

Summary of projections<sup>a</sup>

Seasonally adjusted at annual rates

	1999	2000	2001	1999		2000		2001	
				I	II	I	II	I	II
<i>Percentage changes from previous period</i>									
<b>Real total domestic demand</b>									
United States	5.1	5.4	3.1	5.0	5.7	6.3	3.6	3.0	2.7
Japan	0.6	1.4	2.1	4.4	-2.7	2.7	3.0	2.0	1.4
Euro area	2.8	2.7	2.9	3.0	2.2	2.9	3.0	2.9	2.8
European Union	2.9	2.9	2.9	3.2	2.3	3.0	3.0	2.9	2.9
Total OECD	3.7	4.0	3.1	4.5	3.6	4.5	3.5	3.1	2.8
<b>Real GDP</b>									
United States	4.2	4.9	3.0	3.8	5.1	5.6	3.5	2.9	2.7
Japan	0.3	1.7	2.2	3.4	-2.5	3.1	3.0	2.2	1.6
Euro area	2.3	3.5	3.3	2.2	3.2	3.6	3.6	3.3	3.1
European Union	2.3	3.4	3.1	2.1	3.3	3.5	3.4	3.1	3.0
Total OECD	3.0	4.0	3.1	3.3	3.5	4.4	3.5	3.1	2.9
<i>Per cent</i>									
<b>Inflation<sup>b</sup></b>									
United States	1.5	2.1	2.3	1.6	1.4	2.4	2.2	2.3	2.3
Japan	-0.9	-0.8	-0.1	-0.4	-1.8	-0.5	-0.1	0.1	-0.4
Euro area	1.2	1.5	1.9	1.2	0.9	1.6	1.8	2.0	2.0
European Union	1.5	1.8	2.2	1.5	1.3	1.8	2.0	2.2	2.2
Total OECD less high inflation countries <sup>c</sup>	1.1	1.6	1.9	1.2	0.9	1.8	1.9	1.9	1.9
Total OECD	2.5	2.8	2.5	2.6	2.4	3.1	2.7	2.5	2.3
<i>Per cent of labour force</i>									
<b>Unemployment</b>									
United States	4.2	4.0	4.2	4.3	4.2	4.0	3.9	4.1	4.3
Japan	4.7	4.8	4.8	4.7	4.7	4.8	4.8	4.8	4.8
Euro area	10.1	9.2	8.5	10.2	9.9	9.4	9.0	8.7	8.3
European Union	9.2	8.5	7.9	9.3	9.1	8.7	8.3	8.0	7.7
Total OECD	6.6	6.3	6.1	6.7	6.6	6.3	6.2	6.1	6.1
<i>Per cent of GDP</i>									
<b>Current account balances</b>									
United States	-3.7	-4.5	-4.4	-3.3	-4.0	-4.5	-4.4	-4.4	-4.4
Japan	2.5	2.6	2.9	2.6	2.3	2.5	2.6	2.8	3.0
Euro area	0.6	0.7	1.2	1.0	0.3	0.7	0.8	1.1	1.3
European Union	0.3	0.3	0.6	0.5	0.1	0.3	0.4	0.5	0.6
Total OECD	-0.8	-1.2	-1.0	-0.6	-1.1	-1.2	-1.2	-1.1	-1.0
<i>Per cent</i>									
<b>Short-term interest rates<sup>d</sup></b>									
United States	5.4	6.8	7.3	5.0	5.8	6.3	7.3	7.4	7.3
Japan	0.2	0.3	0.7	0.3	0.2	0.2	0.4	0.5	0.9
Euro area	3.0	4.3	5.1	2.8	3.1	3.9	4.6	4.9	5.2
<i>Percentage changes from previous period</i>									
<b>World trade<sup>e</sup></b>	5.7	10.4	8.3	4.3	12.4	10.1	9.0	8.2	7.7

a) Assumptions underlying the projections include:

- no change in actual and announced fiscal policies;
- unchanged exchange rates from 10 May 2000; in particular \$1 = Y 109.35 and 1.10 euro;
- the cut-off date for other information used in the compilation of the projections was 17 May 2000.

b) GDP deflator, percentage changes from previous period.

c) High inflation countries are defined as countries which have had, on average, 10 per cent or more inflation in terms of the GDP deflator during the 1990s on the basis of historical data. Consequently, Greece, Hungary, Mexico, Poland and Turkey are excluded from the aggregate.

d) United States: 3-month Treasury bills; Japan: 3 month CD; Euro area: 3-month interbank rates. See box on Policy and other assumptions underlying the projections.

e) Growth rate of the arithmetic average of world import volumes and world export volumes.

Source: OECD