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## Annexes

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**Table 1.1: Country Classification**

ADVANCED ECONOMIES	EMERGING ECONOMIES	
	Developing Countries	Countries in transition
<i>Major industrial countries</i>	<i>Africa</i>	<i>Central and Eastern Europe</i>
Canada	Sub-Sahara	Albania
France	Angola	Belarus
Germany	Benin	Bosnia and Herzegovina
Italy	Botswana	Bulgaria
Japan	Burkina Faso	Croatia
United Kingdom	Burundi	Czech Republic
United States	Cameroon	Estonia
<i>Other advanced economies</i>	Cape Verde	Hungary
Australia	Central African Republic	Latvia
Austria	Chad	Lithuania
Belgium	Comoros	Macedonia
Denmark	Congo, Democratic Republic of	Moldova
Finland	Congo, Republic of	Poland
Greece	Côte d'Ivoire	Romania
Hong Kong	Djibouti	Slovak Republic
Iceland	Equatorial Guinea	Ukraine
Ireland	Eritrea	Yugoslavia, Federal Republic of
Israel	Ethiopia	Russia
Korea	Gabon	
Luxembourg	Gambia	<i>Central Asia</i>
Netherlands	Ghana	Armenia
New Zealand	Guinea	Azerbaijan Belarus
Portugal	Guinea-Bissau	Georgia
Portugal	Kenya	Kazakhstan
Singapore	Lesotho	Kyrgyz Republic
Spain	Liberia	Mongolia
Sweden	Madagascar	Tajikistan
Switzerland	Malawi	Turkmenistan
Taiwan Province of China	Mali	Uzbekistan
	Mauritania	
	Mauritius	
	Mozambique, Republic of	
	Namibia	
	Niger	
	Nigeria	<i>Western Hemisphere</i>
	Rwanda	Antigua and Barbuda
	Sao Tomè and Principe	Argentina
	Senegal	Bahamas
	Seychelles	Barbados
	Sierra Leone	Belize
	Somalia	Bolivia
	South Africa	Brazil
	Sudan	Chile
	Swaziland	Colombia
	Tanzania	Costa Rica
	Togo	Dominica
	Uganda	Dominican Republic
	Zambia	Equador
	Zimbabwe	El Salvador
	<u>North Africa</u>	Grenada
	Algeria	Guatemala
	Morocco	Guyana
	Tunisia	Haiti
		Honduras
	<i>Asia</i>	Jamaica
	Afghanistan	Mexico
	Bangladesh	Netherlands Antilles
	Bhutan	Nicaragua
	Brunei	Panama
	Cambodia	Paraguay
	China	Perù
	Fiji	St. Kitts and Nevis
	India	St. Lucia
	Indonesia	St. Vincent and the Grenadines
	Kiribati	Suriname
	Laos	Trinidad and Tobago
	Malaysia	Uruguay
	Maldives	Venezuela

Source: adapted from IMF, *World Economic Outlook*, 1999.

**Table 1.2.: Different "Emerging Economies" Definitions**

<b>IMF</b>	<b>World Bank</b>	<b>BIS</b>	<b>IIF</b>
<i>Developing economies</i> Africa - <i>Sub-Sahara</i> - <i>North Africa</i> Asia Middle East and Europe Western Emisphere <i>Countries in transition</i> Central and Eastern Europe Russia Central Asia	<i>Developing economies</i> East Asia and Pacific Europe and Central Asia Latin America and the Caribbean Middle East and North Africa South Asia Sub-Saharan Africa	<i>Developing countries</i> North Africa and Middle East Sub-Saharan Africa Latin America Asia  <i>Countries in transition</i> Eastern Europe	<i>Emerging Markets</i> Latin America Asia/Pacific Africa/Middle East Europe

Sources: adapted from IMF, World Bank, BIS and IIF Statistics.

**Table 1.3: Macroeconomic Data for Advanced Economies**

Variable	1995	1996	1997	1998	Projections*	
					1999	2000
Real GDP ( <i>annual % change</i> )	2,6	3,2	3,2	2,2	2,0	2,3
Real per capita GDP ( <i>annual % change</i> )	1,9	2,5	2,6	1,7	1,5	1,8
Consumer Prices ( <i>annual % change</i> )	2,5	2,4	2,1	1,6	1,4	1,7
Unemployment rates ( <i>% of labour force</i> )	7,2	7,2	7,0	6,9	6,9	6,9
Short-term interest rates <sup>1</sup> (%)	5,1	4,1	4,0	4,0	3,9 <sup>2</sup>	n.a.
Long-term interest rates <sup>1</sup> (%)	6,8	6,1	5,4	4,5	4,6	n.a.
Central Government Fiscal Balances ( <i>% of GDP</i> )	-3,3	-2,6	-1,3	-1,1	-1,2	-0,9
Broad Money Aggregates <sup>3</sup> ( <i>annual % change</i> )	4,4	4,9	5,0	6,7	n.a.	n.a.
Imports ( <i>annual % change</i> )	9,1	6,5	9,1	4,7	5,0	5,7
Exports ( <i>annual % change</i> )	9,1	6,3	10,3	3,2	2,8	5,6
Terms of trade ( <i>annual % change</i> )	-	-0,4	-0,6	1,2	0,8	-
Current Account balances ( <i>US\$ billions</i> )	50,1	32,6	69,9	14,3	-39,9	-40,6
- <i>trade balance</i>	93,6	64,2	71,4	65,0	-4,2	-24,5
- <i>balance on services</i>	57,8	66,1	86,5	73,1	75,0	94,7
- <i>net income</i>	4,0	9,4	9,7	-17,9	-	4,6
- <i>net current transfer</i>	-105,3	-107,1	-97,6	-105,9	-110,7	-115,4

Sources: IMF, *World Economic Outlook*, 1996, 1997, 1998, 1999; The World Bank, *World Development Indicators*, 1999; BIS, *BIS Quarterly Review*, August 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Country group composites for interest rates are arithmetic averages weighted by GDP converted to U.S. dollars at market exchange rates (averaged over the preceding three years) as a share of the country group GDP.

<sup>2</sup> March 1999 estimate.

<sup>3</sup> For almost all countries M2, defined as M1 plus quasi-money (private term deposits and other notice deposits).

**Table 1.4: Real GDP Breakdown for Advanced Economies**

<i>(annual % change)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
United States	2,3	3,4	3,9	3,9	3,3	2,2
Japan	1,5	5,0	1,4	-2,8	-1,4	0,3
Germany	1,2	1,3	2,2	2,8	1,5	2,8
France	2,1	1,6	2,3	3,1	2,2	2,9
Italy	2,9	0,9	1,5	1,4	1,5	2,4
United Kingdom	2,8	2,6	3,5	2,1	0,7	2,1
Canada	2,6	1,2	3,8	3,0	2,6	2,5
Total G-7	2,1	3,0	3,0	2,2	1,9	2,0
Other advanced economies	4,4	3,8	4,2	2,1	2,5	3,4
<b>Total advanced economies</b>	<b>2,6</b>	<b>3,2</b>	<b>3,2</b>	<b>2,2</b>	<b>2,0</b>	<b>2,3</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.5: Consumer Prices Breakdown for Advanced Economies**

<i>(annual % change)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
United States	2,8	2,9	2,3	1,6	2,1	2,4
Japan	-0,1	0,1	1,7	0,6	-0,2	-0,2
Germany	1,8	1,5	1,8	0,9	0,6	1,0
France	1,8	2,0	1,2	0,7	0,5	1,1
Italy	5,2	3,9	1,7	1,8	1,3	1,5
United Kingdom	2,8	2,9	2,8	2,7	2,7	2,4
Canada	2,2	1,6	1,4	1,0	1,2	1,6
Total G-7	2,3	2,2	2,0	1,3	1,4	1,7
Other advanced economies	3,7	3,2	2,5	2,5	1,5	1,7
<b>Total advanced economies</b>	<b>2,5</b>	<b>2,4</b>	<b>2,1</b>	<b>1,6</b>	<b>1,4</b>	<b>1,7</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.6: Foreign Trade Breakdown for Advanced Economies**

<i>(annual % change)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Export volume</b>						
United States	11,3	8,5	12,8	1,5	3,6	6,9
Japan	5,4	6,3	11,6	-2,3	-2,3	0,8
Germany	6,6	5,1	11,1	5,4	2,4	6,9
France	6,3	5,2	12,6	6,1	2,8	5,9
Italy	11,6	1,6	5,0	1,3	1,3	5,7
United Kingdom	9,5	7,5	8,7	3,0	2,0	4,1
Canada	8,8	5,9	8,0	8,1	7,2	4,4
Total G-7	8,6	6,2	10,7	2,8	2,3	5,4
Other advanced economies	9,9	6,6	9,8	3,9	3,6	6
<b>Total advanced economies</b>	<b>9,1</b>	<b>6,3</b>	<b>10,3</b>	<b>3,2</b>	<b>2,8</b>	<b>5,6</b>
<b>Import volume</b>						
United States	8,8	9,2	13,9	10,6	9,3	6,0
Japan	14,2	11,9	0,5	-7,7	-2,5	1,5
Germany	7,3	2,9	8,1	6,6	4,3	6,8
France	5,1	3,0	8,1	7,8	2,9	5,6
Italy	9,6	-1,1	9,9	6,1	2,1	6,1
United Kingdom	5,5	9,1	9,5	8,4	5,3	4,6
Canada	6,4	5,4	13,3	6,4	6,0	4,0
Total G-7	8,4	6,6	9,5	6,3	5,2	5,3
Other advanced economies	10,4	6,2	8,5	1,9	4,8	6,3
<b>Total advanced economies</b>	<b>9,1</b>	<b>6,5</b>	<b>9,1</b>	<b>4,7</b>	<b>5,0</b>	<b>5,7</b>
<b>Terms of trade</b>						
United States	-0,6	0,5	1,9	3,0	0,7	1,3
Japan	-	-6,4	-4,5	2,5	4,8	-3,4
Germany	1,6	-0,7	-2,0	1,9	0,4	-0,3
France	-1,3	-1,5	0,4	0,2	0,1	-0,1
Italy	-1,4	2,6	0,1	2,4	0,7	-0,1
United Kingdom	-2,5	1,0	2,6	1,7	0,7	-0,2
Canada	2,9	1,8	-1,3	-3,1	-0,3	0,5
Total G-7	-	-0,7	-0,4	1,8	1,2	-
Other advanced economies	-0,1	-	-0,9	0,2	0,1	-
<b>Total advanced economies</b>	<b>-</b>	<b>-0,4</b>	<b>-0,6</b>	<b>1,2</b>	<b>0,8</b>	<b>-</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.



**Table 1.7: Current Account Balances Breakdown for Advanced Economies**

<i>(US\$ billions)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
United States	-115,3	-134,9	-155,2	-233,4	-309,9	-308,3
Japan	114,4	65,8	94,1	121,6	148,2	139,3
Germany	-22,6	-13,8	-4,0	-9,0	-1,6	0,5
France	10,9	20,5	39,4	38,7	41,7	45,9
Italy	25,1	40,5	33,7	27,3	28,1	29,5
United Kingdom	-5,8	-2,9	7,3	-11,0	-16,3	-20,1
Canada	-4,7	3,3	-9,3	-12,4	-96,0	-6,6
Total G-7	-0,9	-21,4	6,1	-78,2	-119,4	-120,0
Other advanced economies	51	54	63,8	92,5	79,5	79,3
<b>Total advanced economies</b>	<b>50,1</b>	<b>32,6</b>	<b>69,9</b>	<b>14,3</b>	<b>-39,9</b>	<b>-40,6</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.8: Macroeconomic Data for Emerging Economies: Developing Countries**

Variable	1995	1996	1997	1998	Projections*	
					1999	2000
Real GDP ( <i>annual % change</i> )	6,1	6,5	5,7	3,3	3,1	4,9
Real per capita GDP ( <i>annual % change</i> )	4,3	4,8	4,1	1,6	1,5	3,3
Consumer Prices ( <i>annual % change</i> )	22,2	14,3	9,4	10,4	8,8	7,5
Central Government Fiscal Balances (% of GDP)	-2,4	-2,2	-2,3	-3,6	-3,7	-2,5
Broad Money Aggregates <sup>1</sup> ( <i>annual % change</i> )	24,5	22,6	18,5	17,9	15,1	15,2
Imports ( <i>annual % change</i> )	11,5	8,2	11,2	-0,7	2,6	6,8
Exports ( <i>annual % change</i> )	10,5	9,2	11,4	2,2	4,6	5,5
Terms of trade ( <i>annual % change</i> )	2,8	-0,5	-1,3	-3,8	1,1	1,6
Current Account balances ( <i>US\$ billions</i> )	-95,1	-73,0	-69,1	-92,5	-70,5	-83,4
- trade balance	-10,9	7,9	19,9	4,4	20,5	18,6
- balance on services	-45,7	-47,0	-52,6	-46,9	-41,6	-48,7
- net income	-70,2	-71,2	-77,6	-90,8	-90,5	-98,2
- net current transfer	31,6	37,3	41,3	41,2	41,3	42,7
External debt (% of exports of goods and services)	163,8	151,7	144,8	160,9	158,1	151,2
Debt service payments <sup>2</sup> (% of exports of goods and services)	22,0	21,7	21,4	24,0	24,7	23

Sources: IMF, *World Economic Outlook*, 1996, 1997, 1998, 1999; The World Bank, *World Development Indicators*, 1999; BIS, *BIS Quarterly Review*, August 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> For almost all countries M2, defined as M1 plus quasi-money (private term deposits and other notice deposits).

<sup>2</sup> Debt-service payments refer to actual payments of interest on total debt plus actual amortization payments on long-term debt. The projections incorporate the impact of exceptional financing items.

