SM/08/307

September 19, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses—An Update**

Attached for the **information** of Executive Directors is a paper on food and fuel prices—recent developments, macroeconomic impact, and policy responses—an update.

It is intended this paper will be published on the Fund's external website after Monday, September 22, 2008.

Questions may be referred to Mr. Helbling, RES (ext. 36051), Ms. Alonso-Gamo, SPR (ext. 38375), and Mr. Gillingham, FAD (ext. 36359).

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Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses An Update

Prepared by the Fiscal Affairs, Strategy, Policy, and Review, and Research Departments

(In consultation with the other departments)

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September 19, 2008

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Executive Summary

This report updates the macroeconomic assessment of the impact of global food and fuel price increases provided in the IMF June 2008 Board paper: Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Response. Food and oil prices peaked in early summer—in particular, oil prices surged to levels envisaged under the most adverse scenario presented in the June paper. Against this background, the effects of higher prices on the balance of payments, budgets, and domestic prices intensified and a large group of low- and middle-income countries is experiencing a substantial weakening of their balance of payments and higher inflation. These findings reinforce the importance of adopting appropriate policies to maintain macroeconomic stability while protecting the poor.

Fuel and food prices have eased from recent peaks, but remain well above their levels at the onset of the recent price surges. As of mid-September, oil prices are at some 40 percent below their mid-July peaks, but still double the levels recorded at end-2006. Similarly, food prices have eased 8 percent from their June peak but are still 44 percent above end-2006 levels. Both supply and demand factors have contributed to the recent softening in commodity prices. Nevertheless, medium-term supply constraints are likely to keep prices high, as many of the fundamental forces behind the price surge are still in effect.

As a result, **a large group of low and middle-income countries is experiencing a substantial weakening of their balance of payments and an acceleration of inflationary pressures.** High commodity price volatility continues to cloud the outlook, and vulnerabilities could be aggravated by slower global growth. Some 50 PRGF-eligible countries and MICs are expected to remain vulnerable through 2009. Two alternative shock scenarios are considered. If oil prices remain at the relatively lower levels experienced recently, net oil importers would benefit, although some net oil exporters would experience a large drop in reserves, including a fall in reserves to below three months cover. Conversely, if oil and food prices were to revert to the 2008 peaks, the situation for net oil importers would deteriorate markedly. Median headline inflation in low- and middle-income countries increased by almost 3 percent during the second quarter of 2008 and a further acceleration is projected through the end of the year.

Countries face difficult choices as they seek to facilitate the inevitable adjustment in their economies. Most will need a combination of price adjustment, involving real depreciation and pass-through of world market prices, and fiscal adjustment to offset the higher budgetary costs. The costs of the fiscal policy responses to food and fuel price surges have continued to increase. Reductions in fuel taxes and increases in fuel subsidies account for most of the recent increases in fiscal costs. Although more countries are using fiscal instruments to mitigate the adverse impact of high food prices, the median fiscal cost of food-related policy responses appear to have leveled off. Some additional countries have also increased public sector wages and pensions. At the same time, many countries continued to show aversion to exchange rate flexibility, despite the useful role it can play as shock absorber.

In this context, the approach involving tailored domestic responses, donor support, and multilateral cooperation, remains appropriate. Given the risks of second-round effects on inflation and weakening external positions, monetary and exchange rate policies will have to guard against inflationary and balance of payments pressures that are likely to intensify in the short run. The need for, and scale of, fiscal policy responses will have to reflect each country's macroeconomic situation and capacity to create fiscal space. External support, preferably grants in the case of LICs, will continue to be vital to ease the burden of adjustment and to limit effects on real incomes and poverty.

The IMF, which has so far provided additional financial assistance to 14 affected countries and is in the process of reforming its Exogenous Shocks Facility to provide more rapid and streamlined assistance to its members, continues to assist its members through both macroeconomic policy advice, technical assistance and financial support.

I. Introduction

1. **This report provides an updated assessment of the macroeconomic impact of the surge in food and fuel prices presented in the June 2008 Board paper**.[1] It reviews recent food and fuel price developments, provides an updated overview of the impact on the balance of payments, inflation, and budgets, and presents an updated summary of recent policy responses. Fund advice presented in the June paper remains substantially unchanged.

II. An Update on Fuel and Food Price Developments

2. **Fuel and food prices have eased from recent peaks, but remain well above their levels at the onset of the recent price surges.** As of mid-September, oil prices stood at about U.S.$100 a barrel, some 40 percent below their mid-July peaks, but still double the levels recorded at end-2006. Similarly, food prices have eased 8 percent from their June peak but are still 44 percent above end-2006 levels.

3. **Both supply and demand factors have contributed to the recent softening in commodity prices, while global growth prospects are somewhat weaker than expected at the time when the June paper was released**.

- **In the oil market, easing market conditions have led to a turnaround in prices.** OECD consumption has suffered by more than expected (particularly in the U.S.), and the weakening of economic activity has been sharper-than-anticipated, especially in Europe and Japan. The almost 1 million barrel a day increase in OPEC production, mostly from Saudi Arabia, as well as a recovering dollar, have also contributed.
- **In food markets, the price impact of recent temporary supply shocks has waned.** A bumper wheat crop this year, together with a substantial reduction of rice and wheat export restrictions, has fostered large price declines in these two grains since May. Moreover, some of the unexpected upturn in corn and soybean prices has been reversed, as the damage from the June floods in the U.S. Midwest was smaller than expected.
- **Part of the price decline reflects the recovery of the dollar**: in Euro terms, oil prices have fallen by about a third less than in dollar terms from their July peak.

4. **Nevertheless, many of the fundamental forces behind the price surge are still in effect and are likely to keep prices high in the absence of a sharp global downturn**. Demand from emerging and developing countries is expected to remain robust. In the oil market, the constraints underpinning the sluggish supply response to high prices should persist amid limited buffers. Moreover, continued strong demand for corn for ethanol use and high fuel and fertilizer costs will also keep up pressure on food prices.

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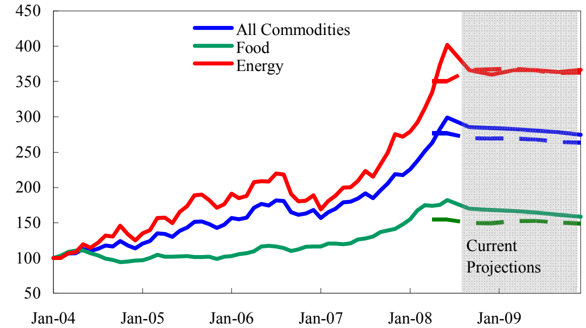
[1] *Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses*, SM/08/182 (June 19, 2008).

5. **Against this background, the baseline projections for food and fuel prices are broadly similar to the Spring 2008 *World Economic Outlook (WEO).*** Oil prices are projected to stay high, although current futures prices suggest a price path below the baseline assumptions underlying the September 2008 WEO exercise. Specifically, futures markets suggest annual average prices of U.S.$107 and U.S.$100 for 2008 and 2009, respectively, compared to U.S.$113.25 and U.S.$118.75 in the September baseline projections. Oil futures options prices, however, imply that there is more uncertainty around those expectations than is usual, consistent with continued high price volatility. Prices of major foods will stabilize or ease slightly, but strong demand and high production costs will prevent a sharp retreat.

Selected Commodity Prices 1/
(January 2004=100)



1/ Dotted lines are Spring 2008 WEO projections.

