Economic Indicators

Source: World Bank.

	Gross Domestic Product (GDP)								Income Inequality				International Poverty Line			Savings Rate (percent of GNI)	
	Total GDP (1995 US$)		GDP per capita (1995 US$)		GDP per capita (PPP (current int'l $)	Distribution by Sector {a} (percent)				Gini Index {b} (0=	Percent share of income			Percent under			
	Total Value (millions) 2000	Avg. annual growth rate (%) 1991-2000	Total Value (dollars) 2000	Avg. annual growth rate (%) 1991-2000	2000	Agriculture 2000	Industry 2000	Services 2000	Survey year	perfect equality)	Poorest 20%	Richest 20%	Survey year	$1/ day	$2/ day	Net National Savings 2000	Adjusted Net Savings 2000
Iran, Islamic Rep	104,986	3.2	1,493	1.4	5,326	19	22	59	X	X	X	X	X	X	X	24.9	(12.5)
Iraq	X	..	X	..	X	X	X	X	X	X	X	X	X	X	X	X	X
Israel	106,383	4.8	17,612	1.9	20,773	X	X	X	'97 d	38.1	6.1	44.2	X	X	X	0.1	6.0
Jordan	7,899 f	4.6 f	1,608 f	0.6 f	3,945	2	25	73	'97 c	36.4	7.6	44.4	'97	2	7	11.4	15.8
Kuwait	26,880	3.2 g	14,041	3.5 g	16,377	X	X	X	X	X	X	X	X	X	X	36.1	(8.4)
Lebanon	12,511	4.5	3,578	1.9	5,333	12	22	66	X	X	X	X	X	X	X	(10.8)	(9.8)
Oman	X	..	X	..	X	X	X	X	X	X	X	X	X	X	X	X	X
Saudi Arabia	139,438	1.1	6,853	(1.7)	11,578	7	48	45 f	X	X	X	X	X	X	X	21.3	(27.3)
Syrian Arab Rep	13,578	5.4	839	2.7	3,556	24	30	46	X	X	X	X	X	X	X	10.3	(27.9)
Turkey	204,651	3.7	3,070	2.0	6,830	16	25	59	'94 c	41.5	5.8	47.7	'94	2	18	13.2	15.3
United Arab Emirates	X	..	X	..	X	X	X	X	X	X	X	X	X	X	X	X	X
Yemen	5,496	6.0	300	1.3	852	15	46	38	'98 c	33.4	7.4	41.2	'98	16	45	26.7	(18.2)

a. Data may not sum to 100 percent due to rounding. **b.** If every person in a country earned the same income, the Gini Index would be zero; if all income was earned by one person, the Gini Index would be 100. **c**. Ranked by per capita expenditure. **d**. Ranked by per capita income. **e**. Data on distribution of GDP by sector are from 1998. **f**. Data refer to the East Bank only. **g**. Data refer to the growth rate from 1992-2000.

For more data and statistics, visit EarthTrends, the environmental information portal at http://earthtrends.wri.org/

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Sources and Technical Notes

VARIABLE DEFINITIONS AND METHODOLOGY:

Gross Domestic Product (GDP), Constant 1995 dollars is the sum of gross value added by all resident and nonresident producers in the economy plus any taxes and minus any subsidies not included in the value of the products. Data are expressed in millions of dollars. The gross domestic product estimates at purchaser values (market prices) are in constant 1995 U.S. dollars and are the sum of GDP at purchaser values (value added in the agriculture, industry, and services sectors) and indirect taxes, less subsidies. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. National accounts indicators for most developing countries are collected from national statistical organizations and central banks by visiting and resident World Bank missions. The data for high-income economies come from OECD data files (see the OECD's *National Accounts, 1988-1999*, volumes 1 and 2). The United Nations Statistics Division publishes detailed national accounts for United Nations member countries in *National Accounts Statistics: Main Aggregates and Detailed Tables* and updates in the *Monthly Bulletin of Statistics.* To obtain comparable series of constant price data, the World Bank rescales GDP and value added by industrial origin to a common reference year, currently 1995.

Average annual growth rate (1991-2000) is a calculation of the average percent growth between (and including) 1991 and 2000, using least-squares growth rate calculation. Growth rates are calculated by WRI using a least-squares regression. The least squares growth rate is estimated by fitting a linear regression trend line to the logarithmic annual values of the variable in the relevant period. The calculated growth rate is an average rate that is representative of the available observations over the entire period. It does not necessarily match the actual growth rate between any two periods.

