Journal of Economic Cooperation Among Islamic Countries **19**, 4 (1998) 1-57

ANNUAL ECONOMIC REPORT ON THE OIC COUNTRIES: 1998

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The world economy has presently entered a period of adverse developments. The international financial and economic environment deteriorated significantly since July 1997. The crisis first appeared in the newly industrialising countries in South East Asia. Then, it spread to other Asian countries like Japan, and some other distant regions such as the Russian Federation in Europe, Brazil in Latin America, etc. Furthermore, although it began as a financial crisis, influencing mainly currency and capital markets, it turned out to be a real economic crisis. At the moment, it still continues to spread and to deepen. It is further expected to influence the global economy for the next one or two years.

The prevailing crisis may have adverse effects on the economies of the OIC as well as the developing countries. Especially as the crisis starts to affect the real economies in the industrial countries, import demand for the goods and services originating from the developing countries as well as the OIC countries will decline. Oil prices have been falling recently. If the world economy goes into a period of slowing down, oil prices may diminish further, and this fact may cause further difficulties in the oil exporting countries. Similarly, other raw material markets and the economies of the exporters of such products may be influenced negatively.

Another important setback which may arise because of the current crisis is the following: the international capital, particularly in the form of portfolio investment, may flow out of the countries in crisis and return to the developed countries. In this process, because of some material losses and involved risks, the banks and financial institutions also may become quite reluctant to lend money to the developing countries. So, it can easily be predicted that, in the near future, the developing countries will face more difficulties in obtaining credits from the international markets. Although the central banks in the developed countries tend to lower their interest rates to revive their economies against the recession risk, the developing countries will have to pay more and more interest on their borrowings. Of course, in such a case, the development projects in the developing countries will be cut back, and their growth and development efforts will be affected negatively.

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On the other hand, the developed countries tend to enlarge and strengthen their regional economic groupings. Reinforcement of these economic groupings may hamper the liberalisation efforts of world trade and economy. If members of these economic integration schemes adopt more inward-looking policies as in the case of the EU, the developing countries and the OIC countries will be influenced adversely and may face greater obstacles. For this reason, the OIC countries should also come together in a more concerted, co-ordinated and coherent manner to avoid the undesired effects of the present tendency to divide the global economy amongst the economic interest blocs of the industrial countries.

1. OVERVIEW

The world economy has presently entered a period of adverse developments. The improvement in the world economy which took place at the beginning of the current decade and continued until 1997 with some slight ups and downs in between is now over. The international financial and economic environment deteriorated significantly since the second half of 1997. The first countries to be affected by these negative conditions were the newly industrialising countries of Asia. While some people were thinking that the Asian crisis would be limited to that geographical locality, bad news started to come one after the other comprising the developing countries as well as the developed countries. Japan and Russia were amongst the most severely affected countries. Financial markets collapsed almost completely in these countries. People lost confidence in the stock exchange markets, the currency markets, the international capital markets, the financial institutions and even the banks. Foreign capital in the form of portfolio investment outflowed from the developing countries. Borrowing has become a real problem and investments decreased. Instability in the financial markets started to influence negatively the real economies. The crisis did not influence adversely the economies of the industrial countries of North America and Europe. However, very recently, some adverse developments started to take place particularly in the US which was regarded as a safe haven at the beginning of the current global crisis. The most recent forecasts predict the continuation of the present negative environment for the world economy including the industrial countries. Some measures are being taken to reverse the downward sliding of the world economy. These adverse developments in the world economy will be examined in more detail in the next sub-section. Before that, we will try to summarise briefly the developments relating to the efforts of the industrial countries to create bigger economic markets.

Formal establishment of the European Union as a social, economic and political union has been realised on 1 November 1993, when the Maastricht Treaty aiming to establish monetary union by 1999 went into effect. Another step was also taken to create the European Economic Area (EEA) on 1 January 1994 which forms a free trade area between the EU and the European Free Trade Association (EFTA). On the other hand, some EFTA countries also applied directly to become members of the EU, and some of them have been admitted. Austria, Finland and Sweden became new members of the European Union on 1 January 1995, increasing the total number of member countries to 15.

The European Union has recently determined its main objectives for the coming years as the following:

(1) The implementation of the Treaty of Amsterdam which contains new rights for citizens, freedom of movement, employment, strengthening the institutions, etc.

(2) The enlargement of the EU. In this context, the Union aims to conclude the membership negotiations with the applicant countries from central and eastern Europe and to extend the Union's borders as far as the Ukraine and Belarus.

(3) The launching of the euro.

Accession negotiations have already started with the first group of applicant countries in 1998. The first accessions could be as soon as 2001. Meanwhile, the second group of applicants was invited into partnerships with the EU to help speed up their preparations for the membership. These developments show that the EU aims to form a huge continental economic bloc.

In May 1998, the European Central Bank (ECB) replaced the European Monetary Institute (EMI). ECB will operate to keep price stability in the participating countries as an independent institution free from any national economic considerations and policies. The euro as the single currency in the Euro area will be launched on 1 January 1999. The parity of the euro will be determined and fixed on that date. It will be exchanged against the other currencies in European interbank foreign exchange markets. However, its actual circulation will start on January 1st, 2002 and the national currencies of the participating countries will be removed from circulation on 30 June 2002.

The formation of the North American Free Trade Area (NAFTA), embracing the USA, Canada and Mexico, further aggravated the fears of the developing countries. NAFTA was initiated on 7 October 1992 in San

Antonio, the USA, and the agreement entered into force on 1 January 1994. The agreement envisages the abolition of almost all the tariffs and other impediments to trade between the three member countries over a 15-year period.

However, NAFTA is sometimes criticised for functioning against the US economy: for example, a US surplus with Mexico of $1.7 billion in 1993 became a deficit of $16.2 billion in 1996. The United States' overall deficit with the NAFTA countries hit $39 billion in 1996, an increase of 332 per cent from 1993. Furthermore, mainly due to the 1994-95 crisis in Mexico, the peso had to be devalued to restore competitiveness to the Mexican economy.

In general, economic growth is expected to increase in the participating countries in the NAFTA region. However, the other countries will be adversely affected by this formation depending on the quality and quantity of their bilateral trade with the members of the NAFTA.

Another huge economic bloc is being formed in the Asia-Pacific Region, namely, the Asia Pacific Economic Co-operation (APEC), with the inclusion of the USA, Japan, China, Canada, Australia, New Zealand, Mexico, and the newly industrialising countries of the region. The leaders of these countries met in Seattle, Washington, on 19-20 November 1993 to declare their intention to increase co-operation amongst them. Since then, APEC has become the primary regional instrument for promoting free trade, investment and economic co-operation. The Asia-Pacific region accounts for around half of world production and trade, and over one third of the world's population.

Meeting in Bogor, Indonesia, on 15 November 1994, the leaders of the participating countries decided to create a free and open area for trade and investment by 2010 for the developed members and by 2020 for the developing members. In the Fourth APEC Economic Leaders' Meeting in Subic, Philippines on 25 November 1996, six priority areas were determined for strengthening economic and technical co-operation. These are human resources, efficient capital markets, economic infrastructure, technologies of the future, sustainable development, and small and medium-size enterprises. Furthermore, in the Fifth APEC Economic Leaders' Meeting held in Vancouver, Canada, on 24-25 November 1997, it was agreed to admit Peru, the Russian Federation and Vietnam as new members in 1998.

While the industrial countries were concentrating their efforts on increasing economic co-operation and forming or expanding economic integration schemes amongst themselves, they also worked hard to attain a freer trade in goods and services worldwide. Within this framework, the Uruguay Round of multilateral trade negotiations have been concluded successfully in December 1993. A new international institution to draw up and administer the basic rules of international trade has been formed with the announcement of the Marrakesh Declaration at the end of the Ministerial Meeting in Marrakesh, Morocco, on 15 April 1994. The new organisation, the World Trade Organisation (WTO), was established on 1 January 1995 replacing the institutional structure of the old GATT Secretariat. The earlier GATT 1947 agreement was discontinued in 1995. Since then, GATT 1994 has served as the basic document to govern the international trade in goods.

The WTO Agreement, together with its annexes, establishes a more comprehensive, binding, permanent and disciplined trade environment as compared to the earlier GATT system. The earlier GATT was only a multilateral agreement. It did not have an institutional framework, except for a small associated secretariat known as the GATT Secretariat.

As at July 1998, the WTO has 132 member countries. They account for more than 90 per cent of the world trade. Recently, on 17 July 1998, an OIC member, the Kyrgyz Republic, concluded accession negotiations to become the 133rd member. 31 countries have also applied for membership in the institution. Out of the 55 OIC members, 33 countries have already become members of the WTO, while 9 more are in the process of accession.

The fact that a large number of countries became members of the WTO and parties to the agreements shows that the new era is endorsed by the vast majority of countries. Due to the scope and size of the new trading system, even non-member countries will be obliged to act in conformity with the system, because the international prices of goods and services will be determined competitively according to its standards. The cost of staying completely out of the new world trading system, or in other words the choice of full autarky, will be higher than before because greater margins will have to be paid to keep uncompetitive industries alive in the face of falling international prices of goods and services.

The First Ministerial Meeting after the conclusion of the Uruguay Round in Marrakesh was held in Singapore from 9 to 13 December 1996. Its agenda included both general discussions and specific business items. While general agreement has been reached on many issues in Marrakesh, issues like labour standards, trade-investment relationship, rules of competition, government procurements, etc., have been left to the Ministerial Conference in Singapore.

During the Singapore Conference, the Ministers adopted a 'Comprehensive and Integrated WTO Plan of Action for the Least-Developed Countries' and the Singapore Ministerial Declaration which is an action plan for the WTO to be implemented in the near future.

After the First Ministerial Meeting in Singapore, three major agreements were concluded successfully in the fields of basic telecommunications services, information technology products (ITA) and financial services under the WTO system (more information on these agreements is provided in SESRTCIC's report on *Recent Developments within the Framework of the WTO: from Singapore to Geneva 1998*).

The Second Session of the World Trade Organisation (WTO) Ministerial Conference was convened in Geneva between 18 and 20 May 1998. The WTO Ministerial Conference aimed to review the implementation of the WTO Agreement, the decisions taken at the First Ministerial Meeting of the WTO held in Singapore between 9 and 13 December 1996 and to discuss the future agenda of the WTO.

At the end of the Conference, the Ministers adopted a Ministerial Declaration and a Declaration on Global Electronic Commerce. Ministers also accepted the United States' proposal to hold the Third Session in the United States in 1999. They further elected the USA, Pakistan, Burkina Faso, and Colombia as the Office Members of the next session.

On the other hand, the world economy has reached the threshold of a high-technology age. The discovery of new products and processes in micro-electronics brought about enormous transformations in global telecommunications and in patterns of production, organisation and management. Newly-industrialising developing countries seem to be keeping pace in this environment and making better deals to increase their share in the world economy by rapidly adapting to these technological developments. The rest of the developing countries, on the other hand, may not be able to close the gap with the developed countries if they fail to adjust their economies to these new developments.

In the near future, competitiveness, productivity, skilled labour, knowledge-based employment and management capacity will become more and more important elements of economic growth. People, equipped with specialised education and training and supported by the new technological facilities will be the engines of future growth.

1.1. Developments in the World Economy

The world economy went through a prolonged period of prosperity since the beginning of the present decade. The output growth started to accelerate especially after 1993, first up from 2.7 per cent in 1993 to 3.9 per cent in 1994. After a slight deceleration to 3.6 per cent in 1995, it once again climbed up to 4.1 per cent in both 1996 and 1997. In the present decade, only the countries in transition as a group lived under difficult economic conditions and suffered negative growth rates. Meanwhile, the developed countries as well as the developing countries, excepting a few individual cases, enjoyed the benefits of this prosperous period. The developing countries acquired output growth rates of more than 6.0 per cent per annum in these years (Table 1). Especially the Asian developing countries reached very high growth rates, more than 8.0 per cent between 1994 and 1996, and increased their production particularly in the manufacturing industry.

The developed countries also followed almost the same pattern of output growth in the 1990s, although their rates of growth were much lower than those attained in the developing countries (Table 1). During the 1990s, amongst the developed countries, the United States performed strongly. The same trend also continued in 1997 and economic performance of the US was much better than the other developed countries: output growth was recorded as 3.8 per cent in the US against 2.6 per cent in the European Union and 0.9 per cent in Japan. As a reflection of the continuing improvement in the US economy, the US dollar kept appreciating against the major international currencies such as the Japanese Yen, the German Mark, etc., in 1996 and 1997.

The preliminary figures for the initial months of 1998 were also promising for the US economy. Its real GDP went up to an annual growth rate of 5.5% in the first quarter of 1998. However, in the second quarter of 1998, the US economy slowed down to 1.7 per cent. The unemployment rate in the US was also reduced to 4.5 per cent, the lowest figure for the last 28 years. Annual inflation in the US slightly increased to 2.5 per cent in the first half of 1998 from 2.0 per cent in 1997. Such low figures of unemployment and inflation, together with a prolonged economic growth, may imply that the US economy is operating at a level very close to full employment. The domestic demand is still strong. However, the current account deficit started to widen mainly because of the strong US dollar.

The EU growth rate slowed down continuously from 2.9 per cent in 1994 to 1.7 per cent in 1996. However, in 1997, it increased to 2.6 per cent (Table

1). The same growth trend is expected to continue in 1998 and is estimated to reach around 3.0 per cent per annum. Inflation is still under strict control in the EU. Interest rates are still low but positive. The economies of the EU countries are very stable due to the efforts of the governments to meet the Maastricht criteria. In 1998, the European Monetary Institute (EMI) was replaced by the European Central Bank, and the necessary arrangements are being made to introduce the European Currency Unit the "Euro" on 1 January 1999 for circulation as a single currency in eleven participating countries. However, especially after the collapse of the financial sector in the Russian Federation, the further expansion of the global crisis may jeopardise the present well-being of the EU countries.

Japan, on the other hand, started to recover slowly from 0.3 per cent in 1993 to 3.9 per cent in 1996 (Table 1). However, the following year, the Japanese economy slowed down sharply to 0.9 per cent. The Japanese economy is the first developed economy to be influenced by the economic crisis in South-East Asian countries. In fact, Japan has significant interest and also risk in these neighbouring countries in the form of foreign direct investment, bank credits, and portfolio investment. In addition to its financial losses in the surrounding countries, Japan also suffered from a lack of domestic demand. Attempts were made to overcome the slump in the domestic economy by further reducing interest rates and taxes. Now, the basic interest rate, overnight call rate, is only 0.25 per cent. It cannot be lowered further. Despite all these measures to cure the economic slump, Japan's GDP is expected to fall by 2.5 per cent in 1998.

1.2. Global Crisis

In last year's Annual Economic Report, referring to the crisis which occurred in South-East Asia we have said that *"although it has started as a financial crisis in one country, it shows signs of turning into a real economic crisis. It is also argued that it may affect the whole world economy"* (Annual Economic Report, SESRTCIC, March 1998). In fact, since then, that crisis started to affect not only the financial sector, but also the real economy itself. Furthermore, it spread to other Asian countries such as Japan and some other distant regions such as the Russian Federation in Europe, Brazil in Latin America, etc. In other words, the crisis still continues to deepen and to affect the world economy. It is further expected to influence the global economy for the next one or two years.

The countries in the South-East Asia region were amongst the fastest-growing economies and their outstanding growth performance continued for so many years that, as a result, they were referred to generally as Newly Industrialising Countries or Asian Tigers in international publications. For this reason, the first attack of the crisis in Thailand was really a big surprise for the world. However, the spread of the crisis to Malaysia, Indonesia, Korea, and to the other countries of the region was even a greater shock. Then, people started to think about the anatomy of the crisis and its possible effects on the world economy.

Since the crisis began in July 1997, Asian stock markets went down considerably and the local currencies were devalued. During the six-month period from July 1997 to December 1997, prices in the stock markets fell by 49 per cent in South Korea, 48.6 per cent in Indonesia, 41.0 per cent in Thailand, and 32.7 per cent in the Philippines. Further drops were also recorded during the period from December 1997 until the end of September 1998: in dollar terms, there was a fall of 64.7 per cent in Indonesia, of 38.6 per cent in Singapore, of 38.5 per cent in the Philippines, of 35.7 per cent in Malaysia, and of 17.0 per cent in Thailand. Only in the case of South Korea, a very slight increase of 0.5 per cent was recorded at the end of the nine-month period in 1998 (*The Economist,* October 3rd- 9th, 1998, p.136).

These enormous decreases affected strongly the investors in these stock markets. In addition, they caused an outflow of capital from these countries. Furthermore, they pushed up the risk of capital in these countries. On the other hand, the financial crisis, especially the outflow of capital, also created a strong pressure against the local currencies through increased demand for international currencies, particularly for the US dollar. As a result, the currencies had to be devalued. In the one-year period from July 1997 to July 1998, the rate of devaluation of the Indonesian rupiah against the US dollar was 81.2 per cent (from 2450 to 13000), of the Malaysian ringgit 39.1 per cent (from 2.5248 to 4.1425), of the Philippine peso 37.2 per cent (from 26.384 to 42.016), of the Thai baht 36.8 per cent (from 25.79 to 40.83), and of the Korean Won 28.1 per cent (from 888.1 to 1236.0).