III. Macroeconomic Impact

A. Balance of Payments Impact

Impact in 2008

6. **The impact of higher food and fuel prices on the balance of payments has been substantial so far.** The effects of higher prices have continued to mount and a large group of low- and middle-income countries is experiencing a substantial weakening of their reserve position, as oil prices, in particular, reached levels previously anticipated only under the most adverse scenario.

7. **For net oil and food importing PRGF-eligible countries, the combined adverse impact of the shocks on the balance of payments since the beginning of 2007 rose by an additional 1½ percent of GDP on average during May-July 2008** (Table 1). Measured at an annual rate, this would imply an intensification of the shock in early summer, relative to the January-April 2008 period covered in the June paper.

Table 1. BOP Impacts of Fuel and Food Shocks on PRGF-eligible Countries [1]

	Increase in Jan 07-Apr 08	Increase in Jan 07-Jul 08	Increase in May-July 08
Food shock			
In percent of GDP	0.5	0.9	0.4
In months of imports	0.2	0.3	0.1
Fuel shock			
In percent of GDP	2.2	3.4	1.2
In months of imports	0.7	1.2	0.5

[1] The shocks are measured as the size of the BOP impact for the indicated period expressed relative to 2007 GDP and relative to 2008 months of imports. "Fuel shock" applies to 58 net fuel mporters, "food shock" to 33 net food importers.

8. **In terms of the additional balance of payments impact experienced in 2008 relative to 2007**, net fuel-importing PRGF-eligible countries are projected to face a rise in their fuel bill equivalent to 3.2 percent of their 2008 GDP relative to 2007 (U.S.$60 billion in the aggregate for the sub-set of 58 countries, or roughly 1.2 months of imports). For 43 net food importers with available data, the rise in their food bill is 0.8 percent of their 2008 GDP (U.S.$7.2 billion or 0.3 months of imports for this group of countries).

9. **With respect to the relative size of the fuel versus food shock**, fuel has contributed nearly four times as much as food to the balance of payments impact during January 2007 to July 2008, reflecting the higher share of fuel in total imports.

10. **Some 50 PRGF-eligible and middle-income countries are now estimated to be vulnerable by end-2008.** Compared to the Spring 2008 WEO baseline in the June paper, a larger number of countries (33 PRGF-eligible countries and 17 MICs) are estimated to have reserves of less than three months of imports at end-2008 (Table 2 and Appendix 1 Table 1). This deterioration was broadly consistent with the "shock" scenario in the June paper, which assumed an increase in oil prices close to the latest (September 2008) WEO projections (Annex).

Table 2. BOP Impacts of Fuel and Food Shocks in 2008

	Spring 2008 WEO	September 2008 WEO
Number of countries impacted		
Low reserves cases [1]		
PRGF-eligible	29	33
Middle-income	18	17
Large reserves declines (versus end-2007) [2]		
PRGF-eligible	9	10
Middle-income	6	5
Memo items:		
Price Levels		
Oil (in US dollars)	95.0	113.3
Food index	150.4	167.3

Notes:

[1] Reserve cover below 3 months of imports.

[2] Drop in reserves larger than 0.5 months of imports.

Outlook for 2009

11. **With the global economy weakening, the macroeconomic outlook for next year remains quite uncertain**. Updated country team data suggest that, in our baseline scenario, the number of PRGF-eligible countries and MICs that are vulnerable would remain broadly constant through 2009 (Table 3). These vulnerabilities could be further aggravated by the expected slowdown in global growth.

12. **High commodity price volatility increases risks.** If oil prices were to stay at the lower levels experienced most recently, many net oil importers would benefit, but a few net oil exporters would experience a large drop in their reserves, in some cases to below three months cover. Instead, if oil and food prices were to revert to the 2008 peaks, which cannot be ruled out given the current gyrations in commodity prices, the situation for net oil importers would deteriorate further. Against this background, two new shock scenarios for 2009 are considered**.**

- **In the first alternative scenario, oil prices are assumed to stay at the lower level implied by recent developments in futures markets.** [2] Under this scenario, five additional oil- exporting MICs would experience a severe drop in their reserves in 2009, corresponding to more than ½ month of imports (Table 3 and Appendix 1 Tables

[2] The assumed oil price refers to the level implied by futures markets as of September 11, 2008. Given the fluid international environment, the results of the exercise are only meant for illustrative purposes. Under this scenario, a downward shock is considered of about 12 percent to the oil price compared to the level projected in the September 2008 WEO (to U.S.$104). Food prices are kept at baseline levels.

2 and 3).[3] But net oil-importing countries would benefit. Overall, the group of countries that would end up with reserves below three months of imports by end-2009 would shrink from 50 to 47 countries.

- **In the second alternative scenario, food and oil prices return to their 2008 peak**.[4] Under this scenario, an extra eight PRGF-eligible countries would experience a severe decline in reserves during the year (Table 3). If the impact of higher prices in 2009 is added to the significant losses in 2008, the cumulative effect is more substantial. In fact, 21 PRGF-eligible countries and 14 MICs would lose reserves equivalent to more than ½ month of imports over 2008-09, and the group of vulnerable countries would broaden further to 58 countries (Table 3 and Appendix 1 Tables 2 and 3).

Table 3. September 2008 WEO Balance of Payments Outlook

		2009		
	2008	Baseline scenario	Low oil price	High oil price
Countries with large reserve losses (vs 2007 outturns)				
PRGF-eligible	10	13	9	21
Middle-income	5	10	12	14
Countries with low reserve cover (end of period)				
PRGF-eligible	33	32	26	36
Middle-income	17	19	21	22
Memo items:				
Magnitude of shocks				
PRGF-eligible net fuel importers				
In percent of GDP		...	-1.1	1.2
In months of imports		...	-0.3	0.3
Middle-income net fuel importers				
In percent of GDP		...	-0.7	0.6
In months of imports		...	-0.1	0.2

B. The Impact on Inflation

13. **As food and fuel prices continued to increase in the second quarter of 2008, low- and middle-income countries experienced a substantial further acceleration of food and fuel price inflation** (Table 4). As a consequence, median headline inflation in low-income

[3] Compared with the 2009 baseline scenario, 20 oil-exporting PRGF-eligible countries and MICs would experience a severe drop in their reserves corresponding to more than ½ month of imports.

[4] For oil, this would imply an average price of U.S.$132, 12 percent above the September 2008 WEO assumption.

countries increased by almost 3 percentage points during the second quarter, reaching 12.7 percent, and is now projected to reach 13.3 percent by the end of the year. Similar price increases have been experienced in MICs. Inflation has tended to be higher in low-income countries due to a relatively large weight of household expenditure in food.

Table 4. Median Inflation in 75 Countries
(year-to-year, in percent)

	2006	2007	2008		
			March	June	Proj.
35 PRGF-eligible countries					
Headline CPI	7.3	8.9	9.8	12.7	13.3
Food	7.6	10.6	11.5	17.0	
Fuel	6.0	8.7	11.3	19.5	
27 Emerging market countries					
Headline CPI	4.5	5.9	7.1	7.7	7.9
Food	6.0	9.6	11.4	14.0	
Fuel	4.9	7.3	12.0	15.4	
13 Advanced countries					
Headline CPI	1.9	3.4	3.7	4.3	3.9
Food	2.4	4.2	6.3	6.1	
Fuel	1.4	10.7	11.8	15.3	

Source: IMF staff.

