Macroeconomic Assumptions

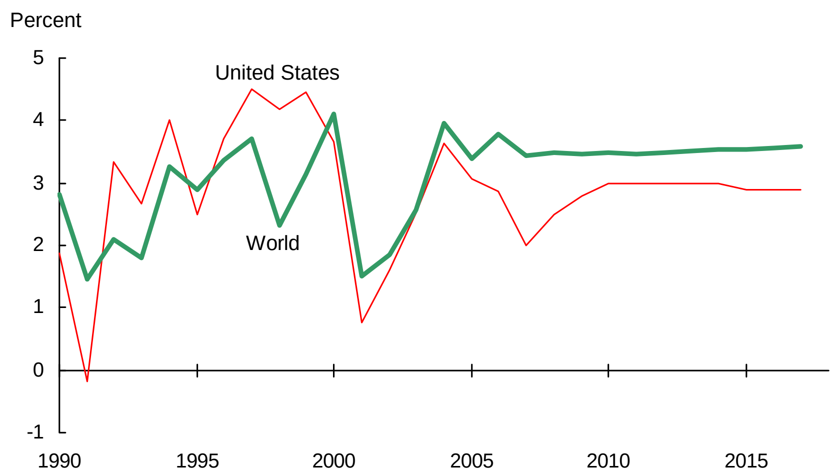
Macroeconomic assumptions underlying USDA's long-term projections reflect steady growth at near-average historical rates over most of the projection period. Most of the world will be moving toward longrun sustainable economic growth, with trend rates in 2009 and beyond. Overall, world economic growth is projected to increase at a 3.5-percent average rate between 2008 and 2017, after averaging below 3 percent annually between 2001 and 2007. The projections have moderating growth in developed countries and accelerating growth in developing and former Soviet Union countries.

High crude oil prices and the U.S. subprime mortgage problems are assumed to have a moderate impact on the U.S. economy into 2008, holding growth to 2.5 percent (see box, *U.S. Financial Market Effects on the Macroeconomic Outlook*, page 10). U.S. gross domestic product (GDP) growth then moves back toward a sustainable rate of about 3 percent. The U.S. share of global GDP declines to 28 percent from 30 percent in 2005-07. Continued strong growth in China, India, and the rest of Asia make this region an increasingly important part of the global economy, with Asia overall rising to more than a 30-percent share by the end of the projection period.

Improved global economic performance and continuing, although slowing, population growth is expected to boost food demand in the projections. Increased global purchasing power and population growth, competing against demand for biofuels and other domestic uses, are important factors shaping the projections for U.S. agricultural exports and the strong outlook for commodity prices. Supporting the outlook for U.S. agricultural exports is also the cumulative effect of a depreciating U.S. dollar.

Even with the U.S. and world economies projected to move toward sustainable longrun growth, global inflation rates are projected to remain relatively low through 2017, averaging about 3 percent. Some inflationary pressures have resulted because of energy price increases and the movement towards full employment and full capacity utilization. In response, the U.S. Federal Reserve Board and central banks in other countries are assumed to continue policies to constrain inflation.

U.S. and world gross domestic product (GDP) growth



U.S. Financial Market Effects on the Macroeconomic Outlook

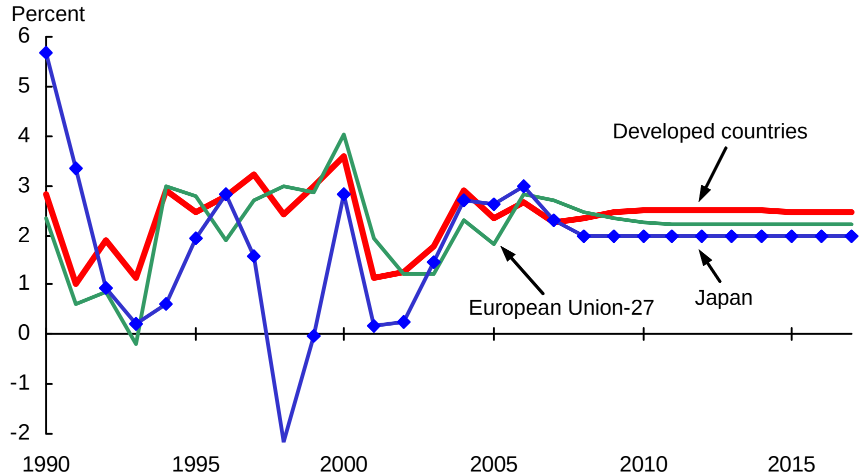
Problems in the U.S. subprime mortgage market starting in 2007 resulted in a decline in housing prices and a rise in foreclosure and delinquency rates, slowing the U.S. housing market. These problems resulted from a substantial underpricing of risk in home-mortgage lending. Although effects spilled over into nonhousing related financial markets, as well, the U.S. subprime mortgage market problems are assumed to have only a moderate effect on overall U.S. economic growth in 2008. Projected U.S. GDP growth for 2008 of 2.5 percent is somewhat lower than the longer term projected level of about 3 percent.

