

ASSUMPTIONS AND CONVENTIONS

A number of assumptions have been adopted for the projections presented in the *World Economic Outlook*. It has been assumed that real effective exchange rates remained constant at their average levels during July 30–August 27, 2012, except for the currencies participating in the European exchange rate mechanism II (ERM II), which are assumed to have remained constant in nominal terms relative to the euro; that established policies of national authorities will be maintained (for specific assumptions about fiscal and monetary policies for selected economies, see Box A1 in the Statistical Appendix); that the average price of oil will be \$106.18 a barrel in 2012 and \$105.10 a barrel in 2013 and will remain unchanged in real terms over the medium term; that the six-month London interbank offered rate (LIBOR) on U.S. dollar deposits will average 0.7 percent in 2012 and 0.6 percent in 2013; that the three-month euro deposit rate will average 0.6 percent in 2012 and 0.2 percent in 2013; and that the six-month Japanese yen deposit rate will yield on average 0.4 percent in 2012 and 0.3 percent in 2013. These are, of course, working hypotheses rather than forecasts, and the uncertainties surrounding them add to the margin of error that would in any event be involved in the projections. The estimates and projections are based on statistical information available through mid-September 2012.

The following conventions are used throughout the *World Economic Outlook*:

- . . . to indicate that data are not available or not applicable;
- between years or months (for example, 2011–12 or January–June) to indicate the years or months covered, including the beginning and ending years or months;
- / between years or months (for example, 2011/12) to indicate a fiscal or financial year.

“Billion” means a thousand million; “trillion” means a thousand billion.

“Basis points” refer to hundredths of 1 percentage point (for example, 25 basis points are equivalent to $\frac{1}{4}$ of 1 percentage point).

For Cyprus, data reflect a passive scenario based on implementation of approved policies only. It is also assumed that the government will be able to roll over its debt and finance its deficit at a reasonable cost over the medium term and that banks will achieve adequate capitalization without government assistance.

Data for South Sudan are now included in the sub-Saharan Africa aggregates and classified under those for a country with fuel as the main source of export earnings. Sudan, which remains in the Middle East and North Africa region, is now classified as a country with nonfuel primary products as the main source of export earnings.

Data for San Marino are now included in the advanced economy classification.

As in the April 2012 *World Economic Outlook*, data for Syria are excluded for 2011 and later due to the uncertain political situation.

Starting with the October 2012 *World Economic Outlook*, the label for the Emerging and Developing Economies group is Emerging Market and Developing Economies. The member countries remain unchanged with the exception of South Sudan as a new member of the group.

If no source is listed on tables and figures, data are drawn from the World Economic Outlook (WEO) database.

When countries are not listed alphabetically, they are ordered on the basis of economic size.

Minor discrepancies between sums of constituent figures and totals reflect rounding.

As used in this report, the terms “country” and “economy” do not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis.

Composite data are provided for various groups of countries organized according to economic characteristics or region. Unless otherwise noted, country group composites represent calculations based on 90 percent or more of the weighted group data.

The boundaries, colors, denominations, and any other information shown on the maps do not imply, on the part of the International Monetary Fund, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.