**Table 1.9: Real GDP Breakdown for Developing Countries**

<i>(annual % change)</i>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<i>Projections*</i>	
					<b>1999</b>	<b>2000</b>
Africa	3,1	5,8	3,1	3,4	3,2	5,1
Asia	9,1	8,2	6,6	3,8	4,7	5,7
Middle East and Europe	3,7	4,7	4,4	2,9	2,0	3,3
Western Hemisphere	1,3	3,6	5,2	2,3	-0,5	3,5
<b>Total developing countries</b>	<b>6,1</b>	<b>6,5</b>	<b>5,7</b>	<b>3,3</b>	<b>3,1</b>	<b>4,9</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.10: Consumer Prices Breakdown for Developing Countries**

<i>(annual % change)</i>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<i>Projections*</i>	
					<b>1999</b>	<b>2000</b>
Africa	33,2	25,9	11,1	8,6	8,6	6,6
Asia	12,8	8,3	4,8	8,0	4,7	4,5
Middle East and Europe	36,0	24,7	23,1	23,8	19,7	19,4
Western Hemisphere	35,9	20,8	13,9	10,5	14,6	9,9
<b>Total developing countries</b>	<b>22,2</b>	<b>14,3</b>	<b>9,4</b>	<b>10,4</b>	<b>8,8</b>	<b>7,5</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.11: Foreign Trade Breakdown for Developing Countries**

<i>(annual % change)</i>	1995	1996	1997	1998	Projections*	
					1999	2000
<b><u>Trade in goods and services</u></b>						
<b>Export volume</b>	10,5	9,2	11,4	2,2	4,6	5,5
<b>Import volume</b>	11,5	8,2	11,2	-0,7	2,6	6,8
<b>Terms of trade</b>	2,8	-0,5	-1,3	-3,8	1,1	1,6
<b><u>Trade in goods</u></b>						
<b>Export volume</b>						
Africa	9,3	8,7	5,7	-0,7	4,0	6,9
- <i>Sub-Saharan</i>	9,3	10,8	4,9	-1,6	2,9	7,5
Asia	15,5	8,2	14,5	3,0	3,8	4,7
- <i>Excluding China and India</i>	13,9	3,6	9,9	3,7	10,1	6,4
Middle East and Europe	6,4	8,8	5,4	-1,9	3,2	4,8
Western Hemisphere	13,7	10,2	12,3	2,8	6,5	7,1
<b>Total developing countries</b>	<b>12,4</b>	<b>8,8</b>	<b>11,1</b>	<b>1,5</b>	<b>4,3</b>	<b>5,5</b>
<b>Import volume</b>						
Africa	12,3	4,6	5,9	2,9	2,9	5,7
- <i>Sub-Saharan</i>	13,2	8,7	7,2	1,1	2,3	5,8
Asia	16,3	9,2	3,7	-11,6	6,0	8,8
- <i>Excluding China and India</i>	17,9	4,9	1,3	-21,0	9,7	11,4
Middle East and Europe	7,4	9,0	12,5	5,1	3,2	0,5
Western Hemisphere	11,3	6,4	12,2	3,6	-1,3	4,5
<b>Total developing countries</b>	<b>12,9</b>	<b>8,0</b>	<b>7,5</b>	<b>-3,0</b>	<b>3,1</b>	<b>6,5</b>
<b>Terms of trade</b>						
Africa	1,4	5,9	-0,2	-9,9	-3,3	4,0
- <i>Sub-Saharan</i>	1,3	5,0	-0,6	-9,1	-2,5	3,6
Asia	0,4	0,3	-1,0	-4,8	0,8	0,1
- <i>Excluding China and India</i>	-0,3	0,5	-2,1	-8,4	1,2	0,3
Middle East and Europe	-3,2	5,6	1,0	-9,4	-1,3	3,0
Western Hemisphere	6,3	1,4	-1,6	-5,5	-1,2	2,1
<b>Total developing countries</b>	<b>1,2</b>	<b>2,2</b>	<b>-0,7</b>	<b>-6,4</b>	<b>-0,6</b>	<b>1,5</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.12: Current Account Balances Breakdown for Developing Countries**

(US\$ billions)	1995	1996	1997	1998	Projections*	
					1999	2000
Africa	-16,4	-5,7	-6,1	-18,1	-19,7	-17,4
- Sub-Sahara	-12,1	-6,4	-8,8	-16,2	-17,2	-15,9
Asia	-42,5	-38,9	-4,0	35,5	26,4	8,7
- Excluding China and India	-38,9	-41,3	-27,8	19,1	16,7	6,6
Middle East and Europe	-0,4	10,5	6,1	-20,0	-16,5	-12,9
Western Hemisphere	-35,9	-38,9	-65,1	-89,9	-60,7	-61,7
<b>Total developing countries</b>	<b>-95,1</b>	<b>-73,0</b>	<b>-69,1</b>	<b>-92,5</b>	<b>-70,5</b>	<b>-83,4</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.13: External Debt and Debt-Service Breakdowns for Developing Countries**

<i>(% of exports of goods and services)</i>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<i>Projections*</i>	
					<b>1999</b>	<b>2000</b>
<b>External debt</b>						
Africa	250,4	225,1	211,5	238,1	232,4	215,6
Asia	124,4	118,8	115,1	119,5	120,0	116,1
Middle East and Europe	101,1	88,2	84,6	105,0	106,0	100,4
Western Hemisphere	248,5	232,8	221,1	250,0	236,9	224,4
<b>Total developing countries</b>	<b>163,8</b>	<b>151,7</b>	<b>144,8</b>	<b>160,9</b>	<b>158,1</b>	<b>151,2</b>
<b>Debt-service payments</b>						
Africa	26,6	22,6	21,3	24,0	26,7	23,3
Asia	16,3	16,1	13,6	16,3	15,7	15,1
Middle East and Europe	10,9	10,4	8,9	14,5	13,3	112,0
Western Hemisphere	39,8	41,6	46,4	45,7	48,6	45,5
<b>Total developing countries</b>	<b>22,0</b>	<b>21,7</b>	<b>21,4</b>	<b>24,0</b>	<b>24,7</b>	<b>23,0</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.14: Macroeconomic Data for Emerging Economies: Countries in Transition**

Variable	1995	1996	1997	1998	Projections*	
					1999	2000
Real GDP ( <i>annual % change</i> )	-1,1	-0,3	2,2	-0,2	-0,9	2,5
Real per capita GDP ( <i>annual % change</i> )	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Consumer Prices ( <i>annual % change</i> )	126,9	40,6	28,2	20,8	40,9	12,4
Central Government Fiscal Balances (% of GDP)	-4,1	-4,1	-4,5	-3,8	-2,8	-1,8
Broad Money Aggregates <sup>1</sup> ( <i>annual % change</i> )	72,0	31,1	27,2	15,4	24,7	19,5
Imports ( <i>annual % change</i> )	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Exports ( <i>annual % change</i> )	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Terms of trade ( <i>annual % change</i> )	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current Account balances ( <i>US\$ billions</i> )	-2,4	-16,2	-29,3	-25,8	-13,4	-10,7
- trade balance	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
- balance on services	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
- net income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
- net current transfer	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
External debt (% of exports of goods and services)	102,7	97,8	98,1	108,7	107,6	102,6
Debt service payments <sup>2</sup> (% of exports of goods and services)	11,9	11,0	10,3	15,9	15,6	16,3

Sources: IMF, *World Economic Outlook*, 1996, 1997, 1998, 1999; The World Bank, *World*

\* IMF estimates.

<sup>1</sup> For almost all countries M2, defined as M1 plus quasi-money (private term deposits and other notice deposits).

<sup>2</sup> Debt-service payments refer to actual payments of interest on total debt plus actual amortization payments on long-term



**Table 1.15: Real GDP Breakdown for Countries in Transition**

<i>(annual % change)</i>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<i>Projections*</i>	
					<b>1999</b>	<b>2000</b>
Central and Eastern Europe	1,6	1,6	3,1	2,4	2,0	3,7
- <i>Excluding Belarus and Ukraine</i>	5,6	3,7	3,5	2,6	3,0	4,6
Russia	-4,1	-3,5	0,8	-4,8	-7,0	-
Transcaucasus and Central Asia	-4,4	1,6	2,4	2,0	1,8	3,1
<b>Total countries in transition</b>	<b>-1,1</b>	<b>-0,3</b>	<b>2,2</b>	<b>-0,2</b>	<b>-0,9</b>	<b>2,5</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.16: Consumer Prices Breakdown for Countries in Transition**

<i>(annual % change)</i>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<i>Projections*</i>	
					<b>1999</b>	<b>2000</b>
Central and Eastern Europe	74,5	32,0	36,8	17,7	19,9	8,9
- <i>Excluding Belarus and Ukraine</i>	25,0	23,2	38,8	15,1	9,7	7,4
Russia	190,1	47,8	14,7	27,7	100,5	20,2
Transcaucasus and Central Asia	250,2	64,1	36,5	15,3	13,5	9,2
<b>Total countries in transition</b>	<b>126,9</b>	<b>40,6</b>	<b>28,2</b>	<b>20,8</b>	<b>40,9</b>	<b>12,4</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.17: Current Account Balances Breakdown for Countries in Transition**

<i>(US\$ billions)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
Central and Eastern Europe	-6,1	-16,6	-19,7	-21,8	-23,1	-20,8
- <i>Excluding Belarus and Ukraine</i>	-4,1	-14,9	-17,5	-20,1	-21,7	-19,5
Russia	5,2	4,3	-5,7	0,8	14,0	14,6
Transcaucasus and Central Asia	-1,6	-3,9	-4,0	-4,8	-4,3	-4,5
<b>Total countries in transition</b>	<b>-2,4</b>	<b>-16,2</b>	<b>-29,3</b>	<b>-25,8</b>	<b>-13,4</b>	<b>-10,7</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.18: External Debt and Debt-Service Breakdowns for Countries in Transition**

<i>(% of exports of goods and services)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>External debt</b>						
Central and Eastern Europe	91,6	86,5	85,6	87,5	89,0	86,2
- Excluding Belarus and Ukraine	98,2	95,7	91,9	93,5	94,0	90,3
Russia	126,9	120,8	124,0	157,4	153,3	143,6
Transcaucasus and Central Asia	61,9	67,0	76,1	90,8	93,8	94,3
<b>Total countries in transition</b>	<b>102,7</b>	<b>97,8</b>	<b>98,1</b>	<b>108,7</b>	<b>107,6</b>	<b>102,6</b>
<b>Debt-service payments</b>						
Central and Eastern Europe	15,6	13,9	13,1	15,1	15,2	16,5
- Excluding Belarus and Ukraine	16,8	15,7	14,5	15,8	16,5	17,2
Russia	6,7	6,7	5,9	17,3	17,8	16,9
Transcaucasus and Central Asia	8,8	8,6	7,7	18,5	9,1	11,3
<b>Total countries in transition</b>	<b>11,9</b>	<b>11,0</b>	<b>10,3</b>	<b>15,9</b>	<b>15,6</b>	<b>16,3</b>

Sources: IMF, *World Economic Outlook*, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.19: Net Capital Flows to Emerging Market Economies<sup>1</sup>**

<i>(US\$ billions)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Net private capital flows</b>	<b>193,2</b>	<b>212,1</b>	<b>149,1</b>	<b>64,3</b>	<b>66,7</b>	<b>145,4</b>
- Foreign direct investments	97,0	115,9	142,7	131,0	116,7	123,3
- Portfolio investments	41,2	80,8	66,8	36,7	8,0	44,2
- Bank loans and other net investments <sup>2</sup>	55,0	15,4	-60,4	-103,4	-58,0	-22,1
<b>Net official flows</b>	<b>26,1</b>	<b>-0,8</b>	<b>24,4</b>	<b>41,7</b>	<b>8,0</b>	<b>2,9</b>
<b>Net external financings</b>	<b>219,3</b>	<b>211,3</b>	<b>173,5</b>	<b>106,0</b>	<b>74,7</b>	<b>148,3</b>
Change in reserves <sup>3</sup>	-120,2	-109,1	-61,2	-34,7	-22,6	-75,1
Errors and omissions	-8,1	-10,4	-25,2	-12,1	-12,7	-14,5
<b>Capital account</b>	<b>91,0</b>	<b>91,8</b>	<b>87,1</b>	<b>59,2</b>	<b>39,4</b>	<b>58,7</b>
<b>Current account</b>	<b>-91,0</b>	<b>-91,8</b>	<b>-87,1</b>	<b>-59,2</b>	<b>-39,4</b>	<b>-58,7</b>

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Net capital flows comprise net direct investments, net portfolio investment, and other long and short term net investment flows, including official and private borrowing. Emerging markets include developing countries, countries in transition, Korea, Singapore, Taiwan and Israel. No data for Hong Kong are available.

<sup>2</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

<sup>3</sup> A minus sign indicates an increase.

**Table 1.20: Breakdown of Net Private Capital Flows to Emerging Market Economies**

<i>(% of private capital flows)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	50,2%	54,6%	95,7%	203,7%	175,0%	84,8%
- Portfolio investments	21,3%	38,1%	44,8%	57,1%	12,0%	30,4%
- Bank loans and other net investments <sup>1</sup>	28,5%	7,3%	-40,5%	-160,8%	-87,0%	-15,2%

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

**Table 1.21: Net Capital Flows to Africa<sup>1</sup>**

<i>(US\$ billions)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Net private capital flows</b>	<b>6,9</b>	<b>7,6</b>	<b>16,3</b>	<b>10,3</b>	<b>11,9</b>	<b>16,8</b>
- Foreign direct investments	4,2	5,5	7,6	6,8	8,0	8,3
- Portfolio investments	1,5	-0,2	2,9	3,5	1,0	2,1
- Bank loans and other net investments <sup>2</sup>	1,2	2,3	5,8	-	2,9	6,4
<b>Net official flows</b>	<b>10,8</b>	<b>3,7</b>	<b>-4,5</b>	<b>1,5</b>	<b>0,2</b>	<b>1,1</b>
<b>Net external financings</b>	<b>17,7</b>	<b>11,3</b>	<b>11,8</b>	<b>11,8</b>	<b>12,1</b>	<b>17,9</b>
Change in reserves <sup>3</sup>	-1,7	-7,4	-12,3	2,9	1,0	-4,6
Errors and omissions	0,4	1,8	6,6	3,4	6,6	4,1
<b>Capital account</b>	<b>16,4</b>	<b>5,7</b>	<b>6,1</b>	<b>18,1</b>	<b>19,7</b>	<b>17,4</b>
<b>Current account</b>	<b>-16,4</b>	<b>-5,7</b>	<b>-6,1</b>	<b>-18,1</b>	<b>-19,7</b>	<b>-17,4</b>

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Net capital flows comprise net direct investments, net portfolio investment, and other long and short term net investment flows, including official and private borrowing.

<sup>2</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

<sup>3</sup> A minus sign indicates an increase.

**Table 1.22: Breakdown of Net Private Capital Flows to Africa**

<i>(% of private capital flows)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	60,9%	72,4%	46,6%	66,0%	67,2%	49,4%
- Portfolio investments	21,7%	-2,6%	17,8%	34,0%	8,4%	12,5%
- Bank loans and other net investments <sup>1</sup>	17,4%	30,3%	35,6%	0,0%	24,4%	38,1%

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

**Table 1.23: Net Capital Flows to Asia<sup>1</sup>**

(US\$ billions)	1995	1996	1997	1998	Projections*	
					1999	2000
<b>CRISIS COUNTRIES<sup>4</sup></b>						
<b>Net private capital flows</b>	<b>62,6</b>	<b>62,4</b>	<b>-19,8</b>	<b>-45,2</b>	<b>-25,6</b>	<b>-11,2</b>
- Foreign direct investments	8,7	9,5	12,1	4,9	8,6	8,3
- Portfolio investments	17,0	20,0	12,6	-6,5	-3,3	5,9
- Bank loans and other net investments <sup>2</sup>	36,9	32,9	-44,5	-43,6	-30,9	-25,4
<b>Net Official flows</b>	<b>0,7</b>	<b>4,8</b>	<b>25,0</b>	<b>22,7</b>	<b>0,3</b>	<b>0,6</b>
<b>Net external financings</b>	<b>63,3</b>	<b>67,2</b>	<b>5,2</b>	<b>-22,5</b>	<b>-25,3</b>	<b>-10,6</b>
Change in reserves <sup>3</sup>	-18,3	-13,6	37,7	-39,1	-25,1	-20,2
Errors and omissions	-4,5	-0,2	-15,9	-5,0	-0,5	-0,5
<b>Capital account</b>	<b>40,5</b>	<b>53,4</b>	<b>27,0</b>	<b>-66,6</b>	<b>-50,9</b>	<b>-31,3</b>
<b>Current account</b>	<b>-40,5</b>	<b>-53,4</b>	<b>-27,0</b>	<b>66,6</b>	<b>50,9</b>	<b>31,3</b>
<b>OTHER ASIAN COUNTRIES</b>						
<b>Net private capital flows</b>	<b>32,6</b>	<b>38,2</b>	<b>22,9</b>	<b>-9,6</b>	<b>-6,7</b>	<b>14,0</b>
- Foreign direct investments	41,1	45,6	50,5	45,1	32,2	37,8
- Portfolio investments	-6,1	-7,5	-11,8	-8,8	-13,3	-8,3
- Bank loans and other net investments <sup>2</sup>	-2,4	0,1	-15,8	-45,9	-25,6	-15,5
<b>Net official flows</b>	<b>3,8</b>	<b>5,3</b>	<b>3,3</b>	<b>5,9</b>	<b>4,1</b>	<b>6,0</b>
<b>Net external financings</b>	<b>36,4</b>	<b>43,5</b>	<b>26,2</b>	<b>-3,7</b>	<b>-2,6</b>	<b>20,0</b>
Change in reserves <sup>3</sup>	-26,2	-42,5	-46,3	-9,7	1,5	-12,6
Errors and omissions	-19,6	-18,0	-17,4	-17,1	-21,3	-22,3
<b>Capital account</b>	<b>-9,4</b>	<b>-17,0</b>	<b>-37,5</b>	<b>-30,5</b>	<b>-22,4</b>	<b>-14,9</b>
<b>Current account</b>	<b>9,4</b>	<b>17</b>	<b>37,5</b>	<b>30,5</b>	<b>22,4</b>	<b>14,9</b>

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Net capital flows comprise net direct investments, net portfolio investment, and other long and short term net investment flows, including official and private borrowing. Asia includes Korea, Singapore, and Taiwan. No data for Hong Kong are available.