Reasons for an expected containment of the effects of the mortgage market problems reflect strength of the banking system; aggressive actions by the Federal Reserve Board, housing market regulators and financial intermediaries, and the Federal Government (led by the U.S. Treasury Department); and sound bank and corporate balance sheets.

- The Federal Reserve Board lowered the federal funds rate and discount rate, which reduces the cost of borrowing from other banks and from the Federal Reserve. As a consequence, the banking system is able to provide liquidity for mortgages and other loans.
- Actions of housing market regulators and the U.S. Treasury Department are encouraging renegotiation of terms of troubled mortgages to make them more favorable to borrowers. This will reduce foreclosures and minimize the effect that foreclosures have on real estate prices.
- Financial intermediaries, such as banks, are taking losses on their balance sheets in a timely manner. Given the overall strength of the capital positions in the banking system, banks are expected to make such adjustments without undue loss in the ability to expand loans in the future.
- The corporate sector also has strong balance sheets. This provides ample ability to raise capital through the banking system, equity markets, or direct issuance of corporate bonds or commercial paper. As a result, there is generally plentiful credit.
- Riskier segments of the credit market are experiencing higher interest rates as differences in yields between Baa-rated (medium quality) bonds and Aaa-rated (highest quality) bonds better represent differences in underlying risk. Prior to the subprime mortgage market problems, the differentials were very small by historical standards. As the bond markets raise risk premiums, corporations are deterred from engaging in excessively risky projects. Although this slows investment expansion, it makes business expansion more sustainable.

As housing prices fall, downward pressure on consumer spending is offset by growth in employment and wages, and continued strength in equity markets. As housing construction has slowed, skilled tradesmen are being re-employed in home improvement and commercial construction. Realtors, mortgage brokers, and bank employees have lost jobs, but the strong U.S. economy is creating enough new jobs to offset those losses, in aggregate. Additionally, a weak dollar and strong foreign economic growth support a very strong export sector, also providing new jobs. Overall, these factors mitigate the net impact of the financial situation on the U.S. economy.

GDP growth for developed countries, European Union-27, and Japan

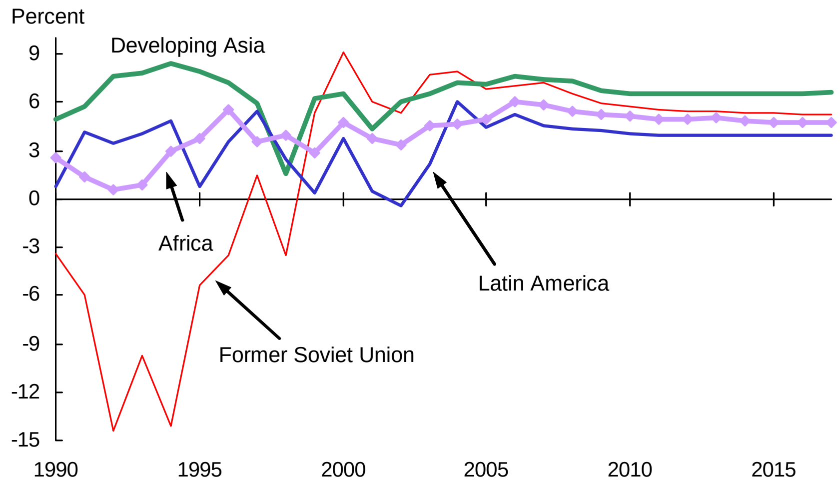


Developed economies are projected to grow at rates similar to those of the 1990s, averaging around 2.5 percent in 2008-17. Economic growth rates for the EU and Japan increase from recent gains, but remain around 2 percent per year in the projection period. As a consequence, both the EU and Japan account for smaller shares of global GDP.

- Enlargement of the European Union (EU) to include more countries of Central and Eastern Europe creates additional trade and investment opportunities within the expanded EU. The EU economy, however, does not grow as rapidly as the U.S. economy because of lingering EU structural rigidities, particularly rigid labor laws and a very expensive social security system. Political difficulties also constrain the benefits of economic integration, particularly with continued restrictions on labor mobility between EU countries and a very cumbersome EU decisionmaking process. Unemployment rates decline from double-digit rates, however, indicating some progress in increasing employment flexibility.

- Japan continues to face constraints to economic growth, largely the result of long-term structural rigidities, a difficult political process of economic reform, and a rapidly aging population. Japan's labor market liberalization partly offsets these constraints, aiding productivity growth. Japan's increasing integration with the other economies of Asia, especially China, further mitigates the growth constraints in the Japanese economy. The projections assume sustained economic growth in Japan at 2 percent a year, with the country's share of world GDP declining to below 12 percent by 2017, down from almost 18 percent in 1991. While Japan's projected growth remains relatively low compared with most other countries, it represents a major improvement from its growth in the 1990s.