Currency devaluation actually means that the export products of these countries become cheaper in international markets compared to similar products from other countries. In other words, devaluation may have a positive effect on promoting the exports of a country, unless it accelerates price hikes in the domestic economy. During the one-year period ending at the end of July 1998, the rate of inflation did not accelerate except in Indonesia. For example, it was only 10.6 per cent in the Philippines, 7.6 per cent in Thailand, 6.9 per cent in South Korea and 5.8 per cent in Malaysia (*The Economist*, October 3rd-9th, 1998, p.136). However, in the case of Indonesia, the consumer price index increased by 72.0 per cent during the same period. As a result, competitiveness increased by only 5.3 per cent in Indonesia whereas it was augmented by 31.5 per cent in Malaysia, 27.1 per cent in Thailand, 24.1 per cent in the Philippines, and 19.8 per cent in South Korea.

The increased competitiveness in these countries may be expected to bring about some adverse effects on the countries that produce and export products similar to those of the economies in crisis. Tables S.5 and S.6 in the Annex were constructed to show respectively, the value of major exports of the five countries in crisis in million dollar terms and the share of those commodities as a percentage of the world exports of those commodities. The major exports in descending order of their percentage of the world exports are as follows: natural rubber, fixed vegetable oil, veneers and plywood, rice, woven man-made fabric, fresh shell and fish, transistor valves, prepared fish, etc., radio broadcasting receivers, footwear, ships and boats, natural gas, sound records, office machinery parts, telecommunications equipment, shaped wood, base metal ores, TV receivers, women's outerwear, iron and steel, etc. Some of these products are produced by developed as well as developing countries. Some of them such as natural rubber, fixed vegetable oils, veneers and plywood, rice, and woven fabrics are exported mainly by developing countries. The total share of these five South-East Asian countries in exports of these products ranges from 56 per cent in the case of natural rubber to 5.6 per cent in the case of iron and steel. Especially in finished products, their share in the world is quite important: 24.0 per cent in man-made fabrics, 16.5 per cent in radio receivers, 16.1 per cent in footwear, 13.8 in ships and boats, 10.6 per cent in sound records, 8.9 per cent in telecommunications equipment, 7.8 per cent in TV receivers, etc.

Devaluation of local currencies also means that the burden on the indebted companies in the region will be increased. Because of the excessive devaluation of the local currencies, companies will not be able to pay back their debts. The governments could borrow from the IMF: South Korea made an agreement for $57 billion, Indonesia for $10 billion, Thailand for $3.9 billion, etc. However, private companies may not find fresh loans since country risks increased a great deal. An emergency programme to reschedule the debts of the private companies will be necessary to stop the crisis in the region from deepening.

Japan, the biggest economy in East Asia, was also very deeply affected by the crisis prevailing in the neighbouring countries. During the one-year period from July 1997 to July 1998, the Japanese yen lost 20.4 per cent of its value and the Tokyo stock exchange fell by about 39.1 per cent. Consumer prices fell by 0.3 per cent in the same period. The Japanese economy contracted by -1.8 per cent during the period from the second quarter of 1997 to the same quarter of 1998. This downward trend of the Japanese economy is still going on. The Japanese government had to revise the growth target for 1998 from an increase of 1.9 per cent to a decrease of -1.8 per cent. However, some analysts expect the economic growth in Japan to fall by 2.5 per cent this year. Private consumption has been falling in Japan for the last ten months. The industrial production also fell by -8.5 per cent between August 1997 and August 1998. The financial sector is fragile; even the Governor of Japan's Central Bank (BOJ) had to admit that 19 banks are in trouble.

The financial markets in other countries in the region are also quite tense. For example, from January to the end of September 1998, the stock market in India fell by 21.6 per cent. Moreover, the investors recently rushed to one of the largest investment funds in India, Unit Trust of India, to withdraw their money. Similarly, in China, one of the largest investment companies, Guangdong Investment, with 3.5 billion dollar worth of assets, went bankrupt at the end of September 1998 since it was not able to pay off its foreign exchange liabilities and was shut down by the Chinese Central Bank. These signs give a hint about the present state of confidence in the financial markets of the major economies in the Asian region.

China is rather important in the present set-up. Due to the economic reforms carried out recently and the abundant and relatively cheap labour available, China has attracted a lot of capital in the form of foreign direct investment. Furthermore, in 1994, it devalued its currency, the yuan, by almost 45.5 per cent. As a result, China's competitiveness increased significantly. Actually, some analysts claim that this devaluation is one of the main reasons behind the Asian crisis since it adversely affected the competitiveness of the South-East Asian countries. At the moment, it seems that these neighbouring countries have restored their competitiveness to some extent in comparison with China. However, now it is feared that China may go for another devaluation to restore its own position. Such an action will further aggravate the present global crisis and it may, in turn, provoke further devaluation.

While the crisis was affecting the Asian Countries, it was not given much importance. The countries in the other regions thought that it might be a local type of crisis like the 1994-95 crisis in Mexico or the 1994 crisis in Turkey. However, within one year, it has deepened and spread to almost all the regions. When it hit the Russian Federation leading to the collapse of the financial sector on August 17th, 1998, everybody realised that the global economy was now passing through one of the most violent crises ever lived. The devaluation of the Russian ruble and a 90-day moratorium on foreign credit repayments caused an immediate loss of confidence in the financial markets. The fiscal and international payments situation deteriorated severely. The financial crisis in the Russian Federation will also have negative effects on the economies of major trading and financial partners of the Russian Federation, particularly those in Eastern and Central Europe such as the Czech Republic, Hungary and Poland. It is no secret that major German banks which lent huge sums to the Russian Federation will not be paid back in time, and that they, in turn will not be able to assume their own liabilities. Over time, the crisis may also influence the economies of the European countries.

In addition to the economic storm in the Russian Federation, the crisis was also felt in Latin America. Especially, Brazil, the eighth largest economy in the world, is in focus now. If Brazil also loses control over its financial markets, it will be expected that the other countries in Latin America, and even the US, will be influenced considerably. Brazil is suffering from a massive government fiscal deficit amounting to $60 billion or about seven per cent of the national income, and now, from foreign reserves falling almost freely because of the outflowing short-term capital. The Brazilian government announced tighter fiscal and monetary policies to restore confidence in the financial markets and reverse the capital outflows in September 1998. However, financial pressures are still acting on the Brazilian economy.

When the crisis first made itself felt in the Asian countries, the US economy was expected to absorb the shocks caused by the Asian crisis and eliminate its adverse effects on the world economy. The US economy has been considerably strong and healthy, “unemployment is at a 25-year low; inflation is practically non-existent, productivity is surging and growth remains strong” (Bill Powell, *Newsweek*, January 5, 1998, p.20). But these expectations failed to materialise.

The present global crisis was characterised basically by a capital outflow from the developing countries. International capital went to some developing countries, better known as the emerging capital markets, to earn more return. However, that money was not invested in projects relating to the production of goods and services. Rather, it was invested in stock and/or money markets on short-term basis. By its very nature, this type of short-term capital tries to leave quickly these markets whenever it sees any risk. In fact, outflowing short term placed a very heavy burden on the economies of the developing countries. The outflowing capital from the developing countries went to the US or the US dollar because they were considered safe havens in such instances. Although it was thought that financial crises or balance of payments problems were something for the emerging capital markets, on August 31st, 1998, the stock market in the US fell suddenly by almost 6.5 per cent mainly because of the political crisis in the Russian Federation following the financial crash. Capital markets fluctuations are still going on in the US. These adverse developments were also reflected in the value of the US dollar in the currency markets: the dollar lost almost 11.5 per cent against the German mark in 40 days; from 1.8095 German mark to the dollar at the end of August 1998 to 1.6019 on 9 October 1998, the lowest rate in the last 20 months.

Thus, confidence in the US economy was also over. It was clearly understood that there is no safe haven in the current global crisis. Now, it is being described as the biggest challenge to the world economy in 50 years, in the words of President Bill Clinton.

At the end of these developments, borrowing in international markets has become a real difficult. Capital does not go to the developing countries. Banks and financial institutions prefer to stay liquid as much as possible. However, this tendency will further jeopardise the financial markets. As a result, investments in the real economy will decline, stocks will accumulate, production of goods and services will be cut back, idle capacity will increase and domestic and foreign trade activity will shrink. As a result, economic growth will slow down. For this reason, the IMF had recently to revise the world average growth rate from 3.1 per cent to only 2.0 per cent in 1998.

Now, efforts are being concentrated on finding a solution to this current crisis before an overall recession hits the whole world economy. In this context, finance ministers and central bank governors met in Washington in October 1998 to discuss the possible policy measures to solve this problem. The basic measures at the moment are as follows:

(1) A $30 billion credit in support of Brazil is being discussed. This facility, which can be provided in various forms from rescheduling to fresh loans, will be carried out by the US and the US banks.

(2) On 13 October 1998, the Japanese Government succeeded in passing through parliament a rescue package, worth ¥60,000 billion ($500 billion), in order to support the Japanese Banks in danger *(Financial Times*, 14 October 1998).

(3) The IMF quotas will be increased to strengthen its financial position. In this respect, the US Congress adopted a resolution to increase its quota by $18 billion in October 1998.

(4) Central banks are also under pressure to lower their interest rates in order to revive the economies. They were opposing the idea because it would destabilise prices and provoke inflation once again. However, on October 15th, 1998, the US Federal Reserve had to cut interest rates by a further 0.25 percentage point, in addition to the 0.25 percentage point cut made on September 29th, 1998 in order to reactivate the stock exchange markets and the economy. The overnight bank lending rate was reduced from 5.25 per cent to 5.0 per cent and the discount rate for emergency loans to commercial banks was lowered from 5.0 per cent to 4.75 per cent. Interest rates were also reduced in some countries, e.g., by 0.25 per cent in England on 8 October, by 0.5 per cent in Spain on 6 October, etc.

Whether or not all these measures will be effective to cure the present crisis soon will be examined next year.

Against this background, the following section will deal with the developments in the OIC countries' economies and the interlinkages between the developed countries and the OIC countries. Then, the dimensions of the debt problem in the OIC countries will be examined in detail. The last section will cover the basic findings and future prospects of the OIC countries.

2. MAJOR DEVELOPMENTS IN THE OIC COUNTRIES

Before examining the recent developments in the OIC countries, the following must be pointed out:

First of all, since the OIC countries, unlike the industrial countries, are not made up of an economically homogeneous group, overall group analysis is rather difficult and may conceal some underlying factors and somewhat conflicting developments. The very same economic causes may easily produce a set of completely different results in different countries due to the heterogeneity in economic structures. For this reason, an attempt will be made to divide the OIC countries into 4 sub-groups which, presumably, would better reflect the overall OIC performance.

Secondly, statistically speaking, it was not possible to obtain actual and up-to-date data for various variables for the whole group of the OIC countries for the period under consideration, particularly for the most recent years. For this reason, and in order to provide the reader with as much information as possible, it was, in some cases, necessary to utilise the data available in various international statistical sources at times even when they were in the form of estimates and forecasts.

2.1. Economic Growth

In this section, the OIC countries will be examined in 4 sub-groups in order to better illustrate the developments within the OIC. The first group is classified as the Least Developed Members of the OIC. It will be referred to hereafter as the LDC group of the OIC. This group is made up of those members of the OIC which are designated as least developed by the United Nations, namely, Afghanistan, Bangladesh, Benin, Burkina Faso, Chad, Comoros, Djibouti, Gambia, Guinea, Guinea-Bissau, Maldives, Mali, Mauritania, Mozambique, Niger, Sierra Leone, Somalia, Sudan, Togo, Uganda and Yemen. The second group includes generally the middle-income OIC countries. It will be referred to hereafter as the middle-income (MI) group of the OIC. These are: Bahrain, Cameroon, Egypt, Jordan, Lebanon, Malaysia, Morocco, Pakistan, Senegal, Suriname, Syria, Tunisia, and Turkey. The third group comprises the oil-exporting (OE) members of the OIC, namely, Algeria, Brunei, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (U.A.E.). The last group comprises the countries in transition which will be referred to hereafter as the TC group of the OIC. These are: Albania, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

Table 1
Real GDP Growth Rates in OIC Countries
(Annual average, in per cent)

	1993	1994	1995	1996	1997
LDC average (1)	2.6	3.2	8.6	5.4	5.5
MI average (1)	5.0	2.6	5.4	6.4	5.1
OE average (1)	4.8	2.6	3.0	4.7	4.3
TC average (1)	-7.7	-12.5	-5.1	1.2	0.1
OIC countries (1)	4.4	2.2	4.0	5.3	4.5
Developing countries	6.5	6.8	6.0	6.6	5.8
Developed countries	1.2	3.1	2.5	2.7	3.0
World	2.7	3.9	3.6	4.1	4.1

Notes (1): Averages were computed on the basis of percentage changes for individual countries weighted by 1995 GDP values in US dollars.
Sources: Table A.1 in Annex and IMF, World Economic Outlook, May 1998, p.145.

Table 1 is derived from the data supplied in Table A.1 in the Annex. The table displays average growth rates for different sub-groups of OIC countries and the overall OIC group. The averages were calculated on the basis of individual country growth rates weighted by the US dollar value of 1995 GDPs. Data for the developing and industrial countries were also included in the same table for comparison.

The present report includes the growth rate data on 54 OIC countries including Togo, a new member. Out of 54 OIC countries, the LDC group consists of 21 countries, the MI group of 13, the OE group of 13 and the TC group of 7 countries. According to the 1995 GDP values in terms of US dollars, the combined income of the LDC group of the OIC amounted to $92.0 billion, which makes up only 6.7 per cent of the $1,375.0 billion total OIC income. The MI group of the OIC stood at $515.4 billion or 37.5 per cent of the total OIC income. The OE group's total income reached $731.0 billion or 53.2 per cent of the OIC total. Lastly, countries in transition generated $36.5 billion or 2.7 per cent of the total OIC income (calculated from Table S.1).

As it may be observed, the shares of the LDC group and the TC group in the total OIC income are very low, even less than the national income of some individual OIC member countries such as Indonesia, Turkey, Saudi Arabia, Iran, etc. On the other hand, the shares of the oil-exporting and the middle-income groups are quite high. 26 countries from these two groups generate 90.7 per cent of the overall OIC output. Among the countries of the OE group Indonesia produces about 14.6 per cent of the OIC income while Turkey, which belongs to the MI group, produces about 12.6 per cent of the OIC total. Four countries, i.e., Indonesia, Turkey, Saudi Arabia, and Iran, contribute 43.8 per cent to the overall OIC income. Due to this fact, the growth figure of the whole OIC group is affected significantly by the developments in the oil-exporting and the middle-income OIC countries. Similarly, the developments in these groups are also influenced by the growth performance of the countries mentioned above, simply because average growth rates are computed on the basis of the GDP values in dollars. For this reason, the following arguments relating to the groups of OIC countries must be considered cautiously within this framework.

Before 1995, the LDC group of OIC countries grew, in general, at moderate rates. In 1995, they realised a very high rate of growth of 8.6 per cent (Table 1) when their exports increased by 28.4 per cent. A remarkable increase in exports of the LDCs pushed their growth performance upwards. Although in the following year and in 1997 the average growth rate of this group slowed down to 5.4 and 5.5 per cent respectively, their growth performance was still above the OIC average in recent years. In addition to the improvement observed in the average growth rate of the LDC group, a decline is also observed in the number of countries which experienced negative growth rates in recent years. Indeed, the number of such countries diminished from four in 1995 to two in 1996 and zero in 1997. Although in terms of group averages 1995 may be regarded as a better year than 1996 and 1997, regarding individual countries' performances, both years were comparatively better than the previous year since almost all the OIC LDCs grew moderately. (Table 1).

During the period between 1995 and 1997, Togo, Uganda and the Maldives within the LDC group attained considerably high rates of growth. On the other hand, the growth performances of Bangladesh and Benin were relatively stable during the period under consideration although the rates of growth were not very high.

After experiencing moderate rates of growth of around 5 per cent between 1991 and 1993, the MI group's rate of growth dropped to 2.6 per cent in 1994. Then, the group managed to increase its growth rate significantly with a marked acceleration to about 5.4 and 6.4 per cent in 1995 and 1996 respectively. In 1997, the MI group's average slightly decreased to 5.1 per cent. Nevertheless, the growth of the MI group was much better than the overall OIC average throughout the whole period. (Table 1).

Regarding the performances of the individual countries in the middle income group, Cameroon, Turkey, and Suriname recorded negative growth rates in 1994, and so did Morocco in 1995 and 1997. 1996 was a relatively better year for all the middle-income OIC countries. Although Malaysia and Turkey in this group realised the highest rates of growth during the last three years from 1995 to 1997, a slowing down was observed in the growth rates of both countries. Malaysia experienced a decline from 9.5 per cent in 1995 to 8.2 and 7.8 per cent in 1996 and 1997 respectively. In the case of Turkey, the fall was from 7.5 per cent to 7.1 and 5.7 per cent in the respective years.

The oil-exporting countries of the OIC, on the other hand, realised lower rates of growth than those of the OIC averages between 1995 and 1997 although their growth performance was above the OIC average before 1994 (Table 1). The average rate of growth in the OE group increased from 2.6 per cent in 1994 to 3.0 and 4.7 per cent in 1995 and 1996. Then, the following year, it declined to 4.3 per cent. The average crude oil price increased from $15.95 per barrel in 1994 to $17.2 and $20.37 per barrel in 1995 and 1996 respectively. Then it dropped to $19.27 per barrel in 1997 (IMF, IFS, September 1998, p.72). If these two series are compared, we observe an apparent relationship between the oil price and the growth performance of these countries. Generally, a low level of petroleum price does not provide enough impetus for an active growth performance in these countries. In general, as compared to that of the last decade and the beginning of the 1990s, the performance of the OE group is not bright in recent years.