<sup>2</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

<sup>3</sup> A minus sign indicates an increase.

<sup>4</sup> Indonesia, Korea, Malaysia, the Philippines and Thailand.

**Table 1.24: Breakdown of Net Private Capital Flows to Asia<sup>1</sup>**

(% of private capital flows)	1995	1996	1997	1998	Projections*	
					1999	2000
<b>CRISIS COUNTRIES<sup>2</sup></b>						
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	13,9%	15,2%	-61,1%	-10,8%	-33,6%	-74,1%
- Portfolio investments	27,2%	32,1%	-63,6%	14,4%	12,9%	-52,7%
- Bank loans and other net investments <sup>3</sup>	58,9%	52,7%	224,7%	96,5%	120,7%	226,8%
<b>OTHER ASIAN COUNTRIES</b>						
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	126,1%	119,4%	220,5%	-469,8%	-480,6%	270,0%
- Portfolio investments	-18,7%	-19,6%	-51,5%	91,7%	198,5%	-59,3%
- Bank loans and other net investments <sup>3</sup>	-7,4%	0,3%	-69,0%	478,1%	382,1%	-110,7%

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

**Table 1.25: Net Capital Flows to Middle East and Europe<sup>1</sup>**

<i>(US\$ billions)</i>	1995	1996	1997	1998	Projections*	
					1999	2000
<b>Net private capital flows</b>	<b>10,1</b>	<b>6,9</b>	<b>16,7</b>	<b>26,4</b>	<b>25,6</b>	<b>20,5</b>
- Foreign direct investments	3,7	2,4	3,3	2,9	4,5	5,9
- Portfolio investments	9,4	4,1	4,3	8,8	8,0	10,4
- Bank loans and other net investments <sup>2</sup>	-3,0	0,4	9,1	14,7	13,1	4,2
<b>Net official flows</b>	<b>-1,4</b>	<b>-0,7</b>	<b>-1,0</b>	<b>-2,2</b>	<b>-2,1</b>	<b>-3,2</b>
<b>Net external financings</b>	<b>8,7</b>	<b>6,2</b>	<b>15,7</b>	<b>24,2</b>	<b>23,5</b>	<b>17,3</b>
Change in reserves <sup>3</sup>	-12,7	-16,2	-20,4	-5,3	-4,9	-5,8
Errors and omissions	9,2	4,6	1,8	3,8	0,5	3,6
<b>Capital account</b>	<b>5,2</b>	<b>-5,4</b>	<b>-2,9</b>	<b>22,7</b>	<b>19,1</b>	<b>15,1</b>
<b>Current account</b>	<b>-5,2</b>	<b>5,4</b>	<b>2,9</b>	<b>-22,7</b>	<b>-19,1</b>	<b>-15,1</b>

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Net capital flows comprise net direct investments, net portfolio investment, and other long and short term net investment flows, including official and private borrowing.

<sup>2</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

<sup>3</sup> A minus sign indicates an increase.

**Table 1.26: Breakdown of Net Private Capital Flows to Middle East and Europe**

<i>(% of private capital flows)</i>	1995	1996	1997	1998	Projections*	
					1999	2000
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	36,6%	34,8%	19,8%	11,0%	17,6%	28,8%
- Portfolio investments	93,1%	59,4%	25,7%	33,3%	31,3%	50,7%
- Bank loans and other net investments <sup>1</sup>	-29,7%	5,8%	54,5%	55,7%	51,2%	20,5%

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.



**Table 1.27: Net Capital Flows to Western Emisphere<sup>1</sup>**

<i>(US\$ billions)</i>	1995	1996	1997	1998	Projections*	
					1999	2000
<b>Net private capital flows</b>	<b>38,4</b>	<b>82,0</b>	<b>87,3</b>	<b>68,9</b>	<b>38,3</b>	<b>82,6</b>
- Foreign direct investments	26,1	39,3	50,7	54,0	45,6	43,7
- Portfolio investments	1,7	40,0	39,7	33,0	2,1	23,2
- Bank loans and other net investments <sup>2</sup>	10,6	2,7	-3,1	-18,1	-9,4	15,7
<b>Net official flows</b>	<b>20,6</b>	<b>-13,7</b>	<b>-7,8</b>	<b>1,6</b>	<b>2,6</b>	<b>-3,2</b>
<b>Net external financings</b>	<b>59,0</b>	<b>68,3</b>	<b>79,5</b>	<b>70,5</b>	<b>40,9</b>	<b>79,4</b>
Change in reserves <sup>3</sup>	-25,5	-28,3	-14,6	17,7	20,5	-18,0
Errors and omissions	2,4	-1,1	0,2	1,7	-0,7	0,3
<b>Capital account</b>	<b>35,9</b>	<b>38,9</b>	<b>65,1</b>	<b>89,9</b>	<b>60,7</b>	<b>61,7</b>
<b>Current account</b>	<b>-35,9</b>	<b>-38,9</b>	<b>-65,1</b>	<b>-89,9</b>	<b>-60,7</b>	<b>-61,7</b>

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Net capital flows comprise net direct investments, net portfolio investment, and other long and short term net investment flows, including official and private borrowing.

<sup>2</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

<sup>3</sup> A minus sign indicates an increase.

**Table 1.28: Breakdown of Net Private Capital Flows to Western Emisphere**

<i>(% of private capital flows)</i>	1995	1996	1997	1998	Projections*	
					1999	2000
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	68,0%	47,9%	58,1%	78,4%	119,1%	52,9%
- Portfolio investments	4,4%	48,8%	45,5%	47,9%	5,5%	28,1%
- Bank loans and other net investments <sup>1</sup>	27,6%	3,3%	-3,6%	-26,3%	-24,5%	19,0%

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

**Table 1.29: Net Capital Flows to Countries in Transition<sup>1</sup>**

<i>(US\$ billions)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Net private capital flows</b>	<b>42,9</b>	<b>15,1</b>	<b>25,6</b>	<b>13,5</b>	<b>23,3</b>	<b>22,5</b>
- Foreign direct investments	13,4	13,5	18,5	17,4	17,8	19,2
- Portfolio investments	17,8	24,4	19,0	6,7	13,6	10,9
- Bank loans and other net investments <sup>2</sup>	11,7	-22,8	-11,9	-10,6	-8,1	-7,6
<b>Net official flows</b>	<b>-8,5</b>	<b>-0,2</b>	<b>9,3</b>	<b>12,2</b>	<b>2,9</b>	<b>1,6</b>
<b>Net external financings</b>	<b>34,4</b>	<b>14,9</b>	<b>34,9</b>	<b>25,7</b>	<b>26,2</b>	<b>24,1</b>
Change in reserves <sup>3</sup>	-35,8	-1,0	-5,3	-1,2	-13,5	-13,9
Errors and omissions	3,8	2,3	-0,3	1,1	0,5	0,5
<b>Capital account</b>	<b>2,4</b>	<b>16,2</b>	<b>29,3</b>	<b>25,6</b>	<b>13,2</b>	<b>10,7</b>
<b>Current account</b>	<b>-2,4</b>	<b>-16,2</b>	<b>-29,3</b>	<b>-25,6</b>	<b>-13,2</b>	<b>-10,7</b>

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Net capital flows comprise net direct investments, net portfolio investment, and other long and short term net investment flows, including official and private borrowing.

<sup>2</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

<sup>3</sup> A minus sign indicates an increase.

**Table 1.30: Breakdown of Net Private Capital Flows to Countries in Transition**

<i>(% of private capital flows)</i>	1995	1996	1997	1998	<i>Projections*</i>	
					1999	2000
<b>Net private capital flows</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Foreign direct investments	31,2%	89,4%	72,3%	128,9%	76,4%	85,3%
- Portfolio investments	41,5%	161,6%	74,2%	49,6%	58,4%	48,4%
- Bank loans and other net investments <sup>1</sup>	27,3%	-151,0%	-46,5%	-78,5%	-34,8%	-33,8%

Sources: IMF, World Economic Outlook, 1997, 1998, 1999; authors' calculations.

\* IMF estimates.

<sup>1</sup> Because of data limitations, "bank loans and other net investment" may include some official flows.

**Table 1.31: Gross Private Market Financing to Emerging Economies by Region**

<i>(US\$ billions)</i>	1995	1996	1997	1998	1997				1998				1999	
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Africa	9,3	5,6	14,8	4,4	1	1,8	8,4	3,6	2,1	1	0,1	1,2	1	1,8
Asia	86,9	118,5	127,5	34,1	32,5	38,2	36,2	20,7	7,1	14,1	5,5	7,5	11,6	14,5
Middle East	8,7	9,9	16	9,2	1,8	4,1	2,2	7,9	1,2	1,3	4,8	2	3,4	4
Europe	16,8	21,3	37,5	36,1	4,1	13,7	7,9	11,7	7,5	12,7	9,9	6,1	3,1	7,7
Western Emisphere	36,2	63,1	90,3	64,6	16,7	29,4	30,1	14,1	21,7	21,8	10,2	10,9	13,6	13,7
<b>All Emerging Markets</b>	<b>157,9</b>	<b>218,4</b>	<b>286,1</b>	<b>148,4</b>	<b>56,1</b>	<b>87,2</b>	<b>84,8</b>	<b>58</b>	<b>39,6</b>	<b>50,9</b>	<b>30,5</b>	<b>27,7</b>	<b>32,7</b>	<b>41,7</b>
<i>(% of total)</i>														
Africa	5,9%	2,6%	5,2%	3,0%	1,8%	2,1%	9,9%	6,2%	5,3%	2,0%	0,3%	4,3%	3,1%	4,3%
Asia	55,0%	54,3%	44,6%	23,0%	57,9%	43,8%	42,7%	35,7%	17,9%	27,7%	18,0%	27,1%	35,5%	34,8%
Middle East	5,5%	4,5%	5,6%	6,2%	3,2%	4,7%	2,6%	13,6%	3,0%	2,6%	15,7%	7,2%	10,4%	9,6%
Europe	10,6%	9,8%	13,1%	24,3%	7,3%	15,7%	9,3%	20,2%	18,9%	25,0%	32,5%	22,0%	9,5%	18,5%
Western Emisphere	22,9%	28,9%	31,6%	43,5%	29,8%	33,7%	35,5%	24,3%	54,8%	42,8%	33,4%	39,4%	41,6%	32,9%
<b>All Emerging Markets</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Sources: IMF, World Economic and Financial Surveys, 1999; IMF, World Economic Outlook, 1998, 1999; authors' calculations.

**Table 1.32: Gross Private Market Financing to Emerging Economies by Financing Type**

<i>(US\$ billions)</i>	1995	1996	1997	1998	1997				1998				1999	
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Bonds	63,7	111,3	138,2	78,2	29,6	46,3	48,7	13,5	25,4	28,5	14,1	10,3	21,2	24,2
Equities	11,3	16,4	24,8	9,8	3,2	8,2	6,3	7,2	3,1	3,7	0,2	2,8	2,3	5,7
Loans	82,9	90,7	123,2	60,4	23,3	32,7	29,8	37,3	11,1	18,7	16,2	14,6	9,2	11,8
<b>Total</b>	<b>157,9</b>	<b>218,4</b>	<b>286,2</b>	<b>148,4</b>	<b>56,1</b>	<b>87,2</b>	<b>84,8</b>	<b>58</b>	<b>39,6</b>	<b>50,9</b>	<b>30,5</b>	<b>27,7</b>	<b>32,7</b>	<b>41,7</b>
<i>(% of total)</i>														
Bonds	40,3%	51,0%	48,3%	52,7%	52,8%	53,1%	57,4%	23,3%	64,1%	56,0%	46,2%	37,2%	64,8%	58,0%
Equities	7,2%	7,5%	8,7%	6,6%	5,7%	9,4%	7,4%	12,4%	7,8%	7,3%	0,7%	10,1%	7,0%	13,7%
Loans	52,5%	41,5%	43,1%	40,7%	41,5%	37,5%	35,1%	64,3%	28,0%	36,7%	53,1%	52,7%	28,1%	28,3%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Sources: IMF, World Economic and Financial Surveys, 1999; IMF, World Economic Outlook, 1998, 1999; authors' calculations.

**Table 1.33: Gross Private Market Financing to Emerging Economies by Sectoral Destination**

<i>(US\$ billions)</i>	1995	1996	1997	1998	1997				1998				1999	
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Public	73,6	95,6	121,4	80,6	22,7	39,3	37	22,2	22,1	26,2	19,2	13,1	18,6	21,3
Private	84,2	122,8	164,8	68	33,5	47,8	47,8	35,7	17,4	24,6	11,3	14,6	14,2	20,4
<b>Total</b>	<b>157,8</b>	<b>218,4</b>	<b>286,2</b>	<b>148,6</b>	<b>56,2</b>	<b>87,1</b>	<b>84,8</b>	<b>57,9</b>	<b>39,5</b>	<b>50,8</b>	<b>30,5</b>	<b>27,7</b>	<b>32,8</b>	<b>41,7</b>
<i>(% of total)</i>														
Public	46,6%	43,8%	42,4%	54,2%	40,4%	45,1%	43,6%	38,3%	55,9%	51,6%	63,0%	47,3%	56,7%	51,1%
Private	53,4%	56,2%	57,6%	45,8%	59,6%	54,9%	56,4%	61,7%	44,1%	48,4%	37,0%	52,7%	43,3%	48,9%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Sources: IMF, World Economic and Financial Surveys, 1999; IMF, World Economic Outlook, 1998, 1999; authors' calculations.

**Table 1.34: Changes in Bank Exposures to Emerging Markets**

<b>Borrowing Regions</b> <i>(US\$ billions)</i>	<b>1997</b>		<b>1998</b>	
	1 <sup>st</sup> half	2 <sup>nd</sup> half	1 <sup>st</sup> half	2 <sup>nd</sup> half
Africa	4,7	-0,8	-0,5	-2,9
Asia	33,8	-7,8	-57,6	-28
- <i>Crisis Countries</i>	18,4	-20,3	-46,9	-21,2
Middle East	6,1	2,1	3,6	5,4
Europe	11,8	8,4	11,5	-17
- <i>Russia</i>	7,8	4,1	3,4	-19,2
Western Hemisphere	20,8	21,3	12,5	-7,6
- <i>Brazil</i>	3,9	3,8	7,7	-11,7
<b>All Emerging Economies</b>	<b>77,2</b>	<b>23,2</b>	<b>-30,5</b>	<b>-50,1</b>

Sources: IMF, World Economic and Financial Surveys, 1999; BIS, Consolidated International Banking Statistics, May 1999; authors' calculations.