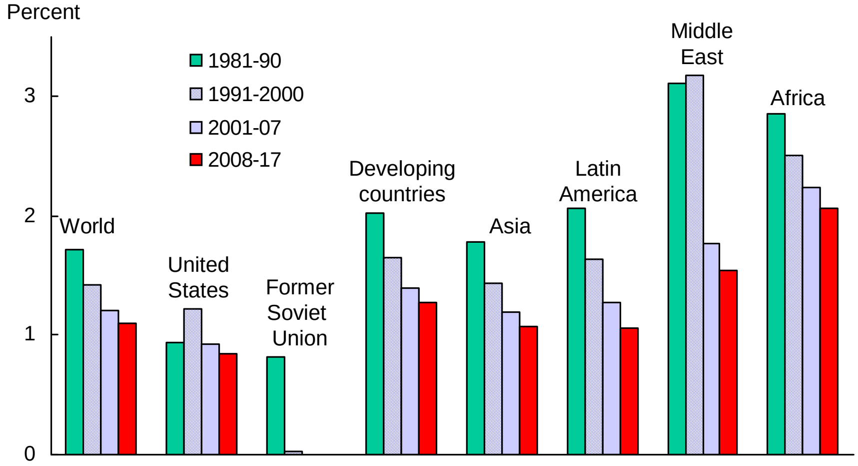
GDP growth for developing economies and the former Soviet Union



Economic growth in developing countries is projected to average 5.8 percent annually during 2008-17. Developing countries will play an increasingly important role in global growth in food demand and will become a more important destination for U.S. farm exports. Relatively high income growth, along with large responsiveness of consumption and imports of food and feed to income growth in these countries, underlies this result. As incomes rise in developing countries, consumers generally diversify their diets, moving away from staple foods to include more meat, dairy products, fruits and vegetables, and processed foods (including vegetable oils). These consumption shifts increase import demand for feedstuffs and high-value food products.

- Long-term growth of 4 percent is projected for Latin America. An overall improvement in macroeconomic policies should attract foreign capital inflows, particularly foreign direct investment, and sustain growth.
- Projected growth for Southeast Asia exceeds 5.1 percent for the next decade while growth in developing countries of East Asia exceeds 7 percent. Although large, these projected growth rates are below the very strong average economic growth in these regions in 1971-2007.
- China's economic growth has been consistently the strongest in Asia, exceeding 10 percent between 2003 and 2006. While some moderation is expected, China's growth is expected to average above 8 percent over the next decade.
- India's projected average economic growth of almost 8 percent a year puts it in the top tier of high-growth countries. Nonetheless, India is still a low-income country, with real 2000-based per capita income of $664 in 2007. Continued strong income growth is expected to bring India's real per capita income to more than $1,200 by 2017 and is expected to move a significant number of people out of poverty.
- High oil prices assumed in the projections modestly constrain Asia from even higher economic growth since its manufacturing sector is far more dependent on energy for GDP growth than more developed economies.
- Economic growth in the countries of the former Soviet Union (FSU) is projected to average 5.5 percent annually for the next decade. Russia, Ukraine, and other FSU countries benefit greatly from their shift to more market-oriented economies. Russia and other energy-rich FSU countries also benefit from high oil prices.

Population growth continues to slow



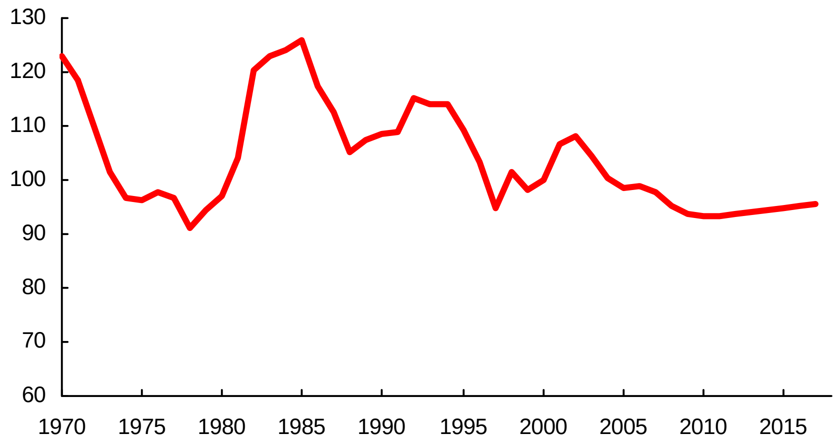
Source: Population projections, U.S. Department of Commerce, U.S. Census Bureau.

A continued slowing of population growth around the world is an important factor limiting increases in food and agricultural demand over the next decade. World population growth declines from an annual rate of 1.7 percent in the 1980s to an average of about 1.1 percent per year for the projection period.