14. **Staff country teams now project a further acceleration of inflation through the end of 2008 in low-income and emerging market countries, compared to a deceleration projected at the time of the June paper**. Last June, staff teams projected that the median 12-month headline inflation for low- and middle-income countries would decelerate to 7 percent by year-end from slightly more than 8 percent in March 2008. Reflecting the further hike in world oil prices since the June paper, but also the often limited monetary and exchange rate policy response, headline inflation is now projected to exceed 10 percent by end-2008 for the same group of countries.

15. **Several factors play a role in keeping inflation high despite the recent easing in world market prices.** First, the time involved in the shipment and transportation of imported food items to domestic markets can be significant, causing a delay in pass-through of price increases. Second, transportation costs, which typically weigh heavier in low-income countries because of more rudimentary transportation infrastructure, have increased because of higher fuel prices. Third, the higher fuel price inflation in low-income countries—19.5 percent year-on-year in June 2008 compared to 15.4 percent in emerging market and advanced countries—would suggest that the spillover from fuel price inflation to food price inflation may have been compounded by large step adjustments in energy prices effected in some low-income countries as existing fuel subsidy schemes became too costly.

IV. Countries' Policy Responses

16. **In a context of weakening balance of payments and accelerating inflation, fiscal pressures are mounting and the use of nominal exchange rate flexibility has remained limited.** Reduction in fuel taxes and increases in fuel subsidies now dominate fiscal costs. Public sector wages are also increasing. At the same time, many countries continued to be reluctant to increase exchange rate flexibility, despite the useful role it can play as a shock absorber. Countries face difficult choices as they seek to facilitate the inevitable adjustment in their economies. Most will need a combination of price adjustment, involving real depreciation and pass-through of world market prices, and fiscal adjustment to offset the higher budgetary costs. With the rise in headline inflation and wages, the risks of spillover from first-round effects to generalized inflation have become an increasing cause for concern and will require a robust monetary response.

A. Fiscal Responses to Rising Food and Fuel Prices

17. **The costs of the fiscal policy responses to increasing fuel and food prices have continued to increase.** As reported in the June paper, countries responded to rising prices primarily by reducing taxes and tariffs, increasing universal subsidies, expanding transfer programs, and increasing public sector wages. The recent increases in fiscal costs stem from further reductions in fuel taxes and increases in fuel subsidies, which now dominate total fiscal costs (Table 5). In contrast, the median fiscal cost of food-related measures has leveled off, although more countries are using fiscal instruments to cushion the impact of higher food prices.[5]

- **Fuel**. The number of countries reporting reductions in fuel taxes or higher fuel subsidies has risen since the June report, along with the fiscal cost of these measures. Most of the increase in fiscal cost is attributable to higher subsidies and stems from the reluctance of many countries to pass through price increases.

- **Food**. Although the number of countries reporting reductions in food taxes or increases in food subsidies has increased, the median (as well as the mean) fiscal cost has remained broadly unchanged.

- **Transfers and wages**. Only a few countries reported an increase in the prevalence or size of transfer programs in response to higher fuel and food prices. The number of countries reporting increases in public sector wages and pensions has risen, although the increases for the additional countries, and the related fiscal costs, probably reflected a broad range of factors, and not just a response to higher fuel and food prices.

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[5] This paper updates the information on the fiscal responses to higher food and fuel prices reported in SM/08/299.

- **Total fiscal costs**. Both the number of countries reporting higher fiscal costs and the magnitude of these costs have increased (Figure below, upper panel).The median total fiscal cost incurred since 2006 has increased from 0.6 to 0.7 percent of GDP. Higher fuel subsidies and lower fuel taxes account for nearly two-thirds of the *total increase* in fiscal cost since 2006.

Table 5. Fiscal Cost of Policy Responses to Higher Fuel and Food Prices

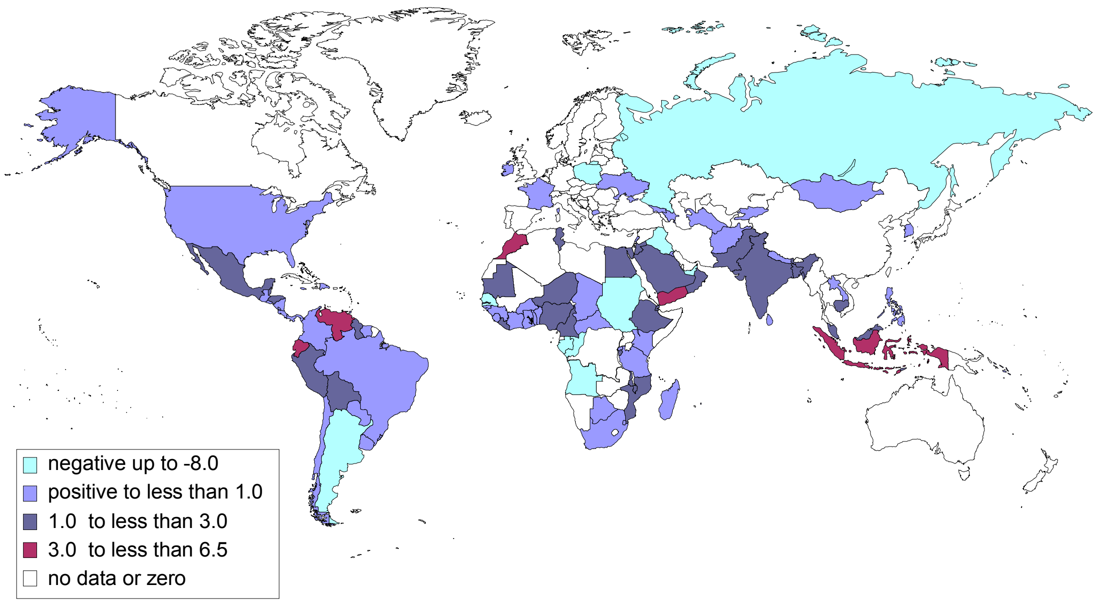
	June paper		Recent update	
	Number of countries	Median fiscal cost (% GDP)	Number of countries	Median fiscal cost (% GDP)
Fuel				
Tax decreases	37	0.3	43	0.4
Subsidy increases	29	0.7	36	1.0
Food				
Tax decreases	84	0.1	92	0.1
Subsidy increases	22	0.2	29	0.2
Other responses				
Transfers	39	0.2	43	0.2
Public wages and pensions	10	0.6	15	0.6
Total fiscal cost	79	0.6	92	0.7

Note: The fiscal cost of fuel tax decreases and higher fuel subsidies account, on average, for 63 percent of the total increase in fiscal cost since 2006.
Source: Staff estimates based on data provided by country teams and authorities.