The countries in transition, on the other hand, experienced very unfavourable developments during the period under consideration. Their economies recorded negative growth rates between 1991 and 1995. In 1996, they were able to reverse the ongoing trend with a 1.2 per cent average growth. However, this recovery could not continue and the performance slowed down to almost no growth once again in 1997 (Table 1). The revival of the economies in this group was not realised as expected in 1997. These countries, with their rich natural resources and educated labour force, may play quite active roles in the global economy.

When the OIC countries are considered individually, 49 countries out of 53 realised positive rates of growth in 1996, while 4 countries experienced negative rates in the same year. In 1997, 3 countries realised drops in their national income while the remaining 47 countries (out of 50) had positive growth rates.

The OIC countries as a group grew by 22.1 per cent in the five-year period from 1993 to 1997. Amongst the sub-groups of the OIC, the LDC group grew by 27.9 per cent, the MI group by 27.0 per cent, and the OE group by 20.9 per cent during the same period, while the TC group realised a 22.4 per cent fall in their total income. During the same period, the developing countries grew by 36.0 per cent, whereas the industrial countries' growth was only 13.1 per cent, and the world average was about 19.8 per cent.

These figures show that the OIC countries performed better than the industrial countries and the world average, but they could not attain the growth rate of the developing countries during the five-year period. None of the sub-groups of the OIC countries could reach the average growth performance of the developing countries.

On the other hand, economic growth in the industrial countries accelerated from 1.2 per cent in 1993 to 3.1 per cent in 1994. Then, after slowing down in 1995, it started to increase to 2.7 and 3.0 per cent in 1996 and 1997 respectively. The world average also follows a similar path. The only difference occurred in 1997 when the industrial countries further accelerated the average growth rate from 2.7 to 3.0 per cent, whereas the world average was the same as before. The slowing down in the economies of developing countries was the main cause of this development in the world average.

The analysis based on the overall economic growth is not satisfactory enough to bring out the actual developments in the individual economies. With a population growing steadily at a rate of about 2.5 per cent a year in the OIC countries, a typical economy must be able to generate at least that much growth a year to maintain the same level of per capita income.

Per capita income varies from $86 in the case of Mozambique to well above $17,000 in the case of Brunei and the United Arab Emirates (UAE). In terms of group averages, per capita income reached $1,629 in the OE group of the OIC in 1995, whereas it was $1,462 in the MI group, $564 in the TC group and only $312 in the LDC group.

Roughly, only two-thirds of the OIC population generate more than 90 per cent of the OIC income (Tables S.1 and S.2 in the Annex). As a result, while per capita income in the former groups, on average, amounts to $1,555, it hardly reaches $358 in the latter groups, approximately one fifth of the former. This diversity may constitute one of the basic factors which hinder intra-OIC economic co-operation.

Table 2 enables the reader to observe the changes in the per capita income growth of the OIC countries, and to compare them with those of the developing and industrial countries. It was derived from the data on the real GDP growth rates provided in Table A.1 and Table S.2 in the Annex.

Table 2
Real Per Capita GDP Growth Rates in OIC Countries
(Average annual, in per cent)

	1993	1994	1995	1996	1997
Total OIC countries	1.9	-0.3	1.5	2.7	2.0
Developing countries	4.5	4.5	4.2	4.5	4.0
Developed countries	0.6	2.5	1.8	1.9	2.4

Notes: The OIC average was computed on the basis of percentage changes for individual countries weighted by 1995 GDP values in US dollars.
Source: Table A.1 and S.2 in the Annex and IMF, World Economic Outlook, May 1998, p.145.

During the period under consideration, the OIC countries' total population grew at nearly 2.5 per cent per annum. When the effect of such a high rate of population growth on economic growth is taken into account, the OIC's average rate of per capita income growth turns out to be 1.9 per cent in 1993. In 1994, it declined by 0.3 per cent, then increased by 1.5 per cent in 1995. It further increased by 2.7 per cent in 1996 and slowed down to 2.0 per cent at the end of the period under consideration (Table 2).

When these per capita GDP growth rates for the OIC countries are compared with those realised in the developing countries, a significant gap is observed against the OIC group. The volume of this gap becomes as wide as 4.8 percentage points in 1994. The growth difference with the industrial countries is also against the OIC countries. In general, it is agreed that the developing countries must realise higher per capita income growth rates to close the development gap with the industrial countries. However, from that perspective, the per capita GDP growth performance of the OIC countries does not seem to be promising.

2.2. Sectoral Distribution of the Output

After having evaluated the developments in the economies of the OIC countries, the sectoral breakdown of their economies will be examined for a much better understanding of the changes occurring in their economic structures. The figures related to the composition of the economic activity were based on data contained in the World Bank's World Development Reports, 1992 through 1997. The averages of sectoral shares from 1991 to 1995 were computed in order to avoid the missing data problems for some countries and the effects of year-to-year cyclical fluctuations in others. The analysis in this section will be based on these five-yearly averages.

Table 3
Sectoral Distribution of the Output
(In per cent)

	Agriculture	Industry	Manufacturing	Services
LDC average (1)	34.2	18.8	9.3	46.9
MI average (1)	18.3	29.5	19.5	52.1
OE average (1)	15.8	43.6	12.9	40.4
TC average (1)	23.3	28.8	10.9	46.9
OIC average (1)	18.0	36.4	15.2	45.4

Note (1): Averages were computed on the basis of percentage shares for individual countries weighted by 1995 GDP values in US dollars.
Source: Table A.2 in Annex.

Agriculture, known as the primary economic activity, is generally assumed to play a major role in developing countries. However, this assumption does not hold at least for some of the OIC countries, particularly the oil exporters. The share of agriculture in the OIC countries varies from 0.2 per cent in Kuwait to 65 per cent in the case of Somalia. It is equal to or greater than 33 per cent in 18 countries (out of 52), almost all of which are LDCs, excluding four countries: Albania, Kyrgyzstan, Tajikistan and Nigeria, mostly countries in transition. In addition, it is less than 5 per cent of the GDP in oil-exporting countries like Brunei, Kuwait, Oman, Qatar, Saudi Arabia, U.A.E., as well as in Bahrain and Djibouti (Table A.2 in the Annex). Regarding the group averages, agriculture has the highest share in the LDC countries with 34.2 per cent of the GDP and the lowest share in the OE group with 15.8 per cent. In the TC group, its share amounts to 23.3 per cent and in the MI group 18.3 per cent.

The share of industry in the GDP varies from 8.5 per cent in Somalia to 52.6 per cent in Oman, 54.0 per cent in Saudi Arabia, 56.4 per cent in U.A.E., and about 81.0 per cent in Brunei. Industry's share in GDP exceeds 33 per cent in 16 OIC countries, 12 of which are oil-exporting countries. Opposite tendencies are observed with respect to the shares of industry and agriculture: oil-exporting countries have the lowest shares and the LDCs the highest in agriculture, whereas in industry, the situation is just the reverse: the LDCs have the lowest shares with 18.8 per cent of the GDP, and the oil-exporting countries have the highest ones with 43.6 per cent. In the MI group, the share of industrial activity amounts to 29.5 per cent and in the TC countries it is equal to 28.8 per cent of the GDP. Such a high role for industry in the economies of the oil-exporting countries is to be expected because oil production is classified under industrial activities. Yet, the share of industry in an economy, per se, does not provide enough information about that country's level of industrialisation. For this reason, the role of the manufacturing sector must also be considered.

The share of the manufacturing sector in the OIC countries varies from 4.0 per cent in Oman and 4.3 per cent in Comoros to 32.6 per cent in Malaysia. The top ranks are taken up mostly by the middle-income group of countries: Malaysia, Turkey (20.2 per cent), Tunisia (19.0 per cent), Morocco (18.0 per cent), Egypt (17.4 per cent) and Pakistan (17.4 per cent), etc. From the TC group, only Azerbaijan (31.0 per cent) takes up the second place, and from the OE group, Indonesia (23.2 per cent) takes up the third place. In fact, regarding group averages, the share of manufacturing is the highest in the MI group with 19.5 per cent, and the LDC group is the lowest with only 9.3 per cent share. Manufacturing’s share amounts to 12.9 per cent in the OE group and 10.9 per cent in the TC group.

Regarding the share of services, the main observation is that its role in the economy is quite high for almost all the OIC countries. It exceeds one third in 46 countries out of 52, and falls below that level only in 6 countries. The shares vary from 14.0 per cent in Brunei to 76.5 per cent in Djibouti. The share of services amounts to 52.1 per cent of the GDP in the MI group, 46.9 per cent each in the LDC and TC groups, and 40.4 per cent in the OE group.

Before concluding this sub-section, the main observations may be summarised as follows: first of all, the services sector is an important source of income in almost all the OIC countries, irrespective of their levels of income and development. Secondly, agriculture is observed to be an important activity mostly in the LDC group, and industry in the oil-exporting group. However, the significance of industry in the oil-exporting group comes from oil production. Thirdly, the manufacturing sector does not play a significant role in most of the OIC economies. Yet, in some OIC countries, particularly in the middle-income group, it is gaining importance.

2.3. Inflation

Inflation is one of the most important indicators of an economy's health. Price movements show whether there exists any excess demand or excess supply. A low inflation rate is regarded as an indication of the stability of an economy and it is a must for a stable growth in the economy. Meanwhile, some specialists argue the benefits of a zero-rate inflation. In fact, governments, especially in the industrial countries and in some developing countries, paid maximum attention to the controlling of inflation and maintenance of price stability in the economy in recent years. As a result of these efforts the average rates of inflation have fallen significantly in developed as well as developing countries. Inflation in industrial countries decreased gradually from nearly ten per cent in the early 1980s to 5.2 per cent in 1990 and further down to 2.1 per cent in 1997 (Table 4). Inflation in developing countries reached its peak values in the late 1980s (68.1 per cent in 1990), then it declined to 21.7 per cent in 1995, and further decreased to 8.5 per cent in 1997. Even the countries in transition, which experienced hyperinflation in the early 1990s, started recently to take it under control. Inflation in these countries fell from more than 600 per cent levels between 1992 and 1993, down to 124.1 per cent in 1995 and further down to 27.8 per cent in 1997. (IMF, World Economic Outlook, May 1998, p.156).

Table 4
Average Inflation Rates in OIC Countries
(In per cent)

	1993	1994	1995	1996	1997
LDC average (1)	26.8	30.5	24.4	26.0	17.1
MI average (1)	29.5	48.3	35.4	31.0	32.3
OE average (1)	30.3	44.8	44.2	34.3	28.0
TC average (1)	1312.7	1524.7	279.6	106.2	26.2
OIC countries (1)	63.9	84.5	45.8	34.5	29.1
Developing countries	46.8	50.7	21.7	13.7	8.5
Developed countries	3.0	2.6	2.5	2.4	2.1

Note (1): OIC averages were computed on the basis of percentage changes for individual countries weighted by 1995 GDP values in US dollars.

Sources: Table A.3 in Annex and IMF, World Economic Outlook, May 1998, p.156.

The inflation figures for the OIC countries are summarised in Table 4. They are based on the figures given in Table A.3 in the Annex. The figures for the other groups of countries are also given to allow for a quick comparison.

Inflation in the OIC countries accelerated during the first half of the 1990s, from 22.7 per cent in 1991 to 46.4, 63.9 and 84.5 in 1992, 1993, and 1994 respectively (Annual Economic Report, SESRTCIC, March 1998 and Table 4). Then, it sharply fell down to 45.8 per cent in 1995, and 34.5 per cent in 1996, and further decelerated to 29.1 per cent in 1997 (Table 4). However, when the rates of inflation are examined by groups of OIC countries, the group average of the TC countries turns out to have been higher than the OIC average throughout the period under consideration, excluding only the last year, 1997. The TC countries managed to curb inflation starting from 1995 onwards, after living under hyperinflation conditions during the first half of the 1990s. They were quite successful in decreasing inflation by 80 percentage points from 106.2 per cent in the preceding year to only 26.2 per cent in 1997.

On the other hand, the trends of inflation rates amongst the OIC groups did not change much; inflation had a tendency to increase between 1991 and 1994, and then it started to decline in 1995 and 1996. The peak in inflation was realised in 1994 in all the sub-groups of the OIC; by 30.5 per cent in the LDC group, by 48.3 in the MI, by 44.8 in the OE, and by 1524.7 per cent in the TC group (Table 4).

However, the inflation figures for the OIC countries are very high when compared with the low figures recorded by the industrial countries which were quite successful in curbing the high inflation they encountered in the early 1980s. They have continuously reduced their inflation rate from 4.7 per cent in 1991 to 3.0 per cent in 1993 and 2.1 per cent in 1997. When it is recalled how careful the authorities in developed countries are about inflation, it can be predicted that the rates will not be much higher than the current rates in the near future.

The developing countries were also quite successful in lowering the average rate of inflation from 68.1 per cent in 1990 to 35.9 per cent in 1991. Yet, they were not that successful in further reducing it or at least keeping it at the same levels. Thus, the figure first went up to 38.8 per cent in 1992 (Annual Economic Report, SESRTCIC, March 1998), then it climbed up to 46.8 per cent in 1993 and further up to 50.7 per cent in 1994. Then, in 1995 it dropped sharply to 21.7 per cent. This declining trend of inflation in developing countries continued in 1996 and fell down to 8.5 per cent in 1997 (Table 4). This trend is expected to continue in the coming years.

As compared to that of the developing countries, the OIC rate of inflation remained considerably higher during the period under consideration, particularly in 1995, 1996 and 1997. In 1997, the OIC rate of inflation was almost three and a half times higher than the developing countries' average. Interestingly enough, that year, inflation in the TC group was below the OIC average. In addition to the TC group, the LDC and the OE averages were also below the OIC average.

The MI group's inflation rate was computed as 32.3 per cent in 1997. However, if the rates of inflation realised in the individual countries in this group are considered, almost all the countries in this group had 1-digit level inflation rates, excepting Pakistan with 11.4 per cent and Turkey with 85.9 per cent. Turkey in particular, with its very high rate of inflation and with its considerable weight in this sub-group and amongst the OIC countries, accounts for the high inflation rate in this group.

In the LDC group, Sudan with 65.0 per cent and Yemen with 20.5 per cent are high-inflation countries in 1997. Amongst the OE group of OIC countries, inflation is estimated to be 200.0 per cent in Iraq, and 25.0 per cent in Libya. Nevertheless, a decline is also observed in the number of high-inflation countries through the years. There is a trend amongst the OIC countries towards moderate rates of inflation instead of high ones towards the end of the period under consideration.

High inflation figures are enough to overheat any economy which, in turn, means deepening instability. Instability causes further fluctuations in the growth of an economy which reduces the possible impacts of policy measures to curb inflation. In an inflationary environment, people develop expectations that inflation will continue into the future and, as a result, inflation becomes a psychological problem as well, in addition to its characteristic as a chronic economic problem. Being aware of all its adverse effects, the OIC countries may intensify their efforts to curb inflation.

After having examined the main economic indicators, the present study will now take up the developments in the foreign sector of the OIC countries.

Table 5
Merchandise Exports in OIC countries
(Average annual change, in per cent)

	1993	1994	1995	1996	1997
LDC group	1.2	17.1	28.4	11.9	3.1
MI group	8.0	19.2	20.8	9.4	1.7
OE group	-5.1	1.8	12.9	13.5	2.2
TC group	0.0	27.2	44.7	17.4	4.0
OIC countries	0.5	8.6	17.0	12.0	2.0
Developing countries	5.7	17.2	21.5	8.0	5.7
Developed countries	-3.6	12.9	18.3	1.9	2.3
World	-0.9	14.2	19.4	3.9	3.4
Share of the country groups in the world total (in per cent)					

OIC countries	7.5	7.2	7.0	7.6	6.5
Developing countries	31.1	32.0	32.5	33.8	34.6
Developed countries	68.8	68.0	67.4	66.1	65.4

Sources: Tables A.4 and S.3 in the Annex.

2.4. Foreign Trade and Payments Balances

Tables 5 and 6 were composed to display the average rates of changes in merchandise exports and imports in the OIC countries based upon Tables A.4 and A.5 in the Annex respectively. Comparative figures for the developing and industrial countries were also added to the table for comparison.

The OIC countries' exports amounting to $256.9 billion represented 7.6 per cent of the world exports in 1990 (Annual Economic Report, SESRTCIC, March 1998). That amount first increased to $279.9 billion in 1993, and towards the end of the period it reached up to $398.2 billion in 1996. In the meantime, the share of the OIC countries in world exports fell to 7.2 and 7.0 per cent in 1994 and 1995 respectively. However, in 1996, the share of the OIC group as a whole went, once again, up to 7.6 per cent. The share of the OIC countries in world exports has fluctuated between 7.0 and 7.6 per cent during the 1990s.

On the other hand, the developing countries were able to increase their share continuously from 27.7 per cent in 1990 (Annual Economic Report, SESRTCIC, March 1998) to 31.1 per cent in 1993 and further up to 34.6 per cent in 1997. Meanwhile, the share of the industrial countries in world exports declined continuously from 72.3 per cent in 1990 first down to 68.8 per cent in 1993 and then to 65.4 per cent in 1997 (Table 5).

The rates of increase in the developing countries’ exports were always realised at levels above those in the OIC countries during the period 1993-97, excluding 1996. Even the developed countries managed to increase their exports at rates higher than those realised in the OIC countries, excepting 1993 and 1996. This picture indicates that the OIC countries were not able to benefit enough from the enlargement of the world trade in these years. As a result, the OIC countries, unlike the developing countries, were unable to increase their share in world exports during the period from 1993 to 1997.