**Table 1.35: Distribution of Total Bank Claims towards Emerging Economies by Nationality of Lender**

<i>(US\$ billions)</i>	31/12/96	31/12/97	30/06/98	31/12/98
<u>All Emerging Economies</u>				
<b>Total Financings</b>	<b>811,3</b>	<b>693,0</b>	<b>860,8</b>	<b>827,5</b>
<i>of which :</i>				
- European banks	53,9%	59,9%	61,1%	62,7%
- North American banks	16,5%	14,5%	14,9%	14,1%
- Japanese banks	17,8%	15,1%	14,2%	13,3%
- Other banks	11,8%	10,5%	9,8%	9,9%
<u>Africa</u>				
<b>Total Financings</b>	<b>50,2</b>	<b>58</b>	<b>57,2</b>	<b>56,4</b>
<i>of which :</i>				
- European banks	74,5%	77,8%	79,0%	80,2%
- North American banks	8,6%	9,9%	9,9%	8,1%
- Japanese banks	6,9%	4,8%	4,0%	3,3%
- Other banks	10,0%	7,5%	7,0%	8,3%
<u>Asia</u>				
<b>Total Financings</b>	<b>367</b>	<b>378,8</b>	<b>319,6</b>	<b>297,9</b>
<i>of which :</i>				
- European banks	42,2%	46,8%	48,7%	50,2%
- North American banks	11,0%	9,8%	9,1%	8,7%
- Japanese banks	32,3%	30,3%	30,8%	28,8%
- Other banks	14,5%	13,1%	11,3%	12,3%
<u>Middle East</u>				
<b>Total Financings</b>	<b>48,6</b>	<b>51,4</b>	<b>56,2</b>	<b>63,1</b>
<i>of which :</i>				
- European banks	66,0%	62,7%	63,4%	63,7%
- North American banks	8,9%	9,2%	9,0%	10,2%
- Japanese banks	5,8%	6,6%	5,4%	6,2%
- Other banks	19,3%	21,4%	22,2%	19,9%
<u>Europe</u>				
<b>Total Financings</b>	<b>103</b>	<b>123,5</b>	<b>134</b>	<b>121,6</b>
<i>of which :</i>				
- European banks	79,5%	80,0%	80,4%	85,0%
- North American banks	9,3%	8,9%	9,7%	5,6%
- Japanese banks	3,9%	3,4%	3,1%	3,2%
- Other banks	7,3%	7,7%	6,8%	6,2%
<u>Western Hemisphere</u>				
<b>Total Financings</b>	<b>242,4</b>	<b>281,3</b>	<b>293,7</b>	<b>288,5</b>
<i>of which :</i>				
- European banks	54,2%	61,5%	61,7%	62,4%
- North American banks	31,2%	26,1%	25,9%	25,6%
- Japanese banks	6,4%	5,2%	5,0%	5,0%
- Other banks	8,3%	7,2%	7,3%	7,0%

Sources: BIS, Consolidated International Banking Statistics, May 1999; authors' calculations.

## Annexes to chapter 2

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**Table 2.1.1. The global OTC derivatives markets**

(amounts outstanding in US\$ bn)

	End- December 1998	
	Notional amounts	Gross market values
<b><i>Foreign exchange contracts</i></b>	<b>18011</b>	<b>786</b>
Outright forwards and forex swaps	12063	491
Currency swaps	2253	200
<i>Options</i>	3695	96
<b><i>Interest rate contracts</i></b>	<b>50015</b>	<b>1675</b>
FRAs	5756	15
Swaps	36262	1509
Options	7997	152
<b><i>Equity-linked contracts</i></b>	<b>1488</b>	<b>236</b>
Forwards and swaps	146	44
Options	1342	192
<b><i>Commodity contracts</i></b>	<b>415</b>	<b>43</b>
<i>Gold</i>	182	13
<i>Other</i>	233	30
Forwards and swaps	137	..
Options	97	..
<b><i>Other</i></b>	<b>10371</b>	<b>490</b>
<b>GRAND TOTAL</b>	<b>80300</b>	<b>3230</b>
<b>GROSS CREDIT EXPOSURE</b>		<b>1329</b>

Source: BANK OF INTERNATIONAL SETTLEMENT, 1999h.

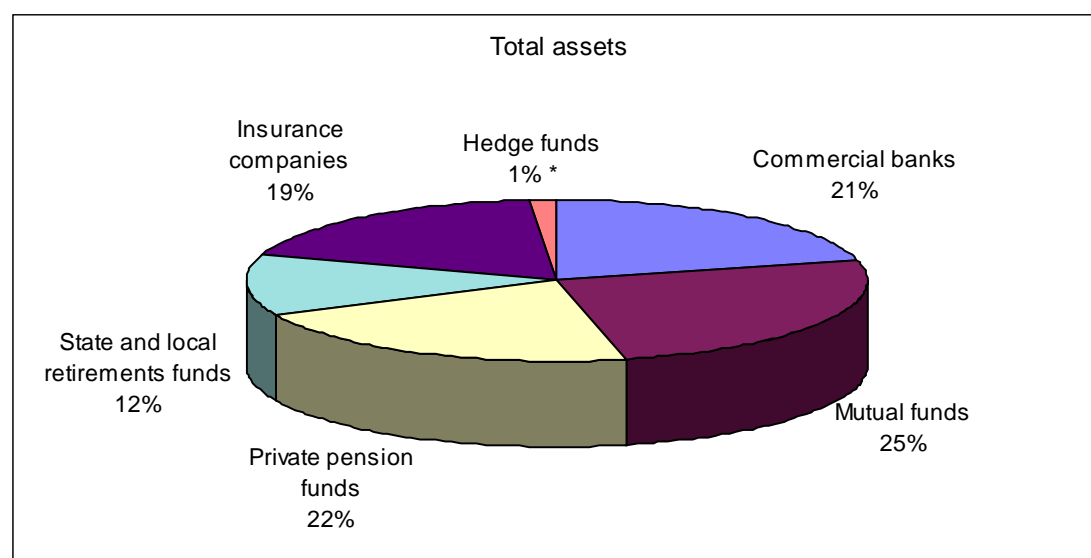


**Table 2.1.2 Notional amounts and gross market values of OTC derivatives**

(US \$ bn)

	31 st March 1995	
	Notional amounts	Gross market values
<b>Foreign exchange contracts</b>	<b>13095</b>	<b>1048</b>
Forwards and forex swaps	8699	622
Currency swaps	1957	346
Options	2379	71
Other	61	10
<b>Interest rate contracts</b>	<b>26645</b>	<b>647</b>
FRAs	4597	18
Swaps	18283	562
Options	3548	60
Other	216	7
<b>Equity and stock indices</b>	<b>579</b>	<b>50</b>
Forwards and swaps	52	7
Options	527	43
<b>Commodities</b>	<b>318</b>	<b>28</b>
Forwards and swaps	208	21
Options	109	6
<b>TOTAL</b>	<b>40637</b>	<b>1773</b>

Source: COMMITTEE ON PAYMENT AND SETTLEMENT SYSTEMS AND THE EURO-CURRENCY STANDING COMMITTEE-Joint report, 1998.

**Table 2.3.1. The relative size of the hedge funds industry**

Source: Board of Governors of Federal Reserve System, Flow of Funds Accounts of the United States, Fourth Quarter 1998.

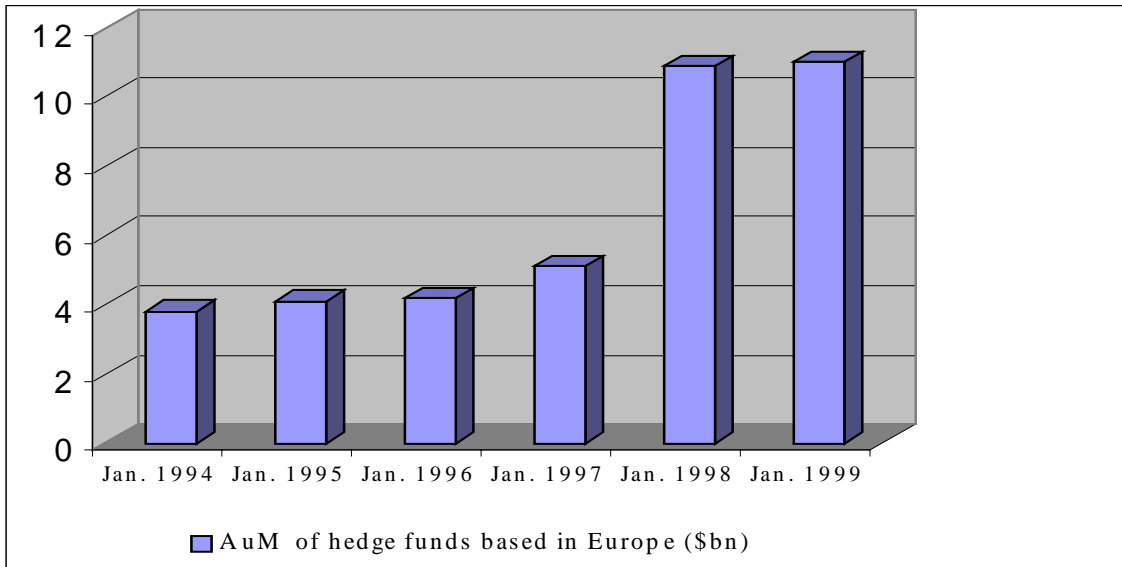
\* It is difficult to estimate precisely the size of the industry. Here the source used is Report of the President's Working group on financial markets, Department of the Treasury, Board of Governors of the Federal Reserve System 1999.

**Table 2.3.2. Hedge Funds: Number of Funds by Investment Style**

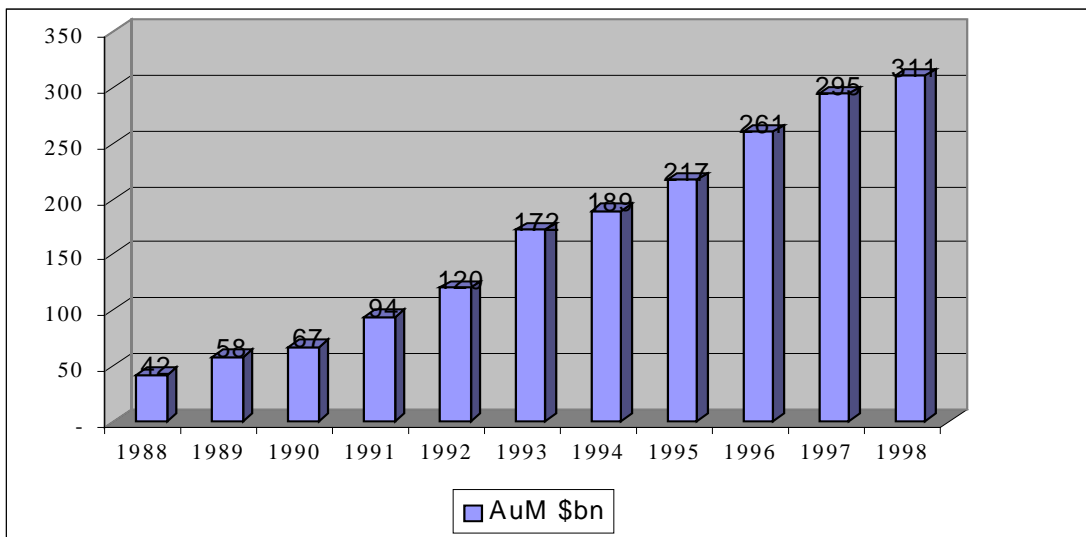
<i>In numbers</i>	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997
Global	1	9	40	61	90	127	191	248	334	404
Macro	0	2	13	14	19	28	34	40	50	61
Market-Neutral	0	5	18	22	40	64	93	123	159	201
Event-driven	0	2	17	21	22	39	48	73	95	120
Sector	0	0	1	1	2	6	10	16	23	40
Short sales	0	0	6	6	7	8	10	10	11	12
Long only	0	0	0	0	2	5	6	7	11	15
Fund of funds	0	4	32	45	63	84	134	181	221	262
<b>Total (including fund of funds)</b>	<b>1</b>	<b>22</b>	<b>127</b>	<b>170</b>	<b>245</b>	<b>361</b>	<b>526</b>	<b>698</b>	<b>904</b>	<b>1115</b>
<b>Total (excluding fund of funds)</b>	<b>1</b>	<b>18</b>	<b>95</b>	<b>125</b>	<b>182</b>	<b>277</b>	<b>392</b>	<b>517</b>	<b>683</b>	<b>853</b>
<i>In percent of total</i>										
Global	100%	50%	42%	49%	49%	46%	49%	48%	49%	47%
Macro	0%	11%	14%	11%	10%	10%	9%	8%	7%	7%
Market-Neutral	0%	28%	19%	18%	22%	23%	24%	24%	23%	24%
Event-driven	0%	11%	18%	17%	12%	14%	12%	14%	14%	14%
Sector	0%	0%	1%	1%	1%	2%	3%	3%	3%	5%
Short sales	0%	0%	6%	5%	4%	3%	3%	2%	2%	1%
Long only	0%	0%	0%	0%	1%	2%	2%	1%	2%	2%
<b>Total (excluding fund of funds)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

<i>millions of US dollars</i>	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997
Global	193	517	1288	2238	3945	6573	12249	14931	20401	30862
Macro	0	0	4700	6827	9396	18930	20165	18807	25510	29759
Market-Neutral	0	78	638	925	1671	3375	4720	5707	10317	17970
Event-driven	0	29	379	550	784	1750	2886	3827	5574	8602
Sector	0	0	2	3	8	48	107	187	691	1752
Short sales	0	0	187	239	226	244	403	432	488	538
Long only	0	0	0	0	14	30	44	85	180	376
Fund of funds	0	190	1339	1941	3075	6468	8167	9416	13163	19717
<b>Total (including fund of funds)</b>	<b>193</b>	<b>814</b>	<b>8533</b>	<b>12723</b>	<b>19119</b>	<b>37418</b>	<b>48741</b>	<b>53392</b>	<b>76324</b>	<b>109576</b>
<b>Total (excluding fund of funds)</b>	<b>193</b>	<b>624</b>	<b>7194</b>	<b>10782</b>	<b>16044</b>	<b>30950</b>	<b>40574</b>	<b>43976</b>	<b>63161</b>	<b>89859</b>
<i>In percent of total</i>										
Global	100%	83%	18%	21%	25%	21%	30%	34%	32%	34%
Macro	0%	0%	65%	63%	59%	61%	50%	43%	40%	33%
Market-Neutral	0%	13%	9%	9%	10%	11%	12%	13%	16%	20%
Event-driven	0%	5%	5%	5%	5%	6%	7%	9%	9%	10%
Sector	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%
Short sales	0%	0%	3%	2%	1%	1%	1%	1%	1%	1%
Long only	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total (excluding fund of funds)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