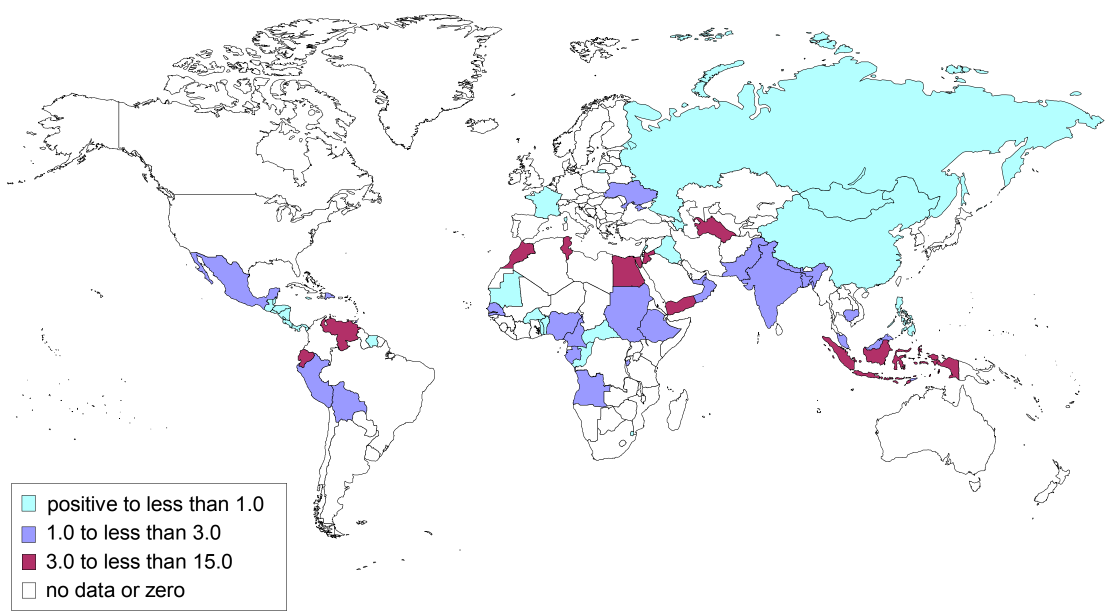
18. **As reported in a recent Board paper, rising fuel and food subsidies are likely to exert fiscal pressure in a number of countries.**[6] The combined fiscal cost of these subsidies in 2008 is expected to exceed 2 percent of GDP in 24 countries (Figure below, lower panel). Fuel subsidies present the greater fiscal challenge, as they comprise the bulk of total food and fuel subsidies. These subsidies are almost always poorly targeted; a shift—gradual, if need be—to better targeted programs could protect the poor in a more cost-effective manner. In fuel importing countries, decreases in world fuel prices from recent peak levels would reduce the fiscal burden of subsidies, as long as the decreases are not passed through to consumers and the exchange rate against the dollar does not depreciate. The fiscal cost of subsidies would also fall for oil exporting countries, but this effect would be offset by the loss of revenue from oil exports.

[6] *Fuel and Food Price Subsidies—Issues and Reform Options,* SM/08/299 (September 9, 2008).

Total Increase in Fiscal Cost Arising from Changes in Taxes, Subsidies, Transfers, Public Sector Wages, and Pensions as a Percent of GDP, 2006 to 2008



Total Fuel and Food Subsidies as a Percent of GDP, 2008



B. Monetary, Exchange Rate, and Trade Policies

19. **Aversion to nominal exchange rate flexibility continues to be strong in many countries that can seemingly least afford it.** As a consequence, a large number of countries with de jure floating exchange rates has experienced an appreciation of the real effective exchange rate (REER) at a time when negative terms of trade shocks would call for a depreciation. Appreciation of the REER has been particularly pronounced in Cambodia and Sri Lanka (Appendix II Table 1). A smaller group of countries has allowed some—mostly modest—depreciation of their currencies, which helped to broadly stabilize their REERs . Countries that use an exchange rate anchor to control inflation face trade-offs, in particular those countries that do not have in place an alternative framework for conducting monetary policy.

20. **Bucking the broader trend, some countries have allowed a substantial turnaround in their currencies this year, relative to 2007**. These countries have broadly adequate reserves and had allowed their currencies to appreciate substantially against the U.S. dollar during 2007. By contrast, nominal depreciation so far this year has contributed to a median real effective depreciation of close to 3 percent for these five countries.

21. **Some low- and middle-income countries that experienced large net inflows witnessed a substantial appreciation of their currencies from January 2007 to June 2008**. These countries have broadly adequate reserves. Among these countries, Argentina, Mongolia, Papua New Guinea, and to a certain extent Uganda experienced an appreciation of their currencies by virtue of higher international commodity prices. Other countries were recipients of large remittances and other capital inflows, which cushioned the impact of the food and fuel price shock (Armenia and the Kyrgyz Republic).

22. **A few major exporters have started to relax some export restrictions**; Vietnam and Kazakhstan have recently allowed export bans to expire on rice and wheat, respectively, and the Ukraine has increased quotas on wheat exports.

V. Fund Financial Support

23. **Fund financial support to help countries manage the impact of the fuel and food price shocks is ongoing, in collaboration with international partners.** The Fund's balance of payments support is being delivered through a variety of channels:

- **New PRGF arrangements**: Two new PRGF arrangements were recently approved for Burundi and Djibouti, raising to four the number of new arrangements approved in connection with the food and fuel price shocks.

- **Augmentation of existing PRGF arrangements**: More countries are making use of increased access under existing arrangements, which provide a readily available vehicle for covering unexpected balance of payments financing needs. In addition to the six countries reported in the June paper, four more countries were since granted augmentations: Grenada, Guinea, Malawi, and Nicaragua. The amounts granted in the form of augmentations under new and existing PRGF arrangements total over U.S.$230 million (Table 6).

- **Exogenous Shocks Facility (ESF)**: The ESF is intended to provide quick access to concessional support for low-income countries facing short-term, shock-related financing needs. Modifications to this facility are currently under consideration, in order to enable more rapid financing and streamlined requirements for access. The Executive Board is scheduled to consider the proposed modifications to the ESF on September, 19. Several members have expressed an interest in requesting Fund financial assistance under a modified ESF.

Table 6. Additional Financing Under PRGF Arrangements

Related to Food and Fuel Price Shocks

(in millions of US dollars)

Under new PRGF arrangements	**2008**
Burundi	17.9
Djibouti	3.7
Mali	28.9
Niger	14.5
Under existing PRGF arrangements	
Benin	14.4
Burkina Faso	14.0
Central African Republic	12.9
Grenada	2.3
Guinea	33.2
Haiti	25.4
Kyrgyz Republic	13.8
Madagascar	28.4
Malawi	16.1
Nicaragua	10.1
Total	235.4

Comparison of the Results from the June paper and the Latest WEO Outlook

The "shock" scenario presented in the June paper broadly matches the latest balance of payments outlook in some key respects:

- Staff's simulation in the June paper considered fuel and food prices being sustained for the year at about 20 percent above their Spring 2008 WEO levels (an average price of U.S.$112 for oil instead of U.S.$95). The September WEO projects oil prices to average U.S.$113, very close to the "shock" scenario of the June paper.

- For food, the latest assumption is that prices remain about 11 percent above their levels in early 2008, somewhat lower than the 20 percent potential shock considered.

- With these price projections, the number of potentially vulnerable PRGF-eligible countries in 2008 (identified on the basis of a drop in reserve cover to less than three months of imports) is now expected to be 33, compared with 36 countries in the simulation exercise (see Table). The number of MICs considered vulnerable by this same metric is 17 compared to 22 in the simulation exercise.

- The countries that are now expected to have a drop in reserves larger than ½ month of imports is, however, smaller than indicated under the shock scenario in the June paper. This in part reflects country policy responses and adjustments that have occurred in the meantime, which include increased net inflows from remittances, foreign direct investment, and external borrowing.[7]

[7] Staff's simulations in SM/08/112 had, by construction, focused *only* on food and fuel price impacts to the exclusion of other BOP developments; the intention was to highlight the severity of the price shocks in the absence of any volume, policy, or other adjustments and offsets.

