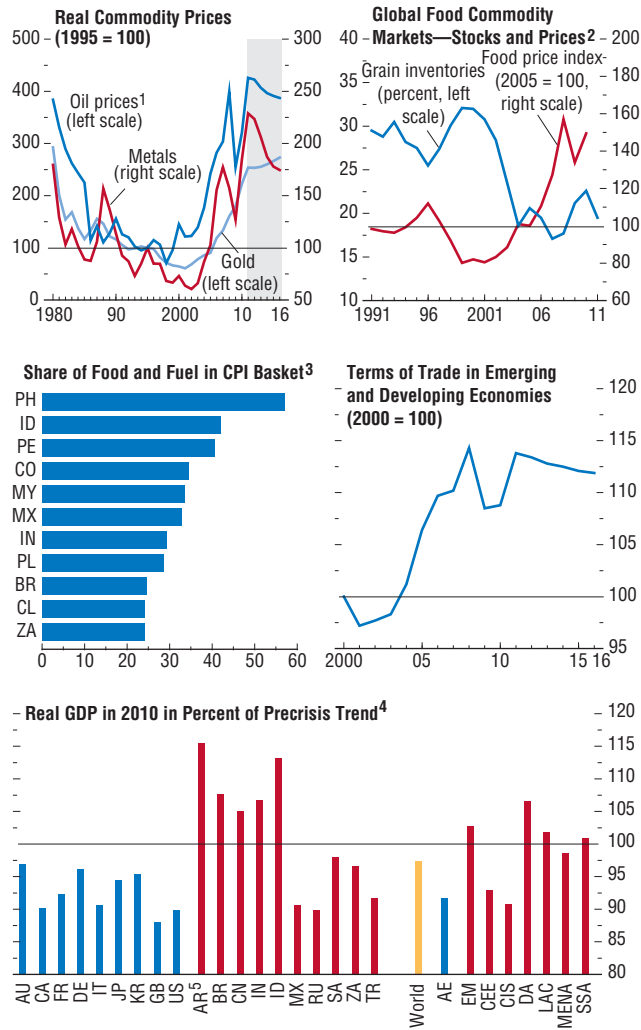


Figure 1.14. Emerging Tensions

Commodity prices have risen fast, and capacity constraints are appearing in a growing number of emerging market economies. Terms of trade of emerging and developing economies have improved again, fueling domestic demand in commodity exporters. The high share of food and fuel in consumer baskets in these countries means their economies are particularly sensitive to food and fuel price shocks.



Sources: U.S. Department of Agriculture (USDA); and IMF staff estimates.

¹Simple average of spot prices of U.K. Brent, Dubai Fateh, and West Texas Intermediate crude oil.

²Global end-year inventories as a percent of consumption, with USDA projections for 2011.

³CL: Chile; CO: Colombia; MY: Malaysia; PE: Peru; PH: Philippines; PL: Poland.

⁴Precrisis trend obtained by extrapolating 1996–2006 real GDP growth. AR: Argentina; AE: advanced economies; AU: Australia; BR: Brazil; CA: Canada; CEE: central and eastern Europe; CIS: Commonwealth of Independent States; CN: China; DA: developing Asia; DE: Germany; EM: emerging economies; FR: France; GB: United Kingdom; ID: Indonesia; IN: India; IT: Italy; JP: Japan; KR: Korea; LAC: Latin America and the Caribbean; MENA: Middle East and North Africa; MX: Mexico; RU: Russia; SA: Saudi Arabia; SSA: sub-Saharan Africa; TR: Turkey; US: United States; ZA: South Africa.

⁵Private analysts are of the view that real GDP growth was significantly lower than the official estimates in 2008 and 2009, although the discrepancy between private and official estimates of real GDP growth has narrowed in 2010. This may affect the estimates of output relative to trend.