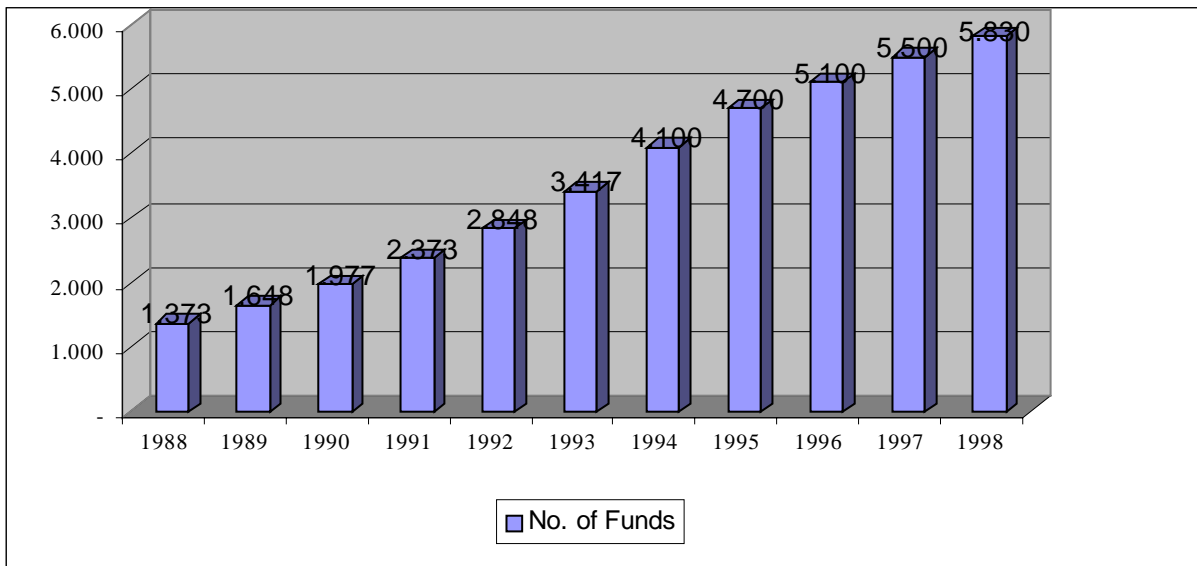
Source: MAR / HEDGE

**Table 2.3.3. Hedge funds based in Europe**

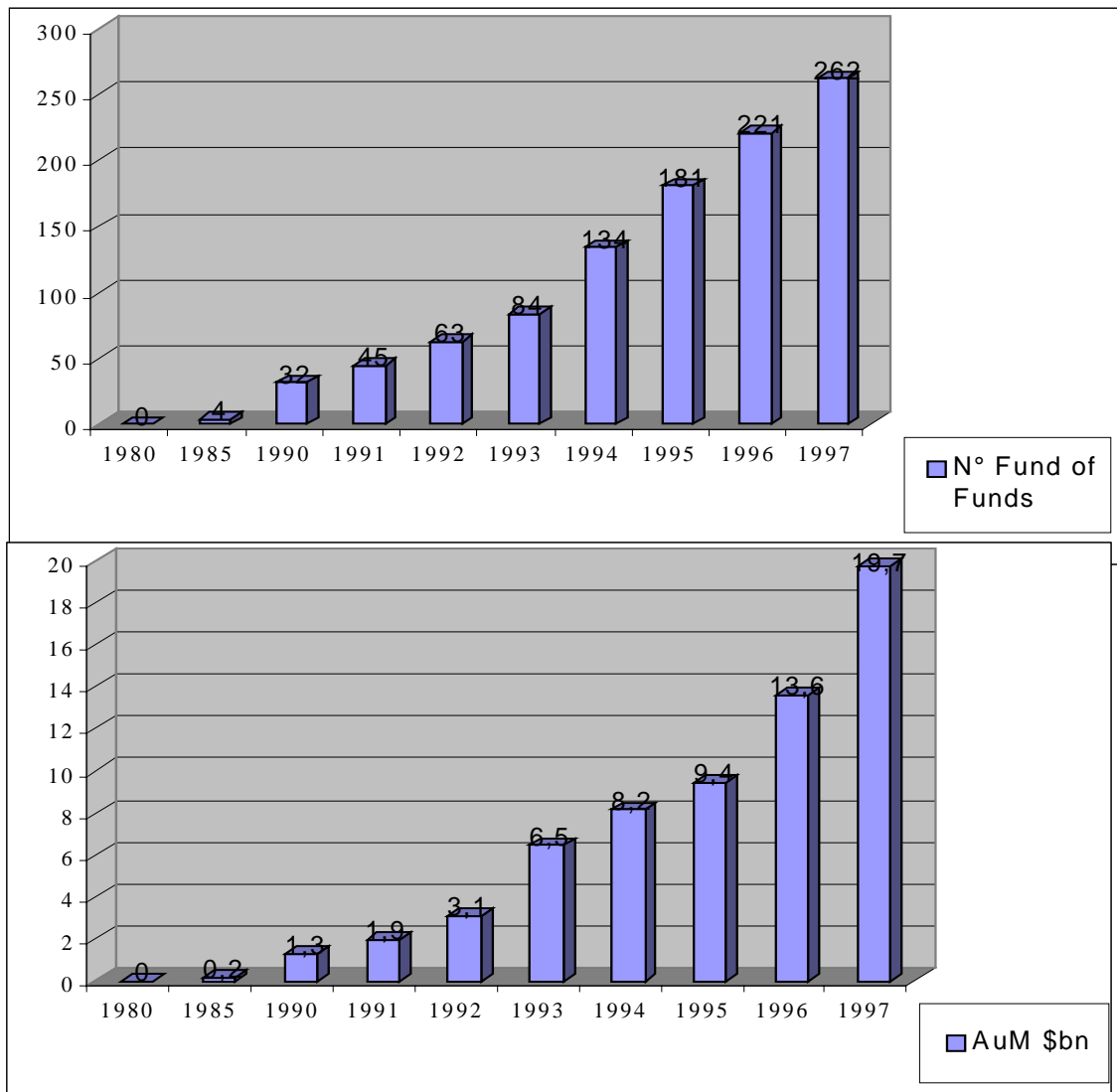
Source: MAR/HEDGE

**Table 2.3.4. The growth of hedge funds industry: assets under management (AuM)**

Source: Van Hedge Fund Advisors International

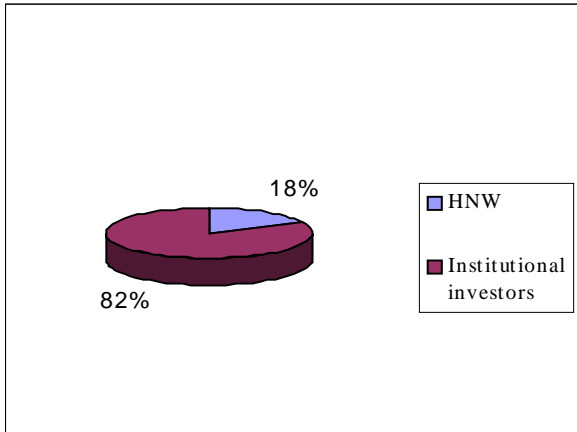
**Table 2.3.5. The growth of hedge funds industry: number of hedge funds**

Source: Van Hedge Fund Advisors International

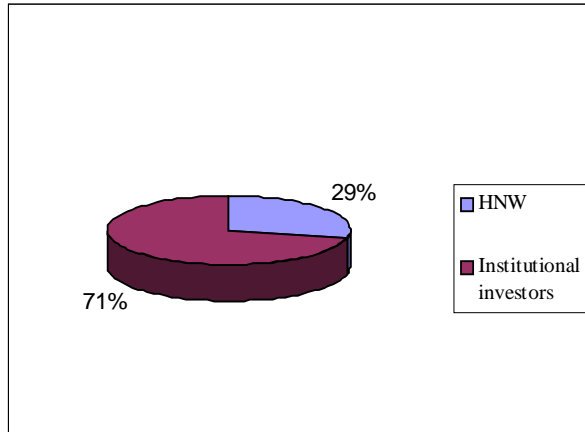
**Table 2.3.6. Fund of funds evolution**

Source: Mar/Hedge

**Table 2.3.7. Evolution of hedge fund investor groups**



Source: KPMG, 1998.



Source: Andersen Consulting, 1999.

## Annexes to chapter 3

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**Table 3.1.1. The main recommendations of the BIS Working Group on Transparency and Accountability**

<b>Private sector</b>	<p>National standards for private sector disclosures should reflect five basic elements: timeliness, completeness, consistency, risk management, audit and control processes.</p> <p>Private firms should adhere to national accounting standards and national authorities should remedy any deficiencies in their enforcement.</p> <p>IASC should give the highest priority to the completion of a core set of accounting standards and IOSCO should undertake a timely review of these standards.</p> <p>A Working Party comprising private sector representatives, international groups and national authorities should be formed in order to examine modalities of compiling and publishing data on the international exposures of investment banks, hedge funds and other institutional investors.</p>
<b>National Authorities</b>	<p>National authorities should publish timely, accurate and comprehensive information about their foreign exchange liquidity position, including their forward books.</p> <p>National authorities should compile and disseminate on a regular and timely basis information about the foreign exchange liquidity position of public, financial and corporate sectors.</p> <p>Fiscal authorities should observe the Code of Good Practices on Fiscal Transparency; the IMF should establish a mechanism for monitoring compliance with the Code.</p> <p>A diverse group of central banks should be assembled to draft a code of best practises on monetary policy transparency, in co-operation with the IMF.</p>
<b>International Financial Institutions</b>	<p>As a general principle, IFIs should adopt a presumption in favour of the release of information, except where release might compromise confidentiality.</p> <p>IFIs should establish, publicly announce and periodically revisit and explicit, well-articulated definition of the areas in which confidentiality should apply and the criteria for applying it.</p>

Source: BIS Working Group on Transparency and Accountability, ( 1998).

**Table 3.1.2. Recommendations for “Accounting and valuation methods”**

- Discuss the accounting policies and methods of income recognition for the trading and not-trading derivatives
- Describe the methods used to account for derivatives
- Describe the types of derivatives accounted for under each method
- Describe the criteria to be net for each accounting method used (e.g. hedge accounting criteria)
- Describe the accounting treatment for terminated derivative contract hedges
- Describe the accounting treatment for hedges of anticipated transactions
- Describe the accounting treatment if specified criteria are not met
- Describe the policies and procedures followed for netting assets and liabilities arising from derivatives transactions

Source: BASLE COMMITTEE ON BANKING SUPERVISION AND THE TECHNICAL COMMITTEE OF THE "IOSCO"-Joint Report, 1999b.



**Table 3.1.3. Comparisons of the FASB and IASC sets of standards**

		<b>IAS 39</b>	<b>FAS 133</b>
<b>Definitions</b>	<b>Financial/derivative instruments</b>	A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. A derivative is a financial instrument: (a) – whose value changes in response to the change in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or similar variable (sometimes called the ‘underlying’); (b) - that requires no initial net investment or little initial net investment relative to other types of contracts that have a similar response to changes in market conditions; and (c) - that is settled at a future date.	The FASB strictly refers to ‘derivatives’ instruments. As regard to their definition: (a) – same (b) – same (c) – FASB definition requires that the terms of the derivative contract require or permit net settlement.
	<b>Fair value</b>	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.	The fair value is the amount at which an asset (liability) could be bought (incurred) or sold (settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and should be used as the basis for the measurement, if available. If a quoted market price is available, the fair value is the product of the number of trading units times that market price. If a quoted market price is not available, the estimate of fair value should be based on the best information available in the circumstances. The estimate of fair value should consider prices for similar assets or similar liabilities and the results of valuation techniques to the extent available in the circumstances.
<b>Recognition</b>	<b>Initial</b>	All financial assets and financial liabilities are recognised on the balance sheet, including all derivatives	An entity shall recognize all of its derivative instruments in its statement of financial position as either assets or liabilities depending on the rights or obligations under the contracts.
	<b>Derecognition</b>	A financial asset is derecognised if a) the transferee has the right to sell or pledge the asset; and b) the transferor does not have the right to reacquire the transferred assets. (However, such a right does not prevent derecognition if either the asset is readily obtainable in the market or the reacquisition price is fair value at the time of reacquisition.) A financial liability is derecognised if the debtor is legally released from primary responsibility for the liability (or part thereof) either judicially or by the creditor.	In addition to those criteria, FASB requires that the transferred assets be legally isolated from the transferor even in the event of the transferor’s bankruptcy.  Same. Furthermore, while a IAS 39 includes the example of a bank transferring a loan to another bank, but preserving the relationship of the transferor bank with its customer, FASB Standards might be interpreting as prohibiting derecognition by the transferor bank.
<b>Measurement</b>	<b>Initial</b>	All financial assets and financial liabilities are initially measured at cost, which is the <i>fair value</i> of whatever was paid or received to acquire the financial asset or liability. Transaction costs are included in the initial measurement of all financial instruments.	Derivative instruments should be measured at fair value, and adjustments to the carrying amount of hedged items should reflect changes in their fair value (that is, gains or losses) that are attributable to the risk being hedged and that arise while the hedge is in effect. FASB does not address transaction costs. Such costs can be included in or excluded in initial measurement of financial instruments.
	<b>Re-measurement</b>	The <i>fair value criteria</i> is used to evaluate, mainly: a) all financial asset held for trading; b) all debt securities, equity securities, and other financial assets that are not held for trading but nonetheless are available for sale – except those unquoted equity securities whose fair value cannot be measured reliably by another means are measured at cost subject to an impairment test; c) all derivative assets and derivative liabilities, unless they are linked to and must be settled by an unquoted equity whose fair value cannot be measured reliably.	The FASB content is almost the same. There are little differences in point b) and c): b) all debt securities, equity securities, and other financial assets that are not held for trading but nonetheless are available for sale – <i>except all unquoted equity securities are measured at cost subject to an impairment test.</i>  <i>FASB does not require fair value for any unquoted equity security but the standard does not make an exception from fair value for a derivative that is indexed to an unquoted equity whose fair value cannot be measured reliably.</i>

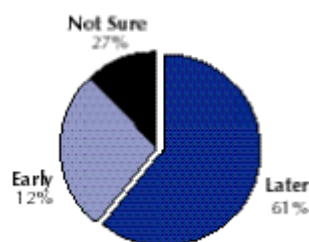
(....)

(....)

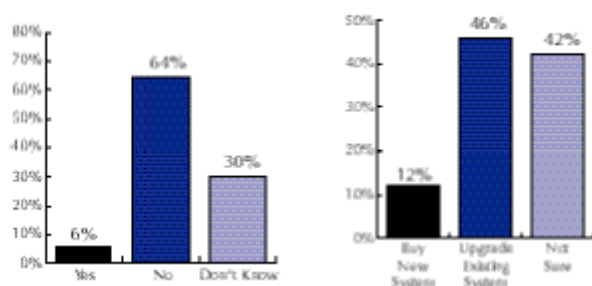
		<b>IAS 39</b>	<b>FAS 133</b>
	<b>Re-measurement</b>	The <i>cost criteria</i> is used to evaluate, mainly: (a) loans and receivables originated by the enterprise and not held for trading; (b) other fixed maturity investments, such as debt securities and mandatorily redeemable preferred shares, that the enterprise intends and is able to hold to maturity; and (c) financial assets whose fair value cannot be reliably measured (generally limited to some equity securities with no quoted market price and forwards and options on unquoted equity securities).	As regard to point (c) FASB 133 reveals a little <i>difference</i> . In fact, FASB <i>reports all unquoted equity instruments at cost even if fair value can be measured reliably by means of other than a quotation in an active market</i> . FASB <i>requires fair value measurement for all derivatives, including those linked to unquoted equity instruments if they are to be settled in cash but not those to be settled by delivery</i> , which are outside the scope of 133.
	<b>Measurement Reporting</b>	For those financial assets and liabilities that are remeasured to fair value, an enterprise has a single, enterprise-wide option to either: (a) recognise the entire adjustment in net profit or loss for the period; or (b) recognise in net profit or loss for the period only those changes in fair value relating to financial assets and liabilities held for trading, with value changes in non-trading items reported in equity until the financial asset is sold, at which time the realised gain or loss is reported in net profit or loss.	Here is another quite importance difference: <i>FASB requires option (b) for all enterprises</i> .
	<b>Conditions</b>	Hedge accounting is permitted in certain circumstances, provided that the hedging relationship is clearly <i>defined, measurable, and actually effective</i> . Use of noncash hedging instruments is restricted to exposure to hedges of any risk of gain or loss from changes in foreign currency exchange rates arising in fair value hedges, cash flow hedges, or hedges of a net investment in a foreign operation.	The conditions to apply a hedging accounting are the same, in FAS 133. A little difference is on the fact that the use of noncash hedging instruments is restricted to exposure to hedges of risk of gain or loss from changes in <i>foreign currency exchange rates</i> arising in firm commitments or hedges of a <i>net investment in a foreign operation (only)</i> .
	<b>Hedge accounting Measurement</b>	Three types of hedges are defined: a) Fair value hedge; b) Cash flow hedge c) Hedge of a net investment in a foreign entity. The <i>fair value hedge</i> is an hedge of the exposure to changes in the fair value of a recognised asset or liability (such as a hedge of exposure to changes in the fair value of fixed rate debt as a result of changes in interest rates). However, a hedge of an unrecognised firm commitment to buy or sell an asset at a fixed price in the enterprise's reporting currency is accounted <i>for as a cash flow hedge</i> .  The hedge accounting, for fair value hedge, cash flow hedge and hedge of a net investment in a foreign entity is similar to what described in paragraph 3.1.4.2. A relevant different is on a part of the <i>Cash flow hedge accounting</i> : For a hedge of a forecasted asset and liability acquisition, the gain or loss on the hedging instrument will adjust the basis (carrying amount) of the acquired asset or liability. The gain or loss on the hedging instrument that is included in the initial measurement of the asset or liability is subsequently included in net profit or loss when the asset or liability affects net profit or loss (such as in the periods that depreciation expense, interest income or expense, or cost of sales is recognised).	The hedge accounting in FAS 133 is almost the same of the one set in IAS 39, except for the following issues:  ... a hedge of an unrecognised firm commitment to buy or sell an asset at a fixed price in the enterprise's reporting currency is accounted <i>for as a fair value hedge or a cash flow hedge</i> .  For a hedge of a forecasted asset and liability acquisition, the gain or loss on the hedging instrument will remain in equity when the asset or liability is acquired. That gain or loss will subsequently included in net profit or loss in the same period as the asset or liability affects net profit or loss (such as in the periods that depreciation expense, interest income or expense, or cost of sales is recognised). <i>Thus, net profit or loss will be the same under IAS and FASB Standards, but the balance sheet presentation will be net under IAS and gross under FASB.</i>

Adapted from: Pacter P. (1999).