BOP Impacts of Fuel and Food Shocks in 2008

(June staff paper projections vs latest estimated outturns)

	June paper shock scenario vs Spring 2008 WEO baseline[1]	September 2008 WEO projections vs Spring 2008 WEO baseline
Number of countries impacted		
Low reserves cases [2]		
PRGF-eligible	36	33
Middle-income	22	17
Highly impacted cases [3]		
PRGF-eligible	30	15
Middle-income	20	15
Memo items:		
2008 prices (in US dollars)	Oil	Food index
June staff paper baseline	95.0	150.4
June staff paper shock scenario	112.0	180.5
September 2008 WEO outlook	113.3	167.3

Notes:

[1] Data for 2008 were not shown in the June paper, but are reported for comparisons.

[2] Reserve cover below 3 months of imports.

[3] Drop in reserves larger than 0.5 months of imports.

Table 1: Impact of Combined Fuel and Food Price Increases in 2008

	Highly impacted PRGF-eligible countries in 2008 (based on reserves loss above 0.5 months)				Low reserves PRGF-eligible countries (after price effects) in 2008 (based on reserves below 3 months)			
	June Staff Paper		Latest WEO outlook		June Staff Paper		Latest WEO outlook	
	Country	Res loss	Country	Res loss	Country	Res level	Country	Res level
TOTAL	30	...	15	...	36	...	33	...
	1 Afghanistan, I.R. of	-2.0	1 Afghanistan, I.R. of	-6.1	1 Bangladesh	2.0	1 Bangladesh	2.8
	2 **Armenia**	-0.5	2 Benin	-3.1	2 **Burundi**	2.7	2 Cambodia	2.3
	3 Benin	-1.4	3 *Bhutan*	-1.0	3 Cambodia	2.7	3 Central African Rep.	1.5
	4 **Bolivia**	-0.5	4 *Cambodia*	-0.7	4 **Cape Verde**	3.0	4 Congo, Dem. Rep. of	0.0
	5 **Burundi**	-0.6	5 Comoros	-1.8	5 Central African Rep.	1.0	5 *Côte d'Ivoire*	2.6
	6 **Cape Verde**	-0.7	6 India	-1.5	6 Congo, Dem. Rep. of	-0.2	6 Djibouti	2.2
	7 **Central African Rep.**	-0.6	7 Mongolia	-1.2	7 Djibouti	1.7	7 Dominica	2.4
	8 Comoros	-1.3	8 Nepal	-0.7	8 Dominica	2.0	8 Eritrea	0.8
	9 **Djibouti**	-0.5	9 *Papua New Guinea*	-1.5	9 Eritrea	-0.1	9 Ethiopia	1.6
	10 **Dominica**	-0.6	10 São Tomé & Príncipe	-2.8	10 Ethiopia	1.5	10 Georgia	2.4
	11 **Eritrea**	-0.9	11 Solomon Islands	-2.3	11 Georgia	2.0	11 Ghana	2.4
	12 **Grenada**	-0.6	12 Tonga	-0.5	12 Ghana	2.0	12 Guinea	0.7
	13 **Haiti**	-0.8	13 *Uzbekistan*	-4.5	13 **Grenada**	2.7	13 Guyana	2.5
	14 India	-0.9	14 *Vanuatu*	-1.0	14 Guinea	-0.2	14 Haiti	2.4
	15 **Kenya**	-0.8	15 *Yemen, Republic of*	-0.6	15 Guyana	2.8	15 Honduras	2.7
	16 **Kyrgyz Republic**	-0.7			16 Haiti	1.8	16 *Lao People's Dem.Rep*	2.9
	17 **Liberia**	-0.8			17 Honduras	2.8	17 Liberia	0.7
	18 Mongolia	-0.9			18 **Kenya**	2.4	18 Madagascar	2.1
	19 **Mozambique**	-0.9			19 **Kyrgyz Republic**	2.5	19 Malawi	0.9
	20 Nepal	-0.6			20 Liberia	0.3	20 Maldives	2.3
	21 **Pakistan**	-0.7			21 Madagascar	2.2	21 Mauritania	1.6
	22 **Rwanda**	-0.6			22 Malawi	0.4	22 Nicaragua	2.4
	23 São Tomé & Príncipe	-1.0			23 Maldives	-1.4	23 Pakistan	2.8
	24 **Senegal**	-0.7			24 Mauritania	1.5	24 *Samoa*	2.7
	25 Solomon Islands	-0.5			25 **Moldova**	2.8	25 *Solomon Islands*	1.9
	26 **Sri Lanka**	-0.7			26 Nicaragua	2.3	26 Sri Lanka	2.2
	27 **St. Lucia**	-0.8			27 Pakistan	2.0	27 St. Lucia	2.0
	28 **Tanzania**	-0.8			28 **Senegal**	3.0	28 St. Vincent & Grens.	2.2
	29 **Togo**	-0.7			29 Sri Lanka	2.0	29 Sudan	1.9
	30 Tonga	-1.5			30 St. Lucia	1.5	30 *Tajikistan*	0.7
					31 St. Vincent & Grens.	1.9	31 Togo	2.5
					32 Sudan	2.8	32 Tonga	2.6
					33 Togo	1.7	33 Vietnam	2.8
					34 Tonga	1.6		
					35 Vietnam	2.7		
					36 **Zambia**	2.4		

Note: Bolded countries were expected to be highly impacted in the June simulation, but are not under the current outlook. Italized countries represent those countries that were not previously expected to be highly impacted.

Table 2: Impact of a Simulated Fuel Price Shock in 2009: PRGF-Eligible Countries

	Baseline	
Country	CA [2]	Reserves [3]
Countries with large reserve losses (13) [4/]		
Benin	-8.8	6.9
Central African Rep.	-7.7	1.6
Ghana	-7.9	2.1
Kenya	-3.5	3.0
Pakistan	-6.1	2.8
Rwanda	-13.1	4.5
Samoa	-8.4	2.0
São Tomé & Príncipe	-38.3	3.3
Sierra Leone	-5.9	3.7
Solomon Islands	-35.1	1.1
Tanzania	-12.6	3.4
Uganda	-9.3	6.1
Vanuatu	-13.2	4.7
Countries with low reserve levels (32)		
Bangladesh	0.6	2.7
Cambodia	-7.9	2.5
Central African Rep.	-7.7	1.6
Congo, Dem. Rep. of	-24.6	0.1
Côte d'Ivoire	-1.9	2.7
Djibouti	-32.9	1.8
Dominica	-25.5	2.4
Eritrea	-5.5	0.7
Ethiopia	-6.2	1.9
Georgia	-13.2	2.2
Ghana	-7.9	2.1
Guinea	-6.4	1.4
Guyana	-19.3	2.8
Haiti	-2.8	2.5
Honduras	-9.4	2.7
Liberia	-44.8	0.8
Madagascar	-18.4	2.8
Malawi	-4.4	1.5
Maldives	-37.0	2.3
Mauritania	-3.0	1.5
Nicaragua	-25.4	2.5
Pakistan	-6.1	2.8
Samoa	-8.4	2.0
Solomon Islands	-35.1	1.1
Sri Lanka	-8.2	2.2
St. Lucia	-26.7	1.9
St. Vincent & Grens.	-22.3	2.1
Sudan	-4.3	2.2
Tajikistan	-7.1	0.9
Togo	-8.5	2.7
Tonga	-8.7	2.7
Vietnam	-10.4	2.7
Other countries (33)		
Albania	-7.6	3.7
Angola	21.6	9.5
Armenia	-5.0	4.5
Azerbaijan, Rep. of	45.5	7.9
Bhutan	2.8	10.4
Bolivia	8.1	18.3
Burkina Faso	-10.7	4.9
Burundi	-12.2	4.4
Cameroon	-0.4	6.5
Cape Verde	-12.8	3.7
Chad	2.8	4.6
Comoros	-9.6	5.5
Congo, Republic of	21.7	15.1
Gambia, The	-13.1	4.2
Grenada	-32.4	3.2
Guinea-Bissau	-11.6	7.1
India	-3.7	8.8
Kyrgyz Republic	-4.4	3.2
Lao People's Dem.Rep	-19.2	3.6
Lesotho	0.1	8.8
Mali	-6.7	5.6
Moldova	-19.9	3.4
Mongolia	-12.6	3.1
Mozambique	-8.9	3.9
Myanmar	4.9	11.1
Nepal	1.7	6.0
Niger	-19.1	3.9
Nigeria	6.3	14.0
Papua New Guinea	7.2	5.0
Senegal	-11.1	3.8
Uzbekistan	12.9	12.3
Yemen, Republic of	3.1	9.3
Zambia	-2.6	4.5

