

# RANKING 3:

*Expected Growth in Per Capita GDP to 2020*

**RANKING 3** sorts countries according to their expected annual per capita growth rate. To calculate the expected growth rate for this ranking, we use the growth equation developed in Technical Box 3.1 and consider four factors as explanatory variables: the level of income; the Economic Complexity Index (ECI) for 2010; the Complexity Outlook Index (COI) for 2010; and the expected growth in the value of natural resource exports per capita. The projection requires an assumption about the future value of natural resource exports. For convenience, we will assume this value remains constant in real terms. Although commodity prices in 2010 were unusually high and are therefore likely to fall in future, extraction rates may increase over time, so we believe that assuming a constant value in real terms over time is reasonable. To the extent that prices or quantities extracted deviate from this assumption, growth will deviate from our expectations accordingly. For instance, our ranking will tend to underestimate growth for countries where natural resource production grows faster than population, and will tend to overestimate growth for countries where natural resource production falls behind population growth.

India, China, Ukraine, Thailand, Vietnam, Serbia, Bulgaria, Bosnia-Herzegovina and Liberia are at the top of this ranking. In general, these are countries that rank very high in their ECI and COI, relative to their low GDP per capita. For example, the ranking of India in its ECI and COI is 46 and 100 positions above its ranking in GDP per capita. The equivalent numbers for China are 48 and 57. Serbia, Bosnia-Herzegovina and Liberia are countries whose income collapsed because of civil war, and they should be well positioned to go back to levels of income they were able to sustain two decades ago.

The countries at the bottom of the list are all oil exporters, including Gabon, Kuwait, Venezuela, Libya, Qatar and Angola. These countries rank in ECI and COI some 70 positions below their ranking in GDP per capita. The developed countries whose growth is expected to be lowest are Norway and Aus-

tralia, two natural resource exporters that exhibit low complexity and are poorly positioned in the product space.

This ranking shows that the two regions of the world where the potential of per capita growth is higher are East Asia and Eastern Europe (*Map 3*). Per capita growth potential as a function of GDP per capita is illustrated in *Figure 3*.

#### BY REGION:

By region, the top performers in East Asia and the Pacific are China (2), Thailand (4), Vietnam (5), Indonesia (10) and Philippines (15) while very poor performance is expected in Papua New Guinea (97), New Zealand (100), Mongolia (104) and Australia (122). In South Asia, India is the regional leader (1), while Bangladesh is the laggard (61).

In the Middle East and North Africa, the expected leaders in GDP per capita growth are Egypt (12), Tunisia (28) and Jordan (41), while the laggards are Kuwait (124), Libya (126) and Qatar (127), three oil exporters that are dragged down by their low complexity and by our assumption that oil exports per real terms will remain at 2010 levels.

In Eastern Europe and Central Asia, the leaders in GDP per capita growth are expected to be Ukraine (3), Serbia (6), Bulgaria (7), and Bosnia and Herzegovina (8). The laggards would be Turkmenistan (110), Kazakhstan (114) and Azerbaijan (117), three low-complexity oil exporters. To the extent that these latter countries will carry out their planned oil expansion, their growth performance will be better than we project.

In Latin America the leaders are Mexico (20), El Salvador (42), Panama (46), Brazil (48) and Guatemala (60), while the laggards are expected to be Cuba (102), Chile (103), Trinidad and Tobago (121) and Venezuela (125), four exporters of natural resources.

In Sub-Saharan Africa, the growth leaders are expected to be Liberia (9), Kenya (13), Malawi (22), Zimbabwe (24), Tanzania (26) and Uganda (34), while the laggards are expected to be Nigeria (119), Gabon (123) and Angola (128). ●