### Chart 3.1.3. Early vs. later adoption of FAS 133



### Chart 3.1.4. Availability of systems able to handle FAS 133



### Box 3.1.5. The IT reasons to defer FAS 133

Reason	Description
<b>1- The derivatives inventory process</b>	<p>These new guidelines force companies to begin a tedious and lengthy process of cataloguing many potential derivatives. Since no one had anticipated these contracts would one day be caught in a wider derivatives-definition net, the systems, staff and processes are not currently in place to tag them correctly.</p> <p>For large, decentralised and geographically diverse multinationals, that sort of inventory-taking can take months. Often, the people who signed the contracts are not familiar with FAS 133 (e.g., purchasing managers), and most large companies face an uphill battle in educating non-financial staff about FAS 133's implications.</p>
<b>2- Y2K/euro drain on resources</b>	<p>Ideally, non-financial and financial organisations should have been Y2K ready by now. In the real world, they are not. Y2K preparation is therefore an ongoing and critical effort for most organisations.</p> <p>With potentially critical systems/payment failures overseas—and ongoing concern at home—many companies cannot afford to divert Information Systems' staff attention to less critical, accounting projects. Meanwhile, manual processing of FAS 133 data is an impossible process for large multinationals with multiple cash flows, currencies and derivatives on their books.</p>
<b>3- Still unresolved questions</b>	<p>Some of the issues that are yet to be resolved include the effectiveness of complex options, combination options and some cash flows hedges, how to separate host from embedded derivatives, as well as tell them apart and value each separately.</p>
<b>4- Systems vendors are not prepared &amp; companies have Y2K moratoriums</b>	<p>In a survey of treasurers in late 1998, <i>International Treasurer</i> found over 70 percent of companies does not have systems that can handle FAS 133 requirements. Recent anecdotal research suggests the figure is closer to 100 percent. Indeed, not a single major vendor in the treasury market has announced that its systems are FAS 133-ready.</p>

Source: *International Treasurer/FAS133.com Draft Letter to the FASB*



## **Annexes to chapter 4**

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## Sample Selection and Database

The choice of the countries we analyse is based on consideration of their importance in the world economy and the potential consequence that a banking crisis can transmit to international economic system. We focus on three regions given their prominent role among not industrialised countries: Latin America, Eastern Europe and Asia. These regions give an overall contribution to the GDP of all developing countries of 82,2% and to the world GDP of 19,74%. Moreover, according to the BIS, the credit system of these areas receive 80% of total international lending towards banking systems of developing and transition countries (21% Latin America, 45% Asia and 13,9% Eastern Europe in 1998). In all these regions banking systems convey most of the foreign financial resources as 64% of total international banking loans to Eastern Europe, 35% of these to Latin America and 58% to Asia is directed towards banking systems.

In each of these three regions we select the most representative and large economies. For Latin America we consider Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela, which on aggregate represent 91,8% of 1998 GDP of the region. In Eastern Europe we consider the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia<sup>1</sup>, Slovakia and Slovenia (79,3% of the 1998 GDP of Eastern Europe). Countries selected for Asia are China, Honk Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand (87,6% of 1998 GDP of Asia). Taken together all those countries are quite representative as they cover 72,2% of the 1998 GDP of developing and transition countries.

Several different sources of data are used in this chapter.

- IMF, World Bank and Economy Intelligence Unit data have been considered to evaluate the role of the banking system;
- the lack of a comprehensive database concerning supervision and regulation forced us to rely on different sources, among which the Institute of International Banking (IIB).
- The banking system analysis at the sector and microeconomic level is based on the Bankscope database provided by IBCA. This database includes balance sheet data for 11.000 banks around the world and on average it covers 90% of total assets of world banking systems. Single bank data have been aggregated at the country and the area level. We consider all commercial, saving or co-operative banks for which a balance sheet is available in the 1995 – 1998 period. Table 4.1 presents the number of banks included in the aggregation for each country and each year.

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<sup>1</sup> Due to data availability, we will not consider Russia in the banking sector analysis.

### Number of banks in each country per year

Country	1995	1996	1997	1998	Country	1995	1996	1997	1998
<b>EST</b>	179	206	202	124	COLOMBIA	30	32	33	32
CZECH REP.	28	29	27	18	MEXICO	27	25	36	37
ESTONIA	10	10	10	4	PERU	23	25	24	23
HUNGARY	30	31	27	17	<b>ASIA</b>	381	391	364	239
LATVIA	18	19	20	13	CHINA	21	22	25	22
LITHUANIA	5	8	11	10	KOREA	29	29	30	20
POLAND	39	46	42	25	HONG KONG	41	44	41	35
ROMANIA	14	16	17	12	INDIA	63	64	62	22
SLOVAKIA	14	19	21	12	INDONESIA	93	93	63	24
SLOVENIA	21	28	27	13	MALAYSIA	40	40	37	26
<b>L. AMERICA</b>	357	374	374	331	PHILIPPINE	26	32	38	29
ARGENTINA	95	104	94	81	SINGAPORE	23	20	16	11
BRASILE	137	140	137	118	TAIWAN	32	33	37	36
CHILE	26	29	29	27	THAILAND	13	14	15	14

### Main banking system indicators

REGION	VARIABLE	1995	1996	1997	1998
L.AMERICA	Loan Loss Reserve / Gross Loans	7.23	6.97	8.00	8.68
L.AMERICA	Equity / Total Assets	9.51	9.57	8.34	9.36
L.AMERICA	Net Int Rev / Avg Assets	7.52	6.29	5.67	5.64
L.AMERICA	Oth Op Inc / Avg Assets	3.43	3.65	3.33	2.60
L.AMERICA	Cost to Income Ratio	71.06	75.60	73.53	70.69
L.AMERICA	ROA	-0.05	0.14	1.00	0.65
L.AMERICA	ROE	-0.52	1.49	11.22	7.39
L.AMERICA	Net Loans / Customer & ST Funding	61.66	58.66	55.92	57.93
L.AMERICA	Net Loans / Total Assets	45.48	43.01	41.42	41.53
L.AMERICA	Number of Companies included	357	374	374	331
ASIA	Loan Loss Reserve / Gross Loans	1.44	1.35	1.66	3.57
ASIA	Equity / Total Assets	6.06	6.24	6.13	6.33
ASIA	Net Int Rev / Avg Assets	2.27	2.31	2.15	1.96
ASIA	Oth Op Inc / Avg Assets	0.79	0.69	0.73	0.46
ASIA	Cost to Income Ratio	59.43	56.77	57.77	66.48
ASIA	ROA	0.73	0.75	0.39	-0.81
ASIA	ROE	11.83	12.25	6.24	-13.03
ASIA	Net Loans / Customer & ST Funding	76.55	77.63	81.73	78.65
ASIA	Net Loans / Total Assets	55.60	58.01	61.48	60.15
ASIA	Number of Companies included	381	391	364	239
E. EUROPE	Loan Loss Reserve / Gross Loans	8.91	9.12	8.15	8.43
E. EUROPE	Equity / Total Assets	7.98	7.63	8.44	9.19
E. EUROPE	Net Int Rev / Avg Assets	5.11	4.17	4.00	3.59
E. EUROPE	Oth Op Inc / Avg Assets	2.31	2.65	2.24	2.08
E. EUROPE	Cost to Income Ratio	49.82	55.83	57.88	64.98
E. EUROPE	ROA	1.48	0.45	0.97	-0.07
E. EUROPE	ROE	18.91	5.71	12.04	-0.83
E. EUROPE	Net Loans / Customer & ST Funding	52.43	53.96	53.15	56.88
E. EUROPE	Net Loans / Total Assets	42.00	43.57	42.98	45.06
E. EUROPE	Number of Companies included	179	206	202	124
COUNTRY	VARIABLE	1995	1996	1997	1998
ARGENTINA	Loan Loss Reserve / Gross Loans	10.47	8.40	7.10	5.65
ARGENTINA	Equity / Total Assets	15.19	12.97	11.04	9.04
ARGENTINA	Net Int Rev / Avg Assets	5.51	4.51	3.91	3.56
ARGENTINA	Oth Op Inc / Avg Assets	4.23	3.97	3.67	2.90
ARGENTINA	Cost to Income Ratio	72.75	72.95	75.90	74.78
ARGENTINA	ROA	-0.24	0.52	0.87	0.34
ARGENTINA	ROE	-1.57	3.74	7.33	3.36
ARGENTINA	Net Loans / Customer & ST Funding	75.30	66.06	63.22	58.38
ARGENTINA	Net Loans / Total Assets	60.61	54.46	52.70	49.90
ARGENTINA	Number of Companies included	95	104	94	81
BRASILE	Loan Loss Reserve / Gross Loans	7.60	8.47	12.00	13.94
BRASILE	Equity / Total Assets	8.07	8.58	7.60	9.82
BRASILE	Net Int Rev / Avg Assets	8.32	6.68	5.79	6.10
BRASILE	Oth Op Inc / Avg Assets	3.70	4.10	3.58	2.96
BRASILE	Cost to Income Ratio	71.88	78.18	74.27	70.70
BRASILE	ROA	-0.53	-0.50	0.96	0.65
BRASILE	ROE	-6.15	-6.02	11.87	7.46



## INTERNATIONAL FINANCIAL INSTITUTIONS

COUNTRY	VARIABLE	1995	1996	1997	1998
<b>BRASILE</b>	Net Loans / Customer & ST Funding	55.01	50.10	39.56	43.48
<b>BRASILE</b>	Net Loans / Total Assets	39.41	35.65	27.43	27.67
<b>BRASILE</b>	Number of Companies included	137	140	137	118
<b>CHILE</b>	Loan Loss Reserve / Gross Loans	1.91	1.64	1.65	2.08
<b>CHILE</b>	Equity / Total Assets	8.20	7.67	7.92	7.97
<b>CHILE</b>	Net Int Rev / Avg Assets	5.32	4.78	4.31	3.97
<b>CHILE</b>	Oth Op Inc / Avg Assets	0.73	0.93	0.78	1.00
<b>CHILE</b>	Cost to Income Ratio	63.56	63.50	62.76	59.42
<b>CHILE</b>	ROA	1.03	1.22	1.07	0.96
<b>CHILE</b>	ROE	12.55	15.51	13.75	12.05
<b>CHILE</b>	Net Loans / Customer & ST Funding	80.93	82.82	91.98	87.97
<b>CHILE</b>	Net Loans / Total Assets	60.74	61.65	65.92	63.78
<b>CHILE</b>	Number of Companies included	26	29	29	27

COUNTRY	VARIABLE	1995	1996	1997	1998
<b>COLOMBIA</b>	Loan Loss Reserve / Gross Loans	1.92	2.29	2.07	3.32
<b>COLOMBIA</b>	Equity / Total Assets	16.50	16.43	14.68	11.02
<b>COLOMBIA</b>	Net Int Rev / Avg Assets	8.06	9.23	6.68	4.57
<b>COLOMBIA</b>	Oth Op Inc / Avg Assets	4.95	4.29	4.95	5.44
<b>COLOMBIA</b>	Cost to Income Ratio	62.66	65.34	65.20	79.20
<b>COLOMBIA</b>	ROA	2.31	1.84	1.43	-1.03
<b>COLOMBIA</b>	ROE	14.15	11.15	9.22	-7.93
<b>COLOMBIA</b>	Net Loans / Customer & ST Funding	88.62	93.29	88.36	79.99
<b>COLOMBIA</b>	Net Loans / Total Assets	63.11	62.49	62.88	63.41
<b>COLOMBIA</b>	Number of Companies included	30	32	33	32
<b>MEXICO</b>	Loan Loss Reserve / Gross Loans	6.39	4.95	6.84	6.63
<b>MEXICO</b>	Equity / Total Assets	11.03	10.00	6.84	8.03
<b>MEXICO</b>	Net Int Rev / Avg Assets	3.47	2.82	6.68	5.40
<b>MEXICO</b>	Oth Op Inc / Avg Assets	0.27	1.08	3.35	1.28
<b>MEXICO</b>	Cost to Income Ratio	77.51	98.74	78.70	73.80
<b>MEXICO</b>	ROA	1.59	1.59	0.50	0.66
<b>MEXICO</b>	ROE	21.81	15.26	6.74	8.85
<b>MEXICO</b>	Net Loans / Customer & ST Funding	68.70	76.12	79.44	78.72
<b>MEXICO</b>	Net Loans / Total Assets	51.38	55.39	66.39	66.33
<b>MEXICO</b>	Number of Companies included	27	25	36	37
<b>PERU</b>	Loan Loss Reserve / Gross Loans	4.20	4.29	4.41	6.41
<b>PERU</b>	Equity / Total Assets	8.94	8.79	8.21	8.44
<b>PERU</b>	Net Int Rev / Avg Assets	7.39	7.15	6.75	5.77
<b>PERU</b>	Oth Op Inc / Avg Assets	3.38	2.68	1.98	1.48
<b>PERU</b>	Cost to Income Ratio	67.57	68.66	70.92	73.54
<b>PERU</b>	ROA	1.97	1.76	1.34	0.70
<b>PERU</b>	ROE	21.50	19.87	15.81	8.42
<b>PERU</b>	Net Loans / Customer & ST Funding	70.31	73.27	71.67	75.46
<b>PERU</b>	Net Loans / Total Assets	58.90	60.86	59.70	60.48
<b>PERU</b>	Number of Companies included	23	25	24	23

COUNTRY	VARIABLE	1995	1996	1997	1998
<b>VENEZUELA</b>	Loan Loss Reserve / Gross Loans	9.40	6.49	3.77	6.33
<b>VENEZUELA</b>	Equity / Total Assets	8.75	12.59	11.18	11.88
<b>VENEZUELA</b>	Net Int Rev / Avg Assets	8.81	10.51	11.04	16.54
<b>VENEZUELA</b>	Oth Op Inc / Avg Assets	1.83	2.24	1.63	1.47
<b>VENEZUELA</b>	Cost to Income Ratio	63.08	52.03	61.46	54.16
<b>VENEZUELA</b>	ROA	2.73	6.28	3.81	4.76