	2009 Simulated Lower Oil Price Shock [1]	
Country	CA [2]	Reserves [3]
Countries with large reserve losses (9) [4/]		
Azerbaijan, Rep. of	40.7	3.7
Benin	-7.9	7.6
Comoros	-10.7	5.1
Ghana	-6.4	2.5
Pakistan	-5.4	3.2
São Tomé & Príncipe	-36.7	3.6
Solomon Islands	-32.0	1.7
Sudan	-7.3	0.7
Uganda	-8.8	6.3
Countries with low reserve levels (26)		
Bangladesh	1.1	2.9
Cambodia	-5.9	2.9
Central African Rep.	-7.2	1.9
Congo, Dem. Rep. of	-24.5	0.1
Côte d'Ivoire	-2.9	2.5
Djibouti	-31.7	2.0
Dominica	-24.1	2.7
Eritrea	-3.8	1.3
Ethiopia	-5.4	2.2
Georgia	-12.7	2.3
Ghana	-6.4	2.5
Guinea	-5.2	1.8
Haiti	-1.7	2.9
Honduras	-7.8	3.0
Liberia	-41.3	1.0
Malawi	-3.8	1.7
Maldives	-33.6	2.8
Mauritania	-6.0	1.0
Nicaragua	-23.1	2.9
Samoa	-6.4	2.4
Solomon Islands	-32.0	1.7
Sri Lanka	-7.3	2.6
St. Lucia	-25.5	2.1
St. Vincent & Grens.	-21.3	2.3
Sudan	-7.3	0.7
Vietnam	-10.6	2.7
Other countries (40)		
Albania	-7.2	3.8
Angola	13.7	6.5
Armenia	-4.8	4.5
Bhutan	3.8	10.7
Bolivia	8.0	18.4
Burkina Faso	-10.0	5.3
Burundi	-11.2	4.7
Cameroon	-1.5	6.1
Cape Verde	-11.7	3.9
Chad	-2.0	6.1
Congo, Republic of	14.3	13.4
Gambia, The	-12.5	4.3
Grenada	-31.2	3.5
Guinea-Bissau	-10.4	7.5
Guyana	-14.2	3.3
India	-3.0	9.4
Kenya	-2.7	3.4
Kyrgyz Republic	-2.5	3.6
Lao People's Dem.Rep	-18.0	3.9
Lesotho	1.0	8.9
Madagascar	-17.6	3.1
Mali	-5.8	6.1
Moldova	-18.7	3.5
Mongolia	-10.4	3.5
Mozambique	-7.8	4.3
Myanmar	4.9	11.1
Nepal	2.5	6.3
Niger	-18.5	4.1
Nigeria	2.2	12.8
Papua New Guinea	5.5	4.7
Rwanda	-12.4	4.8
Senegal	-10.6	4.0
Sierra Leone	-4.8	4.2
Tanzania	-11.2	3.9
Togo	-5.9	3.2
Tonga	-6.0	3.2
Uzbekistan	12.9	12.3
Vanuatu	-12.6	4.9
Yemen, Republic of	1.6	9.1
Zambia	-1.8	4.9

	2009 Simulated High Oil Price Shock [1]	
Country	CA [2]	Reserves [3]
Countries with large reserve losses (21) [4/]		
Benin	-9.6	6.3
Burkina Faso	-11.3	4.5
Central African Rep.	-8.2	1.3
Djibouti	-34.0	1.6
Eritrea	-7.1	0.2
Ghana	-9.3	1.8
India	-4.4	8.3
Kenya	-4.2	2.7
Mali	-7.5	5.2
Mongolia	-14.7	2.6
Mozambique	-9.9	3.6
Pakistan	-6.8	2.4
Rwanda	-13.7	4.2
Samoa	-10.3	1.6
São Tomé & Príncipe	-39.8	3.0
Sierra Leone	-7.1	3.2
Solomon Islands	-38.1	0.7
Tanzania	-13.8	3.0
Tonga	-11.3	2.2
Uganda	-9.7	5.9
Vanuatu	-13.8	4.5
Countries with low reserve levels (36)		
Bangladesh	0.1	2.5
Cambodia	-9.9	2.2
Central African Rep.	-8.2	1.3
Congo, Dem. Rep. of	-24.7	0.1
Côte d'Ivoire	-1.0	2.8
Djibouti	-34.0	1.6
Dominica	-26.8	2.1
Eritrea	-7.1	0.2
Ethiopia	-6.9	1.6
Georgia	-13.7	2.0
Ghana	-9.3	1.8
Grenada	-33.5	2.9
Guinea	-7.6	1.1
Guyana	-24.2	2.3
Haiti	-3.8	2.1
Honduras	-11.0	2.5
Kenya	-4.2	2.7
Kyrgyz Republic	-6.1	2.9
Liberia	-48.1	0.5
Madagascar	-19.2	2.5
Malawi	-5.1	1.3
Maldives	-40.3	1.9
Mauritania	-0.3	2.0
Mongolia	-14.7	2.6
Nicaragua	-27.6	2.2
Pakistan	-6.8	2.4
Samoa	-10.3	3.0
São Tomé & Príncipe	-39.8	1.6
Solomon Islands	-38.1	0.7
Sri Lanka	-9.2	1.9
St. Lucia	-27.7	1.7
St. Vincent & Grens.	-23.4	1.9
Tanzania	-13.8	3.0
Togo	-10.9	2.2
Tonga	-11.3	2.2
Vietnam	-10.3	2.7
Other countries (27)		
Albania	-7.6	-7.6
Angola	27.9	12.4
Armenia	-5.2	4.4
Azerbaijan, Rep. of	49.4	11.9
Bhutan	1.8	10.0
Bolivia	8.2	18.1
Burundi	-13.2	4.0
Cameroon	0.6	7.0
Cape Verde	-13.9	3.6
Chad	6.9	8.8
Comoros	-8.6	5.8
Congo, Republic of	27.7	16.6
Gambia, The	-13.6	4.0
Guinea-Bissau	-12.7	6.7
Lao People's Dem.Rep	-20.3	3.3
Lesotho	-0.7	8.6
Moldova	-21.1	3.2
Myanmar	4.9	11.1
Nepal	1.1	5.6
Niger	-19.7	3.7
Nigeria	9.8	15.1
Papua New Guinea	8.7	5.2
Senegal	-11.6	3.6
Sudan	-1.5	3.7
Uzbekistan	12.9	12.3
Yemen, Republic of	4.5	9.5
Zambia	-3.4	4.1

Source: World Economic Outlook and Staff's calculations.
Note: Countries in italics appear in more than one category.
[1] The shock simulated for "high oil prices" uses the highest monthly peak oil price actually observed in 2008. The shock simulated for "lower oil prices" uses a year average price of $104.
[2] Current account in percent of GDP.
[3] Reserves in months of next years' imports of goods and services.
[4] A large reserves loss is defined as a drop in reserves greater than 0.5 months of imports (vs 2007), and low reserves as below 3 months of imports.