- Developed and FSU countries have very low projected rates of population growth, at 0.4 percent and 0.1 percent, respectively. The projected annual average population growth rate for the United States is the highest among developed countries, at 0.9 percent, in part reflecting large immigration. Population growth rates in developing economies decline by more than 40 percent between the 1980s and the end of the projection period, but remain above those in developed countries and the FSU. As a result, the share of world population accounted for by developing countries increases to 84 percent by 2017.
- China and India together account for more than one-third of the world's population. China's population growth rate slows from 1.5 percent per year in 1981-90 to 0.6 percent in 2008-17. The population growth rate in India, the world's second most populous nation, is projected to decline from 2.1 percent to 1.5 percent per year between the same periods. The differential in population growth narrows the gap between India's and China's populations.
- Brazil's population growth rate falls from 2.1 percent per year in 1981-90 to 0.8 percent annually in 2008-17. Sub-Saharan Africa's population growth rate declines from 2.9 percent to 2.2 percent per year between the same periods, leaving this impoverished region with the highest population growth rate in the world.
- There are a number of countries with declining populations. Most of these are mature economies such as Japan and countries in Western Europe, Central Europe, and the FSU. However, several countries in Sub-Saharan Africa have declining populations resulting from the AIDS epidemic, including the Republic of South Africa, Botswana, Lesotho, and Swaziland.

U.S. agricultural trade-weighted dollar projected to stabilize 1/

Index values, 2000=100



1/ Real U.S. agricultural trade-weighted dollar exchange rate, using U.S. agricultural export weights, based on 192 countries.

The U.S. dollar continues to depreciate through 2011, with moderate strengthening over the rest of the projection period. The lower-value dollar is a facilitating factor in the growth in U.S. exports in the projections. Combined with strong global economic growth, particularly in developing countries, the result is strong growth in the demand for U.S. farm exports.

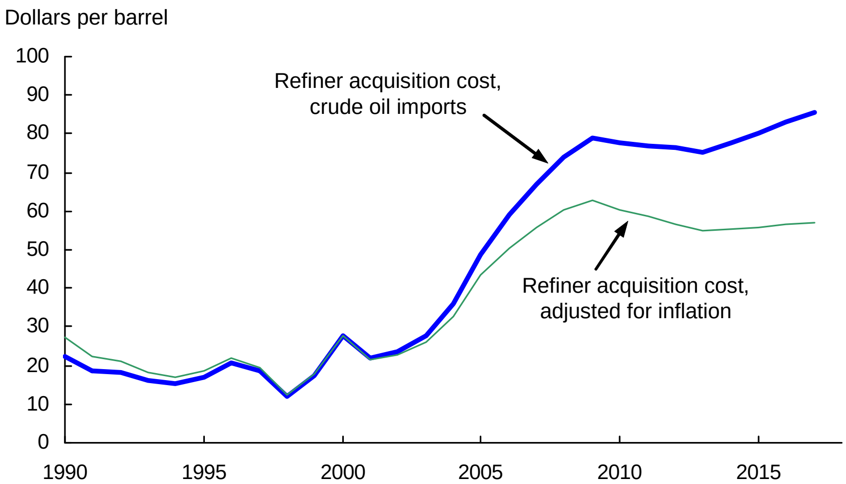
- Strong GDP growth in the United States relative to the EU and Japan will mitigate continuing pressure for the euro to appreciate relative to the U.S. dollar and offsets much of the trade-driven appreciation of the yen.

- China initiated a process for appreciating its currency in 2005 after a long period of maintaining a fixed nominal exchange rate and an undervalued currency. The projections assume that China allows its real exchange rate to continue to appreciate at modest rates. The appreciation of China's currency also leads to appreciation of other Asian currencies.

- Capital continues to move into the United States to benefit from well-functioning and diverse financial markets, although these inflows are projected to continue to decline. The overall U.S. trade deficit and the capital account surplus fall over the projections period.

- Among agricultural products, U.S. exports of bulk commodities and horticultural products tend to be the most sensitive to swings in the U.S. dollar's value, because they face more global trade competition.