## RANKING 3. EXPECTED GROWTH IN PER CAPITA GDP TO 2020

RANK EXP. GROWTH IN GDP P/C	REGIONAL RANKING EXP. GROWTH IN GDP P/C	COUNTRY NAME	ISO CODE	EXPECTED GROWTH IN GDP P/C 2010-2020	GROWTH IN GDP P/C 2000-2010	RANK INCOME 2010 [USD]	INCOME 2010 [USD]	RANK EXPY	EXPY	RANK INCOME 2020	EXPECTED INCOME 2020 [USD]	REGION
1	1/4	India	IND	5.8%	5.8%	101	1,375	99	1,454	94	2,406	South Asia
2	1/16	China	CHN	4.2%	9.8%	74	4,433	71	4,621	65	6,710	East Asia and Pacific
3	1/27	Ukraine	UKR	4.2%	5.0%	83	2,974	83	3,098	78	4,470	Eastern Europe and Central Asia
4	2/16	Thailand	THA	3.9%	3.4%	70	4,614	70	4,795	64	6,782	East Asia and Pacific
5	3/16	Vietnam	VNM	3.8%	6.1%	106	1,224	105	1,270	100	1,771	East Asia and Pacific
6	2/27	Serbia	SRB	3.7%	3.8%	66	5,273	64	5,467	62	7,575	Eastern Europe and Central Asia
7	3/27	Bulgaria	BGR	3.6%	4.9%	60	6,335	60	6,563	55	9,031	Eastern Europe and Central Asia
8	4/27	Bosnia and Herzegovina	BIH	3.5%	3.9%	75	4,427	73	4,583	66	6,249	Eastern Europe and Central Asia
9	1/26	Liberia	LBR	3.5%	3.4%	128	247	128	256	128	348	Sub-Saharan Africa
10	4/16	Indonesia	IDN	3.5%	4.0%	85	2,952	84	3,054	81	4,154	East Asia and Pacific
11	5/27	Hungary	HUN	3.4%	2.2%	38	12,863	38	13,304	35	18,021	Eastern Europe and Central Asia
12	1/16	Egypt, Arab Rep.	EGY	3.4%	3.0%	90	2,698	90	2,791	84	3,776	Middle East and North Africa
13	2/26	Kenya	KEN	3.4%	1.4%	117	795	116	822	115	1,111	Sub-Saharan Africa
14	6/27	Romania	ROU	3.4%	4.8%	57	7,539	56	7,795	51	10,525	Eastern Europe and Central Asia
15	5/16	Philippines	PHL	3.3%	2.8%	94	2,140	94	2,212	92	2,972	East Asia and Pacific
16	6/16	Korea, Rep.	KOR	3.3%	3.6%	30	20,540	29	21,224	28	28,499	East Asia and Pacific
17	2/4	Pakistan	PAK	3.3%	2.7%	113	1,019	111	1,052	105	1,408	South Asia
18	7/27	Turkey	TUR	3.3%	2.5%	46	10,050	46	10,379	42	13,868	Eastern Europe and Central Asia
19	8/27	Slovak Republic	SVK	3.1%	4.7%	33	16,036	32	16,541	31	21,865	Eastern Europe and Central Asia
20	1/21	Mexico	MEX	3.1%	0.5%	49	9,133	49	9,419	46	12,436	Latin America and the Caribbean
