



ECONOMY

The data in the *Economy* section provide a picture of the global economy and the economic activity of more than 200 countries and territories that produce, trade, and consume the world's output. The indicators measure changes in the size and structure of the global economy and the effects of these changes on national economies. They include measures of macroeconomic performance (gross domestic product [GDP], consumption, investment, and international trade), stability (central government budgets, prices, the money supply, and the balance of payments), and broader measures of income and savings adjusted for pollution, depreciation, and depletion of resources.

In 2010 the world economy grew 4.2 percent, a quick rebound from 2.3 percent in 2009 and well above the annual average of 2.9 percent since 2000. Total output measured in GDP at current prices increased more than \$10 trillion. Upper middle-income economies, including China, were affected by slowing investment and widespread uncertainty in financial markets but still grew 7.8 percent. Lower middle-income economies grew 6.9 percent, and low-income economies grew 5.9 percent. High-income economies, accounting for 68 percent of the world's GDP, grew 3.1 percent in 2010. Developing economies grew faster over the last decade than in the previous two and faster than high-income economies. World output in 2010 reached \$63 trillion, measured in GDP at current prices—a nominal increase of 96 percent increase over 2000. Developing economies' share of global output increased from 18 percent to 31 percent. The developing economies in East Asia and Pacific grew the most, quadrupling their output and more than doubling their share of global output from 5 percent to 12 percent.

The accuracy of GDP estimates and their comparability across countries depend on timely revisions to data on GDP and its components. The frequency of revisions to GDP data varies: some countries revise numbers monthly, others quarterly or annually, and others less frequently. Such revisions are usually small and based on additional information received during the year. However, in some cases larger revisions are required because of new methodologies, changes to the base year, or changes in coverage. Comprehensive revisions of GDP data usually result in upward adjustments as improved data sources increase the coverage of the economy and as new weights for growing industries more accurately reflect their contributions to the economy. Revisions to data can lead to changes in income or lending classification, but such changes have been rare.

Revisions to GDP data may cause breaks in series unless they are applied consistently to historical data. For constant price series a break caused by rebasing can be eliminated by linking the old series to the new using historical growth rates. But for nominal GDP data a break in the time series cannot be avoided unless the statistics office revises historical series. Other data series are affected by revisions to GDP. Because rebasing real GDP and its components leaves the pre-base year current price series unchanged, the GDP deflator calculated from these two series is skewed for pre-base years. Other series affected by the break in GDP are fiscal indicators expressed as a percentage of GDP. When nominal GDP is revised upward, the ratio of revenue and expenditure to GDP look smaller than previously reported. Information on significant revisions and breaks in series will be included in the next release of the World Development Indicators database.