Crude oil prices

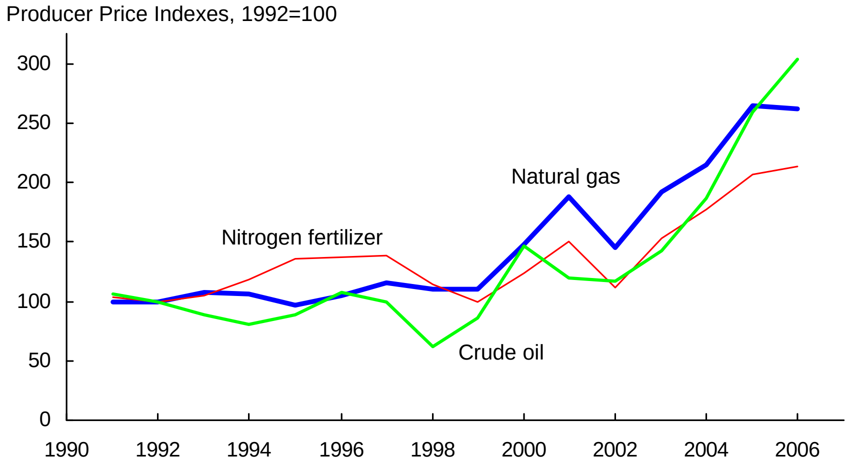


Crude oil prices rose sharply from late 2002 through 2007, largely reflecting increased crude oil demand due to a robust world economic recovery and rapid manufacturing growth in China and India. In 2008 through 2009, crude oil prices are expected to continue to rise modestly. Between 2010 and 2013, oil prices are expected to decline slightly. This is followed by a period when they rise slightly faster than inflation, reflecting rising world oil demand, due to strong global economic growth, particularly in highly energy-dependent economies in Asia. By the end of the projection period, the refiner acquisition cost for crude oil imports is projected at over $85 per barrel.

Partly offsetting those effects, factors expected to constrain longrun increases in oil prices include:

- The ability to switch to non-oil energy sources, such as coal and natural gas, especially in industrial uses and electric power generation;
- Increasing energy efficiency due to the substitution of nonenergy inputs (such as microchip-driven equipment) for energy as well as improved energy-use technology;
- Continued expansion and improvement in renewable energy, such as wind and water power, thermal energy, solar power, and biofuels;
- Continued extraction of fossil fuels from unconventional sources such as oil shale and tar sands; and
- New oil discoveries, along with new technologies for finding and extracting oil.

Crude oil, natural gas, and nitrogen-based fertilizer prices move together



Source: Producer Price Indexes, U.S. Department of Labor, Bureau of Labor Statistics.

Oil prices have historically affected prices of natural gas and nitrogen-based fertilizer. However, the links between the oil and natural gas markets have weakened significantly due to dramatic growth in the demand for natural gas and deregulation throughout the natural gas supply and demand system. At the same time, fertilizer imports have become more important in domestic supply. Prices for natural gas and nitrogen-based fertilizer have become somewhat more volatile than prices for oil, largely because natural gas is less transportable and, as a result, its supply is more inelastic. Nevertheless, over a longer period of time, oil and natural gas prices are expected to move more closely together as the United States and other natural gas importers develop the capacity to import more liquefied natural gas.

Table 1. U.S. macroeconomic assumptions

Item	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GDP, billion dollars												
Nominal	13,195	13,839	14,554	15,336	16,143	16,993	17,888	18,830	19,822	20,845	21,922	23,054
Real 2000 chained dollars	11,319	11,546	11,834	12,166	12,531	12,907	13,294	13,693	14,103	14,512	14,933	15,366
percent change	2.9	2.0	2.5	2.8	3.0	3.0	3.0	3.0	3.0	2.9	2.9	2.9
Disposable personal income												
Nominal (billions)	9,629	10,139	10,677	11,253	11,850	12,478	13,139	13,835	14,569	15,341	16,154	17,010