The highest rates of increase in exports of all the groups were recorded in 1995 during the period under consideration; OIC countries realised a 17.0 per cent increase, developing countries 21.5 per cent, and the developed countries 18.3 per cent in that year. As a result, the world average was equal to 19.4 per cent. Then, in the following years, the annual rates of increase started to diminish; in the case of the OIC countries, it fell first to 12.0 and then sharply to 2.0 per cent. The annual rate of increase in exports of the developing countries declined drastically from 21.5 per cent in 1995 to 8.0 per cent in 1996 and further down to 5.7 per cent in 1997. The developed countries’ exports also followed the same pattern; it fell sharply from an 18.3 per cent increase in 1995 to 1.9 per cent in 1996. However, in 1997, they were able to accelerate slightly the rate of increase of exports. The overall outcome of these tendencies encountered in the different groups of countries was reflected as a severe drop in the world's average rate of export increase from 19.4 per cent in 1995 to 3.9 and 3.4 per cent in 1996 and 1997 respectively (Table 5).

Regarding the performances of the OIC sub-groups, all of them managed to accelerate their rates of export increase until 1995. After reaching the peak levels in 1995, they could not preserve these high figures and all of them suffered deceleration in their exports and finally, at the end of the period under consideration, they realised rates of increase between 1.7 and 4.0 per cent. The highest annual rate of increase in 1995 was observed in the TC group amounting to 44.7 per cent, followed by a 28.4 per cent annual increase in the LDC group, a 20.8 per cent increase in the MI group and a 12.9 per cent increase in the OE group. In 1997, the sub-groups were listed, in descending order, as the TC group with a 4.0 per cent rate of increase, the LDC group with 3.1 per cent, the OE group with 2.2 per cent and lastly the MI group with 1.7 per cent.

The greatest part of the OIC exports belongs to a few countries. For instance, in 1997, Malaysia with $78.1 billion worth of exports was at the top of the list, representing about 20.0 per cent of the OIC exports. Saudi Arabia was second with $56.7 billion, and Indonesia third with $52.9 billion. The combined share of these three countries amounts to $187.7 billion, close to half the OIC total.

Table 6
Merchandise Imports in OIC Countries
(Average annual change, in per cent)

	1993	1994	1995	1996	1997
LDC group	2.3	0.4	18.1	8.2	-8.9
MI group	9.4	9.1	28.2	7.0	0.4
OE group	-6.1	-4.2	22.1	4.1	0.2
TC group	21.0	28.6	25.4	29.4	-7.6
OIC countries	1.1	2.8	24.9	6.5	-0.3
Developing countries	7.1	14.4	22.8	8.1	8.8
Developed countries	-6.9	14.0	17.5	3.5	2.4
World	-2.7	14.1	19.3	5.1	4.6
Share of the country groups in the world total (in per cent)					
OIC countries	7.4	6.6	7.0	7.1	6.5
Developing countries	33.0	33.1	34.0	35.0	36.4

Developed countries	66.9	66.9	65.9	64.9	63.5

Source: Tables A.5 and S.4 in the Annex.

On the other hand, although the OIC imports increased from $278.7 billion in 1993 to $381.1 billion in 1996, their share in the world total decreased from 7.4 per cent in 1993 to 6.6 per cent in 1994. The OIC share in world imports was 7.0 and 7.1 per cent in 1995 and 1996 respectively.

Table 6 compares the import growth in the OIC countries with the growth in each of the other groups. Similar to the developments in the export side of the picture, the OIC countries' imports, in general, accelerated until 1995 and then started to slow down after that year. The same trend is also observed in other groups of countries. 1995 appears to have been a very active year for world exports and imports. But, a sharp slowing down is observed in the world trade since then.

The rate of increase realised in the OIC countries' imports climbed from 1.1 per cent in 1993 to 24.9 per cent in 1995 and then decelerated to 6.5 per cent in 1996 and even became negative (-0.3 per cent) in 1997. Although the general trend in the developing countries was similar to that in the OIC countries, the fluctuation was not so sharp as in the case of the latter group. In developing countries, the rate of increase of imports starting from 7.1 per cent in 1993, rose to 22.8 per cent in 1995, declined to 8.1 per cent in 1996 and then slightly increased to 8.8 per cent in 1997. In industrial countries, the rate of increase of imports also slowed down to 2.4 per cent after recording very high rates of 14.0 and 17.5 per cent in 1994 and 1995 respectively.

As a result of these annual changes, the share of the OIC countries in world exports fluctuated between 7.4 per cent in 1993 and 6.5 per cent in 1997. A significant trend was not observed in the share of the OIC countries in world imports. However, Table 6 explicitly shows the increasing trend of the share of the developing countries in world imports from 33.0 per cent to 36.4 per cent, and the declining trend of the developed countries' share from 66.9 per cent to 63.5 per cent during the period under consideration.

Regarding the sub-groups of the OIC countries, three of them, namely the LDC, MI and OE groups, recorded the highest rates of increase in 1995 during the period of 1993 and 1997. Then their imports decelerated severely. In 1997, the rate of increase in imports was 0.4 per cent in the MI group and only 0.2 per cent in the OE group. Even in the case of the LDC group, the imports effectively decreased by 8.9 per cent in 1997. The trend in the TC group was different from the other groups; the rate of increase in their imports fluctuated between 21.0 per cent in 1993 and 29.4 per cent in 1996. These rates are considerably higher than those realised in the other sub-groups mainly due to the effect of deferred import demand in these countries. However, in 1997, as was the case with the other sub-groups of the OIC, their imports dropped sharply by 7.6 per cent.

Like OIC exports, OIC imports were also concentrated heavily in several countries. In 1997, Malaysia came at the top of the list with $74.4 billion, representing about 20.0 per cent of the OIC imports. Turkey was second with $48.6 billion worth of imports and Indonesia was third with $41.7 billion imports.

As a result of the developments in exports and imports summarised above, the trade balance of the OIC countries fluctuated widely in recent years and recorded surpluses of $1.1 billion in 1993, $17.4 billion in 1994, $17.0 billion in 1996, and deficits of $-2.3 billion in 1995 and $-11.4 billion in 1997. Amongst the sub-groups of the OIC, almost all of them, excluding the OE group, experienced deficits throughout the period under consideration.

Table 7 summarises the current account balance and the international reserve position of the OIC countries according to the number of deficit or surplus countries and the number of deteriorating and improving countries respectively. The term 'deterioration' indicates a decrease or depletion of international foreign exchange reserves excluding gold, the reserves having been partially used to finance the deficit in the current account balance. The term 'improvement' indicates an addition to the reserves. This could occur even when a country's current account is in deficit, provided that it manages to finance its deficit by attracting more foreign capital through borrowing or other means.

Table 7
Current Account and Reserve Positions

	Number of countries				
	1993	1994	1995	1996	1997
Current account balance					
Deficit countries	41	34	37	33	32
Surplus countries	10	17	14	15	9
Total OIC countries	51	51	51	48	41
Current account balance (In bln of US dollars)					
OIC countries	-88.5	-25.7	-29.2	-15.7	-19.2
Developing countries	-121.8	-88.5	-94.4	-74.3	-82.1
Developed countries	56.0	20.1	35.3	19.8	47.9
Change in reserve positions					
Deteriorating countries	17	16	12	15	20
Improving countries	28	29	33	30	24
Total OIC countries	45	45	45	45	39

Source: Table A.6 and Table A.7 in the Annex, and IMF, World Economic Outlook, May 1998, p. 181.

As may be observed in Table 7, almost two-thirds of the OIC countries had a deficit in their current account balance during the period under consideration. The OIC countries' current account had a surplus of $3.3 billion in 1990 (Annual Economic Report, SESRTCIC, March 1998). However, they could not keep that surplus in the following years. Their current account balance severely dropped to a deficit of $-72.7 billion in 1991 and further decreased to $-88.5 billion in 1993. It remained in the deficit position with some fluctuations till the end of the period under consideration. Nevertheless, a relative improvement is observed in the volume of the OIC deficit. In 1996, the total deficit was reduced to $-15.7 billion. Last year, it deteriorated again.

Although two thirds of the OIC countries had to cope with deficits in their current account balances, and a deterioration is, in general, expected in their reserve positions, the actual picture does not conform to this expectation. Due possibly to compensating developments in their capital accounts, less than half the OIC countries experienced a deterioration in their reserves. About two thirds of the OIC countries were able to improve their foreign exchange reserves during the first four years of the period under consideration. Only in 1997, the number of improving countries declined, while the number of deteriorating countries increased (Table 7). In general, an erosion was observed in the overall foreign exchange reserves of the OIC countries towards the end of the period under consideration.

The present section, which is devoted to the developments occurring in the foreign sector, will be completed after the examination of the exchange rate variations in the OIC countries. In Table 8, which is derived from Tables A.8 and A.9 in the Annex, the exchange rate variations against the US dollar were displayed according to the frequency distributions of the countries in terms of depreciating, stable and appreciating national currencies. *Depreciation* indicates a loss in the value of a national currency vis-à-vis the US dollar, that is, more national currency is needed to buy one dollar. *Appreciation* means an increase in the value of a national currency against the US dollar, i.e., less national currency buys one dollar. The term *stable* stands for no change in the value of a national currency against the US dollar.

As of the end of March 1998, the national currencies of 21 OIC countries are pegged to different exchange rate systems. Four currencies are pegged to the US dollar, eleven to the French franc (FF), one to the Singapore dollar, two to the Special Drawing Rights (SDR) of the International Monetary Fund (IMF), and three to a basket of various currencies. The currencies of the other four OIC members have shown limited flexibility in terms of the US dollar. 16 countries managed floating rates adjusted according to a set of indicators.

Another 12 countries' currencies are floating independently (IMF, IFS, September 1998, p.18). There are also some cases where more than one rate is officially recognised. Furthermore, there are black markets in some countries which are mainly due to the fact that some currencies are pegged and/or have fixed exchange rates which do not reflect the real value of the national currency against the main hard currencies.

Table 8
Exchange Rate Variations in OIC Countries

	Number of countries				
	1993	1994	1995	1996	1997
National currencies					
Depreciation	37	37	22	38	37
Stable	11	8	8	9	10
Appreciation	1	7	23	5	4
Total OIC countries	49	52	53	52	51
Trend of US dollar:					
(D)epreciation					
(A)ppreciation	A	D	D	A	A

Source: Table A.8 and Table A.9 in the Annex.

Table 8 gives the reaction of national currencies of the OIC countries to the international trends in the US dollar. In 1993, when the US dollar appreciated vis-à-vis the other major convertible currencies, the performance of the OIC countries' currencies was, therefore, worse. In the same year, 37 national currencies out of 49 depreciated against the US dollar, 11 currencies' parities remained stable, while only one currency appreciated in that year.

In 1994, although the US dollar was depreciating against the major internationally convertible currencies, only the currencies of seven (out of 52) countries could appreciate against the dollar. Parallel to the sliding dollar, most currencies of the OIC countries, 37 of them, also depreciated, that is, they have also been devalued against the other major international currencies. In 1995, the position of the OIC currencies was balanced; 23 currencies appreciated against the dollar, while 22 were depreciating, with eight remaining stable. On the other hand, in 1996 when the US dollar was slightly appreciating against the major currencies, 38 currencies lost ground against it, five currencies gained, and nine currencies remained stable. In 1997, 37 OIC currencies depreciated, ten remained stable and only 4 currencies could appreciate against the appreciating dollar.

In summary, it is evident that the OIC countries' currencies could not appreciate while the US dollar was losing its value world-wide. Moreover, they were devalued further while the US dollar was appreciating. They were, in general, losing ground irrespective of the fact that the US dollar appreciated or depreciated. If the reader recalls that, generally, the OIC countries as a group had deficits in their current accounts, the continuous devaluation of their national currencies is not surprising. It rather reflects the reaction of the national economies to the ongoing adverse conditions.

3. FOREIGN DEBT

The foreign debt problem continues to be one of the most troublesome problems facing a number of OIC countries. In Table 9, derived from Tables A.10 and A.11 in the Annex, the data on the outstanding external debt of the OIC countries are summarised. Figures in parentheses indicate the number of countries about which data were available in a particular year.

The total outstanding external debt of the OIC countries increased continuously from $419.4 billion in 1991 (Annual Economic Report, SESRTCIC, March 1998) to $592.5 billion in 1993 and $627.6 billion in 1994. Then it is reduced to $595.6 billion in 1995. However, it increased once again to $601.3 billion in 1996.

On the other hand, the total outstanding debt of the developing countries reached $2,095.4 billion in 1996 by increasing continuously from the level of $1,747.8 billion in 1993, representing a 19.9 per cent increase in four years. The rate of increase in the case of the OIC countries was only 1.5 per cent in the same period. The developing countries’ external debts accumulated faster than those of the OIC countries'. As a result of these developments, the share of the OIC countries’ debt in the total debt of the developing countries declined continuously from 33.9 per cent in 1993 to 28.7 per cent in 1996. In other words, the debt burden of the OIC countries diminished as compared to that of the other developing countries.

Regarding the ratio of total external debt to GNP, it stood at around 63.8 to 65.5 per cent in the OIC countries between 1993 and 1995, whereas it was ranging only between 38.9 and 40.3 per cent in the case of the developing countries during the same years. The figures actually reflect the heavier burden of the external debts in the case of the OIC countries even as compared to the developing countries. In 1996, the debt to GNP ratio was reduced to 56.8 per cent while it also decreased to 36.0 per cent in the case of the developing countries. Debt is still a heavier problem for the economies of the OIC countries. Amongst the OIC groups, the debt to GNP ratio is the highest in the case of the LDC group, and the lowest in the TC group (Table 9). For a more complete view of the debt problem, it is necessary to review the developments in the servicing of the external debt during the period under consideration.

Table 9
Total Outstanding External Debt
(In billions of US dollars)

	1993	1994	1995	1996
OIC countries	592.5 (50)	627.6 (49)	595.6 (48)	601.3 (49)
Developing countries	1747.8	1899.1	2042.8	2095.4
Share of OIC in developing countries (%)	33.9	33.0	29.2	28.7
Debt to GNP ratio (%):				
LDC group of OIC	131.2	106.9	108.5	83.9
MI group of OIC	60.6	64.1	59.4	55.8
OE group of OIC	60.4	64.2	66.7	57.3
TC group of OIC	9.1	14.3	16.7	16.1
OIC countries	63.8 (43)	65.5 (42)	64.4 (41)	56.8 (39)
Developing countries	40.1	40.3	38.9	36.0

Note: Figures in parenthesis indicate the number of countries.
Source: Tables A.10 and A.11 in the Annex.

In 1993, the debt service in the OIC countries amounted to $47.7 billion, representing 27.7 per cent of the developing countries' total in that year. In 1994, it reached $52.5 billion, and then declined to $45.7 billion in the following year. In 1996, the OIC countries' debt service increased to $47.2 billion. However, against the fluctuations in the actual amount of debt servicing, the share of the OIC countries in the total debt service of the developing countries has decreased during the period under consideration. In fact, that trend started in 1992 from its peak ratio of 34.0 per cent (Annual Economic Report, SESRTCIC, March 1998) and declined continuously since then approaching 18.0 per cent of the developing countries' debt service in 1996.

However, regarding the debt service ratio, that is the ratio of debt service to exports of goods and services, the OIC economies are, in relative terms, under a heavy burden of debt servicing as compared to the developing countries. This ratio shows the capacity of a country to service its debt repayment obligations and the extent to which its resources are, in a sense, mortgaged to foreign creditors.

Table 10
Total Debt Service
(In billions of US dollars)

	1993	1994	1995	1996
OIC countries	47.7 (43)	52.5 (43)	45.7 (44)	47.2 (44)
Developing countries	172.2	191.3	229.6	261.8
Share of OIC in developing countries (%)	27.7	27.4	19.9	18.0
Debt service to exports ratio (%):				
LDC group of OIC	15.6	14.4	14.1	11.5
MI group of OIC	19.9	22.5	19.2	16.9
OE group of OIC	27.5	27.2	27.8	29.9
TC group of OIC	0.4	2.5	4.6	8.2
OIC countries	22.2 (43)	23.1 (43)	21.8 (43)	18.6 (42)
Developing countries (%)	17.5	16.9	16.8	17.2

Note: Figures in parenthesis indicate the number of countries.
Source: Tables A.12 and A.13 in the Annex.

The ratio of debt service to exports in the OIC countries was 23.5 per cent in 1992. After fluctuating between 22.2 in 1993 and 23.1 per cent in 1994, it went down to 21.8 per cent in 1995. In 1996, it further declined to 18.6 per cent of the exports of goods and services. However, in the case of the developing countries, the debt service ratio went up again to 17.2 per cent in 1996 after declining continuously from 18.3 per cent in 1991 to 17.5 per cent in 1993, and 16.8 per cent in 1995. The upward movement of the debt service ratio observed in the developing countries in 1996 is mainly due to the fall in their exports of goods and services. As it is observed in Table 10, debt servicing in the developing countries increased in 1996 as compared to the preceding year.

The debt service to export ratio in the OIC countries was much higher than that in the developing countries between 1993 and 1995. But in 1996 when the debt service ratio decreased significantly in the OIC countries, the OIC's ratio figure approached to the average of the developing countries. But, it was still higher than that in the developing countries. Although the developing countries allocated only 17.2 per cent of their foreign exchange earnings for debt repayments, the OIC countries had to spare, on average, 18.6 per cent of them for debt servicing in 1996.

