

TABLE OF CONTENTS

FRONT

Foreword	v
Acknowledgments	vi
Preface	vii
Partners	xii
Users guide	xx



1. WORLD VIEW

Introduction	1
Millennium Development Goals, targets, and indicators	18
Tables	
1.1 Size of the economy	20
1.2 Millennium Development Goals: eradicating poverty and improving lives	24
1.3 Millennium Development Goals: protecting our common environment	28
1.4 Millennium Development Goals: overcoming obstacles	32
1.5 Women in development	34
1.6 Key indicators for other economies	38
Text figures, tables, and boxes	
Goal 1 Poverty rates are falling, but progress has been uneven	2
Country by country progress on poverty	3
Malnutrition rates are predicted to fall everywhere—except in Sub-Saharan Africa	3
Malnutrition—a persistent problem	3
Goal 2 More children everywhere are completing primary school	4
Country by country progress toward universal primary education	5
A long march to literacy	5
Patterns of school attendance	5
Goal 3 More girls in school, but many countries have missed the 2005 target	6
Country by country progress toward equal enrollment	7
Degrees of difference	7
Wealth, gender, and location make a difference	7
Goal 4 Improving the odds for children	8
Country by country progress toward reduced child mortality	9
Prevention comes first	9
Cruel differences	9
Goal 5 Mothers at risk in Africa and South Asia	10
Country by country progress in providing skilled care at births	11
Decreasing risk of young motherhood	11
Poor women need reproductive health services	11
Goal 6 As the HIV/AIDS epidemic matures, the death toll keeps rising	12
The HIV epidemic can be reversed	13
Tuberculosis rates on the rise or falling slowly	13
Malaria is a leading killer in Africa	13
Poor children bear the burden of malaria	13
Goal 7 Water and sanitation—basic services needed by all	14
Country by country progress toward access to water . . .	15
. . . and to sanitation	15
Forests falling	15
Fuel for climate change—high carbon dioxide emitters	15
Goal 8 Many sources and many patterns	16
Official development assistance is rising, but still too little	17
Tariffs remain high on poor countries' exports	17
Debt service is falling, but more relief is needed	17
New technologies are spreading quickly	17
1.1a Developing countries produce slightly less than half the world's output	23
1.2a Location of indicators for Millennium Development Goals 1–5	27
1.3a Location of indicators for Millennium Development Goals 6–7	31
1.4a Location of indicators for Millennium Development Goal 8	33



2. PEOPLE

Introduction	41
Tables	
2.1	Population dynamics 46
2.2	Labor force structure 50
2.3	Employment by economic activity 54
2.4	Child labor 58
2.5	Unemployment 62
2.6	Wages and productivity 66
2.7	Poverty 70
2.8	Distribution of income or consumption 76
2.9	Assessing vulnerability and security 80
2.10	Education inputs 84
2.11	Participation in education 88
2.12	Education efficiency 92
2.13	Education completion and outcomes 96
2.14	Health expenditure, services, and use 100
2.15	Disease prevention coverage and quality 104
2.16	Reproductive health 108
2.17	Nutrition 112
2.18	Health risk factors and public health challenges 116
2.19	Mortality 120
Text figures, tables, and boxes	
2a	Total fertility rates by region, 1970, 1980, and 2004 42
2b	Family planning and the fertility transition 42
2c	Population growth rates by region (%) 42
2d	Total fertility rates in selected Sub-Saharan countries, 2004 42
2e	Desired family size in selected countries in Sub-Saharan Africa and South Asia, latest year available 43
2f	Contraceptive method mix, selected countries, 2000–04 43
2g	Sub-Saharan Africa's delayed demographic transition 44
2h	Projected fertility rates in selected African regions 44
2i	Population projections—trends and uncertainty 45
2j	The demographic divide: Nigeria and Japan 45
2.4a	Of children who work, some combine work and schooling 61
2.7a	Regional poverty estimates 73
2.10a	Estimated impact of HIV/AIDS on education in three Sub-Saharan countries, 2005 87
2.14a	In Uganda most births in rural areas take place at home 103
2.15a	Deaths from diarrhea can be sharply reduced with improvements in drinking water and sanitation 107



3. ENVIRONMENT

Introduction	125
Tables	
3.1	Rural population and land use 130
3.2	Agricultural inputs 134
3.3	Agricultural output and productivity 138
3.4	Deforestation and biodiversity 142
3.5	Freshwater 146
3.6	Water pollution 150
3.7	Energy production and use 154
3.8	Energy efficiency and emissions 158
3.9	Sources of electricity 162
3.10	Urbanization 166
3.11	Urban housing conditions 170
3.12	Traffic and congestion 174
3.13	Air pollution 178
3.14	Government commitment 180
3.15	Toward a broader measure of savings 184
Text figures, tables, and boxes	
3a	More than three-fourths of the 1.4 billion people living on fragile lands are in Asia and Africa 126
3b	Water withdrawal is skewed toward agriculture in every developing region 126
3c	Many more people lack access to an improved water source in rural than in urban areas 127
3d	Sustainable management of forests is spreading 128
3e	Use of fossil fuels continues to rise faster than that of other sources of energy 128
3f	High-income countries are the leading source of carbon dioxide emissions 128
3g	Sub-Saharan Africa has the highest death rate from respiratory disease 129
3h	More efficient use of traditional biomass is improving the lives of women 129
3i	Use of renewable sources of energy is growing, but is still small 129
3.1a	Ten countries with the largest forest area, 2005 133
3.1b	Five countries had more than half the world's forest in 2005 133
3.2a	Irrigated lands have increased in all income groups and most regions, putting further pressure on water resources 137
3.3a	The 10 countries with the highest cereal yield in 2002–04—and the 10 with the lowest 141
3.5a	Agriculture uses 70 percent of freshwater globally 149
3.6a	Emission of organic water pollutants declined in most countries from 1990 to 2003 153
3.7a	In 2003 high-income economies, with 15 percent of world population, used 52 percent of world energy—and produced 41 percent 157
3.8a	The five largest producers of carbon dioxide . . . 161
3.8b	. . . differ significantly in per capita emissions 161
3.9a	Electricity sources have shifted since 1990 . . . 165
3.9b	. . . with a more profound shift in low-income countries 165
3.10a	The urban population in developing countries has increased substantially since 1990 169
3.11a	Selected housing indicators for smaller economies 173
3.12a	The 15 countries with the fewest passenger cars per 1,000 people in 2003—and the 15 with the most 177

