economic Ratios (% of GDP)



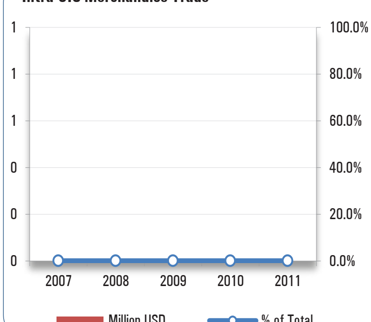
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



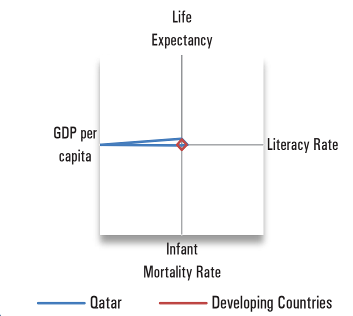
Qatar

		Qatar	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.31	1.25	1.15
Labour Force (% of total population)	2010	74.75	46.25	46.70
GDP per capita (PPP, cur. $)	2011	102,943	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	87,030	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	98.77	47.01	51.98
Literacy (% of population age 15+)	2010	96.28	81.41	84.03
Infant Mortality (per 1000 live births)	2010	6.70	47.00	41.15
Life Expectancy at Birth (years)	2010	78.10	69.58	69.64

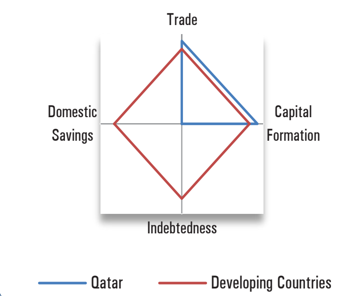
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	127.10	150.00	182.00
GDP (annual % change)	12.00	16.60	18.80
GDP per capita (annual % change)	-1.00	12.40	14.20
Current Account Balance (US$ billions)	10.00	33.50	49.40
Current Account Balance / GDP	10.25	26.32	28.42
Foreign Direct Investment (US$ millions)	8,125	4,670	-87
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-4.90	-2.40	2.00
Implicit GDP Deflator	-24.25	11.91	14.35
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	46,268	67,356	105,496
Intra-OIC Merchandise Exports (% of Merchandise Exports)	3.53	3.44	3.97
Merchandise Imports	25,031	22,534	24,160
Intra-OIC Merchandise Imports (% of Merchandise Imports)	22.34	28.47	33.43
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	0.10	0.10	0.10
Industry	71.40	60.70	67.00
Services	28.40	39.20	32.90
Household Final Consumption Expenditures	17.80	22.10	22.00
General Government Final Expenditure	11.40	15.80	13.50
Gross Capital Formation	39.40	39.90	34.70
Gross Domestic Savings	61.33	54.86	...
Exports of Goods and Services	51.56	50.92	54.47
Imports of Goods and Services	30.51	31.72	24.59
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

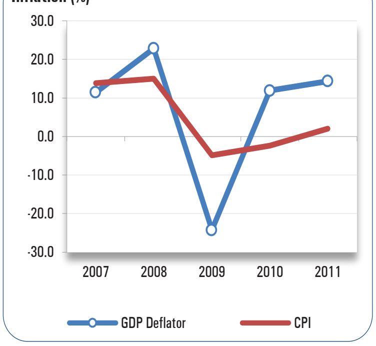
Development Diamond



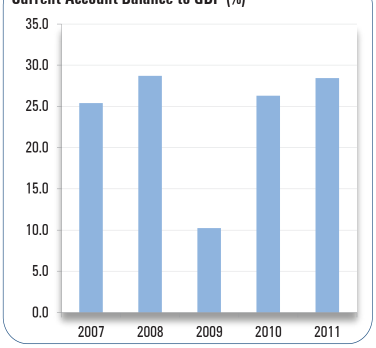
Economic Ratios (% of GDP)



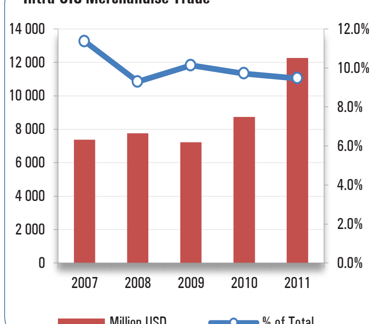
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



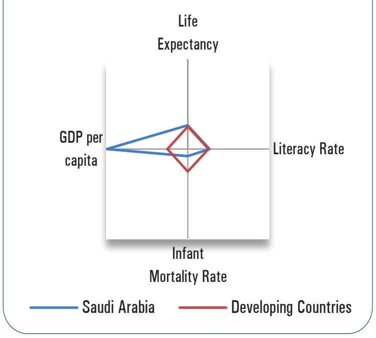
Saudi Arabia

		Saudi Arabia	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.68	1.25	1.15
Labour Force (% of total population)	2010	34.83	46.25	46.70
GDP per capita (PPP, cur. $)	2011	24,237	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	24,870	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	82.29	47.01	51.98
Literacy (% of population age 15+)	2010	86.55	81.41	84.03
Infant Mortality (per 1000 live births)	2010	15.00	47.00	41.15
Life Expectancy at Birth (years)	2010	73.85	69.58	69.64

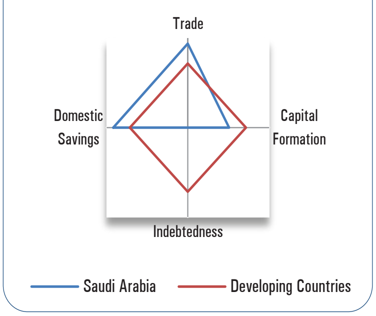
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	591.50	626.10	682.80
GDP (annual % change)	0.10	4.60	6.80
GDP per capita (annual % change)	-3.20	1.20	4.50
Current Account Balance (US$ billions)	21.00	66.80	141.10
Current Account Balance / GDP	5.57	14.80	24.43
Foreign Direct Investment (US$ millions)	32,100	28,105	16,400
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	5.10	5.40	5.00
Implicit GDP Deflator	-20.99	14.36	19.84
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	172,516	232,247	328,933
Intra-OIC Merchandise Exports (% of Merchandise Exports)	15.61	15.49	13.78
Merchandise Imports	92,006	103,712	127,519
Intra-OIC Merchandise Imports (% of Merchandise Imports)	13.02	14.27	14.50
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	2.30	3.00	2.60
Industry	70.10	59.40	61.80
Services	27.60	37.70	35.70
Household Final Consumption Expenditures	27.80	36.70	34.10
General Government Final Expenditure	19.30	24.90	22.50
Gross Capital Formation	22.20	27.30	22.00
Gross Domestic Savings	53.47	-12.10	42.32
Exports of Goods and Services	67.07	48.22	53.61
Imports of Goods and Services	39.60	44.27	39.98
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

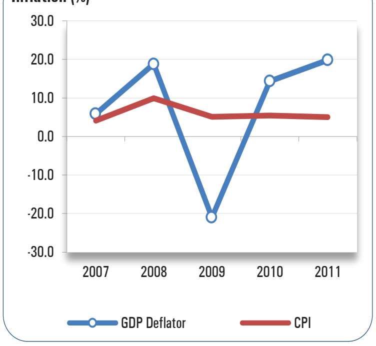
Development Diamond



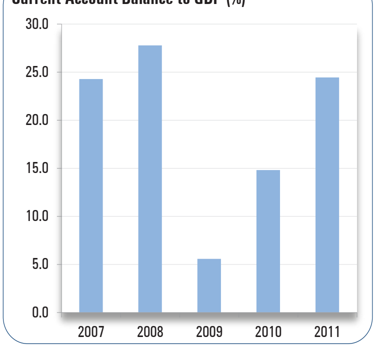
Economic Ratios (% of GDP)



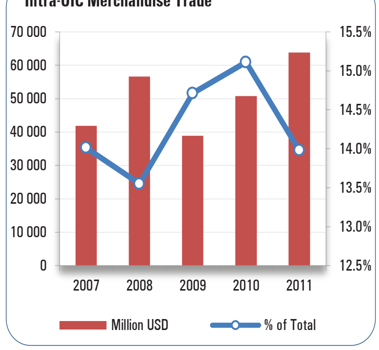
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

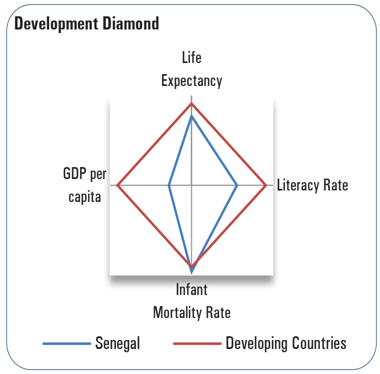


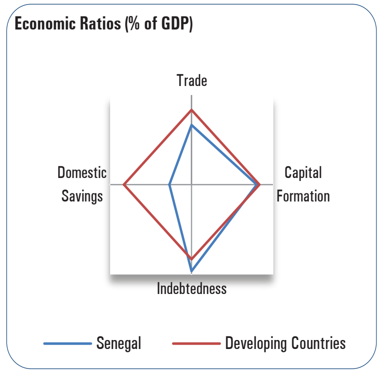
Senegal

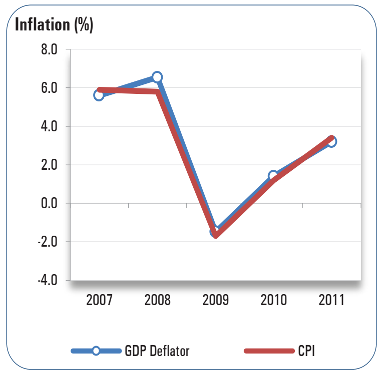
		Senegal	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.21	1.25	1.15
Labour Force (% of total population)	2010	43.31	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,871	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,960	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	42.56	47.01	51.98
Literacy (% of population age 15+)	2009	49.70	81.41	84.03
Infant Mortality (per 1000 live births)	2010	49.80	47.00	41.15
Life Expectancy at Birth (years)	2010	58.95	69.58	69.64