21	9/27	Moldova	MDA	3.1%	5.4%	97	1,632	97	1,683	98	2,219	Eastern Europe and Central Asia
22	3/26	Malawi	MWI	3.1%	1.8%	127	339	127	350	126	461	Sub-Saharan Africa
23	10/27	Poland	POL	3.0%	4.0%	40	12,303	40	12,675	37	16,574	Eastern Europe and Central Asia
24	4/26	Zimbabwe	ZWE	3.0%	-5.0%	120	595	120	613	119	801	Sub-Saharan Africa
25	11/27	Belarus	BLR	3.0%	8.0%	63	5,819	62	5,993	61	7,817	Eastern Europe and Central Asia
26	5/26	Tanzania	TZA	3.0%	4.1%	121	527	121	542	121	705	Sub-Saharan Africa
27	12/27	Kyrgyz Republic	KGZ	2.9%	2.9%	114	880	114	906	113	1,175	Eastern Europe and Central Asia
28	2/16	Tunisia	TUN	2.9%	3.4%	78	4,194	77	4,314	72	5,567	Middle East and North Africa
29	13/27	Croatia	HRV	2.8%	2.7%	36	13,774	36	14,155	34	18,098	Eastern Europe and Central Asia
30	14/27	Estonia	EST	2.8%	3.7%	35	14,045	35	14,433	33	18,448	Eastern Europe and Central Asia
31	7/16	Malaysia	MYS	2.8%	2.6%	53	8,373	53	8,604	50	10,995	East Asia and Pacific
32	15/27	Czech Republic	CZE	2.7%	3.1%	31	18,789	31	19,304	30	24,621	Eastern Europe and Central Asia
33	16/27	Slovenia	SVN	2.7%	2.4%	27	22,898	27	23,525	27	30,003	Eastern Europe and Central Asia
34	6/26	Uganda	UGA	2.7%	4.0%	122	515	122	529	122	673	Sub-Saharan Africa
35	7/26	Madagascar	MDG	2.7%	-0.4%	124	421	124	432	123	550	Sub-Saharan Africa
36	17/27	Lithuania	LTU	2.7%	5.0%	42	11,046	42	11,342	39	14,393	Eastern Europe and Central Asia
37	18/27	Latvia	LVA	2.7%	4.3%	44	10,723	44	11,011	40	13,970	Eastern Europe and Central Asia
38	1/16	United Kingdom	GBR	2.6%	1.1%	20	36,186	20	37,126	16	46,767	Western Europe
39	19/27	Uzbekistan	UZB	2.6%	5.4%	100	1,377	100	1,412	99	1,775	Eastern Europe and Central Asia
40	2/16	Finland	FIN	2.6%	1.4%	13	44,091	12	45,222	6	56,799	Western Europe
41	3/16	Jordan	JOR	2.6%	3.9%	76	4,370	76	4,482	71	5,623	Middle East and North Africa
42	2/21	El Salvador	SLV	2.5%	1.5%	82	3,460	82	3,548	79	4,445	Latin America and the Caribbean
43	8/26	South Africa	ZAF	2.5%	2.2%	59	7,272	59	7,455	53	9,326	Sub-Saharan Africa