percent change	5.9	5.3	5.3	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Nominal per capita, dollars	32,115	33,500	34,949	36,500	38,087	39,748	41,485	43,302	45,203	47,192	49,273	51,449
percent change	4.9	4.3	4.3	4.4	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Real (billion 2000 chained)	8,397	8,607	8,839	9,096	9,378	9,668	9,968	10,277	10,596	10,924	11,263	11,612
percent change	3.1	2.5	2.7	2.9	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Real per capita, 2000 dollars	28,005	28,437	28,935	29,629	30,142	30,799	31,473	32,165	32,876	33,605	34,354	35,122
percent change	2.1	1.5	1.8	2.4	1.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Consumer spending												
Real (billion 2000 chained)	8,044	8,269	8,484	8,722	8,975	9,235	9,503	9,778	10,062	10,344	10,633	10,931
percent change	3.1	2.8	2.6	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Inflation measures												
GDP price index, chained	116.6	119.9	123.0	126.1	128.8	131.7	134.6	137.5	140.5	143.6	146.8	150.0
percent change	3.2	2.8	2.6	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
CPI-U, 1982-84=100	201.6	207.2	213.0	218.8	224.3	229.9	235.6	241.5	247.6	253.7	260.1	266.6
percent change	3.2	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
PPI, finished goods 1982=100	160.3	165.9	170.7	174.5	176.9	179.4	181.9	184.5	187.0	189.7	192.3	195.0
percent change	2.9	3.5	2.9	2.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
PPI, crude goods 1982=100	184.8	204.4	219.1	225.7	227.9	230.2	232.5	234.8	237.2	239.6	242.0	244.4
percent change	1.4	10.6	7.2	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Crude oil price, $/barrel												
EIA refiner acq. cost, imports	59.0	67.0	74.0	79.0	77.6	77.0	76.4	75.4	77.8	80.3	82.9	85.6
percent change	20.6	13.5	10.4	6.8	-1.8	-0.8	-0.8	-1.3	3.2	3.2	3.2	3.2
Real 2000 chained dollars	50.6	55.9	60.1	62.7	60.2	58.5	56.8	54.8	55.4	55.9	56.5	57.0
percent change	16.9	10.4	7.6	4.2	-3.9	-2.9	-2.9	-3.4	1.0	1.0	1.0	1.0
Labor compensation per hour												
nonfarm business, 1992=100	168.5	175.7	183.7	192.8	199.4	206.2	213.2	220.4	227.9	235.7	243.7	252.0
percent change	3.8	4.3	4.5	5.0	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Interest rates, percent												
3-month Treasury bills	4.7	4.6	4.2	4.8	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
3-month commercial paper	5.0	5.1	4.8	5.8	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Bank prime rate	8.0	8.0	7.5	7.7	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Ten-year Treasury bonds	4.8	4.7	4.5	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Moody's Aaa bond yield index	5.6	5.5	5.4	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Civilian unemployment rate, percent	4.6	4.7	4.8	4.4	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Nonfarm payroll emp., millions	136.2	137.7	139.2	140.9	142.3	143.7	145.2	146.6	148.1	149.6	151.0	152.6
percent change	1.9	1.1	1.1	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total population, millions	299.8	302.7	305.5	308.3	311.1	313.9	316.7	319.5	322.3	325.1	327.8	330.6
percent change	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8