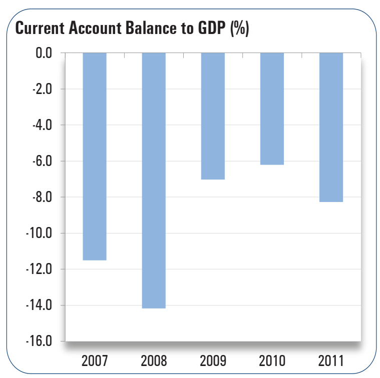
Basic Indicators

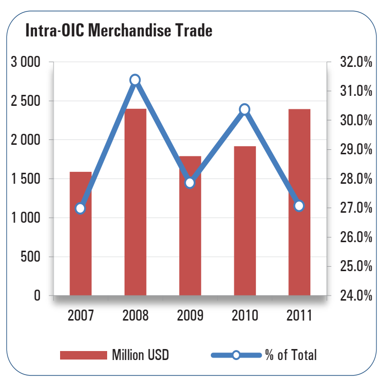
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	22.80	24.00	25.20
GDP (annual % change)	2.10	4.10	2.60
GDP per capita (annual % change)	-0.30	1.70	0.20
Current Account Balance (US$ billions)	-0.90	-0.80	-1.20
Current Account Balance / GDP	-7.03	-6.20	-8.28
Foreign Direct Investment (US$ millions)	320	266	286
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-1.70	1.20	3.40
Implicit GDP Deflator	-1.48	1.41	3.20
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,885	1,949	2,459
Intra-OIC Merchandise Exports (% of Merchandise Exports)	45.50	52.51	49.82
Merchandise Imports	4,535	4,372	6,391
Intra-OIC Merchandise Imports (% of Merchandise Imports)	20.51	20.48	18.31
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	15.70	16.70	15.40
Industry	22.80	23.20	23.40
Services	61.50	60.10	61.20
Household Final Consumption Expenditures	80.50	78.90	75.20
General Government Final Expenditure	13.30	13.90	14.60
Gross Capital Formation	32.70	27.10	29.80
Gross Domestic Savings	3.90	9.26	10.77
Exports of Goods and Services	23.78	24.84	23.12
Imports of Goods and Services	52.54	44.40	33.95
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	20.97	27.33	28.54
Interest Payments on External Debt / GDP	0.41	0.41	0.58
Total Debt Service / Exports	1.95	3.08	3.38









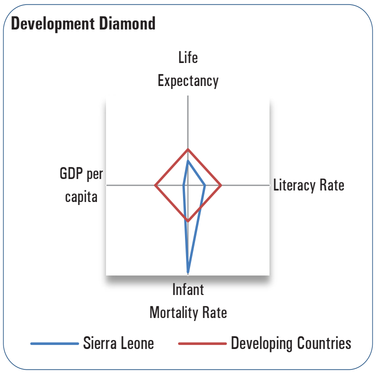


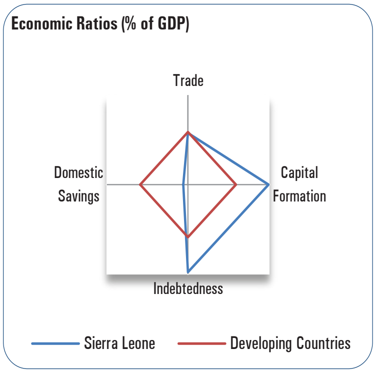
Sierra Leone

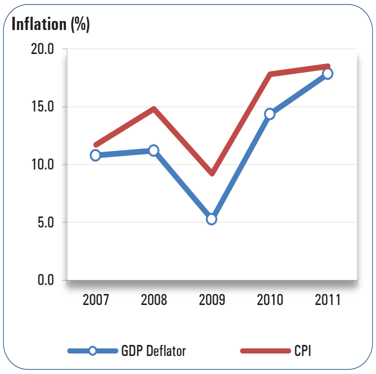
		Sierra Leone	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.42	1.25	1.15
Labour Force (% of total population)	2010	38.53	46.25	46.70
GDP per capita (PPP, cur. $)	2011	849	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	850	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	39.26	47.01	51.98
Literacy (% of population age 15+)	2010	42.12	81.41	84.03
Infant Mortality (per 1000 live births)	2010	113.70	47.00	41.15
Life Expectancy at Birth (years)	2010	47.40	69.58	69.64

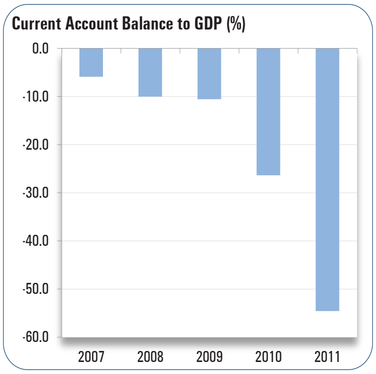
Basic Indicators

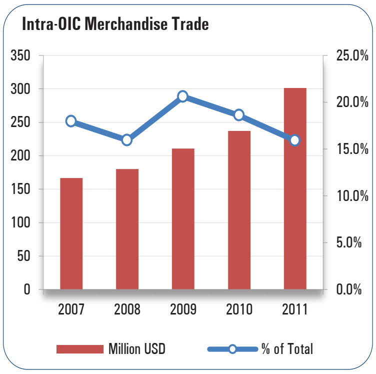
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	4.50	4.70	5.10
GDP (annual % change)	3.20	5.00	5.30
GDP per capita (annual % change)	0.70	2.30	2.70
Current Account Balance (US$ billions)	-0.20	-0.50	-1.20
Current Account Balance / GDP	-10.53	-26.32	-54.55
Foreign Direct Investment (US$ millions)	74	87	49
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	9.20	17.80	18.50
Implicit GDP Deflator	5.24	14.35	17.83
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	215	289	352
Intra-OIC Merchandise Exports (% of Merchandise Exports)	10.85	7.49	10.75
Merchandise Imports	808	988	1,543
Intra-OIC Merchandise Imports (% of Merchandise Imports)	23.20	21.82	17.07
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	58.70	58.20	58.50
Industry	6.70	5.20	5.10
Services	34.60	36.60	36.40
Household Final Consumption Expenditures	70.80	70.80	71.30
General Government Final Expenditure	14.40	14.40	16.30
Gross Capital Formation	40.10	40.10	52.30
Gross Domestic Savings	1.67	2.32	3.32
Exports of Goods and Services	16.18	14.56	17.93
Imports of Goods and Services	50.39	49.30	51.89
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	31.10	37.77	40.84
Interest Payments on External Debt / GDP	0.17	0.24	0.21
Total Debt Service / Exports	11.00	4.54	3.82





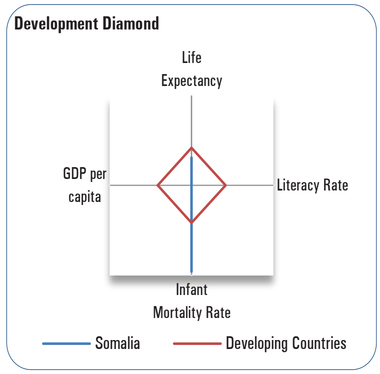






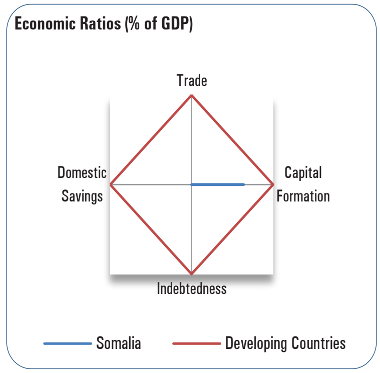
Somalia

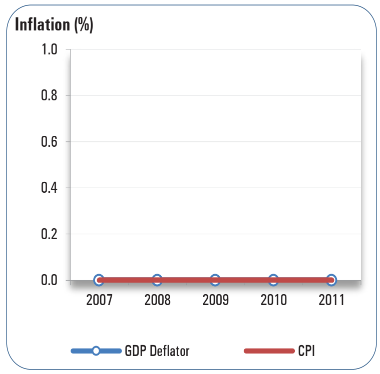
		Somalia	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.13	1.25	1.15
Labour Force (% of total population)	2010	31.33	46.25	46.70
GDP per capita (PPP, cur. $)	2011	...	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	...	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	37.76	47.01	51.98
Literacy (% of population age 15+)	...	...	81.41	84.03
Infant Mortality (per 1000 live births)	2010	108.30	47.00	41.15
Life Expectancy at Birth (years)	2010	50.90	69.58	69.64