Regarding the groups of countries in the OIC, the debt service to exports ratio was highest in the OE group with 29.9 per cent in 1996, followed by the MI group with 16.9 per cent, then by the LDC group with 11.5 per cent and lastly by the TC group with 8.2 per cent.

All the figures related to the foreign debt and debt servicing show that the debt positions of the OIC countries are, on average, worse than those of the developing countries as a whole. Foreign debt is a difficult problem for the developing countries, but it becomes much more problematic in the case of the OIC countries.

Regarding the individual country performances, the OIC debt is highly concentrated in a small number of countries. Iraq is at the top of the list with a $113.0 billion debt and an 18.8 per cent share in the total OIC debt, followed by Indonesia with $96.8 billion or 16.1 per cent share and Turkey with $58.6 billion or 9.7 per cent in the OIC total in 1996. Algeria followed them with $30.8 billion or 5.1 per cent. The cumulative share of the first two countries amounted to 34.9 per cent of the OIC total debt, the share of the first three reached 44.6 per cent, and that of the first four countries reached 49.8 per cent or half of the OIC debt according to 1996 figures (Table A.10 in the Annex).

On the other hand, the ratio of foreign debt to GNP is 59.7 per cent in Indonesia and 43.4 per cent in Turkey in 1996. In other words, although these countries are amongst the most indebted ones, their ratios of debt to GNP are not very high. That ratio exceeds 100 per cent in 11 countries (most of them being LDCs) in 1996 (Table A.11 in the Annex). Moreover, that ratio exceeds 200 per cent in three countries (Guinea-Bissau, Mozambique, and Mauritania) in the same year. These figures display explicitly the dimensions of the foreign debt problem in the OIC countries.

The high concentration of debts should not suggest that only a few OIC countries are facing serious debt problems. The least developed low-income OIC countries' debt problems should not be underestimated, especially because of the fact that not only their external debt burden is high compared to their national income, but they are classified as high-risk countries, facing a lot of difficulties in accessing fresh loans.

All in all, the debt problem remains one of the most serious problems facing a number of OIC countries. The most affected and the most vulnerable to future hardships are the least-developed ones.

4. CONCLUSION

While the world economy was enjoying one of the long-lasting upturns of a business cycle in the present decade, it entered a period of monetary and financial crises affecting wide regions from Asia to the Americas since the second half of 1997. The crashes influencing international currency and financial markets have also a tendency to act upon the real economy. As the predictions show, a slowdown is expected in the economies of a wide range of countries, including the newly industrialising countries of Asia, countries in Latin America and industrial countries. The economic output growth is estimated to decrease from 3.1 and 3.7 per cent to 2.0 and 2.5 per cent in 1998 and 1999 respectively.

However, before such adverse developments, the performances of the industrial and the developing countries were quite promising. In recent years, the industrial countries recorded, on average, growth rates of 2.5 - 3.0 per cent -- quite high rates. The developing countries also achieved very high growth rates of more than 6.0 per cent rates during the pre-1997 period.

On the other hand, the situation in the OIC countries was not as bright as that in the developing countries. Although they are a sub-set of the developing countries, they could not, on average, reach the average growth rate of the developing countries.

When the effect of a notably high rate of population growth, about 2.5 per cent a year, is taken into consideration, the growth gap between the developing countries and the OIC countries becomes more significant for the period under consideration. The volume of this gap amounted to 4.8 percentage points in 1994. Although, in general, the output growth recorded in the OIC countries was higher than that in the industrial countries, when the effect of the population increase was included, per capita income growth in the OIC countries even fell below that rate in the industrial countries in some years. Per capita income growth rates in the OIC countries need to be increased to close the development gap with the industrial countries and to keep up with the fast-growing developing countries.

Between 1995 and 1997, economic growth in the middle-income group and the LDC group of the OIC was much higher than the OIC average, whereas in the OE group of the OIC it was lower. The countries in transition had to face severe economic conditions during the period under consideration. Excepting 1996 and 1997, they recorded negative growth rates. However, as the term “transition” implies, they are in the process of restructuring their economies. As they manage it, they will realise better growth performances.

The MI and the OE groups of the OIC produce about 90.7 per cent of the total OIC income, although they constitute only 69.0 per cent of the OIC population. On the other hand, the remaining LDCs and the countries in transition produce about 9.3 per cent of the OIC income, although they make up 31.0 per cent of the OIC population. Roughly speaking, only two-thirds of the OIC population generate more than 90 per cent of the OIC income. As a result, while per capita income in the former groups, on average, amounts to $1,555, it hardly reaches $358 in the latter groups, approximately one fifth of the former. This diversity may constitute one of the basic factors which hinder intra-OIC economic co-operation.

Generally speaking, agriculture is expected to play a major role in the economies of the developing as well as the OIC countries. However, this statement does not hold for the oil-exporting OIC countries. The share of agriculture is quite less in the OE group, whereas it is quite much in the case of the OIC-LDCs. Industry plays an important role in generating income in the OE group of countries, but the significance of industry in the oil-exporting group comes from oil production, not from the manufacturing sector. The manufacturing sector does not play a significant role in most of the OIC economies. Yet, in some OIC countries, particularly in the middle-income group, it is gaining importance.

Since 1994, the declining trend of inflation has become well-pronounced in the OIC as well as the developing countries. Even the TC group of the OIC, which experienced very high rates of inflation after their independence, managed to curb inflation. Yet, the rates of inflation in the OIC countries are significantly higher than those in the industrial countries and the developing countries.

The volume of the OIC debt was lower in the most recent years against its level in 1994. It also improved slightly as compared to the developing countries: the share of the OIC debt in the developing countries’ total decreased from 33.9 per cent in 1993 to 28.7 per cent in 1996. However, the debt to GNP ratio was considerably worse in the OIC countries as compared to the developing countries.

The prevailing crisis may have adverse effects on the economies of the OIC countries and the developing countries as well. Especially as the crisis starts to affect the real economies in the industrial countries, import demand for the goods and services originating from the developing as well as the OIC countries will decline. Oil prices have been falling recently. If the world economy goes into a slowdown period, oil prices may drop even further, and this fact may cause further difficulties in the oil-exporting countries. Similarly, other raw material markets and the economies of the exporters of such products may be influenced negatively.

Another important setback which is caused by the current crisis is the following: the international capital, particularly in the form of portfolio investment, flew out of the countries in crisis and returned to the developed countries. In this process, because of some material losses and involved risks, the banks and financial institutions also became quite reluctant to lend money to the developing countries. Actually, on the one hand, the demand for fresh loans increases as the crisis enlarges and deepens, on the other hand, the banks and other financial institutions curtail the available funds. So, it can easily be predicted that, in the near future, the developing countries will face more difficulties in obtaining credits from the international markets. Although the central banks in the developed countries tend to lower the interest rates to revive their economies against the recession risk, the developing countries will have to pay more and more interest on their borrowings. Of course, in such a case, the development projects in the developing countries will be cut back and the latter’s growth and development efforts will be affected negatively.

On the other hand, the developed countries tend to enlarge and strengthen their regional economic groupings. Such efforts continue under the umbrella of the European Union, the North American Free Trade Area, and the Asia Pacific Economic Co-operation. The integrity of the EU is being strengthened by the continuous efforts of its members: for one thing, the new currency, the euro, will be introduced at the beginning of the new year, 1999; for another, the Union is being enlarged by initiating accession negotiations with new members particularly from central and eastern European countries. Even in its present form, about two thirds of the EU’s foreign trade are already made within the Union. Reinforcement of these economic groupings may hamper the liberalisation efforts of world trade and economy. If members of these economic integration schemes adopt inward-looking policies as is the case with the EU, the developing countries and the OIC countries will be influenced adversely and may face greater obstacles. For this reason, the OIC countries should also come together in a more concerted, co-ordinated and coherent manner to avoid the undesired effects of the present tendency to divide the global economy amongst the economic interest blocs of the industrial countries.

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TABLE A.1: REAL GDP GROWTH RATES IN OIC COUNTRIES (In per cent)

	1993	1994	1995	1996	1997
Afghanistan	-3.1	-3.0	26.2	6.0	6.0
Bangladesh	4.8	4.7	5.2	5.6	5.5
Benin	3.2	3.6	5.5	5.5	5.8
Burkina Faso	-0.8	1.2	3.9	6.1	5.5
Chad	-15.7	10.2	3.6	2.7	8.6
Comoros	1.3	-5.3	-3.9	-0.4	
Djibouti	-3.9	-2.9	-4.0	-5.1	1.0
Gambia	1.8	1.3	-4.0	3.2	2.1
Guinea	4.7	4.0	4.6	3.5	4.7
Guinea Bissau	2.5	3.2	4.4	4.6	5.1
Maldives	6.2	6.6	7.2	6.5	6.2
Mali	-2.4	2.3	6.4	4.0	6.7
Mauritania	4.9	4.2	4.3	4.4	4.5
Mozambique	19.3	4.5	1.4	6.4	6.6
Niger	1.4	4.0	2.6	3.9	3.5
Sierra Leone	0.1	3.5	-10.0	5.0	
Somalia	5.0	5.2	5.4		
Sudan	5.0	4.3	4.5	4.3	5.5
Togo	-18.8	13.6	7.2	6.0	4.8
Uganda	6.5	11.0	9.8	8.1	5.0
Yemen	2.9	-0.5	8.2	5.2	5.5
LDC average	**2.6**	**3.2**	**8.6**	**5.4**	**5.5**
Bahrain	8.2	2.3	1.2	1.6	3.1
Cameroon	-3.2	-2.5	3.3	5.0	5.1
Egypt	0.5	2.9	3.2	4.3	5.0
Jordan	5.9	5.9	6.9	5.2	5.0
Lebanon	7.0	8.0	6.5	4.0	4.0
Malaysia	8.3	9.2	9.5	8.2	7.8
Morocco	-1.1	11.5	-7.6	11.8	-2.2
Pakistan	0.8	3.8	5.0	4.5	3.5
Senegal	-2.1	2.0	4.8	5.6	5.2
Surinam	-5.7	-2.3	4.0	4.0	
Syria	6.7	7.6	3.6	3.4	5.0
Tunisia	2.0	3.3	2.5	6.9	5.6
Turkey	7.7	-4.7	7.5	7.1	5.7
MI average	**5.0**	**2.6**	**5.4**	**6.4**	**5.1**
Algeria	-2.2	-0.9	3.9	4.0	1.3
Brunei	0.5	1.8	2.0	2.8	3.5
Gabon	3.2	3.4	3.8	3.1	4.5
Indonesia	7.3	7.5	8.2	8.0	4.6
Iran	2.1	0.9	2.8	5.1	3.2
Iraq		1.0	-6.7	2.0	10.0
Kuwait	48.6	0.2	1.6	1.6	1.5
Libya	0.1	-0.9	-1.1	2.0	2.6
Nigeria	2.3	1.0	2.3	2.4	5.1
Oman	6.4	3.5	4.6	3.8	3.6
Qatar	-0.4	2.3	-1.1	10.0	15.5
Saudi Arabia	0.6	0.5	0.5	1.4	2.7
U.A.E.	-0.9	1.9	5.8	9.9	3.0
OE average	**4.8**	**2.6**	**3.0**	**4.7**	**4.3**
Albania	9.6	9.4	8.9	9.1	-7
Azerbaijan	-23.1	-18	-11	1.3	5.8
Kazakhstan	-10.4	-17.8	-8.9	1.1	2.1
Kyrgyzstan	-15.5	-20.1	5.4	5.6	6.2
Tajikistan	-11.1	-21.4	-12.5	-4.4	2.2
Turkmenistan	-10	-18.8	-8.2	-7.7	-25.9
Uzbekistan	-2.3	-4.2	-0.9	1.6	2.4
TC average	-7.7	-12.5	-5.1	1.2	0.1
OIC Average	**4.4**	**2.2**	**4.0**	**5.3**	**4.5**

Source: IMF, Wold Economic Outlook, May 1998.

TABLE A.2:COMPOSITION OF GDP IN OIC COUNTRIES AS AVERAGE OF 1991-95
(In per cent)

	Agriculture	Industry	Manufacture	Services
Bangladesh	32.3	17.7	10.0	50.0
Benin	36.0	12.8	7.6	51.3
Burkina Faso	36.0	25.0	14.6	39.0
Chad	44.3	20.5	15.8	35.1
Comoros	38.6	12.8	4.3	48.5
Djibouti	2.9	20.6	4.5	76.5
Gambia	28.0	15.2	7.0	55.0
Guinea	26.3	32.2	4.9	41.8
Guinea Bissau	46.5	18.2	6.1	35.0
Maldives	22.0	16.0	6.0	61.6
Mali	44.1	15.5	8.0	40.3
Mauritania	27.0	29.3	12.0	42.4
Mozambique(2)	33.0	12.0		55.0
Niger	38.5	17.8	6.8	44.2
Sierra Leone	41.8	20.2	4.8	38.0
Somalia	65.0	8.5	5.0	26.0
Sudan	37.0	16.2	9.2	46.2
Togo	39.2	20.8	11.0	40.0
Uganda	51.5	13.4	6.4	35.0
Yemen	21.2	24.8	11.4	53.6
LDC average	**34.2**	**18.8**	**9.3**	**46.9**
Bahrain	0.6	41.7	16.6	57.7
Cameroon	31.1	24.8	11.2	44.1
Egypt	18.4	24.9	17.4	56.5
Jordan	7.2	27.6	14.8	65.1
Lebanon	8.2	23.0	12.0	68.4
Malaysia	14.5	43.9	32.6	41.4
Morocco	16.9	31.9	18.0	51.2
Pakistan	25.8	24.7	17.4	49.5
Senegal	18.5	18.6	12.6	62.7
Syria	30.0	22.0	5.0	48.0
Tunisia	15.2	29.5	19.0	54.4
Turkey	15.8	27.8	20.2	56.4
MI average	**18.3**	**29.5**	**19.5**	**52.1**
Algeria	13.6	45.8	9.9	39.2
Brunei(1)	5.0	81.0	8.0	14.0
Gabon	8.4	47.9	10.5	43.6
Indonesia	17.6	41.1	23.2	41.1
Iran	23.4	33.9	14.0	42.6
Iraq(1)	19.5	37.0	7.5	43.5
Kuwait	0.2	51.6	10.2	47.9
Libya(1)	8.0	50.0	8.0	42.0
Nigeria	40.4	32.9	7.5	27.2
Oman	3.4	52.6	4.0	44.0
Qatar	1.0	50.0	11.0	48.8
Saudi Arabia	4.6	54.0	7.0	41.0
U.A.E.	2.0	56.4	7.9	40.6
OE average	**15.8**	**43.6**	**12.9**	**40.4**
Albania	49.2	17.9		32.5
Azerbaijan(2)	24.8	33.8	31.0	41.5
Kazakhstan(2)	12.6	30.0	6.0	55.7
Kyrgyzstan(2)	41.4	29.5	8.0	29.8
Tajikistan(2)	33.0	35.0		32.0
Turkmenistan(2)	32.0	31.0		37.0
Uzbekistan(2)	28.3	27.0	15.5	43.9
TC average	23.3	28.8	10.9	46.9
OIC Average	**18.0**	**36.4**	**15.2**	**45.4**

(1): 1990
(2): 1993-96
Source: World Bank, World Development Indicators, 1998.

TABLE A.3: RATES OF INFLATION IN OIC COUNTRIES (In per cent)

	1993	1994	1995	1996	1997
Afghanistan	34.0	20.0	14.0		
Bangladesh	0.0	3.6	5.8	2.7	5.8
Benin	0.5	54.3	14.5	4.9	4.0
Burkina Faso	1.7	24.7	7.5	6.1	2.8
Chad	-7.0	41.3	9.3	11.9	6.0
Comoros	2.9	10.2	7.1	3.6	
Djibouti	4.4	6.5	4.9		
Gambia	6.5	1.7	7.0	1.1	2.9
Guinea	7.1	4.1	5.6	3.0	2.7
Guinea Bissau	48.2	15.2	45.4	48.0	
Maldives	20.2	16.5	5.4		
Mali	-0.9	28.0	12.4	6.5	3.0
Mauritania	9.3	4.1	6.5	4.8	5.5
Mozambique	49.8	52.5	40.0	18.0	15.7
Niger	0.4	35.6	10.5	5.3	2.1
Sierra Leone	23.5	24.2	25.7	6.4	
Somalia	24.3	18.9	16.3		
Sudan	101.4	94.9	83.2	139.0	65.0
Togo	-3.6	54.8	6.4	4.9	7.2
Uganda	5.1	10.0	6.6	7.0	
Yemen	62.3	71.3	62.5	21.3	20.5
LDC average	**26.8**	**30.5**	**24.4**	**26.0**	**17.1**
Bahrain	2.5	0.9	1.0	-1.0	0.2
Cameroon	12.7	26.9	6.4	4.7	3.5
Egypt	12.0	8.2	15.7	7.2	4.6
Jordan	3.3	3.5	2.4	6.5	3.5
Lebanon	29.0	12.0	13.0	8.9	5.2
Malaysia	3.6	3.7	3.4	3.5	2.7
Morocco	5.2	5.1	6.1	3.0	1.0
Pakistan	9.4	11.7	12.3	10.3	11.4
Senegal	-0.5	32.1	8.0	2.8	1.8
Surinam	143.4	368.5	235.9	-0.8	7.1
Syria	11.8	15.3	8.0	8.2	8.0
Tunisia	4.0	4.7	6.2	3.7	3.6
Turkey	71.1	125.5	88.1	80.4	85.9
MI average	**29.5**	**48.3**	**35.4**	**31.0**	**32.3**
Algeria	20.5	29.0	29.8	21.7	9.0
Brunei	4.3	2.4	6.0	2.5	
Gabon	-8.9	36.1	10.0	3.8	3.1
Indonesia	9.2	9.6	9.4	8.0	6.6
Iran	21.2	31.5	49.7	28.9	17.7
Iraq	175.0	300.0	250.0	225.0	200.0
Kuwait	0.4	2.3	2.7	3.4	2.0
Libya	23.0	17.0	10.0	39.0	25.0
Nigeria	57.2	57.0	72.8	29.0	8.5
Oman	1.2	-0.7	-1.5	0.3	0.8
Qatar	-0.9	1.3	2.7	7.4	6.0
Saudi Arabia	1.0	0.6	5.0	1.0	0.1
U.A.E.	4.7	4.6	3.6	4.5	
OE average	**30.3**	**44.8**	**44.2**	**34.3**	**28.0**
Albania	85.0	22.6	7.8	12.8	33.2
Azerbaijan	1129.7	1664.4	411.7	19.9	
Kazakhstan	1662.3	1879.9	176.3	39.0	17.0
Kyrgyzstan	1208.8	278.1	42.8	34.5	
Tajikistan	2194.9	350.4	635.4	65.0	
Turkmenistan	3102.4	1748.0	1005.0	992.0	83.4
Uzbekistan	534.0	1568.0	305.0	64.0	
TC average	1312.7	1524.7	279.6	106.2	26.2
OIC average	**63.9**	**84.5**	**45.8**	**34.5**	**29.1**

Source: IMF, Wold Economic Outlook, May 1998.

