

15th Meeting of the Central Banks and
Monetary Authorities of OIC Countries

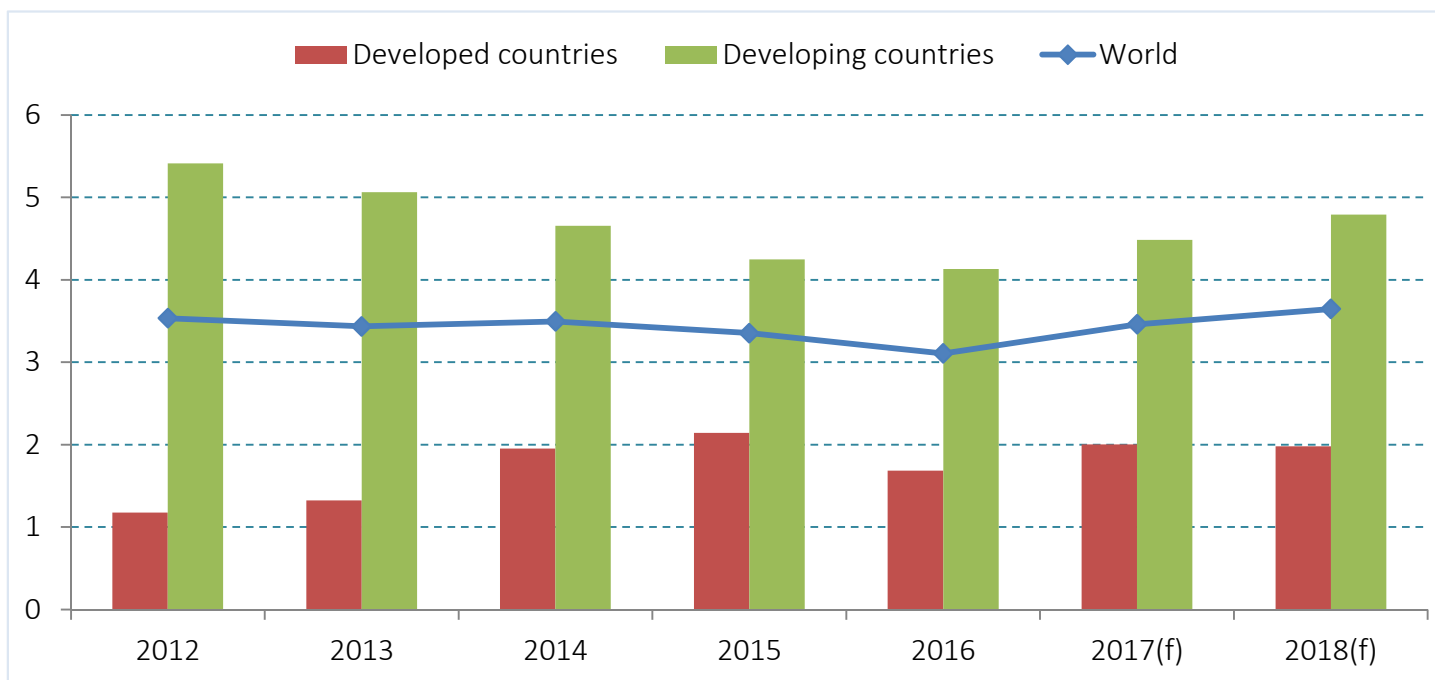
Recent Economic Developments in the World Economy with Reference to the OIC Member Countries



STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTRE FOR ISLAMIC COUNTRIES
ORGANIZATION OF ISLAMIC COOPERATION

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Recent Developments in the World Economy



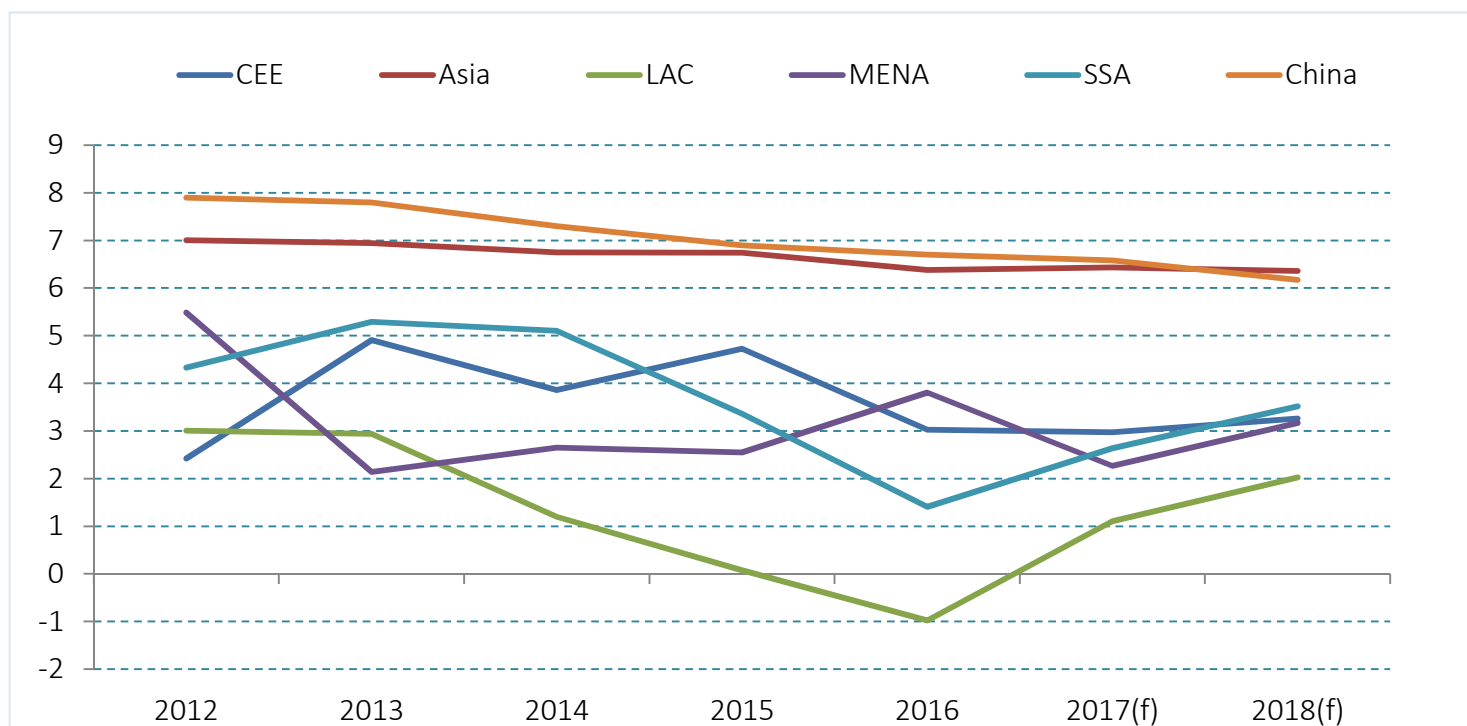
Source: IMF, World Economic Outlook, April 2017, (f:forecast).

In 2016, the world economic growth rate is measured as **3.1 per cent**. It is predicted that the growth rate of the world economy is expected to reach **3.6 per cent by the end of 2018**.

In 2017, developing countries are expected to grow by **4.5 per cent**, which is much higher than the average growth rate of the developed countries (2%).