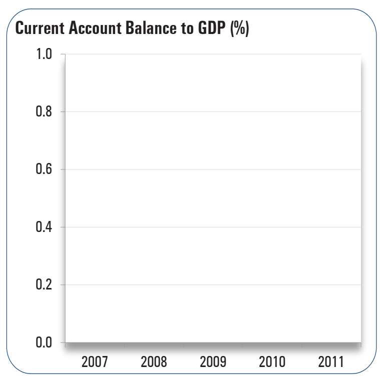


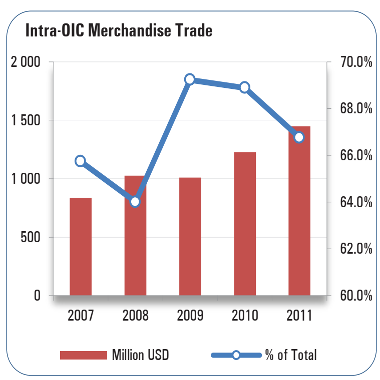
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	...	...	...
GDP (annual % change)	2.60	2.60	...
GDP per capita (annual % change)	...	...	...
Current Account Balance (US$ billions)	...	...	...
Current Account Balance / GDP	...	...	...
Foreign Direct Investment (US$ millions)	108	112	102
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	...	...	...
Implicit GDP Deflator	...	...	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	433	518	595
Intra-OIC Merchandise Exports (% of Merchandise Exports)	98.20	96.76	96.54
Merchandise Imports	1,025	1,263	1,573
Intra-OIC Merchandise Imports (% of Merchandise Imports)	56.98	57.46	55.49
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	60.20	60.20	60.20
Industry	7.40	7.40	7.40
Services	32.50	32.50	32.50
Household Final Consumption Expenditures	72.60	72.60	72.70
General Government Final Expenditure	8.70	8.70	8.70
Gross Capital Formation	20.10	20.00	19.90
Gross Domestic Savings	...	...	...
Exports of Goods and Services	...	...	...
Imports of Goods and Services	...	...	...
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...









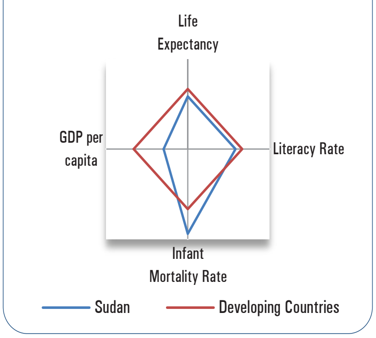
Sudan

		Sudan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	0.91	1.25	1.15
Labour Force (% of total population)	2010	32.11	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,726	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	2,020	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	33.24	47.01	51.98
Literacy (% of population age 15+)	2010	71.06	81.41	84.03
Infant Mortality (per 1000 live births)	2010	66.40	47.00	41.15
Life Expectancy at Birth (years)	2010	61.11	69.58	69.64

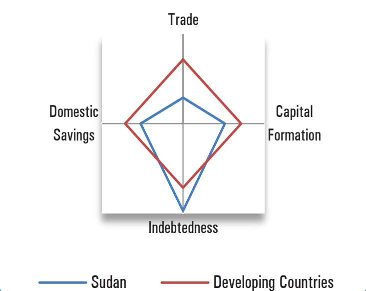
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	85.90	90.70	89.00
GDP (annual % change)	3.00	4.50	-3.90
GDP per capita (annual % change)	0.40	1.80	18.10
Current Account Balance (US$ billions)	-4.20	0.50	1.30
Current Account Balance / GDP	-7.98	0.77	2.01
Foreign Direct Investment (US$ millions)	1,816	2,064	1,936
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	11.30	13.00	18.10
Implicit GDP Deflator	-0.26	17.61	0.00
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	7,037	8,852	12,572
Intra-OIC Merchandise Exports (% of Merchandise Exports)	15.66	7.48	5.74
Merchandise Imports	8,481	9,717	10,940
Intra-OIC Merchandise Imports (% of Merchandise Imports)	31.92	33.85	36.25
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	31.70	34.20	33.40
Industry	29.70	24.30	27.30
Services	38.60	41.40	39.30
Household Final Consumption Expenditures	69.50	70.80	70.80
General Government Final Expenditure	7.80	8.70	7.80
Gross Capital Formation	21.10	23.40	22.40
Gross Domestic Savings	26.76	19.41	24.19
Exports of Goods and Services	23.15	14.31	14.17
Imports of Goods and Services	25.09	21.04	14.90
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	37.44	39.44	33.49
Interest Payments on External Debt / GDP	0.14	0.22	0.13
Total Debt Service / Exports	2.89	5.44	4.13

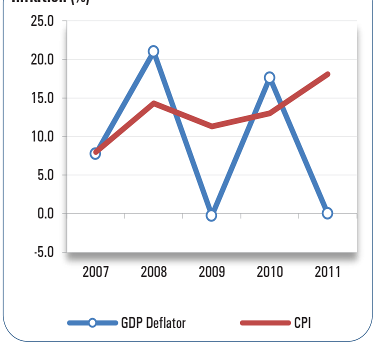
Development Diamond



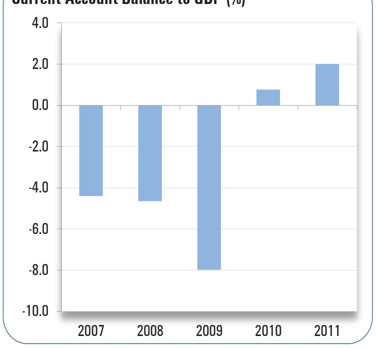
Economic Ratios (% of GDP)



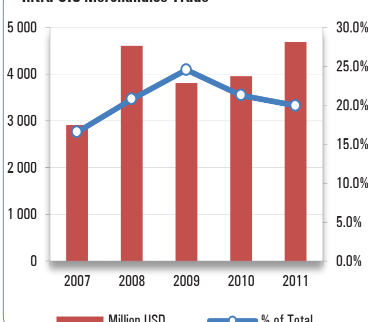
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



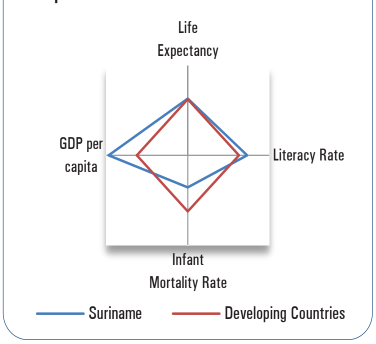
Suriname

		Suriname	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.83	1.25	1.15
Labour Force (% of total population)	2010	38.79	46.25	46.70
GDP per capita (PPP, cur. $)	2011	9,475	6,104	11,490
GNI per capita (PPP, cur.int. $)	2010	7,710	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	69.72	47.01	51.98
Literacy (% of population age 15+)	2010	94.68	81.41	84.03
Infant Mortality (per 1000 live births)	2010	26.90	47.00	41.15
Life Expectancy at Birth (years)	2010	70.34	69.58	69.64

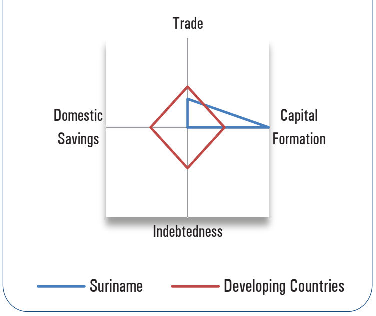
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	4.50	4.70	5.10
GDP (annual % change)	3.50	4.50	4.50
GDP per capita (annual % change)	2.30	3.30	3.30
Current Account Balance (US$ billions)	0.00	0.10	0.00
Current Account Balance / GDP	0.00	2.78	0.00
Foreign Direct Investment (US$ millions)	-93	-612	-585
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-0.10	6.90	17.70
Implicit GDP Deflator	6.93	7.40	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	511	758	1,313
Intra-OIC Merchandise Exports (% of Merchandise Exports)	12.98	21.19	14.37
Merchandise Imports	507	508	1,822
Intra-OIC Merchandise Imports (% of Merchandise Imports)	1.18	26.66	10.40
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	5.90	5.80	5.70
Industry	43.80	44.30	44.40
Services	50.40	49.90	49.80
Household Final Consumption Expenditures	16.80	15.70	15.00
General Government Final Expenditure	4.80	4.50	4.30
Gross Capital Formation	79.50	76.70	68.30
Gross Domestic Savings	...	...	...
Exports of Goods and Services	28.55	24.46	28.92
Imports of Goods and Services	29.55	24.36	21.24
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...