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44	3/16	Portugal	PRT	2.5%	0.2%	28	21,358	28	21,892	29	27,336	Western Europe
45	4/16	Lebanon	LBN	2.5%	3.9%	48	9,227	48	9,453	48	11,756	Middle East and North Africa
46	3/21	Panama	PAN	2.4%	4.5%	55	7,614	55	7,800	52	9,694	Latin America and the Caribbean
47	8/16	Singapore	SGP	2.4%	3.2%	16	41,987	16	43,002	10	53,322	East Asia and Pacific
48	4/21	Brazil	BRA	2.4%	2.5%	43	10,993	43	11,257	41	13,943	Latin America and the Caribbean
49	9/16	Japan	JPN	2.3%	0.7%	14	43,063	14	44,070	8	54,260	East Asia and Pacific
50	5/16	Syrian Arab Republic	SYR	2.3%	2.4%	86	2,893	86	2,959	86	3,630	Middle East and North Africa
51	9/26	Mozambique	MOZ	2.3%	5.1%	125	394	125	403	125	494	Sub-Saharan Africa
52	6/16	Israel	ISR	2.2%	1.1%	25	28,522	25	29,161	24	35,592	Middle East and North Africa
53	4/16	Switzerland	CHE	2.2%	0.8%	3	67,644	3	69,152	1	84,323	Western Europe
54	10/26	Mali	MLI	2.2%	2.5%	119	613	119	627	120	762	Sub-Saharan Africa
55	20/27	Macedonia, FYR	MKD	2.2%	2.2%	73	4,434	75	4,532	74	5,512	Eastern Europe and Central Asia
56	3/4	Sri Lanka	LKA	2.2%	4.4%	92	2,400	92	2,452	91	2,979	South Asia
57	5/16	Spain	ESP	2.2%	0.7%	24	30,026	24	30,672	22	37,146	Western Europe
58	6/16	Sweden	SWE	2.1%	1.6%	6	49,257	6	50,303	5	60,772	Western Europe
59	11/26	Ethiopia	ETH	2.1%	5.9%	126	358	126	365	127	440	Sub-Saharan Africa
60	5/21	Guatemala	GTM	2.0%	0.8%	87	2,873	87	2,930	87	3,499	Latin America and the Caribbean
61	4/4	Bangladesh	BGD	2.0%	4.4%	118	675	118	688	118	821	South Asia
62	10/16	Lao PDR	LAO	2.0%	5.5%	108	1,158	107	1,181	106	1,406	East Asia and Pacific
63	6/21	Argentina	ARG	1.9%	3.4%	50	9,124	50	9,301	49	11,064	Latin America and the Caribbean
64	12/26	Zambia	ZMB	1.9%	3.1%	104	1,253	104	1,277	102	1,513	Sub-Saharan Africa
65	11/16	Cambodia	KHM	1.9%	6.6%	116	795	117	810	117	960	East Asia and Pacific
66	7/16	Belgium	BEL	1.9%	0.8%	15	42,833	15	43,633	14	51,542	Western Europe
67	21/27	Georgia	GEO	1.9%	6.2%	91	2,614	91	2,663	90	3,145	Eastern Europe and Central Asia
68	7/21	Colombia	COL	1.9%	2.5%	61	6,238	61	6,353	63	7,493	Latin America and the Caribbean
69	22/27	Tajikistan	TJK	1.8%	7.2%	115	820	115	835	116	984	Eastern Europe and Central Asia
70	8/16	Netherlands	NLD	1.8%	0.9%	8	46,597	7	47,439	7	55,738	Western Europe
71	7/16	Morocco	MAR	1.8%	3.8%	89	2,795	89	2,845	88	3,335	Middle East and North Africa
72	9/16	France	FRA	1.8%	0.4%	19	39,170	17	39,862	17	46,667	Western Europe
73	23/27	Russian Federation	RUS	1.7%	5.1%	45	10,481	45	10,664	45	12,460	Eastern Europe and Central Asia
74	10/16	Denmark	DNK	1.7%	0.2%	4	56,278	4	57,259	3	66,892	Western Europe
75	13/26	Senegal	SEN	1.7%	1.3%	112	1,034	113	1,052	110	1,228	Sub-Saharan Africa
76	8/21	Honduras	HND	1.7%	2.0%	95	2,019	95	2,053	95	2,386	Latin America and the Caribbean
77	11/16	Ireland	IRL	1.6%	0.7%	10	45,873	10	46,625	9	53,974	Western Europe
78	12/16	Greece	GRC	1.6%	1.8%	26	26,433	26	26,864	26	31,075	Western Europe
79	9/21	Nicaragua	NIC	1.6%	1.6%	110	1,139	109	1,157	108	1,336	Latin America and the Caribbean
80	13/16	Austria	AUT	1.6%	1.1%	12	44,885	11	45,595	12	52,513	Western Europe
81	12/16	Hong Kong SAR, China	HKG	1.6%	3.4%	23	31,758	23	32,255	23	37,096	East Asia and Pacific
82	10/21	Uruguay	URY	1.6%	2.8%	41	11,742	41	11,924	43	13,700	Latin America and the Caribbean
83	14/16	Italy	ITA	1.5%	-0.2%	21	33,788	21	34,293	21	39,191	Western Europe
84	11/21	Paraguay	PRY	1.5%	2.0%	88	2,840	88	2,882	89	3,293	Latin America and the Caribbean
85	12/21	Costa Rica	CRI	1.5%	2.5%	54	7,774	54	7,889	56	9,008	Latin America and the Caribbean
86	13/21	Bolivia	BOL	1.5%	2.0%	96	1,979	96	2,008	97	2,293	Latin America and the Caribbean