Domestic macroeconomic assumptions were completed in October 2007.

Table 2. Global real GDP growth assumptions

Region/country	Share of world GDP 2005-2007	Per capita income, 2007	2006	2007	2008	2009	2010	2011	Average 1991-2000	2001-2007	2008-2017
	Percent	*2000 dollars*	*Percent change*								
World	100.0	5,884	3.8	3.4	3.5	3.5	3.5	3.5	2.8	2.9	3.5
less United States	69.9	4,334	4.2	4.0	3.9	3.7	3.7	3.7	2.6	3.2	3.8
North America	32.3	37,099	2.9	2.0	2.5	2.8	3.0	3.0	3.3	2.4	2.9
Canada	2.2	25,899	3.2	2.5	2.7	2.8	2.8	2.8	2.9	2.9	2.8
United States	30.1	38,340	2.0	2.5	2.8	3.0	3.0	3.0	3.0	2.9	2.9
Latin America	6.6	4,578	5.3	4.5	4.3	4.2	4.1	4.0	3.3	3.2	4.0
Mexico	1.8	6,329	3.9	3.4	3.6	3.7	3.7	3.7	3.5	2.5	3.7
Caribbean & Central America	0.6	3,077	3.8	3.5	3.8	4.0	4.0	3.9	4.0	3.1	3.8
South America	4.2	4,394	5.7	5.2	4.7	4.4	4.3	4.1	3.1	3.5	4.2
Argentina	0.9	9,006	7.0	6.8	6.0	5.3	5.0	4.8	4.4	3.6	5.0
Brazil	2.0	4,189	3.5	4.5	4.0	4.0	3.8	3.6	2.6	3.0	3.7
Other	1.3	3,413	7.0	5.8	4.8	4.5	4.4	4.3	3.2	4.2	4.4
Europe	26.2	19,208	2.8	2.7	2.5	2.3	2.2	2.2	2.1	2.0	2.2
European Union-27	24.8	19,643	2.8	2.7	2.5	2.3	2.2	2.2	2.2	2.0	2.3
Other Europe	1.4	13,698	2.8	2.1	2.2	2.2	2.0	1.9	1.8	1.9	2.0
Former Soviet Union	1.4	2,019	7.0	7.2	6.5	5.9	5.7	5.6	-4.1	6.9	5.6
Russia	1.0	2,819	6.7	6.8	6.1	5.5	5.4	5.4	-3.6	6.3	5.5
Ukraine	0.1	1,066	3.0	6.1	6.8	6.2	5.5	4.5	-7.7	6.8	4.9
Other	0.3	1,255	10.0	9.1	7.8	7.3	6.9	6.5	-3.6	9.1	6.1
Asia and Oceania	28.5	3,038	5.0	4.9	4.9	4.6	4.6	4.6	3.2	4.0	4.7
East Asia	22.6	5,705	4.7	4.7	4.6	4.3	4.2	4.3	2.9	3.7	4.5
China	5.6	1,755	10.7	10.8	10.2	8.4	8.2	8.2	10.5	9.9	8.4
Hong Kong	0.6	32,747	6.4	6.0	5.6	5.5	5.3	5.0	4.5	4.8	5.1
Japan	13.6	40,803	3.0	2.3	2.0	2.0	2.0	2.0	1.2	1.8	2.0
Korea	1.8	14,322	5.0	4.5	5.4	5.4	5.2	4.7	6.2	4.6	4.8
Taiwan	1.0	17,668	4.7	4.0	4.7	4.7	4.7	4.7	6.5	3.6	4.7
Southeast Asia	2.1	1,457	5.6	5.5	5.3	5.3	5.2	5.1	5.2	4.9	5.1
Indonesia	0.6	993	5.5	6.1	5.8	5.7	5.6	5.6	4.4	5.1	5.6
Malaysia	0.3	5,036	5.4	5.6	5.0	5.0	5.0	5.0	7.2	4.8	5.0
Philippines	0.3	1,139	5.4	5.8	5.2	5.0	4.8	4.7	3.1	4.6	4.8
Thailand	0.4	2,633	5.0	4.1	5.0	5.3	5.2	5.1	4.6	4.9	4.9
Vietnam	0.1	607	8.0	7.2	7.1	7.3	7.2	7.1	7.4	7.5	6.9
South Asia	2.3	621	8.7	8.2	7.7	7.4	7.3	7.3	5.2	6.9	7.2
Bangladesh	0.2	442	6.5	5.9	5.7	5.6	5.3	5.3	4.8	5.6	5.3
India	1.8	664	9.4	8.9	8.2	8.0	7.9	7.8	5.5	7.3	7.7
Pakistan	0.3	623	6.6	6.0	5.9	5.0	5.0	5.0	4.0	5.3	5.1
Oceania	1.5	16,231	3.0	3.0	3.2	3.4	3.4	3.3	3.5	3.2	3.3
Australia	1.3	23,683	3.1	3.1	3.2	3.4	3.4	3.4	3.6	3.2	3.4
New Zealand	0.2	15,892	2.4	2.6	2.8	3.1	3.0	2.7	2.9	3.3	2.8
Other Asia and Oceania	0.5	1,107	6.1	5.1	4.8	4.6	4.4	4.2	6.1	4.3	4.2
Middle East	2.9	4,317	5.1	5.0	5.2	5.0	4.8	4.7	4.1	4.2	4.7
Iran	0.4	2,230	4.5	4.6	4.5	4.4	4.4	4.4	4.0	5.4	4.2
Iraq	0.1	2,143	3.0	6.0	9.2	7.5	6.1	5.6	9.5	2.4	5.5
Saudi Arabia	0.6	9,096	4.3	5.1	5.3	5.2	5.1	5.1	2.6	4.2	5.0
Turkey	0.7	3,867	6.1	5.3	5.4	5.0	5.0	5.0	3.6	4.9	5.0
Other	1.0	5,650	5.5	4.8	4.8	4.6	4.5	4.3	4.9	4.4	4.2
Africa	2.0	864	6.1	5.8	5.4	5.2	5.1	5.0	3.0	4.7	5.0
North Africa	0.8	2,064	6.5	6.0	5.5	5.2	5.0	4.8	3.9	4.8	5.0
Algeria	0.2	2,291	6.4	6.4	6.4	6.0	6.0	5.7	1.7	5.2	5.2
Egypt	0.3	1,745	6.8	6.6	5.8	5.2	4.8	4.8	4.5	4.6	4.9
Morocco	0.1	1,333	6.7	5.2	4.7	4.5	4.4	3.2	8.4	5.3	5.0
Tunisia	0.1	2,629	5.5	4.5	4.1	4.0	4.0	4.0	2.4	4.4	4.0
Sub-Saharan Africa	1.2	609	5.8	5.7	5.4	5.3	5.2	5.1	2.4	4.7	5.0
Republic of South Africa	0.4	3,931	4.7	4.5	4.6	4.9	5.2	5.2	1.8	3.8	5.2
Other Sub-Saharan Africa	0.7	408	6.5	6.4	5.8	5.5	5.2	5.1	2.8	5.2	4.9

International macroeconomic assumptions were completed in October 2007.