TABLE OF CONTENTS

4. ECONOMY

Introduction	189
Tables	
4.1	Recent economic performance 192
4.1	Growth of output 194
4.2	Structure of output 198
4.3	Structure of manufacturing 202
4.4	Structure of merchandise exports 206
4.5	Structure of merchandise imports 210
4.6	Structure of service exports 214
4.7	Structure of service imports 218
4.8	Structure of demand 222
4.9	Growth of consumption investment, and trade 226
4.10	Central government finances 230
4.11	Central government expenses 234
4.12	Central government revenues 238
4.13	Monetary indicators 242
4.14	Exchange rates and prices 246
4.15	Balance of payments current account 250
4.16	External debt 254
4.17	Debt ratios 258
Text figures, tables, and boxes	
4a	Fast growing—and backsliding—economies in 2004 190
4b	Inflation, median annual growth of GDP deflator (%) 190
4c	Real interest rates (%) 190
4d	Accelerating regional growth 190
4e	Raising demand for energy supplies 191
4f	China's data revision 191
4.3a	Manufacturing growth trends for selected Sub-Saharan countries 205
4.4a	Developing economies' share of world merchandise exports continues to increase 209
4.5a	Top 10 exporters in Sub-Saharan Africa in 2004 213
4.6a	Top 10 developing country exporters of commercial services in 2004 217
4.7a	The mix of commercial service imports is changing 221
4.8a	Gross capital formation and government consumption are both on the rise in Sub-Saharan Africa 229
4.10a	Selected developing countries with large cash deficits 233
4.11a	Interest payments are a large part of government expenditure for some developing economies 237
4.12a	Rich countries rely more on direct taxes 241
4.15a	Top 15 countries with the largest current account surplus, and top 15 countries with the largest current account deficit in 2003 253
4.16a	GDP is outpacing external debt in Sub-Saharan countries 257
4.17a	The debt burden of Sub-Saharan countries has been falling since 1995 261

5. STATES AND MARKETS

Introduction	263
Tables	
5.1	Private sector in the economy 266
5.2	Investment climate 270
5.3	Business environment 274
5.4	Stock markets 278
5.5	Financial access, stability, and efficiency 282
5.6	Tax policies 286
5.7	Defense expenditures and arms transfers 290
5.8	Transport services 294
5.9	Power and communications 298
5.10	The information age 302
5.11	Science and technology 306
Text figures, tables, and boxes	
5a	Africa had the lowest business environment reform intensity in 2004 264
5b	Rural access index for selected low-income countries (% of rural population) 265
5.6a	Excessive paperwork adds to the time that businesses spend complying with taxes 289
5.10a	Europe and Central Asia had the highest Internet use among developing country regions in 2004 305



6. GLOBAL LINKS

Introduction	311
Tables	
6.1	Integration with the global economy 316
6.2	Growth of merchandise trade 320
6.3	Direction and growth of merchandise trade 324
6.4	High-income trade with low- and middle-income economies 327
6.5	Primary commodity prices 330
6.6	Regional trade blocs 332
6.7	Tariff barriers 336
6.8	Global private financial flows 340
6.9	Net financial flows from Development Assistance Committee members 344
6.10	Aid flows from Development Assistance Committee members 346
6.11	Aid dependency 348
6.12	Distribution of net aid by Development Assistance Committee members 352
6.13	Net financial flows from multilateral institutions 356
6.14	Movement of people 360
6.15	Travel and tourism 364
Text figures, tables, and boxes	
6a	Trade spurs growth and growth spurs trade 312
6b	Foreign direct investment is the largest source of external finance for developing countries 313
6c	Aid is the largest source of external finance for Sub-Saharan Africa 313
6d	New promises of aid and debt relief 314
6e	Immigrant populations are expanding in high-income economies 315
6f	Immigrants in OECD countries are better educated 315
6.1a	Trade in services is becoming increasingly important 319
6.2a	Exports are growing in developing countries 323
6.3a	Triangular trade in manufactures between China, selected other large East Asian economies, and the United States and Japan 326
6.4a	Growing trade between developing countries 329
6.6a	Regional trade agreements are proliferating 335
6.8a	Which developing countries received the most net inflows of foreign direct investment in 2004? 343
6.9a	Who were the largest donors in 2004? 345
6.10a	Official development assistance from non-DAC donors, 2000-04 (\$ millions) 347
6.11a	More aid flows to developing countries 351
6.12a	The flow of bilateral aid from DAC members reflects global events and priorities 355
6.13a	Maintaining financial flows from the World Bank to developing countries 359
6.14a	Officially recorded remittance flows are surging 363
6.15a	International tourist arrivals reached an all-time high in 2004 367

BACK

Primary data documentation	369
Statistical methods	378
Credits	380
Bibliography	382
Index of indicators	389