RECENT DEVELOPMENTS IN THE WORLD ECONOMY

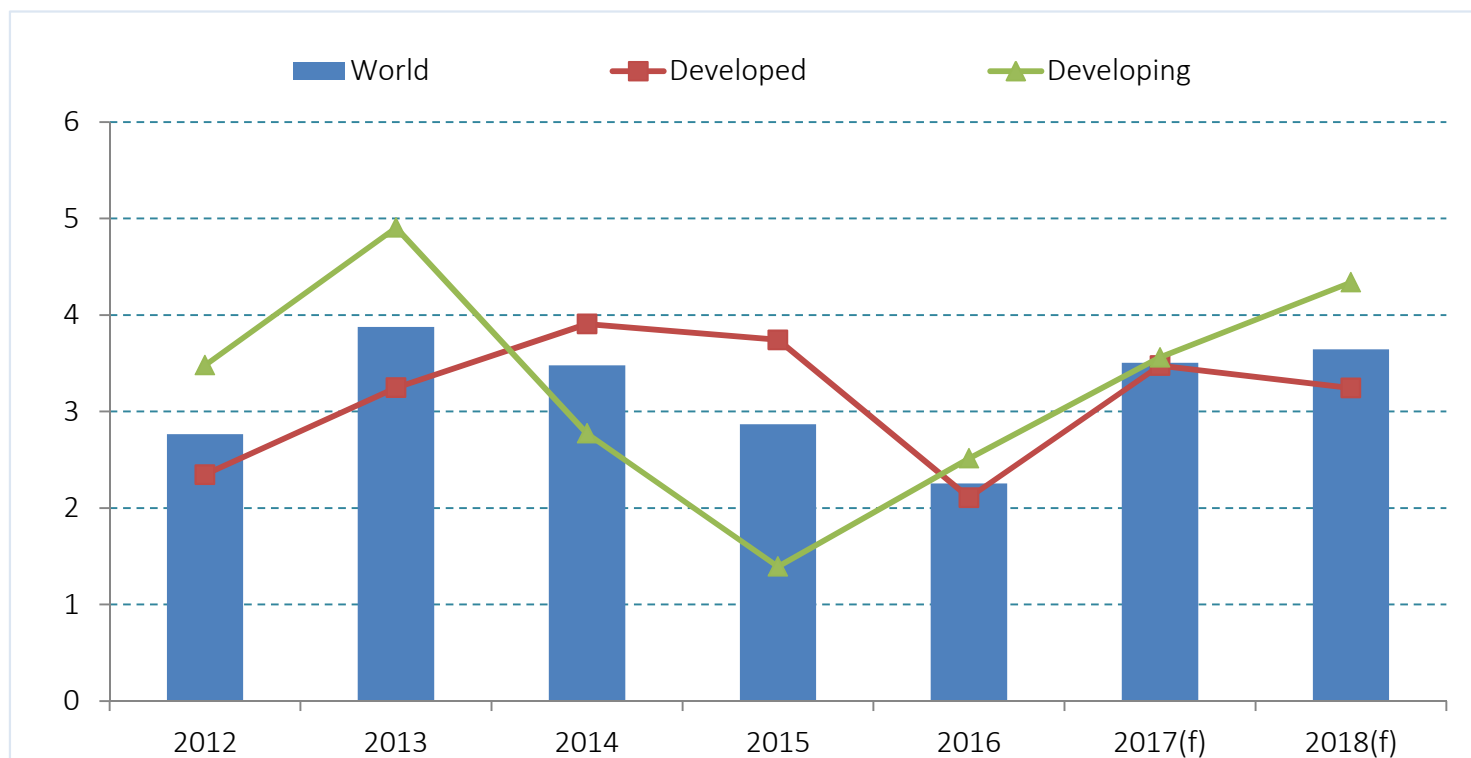
GDP Growth Rates in Developing Countries



Source: IMF, World Economic Outlook, April 2017, (f:forecast). CEE: Central and Eastern Europe; Asia: Developing Asia; LAC: Latin America and the Caribbean; MENA: Middle East and North Africa; SSA: Sub-Saharan Africa.

Developing countries still have been fuelling the world output growth. For instance, it is forecasted that the growth rate in **China** and **India** will be around 7% in 2017.

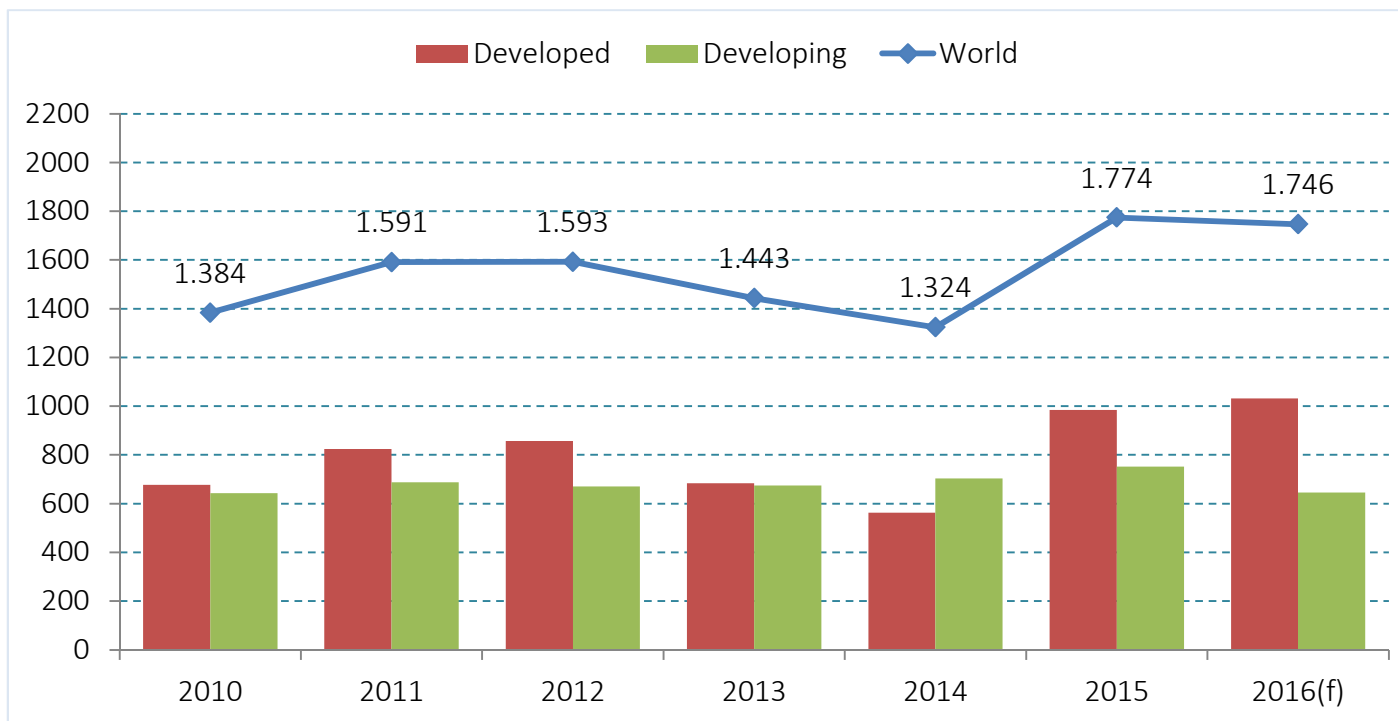
Collectively, developing countries in **Asia** will be the fastest growing region in the world in 2017.



Source: IMF, World Economic Outlook, April 2017, (f:forecast).

The growth of world exports of goods and services continued to decelerate and fell to **2.3 per cent in 2016**.

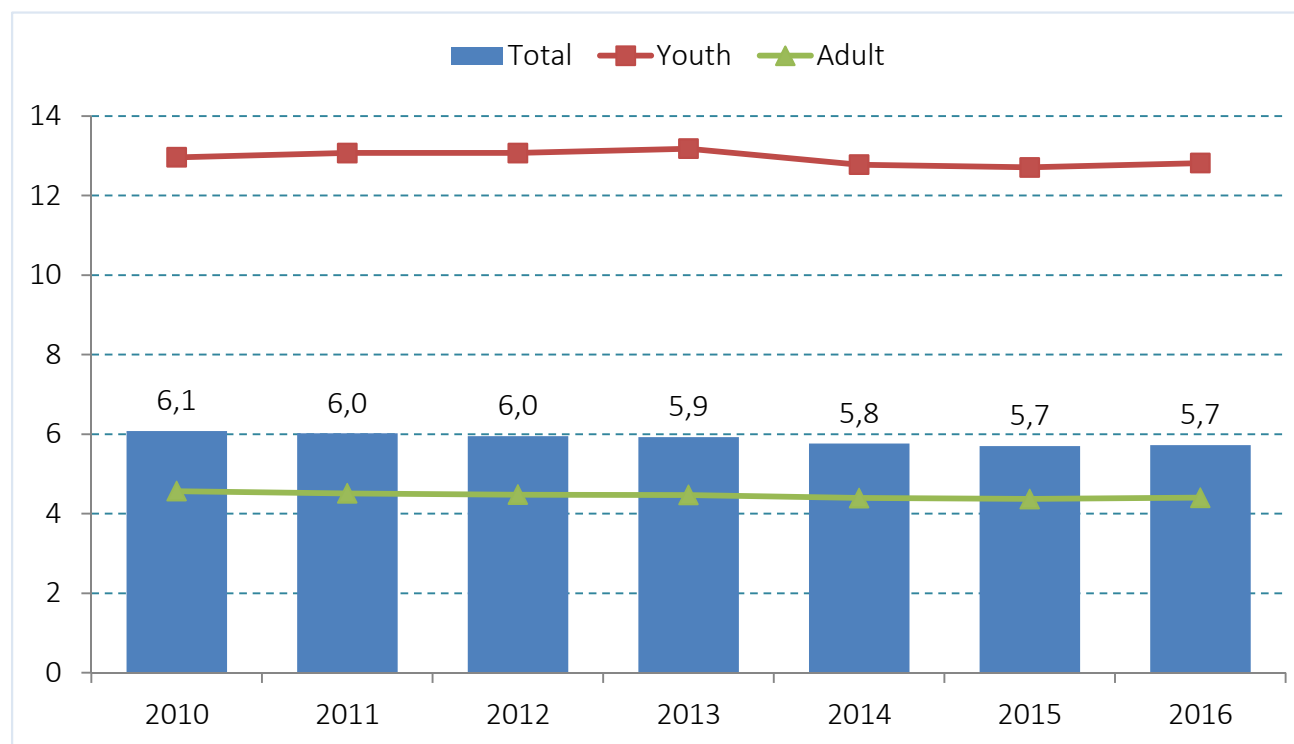
The forecasts show that in **2017 and 2018**, the growth of world exports will continue to grow by **3.5 per cent** and **3.6 per cent** respectively.