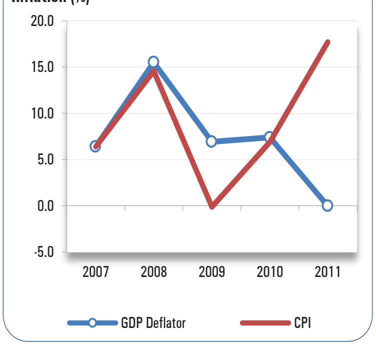
Development Diamond



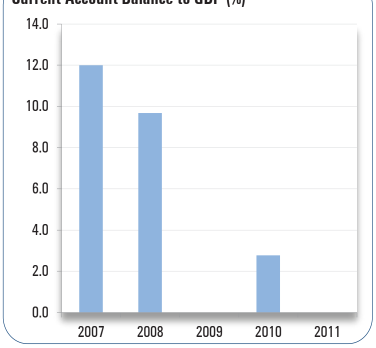
Economic Ratios (% of GDP)



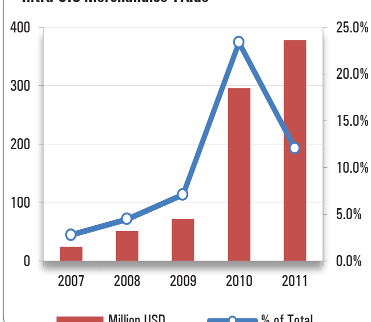
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

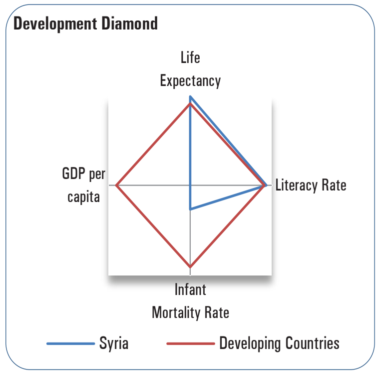


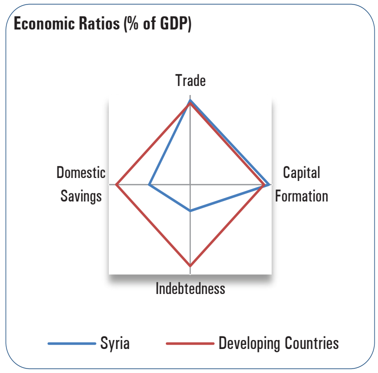
Syria

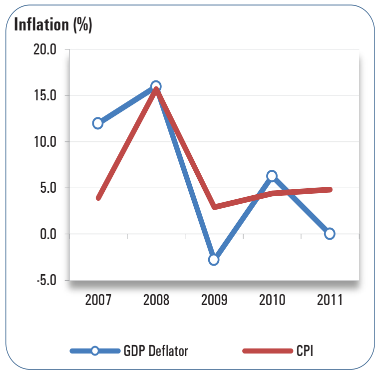
		Syria	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.43	1.25	1.15
Labour Force (% of total population)	2010	26.69	46.25	46.70
GDP per capita (PPP, cur. $)	2011	...	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	5,090	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	56.07	47.01	51.98
Literacy (% of population age 15+)	2010	83.44	81.41	84.03
Infant Mortality (per 1000 live births)	2010	13.80	47.00	41.15
Life Expectancy at Birth (years)	2010	75.70	69.58	69.64

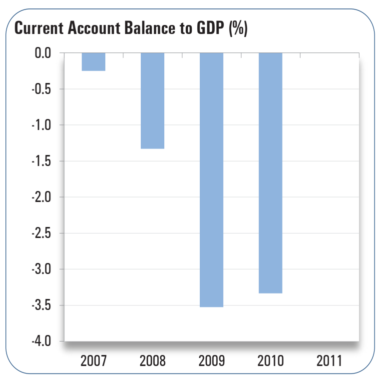
Basic Indicators

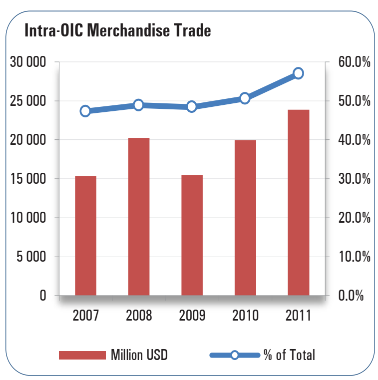
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	103.10	107.60	0.00
GDP (annual % change)	6.00	3.20	0.00
GDP per capita (annual % change)	3.30	2.00	0.00
Current Account Balance (US$ billions)	-1.90	-2.00	0.00
Current Account Balance / GDP	-3.53	-3.33	...
Foreign Direct Investment (US$ millions)	1,514	1,850	1,059
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	2.90	4.40	4.80
Implicit GDP Deflator	-2.80	6.26	...
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	10,158	14,036	15,522
Intra-OIC Merchandise Exports (% of Merchandise Exports)	64.04	62.09	67.88
Merchandise Imports	21,837	25,457	26,397
Intra-OIC Merchandise Imports (% of Merchandise Imports)	41.09	44.22	50.48
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	18.70	22.60	20.20
Industry	34.30	27.00	31.80
Services	47.10	50.30	48.00
Household Final Consumption Expenditures	56.90	59.90	59.00
General Government Final Expenditure	11.20	12.00	10.00
Gross Capital Formation	31.70	30.20	33.10
Gross Domestic Savings	31.87	28.14	18.39
Exports of Goods and Services	35.74	27.02	31.41
Imports of Goods and Services	56.54	45.80	42.46
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	9.87	9.48	7.89
Interest Payments on External Debt / GDP	0.27	0.26	0.22
Total Debt Service / Exports	3.36	3.78	...





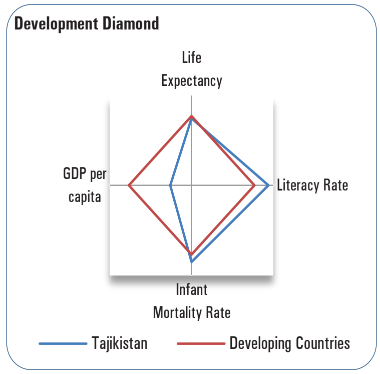


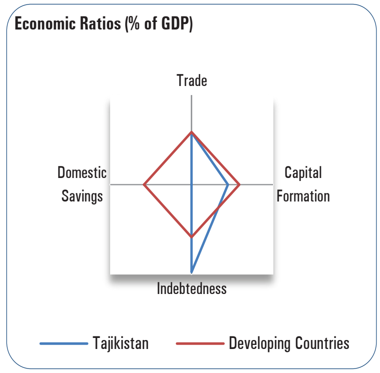


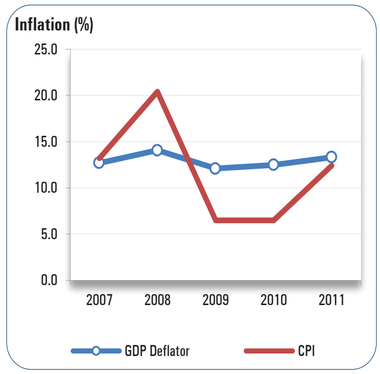


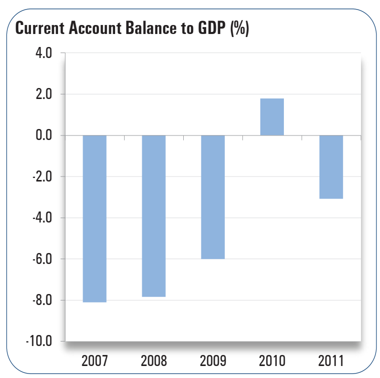
Tajikistan

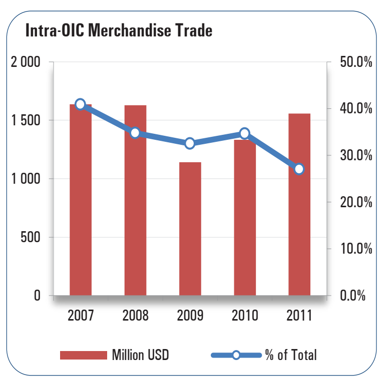
		Tajikistan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.11	1.25	1.15
Labour Force (% of total population)	2010	41.40	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,067	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,310	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	26.55	47.01	51.98
Literacy (% of population age 15+)	2010	99.69	81.41	84.03
Infant Mortality (per 1000 live births)	2010	52.20	47.00	41.15
Life Expectancy at Birth (years)	2010	67.26	69.58	69.64











Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	13.70	14.80	16.20
GDP (annual % change)	3.90	6.50	7.40
GDP per capita (annual % change)	1.70	4.30	5.20
Current Account Balance (US$ billions)	-0.30	0.10	-0.20
Current Account Balance / GDP	-6.00	1.79	-3.08
Foreign Direct Investment (US$ millions)	16	-15	11
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	6.50	6.50	12.40
Implicit GDP Deflator	12.10	12.48	13.33
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,010	1,195	975
Intra-OIC Merchandise Exports (% of Merchandise Exports)	34.78	45.91	52.87
Merchandise Imports	2,505	2,655	4,802
Intra-OIC Merchandise Imports (% of Merchandise Imports)	31.55	29.53	21.72
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	22.50	20.60	21.70
Industry	27.80	27.20	28.30
Services	49.70	52.20	50.10
Household Final Consumption Expenditures	87.60	86.30	111.20
General Government Final Expenditure	9.30	12.50	9.70
Gross Capital Formation	26.50	24.80	18.40
Gross Domestic Savings	-34.00	-21.27	-23.04
Exports of Goods and Services	31.01	23.93	23.69
Imports of Goods and Services	72.07	56.14	47.07
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	46.28	51.22	52.38
Interest Payments on External Debt / GDP	0.60	0.85	0.97
Total Debt Service / Exports	6.13	6.02	3.79

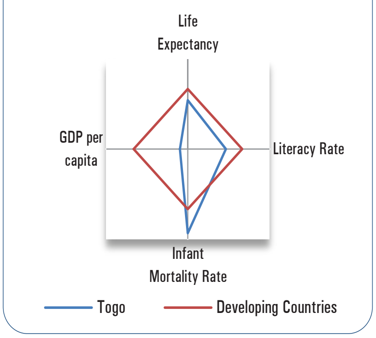
Togo

		Togo	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.18	1.25	1.15
Labour Force (% of total population)	2010	48.76	46.25	46.70
GDP per capita (PPP, cur. $)	2011	899	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,030	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	38.02	47.01	51.98
Literacy (% of population age 15+)	2009	57.09	81.41	84.03
Infant Mortality (per 1000 live births)	2010	66.00	47.00	41.15
Life Expectancy at Birth (years)	2010	56.59	69.58	69.64