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87	14/26	Guinea	GIN	1.5%	4.0%	123	474	123	481	124	548	Sub-Saharan Africa
88	1/2	Canada	CAN	1.4%	0.8%	9	46,212	9	46,868	11	53,202	North America
89	15/26	Botswana	BWA	1.4%	3.0%	58	7,427	58	7,529	58	8,514	Sub-Saharan Africa
90	14/21	Peru	PER	1.4%	4.4%	65	5,292	66	5,365	67	6,063	Latin America and the Caribbean
91	15/21	Dominican Republic	DOM	1.3%	3.8%	67	5,195	67	5,265	68	5,931	Latin America and the Caribbean
92	16/26	Ghana	GHA	1.3%	3.3%	102	1,319	102	1,336	104	1,495	Sub-Saharan Africa
93	2/2	United States	USA	1.2%	0.6%	7	46,702	8	47,242	13	52,400	North America
94	17/26	Côte d'Ivoire	CIV	1.1%	-0.7%	107	1,161	108	1,174	109	1,299	Sub-Saharan Africa
95	24/27	Albania	ALB	1.0%	4.8%	81	3,701	81	3,737	83	4,078	Eastern Europe and Central Asia
96	18/26	Mauritius	MUS	0.9%	3.0%	56	7,584	57	7,648	59	8,255	Sub-Saharan Africa
97	13/16	Papua New Guinea	PNG	0.8%	1.3%	99	1,382	101	1,394	103	1,503	East Asia and Pacific
98	16/21	Ecuador	ECU	0.8%	3.0%	79	4,008	79	4,040	80	4,338	Latin America and the Caribbean
99	17/21	Jamaica	JAM	0.8%	0.4%	68	5,133	68	5,173	73	5,543	Latin America and the Caribbean
100	14/16	New Zealand	NZL	0.7%	1.1%	22	32,620	22	32,863	25	35,130	East Asia and Pacific
101	19/26	Mauritania	MRT	0.7%	2.2%	111	1,045	112	1,052	114	1,124	Sub-Saharan Africa
102	18/21	Cuba	CUB	0.7%	5.0%	64	5,397	65	5,436	69	5,803	Latin America and the Caribbean
103	19/21	Chile	CHL	0.6%	2.8%	39	12,640	39	12,714	44	13,403	Latin America and the Caribbean
104	15/16	Mongolia	MNG	0.6%	5.1%	93	2,250	93	2,262	96	2,377	East Asia and Pacific
105	8/16	Yemen, Rep.	YEM	0.5%	1.1%	103	1,291	103	1,298	107	1,362	Middle East and North Africa
106	9/16	Algeria	DZA	0.5%	2.2%	71	4,567	72	4,588	76	4,783	Middle East and North Africa
107	20/26	Cameroon	CMR	0.4%	1.1%	109	1,147	110	1,152	111	1,193	Sub-Saharan Africa
108	10/16	Iran, Islamic Rep.	IRN	0.4%	3.7%	72	4,526	74	4,544	77	4,706	Middle East and North Africa
109	11/16	Saudi Arabia	SAU	0.4%	0.1%	32	16,423	33	16,484	36	17,040	Middle East and North Africa
110	25/27	Turkmenistan	TKM	0.3%	12.3%	80	3,967	80	3,980	82	4,100	Eastern Europe and Central Asia
111	12/16	United Arab Emirates	ARE	0.3%	-4.8%	18	39,625	19	39,730	19	40,690	Middle East and North Africa
112	21/26	Namibia	NAM	0.2%	3.1%	69	4,876	69	4,885	75	4,971	Sub-Saharan Africa
113	22/26	Sudan	SDN	0.2%	3.8%	98	1,538	98	1,541	101	1,568	Sub-Saharan Africa
114	26/27	Kazakhstan	KAZ	0.1%	7.3%	51	9,070	51	9,079	54	9,163	Eastern Europe and Central Asia
115	15/16	Germany	DEU	-0.2%	1.0%	17	39,852	18	39,786	20	39,205	Western Europe
116	23/26	Congo, Rep.	COG	-0.3%	2.0%	84	2,970	85	2,961	93	2,883	Sub-Saharan Africa
117	27/27	Azerbaijan	AZE	-0.3%	13.6%	62	5,843	63	5,825	70	5,667	Eastern Europe and Central Asia
118	16/16	Norway	NOR	-0.3%	0.6%	1	85,443	1	85,173	2	82,782	Western Europe
119	24/26	Nigeria	NGA	-0.4%	3.8%	105	1,242	106	1,237	112	1,189	Sub-Saharan Africa
120	13/16	Oman	OMN	-0.5%	2.6%	29	20,791	30	20,683	32	19,742	Middle East and North Africa
121	20/21	Trinidad and Tobago	TTO	-0.5%	5.2%	34	15,614	34	15,532	38	14,812	Latin America and the Caribbean
122	16/16	Australia	AUS	-0.6%	1.5%	5	50,746	5	50,430	15	47,670	East Asia and Pacific
123	25/26	Gabon	GAB	-0.8%	0.3%	52	8,768	52	8,695	60	8,063	Sub-Saharan Africa
124	14/16	Kuwait	KWT	-1.0%	1.7%	11	45,437	13	44,980	18	41,073	Middle East and North Africa
125	21/21	Venezuela, RB	VEN	-1.0%	1.4%	37	13,658	37	13,515	47	12,297	Latin America and the Caribbean
126	15/16	Libya	LBY	-1.1%	2.2%	47	9,957	47	9,845	57	8,889	Middle East and North Africa
127	16/16	Qatar	QAT	-1.6%	0.7%	2	72,398	2	71,243	4	61,647	Middle East and North Africa
128	26/26	Angola	AGO	-1.6%	7.6%	77	4,322	78	4,252	85	3,670	Sub-Saharan Africa