Table 3. Population growth assumptions

Region/country	Population in 2007	2006	2007	2008	2009	2010	2011	Average 1991-2000	Average 2001-2007	Average 2008-2017
	Millions				*Percent change*					
World[1]	6,605	1.2	1.2	1.2	1.2	1.2	1.1	1.4	1.2	1.1
less United States	6,304	1.2	1.2	1.2	1.2	1.2	1.2	1.4	1.2	1.1
North America	335	0.9	0.9	0.9	0.9	0.9	0.9	1.2	0.9	0.9
Canada	33	0.9	0.9	0.9	0.9	0.8	0.8	1.2	0.9	0.8
United States	301	0.9	0.9	0.9	0.9	0.9	0.9	1.2	0.9	0.9
Latin America	569	1.2	1.2	1.2	1.2	1.1	1.1	1.6	1.3	1.1
Mexico	109	1.2	1.2	1.2	1.1	1.1	1.1	1.6	1.2	1.1
Caribbean & Central America	80	1.5	1.5	1.5	1.5	1.5	1.4	1.7	1.5	1.4
South America	380	1.2	1.2	1.1	1.1	1.1	1.0	1.6	1.3	1.0
Argentina	40	1.0	1.0	0.9	0.9	0.9	0.8	1.3	1.0	0.8
Brazil	190	1.1	1.0	1.0	1.0	0.9	0.9	1.5	1.1	0.9
Other	150	1.4	1.4	1.3	1.3	1.3	1.3	1.9	1.5	1.2
Europe	526	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.0
European Union-27	488	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.0
Other Europe	39	0.4	0.3	0.3	0.2	0.2	0.2	0.4	0.5	0.2
Former Soviet Union	278	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.2	0.0
Russia	141	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.1	-0.5	-0.5
Ukraine	46	-0.7	-0.7	-0.7	-0.6	-0.6	-0.6	-0.5	-0.8	-0.6
Other	90	0.9	0.9	0.9	1.0	1.0	1.0	0.5	0.8	1.0
Asia and Oceania	3,698	1.2	1.2	1.2	1.1	1.1	1.1	1.4	1.2	1.1
East Asia	1,555	0.5	0.5	0.6	0.6	0.6	0.6	0.9	0.6	0.6
China	1,322	0.6	0.6	0.6	0.6	0.7	0.7	1.0	0.6	0.6
Hong Kong	7	0.6	0.6	0.5	0.5	0.5	0.5	1.6	0.7	0.4
Japan	127	0.0	0.0	0.0	-0.1	-0.1	-0.1	0.3	0.1	-0.2
Korea	49	0.4	0.4	0.4	0.4	0.3	0.3	1.0	0.5	0.3
Taiwan	23	0.6	0.6	0.6	0.6	0.5	0.5	0.9	0.6	0.5
Southeast Asia	574	1.3	1.2	1.2	1.2	1.2	1.1	1.7	1.3	1.1
Indonesia	235	1.3	1.2	1.2	1.2	1.1	1.1	1.6	1.3	1.1
Malaysia	25	1.8	1.8	1.8	1.7	1.7	1.7	2.2	1.9	1.7
Philippines	91	1.8	1.8	1.8	1.7	1.7	1.7	2.2	1.9	1.6
Thailand	65	0.7	0.7	0.7	0.6	0.6	0.6	1.1	0.7	0.5
Vietnam	85	1.0	1.0	1.0	1.0	1.0	1.0	1.6	1.1	1.0
South Asia	1,534	1.8	1.8	1.7	1.7	1.7	1.6	1.9	1.8	1.6
Bangladesh	150	2.1	2.1	2.1	2.0	2.0	1.9	1.7	2.1	1.9
India	1,130	1.7	1.6	1.6	1.6	1.5	1.5	1.8	1.7	1.5
Pakistan	169	2.1	2.1	2.0	2.0	1.9	1.9	2.5	2.1	1.8
Oceania	35	1.2	1.2	1.2	1.2	1.1	1.1	1.5	1.3	1.1
Australia	20	0.9	0.8	0.8	0.8	0.8	0.8	1.2	0.9	0.7
New Zealand	4	1.0	1.0	0.9	0.9	0.9	0.8	1.3	1.1	0.8
Other Asia and Oceania	194	1.8	1.6	1.6	1.5	1.5	1.5	2.1	1.9	1.5
Middle East	264	1.6	1.6	1.7	1.7	1.7	1.6	2.0	1.7	1.6
Iran	65	0.4	0.6	0.7	0.8	0.9	1.0	1.1	0.5	1.0
Iraq	27	2.7	2.7	2.6	2.6	2.5	2.5	2.3	2.8	2.4
Saudi Arabia	28	2.3	2.2	2.0	1.9	1.8	1.7	3.7	2.5	1.6
Turkey	71	1.1	1.1	1.0	1.0	1.0	0.9	1.6	1.2	0.9
Other	72	2.7	2.6	2.6	2.6	2.5	2.5	3.0	2.7	2.5
Africa	935	2.2	2.2	2.2	2.1	2.1	2.1	2.5	2.2	2.1
North Africa	164	1.6	1.6	1.5	1.5	1.5	1.5	2.1	1.7	1.4
Algeria	33	1.2	1.2	1.2	1.2	1.2	1.2	1.9	1.3	1.2
Egypt	80	1.8	1.7	1.7	1.7	1.6	1.6	2.2	1.9	1.5
Morocco	34	1.6	1.6	1.5	1.5	1.5	1.4	2.0	1.6	1.4
Tunisia	10	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	0.9
Sub-Saharan Africa	772	2.3	2.3	2.3	2.3	2.3	2.3	2.6	2.4	2.2
Republic of South Africa	44	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	1.4	0.0	-0.5
Other Sub-Saharan Africa	728	2.5	2.5	2.5	2.4	2.4	2.4	2.7	2.5	2.4

1/ Totals for the world and world less United States include countries not otherwise listed in the table.

Source: U.S. Department of Commerce, Bureau of the Census and U.S. Department of Agriculture, Economic Research Service. The population assumptions were completed in August 2007.