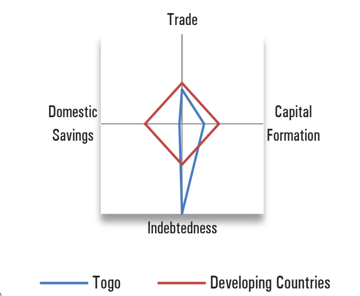
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	5.70	6.00	6.40
GDP (annual % change)	3.40	4.00	4.10
GDP per capita (annual % change)	0.90	1.50	1.60
Current Account Balance (US$ billions)	-0.20	-0.20	-0.30
Current Account Balance / GDP	-6.25	-6.25	-8.33
Foreign Direct Investment (US$ millions)	49	86	54
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.90	3.20	3.60
Implicit GDP Deflator	1.91	1.78	3.77
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	741	639	1,069
Intra-OIC Merchandise Exports (% of Merchandise Exports)	48.12	60.57	46.58
Merchandise Imports	983	986	3,463
Intra-OIC Merchandise Imports (% of Merchandise Imports)	14.33	16.09	10.78
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	45.40	47.60	46.60
Industry	20.20	17.80	18.20
Services	34.40	34.60	35.20
Household Final Consumption Expenditures	85.70	82.80	85.20
General Government Final Expenditure	13.40	14.20	12.00
Gross Capital Formation	17.70	18.70	18.60
Gross Domestic Savings	0.88	2.38	2.35
Exports of Goods and Services	28.89	32.28	29.22
Imports of Goods and Services	41.48	42.78	30.83
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	51.29	51.46	54.01
Interest Payments on External Debt / GDP	1.71	0.44	0.27
Total Debt Service / Exports	7.41	5.10	3.49

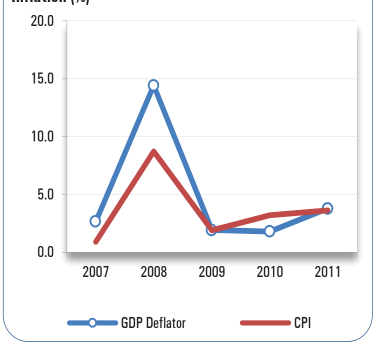
Development Diamond



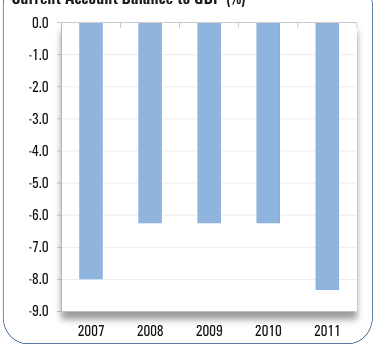
Economic Ratios (% of GDP)



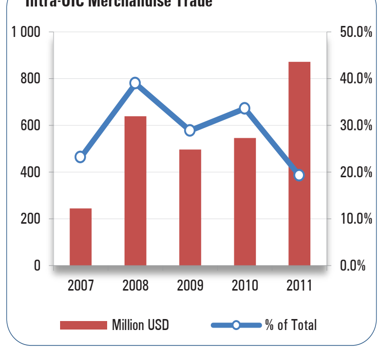
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



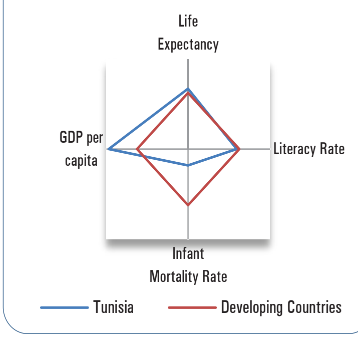
Tunisia

		Tunisia	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.22	1.25	1.15
Labour Force (% of total population)	2010	36.28	46.25	46.70
GDP per capita (PPP, cur. $)	2011	9,478	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	9,090	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	66.31	47.01	51.98
Literacy (% of population age 15+)	2008	77.56	81.41	84.03
Infant Mortality (per 1000 live births)	2010	13.80	47.00	41.15
Life Expectancy at Birth (years)	2010	74.60	69.58	69.64

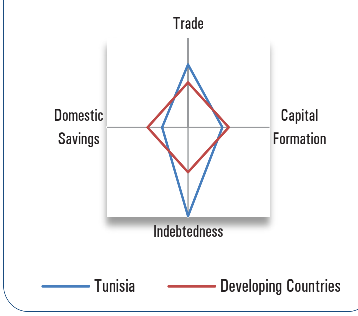
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	95.60	99.70	101.00
GDP (annual % change)	3.10	3.10	-0.80
GDP per capita (annual % change)	2.00	2.00	-1.80
Current Account Balance (US$ billions)	-1.20	-2.10	-3.50
Current Account Balance / GDP	-2.76	-4.74	-7.54
Foreign Direct Investment (US$ millions)	1,688	1,513	1,143
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	3.50	4.40	3.50
Implicit GDP Deflator	3.09	4.61	3.83
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	13,969	15,247	16,549
Intra-OIC Merchandise Exports (% of Merchandise Exports)	16.42	15.75	16.48
Merchandise Imports	19,162	23,591	26,038
Intra-OIC Merchandise Imports (% of Merchandise Imports)	12.56	13.12	14.27
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	8.30	8.90	7.90
Industry	33.30	30.90	31.70
Services	58.40	60.20	60.40
Household Final Consumption Expenditures	61.40	61.90	62.70
General Government Final Expenditure	16.10	16.50	16.60
Gross Capital Formation	25.50	24.50	26.10
Gross Domestic Savings	22.89	21.86	21.06
Exports of Goods and Services	52.48	46.01	46.88
Imports of Goods and Services	62.22	50.89	53.28
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	46.29	49.88	48.75
Interest Payments on External Debt / GDP	1.88	1.74	1.62
Total Debt Service / Exports	6.55	9.03	8.52

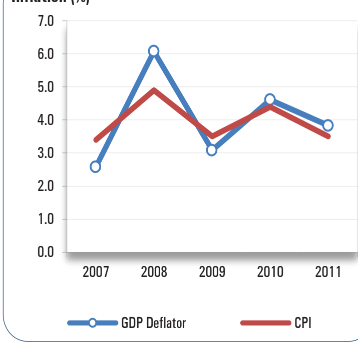
Development Diamond



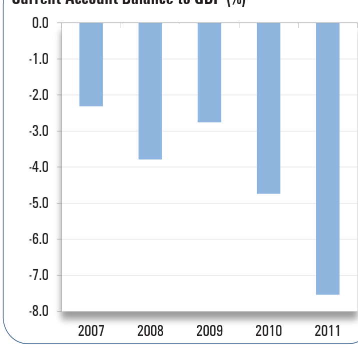
Economic Ratios (% of GDP)



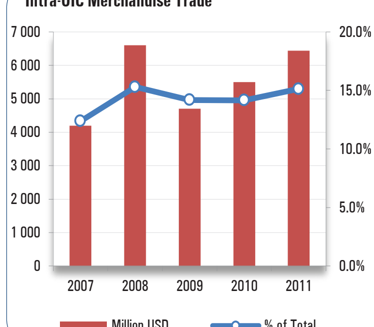
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade



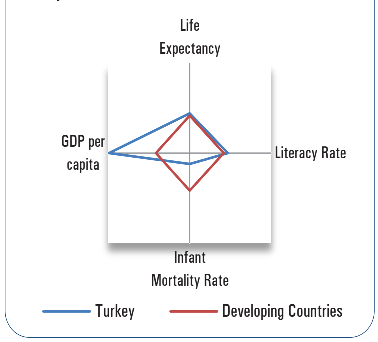
Turkey

		Turkey	Developing Countries	World
Population and Income				
Population Growth (%)	2011	1.26	1.25	1.15
Labour Force (% of total population)	2010	36.45	46.25	46.70
GDP per capita (PPP, cur. $)	2011	14,517	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	16,730	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	71.41	47.01	51.98
Literacy (% of population age 15+)	2009	90.82	81.41	84.03
Infant Mortality (per 1000 live births)	2010	13.70	47.00	41.15
Life Expectancy at Birth (years)	2010	73.70	69.58	69.64

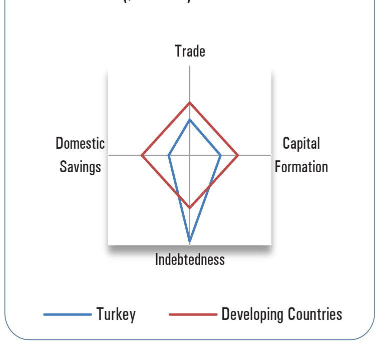
Basic Indicators

Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	879.00	969.10	1,073.60
GDP (annual % change)	-4.80	9.00	8.50
GDP per capita (annual % change)	-6.10	7.60	7.10
Current Account Balance (US$ billions)	-13.40	-46.60	-77.10
Current Account Balance / GDP	-2.18	-6.34	-9.91
Foreign Direct Investment (US$ millions)	8,411	9,038	15,876
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	6.30	8.60	6.50
Implicit GDP Deflator	5.29	5.68	8.63
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	102,242	113,966	135,063
Intra-OIC Merchandise Exports (% of Merchandise Exports)	28.04	28.49	27.64
Merchandise Imports	140,932	185,545	240,844
Intra-OIC Merchandise Imports (% of Merchandise Imports)	12.75	15.06	13.04
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	8.50	9.10	9.40
Industry	27.20	25.30	26.10
Services	64.30	65.60	64.50
Household Final Consumption Expenditures	69.80	71.50	71.30
General Government Final Expenditure	12.80	14.70	14.30
Gross Capital Formation	21.80	14.90	19.90
Gross Domestic Savings	17.35	13.83	14.47
Exports of Goods and Services	22.09	22.39	20.10
Imports of Goods and Services	30.11	25.69	27.94
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	38.90	44.14	40.01
Interest Payments on External Debt / GDP	1.84	1.99	1.57
Total Debt Service / Exports	8.40	8.29	8.10