Source: UNCTAD, World Investment Report 2017, (f:forecast).

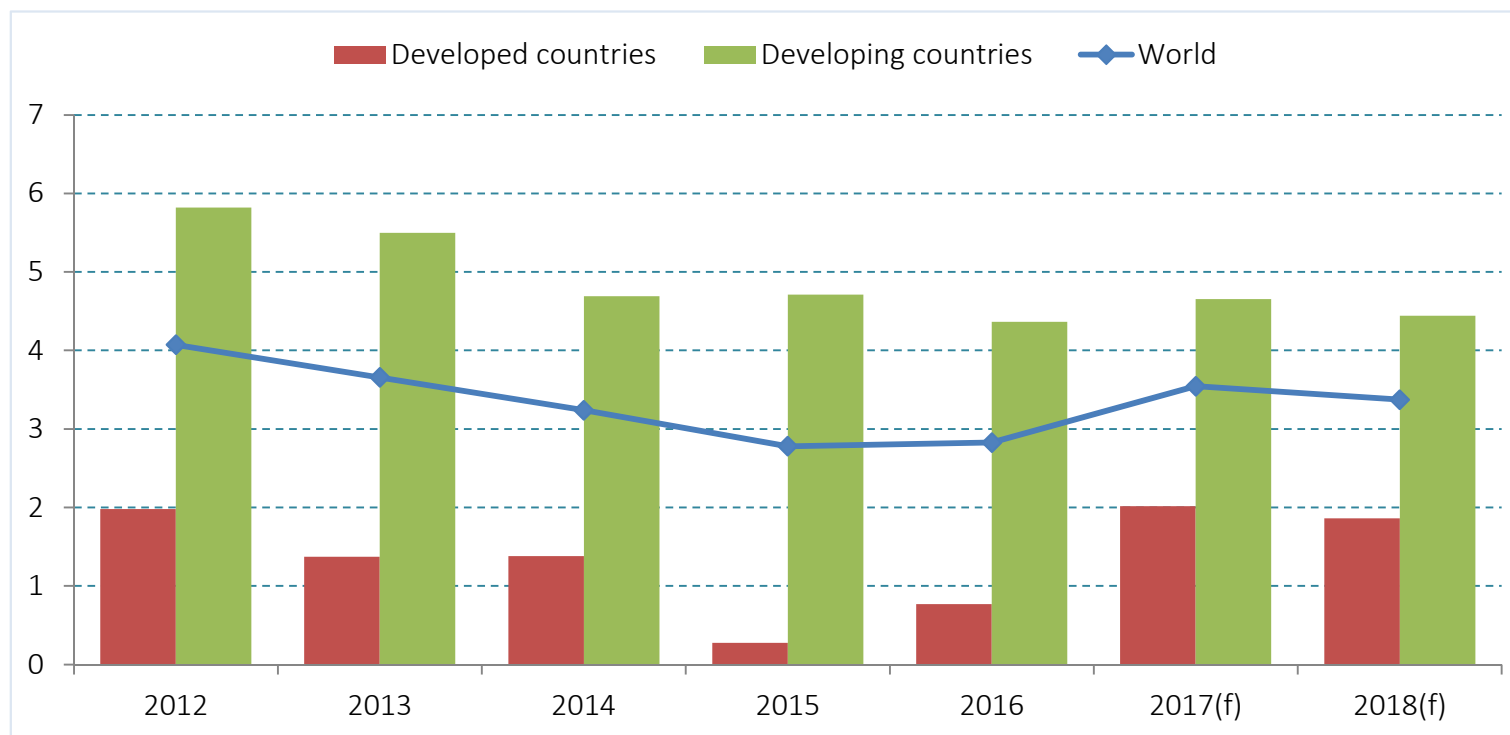
Global foreign direct investment flows in **2016** remained stable at **US\$ 1.75 trillion** compared to previous year.

35.9% of which was attracted by **developing countries**.



Source: ILO, Global Employment Trends 2017.

Total global unemployment rate averaged **5.7 per cent in 2016**, remaining above the pre-crisis level of 5.4 per cent in 2007.



Source: IMF, World Economic Outlook, April 2017, (f:forecast).

World average inflation rate decreased from 4.1 per cent in 2012 to **2.8 per cent 2016**, but it is expected to be around 3.5 per cent in 2017 and 2018.

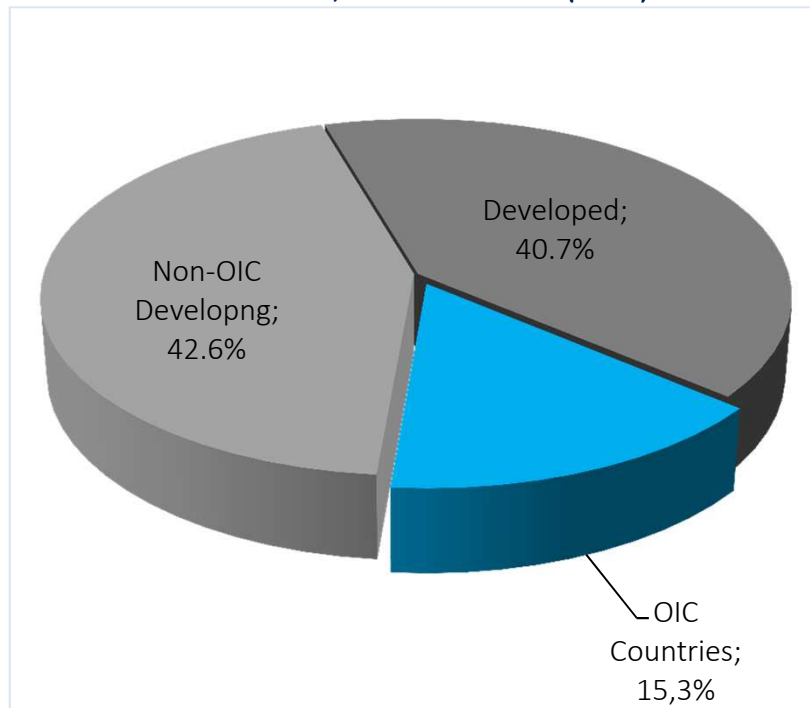
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Recent Economic Developments in the OIC Countries

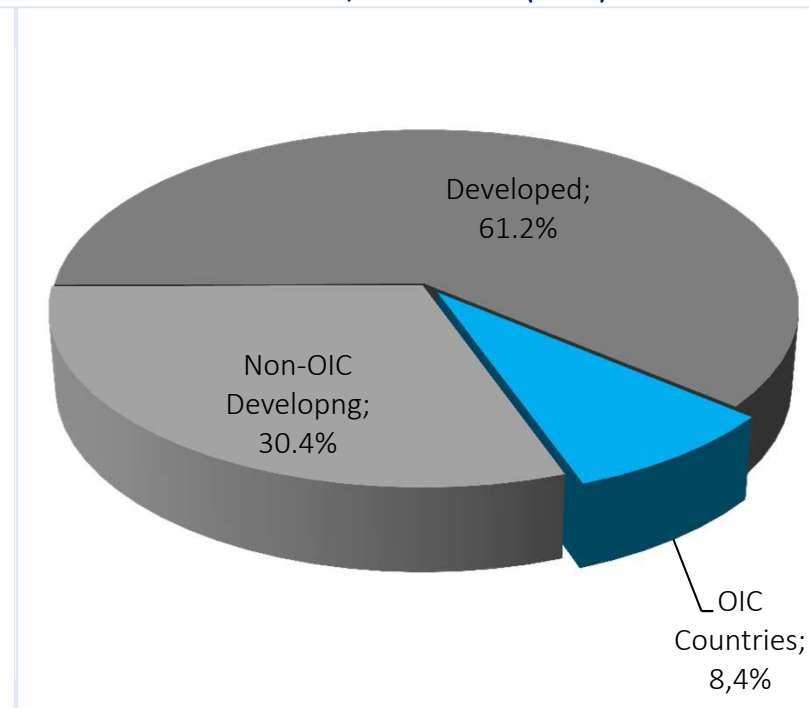
RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Share in Global GDP