MAP 3:

► Countries are color coded according to their ranking in Expected Growth in Per Capita GDP to 2020.

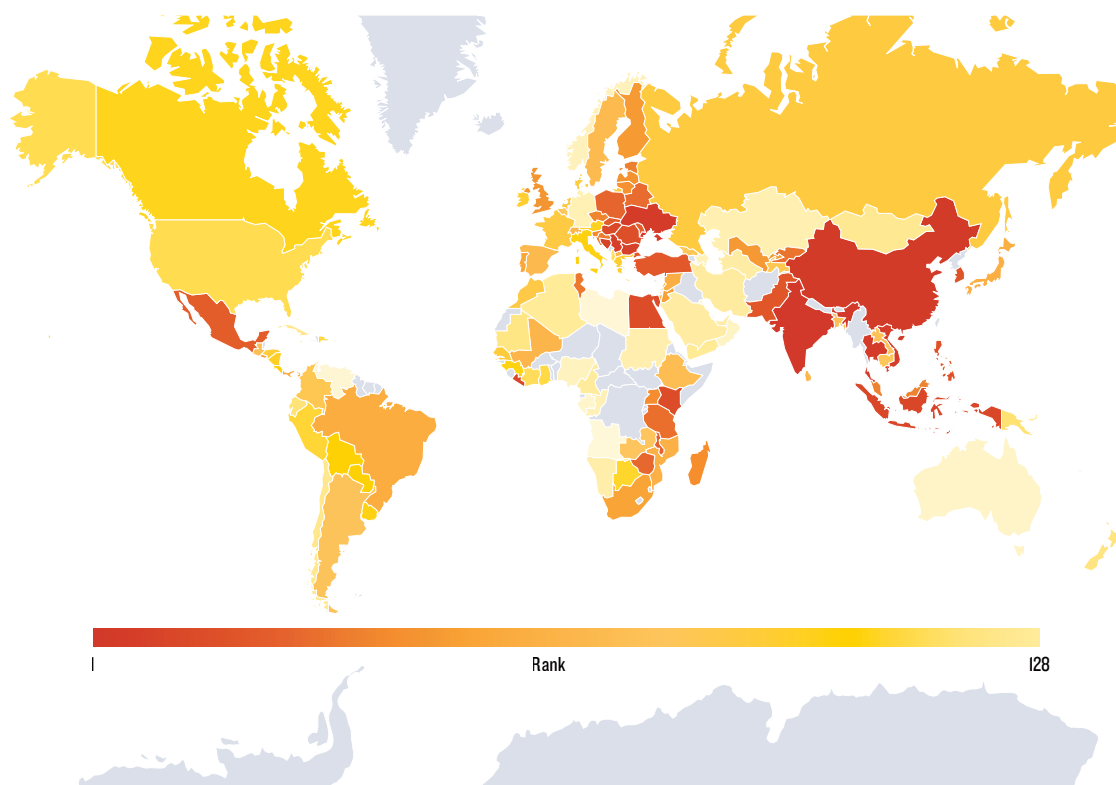


FIGURE 3:

► Expected annual GDP per capita growth with respect to GDP per capita in 2010.