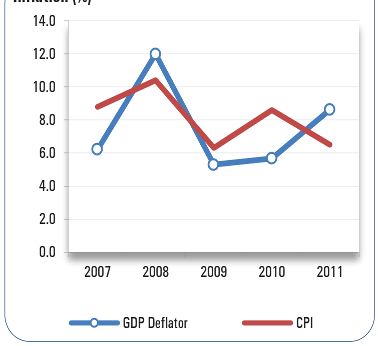
Development Diamond



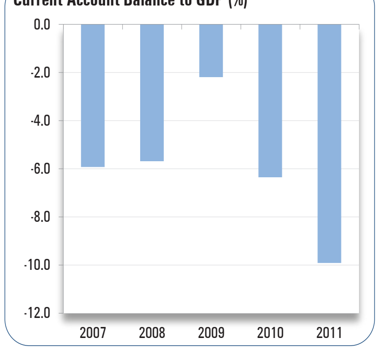
Economic Ratios (% of GDP)



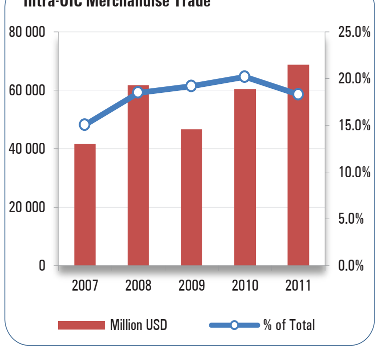
Inflation (%)



Current Account Balance to GDP (%)



Intra-OIC Merchandise Trade

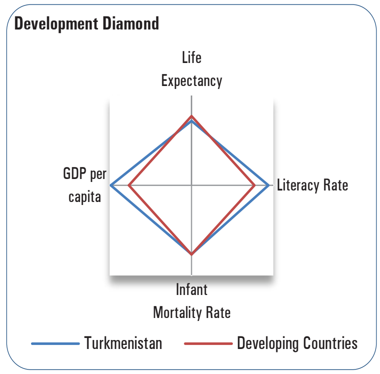


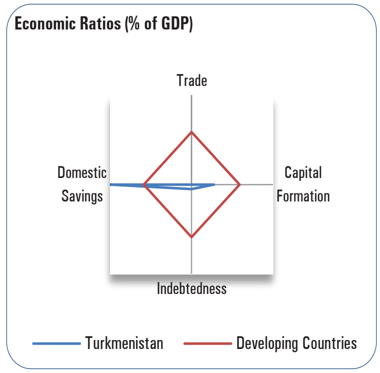
Turkmenistan

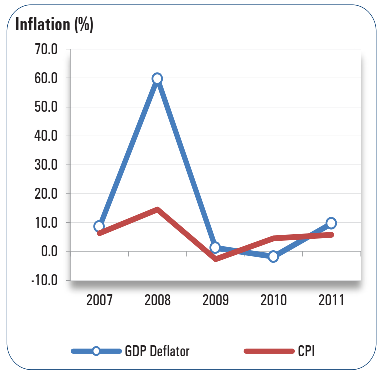
		Turkmenistan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	3.24	1.25	1.15
Labour Force (% of total population)	2010	42.89	46.25	46.70
GDP per capita (PPP, cur. $)	2011	7,846	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	8,350	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	48.74	47.01	51.98
Literacy (% of population age 15+)	2010	99.58	81.41	84.03
Infant Mortality (per 1000 live births)	2010	46.90	47.00	41.15
Life Expectancy at Birth (years)	2010	64.86	69.58	69.64

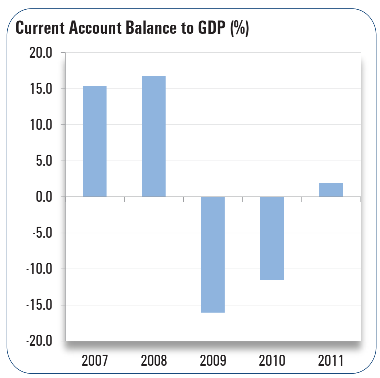
Basic Indicators

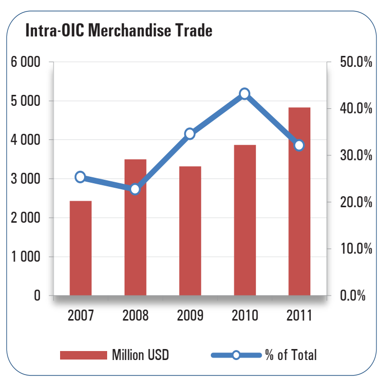
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	33.50	37.00	43.40
GDP (annual % change)	6.10	9.20	14.70
GDP per capita (annual % change)	4.40	7.50	12.90
Current Account Balance (US$ billions)	-3.00	-2.30	0.50
Current Account Balance / GDP	-16.04	-11.50	1.95
Foreign Direct Investment (US$ millions)	4,553	3,631	3,186
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	-2.70	4.50	5.80
Implicit GDP Deflator	1.27	-1.80	9.67
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	3,136	3,368	7,236
Intra-OIC Merchandise Exports (% of Merchandise Exports)	40.09	40.80	22.50
Merchandise Imports	6,473	5,604	7,816
Intra-OIC Merchandise Imports (% of Merchandise Imports)	31.80	44.46	40.94
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	12.30	12.30	14.50
Industry	53.70	53.50	48.40
Services	34.00	34.20	37.00
Household Final Consumption Expenditures	51.40	48.90	45.50
General Government Final Expenditure	8.30	9.90	9.10
Gross Capital Formation	13.50	11.40	14.40
Gross Domestic Savings	47.31	40.81	55.73
Exports of Goods and Services	...	...	...
Imports of Goods and Services	24.58	34.71	28.02
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	2.97	2.96	2.11
Interest Payments on External Debt / GDP	0.15	0.10	0.06
Total Debt Service / Exports	...	...	...









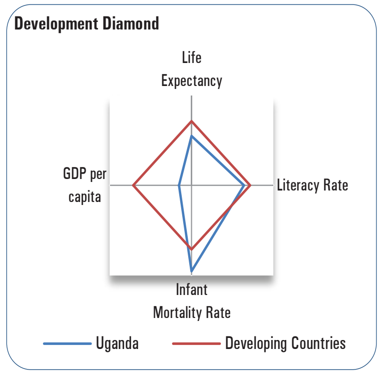


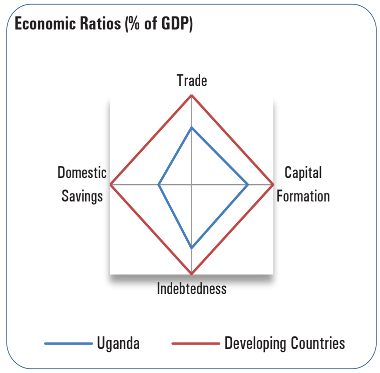
Uganda

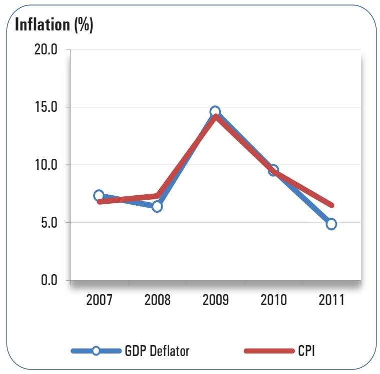
		Uganda	Developing Countries	World
Population and Income				
Population Growth (%)	2011	5.05	1.25	1.15
Labour Force (% of total population)	2010	40.17	46.25	46.70
GDP per capita (PPP, cur. $)	2011	1,317	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	1,320	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	15.58	47.01	51.98
Literacy (% of population age 15+)	2010	73.21	81.41	84.03
Infant Mortality (per 1000 live births)	2010	63.00	47.00	41.15
Life Expectancy at Birth (years)	2010	53.61	69.58	69.64