Gross Domestic Product, PPP Current USD (2016)



Gross Domestic Product, Current USD (2016)



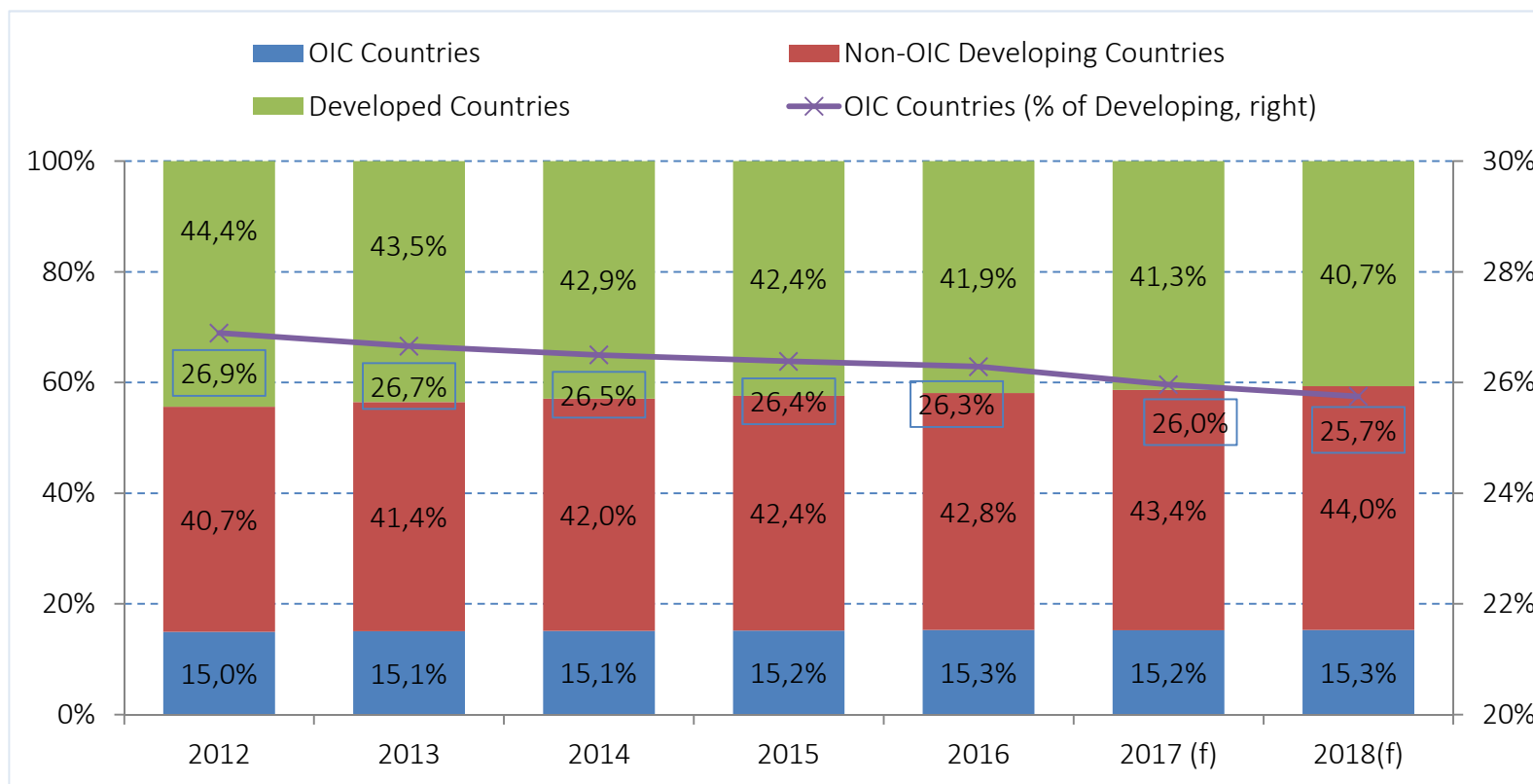
Source: IMF World Economic Outlook Database April 2017

OIC member countries, as a group, produced only **15.3%** of the world total GDP, based on **purchasing power parity (PPP)**.

This ratio is even as low as **8.4%**, when it is calculated based on **current US prices**.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Share in Global GDP



Source: IMF WEO Database April 2017.

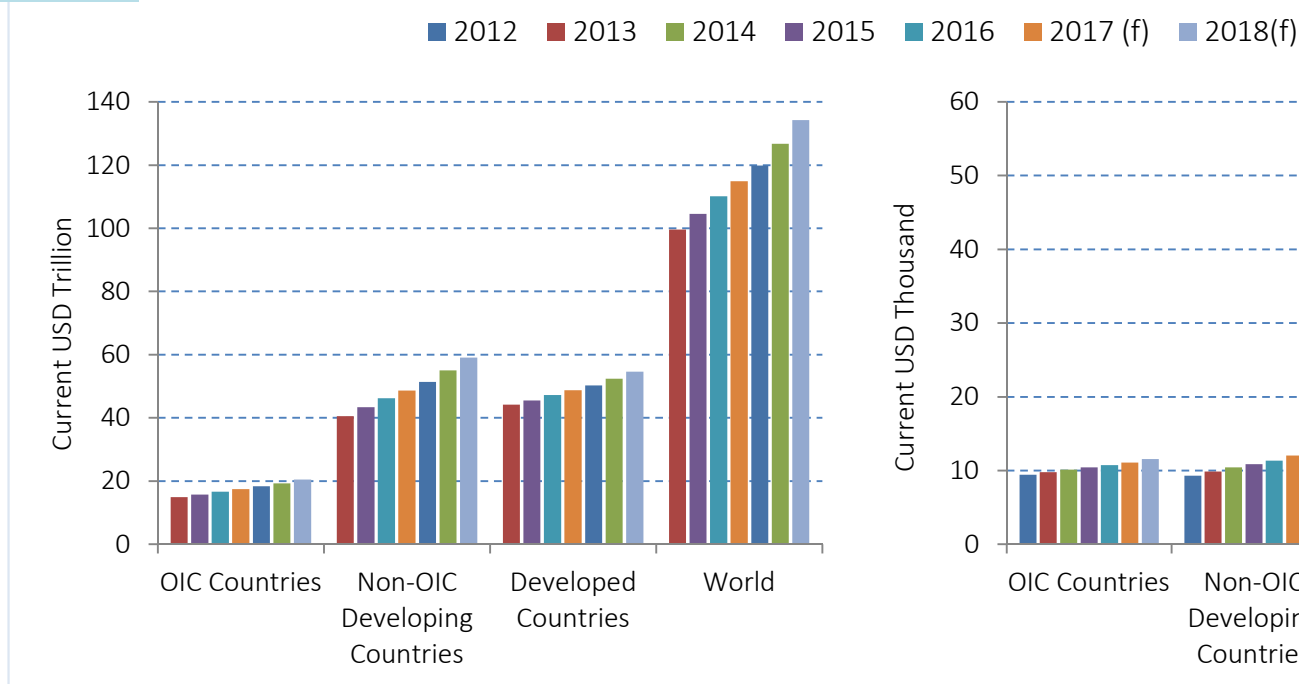
The share of OIC countries in world total GDP is slightly increasing over years, when measured based on PPP.

Share of OIC countries in the total GDP of developing countries has declined steadily to reach **26.3% in 2016** compared to 26.9% in 2012.