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<b>VENEZUELA</b>	ROE	35.99	58.58	32.38	41.32
<b>VENEZUELA</b>	Net Loans / Customer & ST Funding	42.21	50.03	59.86	59.83
<b>VENEZUELA</b>	Net Loans / Total Assets	36.25	39.66	50.04	48.23
<b>VENEZUELA</b>	Number of Companies included	19.00	19.00	21.00	13.00
<b>CHINA</b>	Loan Loss Reserve / Gross Loans	0.92	0.88	0.59	0.69
<b>CHINA</b>	Equity / Total Assets	3.52	3.52	4.13	5.93
<b>CHINA</b>	Net Int Rev / Avg Assets	1.72	1.98	2.34	2.50
<b>CHINA</b>	Oth Op Inc / Avg Assets	0.22	0.09	0.17	-0.40
<b>CHINA</b>	Cost to Income Ratio	62.58	55.64	51.40	51.55
<b>CHINA</b>	ROA	0.29	0.26	0.26	0.21
<b>CHINA</b>	ROE	7.83	7.23	6.92	4.09
<b>CHINA</b>	Net Loans / Customer & ST Funding	81.19	81.51	105.13	103.75
<b>CHINA</b>	Net Loans / Total Assets	46.98	52.50	63.71	65.20
<b>CHINA</b>	Number of Companies included	21	22	25	22
<b>HONG KONG</b>	Loan Loss Reserve / Gross Loans	1.74	1.71	1.76	2.96
<b>HONG KONG</b>	Equity / Total Assets	9.28	9.59	9.51	8.74
<b>HONG KONG</b>	Net Int Rev / Avg Assets	2.52	2.66	2.62	2.38
<b>HONG KONG</b>	Oth Op Inc / Avg Assets	0.99	1.00	1.03	0.87
<b>HONG KONG</b>	Cost to Income Ratio	36.92	35.67	35.33	36.62
<b>HONG KONG</b>	ROA	1.92	1.91	1.82	1.00
<b>HONG KONG</b>	ROE	21.75	20.24	19.11	10.91
<b>HONG KONG</b>	Net Loans / Customer & ST Funding	60.27	61.68	68.90	61.53
<b>HONG KONG</b>	Net Loans / Total Assets	48.35	49.26	53.65	49.97
<b>HONG KONG</b>	Number of Companies included	41	44	41	35

<b>COUNTRY</b>	<b>VARIABLE</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>INDIA</b>	Loan Loss Reserve / Gross Loans	0.02	0.02	0.03	0.02
<b>INDIA</b>	Equity / Total Assets	4.15	4.77	5.18	5.06
<b>INDIA</b>	Net Int Rev / Avg Assets	3.22	3.26	2.97	2.18
<b>INDIA</b>	Oth Op Inc / Avg Assets	1.47	1.39	1.44	1.03
<b>INDIA</b>	Cost to Income Ratio	65.12	62.95	61.20	60.57
<b>INDIA</b>	ROA	0.07	0.64	0.80	0.48
<b>INDIA</b>	ROE	1.61	14.28	16.03	9.34
<b>INDIA</b>	Net Loans / Customer & ST Funding	51.18	48.99	48.29	47.79
<b>INDIA</b>	Net Loans / Total Assets	43.11	41.44	41.19	40.09
<b>INDIA</b>	Number of Companies included	63	64	62	22
<b>INDONESIA</b>	Loan Loss Reserve / Gross Loans	2.93	2.33	3.13	43.73
<b>INDONESIA</b>	Equity / Total Assets	6.81	7.30	5.57	-51.41
<b>INDONESIA</b>	Net Int Rev / Avg Assets	3.51	3.27	2.01	-3.72
<b>INDONESIA</b>	Oth Op Inc / Avg Assets	1.06	1.03	1.75	0.77
<b>INDONESIA</b>	Cost to Income Ratio	61.24	59.92	77.22	
<b>INDONESIA</b>	ROA	0.37	1.11	-0.34	-21.76
<b>INDONESIA</b>	ROE	5.26	15.72	-5.07	
<b>INDONESIA</b>	Net Loans / Customer & ST Funding	91.90	91.95	100.62	47.45
<b>INDONESIA</b>	Net Loans / Total Assets	69.22	70.16	73.27	52.30
<b>INDONESIA</b>	Number of Companies included	93	93	63	24
<b>KOREA</b>	Loan Loss Reserve / Gross Loans	1.68	1.36	1.84	5.58
<b>KOREA</b>	Equity / Total Assets	4.74	4.57	3.60	3.63
<b>KOREA</b>	Net Int Rev / Avg Assets	1.67	1.61	1.36	1.31
<b>KOREA</b>	Oth Op Inc / Avg Assets	1.22	0.95	0.96	0.97
<b>KOREA</b>	Cost to Income Ratio	84.04	84.71	98.83	121.75
<b>KOREA</b>	ROA	0.28	0.22	-0.51	-2.65
<b>KOREA</b>	ROE	5.44	4.81	-12.16	-73.25
<b>KOREA</b>	Net Loans / Customer & ST Funding	82.16	87.36	85.09	73.09
<b>KOREA</b>	Net Loans / Total Assets	52.86	56.67	58.21	52.19
<b>KOREA</b>	Number of Companies included	29	29	30	20

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COUNTRY	VARIABLE	1995	1996	1997	1998
<b>MALAYSIA</b>	Loan Loss Reserve / Gross Loans	3.38	2.90	4.01	5.93
<b>MALAYSIA</b>	Equity / Total Assets	6.99	7.27	7.65	8.28
<b>MALAYSIA</b>	Net Int Rev / Avg Assets	3.12	3.09	2.72	2.59
<b>MALAYSIA</b>	Oth Op Inc / Avg Assets	1.05	0.94	0.88	0.72
<b>MALAYSIA</b>	Cost to Income Ratio	44.46	40.22	38.54	37.18
<b>MALAYSIA</b>	ROA	1.34	1.33	0.64	0.06
<b>MALAYSIA</b>	ROE	19.86	18.57	8.57	0.76
<b>MALAYSIA</b>	Net Loans / Customer & ST Funding	66.53	68.30	68.19	73.53
<b>MALAYSIA</b>	Net Loans / Total Assets	58.95	59.98	59.84	64.19
<b>MALAYSIA</b>	Number of Companies included	40	40	37	26
<b>PHILIPPINE</b>	Loan Loss Reserve / Gross Loans	1.59	1.34	2.06	4.43
<b>PHILIPPINE</b>	Equity / Total Assets	12.73	13.16	13.10	13.80
<b>PHILIPPINE</b>	Net Int Rev / Avg Assets	4.35	4.50	3.80	4.23
<b>PHILIPPINE</b>	Oth Op Inc / Avg Assets	2.29	2.53	1.69	1.97
<b>PHILIPPINE</b>	Cost to Income Ratio	60.78	55.71	54.67	57.31
<b>PHILIPPINE</b>	ROA	2.08	2.34	1.52	0.86
<b>PHILIPPINE</b>	ROE	16.39	18.01	11.61	6.39
<b>PHILIPPINE</b>	Net Loans / Customer & ST Funding	84.33	92.77	90.82	81.72
<b>PHILIPPINE</b>	Net Loans / Total Assets	59.46	63.03	61.83	59.26
<b>PHILIPPINE</b>	Number of Companies included	26	32	38	29
<b>SINGAPORE</b>	Loan Loss Reserve / Gross Loans	0.08	0.08	2.38	5.59
<b>SINGAPORE</b>	Equity / Total Assets	11.62	11.50	11.11	10.82
<b>SINGAPORE</b>	Net Int Rev / Avg Assets	1.94	2.00	1.83	2.02
<b>SINGAPORE</b>	Oth Op Inc / Avg Assets	0.58	0.43	0.54	0.48
<b>SINGAPORE</b>	Cost to Income Ratio	43.78	37.76	34.66	34.99
<b>SINGAPORE</b>	ROA	1.30	1.31	0.72	0.41
<b>SINGAPORE</b>	ROE	11.37	11.32	6.35	3.75
<b>SINGAPORE</b>	Net Loans / Customer & ST Funding	66.03	65.44	69.86	66.74
<b>SINGAPORE</b>	Net Loans / Total Assets	55.57	55.38	59.38	57.24
<b>SINGAPORE</b>	Number of Companies included	23	20	16	11
COUNTRY	VARIABLE	1995	1996	1997	1998
<b>TAIWAN</b>	Loan Loss Reserve / Gross Loans	0.88	0.86	0.81	0.91
<b>TAIWAN</b>	Equity / Total Assets	6.58	6.60	6.72	7.61
<b>TAIWAN</b>	Net Int Rev / Avg Assets	2.14	2.01	1.85	1.87
<b>TAIWAN</b>	Oth Op Inc / Avg Assets	0.20	0.31	0.43	0.34
<b>TAIWAN</b>	Cost to Income Ratio	58.59	59.64	56.89	57.75
<b>TAIWAN</b>	ROA	0.69	0.72	0.74	0.71
<b>TAIWAN</b>	ROE	10.27	10.97	11.07	9.89
<b>TAIWAN</b>	Net Loans / Customer & ST Funding	80.03	76.60	79.17	78.28
<b>TAIWAN</b>	Net Loans / Total Assets	69.96	67.41	70.40	68.87
<b>TAIWAN</b>	Number of Companies included	32	33	37	36
<b>THAILAND</b>	Loan Loss Reserve / Gross Loans	2.08	2.76	5.64	10.65
<b>THAILAND</b>	Equity / Total Assets	8.24	8.41	5.04	6.32
<b>THAILAND</b>	Net Int Rev / Avg Assets	3.61	3.53	2.34	1.06
<b>THAILAND</b>	Oth Op Inc / Avg Assets	1.11	0.90	0.76	1.18
<b>THAILAND</b>	Cost to Income Ratio	40.20	41.64	51.13	134.64
<b>THAILAND</b>	ROA	1.73	1.06	-0.99	-5.96
<b>THAILAND</b>	ROE	21.34	12.68	-13.98	-102.97
<b>THAILAND</b>	Net Loans / Customer & ST Funding	98.01	102.10	91.53	83.84
<b>THAILAND</b>	Net Loans / Total Assets	81.33	82.71	78.94	72.63
<b>THAILAND</b>	Number of Companies included	13	14	15	14
<b>CZECH REP.</b>	Loan Loss Reserve / Gross Loans	9.49	9.58	11.11	12.33
<b>CZECH REP.</b>	Equity / Total Assets	9.15	7.71	7.62	7.50
<b>CZECH REP.</b>	Net Int Rev / Avg Assets	3.54	2.70	2.62	3.22

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<b>CZECH REP.</b>	Oth Op Inc / Avg Assets	1.57	1.75	1.61	2.13
<b>CZECH REP.</b>	Cost to Income Ratio	54.55	63.22	57.75	77.44
<b>CZECH REP.</b>	ROA	0.69	-0.47	-0.61	-2.08
<b>CZECH REP.</b>	ROE	7.79	-5.64	-8.00	-27.57
<b>CZECH REP.</b>	Net Loans / Customer & ST Funding	62.18	63.33	61.39	60.89
<b>CZECH REP.</b>	Net Loans / Total Assets	47.91	47.55	47.57	45.56
<b>CZECH REP.</b>	Number of Companies included	28	29	27	18

<b>COUNTRY</b>	<b>VARIABLE</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>ESTONIA</b>	Loan Loss Reserve / Gross Loans	2.87	2.20	2.13	4.77
<b>ESTONIA</b>	Equity / Total Assets	8.81	9.06	8.30	13.55
<b>ESTONIA</b>	Net Int Rev / Avg Assets	8.79	5.87	5.00	3.95
<b>ESTONIA</b>	Oth Op Inc / Avg Assets	7.52	6.19	5.34	1.55
<b>ESTONIA</b>	Cost to Income Ratio	64.65	62.77	54.63	81.23
<b>ESTONIA</b>	ROA	3.93	2.92	2.84	-1.57
<b>ESTONIA</b>	ROE	47.65	32.58	33.17	-14.23
<b>ESTONIA</b>	Net Loans / Customer & ST Funding	54.64	65.92	74.07	87.47
<b>ESTONIA</b>	Net Loans / Total Assets	41.54	48.71	53.05	59.69
<b>ESTONIA</b>	Number of Companies included	10	10	10	4
<b>HUNGARY</b>	Loan Loss Reserve / Gross Loans	9.08	4.33	3.82	3.51
<b>HUNGARY</b>	Equity / Total Assets	6.73	7.33	8.51	8.02
<b>HUNGARY</b>	Net Int Rev / Avg Assets	5.75	4.16	4.14	4.09
<b>HUNGARY</b>	Oth Op Inc / Avg Assets	3.25	3.60	1.51	1.87
<b>HUNGARY</b>	Cost to Income Ratio	62.47	70.95	69.92	75.02
<b>HUNGARY</b>	ROA	1.65	1.44	1.65	1.25
<b>HUNGARY</b>	ROE	24.14	20.51	20.92	15.09
<b>HUNGARY</b>	Net Loans / Customer & ST Funding	43.96	41.89	43.86	46.40
<b>HUNGARY</b>	Net Loans / Total Assets	36.16	34.90	36.27	38.43
<b>HUNGARY</b>	Number of Companies included	30	31	27	17
<b>LATVIA</b>	Loan Loss Reserve / Gross Loans	20.37	17.50	8.29	5.63
<b>LATVIA</b>	Equity / Total Assets	10.52	12.19	12.38	10.04
<b>LATVIA</b>	Net Int Rev / Avg Assets	8.05	6.85	5.53	4.56
<b>LATVIA</b>	Oth Op Inc / Avg Assets	9.00	7.19	6.03	0.63
<b>LATVIA</b>	Cost to Income Ratio	62.55	58.56	62.55	98.90
<b>LATVIA</b>	ROA	0.98	3.55	3.29	-3.61
<b>LATVIA</b>	ROE	9.47	30.85	26.74	-31.96
<b>LATVIA</b>	Net Loans / Customer & ST Funding	28.56	25.67	32.09	57.40
<b>LATVIA</b>	Net Loans / Total Assets	23.68	20.91	25.77	44.87
<b>LATVIA</b>	Number of Companies included	18	19	20	13

<b>COUNTRY</b>	<b>VARIABLE</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>LITHUANIA</b>	Loan Loss Reserve / Gross Loans	17.95	24.32	12.87	6.18
<b>LITHUANIA</b>	Equity / Total Assets	0.26	4.60	8.25	11.96
<b>LITHUANIA</b>	Net Int Rev / Avg Assets	6.77	5.64	5.46	4.24
<b>LITHUANIA</b>	Oth Op Inc / Avg Assets	4.18	4.23	4.65	3.62
<b>LITHUANIA</b>	Cost to Income Ratio	72.29	86.23	81.64	83.74
<b>LITHUANIA</b>	ROA	-3.11	-3.83	0.31	0.99
<b>LITHUANIA</b>	ROE	-104.91	-136.83	4.44	9.57
<b>LITHUANIA</b>	Net Loans / Customer & ST Funding	80.99	59.47	51.52	60.13
<b>LITHUANIA</b>	Net Loans / Total Assets	60.25	48.80	40.27	44.64
<b>LITHUANIA</b>	Number of Companies included	5	8	11	10
<b>POLAND</b>	Loan Loss Reserve / Gross Loans	7.10	5.45	3.77	2.92
<b>POLAND</b>	Equity / Total Assets	6.80	8.98	8.82	11.62
<b>POLAND</b>	Net Int Rev / Avg Assets	5.96	5.54	4.87	3.37
<b>POLAND</b>	Oth Op Inc / Avg Assets	1.85	2.10	1.93	1.98
<b>POLAND</b>	Cost to Income Ratio	48.03	47.49	55.24	53.03