TABLE A.4: EXPORTS OF OIC COUNTRIES (Annual changes in US $ terms, in per cent)

	1993	1994	1995	1996	1997
Afghanistan	-0.6	-56.1	110.1	-24.7	
Bangladesh	11.8	16.4	18.1	7.1	4.2
Benin	115.9	25.7	25.1	22.9	52.1
Burkina Faso	-65.9	-8.5	13.7	6.0	
Chad	-9.6	24.2	51.2	0.0	100.0
Comoros	100.0	1.9	-80.0	27.3	-35.7
Djibouti	46.7	6.4	-7.7	24.1	
Gambia	-17.5	-32.7	-20.0	-21.4	
Guinea	24.2	3.4	-3.4	12.1	
Guinea Bissau	123.1	148.3	29.2	-8.6	
Maldives	-12.5	37.1	4.2	18.0	23.7
Mali	1.7	-18.9	56.2	-0.7	18.2
Mauritania	-5.3	8.7	24.5	-0.3	-19.7
Mozambique	-25.2	9.5	11.0	-0.8	-2.5
Niger	9.5	-21.6	27.6	-2.1	-4.3
Sierra Leone	-21.3	52.5	8.3	4.6	
Somalia	-6.9	18.2	8.4	15.5	
Sudan	11.7	27.3	18.1	-10.4	33.8
Togo	-19.8	43.4	31.7	2.1	-1.0
Uganda	26.1	136.9	8.7	31.0	-7.6
Yemen	-1.4	53.0	108.3	37.5	-6.4
LDC average	**8.6**	**17.5**	**42.5**	**5.3**	**8.5**
Bahrain	17.9	14.9	23.0	16.5	
Cameroon	-2.7	8.5	15.9	5.0	-5.9
Egypt	2.0	10.8	-0.2	2.7	-3.1
Jordan	1.4	15.6	24.2	2.7	1.5
Lebanon	14.3	0.3	25.4	23.3	-29.6
Malaysia	15.8	24.7	25.5	6.1	-0.1
Morocco	-13.7	4.4	2.5	71.2	-0.8
Pakistan	-7.8	9.4	9.0	16.4	-2.1
Senegal	-5.3	11.8	21.1	14.4	-6.3
Surinam	-1.5	-3.0	30.9	-3.0	5.9
Syria	2.0	12.7	11.9	2.7	4.2
Tunisia	-5.4	22.5	17.6	0.8	0.8
Turkey	4.3	18.0	19.5	7.3	13.0
MI average	**3.0**	**15.4**	**15.3**	**11.4**	**3.4**
Algeria	-8.1	-13.2	15.3	23.2	4.5
Brunei	-4.9	-10.3	-2.1	11.8	
Gabon	-6.5	7.2	5.0	18.5	9.5
Indonesia	8.4	8.7	9.9	9.2	10.1
Iran	-9.3	-4.1	11.1	13.9	-11.7
Iraq	-22.7	-18.9	11.0	-96.5	
Kuwait	53.9	13.3	11.3	14.9	-6.1
Libya	-24.1	3.6	8.4	18.5	-7.1
Nigeria	-6.2	-2.6	3.5	26.3	5.1
Oman	6.1	3.3	7.5	7.3	19.1
Qatar	-15.8	-3.7	23.7	22.7	29.5
Saudi Arabia	-15.8	0.5	20.9	11.3	-1.0
U.A.E.	-5.0	2.3	12.6	14.9	
OE average	**-4.1**	**-0.3**	**11.9**	**3.1**	**2.4**
Albania	60.0	25.0	46.4	19.1	-34.4
Azerbaijan	-36.8	-35.9	-14.6	15.8	24.0
Kazakhstan		-1.4	53.9	25.3	2.2
Kyrgyzstan	47.4	205.4	19.6	23.5	19.6
Tajikistan	327.6	150.8	140.8	2.8	
Turkmenistan	-24.6	173.3	44.4	4.9	
Uzbekistan	277.2	193.3	37.1	7.8	
TC average	168.7	78.1	46.4	17.2	1.3
OIC average	**1.9**	**8.9**	**16.2**	**6.8**	**3.1**

TABLE A.5: IMPORTS OF OIC COUNTRIES (Annual changes in US $ terms, in per cent)

	1993	1994	1995	1996	1997
Afghanistan	5.8	-18.1	4.1	38.2	
Bangladesh	7.6	14.2	41.7	1.8	-1.1
Benin	-1.2	-11.2	36.5	-3.9	-1.1
Burkina Faso	2.5	0.2	13.5	12.3	
Chad	-13.5	1.4	37.8	9.6	13.4
Comoros	1.9	6.5	38.6	6.3	
Djibouti	-7.9	-14.0	10.8	-11.2	
Gambia	3.8	-14.0	-33.0	70.7	5.4
Guinea	-6.9	-4.7	2.4	7.6	
Guinea Bissau	15.7	15.0	-9.2	-23.7	
Maldives	1.0	15.0	60.8	18.2	
Mali	5.5	0.7	24.9	12.3	-45.8
Mauritania	-1.3	-3.6	11.8	-0.2	-30.8
Mozambique	13.6	6.3	19.2	10.9	-41.2
Niger	-21.7	-12.5	14.0	-8.3	23.9
Sierra Leone	10.6	8.0	-8.9	41.9	
Somalia	21.5	7.2	-8.8	1.1	
Sudan	-2.8	-4.2	10.9	6.5	-11.2
Togo	-54.7	24.0	73.9	4.7	-7.4
Uganda	4.1	90.4	21.6	12.3	10.5
Yemen	9.0	-26.0	-24.2	28.8	-5.8
LDC average	**3.6**	**4.1**	**17.6**	**13.1**	**-4.5**
Bahrain	-9.5	-2.9	-0.9	10.1	-5.5
Cameroon	-24.3	-9.5	27.7	5.9	26.3
Egypt	-1.3	24.5	15.3	10.9	1.5
Jordan	8.7	-4.4	9.3	19.7	-7.4
Lebanon	14.7	23.1	22.7	4.2	-1.6
Malaysia	14.2	30.6	30.4	0.2	-4.4
Morocco	-14.5	4.5	7.5	29.9	-10.6
Pakistan	1.2	-6.4	29.0	6.0	1.2
Senegal	13.5	-6.2	11.1	3.7	-6.2
Surinam	82.3	-55.6	13.6	13.0	-13.7
Syria	19.9	32.1	-1.6	-25.1	17.2
Tunisia	-3.8	5.7	20.3	-1.9	-2.4
Turkey	20.4	-20.7	53.6	22.0	11.4
MI average	**10.2**	**4.0**	**30.4**	**9.4**	**4.4**
Algeria	1.3	9.2	5.8	-12.7	3.5
Brunei	7.2	21.1	10.8	34.4	
Gabon	-3.4	-15.3	7.1	4.2	-8.0
Indonesia	3.8	7.5	32.2	6.7	-2.9
Iran	-27.9	-17.3	0.8	17.2	-3.5
Iraq	-11.6	-6.5	23.6	-20.1	55.5
Kuwait	-3.1	-4.8	16.2	7.6	-1.5
Libya	4.0	-21.7	15.3	5.9	31.4
Nigeria	-7.5	-13.3	43.3	-14.3	2.6
Oman	9.2	-4.8	8.5	10.5	1.6
Qatar	-6.5	6.0	50.4	-5.9	75.0
Saudi Arabia	-15.2	-17.2	20.3	-1.2	-10.7
U.A.E.	12.1	7.7	29.4	6.9	3.0
OE average	**-6.4**	**-5.0**	**22.5**	**1.3**	**4.6**
Albania	-5.9	-0.2	13.1	35.6	-25.2
Azerbaijan	-36.3	22.3	-14.4	44.3	-17.4
Kazakhstan		-6.4	3.9	12.7	0.3
Kyrgyzstan	60.0	181.3	65.7	60.5	-19.3
Tajikistan	87.8	82.7	218.9	-17.5	
Turkmenistan	191.5	126.8	45.3	-3.7	-6.5
Uzbekistan	163.0	145.1	43.9	71.1	
TC average	112.6	57.4	28.1	31.8	-5.4

OIC average	**2.5**	**2.8**	**24.9**	**6.5**	**-3.9**

TABLE A.6: CURRENT ACCOUNT BALANCE IN OIC COUNTRIES
(In millions of US dollars)

	1993	1994	1995	1996	1997
Albania	14.90	-157.30	-11.50	-107.60	-272.20
Algeria	1000.00	-1790.00	-2310.00	1350.00	-280.00
Azerbaijan	-97.00	-179.00	-379.00	-400.00	
Bahrain	34.50	198.20	557.00	753.00	727.00
Bangladesh	359.30	199.60	-823.90	-958.60	-1023.00
Benin	-14.00	36.40	-10.00	-43.00	-40.00
Burkina Faso	-71.10	14.90	15.00	-103.00	
Cameroon	-565.40	-390.00	89.90	-94.00	-261.00
Chad	-116.60	-39.00	-34.00	-126.30	-97.00
Comoros	3.20	10.00	-28.70	-16.00	-16.00
Djibouti	-34.50	-46.10	-23.00		
Egypt	2299.00	31.00	-254.00	-192.00	-200.00
Gabon	-49.10	319.70	99.80	438.00	431.00
Gambia	-5.32	8.17	-8.20	-47.70	-23.56
Guinea	-56.80	-248.00	-219.50	-177.30	
Guinea Bissau	-65.48	-50.63	-41.45	13.00	
Indonesia	-2106.00	-2792.00	-6431.00	-7663.00	-4816.00
Iran	-4215.00	4956.00	3358.00	5232.00	1900.00
Iraq	-250.00	-229.00	-438.00	-336.00	-538.00
Jordan	-628.00	-398.00	-258.60	-221.90	69.00
Kazakhstan	-740.00	-722.00	-519.00	-752.40	-954.40
Kuwait	1938.00	2489.00	4574.00	7107.00	7816.00
Kyrgyzstan	-148.00	-125.30	-288.00	-424.70	-195.00
Lebanon	-2561.00	-3701.00	-5092.00	-5675.00	-5537.00
Libya	-1000.00	-580.00	-1162.00	1080.00	-235.00
Malaysia	-2809.00	-4147.00	-7362.00	-5158.00	-5087.00
Maldives	-48.00	-11.20	16.50	9.20	-28.00
Mali	-213.40	-164.40	-170.00	-125.00	-120.00
Mauritania	-174.00	69.90	22.10	20.00	29.00
Morocco	-521.00	-723.00	-1521.00	-627.00	-405.00
Mozambique	-446.30	-467.20	-444.70	-358.90	
Niger	-29.00	-78.20	-151.70		
Nigeria	-780.00	-2128.00	3123.00	3092.00	2290.00
Oman	-1069.00	-984.00	-801.00	-265.00	-211.00
Pakistan	-2887.00	-1804.00	-3333.00	-3990.00	-3720.00
Qatar	-497.00	-1238.00	-370.00	-2533.00	-2758.00
Saudi Arabia	-17268.00	-10845.00	-5325.00	681.00	254.00
Senegal	-279.20	3.20	-57.50	-45.00	-180.00
Sierra Leone	-57.80	-89.10	-89.00	-181.00	
Somalia					
Sudan	-202.00	-601.70	-499.90	-826.80	-853.00
Surinam	44.00	58.60	72.90	0.20	-44.40
Syria	-493.00	-922.00	367.00	285.00	564.00
Tajikistan	-209.00	-170.00	-70.00	-84.00	
Togo	-174.00	-57.00	-54.00	-58.00	-35.00
Tunisia	-1323.00	-539.00	-737.00	-513.00	-640.00
Turkey	-6435.00	2631.00	-2339.00	-2437.00	-2679.00
Turkmenistan	442.20	84.00	23.00	43.00	-576.00
U.A.E.	180.00	-720.00	360.00		
Uganda	-224.30	-207.50	-338.90	-250.60	-387.80
Uzbekistan	-429.00	119.00	-49.00	-1075.00	-906.00
Yemen	-1274.60	365.90	182.70	24.00	-163.00
OIC total	**-44250.80**	**-25749.10**	**-29183.70**	**-15738.40**	**-19201.40**

Source: IMF, International Financial Statistics, September 1998.

TABLE A.7: TOTAL RESERVES EXCLUDING GOLD
(In millions of US dollars)

	1993	1994	1995	1996	1997
Albania	147.4	204.8	241.1	280.9	308.9
Algeria	1475.0	2674.0	2005.0	4235.0	8047.0
Azerbaijan	0.6	2.0	120.9	211.3	466.1
Bahrain	1302.2	1169.7	1279.9	1320.0	1290.3
Bangladesh	2410.8	3138.7	2339.7	1835.0	1581.5
Benin	244.0	258.2	197.9	261.8	261.8
Burkina Faso	382.3	237.2	347.4	338.6	332.8
Cameroon	2.5	2.3	3.8	2.8	1.0
Chad	38.9	76.0	142.5	164.5	123.0
Comoros	38.6	44.0	44.5	50.6	
Djibouti	75.1	73.8	72.2	77.0	66.6
Egypt	12904.0	13481.0	16181.0	17398.0	18665.0
Gabon	0.8	175.2	148.1	248.7	283.0
Gambia	104.4	98.0	106.2	102.1	96.0
Guinea	132.1	87.9	86.8	87.3	
Guinea Bissau	14.2	18.4	20.3	11.5	
Indonesia	11263.0	12133.0	13708.0	18250.0	16587.0
Jordan	1637.4	1692.6	1972.9	1759.3	2200.3
Kazakhstan	455.7	837.5	1135.6	1294.7	1727.2
Kuwait	4214.1	3500.7	3560.8	3515.1	3451.8
Lebanon	2260.3	3884.2	4533.3	5932.0	5976.4
Libya	5890.0	4100*	4300*	4600.0	4100.0
Malaysia	27249.0	25423.0	23774.0	27009.0	21044.0
Maldives	26.2	31.2	48.0	76.2	98.3
Mali	332.4	221.4	323.0	432.2	395.0
Mauritania	44.6	39.7	85.5	141.2	200.8
Morocco	3655.0	4352.0	3601.0	3794.0	3993.0
Mozambique	187.2	177.5	195.3	344.1	
Niger	192.0	110.3	94.7	78.5	53.0
Nigeria	1372.0	1386.0	1443.0	4075.0	7700.0
Oman	908.1	979.4	1138.3	1389.0	1548.8
Pakistan	1197.0	2929.0	1733.0	548.0	1195.0
Qatar	693.7	657.7	694.0	710.0	1391.0
Saudi Arabia	7428.0	7378.0	8622.0	6790.0	7353.0
Senegal	3.4	179.6	271.8	288.3	302.5
Sierra Leone	29.0	40.6	34.6	26.6	37.9
Sudan	37.4	78.2	163.4	106.8	100.1
Surinam	17.3	39.7	132.9	96.3	109.1
Togo	156.3	94.4	130.4	88.5	119.0
Tunisia	853.8	1461.5	1605.3	1850.0	1978.0
Turkey	6272.0	7169.0	12442.0	16436.0	18658.0
U.A.E.	6103.7	6658.8	7479.9	8055.5	
Uganda	145.0	321.2	458.9	528.4	633.5
Uzbekistan	104.0	676.0	645.0	430.0	
Yemen	145.3	254.8	619.0	1017.2	1048.0

Source: International Financial Statistics, September 1998.