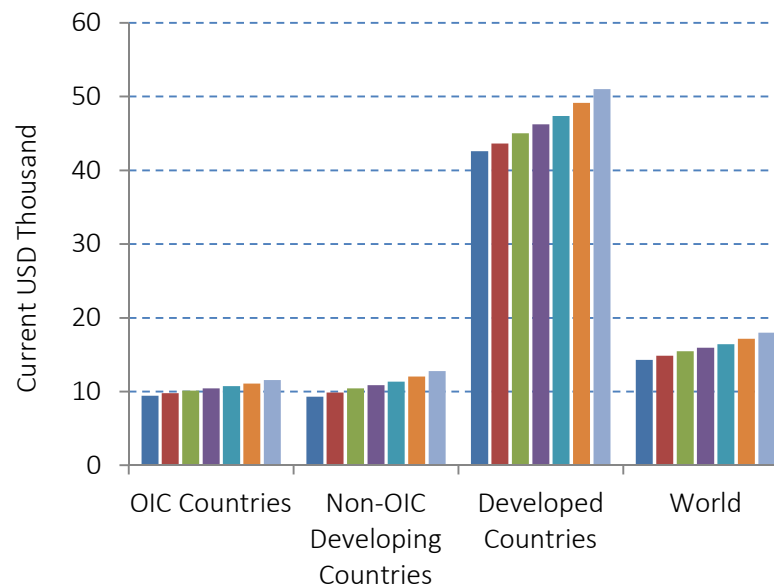
RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

GDP and GDP per capita (based on PPP)

GDP



GDP per capita



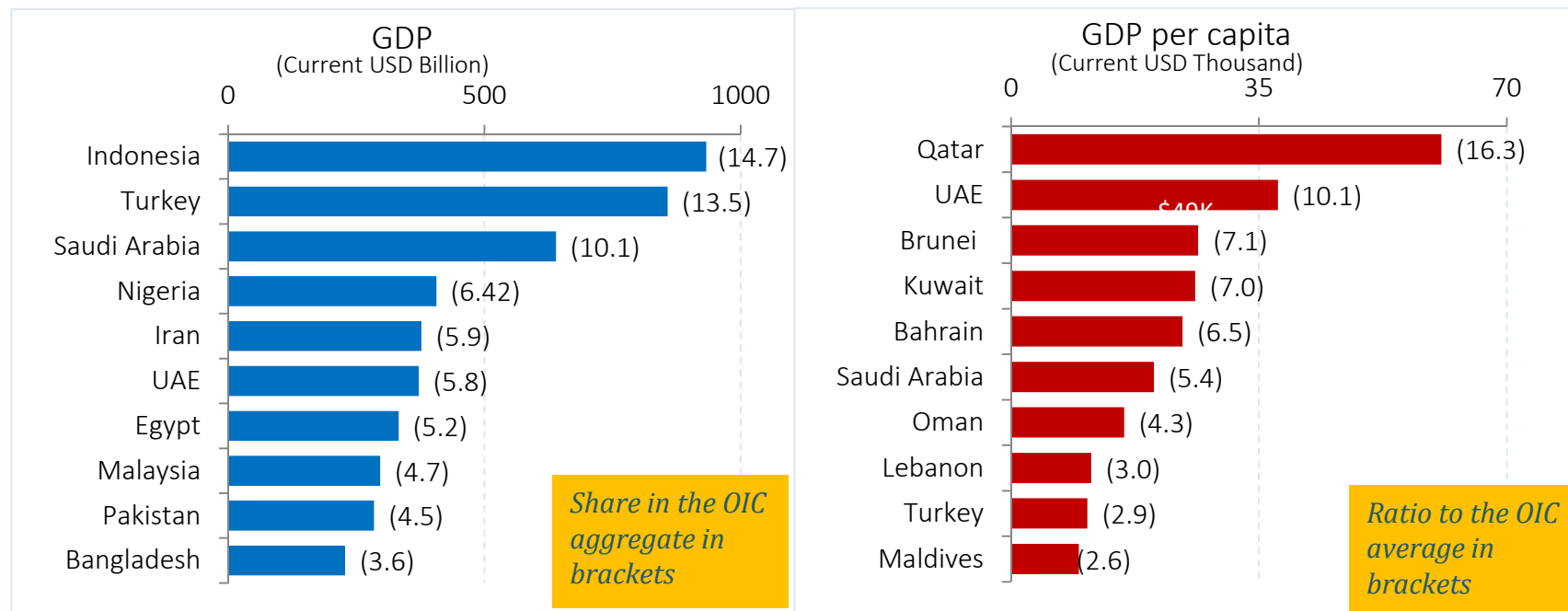
Source: SESRIC staff calculations based on IMF WEO Database April 2017, (f: forecast).

The average **GDP per capita of the OIC countries** based on PPP has increased steadily during the last 5-year period and reached **USD 10,730 in 2016**.

During 2012-2016, non-OIC developing countries and the world as a whole experienced a more rapid increase in their both aggregate and per capita output

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Top 10 Countries by GDP and GDP per capita



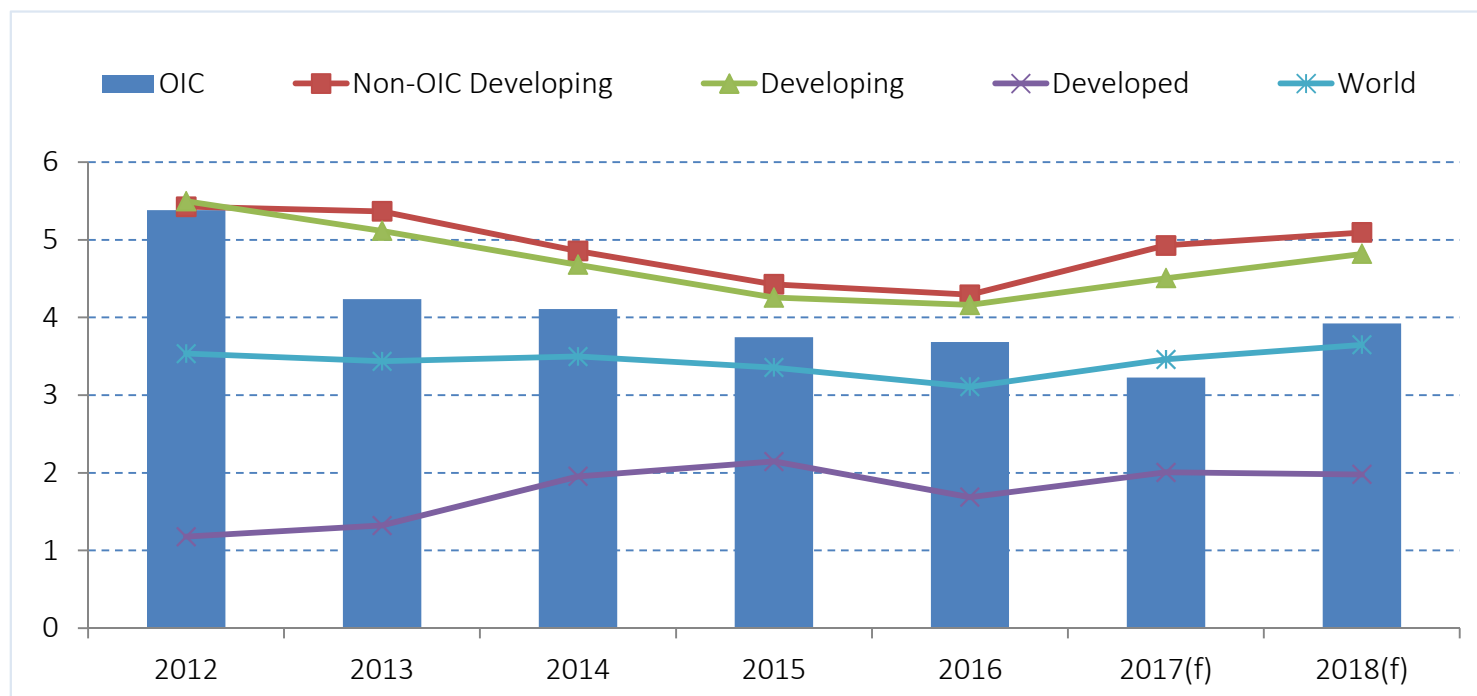
Source: IMF WEO Database April 2017 and SESRIC BASEIND Database. The numbers in round (square) brackets on left (right) hand side indicate the share (ratio) of the related country's GDP (GDP per capita) in the overall GDP (to the average GDP per capita) of the OIC countries as a group.

In 2016, the top 10 OIC countries by the volume of GDP produced **74.4 per cent** of the total OIC countries output.

In nominal terms, the level of the per capita GDP in richest OIC country (Qatar) was **170 times higher** than the poorest OIC country (Mozambique) in 2016.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Real GDP Growth



Source: SESRIC staff calculations based on IMF, World Economic Outlook, April 2017.