Purchasing Power Parity, per capita is gross domestic product, per person, converted to international dollars using Purchasing Power Parity (PPP) rates. An international dollar has the same purchasing power in a given country as a United States dollar in the United States. In other words, it buys an equivalent amount of goods or services in that country. The estimates are a blend of extrapolated and regression-based numbers, using the results of the International Comparison Programme (ICP). The ICP benchmark studies are essentially multilateral pricing exercises. The intercountry price comparisons have been reported in many phases: 1970, 1973, 1975, 1980, 1985, 1990, 1993, and 1996. For 62 countries data come from the most recent round of surveys (1996); the rest are from the 1993 round and have been extrapolated to the 1996 benchmark. Estimates from countries not included in the surveys are derived from statistical models using available data. PPP studies recast traditional national accounts through special price collections and the disaggregation of GDP by expenditure components. National statistical offices report ICP details. The international dollar values, which are different from the U.S. dollar values of GDP, are obtained using special conversion factors designed to equalize the purchasing powers of different currencies. This conversion factor, the PPP, is defined as the number of units of a country's currency required to buy the same amounts of goods and services in the domestic market as $1 would buy in the United States. PPP estimates tend to lower per capita GDPs in industrialized countries and raise per capita GDPs in developing countries. Data are expressed in current international dollars.

Distribution by Sector is the percent of total output of goods and services which are a result of value added by a given sector. These goods and services are for final use occurring within the domestic territory of a given country, regardless of the allocation to domestic and foreign claims. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The industrial origin of value added is determined by the International Standard Industrial Classification (ISIC) revision 3.

Agriculture corresponds to ISIC divisions 1–5 and includes forestry and fishing. **Industry** corresponds to ISIC divisions 10-45 and includes manufacturing (ISIC divisions 15-37). It comprises value added in mining, manufacturing (also reported as a separate subgroup), construction, electricity, water, and gas. **Services** correspond to ISIC divisions 50-99 and they include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers as well as discrepancies arising from rescaling.

Income Inequality data is taken from household surveys collected by World Bank regional offices or government agencies. It is based on either income or expenditure. Data are complied by the World Bank's Development Research Group using primary household survey data obtained from government statistical agencies and World Bank country departments. The Gini index and income distribution for high income countries are calculated directly from the Luxemburg Income Study database, using an estimation method consistent with that applied for developing countries. Data are collected through nationally representative household surveys administered between 1985 and 2000. They are based either on expenditure or per capita income, depending on the survey. Each distribution is based on percentiles of population—rather than of households—with households ranked by income or expenditure per person. **Survey Year** is the year in which the survey that collected the data was administered.

The **Gini Index** is a measure of income inequality. A score of zero implies perfect equality while a score of 100 implies perfect inequality. If every person in a country earned the same income, the Gini Index would be zero; if all income was earned by one person, the Gini Index would be 100. The Gini index is calculated by compiling income distribution (or expenditure) data to attain a single number which indicates the extent of income inequality within a country. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. Graphically, this displays the amount of

wealth that segment of the population earns. The Gini index measures the area between the Lorenz curve and a hypothetical (45-degree) line of absolute equality, expressed as a percentage of the maximum area under the line. **Percent Share of Income** is equal to the percentage share of all income in a given country which is earned by a given fifth of the population. Where the original data from the household survey were available, they have been used to directly calculate the income (or consumption) share by quintile. Otherwise, shares have been estimated from the best available grouped data. The distribution indicators have been adjusted for household size, providing a more consistent measure of per capita income or consumption.

International Poverty Line data are based on nationally representative primary household surveys conducted by national statistical offices or by private agencies under the supervision of government or international agencies and obtained from government statistical offices and World Bank country departments. **Population living below $1/day** is the percent of the population of a country living on less than $1.08 a day at 1993 international prices, (equivalent to $1 in 1985 prices, adjusted for purchasing power parity). **Population living below $2/day** is the percent of the population of a country living on less than $2.15 a day at 1993 international prices, (equivalent to $2 in 1985 prices, adjusted for purchasing power parity). These poverty measures are based on surveys conducted mostly between 1994 and 1999, by the World Bank's Development Research Group. The commonly used $1 a day (or $2/day) standard, measured in 1985 international prices and adjusted to local currency using purchasing power parities (PPPs) is used because it is typical of the poverty lines in low-income countries. PPP exchange rates, such as those from the Penn World Tables or the World Bank, are used because they take into account the local prices and goods and services not traded internationally. These data are based on surveys which were administered to households in each individual country. Surveys asked households to report either their consumption or their income. Whenever possible, consumption has been used as the welfare indicator for deciding who is poor. When only household income was available, average income has been adjusted to accord with either a survey-based estimate of mean consumption (when available) or an estimate based on consumption data from national accounts.