TABLE A.8: EXCHANGE RATES, PERIOD AVERAGE
(National Currency per US dollar)

	1993	1994	1995	1996	1997
Afghanistan	50.600	425.100	833.330	2333.330	3000.000
Albania	102.060	94.620	92.700	104.500	148.930
Algeria	23.345	35.059	47.663	54.749	57.707
Azerbaijan	99.980	1570.230	4413.540	4301.260	3985.380
Bahrain	0.376	0.376	0.377	0.380	0.380
Bangladesh	39.567	40.212	40.278	41.794	43.892
Benin	283.160	555.200	499.150	511.550	583.670
Brunei	1.630	1.530	1.420	1.410	1.480
Burkina Faso	283.160	555.200	499.150	511.550	583.670
Cameroon	283.160	555.200	499.150	511.550	583.670
Chad	283.160	555.200	499.150	511.550	583.670
Comoros	283.160	416.400	374.360	383.660	437.750
Djibouti	177.720	177.720	177.720	177.720	177.720
Egypt	3.372	3.391	3.390	3.390	3.388
Gabon	283.160	555.200	499.150	511.550	583.670
Gambia	9.129	9.576	9.546	9.789	10.200
Guinea	955.500	976.600	991.400	1004.000	1095.300
Guinea Bissau	155.110	198.340	278.040	405.750	583.670
Indonesia	2087.100	2160.800	2248.600	2342.300	2909.400
Iran	1267.770	1748.750	1747.930	1750.760	1752.920
Iraq	0.311	0.311	0.311	0.311	0.311
Jordan	0.693	0.699	0.700	0.709	0.709
Kazakhstan	6.310	35.540	60.950	67.300	75.440
Kuwait	0.302	0.298	0.298	0.299	0.303
Kyrgyzstan	8.030	10.842	10.820	12.810	17.360
Lebanon	1741.400	1680.100	1621.400	1571.400	1539.500
Libya	0.325	0.360	0.353	0.365	0.389
Malaysia	2.574	2.624	2.504	2.516	2.813
Maldives	10.957	11.584	11.770	11.770	11.770
Mali	283.160	555.200	499.150	511.550	583.670
Mauritania	120.806	123.575	129.768	137.222	151.853
Morocco	9.299	9.203	8.540	8.716	9.527
Mozambique	3874.20	6038.60	9024.30	11293.80	11543.60
Niger	283.160	555.200	499.150	511.550	583.670
Nigeria	22.065	21.996	21.895	21.884	21.886
Oman	0.385	0.385	0.385	0.385	0.385
Pakistan	28.107	30.567	31.643	36.079	41.112
Qatar	3.640	3.640	3.640	3.640	3.640
Saudi Arabia	3.745	3.745	3.745	3.745	3.745
Senegal	283.160	555.200	499.150	511.550	583.670
Sierra Leone	567.460	586.740	755.220	920.730	981.480
Sudan	159.310	289.610	580.870	1250.790	1575.740
Surinam	1.780	134.130	442.230	401.260	401.000
Syria	11.225	11.225	11.225	11.225	11.225
Tajikistan	996.000	2144.000	4555.000		
Togo	283.160	555.200	499.150	511.550	583.670
Tunisia	1.004	1.012	0.946	0.973	1.106
Turkey	10984.6	29608.7	45845.1	81405.0	151865.0
Turkmenistan	2.000	60.000	449.000	4016.000	4165.000
U.A.E.	3.671	3.671	3.671	3.671	3.671
Uganda	1195.000	979.400	968.900	1046.100	1083.000
Uzbekistan		11.600	30.000	40.200	
Yemen	12.010	12.010	40.839	94.157	129.286

Source: IMF, International Financial Statistics, September 1998.

TABLE A.9: RATES OF CHANGE IN EXCHANGE RATES
(In per cent)

	1993	1994	1995	1996	1997
Afghanistan	0.00	-88.10	-48.99	-64.29	-22.22
Albania	-26.48	7.86	2.07	-11.29	-29.83
Algeria	-6.46	-33.41	-26.44	-12.94	-5.13
Azerbaijan	-45.79	-93.63	-64.42	2.61	7.93
Bahrain	0.00	0.00	-0.27	-0.79	0.00
Bangladesh	-1.56	-1.60	-0.16	-3.63	-4.78
Benin	-6.52	-49.00	11.23	-2.42	-12.36
Brunei	0.00	6.54	7.75	0.71	-4.73
Burkina Faso	-6.52	-49.00	11.23	-2.42	-12.36
Cameroon	-6.52	-49.00	11.23	-2.42	-12.36
Chad	-6.52	-49.00	11.23	-2.42	-12.36
Comoros	-6.52	-32.00	11.23	-2.42	-12.36
Djibouti	0.00	0.00	0.00	0.00	0.00
Egypt	-0.98	-0.57	0.03	0.00	0.06
Gabon	-6.52	-49.00	11.23	-2.42	-12.36
Gambia	-2.64	-4.67	0.31	-2.48	-4.03
Guinea	-5.60	-2.16	-1.49	-1.25	-8.34
Guinea Bissau	-31.22	-21.80	-28.66	-31.48	-30.48
Indonesia	-2.74	-3.41	-3.90	-4.00	-19.49
Iran	-94.83	-27.50	0.05	-0.16	-0.12
Iraq	0.05	-0.05	0.00	0.00	0.00
Jordan	-1.89	-0.85	-0.25	-1.20	0.00
Kazakhstan		-82.25	-41.69	-9.44	-10.79
Kuwait	-2.85	1.21	0.00	-0.33	-1.32
Kyrgyzstan		-25.94	0.20	-15.53	-26.21
Lebanon	-1.64	3.65	3.62	3.18	2.07
Libya	-7.30	-9.72	1.98	-3.29	-6.20
Malaysia	-1.04	-1.91	4.80	-0.47	-10.57
Maldives	-3.54	-5.41	-1.58	0.00	0.00
Mali	-6.52	-49.00	11.23	-2.42	-12.36
Mauritania	-27.96	-2.24	-4.77	-5.43	-9.63
Morocco	-8.18	1.04	7.76	-2.02	-8.51
Mozambique	-35.04	-35.84	-33.09	-20.10	-2.16
Niger	-6.52	-49.00	11.23	-2.42	-12.36
Nigeria	-21.60	0.31	0.46	0.05	-0.01
Oman	0.00	0.00	0.00	0.00	0.00
Pakistan	-10.76	-8.05	-3.40	-12.30	-12.24
Qatar	0.00	0.00	0.00	0.00	0.00
Saudi Arabia	0.00	0.00	0.00	0.00	0.00
Senegal	-6.52	-49.00	11.23	-2.42	-12.36
Sierra Leone	-11.99	-3.29	-22.31	-17.98	-6.19
Sudan	-38.84	-44.99	-50.14	-53.56	-20.62
Surinam	0.00	-98.67	-69.67	10.21	0.06
Syria	0.00	0.00	0.00	0.00	0.00
Tajikistan	-81.02	-53.54	-52.93		
Togo	-6.52	-49.00	11.23	-2.42	-12.36
Tunisia	-11.93	-0.82	6.98	-2.77	-12.02
Turkey	-37.44	-62.90	-35.42	-43.68	-46.40
Turkmenistan		-96.67	-86.64	-88.82	-3.58
U.A.E.	0.00	0.00	0.00	0.00	0.00
Uganda	-5.12	22.01	1.08	-7.38	-3.41
Uzbekistan			-61.33	-25.37	
Yemen	0.00	0.00	-70.59	-56.63	-27.17

TABLE A.10: TOTAL EXTERNAL DEBT OF THE OIC COUNTRIES
(In millions of US dollars)

	1993	1994	1995	1996
Albania	832	925	599	673
Algeria	26033	30167	30991	30808
Azerbaijan	36	113	206	245
Bahrain	1972	2575	2809	2534
Bangladesh	14619	16223	15471	15403
Benin	1479	1636	1483	1449
Burkina Faso	1115	1128	1136	1160
Cameroon	7452	8254	8258	8184
Chad	771	825	833	914
Comoros	184	189	190	193
Djibouti	225	247	226	226
Egypt	31109	33039	30900	29045
Gabon	3818	3967	3990	3874
Gambia	425	421	384	412
Guinea	2848	3108	2987	2981
Guinea Bissau	802	859	797	856
Indonesia	89148	96543	98432	96803
Iran	23362	22712	17446	16153
Iraq	97000	101000	107000	113000
Jordan	7501	7606	7070	7182
Kazakhstan	1724	2670	2882	2147
Kuwait	10030	10060	7910	6210
Kyrgyzstan	294	450	478	640
Lebanon	1347	1718	1601	2343
Libya			3900	4200
Malaysia	26148	29537	27059	28708
Maldives	112	124	152	163
Mali	2656	2796	2739	2776
Mauritania	2174	2329	2048	2073
Morocco	20687	21587	22445	21165
Mozambique	5209	5651	5270	5476
Niger	1614	1566	1478	1460
Nigeria	30699	33519	28441	25731
Oman	2657	3085	2640	2649
Pakistan	24518	27342	25401	25690
Qatar	3550	4260	6490	9600
Saudi Arabia	4500	1800		
Senegal	3766	3659	3217	3142
Sierra Leone	1452	1532	906	892
Somalia	2501	2616	1961	1918
Sudan	15837	16918	10275	9865
Syria	19975	20557	16757	16698
Tajikistan	382	594	605	672
Togo	1278	1444	1472	1463
Tunisia	8682	9348	8919	8877
Turkey	68800	66391	57394	58591
Turkmenistan	276	427	375	538
U.A.E.	10950	13430	11560	11720
Uganda	3029	3369	3063	6151
Uzbekistan	1032	1194	1418	1990
Yemen	5923	6121	5528	5622
OIC Countries	592536	627630	595593	601264
Developing Countries	1747780	1899065	2042783	2095428
OIC share in Developing Countries	33.9	33.0	29.2	28.7

Source: The World Bank, Global Development Finance 1998.

TABLE A.11: RATIO OF TOTAL EXTERNAL DEBT TO GNP
(In per cent)

	1993	1994	1995	1996
Bangladesh	60.6	63.1	56.3	50.5
Benin	70.9	108.7	82.1	73.6
Burkina Faso	39.9	61.3	55.0	51.2
Chad	75.4	103.0	88.6	88.0
Comoros	65.5	95.7	87.0	89.4
Djibouti	46.8			
Gambia	120.0	119.0		
Guinea	93.2	94.7	91.2	85.6
Guinea Bissau	338.7	360.0	362.8	351.8
Maldives	56.7	56.0	61.6	59.0
Mali	100.2	149.0	123.0	116.3
Mauritania	248.4	223.4	228.4	227.7
Mozambique	423.8	457.0	449.2	348.6
Niger	73.9	104.0	87.0	79.5
Sierra Leone	204.5	183.7	145.5	126.6
Sudan	381.4	162.6	244.1	
Togo	107.5	164.5	117.9	105.4
Uganda	95.5	85.9	62.8	60.5
Yemen	103.6	103.6	94.0	120.2
LDC average	**131.2**	**106.9**	**108.5**	**83.9**
Cameroon	103.7	114.1	128.1	112.8
Egypt	65.6	62.8	56.6	46.3
Jordan	144.5	133.8	126.2	114.3
Lebanon	17.4	22.4	25.7	30.1
Malaysia	43.8	44.0	42.6	42.1
Morocco	80.7	74.0	73.0	61.0
Pakistan	47.0	52.3	49.5	46.3
Senegal	69.6	98.6	81.1	72.9
Syria	156.9	145.6	134.8	130.5
Tunisia	61.5	61.4	57.3	53.6
Turkey	37.8	50.6	44.1	43.4
MI average	**60.6**	**64.1**	**59.4**	**55.8**
Algeria	54.3	74.3	83.1	76.7
Gabon	99.8	108.2	100.6	87.4
Indonesia	58.9	63.3	64.6	59.7
Iran	14.7	14.7	14.6	14.9
Nigeria	144.0	140.6	148.8	101.0
Oman	27.8	33.0	30.2	
OE average	**60.4**	**64.2**	**66.7**	**57.3**
Albania	50.0	48.1	30.3	28.4
Azerbaijan	0.8	2.9	8.6	12.1
Kazakhstan	6.5	14.2	19.0	13.9
Kyrgyzstan	15.0	30.5	40.0	47.1
Tajikistan	13.0	27.4	30.2	34.8
Turkmenistan	4.8	9.7	8.9	19.0
Uzbekistan	4.7	5.4	7.7	9.7
TC average	**9.1**	**14.3**	**16.7**	**16.1**
OIC average	**63.8**	**65.5**	**64.4**	**56.8**
Developing	**40.1**	**40.3**	**38.9**	**36.0**

Source: The World Bank, Global Development Finance 1998.

TABLE A.12: TOTAL DEBT SERVICE OF OIC COUNTRIES
(In millions of US dollars)

	1993	1994	1995	1996
Albania	0.3	11.1	1.8	23.1
Algeria	8623.0	4923	3877	3991
Azerbaijan	0.0	0	8.7	4.3
Bangladesh	464.0	537	729	595
Benin	30.0	38	45	39
Burkina Faso	36.0	42	46	45
Cameroon	391.0	354	346	459
Chad	14.4	15.4	7.3	22.9
Comoros	2.2	2.7	0.9	1.4
Djibouti	7.3	5.9	10.9	10.4
Egypt	2024.0	2077	2090	1890
Gabon	70.0	198	368	357
Gambia	24.8	26	19.3	20.1
Guinea	78.0	90	164	101
Guinea Bissau	4.5	9.2	13.8	9.6
Indonesia	13255.0	13130	9488	11664
Iran	564.0	3682	5204	3025
Jordan	507.0	484	544	579
Kazakhstan	8.0	51	195	246
Kyrgyzstan	0.4	13.1	56.1	43.7
Libya	68.0	122	158	216
Malaysia	4310.0	5733	2533	4170
Maldives	8.1	9.4	10.7	11.3
Mali	31.0	116	77	106
Mauritania	118.0	95	101	106
Morocco	3089.0	3156	3503	3101
Mozambique	112.0	122	156	134
Niger	79.0	54	14	15
Nigeria	1441.0	1822	1748	2433
Oman	583.0	525	466	719
Pakistan	2144.0	3271	2286	2251
Senegal	75.0	177	198	213
Sierra Leone	18.0	35	74	54
Somalia	0.0	0	0	3
Sudan	17.0	3	17	0
Syria	174.0	229	155	124
Tajikistan	1.2	0.4	0	0.3
Togo			14	42
Tunisia	1261.0	1389	1376	1338
Turkey	7832.0	9497	9110	8372
Turkmenistan	10.4	97.7	102.2	167.5
Uganda	142.0	122	104	95
Uzbekistan	20.0	122	228	278
Yemen	99.0	81	91	79
OIC Countries	47736.6	52467.9	45736.7	47154.6
Developing Countries	172212	191294	229631	261826
OIC share in Developing Countries	27.7	27.4	19.9	18.0

Source: The World Bank, Global Development Finance 1998.

TABLE A.13: RATIO OF TOTAL DEBT SERVICE TO EXPORT
(In per cent)

	1993	1994	1995	1996
Bangladesh	14.4	14.1	14.6	11.7
Benin	5.4	8.5	8.1	6.8
Burkina Faso	8.8	12.1	11.8	10.8
Chad	8.4	9.3	5.0	9.5
Comoros	3.0	4.8	1.6	2.3
Djibouti	3.9	4.3	5.4	5.2
Gambia	11.7	14.1	14.7	12.7
Guinea	11.1	14.6	25.3	14.6
Guinea Bissau	22.4	22.3	64.2	48.6
Maldives	3.8	3.4	3.4	3.0
Mali	13.7	18.0	13.7	17.9
Mauritania	30.1	24.4	22.4	21.7
Mozambique	33.0	31.0	37.5	32.2
Niger	24.2	23.8	16.7	17.3
Sierra Leone	17.9	95.7	74.9	52.6
Sudan	4.0	0.5	9.4	5.0
Togo	7.3	5.5	5.5	10.8
Uganda	64.7	43.8	20.0	20.0
Yemen	4.9	3.5	3.2	2.4
LDC average	**15.6**	**14.4**	**14.1**	**11.5**
Cameroon	22.6	21.5	20.4	23.6
Egypt	13.6	14.8	13.1	11.6
Jordan	15.2	13.6	12.6	12.3
Lebanon	4.3	5.3	5.0	6.4
Malaysia	8.6	9.0	7.0	8.2
Morocco	35.9	35.5	33.0	27.7
Pakistan	23.9	35.3	26.6	27.4
Senegal	8.4	16.3	15.6	15.9
Syria	5.4	7.0	4.6	3.8
Tunisia	21.4	19.1	17.0	16.5
Turkey	28.6	31.4	27.7	21.7
MI average	**19.9**	**22.5**	**19.2**	**16.9**
Algeria	72.5	46.0	33.5	27.7
Gabon	5.9	10.4	15.1	11.1
Indonesia	33.6	30.7	30.9	36.8
Iran	9.3	21.6	29.3	
Nigeria	12.5	17.9	17.2	16.0
Oman	10.4	9.4	7.5	9.9
OE average	27.5	27.2	27.8	29.9
Albania	0.2	2.3	1.0	3.5
Azerbaijan	0.0	0.0	1.3	1.3
Kazakhstan	0.2	1.6	4.1	9.9
Kyrgyzstan	0.4	4.8	13.7	9.2
Tajikistan	0.2	0.1	0.0	0.1
Turkmenistan	0.4	4.6	5.0	10.6
Uzbekistan	1.0	3.9	6.2	8.1
TC average	**0.4**	**2.5**	**4.6**	**8.2**
OIC average	**22.0**	**23.1**	**21.8**	**18.6**
Developing	**17.5**	**16.9**	**16.8**	**17.2**

Source: The World Bank, Global Development Finance 1998.

