

## Abstract

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This report provides estimates of illicit financial flows (IFFs) from developing countries over the decade 2000-2009 based on balance of payments (BoP), bilateral trade, and external debt data reported by member countries to the IMF and the World Bank. It should be noted that estimates of IFFs at the developing world, regional, and country levels presented in this report could differ from those published in the 2010 report due to revisions to underlying data, reported by member countries. The most notable finding in this report is that in 2009 IFFs from developing countries, led by the top ten exporters of illicit capital, most of which are in Asia and the Middle East and North Africa (MENA) region, have declined by 41 percent over the last year. Principal components analysis seems to indicate that this decline was the result of the global economic crisis which tended to reduce the source of funds (new external loans and net foreign direct investments), increase the use of funds and reduce trade mispricing due to lower trading volumes. We find no reason to subscribe the wide-ranging reduction in IFFs to far-reaching economic reform or improvements in overall governance in major emerging markets.