Net National Savings as a percent of GNI Net national savings are equal to gross national savings (gross domestic product minus final consumption plus net income and net current transfers from abroad) minus the value of consumption of fixed capital (the replacement value of capital used up in the process of production.) The United Nations system of national accounts defines gross national income as "the aggregate value of the balances of gross primary incomes for all sectors; (gross national income is identical to gross national product (GNP) as hitherto understood in national accounts generally.)"

Adjusted Net Savings as a percent of GNI Adjusted net savings (previously "genuine savings") are equal to net national savings plus education expenditure and minus energy depletion, mineral depletion, net forest depletion, and carbon dioxide damage. Adjusted Net Saving is an indicator of sustainability. Persistently negative rates of savings must lead, eventually, to declining well-being. It measures the true rate of savings in an economy after taking into account investments in human capital, depletion of natural resources and damage caused by pollution. Adjusted net savings are equal to net national savings plus education expenditure and minus energy depletion, mineral depletion, net forest depletion, and carbon dioxide damage**.** For a more complete description of the methodology used by the World Bank, please visit the World Bank website on Adjusted Net Savings: http://lnweb18.worldbank.org/ESSD/essdext.nsf/44ByDocName/GreenAccountingAdjustedNetSavings.

FREQUENCY OF UPDATE BY DATA PROVIDERS:

The World Bank publishes the *World Development Indicators* each year in April. The United Nations Population Division publishes the *World Population Prospects* every two years. Most data updates include revisions of past data. Data may therefore differ from those reported in past editions of the *World Resources Report*.

DATA RELIABILITY AND CAUTIONARY NOTES:

Gross Domestic Product: The World Bank produces the most reliable global GDP estimates available. However, it should be noted that these data do not account for differences in purchasing power (to see national accounts data without these differences, see PPP (purchasing power parity) estimates). Informal economic activities sometimes pose a measurement problem, especially in developing countries, where much economic activity may go unrecorded. Obtaining a complete picture of the economy requires estimating household outputs produced for local sale and home use, barter exchanges, and illicit or deliberately unreported activity. Technical improvements and growth in services sector are both particularly difficult to measure. How consistent and complete such estimates will be depends on the skill and methods of the compiling statisticians and the resources available to them.

Income Inequality and International Poverty: Because the underlying household surveys differ in method and in the type of data collected, the distribution indicators are not strictly comparable across countries. These problems are diminishing as survey methods improve and become more standardized, but achieving strict comparability is still impossible. Two sources of noncomparability should be noted. First, surveys can differ in many respects, including whether they use income or consumption expenditure as the living standard indicator. The distribution of income is typically more unequal than the distribution of consumption. In addition, the definition of income usually differs among surveys. Consumption is usually a much better welfare indicator, particularly in developing countries. Second, households differ in size (number of members) and in the extent of income sharing

among members. And individuals differ in age and consumption needs. Differences among countries in these respects may bias comparisons of distribution.

International Poverty Line: Many issues arise in measuring household living standards. The choice between income and consumption as a welfare indicator is one issue. Income is generally more difficult to measure accurately, and consumption accords better with the idea of the standard of living than does income, which can vary over time even if the standard of living does not. But consumption data are not always available, and when they are not there is little choice but to use income. Household income can also differ widely, for example, in the number of distinct categories of consumer goods they identify. Survey quality varies and even similar surveys may not be strictly comparable. Comparisons across countries at different levels of development also pose a potential problem because of differences in the relative importance of consumption of nonmarket goods. The local market value of all consumption in kind (including consumption from own production, particularly important in underdeveloped rural economies) should be included in the measure of total consumption expenditure. Similarly, the imputed profit from production of nonmarket goods should be included in income. This is not always done, though such omissions were a far bigger problem in surveys before the 1980s. Most survey data now include valuations for consumption or income from own production. Nonetheless, valuation methods vary. For example, some surveys use the price in the nearest market, while others use the average farm gate selling price.

Adjusted Net Savings (ANS): The data which were used to calculate ANS are mostly from official sources, and are generally considered to be reliable. Due to methodological or data limitations, the calculation omits several important resources including soils, fish, water resources, water and air pollutants. The calculation is at best an approximation and should not be used as a stand-alone measure of the savings rate of a particular country. These data are useful as a comparison measure and to demonstrate trends over time.

SOURCES:

Economics data is taken from the World Bank's World Development Indicators**.** World Bank. 2002. *World Development Indicators.* Washington: World Bank. Data are available from World Bank in book, CD-ROM, or online at http://publications.worldbank.org/ecommerce/catalog/product?item_id=631625. **Population** (used to calculate per capita values): Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 2002. *World Population Prospects: The 2000 Revision. Dataset on CD-ROM.* New York: United Nations.