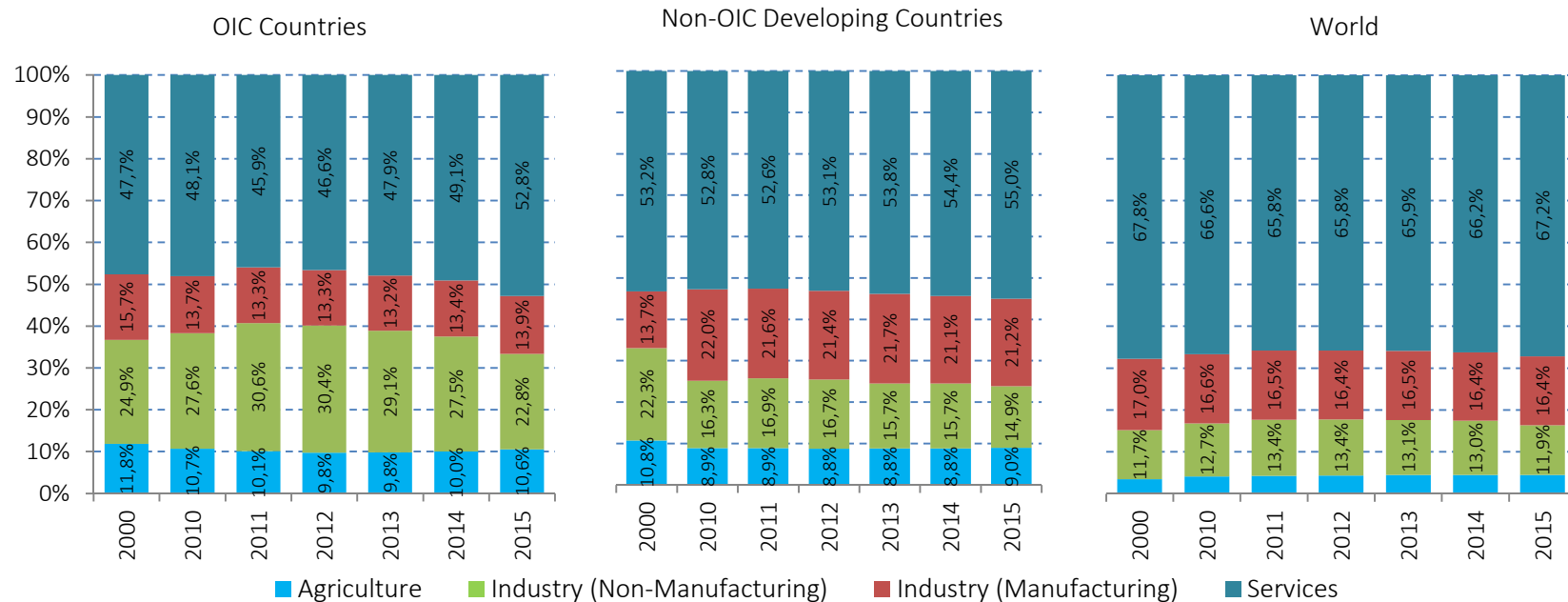
OIC countries recorded an average growth rate of **3.7 per cent in 2016** compared to 5.4 per cent in 2012.

Compared to developed countries, however, OIC countries performed relatively better.

Outlook: Average rate of growth in the OIC countries is expected to moderate to 3.2 per cent in 2017 but increase to 3.9 per cent in 2018.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Structure of the Economy: Value-Added by Major Economic Activity



Source: SESRIC staff calculations based on UNSD National Accounts Main Aggregates Database, July 2017.

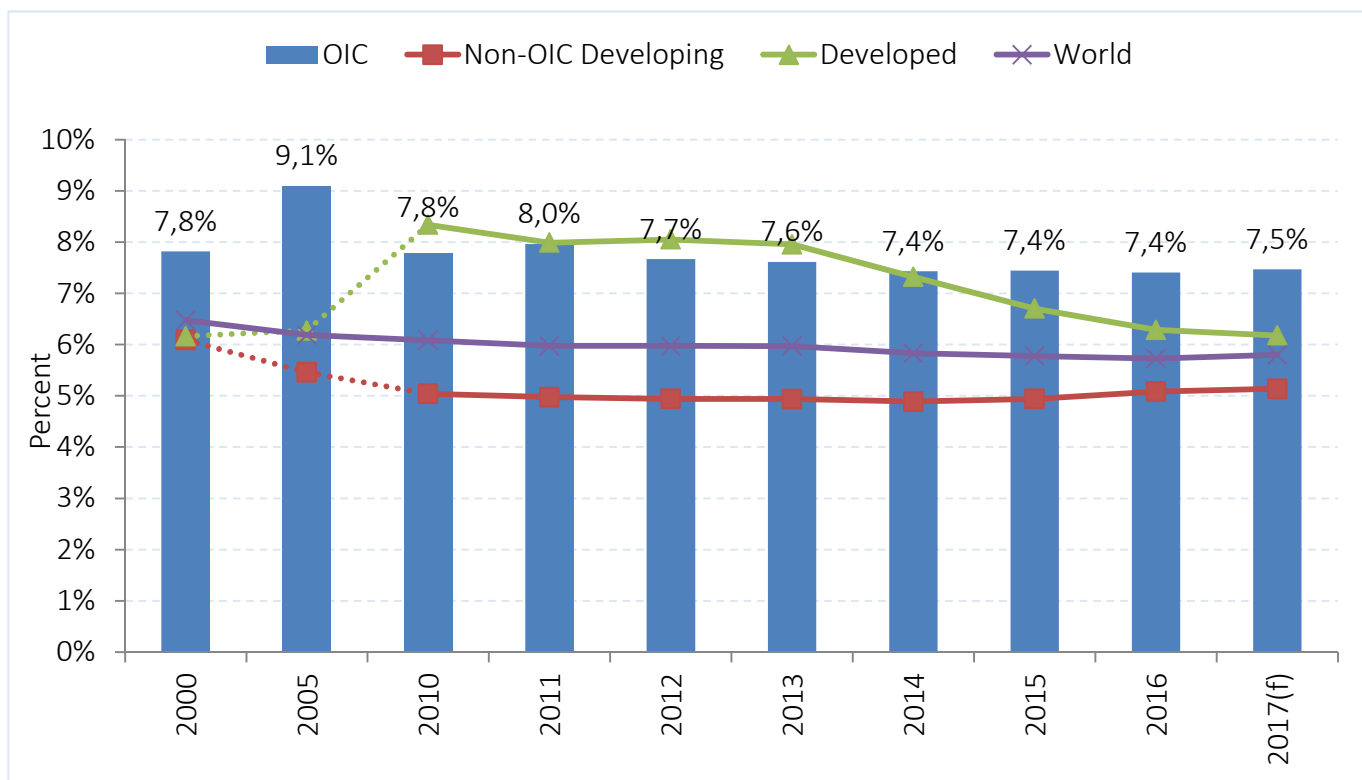
Share of agriculture in the total GDP of the OIC countries has expanded slightly from 9.8 per cent in 2012 to **10.6 per cent in 2015**.

With **52.8% share in GDP**, the **services sector** continued to expand and play a bigger role in the economies of many OIC countries as the most important source of income.

The share of **manufacturing sector** accounted for only **13.9%**, a rate which is significantly lower than that of 21.2% in the group of non-OIC developing countries.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Unemployment

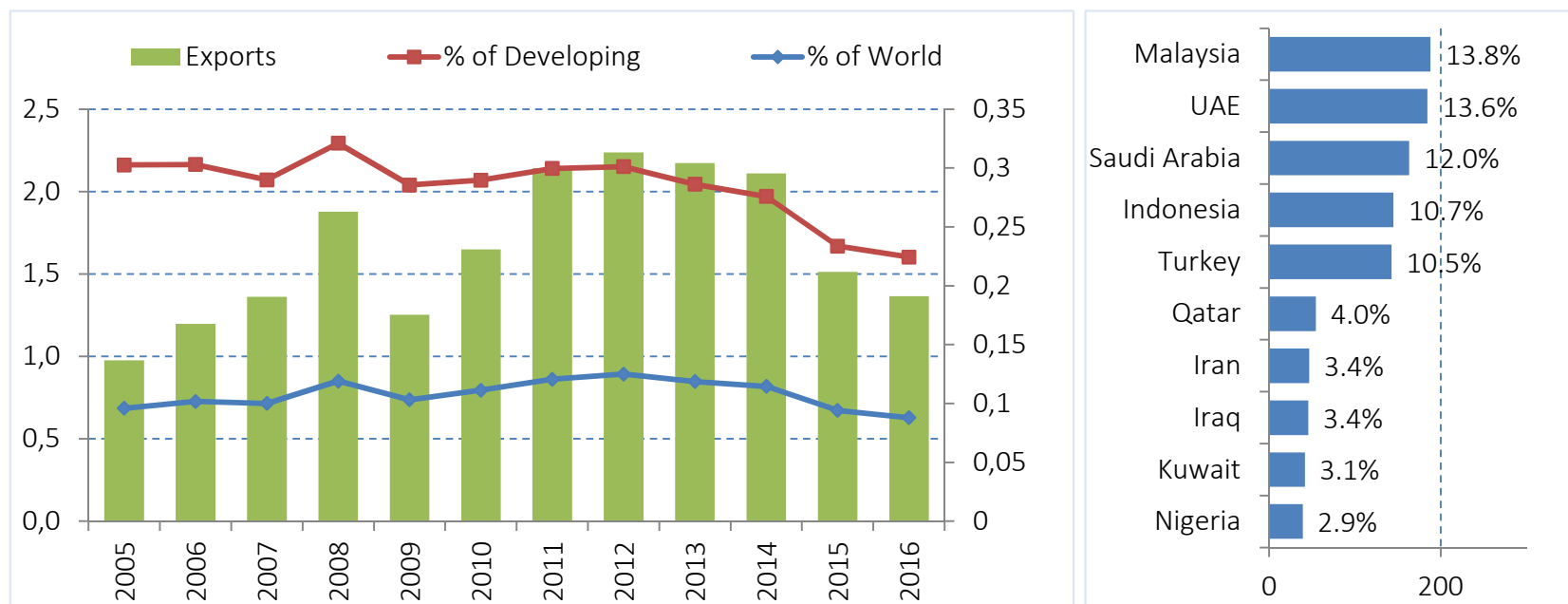


Source: SESRIC staff calculations based on ILO, KILM 2017 Dataset, (f:forecast).

