

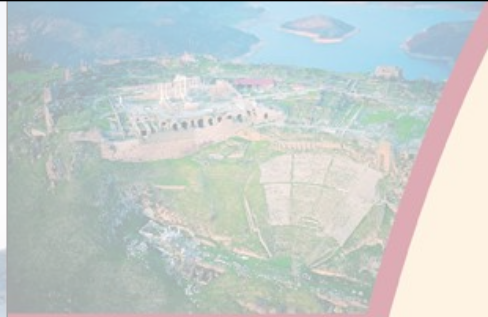


# The Global Financial Crisis and Urban Economies



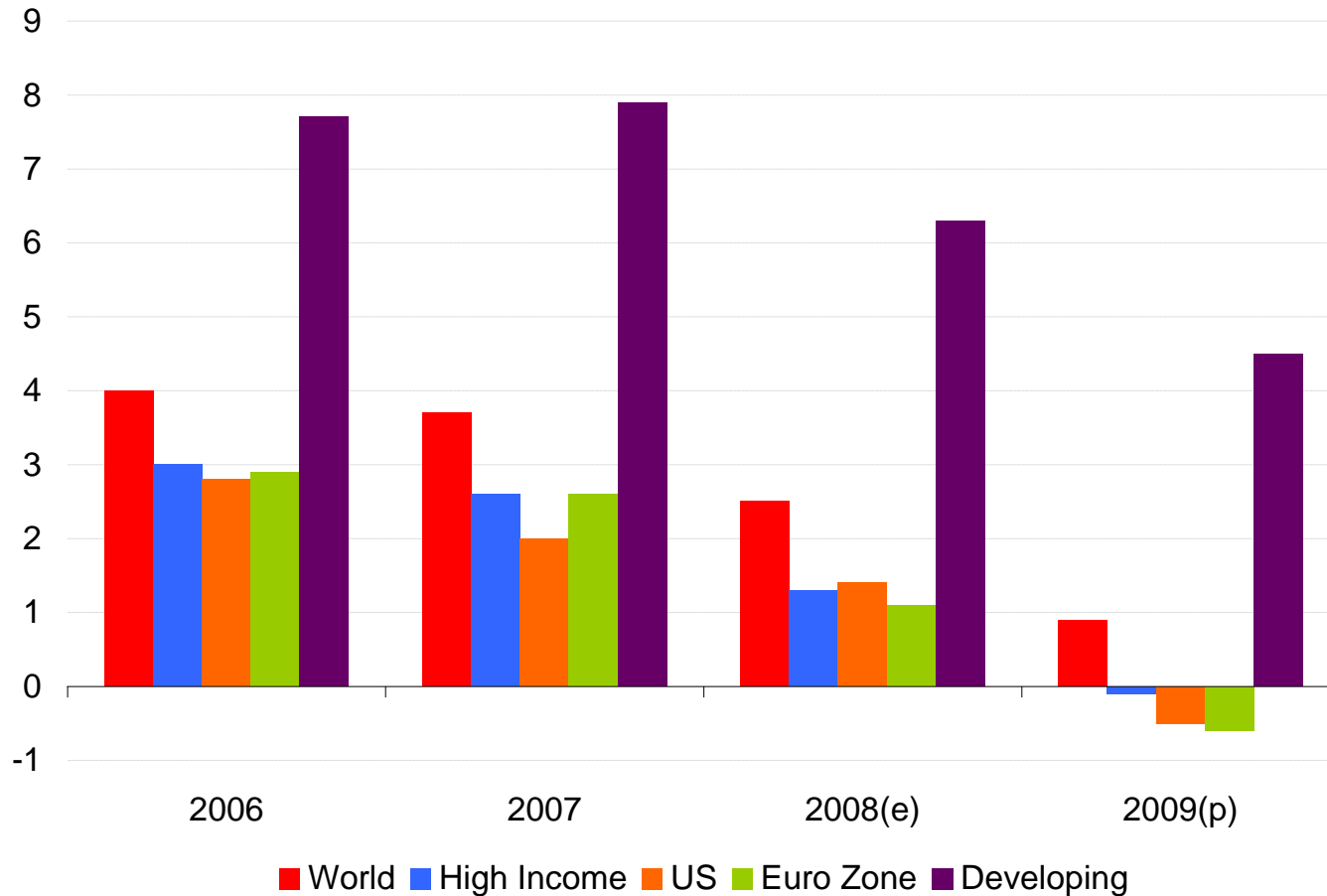
Ulrich Zachau  
Director, Turkey  
The World Bank