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<b>POLAND</b>	ROA	2.38	2.66	2.04	1.37
<b>POLAND</b>	ROE	37.16	33.27	22.96	13.90
<b>POLAND</b>	Net Loans / Customer & ST Funding	41.10	49.43	52.37	60.60
<b>POLAND</b>	Net Loans / Total Assets	32.66	40.06	42.81	49.27
<b>POLAND</b>	Number of Companies included	39	46	42	25
<b>ROMANIA</b>	Loan Loss Reserve / Gross Loans	6.45	15.74	12.61	13.68
<b>ROMANIA</b>	Equity / Total Assets	8.94	2.72	13.76	19.13
<b>ROMANIA</b>	Net Int Rev / Avg Assets	8.99	5.83	7.07	8.92
<b>ROMANIA</b>	Oth Op Inc / Avg Assets	5.61	7.36	7.07	3.27
<b>ROMANIA</b>	Cost to Income Ratio	25.62	44.38	48.86	35.73
<b>ROMANIA</b>	ROA	2.64	-6.16	3.08	1.95
<b>ROMANIA</b>	ROE	28.16	-112.70	49.14	12.43
<b>ROMANIA</b>	Net Loans / Customer & ST Funding	68.43	57.82	39.16	44.71
<b>ROMANIA</b>	Net Loans / Total Assets	57.90	52.50	31.26	33.97
<b>ROMANIA</b>	Number of Companies included	14	16	17	12
<b>COUNTRY</b>	<b>VARIABLE</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
<b>SLOVAKIA</b>	Loan Loss Reserve / Gross Loans	14.06	15.68	17.35	17.44
<b>SLOVAKIA</b>	Equity / Total Assets	6.92	4.73	4.44	4.46
<b>SLOVAKIA</b>	Net Int Rev / Avg Assets	4.42	2.86	2.44	1.63
<b>SLOVAKIA</b>	Oth Op Inc / Avg Assets	1.51	1.42	2.03	2.10
<b>SLOVAKIA</b>	Cost to Income Ratio	42.72	62.68	71.21	62.55
<b>SLOVAKIA</b>	ROA	0.54	0.19	-0.75	-0.67
<b>SLOVAKIA</b>	ROE	7.67	3.21	-16.36	-15.14
<b>SLOVAKIA</b>	Net Loans / Customer & ST Funding	50.68	53.43	49.52	38.78
<b>SLOVAKIA</b>	Net Loans / Total Assets	45.56	47.86	44.67	35.37
<b>SLOVAKIA</b>	Number of Companies included	14	19	21	12
<b>SLOVENIA</b>	Loan Loss Reserve / Gross Loans	6.45	6.70	6.50	7.53
<b>SLOVENIA</b>	Equity / Total Assets	10.73	11.33	11.14	9.94
<b>SLOVENIA</b>	Net Int Rev / Avg Assets	3.91	4.13	4.01	4.20
<b>SLOVENIA</b>	Oth Op Inc / Avg Assets	2.54	2.41	2.04	2.16
<b>SLOVENIA</b>	Cost to Income Ratio	67.54	57.94	55.60	59.71
<b>SLOVENIA</b>	ROA	1.25	1.12	0.97	1.21
<b>SLOVENIA</b>	ROE	12.19	10.15	8.67	11.48
<b>SLOVENIA</b>	Net Loans / Customer & ST Funding	57.55	53.75	54.68	57.86
<b>SLOVENIA</b>	Net Loans / Total Assets	43.42	41.81	42.89	48.61
<b>SLOVENIA</b>	Number of Companies included	21	28	27	13

Source: Bankscope – IBCA database, September 1999.

## Financial system structure indicators

Region	Variable	1995	1996	1997	1998
Asia	Claims on priv. Sec. (monetary survey)/GDP	71.97%	76.95%	85.08%	90.87%
Asia	Growth of claims on priv. sec. (monetary survey)/GDP	2.37%	6.92%	10.57%	6.80%
Asia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-6.03%	-0.67%	4.35%	4.54%
Asia	M2/GDP	87.31%	91.08%	98.12%	112.36%
Eastern Europe	Claims on priv. Sec. (monetary survey)/GDP	15.77%	14.39%	16.54%	19.95%
Eastern Europe	Growth of claims on priv. sec. (monetary survey)/GDP	-12.31%	-8.76%	15.00%	20.56%
Eastern Europe	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-12.70%	-8.76%	12.88%	21.35%
Eastern Europe	M2/GDP	29.99%	28.61%	28.93%	34.82%
Latin Ameirca	Claims on priv. Sec. (monetary survey)/GDP	26.44%	23.08%	23.95%	25.30%
Latin Ameirca	Growth of claims on priv. sec. (monetary survey)/GDP	-22.14%	-12.72%	3.80%	5.61%
Latin Ameirca	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-23.41%	-16.34%	-1.56%	3.72%
Latin Ameirca	M2/GDP	27.21%	26.45%	28.55%	29.41%

Sources: IMF, EIU, World Bank.

Country	Variable	1995	1996	1997	1998
China	Claims on priv. Sec. (monetary survey)/GDP	86.97%	92.60%	101.30%	112.60%
China	Growth of claims on priv. sec. (monetary survey)/GDP	-1.91%	6.46%	9.40%	11.16%
China	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-12.41%	-3.23%	0.56%	3.40%
China	M2/GDP	102.25%	109.70%	120.76%	132.69%
Honk Kong	Claims on priv. Sec. (monetary survey)/GDP	155.24%	162.36%	172.94%	169.75%
Honk Kong	Growth of claims on priv. sec. (monetary survey)/GDP	4.19%	4.59%	6.52%	-1.85%
Honk Kong	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	0.29%	0.10%	1.26%	3.27%
Honk Kong	M2/GDP	173.17%	176.00%	169.70%	197.16%
India	Claims on priv. Sec. (monetary survey)/GDP	22.28%	23.15%	23.28%	22.47%
India	Growth of claims on priv. sec. (monetary survey)/GDP	-4.83%	3.91%	0.55%	-3.46%
India	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-12.23%	-3.49%	-4.25%	-9.26%
India	M2/GDP	43.10%	44.21%	46.91%	49.28%
Indonesia	Claims on priv. Sec. (monetary survey)/GDP	53.48%	55.43%	61.03%	53.94%
Indonesia	Growth of claims on priv. sec. (monetary survey)/GDP	3.07%	3.65%	10.10%	-11.62%
Indonesia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-5.15%	-4.17%	5.20%	2.08%
Indonesia	M2/GDP	48.05%	52.15%	55.61%	60.31%
Korea	Claims on priv. Sec. (monetary survey)/GDP	60.70%	65.69%	73.40%	74.18%
Korea	Growth of claims on priv. sec. (monetary survey)/GDP	0.46%	8.21%	11.74%	1.06%
Korea	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-8.46%	1.46%	6.73%	6.90%
Korea	M2/GDP	43.74%	45.74%	48.35%	57.52%
Malaysia	Claims on priv. Sec. (monetary survey)/GDP	85.08%	93.13%	103.94%	113.61%
Malaysia	Growth of claims on priv. sec. (monetary survey)/GDP	13.55%	9.46%	11.61%	9.30%
Malaysia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	3.72%	-0.54%	4.07%	16.80%
Malaysia	M2/GDP	86.22%	93.91%	99.88%	102.41%
Philippines	Claims on priv. Sec. (monetary survey)/GDP	37.53%	48.98%	56.53%	47.92%
Philippines	Growth of claims on priv. sec. (monetary survey)/GDP	28.98%	30.53%	15.42%	-15.24%
Philippines	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	24.14%	24.80%	10.31%	-14.72%
Philippines	M2/GDP	50.35%	54.46%	61.55%	60.70%

Country	Variable	1995	1996	1997	1998
Singapore	Claims on priv. Sec. (monetary survey)/GDP	91.04%	97.33%	100.28%	109.64%
Singapore	Growth of claims on priv. sec. (monetary survey)/GDP	7.81%	6.90%	3.04%	9.33%
Singapore	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-0.63%	-0.62%	-4.95%	7.84%
Singapore	M2/GDP	84.48%	85.61%	86.32%	113.84%
Taiwan	Claims on priv. Sec. (monetary survey)/GDP	n.a.	n.a.	n.a.	n.a.
Taiwan	Growth of claims on priv. sec. (monetary survey)/GDP	n.a.	n.a.	n.a.	n.a.
Taiwan	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	n.a.	n.a.	n.a.	n.a.
Taiwan	M2/GDP	185.79%	186.88%	185.64%	187.34%
Thailand	Claims on priv. Sec. (monetary survey)/GDP	97.49%	99.97%	118.69%	115.10%
Thailand	Growth of claims on priv. sec. (monetary survey)/GDP	7.25%	2.55%	18.73%	-3.03%
Thailand	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-1.59%	-2.97%	19.98%	6.39%
Thailand	M2/GDP	78.92%	79.47%	89.92%	103.44%
Czech Republic	Claims on priv. Sec. (monetary survey)/GDP	59.45%	57.38%	67.52%	59.77%
Czech Republic	Growth of claims on priv. sec. (monetary survey)/GDP	-0.06%	-3.48%	17.66%	-11.47%
Czech Republic	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-6.41%	-7.29%	17.38%	-9.18%
Czech Republic	M2/GDP	80.50%	75.40%	71.22%	66.70%
Estonia	Claims on priv. Sec. (monetary survey)/GDP	14.88%	22.41%	35.31%	n.a.
Estonia	Growth of claims on priv. sec. (monetary survey)/GDP	38.78%	50.60%	57.58%	n.a.
Estonia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	34.49%	46.62%	47.01%	n.a.
Estonia	M2/GDP	25.50%	33.44%	41.38%	n.a.
Hungary	Claims on priv. Sec. (monetary survey)/GDP	22.53%	n.a.	n.a.	n.a.
Hungary	Growth of claims on priv. sec. (monetary survey)/GDP	-14.04%	n.a.	n.a.	n.a.
Hungary	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-15.55%	n.a.	n.a.	n.a.
Hungary	M2/GDP	42.33%	41.69%	41.16%	39.72%



Country	Variable	1995	1996	1997	1998
Latvia	Claims on priv. Sec. (monetary survey)/GDP	7.84%	7.18%	10.72%	14.13%
Latvia	Growth of claims on priv. sec. (monetary survey)/GDP	-52.30%	-8.46%	49.42%	31.77%
Latvia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-51.49%	-11.80%	40.81%	28.22%
Latvia	M2/GDP	23.36%	23.01%	27.93%	25.38%
Lithuania	Claims on priv. Sec. (monetary survey)/GDP	15.13%	10.76%	9.62%	11.40%
Lithuania	Growth of claims on priv. sec. (monetary survey)/GDP	-13.80%	-28.85%	-10.60%	18.42%
Lithuania	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-17.10%	-33.55%	-17.90%	13.32%
Lithuania	M2/GDP	23.20%	17.21%	18.97%	19.47%
Poland	Claims on priv. Sec. (monetary survey)/GDP	12.72%	15.88%	18.08%	20.79%
Poland	Growth of claims on priv. sec. (monetary survey)/GDP	6.26%	24.85%	13.88%	14.99%
Poland	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-0.79%	18.74%	6.99%	10.16%
Poland	M2/GDP	36.15%	37.63%	39.66%	42.41%
Romania	Claims on priv. Sec. (monetary survey)/GDP	n.a.	11.55%	8.47%	12.75%
Romania	Growth of claims on priv. sec. (monetary survey)/GDP	n.a.	n.a.	-26.68%	50.59%
Romania	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	n.a.	n.a.	-20.11%	57.90%
Romania	M2/GDP	25.10%	27.97%	24.88%	27.32%
Russia	Claims on priv. Sec. (monetary survey)/GDP	8.46%	7.19%	9.15%	12.64%
Russia	Growth of claims on priv. sec. (monetary survey)/GDP	-30.30%	-14.99%	27.33%	38.10%
Russia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-26.10%	-11.49%	26.53%	42.70%
Russia	M2/GDP	17.40%	16.24%	17.68%	22.94%
Slovakia	Claims on priv. Sec. (monetary survey)/GDP	27.76%	32.03%	44.21%	n.a.
Slovakia	Growth of claims on priv. sec. (monetary survey)/GDP	14.05%	15.40%	38.03%	n.a.
Slovakia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	7.14%	8.82%	31.50%	n.a.
Slovakia	M2/GDP	68.31%	71.24%	68.17%	65.89%

Country	Variable	1995	1996	1997	1998
Slovenia	Claims on priv. Sec. (monetary survey)/GDP	27.45%	28.84%	28.56%	32.66%
Slovenia	Growth of claims on priv. sec. (monetary survey)/GDP	19.09%	5.05%	-0.96%	14.35%
Slovenia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	14.98%	0.94%	-5.89%	10.47%
Slovenia	M2/GDP	36.54%	39.23%	42.48%	45.19%
Argentina	Claims on priv. Sec. (monetary survey)/GDP	19.68%	19.88%	21.56%	23.66%
Argentina	Growth of claims on priv. sec. (monetary survey)/GDP	-1.38%	1.00%	8.46%	9.74%
Argentina	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	2.64%	-3.78%	-0.15%	5.84%
Argentina	M2/GDP	20.14%	22.69%	26.47%	28.73%
Brazil	Claims on priv. Sec. (monetary survey)/GDP	30.82%	26.28%	25.98%	28.46%
Brazil	Growth of claims on priv. sec. (monetary survey)/GDP	-32.24%	-14.72%	-1.15%	9.55%
Brazil	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-36.44%	-17.52%	-4.35%	9.66%
Brazil	M2/GDP	29.71%	27.66%	29.42%	30.73%
Chile	Claims on priv. Sec. (monetary survey)/GDP	52.68%	57.69%	60.23%	62.21%
Chile	Growth of claims on priv. sec. (monetary survey)/GDP	5.92%	9.51%	4.42%	3.28%
Chile	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-4.71%	2.09%	-3.16%	-0.13%
Chile	M2/GDP	39.02%	42.70%	44.19%	45.82%
Colombia	Claims on priv. Sec. (monetary survey)/GDP	20.74%	20.84%	23.94%	26.04%
Colombia	Growth of claims on priv. sec. (monetary survey)/GDP	6.23%	0.48%	14.92%	8.76%
Colombia	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	0.39%	-1.57%	11.79%	8.20%
Colombia	M2/GDP	21.89%	22.36%	25.87%	26.64%
Mexico	Claims on priv. Sec. (monetary survey)/GDP	25.22%	15.74%	17.86%	17.34%
Mexico	Growth of claims on priv. sec. (monetary survey)/GDP	-27.81%	-37.59%	13.48%	-2.92%
Mexico	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-21.60%	-42.75%	6.68%	-7.71%
Mexico	M2/GDP	29.06%	26.73%	28.15%	27.70%
<b>Country</b>	<b>Variable</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Peru	Claims on priv. Sec. (monetary survey)/GDP	14.33%	19.07%	21.77%	24.93%
Peru	Growth of claims on priv. sec. (monetary survey)/GDP	20.79%	33.13%	14.15%	14.52%
Peru	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	13.55%	30.68%	7.20%	14.23%
Peru	M2/GDP	18.71%	22.89%	25.77%	28.56%
Venezuela	Claims on priv. Sec. (monetary survey)/GDP	8.66%	8.01%	12.24%	11.57%
Venezuela	Growth of claims on priv. sec. (monetary survey)/GDP	-5.90%	-7.42%	52.70%	-5.42%
Venezuela	Growth of claims on priv. Sec. (monetary survey)/GDP - Growth GDP	-9.87%	-7.22%	46.79%	-4.75%
Venezuela	M2/GDP	25.34%	19.92%	21.51%	19.03%

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