As of 2016, the average **unemployment rate of OIC countries** was recorded at **7.4%**, compared to 6.3% in developed countries and 5.1% in non-OIC developing countries.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Merchandise Exports



Source: IMF Directions of Trade Statistics (DOTS).

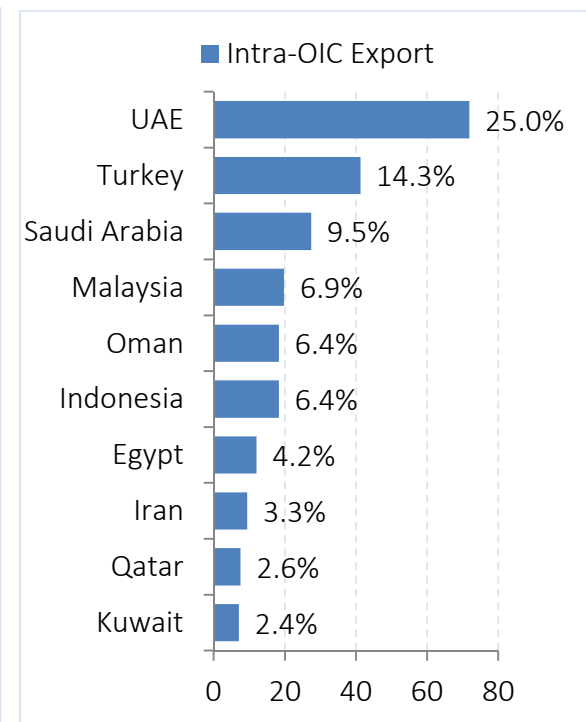
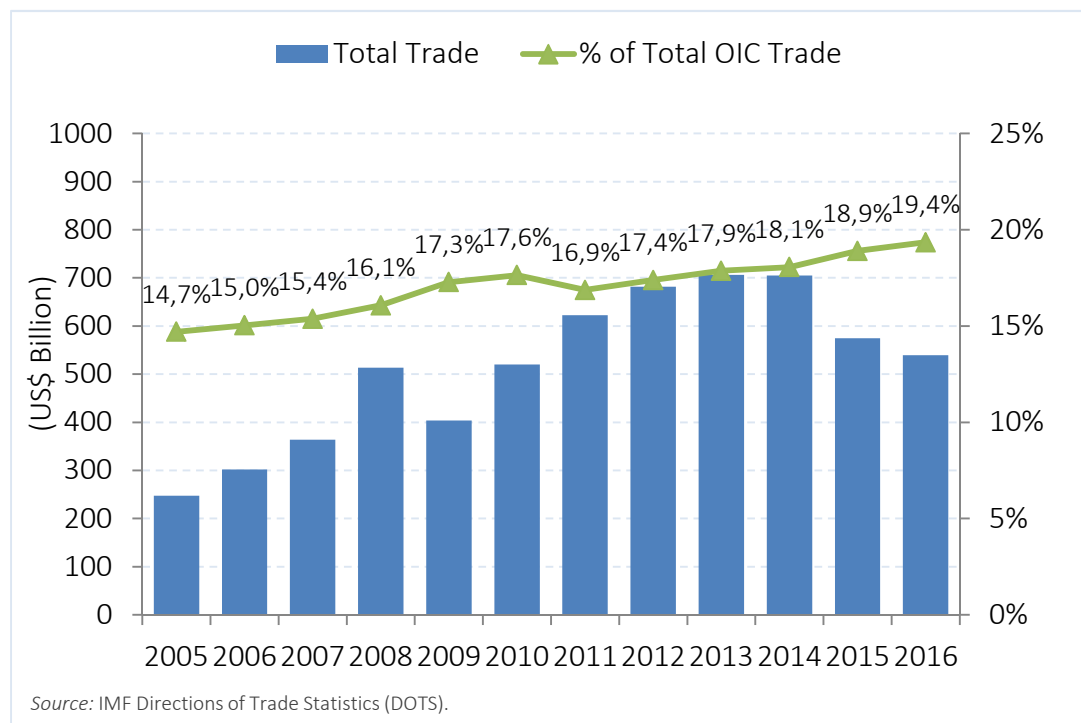
Since 2012, the total merchandise exports of OIC countries steadily fell to reach US\$ 1.4 trillion in 2016.

Accordingly, the share of OIC countries in total exports of developing countries contracted to **22.4% in 2016** compared to 30.1% in 2012.

In 2016, for example, the top **10 largest** OIC exporter countries accounted for **77.4%** of total exports of OIC countries.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Intra-OIC Merchandise Trade



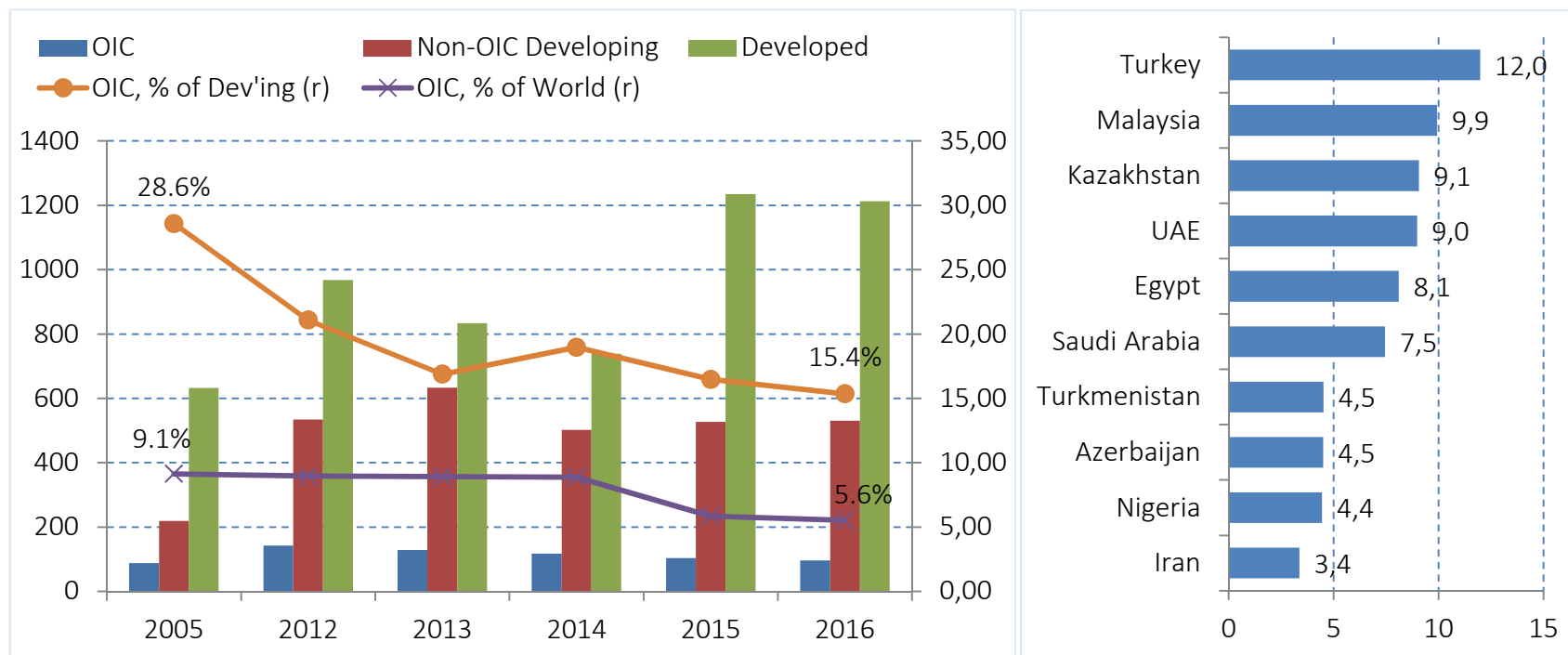
Intra-OIC merchandise trade declined from US\$ 705 billion in 2014 to **US\$ 540 billion in 2016**.

Intra-OIC trade accounted for **19.4%** of total OIC trade **in 2016**.