TABLE S.1: GDP AT CURRENT PRICES (In millions of US dollars)

	1993	1994	1995	1996	1997
Afghanistan	11,592	11,244	14,190	15,041	15,944
Albania	1,107	1,548	2,424	2,647	2,300
Algeria	48,494	41,968	43,925	45,076	47,778
Azerbaijan	2,713	2,225	1,980	2,006	2,122
Bahrain	4,888	4,999	5,040	5,304	5,500
Bangladesh	23,957	25,623	29,053	31,142	31,955
Benin	2,125	1,523	2,117	2,272	2,175
Brunei	4,040	4,370	4,986	5,125	5,304
Burkina Faso	2,815	1,596	2,155	2,409	2,304
Cameroon	11,199	6,171	8,277	8,881	8,464
Chad	1,028	830	1,012	1,110	1,143
Comoros	248	179	230	235	
Djibouti	465	469	445	444	448
Egypt	46,671	51,592	60,472	67,544	75,680
Gabon	5,405	4,191	5,095	5,663	5,270
Gambia	332	302	388	401	409
Guinea	3,171	3,693	3,674	3,984	4,171
Guinea Bissau	423	635	446	343	272
Indonesia	158,007	176,888	201,183	227,397	214,593
Iran	73,838	73,414	102,335	132,938	161,787
Iraq		77,477	72,286	73,732	81,105
Jordan	5,501	6,019	6,591	7,259	11,186
Kazakhstan	22,341	18,364	16,730	16,914	17,269
Kuwait	23,975	24,744	26,651	31,027	32,178
Kyrgyzstan	1,409	1,448	1,526	1,612	1,712
Lebanon	7,403	8,032	10,380	8,282	9,923
Libya	21,231	21,613	22,096	23,398	24,007
Malaysia	64,433	69,836	87,351	99,282	95,866
Maldives	196	237	271	270	287
Mali	2,499	1,736	2,341	2,532	2,479
Mauritania	948	1,024	1,058	1,115	1,165
Morocco	26,801	31,504	32,929	36,820	32,961
Mozambique	1,410	1,433	1,499	1,383	1,925
Niger	2,221	1,563	1,650	1,682	1,580
Nigeria	31,791	41,568	65,615	98,574	117,166
Oman	11,168	11,296	13,966	15,501	16,145
Pakistan	47,744	51,404	59,433	60,650	61,002
Qatar	7,193	7,253	7,515	8,379	10,192
Saudi Arabia	118,489	120,168	125,266	135,333	145,867
Senegal	5,603	3,612	4,437	4,807	4,542
Sierra Leone	823	927	941	987	
Somalia	1,260	1,404	1,563		
Sudan	4,153	10,405	10,565	10,551	11,132
Surinam	6,664	390	466	529	599
Syria	36,860	44,212	49,175	59,949	62,946
Tajikistan	682	801	1,400	1,338	1,368
Togo	1,244	982	1,307	1,450	1,400
Tunisia	14,634	15,650	17,983	19,522	18,985
Turkey	176,405	131,012	172,894	175,911	184,545
Turkmenistan	2,894	2,350	2,388	2,088	2,842
U.A.E.	35,195	36,181	40,044	44,632	45,971
Uganda	3,368	5,238	6,149	6,345	6,662
Uzbekistan	13,541	10,995	10,093	13,933	14,267
Yemen	18,339	22,380	10,964	6,959	5,734
OIC Total	1,120,936	1,196,716	1,374,951	1,532,708	1,612,629
WORLD total	24,026,000	25,966,000	28,804,000	29,600,000	29,477,000
OIC share in World total (%)	4.7	4.6	4.8	5.2	5.5

Source: IMF, International Financial Statistics, September 1998.

TABLE S.2: TOTAL POPULATION IN OIC COUNTRIES (In millions)

	1993	1994	1995	1996	1997
Afghanistan	17.69	18.88	20.14	20.8	
Albania	3.34	3.41	3.44	3.46	3.5
Algeria	26.92	27.56	28.55	29.6	29.7
Azerbaijan	7.38	7.47	7.50	7.6	7.63
Bahrain	0.54	0.56	0.59	0.61	0.607
Bangladesh	115.20	117.79	120.43	123.1	125.8
Benin	5.22	5.34	5.56	5.7	5.9
Brunei	0.27	0.28	0.28	0.3	
Burkina Faso	9.68	10.18	10.20	10.3	10.5
Cameroon	12.52	12.87	13.28	13.5	14.1
Chad	6.09	6.21	6.36	6.5	6.9
Comoros	0.61	0.63	0.65	0.67	0.7
Djibouti	0.56	0.57	0.58	0.7	
Egypt	56.49	58.33	59.23	60.13	62.7
Gabon	1.01	1.28	1.32	1.36	1.4
Gambia	1.03	1.08	1.12	1.16	1.3
Guinea	6.31	6.50	6.70	6.8	6.7
Guinea Bissau	1.03	1.05	1.07	1.09	
Indonesia	187.60	190.68	193.75	196.5	201.4
Iran	58.49	59.78	63.00	61.13	60.7
Iraq	19.45	19.92	20.45	20.6	22
Jordan	4.94	5.20	5.44	5.58	5.8
Kazakhstan	16.89	17.03	16.59	16.5	16.5
Kuwait	1.46	1.62	1.69	1.75	1.81
Kyrgyzstan	4.48	4.47	4.51	4.57	4.64
Lebanon	2.81	2.90	3.01	3.1	3.2
Libya	4.70	4.90	5.10	5.3	5.6
Malaysia	19.21	19.60	20.14	21.2	21.67
Maldives	0.24	0.25	0.25	0.26	
Mali	10.14	10.46	10.79	11.13	11.4
Mauritania	2.16	2.21	2.28	2.34	2.4
Morocco	26.07	26.59	27.11	27.62	28.2
Mozambique	15.58	16.61	17.42	18.1	15.7
Niger	8.36	8.85	9.19	9.3	9.6
Nigeria	105.26	108.47	111.70	114.4	
Oman	1.99	2.10	2.16	2.17	2.3
Pakistan	122.80	126.47	130.25	134.15	138.15
Qatar	0.56	0.59	0.55	0.585	0.625
Saudi Arabia	17.12	17.45	17.88	18.5	19.5
Senegal	7.90	8.13	8.35	8.58	8.8
Sierra Leone	4.30	4.40	4.50	4.6	4.4
Somalia	8.95	9.07	9.25	9.8	
Sudan	28.13	28.95	28.10	30.7	31.5
Surinam	0.40	0.40	0.42	0.45	0.5
Syria	13.39	13.84	14.31	14.8	15.1
Tajikistan	5.64	5.75	5.84	5.97	
Togo	3.88	4.00	4.13	4.25	4.37
Tunisia	8.57	8.82	8.90	9.1	9.3
Turkey	59.87	61.18	61.64	62.7	63.7
Turkmenistan	3.92	4.01	4.10	4.4	4.6
U.A.E.	1.81	1.85	2.31	2.34	2.58
Uganda	19.94	20.62	21.30	19.7	20.4
Uzbekistan	21.86	22.35	22.84	22.91	23.4
Yemen	12.30	12.67	14.50	16.7	16.48
OIC Total	1103.05	1132.18	1160.75	1185.17	1053.76
WORLD total	5501.5	5601.3	5637.0	5754	
OIC share in World total (%)	19.97	20.14	20.51	20.6	

Source: UN, Monthly Bulletin of Statistics, February 1997.

TABLE S.3: TOTAL MERCHANDISE EXPORTS (FOB, in millions of US dollars)

	1993	1994	1995	1996	1997
Afghanistan	180	79	166	125	
Bangladesh	2277	2650	3129	3350	3490
Benin	136	171	214	263	400
Burkina Faso	176	161	183	194	
Chad	66	82	124	124	248
Comoros	54	55	11	14	9
Djibouti	110	117	108	134	
Gambia	52	35	28	22	
Guinea	704	728	703	788	
Guinea Bissau	29	72	93	85	
Maldives	35	48	50	59	73
Mali	349	283	442	439	519
Mauritania	425	462	575	573	460
Mozambique	199	218	242	240	234
Niger	287	225	287	281	269
Sierra Leone	118	180	195	204	
Somalia	121	143	155	179	
Sudan	352	448	529	474	634
Togo	198	284	374	382	378
Uganda	179	424	461	604	558
Yemen	611	934	1945	2675	2503
LDC total	**6658**	**7799**	**10014**	**11209**	**9775**
Bahrain	8645	9933	12213	14229	
Cameroon	1683	1826	2117	2222	2091
Egypt	3110	3447	3441	3535	3424
Jordan	1232	1424	1769	1817	1845
Lebanon	656	658	825	1017	716
Malaysia	47128	58748	73722	78246	78134
Morocco	3803	3971	4072	6973	6915
Pakistan	6701	7332	7991	9299	9100
Senegal	637	712	862	986	924
Surinam	397	385	504	489	518
Syria	3146	3547	3970	4079	4251
Tunisia	3802	4657	5475	5517	5559
Turkey	15345	18106	21637	23224	26245
MI total	**96285**	**114746**	**138598**	**151633**	**139722**
Algeria	10230	8880	10240	12620	13190
Brunei	2373	2128	2084	2329	
Gabon	2138	2291	2406	2850	3120
Indonesia	36843	40055	44004	48059	52900
Iran	18020	17285	19201	21862	19300
Iraq	471	382	424	15	
Kuwait	10248	11614	12931	14858	13946
Libya	7540	7809	8465	10033	9320
Nigeria	11651	11347	11744	14836	15600
Oman	5370	5545	5962	6398	7620
Qatar	3055	2942	3640	4467	5786
Saudi Arabia	42358	42584	51466	57300	56700
U.A.E.	21246	21731	24469	28104	
OE total	171543	174593	197036	223731	197482
Albania	112	140	205	244	160
Azerbaijan	993	637	544	630	781
Kazakhstan	3277	3231	4974	6230	6366
Kyrgyzstan	112	342	409	505	604
Tajikistan	124	311	749	770	
Turkmenistan	135	369	533	559	
Uzbekistan	611	1792	2457	2649	
TC total	**5364**	**6822**	**9871**	**11587**	**7911**
OIC Total	279850	303960	355519	398160	354890
WORLD total	3718500	4246800	5069000	5265800	5444479
OIC share in world total (%)	7.5	7.2	7.0	7.6	6.5
Industrial C.	2558300	2887300	3417100	3481300	3559694

Developing C	1158184	1357123	1649566	1781516	1883436

Source: IMF, Direction of Trade Statistics, 1997.

TABLE S.4: TOTAL MERCHANDISE IMPORTS (CIF, in millions of US dollars)

	1993	1994	1995	1996	1997
Afghanistan	421	345	359	496	
Bangladesh	4015	4584	6496	6616	6545
Benin	571	507	692	665	658
Burkina Faso	613	614	697	783	
Chad	141	143	197	216	245
Comoros	107	114	158	168	
Djibouti	442	380	421	374	
Gambia	243	209	140	239	252
Guinea	787	750	768	826	
Guinea Bissau	133	153	139	106	
Maldives	193	222	357	422	
Mali	809	815	1018	1143	620
Mauritania	591	570	637	636	440
Mozambique	1034	1099	1310	1453	855
Niger	375	328	374	343	425
Sierra Leone	250	270	246	349	
Somalia	277	297	271	274	
Sudan	1254	1201	1332	1418	1259
Togo	179	222	386	404	374
Uganda	457	870	1058	1188	1313
Yemen	2821	2087	1582	2038	1919
LDC total	**15713**	**15780**	**18638**	**20157**	**14905**
Bahrain	3858	3748	3716	4093	3868
Cameroon	987	893	1140	1207	1525
Egypt	8184	10185	11739	13019	13214
Jordan	3539	3382	3698	4428	4102
Lebanon	4821	5933	7278	7582	7463
Malaysia	45616	59555	77662	77797	74399
Morocco	6858	7168	7705	10006	8945
Pakistan	9492	8884	11460	12150	12300
Senegal	1174	1101	1223	1268	1190
Surinam	1010	448	509	575	496
Syria	4140	5468	5380	4028	4719
Tunisia	6218	6571	7903	7749	7565
Turkey	29355	23278	35766	43627	48585
MI total	**125252**	**136614**	**175179**	**187529**	**188371**
Algeria	8761	9570	10126	8840	9150
Brunei	2601	3151	3490	4689	
Gabon	1036	877	939	978	900
Indonesia	28333	30447	40236	42929	41694
Iran	16650	13774	13882	16274	15700
Iraq	166	155	191	153	238
Kuwait	7036	6697	7784	8374	8247
Libya	5374	4206	4850	5137	6750
Nigeria	7508	6511	9332	7996	8200
Oman	4114	3915	4248	4696	4770
Qatar	1893	2006	3017	2838	4966
Saudi Arabia	28202	23344	28091	27765	24800
U.A.E.	19520	21024	27207	29088	29952
OE total	131194	125677	153393	159757	155367
Albania	602	601	680	922	690
Azerbaijan	636	778	666	961	794
Kazakhstan	3887	3639	3781	4261	4275
Kyrgyzstan	112	315	522	838	676
Tajikistan	139	254	810	668	
Turkmenistan	414	939	1364	1313	1228
Uzbekistan	789	1934	2783	4763	
TC total	**6579**	**8460**	**10606**	**13726**	**7663**
OIC Total	278738	286531	357816	381169	366306
WORLD total	3777500	4310400	5140700	5401000	5649642
OIC share in world total (%)	7.4	6.6	7.0	7.1	6.5
Industrial C.	2528600	2881800	3386800	3503900	3589561
Developing C.	1245737	1425308	1749687	1891761	2057832

Source: IMF, Direction of Trade Statistics, 1997.

TABLE S.5: MAJOR EXPORTS OF THE ASIAN COUNTRIES IN CRISIS
(In millions of US dollars)

SITC	Export items	Indonesia	Malaysia	Korea	Philippines	Thailand	Total
036	Shell fish fresh	987.8			296.3	2073.9	3358.0
037	Fish etc. prepd.					1345.6	1345.6
042	Rice					1428.9	1428.9
057	Fruit, nuts,fresh				359.1		359.1
232	Natural Rubber	1126.1				1406.6	2532.7
248	Wood shaped		1973.2				1973.2
287	Base metal ores	1012.8					1012.8
333	Crude Petroleum	4924.9	2853.8				7778.7
334	Petroleum products	914.4					914.4
341	Gas,natural	3870.9					3870.9
424	Fixed veg. oil		2666.6		417.3		3083.9
583	Polymerization			1911.6			1911.6
634	Veneers,plywood	4354.6	1463.7				5818.3
653	Wovn man -made fib fabric	1160.5		5253.2			6413.7
674	Iron,steel			2205.7			2205.7
682	Copper exc. cement				279.8		279.8
752	Automatic data proc eqp.			2692.2		1530.2	4222.4
759	Office,adp mch pts,		3012.3			1572.7	4585.0
761	TV Receivers		1487.3				1487.3
762	Radio broadcast receivrs		2466.4				2466.4
763	Sound Records		1938.4				1938.4
764	Telecom eqp.		2685.5	3304.6	446.6	1066.3	7503.0
773	Electr. distributing				380.4		380.4
776	Transistor Valves		8394.1	9963.2	939.2	1973.7	21270.2
778	Electrical machinary			2496.2			2496.2
781	Pass motor veh			4177.2			4177.2
793	Ships, boats			4502.7			4502.7
821	Furniture part				221.7		221.7
843	womens outerwear nonknit	931.5				1034.7	1966.2
845	Outwear knit				309.6		309.6
851	Footwear	1738.2		1842.3		1259.2	4839.7
931	Special transactions				4226.5		4226.5

Source: UNCTAD, Handbook of International Trade and Development Statistics 1995, United Nations, Geneva, 1997.

TABLE S.6: MAJOR EXPORTS OF THE ASIAN COUNTRIES IN CRISIS
Share in World (in per cent)

SITC	Export items	Indonesia	Malaysia	Korea	Philippines	Thailand	Total
232	Natural rubber	24.9				31.1	56.0
424	Fixed veg. oil		47.3		7.4		54.8
634	Veneers,plywood	33.6	11.3				44.9
042	Rice					27.1	27.1
653	Wovn man -made fib fabric	4.3		19.7			24.0
036	Shell fish fresh	6.5			2.0	13.8	22.3
776	Transistor valves		7.9	9.4	0.9	1.9	20.1
037	Fish etc. prepd.					18.0	18.0
762	Radio broadcast receivers		16.5				16.5
851	Footwear	5.8		6.1		4.2	16.1
793	Ships, boats			13.8			13.8
341	Gas,natural	11.5					11.5
763	Sound records		10.6				10.6
759	Office,adp mch pts,		7.9			2.3	10.3
764	Telecom eqp.		3.2	3.9	0.5	1.3	8.9
248	Wood shaped		8.3				8.3
287	Base metal ores	8.1					8.1
761	TV receivers		7.8				7.8
843	Womens outerwear nonknit	2.8				3.1	5.9
674	Iron,steel			5.6			5.6
931	Special transactions				5.4		5.4
752	Automatic data proc eqp.			2.9		1.7	4.6
778	Electrical machinary			4.5			4.5
333	Crude petroleum	2.7	1.6				4.3
583	Polymerization			3.6			3.6
781	Pass motor veh			2.2			2.2
773	Electr. distributing				1.8		1.8
057	Fruit, nuts,fresh				1.6		1.6
682	Copper exc. cement				1.2		1.2
334	Petroleum products	1.1					1.1
845	Outwear knit				1.1		1.1
821	Furniture part				0.6		0.6

Source: UNCTAD, Handbook of International Trade and Development Statistics 1995, United Nations, Geneva, 1997.