Table 3: Impact of a Simulated Fuel Price Shock in 2009: Middle-Income Countries

	Baseline	
Country	CA [2]	Reserves [3]
Countries with large reserve losses (10) [4]		
Dominican Republic	-8.5	1.0
Egypt	-0.7	5.0
Equatorial Guinea	1.5	10.1
Jamaica	-11.9	1.9
Jordan	-16.8	3.2
Lithuania	-9.7	0.8
Serbia, Republic of	-18.3	4.8
Syrian Arab Republic	-5.5	9.0
Ukraine	-11.8	2.7
Venezuela, Rep. Bol.	5.0	5.3
Countries with low reserve levels (19)		
Antigua and Barbuda	-14.6	2.1
Bahamas, The	-13.3	0.9
Belarus	-7.7	1.5
Belize	-5.6	1.4
Costa Rica	-6.1	2.8
Czech Republic	-2.9	2.2
Dominican Republic	-8.5	1.0
El Salvador	-6.0	2.5
Fiji	3.9	0.8
Hungary	-5.4	1.8
Jamaica	-11.9	1.9
Lithuania	-9.7	0.8
Namibia	10.0	2.6
Panama	-12.9	2.4
Seychelles	-18.6	0.8
Slovak Republic	-4.7	2.8
St. Kitts and Nevis	-29.9	2.8
Ukraine	-11.8	2.7
Other countries (47)		
Algeria	20.6	41.0
Argentina	-1.0	7.6
Bahrain, Kingdom of	21.3	5.1
Barbados	-8.3	3.3
Bosnia & Herzegovina	-13.5	3.9
Botswana	8.3	27.9
Brazil	-2.3	11.0
Bulgaria	-21.3	6.3
Chile	-1.3	4.4
China,P.R.: Mainland	10.5	17.7
Colombia	-2.9	5.2
Croatia	-9.7	4.5
Ecuador	4.4	3.7
Gabon	23.1	9.0
Guatemala	-6.3	3.2
Indonesia	0.8	5.3
Iran, I.R. of	8.4	15.8
Kazakhstan	6.9	5.1
Kuwait	53.2	5.0
Latvia	-7.3	3.3
Lebanon	-12.6	6.6
Libya	35.3	46.5
Macedonia, FYR	-11.3	3.5
Malaysia	12.9	8.3
Malta	-6.2	4.8
Mauritius	-5.8	4.4
Mexico	-1.6	3.3
Morocco	-1.4	6.7
Oman	15.7	5.6
Paraguay	1.0	4.3
Peru	-0.7	12.5
Philippines	0.4	5.1
Poland	-5.7	3.5
Qatar	45.5	3.4
Romania	-13.9	4.6
Russia	5.3	17.4
Saudi Arabia	33.6	26.8
South Africa	-9.6	3.3
Suriname	2.6	4.2
Swaziland	-1.6	3.3
Thailand	-0.8	5.8
Trinidad and Tobago	34.2	16.3
Tunisia	-3.3	3.8
Turkey	-8.5	3.7
Turkmenistan	30.1	32.3
United Arab Emirates	27.4	6.3
Uruguay	-2.2	7.5

	2009 Simulated Lower Oil Price Shock [1]	
Country	CA [2]	Reserves [3]
Countries with large reserve losses (12) [4]		
Colombia	-3.4	4.8
Dominican Republic	-10.0	0.6
Egypt	-2.3	4.5
Equatorial Guinea	-10.1	7.3
Jordan	-14.5	3.5
Kuwait	48.9	2.1
Lithuania	-9.1	0.9
Qatar	40.8	0.7
Serbia, Republic of	-17.0	5.2
Syrian Arab Republic	-5.7	9.1
Ukraine	-10.9	2.9
Venezuela, Rep. Bol.	2.1	3.8
Countries with low reserve levels (21)		
Antigua and Barbuda	-13.4	2.3
Bahamas, The	-12.0	1.2
Belarus	-7.8	1.5
Belize	-5.3	1.4
Costa Rica	-5.1	3.0
Czech Republic	-2.4	2.3
Dominican Republic	-10.0	0.6
El Salvador	-7.3	2.2
Fiji	5.0	1.1
Hungary	-4.2	1.9
Jamaica	-10.1	2.3
Kuwait	48.9	2.1
Lithuania	-9.1	0.9
Namibia	11.0	2.8
Panama	-12.2	2.7
Qatar	40.8	0.7
Seychelles	-17.7	0.9
Slovak Republic	-3.7	3.0
St. Kitts and Nevis	-29.3	2.9
Ukraine	-10.9	2.9
Other countries (42)		
Algeria	15.6	38.9
Argentina	-1.1	7.6
Bahrain, Kingdom of	16.4	4.5
Barbados	-7.0	3.5
Bosnia & Herzegovina	-12.5	4.1
Botswana	9.1	28.7
Bulgaria	-20.3	6.6
Chile	-0.8	4.6
China,P.R.: Mainland	11.0	18.0
Croatia	-9.1	4.7
Ecuador	2.3	3.1
Gabon	19.4	7.5
Guatemala	-5.3	3.6
Indonesia	1.1	5.6
Iran, I.R. of	6.0	14.5
Kazakhstan	3.3	4.0
Latvia	-6.9	3.4
Libya	30.4	44.4
Macedonia, FYR	-10.2	3.7
Malaysia	12.5	8.3
Malta	-4.9	5.0
Mauritius	-4.4	4.8
Mexico	-1.9	3.3
Morocco	0.3	7.3
Oman	10.3	3.9
Paraguay	1.7	4.6
Peru	-0.5	12.8
Philippines	1.3	5.5
Poland	-5.2	3.6
Romania	-13.7	4.7
Russia	3.7	16.6
Saudi Arabia	29.6	24.9
South Africa	-9.0	3.6
Suriname	2.6	4.3
Swaziland	0.1	3.6
Thailand	1.2	6.2
Trinidad and Tobago	30.4	15.6
Tunisia	-3.3	3.9
Turkey	-7.8	4.1
Turkmenistan	28.7	31.7
United Arab Emirates	22.8	5.3
Uruguay	-1.6	7.9