Intra-OIC trade is still concentrated in a few member countries where the **top 10** intra-OIC exporters accounted for **81% of total intra-OIC exports** in 2016.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Foreign Direct Investment (FDI)



Source: UNCTAD STAT.

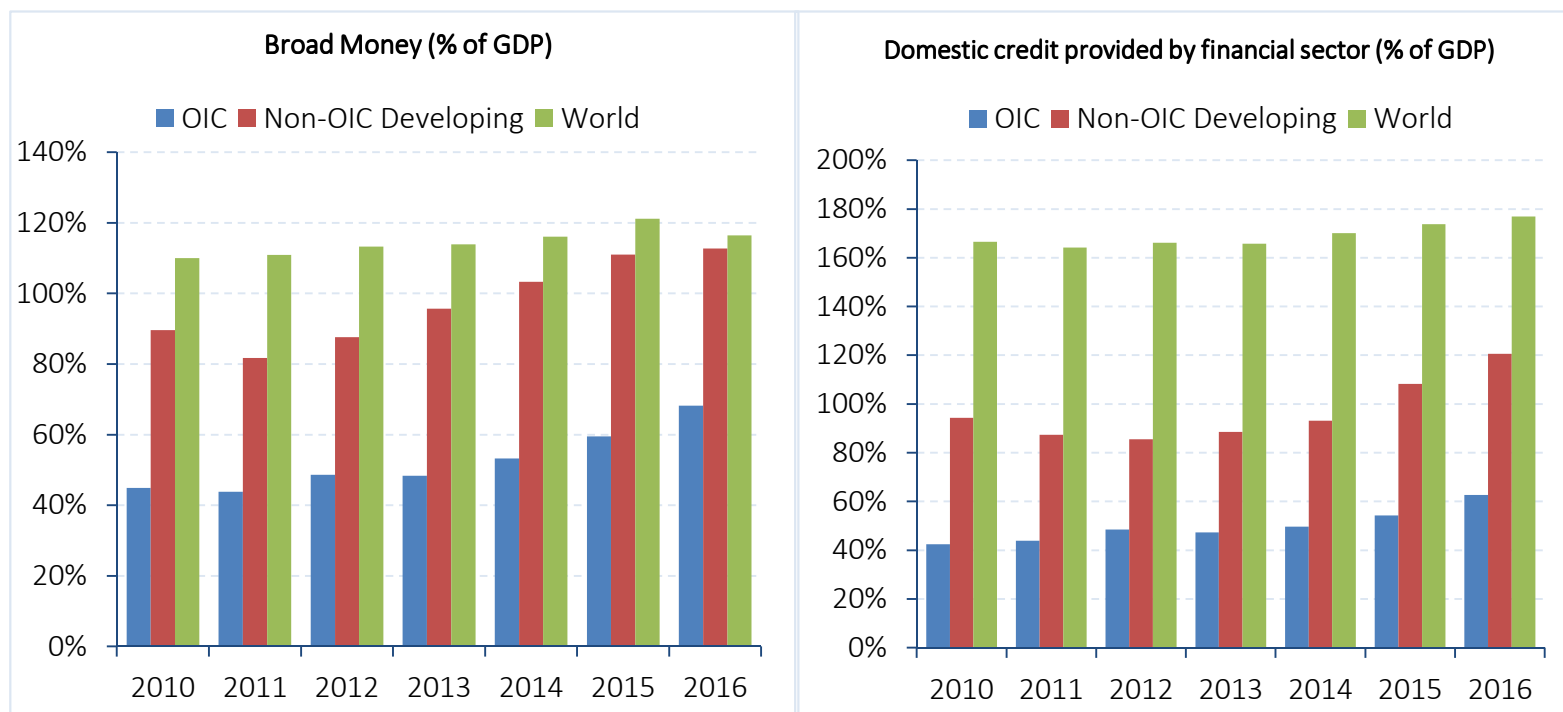
In 2016, as a group, the OIC countries were able to attract only **96 billion US\$ as FDI**, compared to 142 billion US\$ in 2012.

The share of OIC countries in global and developing countries FDI inflows were recorded at **5.5%** and **15.4%**, respectively.

In 2016, the top 10 OIC countries accounted for **75% of total FDI flows** to all OIC countries.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Financial Sector Development



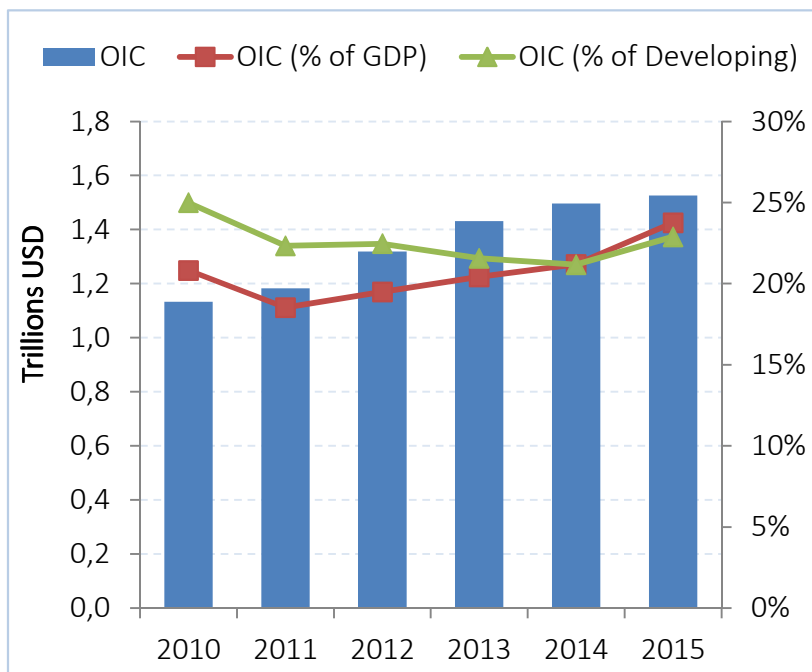
Source: World Bank WDI.

The average volume of **broad money** relative to the GDP of OIC countries has been recorded at **68.2% in 2016**. The **domestic credit provided by the financial sector** in OIC countries was on average equivalent to **62.7%** of the GDP

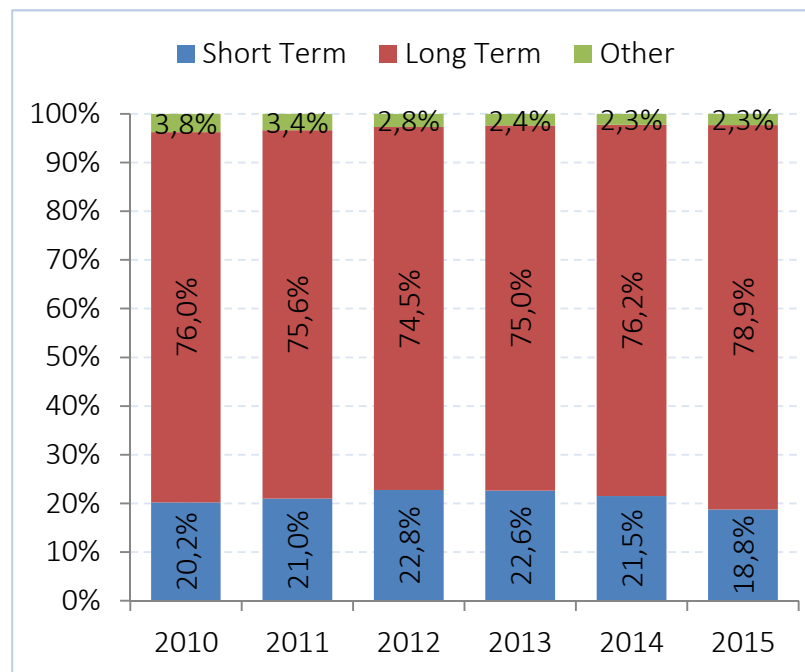
This situation clearly indicates that the financial sector in the member countries is lagging behind in terms of the provision of sufficient liquidity and better investment opportunities to the economy at a lower cost.

RECENT ECONOMIC DEVELOPMENTS IN THE OIC COUNTRIES

Financial Sector Development



Source: World Bank WDI.



The total external debt stock of OIC countries continued to increase and it reached **US\$ 1.5 trillion in 2015**.

20 OIC member countries are still classified by the World Bank as Heavily Indebted Poor Countries.

- Introducing and implementing coherent structural and financial reform policies
- Negative impact of the recurrent shocks in international commodity prices on OIC-LDCs
- Coherent and comprehensive financial approach to build resilience to external shocks and strengthen the foundation for inclusive development and growth
- Structural reform policies to foster economic diversification and strengthen sustainable growth
- Enhancing intra-OIC cooperation and collaboration in technical assistance

Thank you for your attention!



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