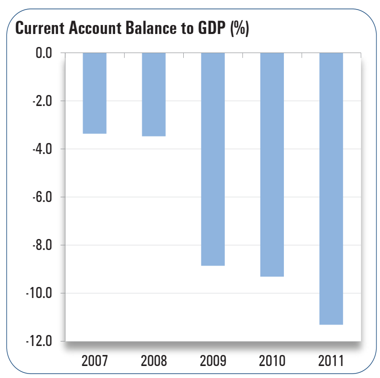
Basic Indicators

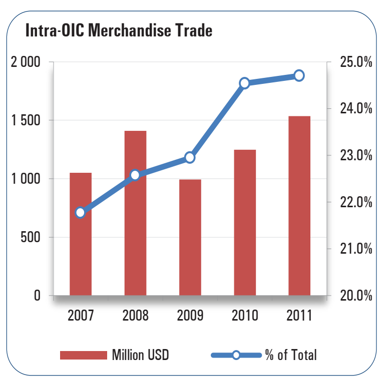
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	39.70	42.60	46.40
GDP (annual % change)	7.20	5.90	6.70
GDP per capita (annual % change)	3.50	2.20	3.00
Current Account Balance (US$ billions)	-1.40	-1.60	-1.90
Current Account Balance / GDP	-8.86	-9.30	-11.31
Foreign Direct Investment (US$ millions)	842	544	792
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	14.20	9.40	6.50
Implicit GDP Deflator	14.57	9.51	4.85
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	1,509	1,763	2,023
Intra-OIC Merchandise Exports (% of Merchandise Exports)	26.06	26.51	27.23
Merchandise Imports	2,824	3,322	4,192
Intra-OIC Merchandise Imports (% of Merchandise Imports)	21.28	23.49	23.48
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	22.90	24.30	23.10
Industry	25.40	24.70	25.20
Services	51.60	51.00	51.70
Household Final Consumption Expenditures	81.30	76.40	75.70
General Government Final Expenditure	10.00	9.50	9.90
Gross Capital Formation	20.40	21.00	21.40
Gross Domestic Savings	15.28	12.71	13.33
Exports of Goods and Services	16.04	14.63	15.87
Imports of Goods and Services	40.04	26.87	29.42
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	15.38	15.60	17.41
Interest Payments on External Debt / GDP	0.15	0.14	0.14
Total Debt Service / Exports	0.55	0.81	1.14









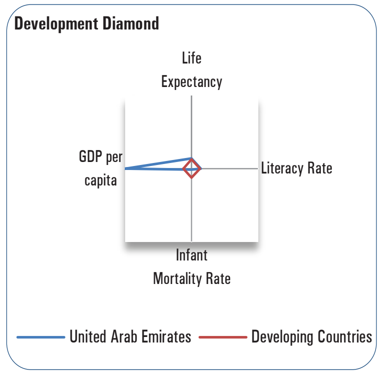


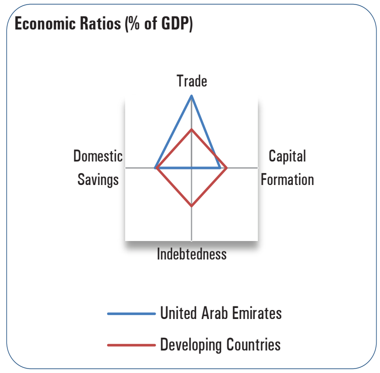
United Arab Emirates

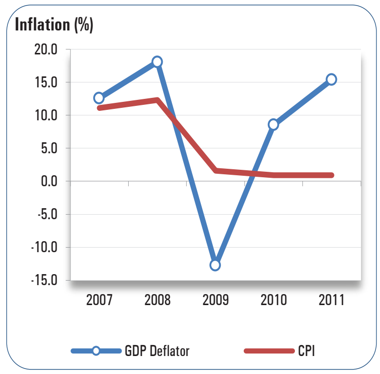
		United Arab Emirates	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.73	1.25	1.15
Labour Force (% of total population)	2010	65.63	46.25	46.70
GDP per capita (PPP, cur. $)	2011	48,158	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	48,220	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	84.33	47.01	51.98
Literacy (% of population age 15+)	2005	90.03	81.41	84.03
Infant Mortality (per 1000 live births)	2010	6.10	47.00	41.15
Life Expectancy at Birth (years)	2010	76.57	69.58	69.64

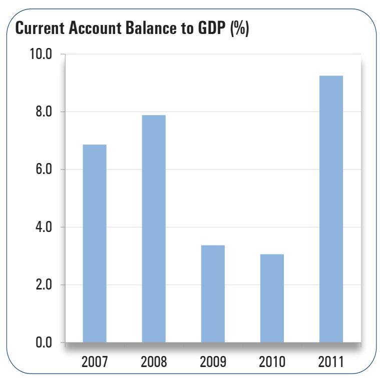
Basic Indicators

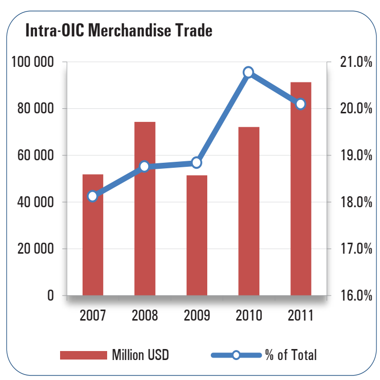
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	236.80	241.60	258.80
GDP (annual % change)	-3.30	0.90	4.90
GDP per capita (annual % change)	-9.00	-2.10	1.80
Current Account Balance (US$ billions)	9.10	9.10	33.30
Current Account Balance / GDP	3.37	3.06	9.25
Foreign Direct Investment (US$ millions)	4,003	5,500	7,679
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	1.60	0.90	0.90
Implicit GDP Deflator	-12.73	8.55	15.38
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	121,668	175,696	241,347
Intra-OIC Merchandise Exports (% of Merchandise Exports)	25.52	26.40	25.02
Merchandise Imports	151,603	171,416	213,309
Intra-OIC Merchandise Imports (% of Merchandise Imports)	13.47	14.99	14.50
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	0.80	0.90	0.80
Industry	55.90	51.00	53.20
Services	43.30	48.10	46.00
Household Final Consumption Expenditures	62.50	61.70	59.40
General Government Final Expenditure	5.80	9.00	8.20
Gross Capital Formation	22.50	23.90	25.30
Gross Domestic Savings	31.74	29.35	34.45
Exports of Goods and Services	64.51	48.56	62.44
Imports of Goods and Services	77.65	69.93	71.59
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	...	...	...
Interest Payments on External Debt / GDP	...	...	...
Total Debt Service / Exports	...	...	...









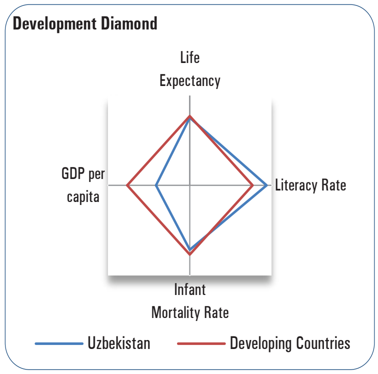


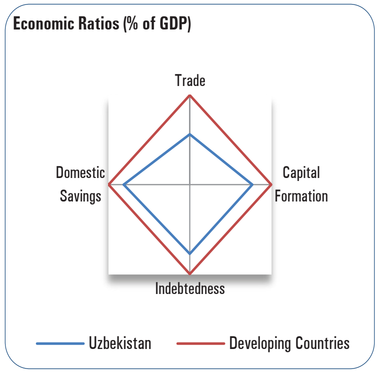
Uzbekistan

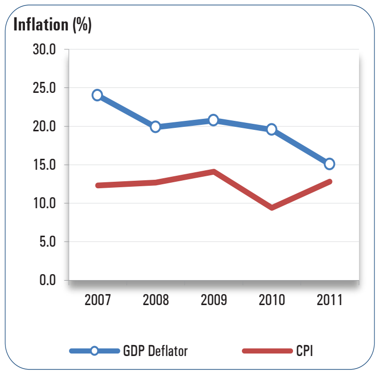
		Uzbekistan	Developing Countries	World
Population and Income				
Population Growth (%)	2011	2.92	1.25	1.15
Labour Force (% of total population)	2010	42.95	46.25	46.70
GDP per capita (PPP, cur. $)	2011	3,302	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	3,440	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	36.25	47.01	51.98
Literacy (% of population age 15+)	2010	99.39	81.41	84.03
Infant Mortality (per 1000 live births)	2010	43.80	47.00	41.15
Life Expectancy at Birth (years)	2010	68.00	69.58	69.64

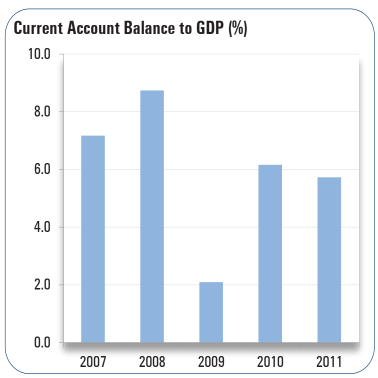
Basic Indicators

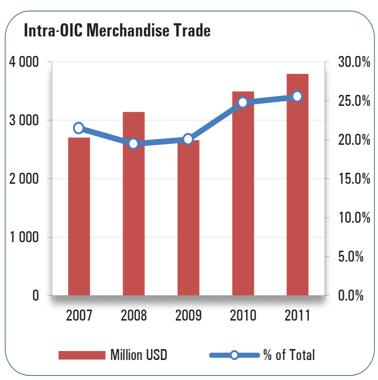
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	78.50	86.10	95.20
GDP (annual % change)	8.10	8.50	8.30
GDP per capita (annual % change)	6.40	6.60	7.00
Current Account Balance (US$ billions)	0.70	2.40	2.60
Current Account Balance / GDP	2.09	6.15	5.73
Foreign Direct Investment (US$ millions)	842	1,628	1,403
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	14.10	9.40	12.80
Implicit GDP Deflator	20.78	19.55	15.07
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	4,848	5,573	4,977
Intra-OIC Merchandise Exports (% of Merchandise Exports)	32.32	40.35	47.01
Merchandise Imports	8,444	8,537	9,897
Intra-OIC Merchandise Imports (% of Merchandise Imports)	12.98	14.55	14.69
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	22.80	20.80	23.00
Industry	33.60	36.20	34.80
Services	43.60	43.00	42.10
Household Final Consumption Expenditures	52.90	56.20	56.10
General Government Final Expenditure	17.30	17.80	17.30
Gross Capital Formation	24.70	26.10	23.90
Gross Domestic Savings	28.04	26.04	26.77
Exports of Goods and Services	27.82	18.06	16.96
Imports of Goods and Services	33.51	26.48	22.97
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	16.38	19.57	19.00
Interest Payments on External Debt / GDP	0.53	0.37	0.32
Total Debt Service / Exports	...	...	...