	2009 Simulated High Oil Price Shock [1]	
Country	CA [2]	Reserves [3]
Countries with large reserve losses (14) [4]		
Bahamas, The	-14.6	0.7
Barbados	-9.5	3.0
Bosnia & Herzegovina	-14.4	3.7
Costa Rica	-7.0	2.7
Dominican Republic	-7.0	1.4
Egypt	0.7	5.5
Jamaica	-13.6	1.6
Jordan	-19.0	2.9
Lithuania	-10.3	0.7
Malta	-7.5	4.5
Serbia, Republic of	-19.5	4.5
Syrian Arab Republic	-5.3	8.8
Turkey	-9.3	3.4
Ukraine	-12.5	2.5
Countries with low reserve levels (22)		
Antigua and Barbuda	-15.7	1.9
Bahamas, The	-14.6	0.7
Belarus	-7.6	1.5
Belize	-5.9	1.3
Costa Rica	-7.0	-2.7
Czech Republic	-3.4	2.1
Dominican Republic	-7.0	1.4
El Salvador	-4.9	2.8
Fiji	2.8	0.5
Guatemala	-7.3	2.9
Hungary	-6.5	1.6
Jamaica	-13.6	1.6
Jordan	-19.0	2.9
Lithuania	-10.3	0.7
Namibia	9.2	2.4
Panama	-13.7	2.2
Seychelles	-19.4	0.7
Slovak Republic	-5.5	2.7
St. Kitts and Nevis	-30.5	2.6
Swaziland	-3.2	3.0
Ukraine	-12.5	2.5
Other countries (41)		
Algeria	24.8	43.1
Argentina	-0.9	7.6
Bahrain, Kingdom of	25.5	5.7
Botswana	7.6	27.2
Bulgaria	-22.3	6.0
Chile	-1.8	4.2
China,P.R.: Mainland	10.1	17.3
Colombia	-2.4	5.5
Croatia	-10.3	4.3
Ecuador	6.3	4.3
Equatorial Guinea	10.5	12.7
Gabon	26.3	10.5
Indonesia	0.5	5.1
Iran, I.R. of	10.6	17.1
Kazakhstan	10.0	6.2
Kuwait	56.7	7.8
Latvia	-7.7	3.2
Libya	39.4	48.4
Macedonia, FYR	-12.3	3.3
Malaysia	13.3	8.2
Mauritius	-7.1	4.1
Mexico	-1.4	3.3
Morocco	-3.0	6.2
Oman	20.3	7.2
Paraguay	0.3	4.1
Peru	-0.9	12.3
Philippines	-0.4	4.8
Poland	-6.1	3.3
Qatar	49.3	6.0
Romania	-14.1	4.4
Russia	6.8	18.2
Saudi Arabia	37.0	28.5
South Africa	-10.3	3.1
Suriname	2.5	4.1
Thailand	-2.8	5.4
Trinidad and Tobago	37.4	16.9
Tunisia	-3.3	3.7
Turkmenistan	31.4	32.8
United Arab Emirates	31.3	7.3
Uruguay	-2.9	7.1
Venezuela, Rep. Bol.	7.7	6.7

Source: World Economic Outlook and Staff's calculations.
Note: Countries in italics appear in more than one category.

[1] The shock simulated for "high oil prices" uses the highest monthly peak oil price actually observed in 2008. The shock simulated for "lower oil prices" uses a year average price of $104.

[2] Current account in percent of GDP.

[3] Reserves in months of next years' imports of goods and services.

[4] A large reserves loss is defined as a drop in reserves greater than 0.5 months of imports (vs 2007), and low reserves as below 3 months of imports.

Table 1. Changes in Nominal U.S. dollar Exchange Rates and the REER, and the Level and Projected Change of Reserves [1 2]
(in percent, unless otherwise indicated)

Turnarounds: Countries with a depreciation vis-à-vis the U.S. dollar during first 4 months of 2008 following appreciation during 2007

	2007	7 mo. 2008	Turnaround	Changes in the REER (eop)		Baseline reserves	Shocks effect
	(1)	(2)	(2)-(1)	2007	6 mo. 2008	(months of imports)	
Haiti	2.2	-7.5	-9.7	6.0	0.7	2.7	-1.4
India	12.3	-7.2	-19.5	7.8	-7.4	10.1	-1.1
Philippines	18.7	-6.2	-24.9	15.5	-2.8	5.2	-0.8
South Africa	2.3	-7.1	-9.4	-0.7	-20.1	3.4	-0.6
Tanzania	11.4	-2.7	-14.1	5.5	-1.6	4.2	-0.4
Median	11.4	-7.1	-14.1	6.0	-2.8	4.2	-0.8

Ongoing appreciations: Countries with an ongoing appreciation vis-à-vis the U.S. dollar (in percent)

	2007	7 mo. 2008	Sum	Changes in the REER (eop)		Baseline reserves [1]	Shocks effect [2]
	(1)	(2)	(1)+(2)	2007	6 mo. 2008	(months of imports)	
Armenia	19.5	1.1	20.6	14.5	3.0	4.5	-0.8
Argentina	-2.8	3.5	0.7	-6.9	-0.1	9.2	1.8
Kyrgyz Republic	7.4	1.0	8.4	15.5	4.6	3.2	-1.2
Mongolia	-0.4	1.0 [3]	0.6	5.4	17.9	4.4	-1.7
PNG	6.8	8.2	15.0	0.7	4.6	6.7	1.0
Uganda	2.2	3.4	5.7	-4.3	-0.5	6.1	-0.2
Median	4.5	2.3	7.0	3.1	3.8	5.3	-0.5

Ongoing depreciations: Countries with an ongoing depreciation vis-à-vis the U.S. dollar (in percent)

	2007	7 mo. 2008	Sum	Changes in the REER (eop)		Baseline reserves	Shocks effect
	(1)	(2)	(1)+(2)	2007	6 mo. 2008	(months of imports)	
Ethiopia	-4.6	-3.9 [3]	-8.5	1.9	19.9	1.8	-0.5
Ghana	-4.8	-16.0	-20.8	-2.9	-1.3	2.1	-0.7
Guyana	-1.2	-0.2 [3]	-1.5	4.3	-0.9	2.7	-0.1
Jamaica	-5.1	-2.0	-7.1	2.5	6.3	2.1	-1.4
Nicaragua	-4.8	-2.4 [3]	-7.2	3.4	3.5	1.7	-0.2
Pakistan	-0.5	-14.4	-14.9	-0.4	-1.6	2.8	-1.4
Sao Tome and Principe	-9.0	-0.8 [3]	-9.8	5.8	1.3	6.0	-1.5
Uzbekistan	-3.9	-1.5 [3]	-5.4	-8.2	-4.3	17.5	0.3
Median	-4.7	-2.2	-7.8	2.2	0.2	2.4	-0.6

Stable exchange rates in high-impact countries

	2007	7 mo. 2008	Sum	Changes in the REER (eop)		Baseline reserves	Shocks effect
	(1)	(2)	(1)+(2)	2007	6 mo. 2008	(months of imports)	
Bangladesh	0.7	0.1	0.8	5.2	-3.5	2.4	-0.7
Cambodia	1.5	-2.3 3/	-0.8	4.8	8.5	2.9	-0.7
Dominican Republic	-1.6	-0.8	-2.4	1.1	1.0	2.3	-1.3
Guatemala	-0.1	2.7	2.6	1.1	4.0	3.4	-0.8
Liberia	-4.8	-1.3 3/	-6.1	...	...	1.1	-1.5
Malawi	-0.7	-0.1	-0.8	...	...	1.5	-1.0
Solomon Islands	-0.6	0.0 3/	-0.6	0.4	1.9	3.3	-0.8
Sierra Leone	-0.1	0.2 3/	0.1	1.9	3.7	3.7	-1.5
Sri Lanka	-0.9	1.1	0.2	8.8	11.4	2.6	-1.2
Tajikistan	-1.1	1.1	0.0	4.1	0.0	0.9	-0.5
Median	-0.7	0.0	-0.3	3.0	2.8	2.5	-0.9
Memorandum item							
Euro-area	11.8	6.0	17.8	4.3	3.2		

Sources: IFS and IMF staff.

1/ Level of reserves projected for 2009 in the Spring 2008 WEO (see Table 1a and 1b in the Appendix of the June paper)
2/ Impact of the higher food and fuel prices on reserves as projected in Table 1a and 1b in the Appendix of the June paper.
3/ Through June 2008