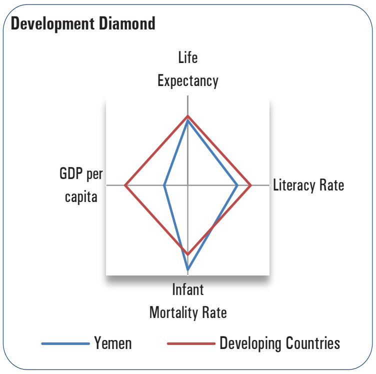


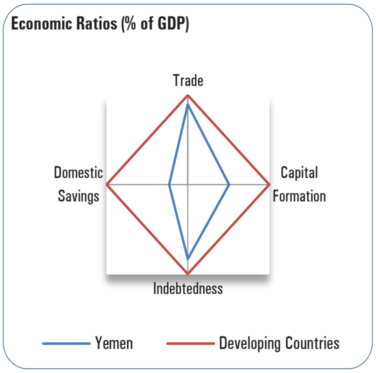
Yemen

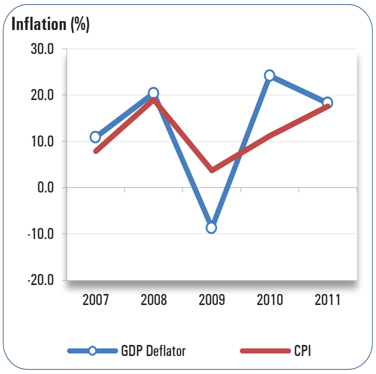
		Yemen	Developing Countries	World
Population and Income				
Population Growth (%)	2011	3.11	1.25	1.15
Labour Force (% of total population)	2010	26.88	46.25	46.70
GDP per capita (PPP, cur. $)	2011	2,307	6,104	11,490
GNI per capita (PPP, cur.int. $)	2011	2,180	6,918	11,574
Social Development Indicators				
Urban Population (% of total population)	2011	32.32	47.01	51.98
Literacy (% of population age 15+)	2010	63.91	81.41	84.03
Infant Mortality (per 1000 live births)	2010	57.30	47.00	41.15
Life Expectancy at Birth (years)	2010	65.03	69.58	69.64

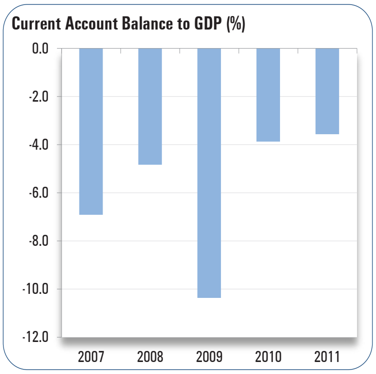
Basic Indicators

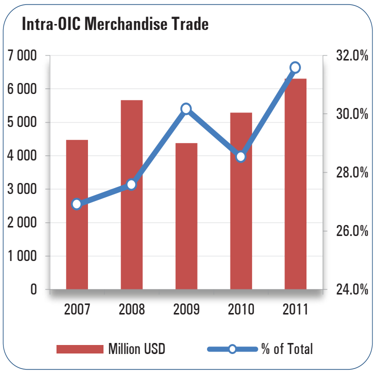
Key Economic Indicators	2009	2010	2011
GDP (PPP, cur. $ billion)	58.20	63.40	58.00
GDP (annual % change)	3.90	7.70	-10.50
GDP per capita (annual % change)	0.80	4.60	-13.10
Current Account Balance (US$ billions)	-2.60	-1.20	-1.20
Current Account Balance / GDP	-10.36	-3.87	-3.56
Foreign Direct Investment (US$ millions)	129	-93	-713
Inflation (%)	**2009**	**2010**	**2011**
Consumer Prices	3.70	11.20	17.60
Implicit GDP Deflator	-8.71	24.16	18.27
Trade (Million US$)	**2009**	**2010**	**2011**
Merchandise Exports	4,864	8,064	9,592
Intra-OIC Merchandise Exports (% of Merchandise Exports)	17.26	13.66	13.46
Merchandise Imports	9,643	10,486	10,363
Intra-OIC Merchandise Imports (% of Merchandise Imports)	36.67	39.97	48.33
Structure of Economy (% of GDP)	**2008**	**2009**	**2010**
Agriculture	10.10	10.00	10.10
Industry	41.70	42.40	41.80
Services	48.20	47.60	48.10
Household Final Consumption Expenditures	68.10	83.60	81.00
General Government Final Expenditure	12.50	13.20	10.50
Gross Capital Formation	24.20	18.40	15.80
Gross Domestic Savings	9.84	1.97	7.60
Exports of Goods and Services	38.11	24.15	29.96
Imports of Goods and Services	49.57	46.86	33.78
Indebtedness	**2008**	**2009**	**2010**
Total External Debt / GDP	23.32	25.35	20.37
Interest Payments on External Debt / GDP	0.29	0.31	0.25
Total Debt Service / Exports	2.63	3.56	2.72

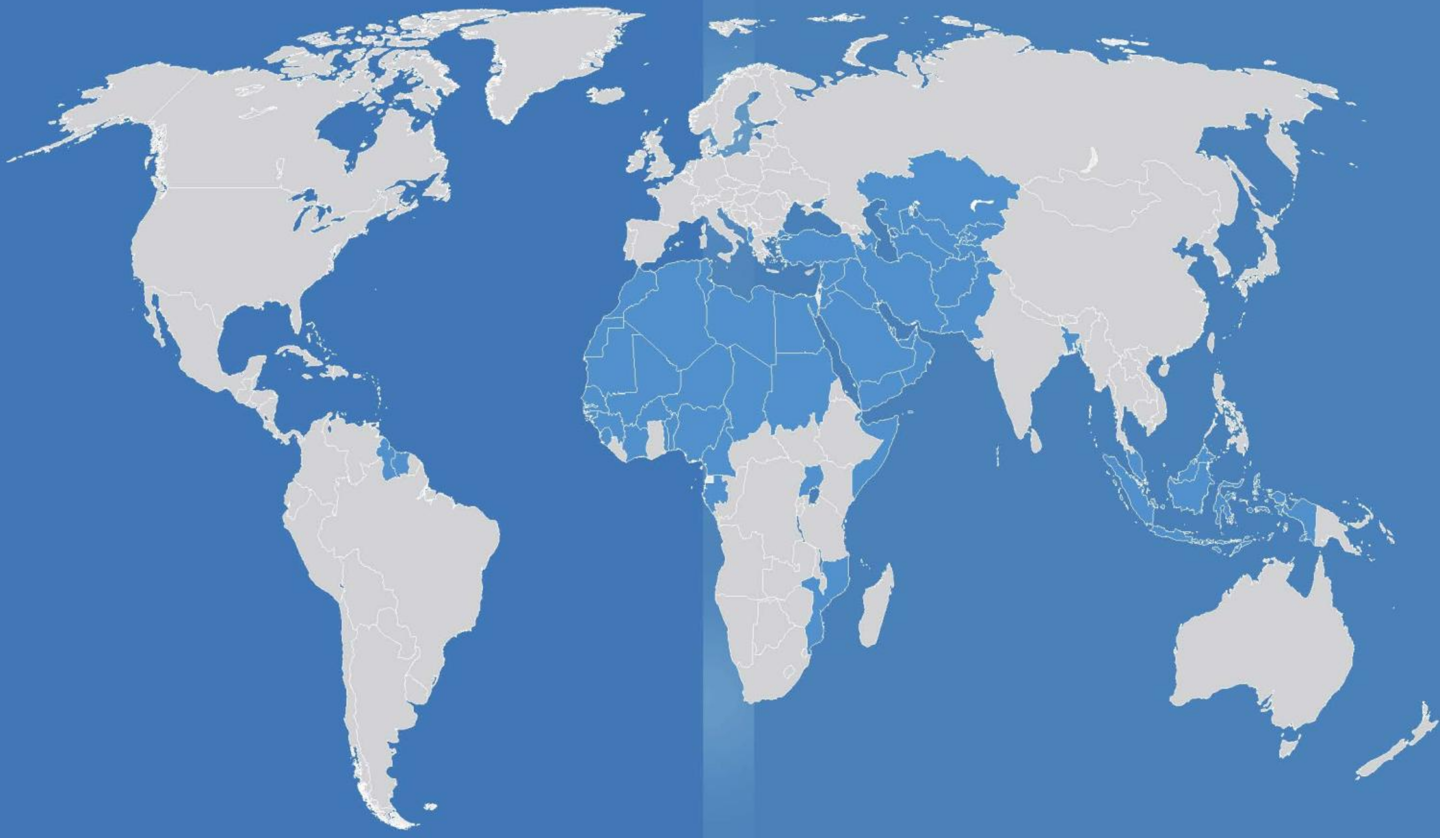












STATISTICAL, ECONOMIC AND SOCIAL RESEARCH
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