United Cities and Local Governments  
Istanbul, November 30, 2008





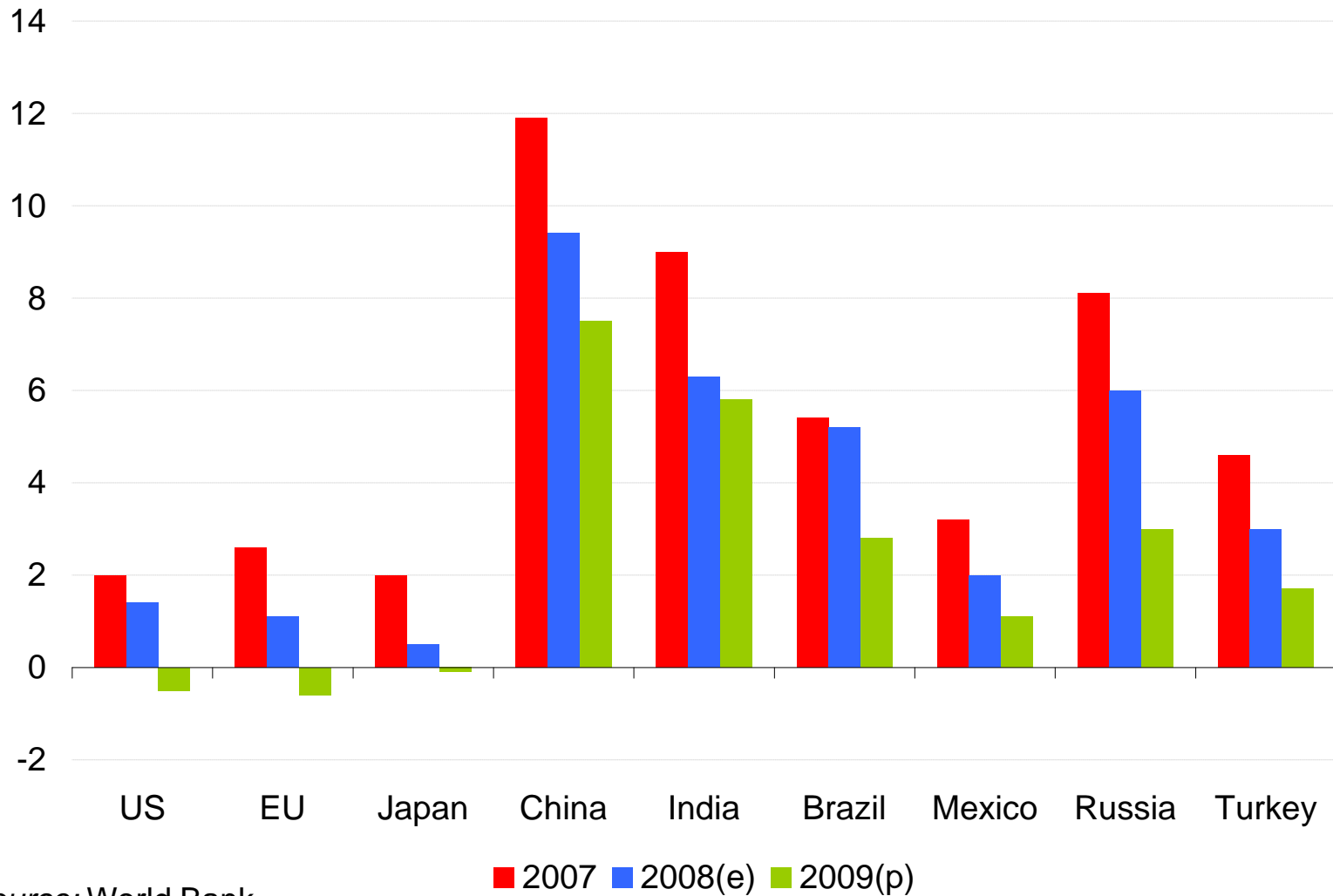
# US and European Economies will Shrink— and Developing Countries' Growth will Drop



Source: World Bank



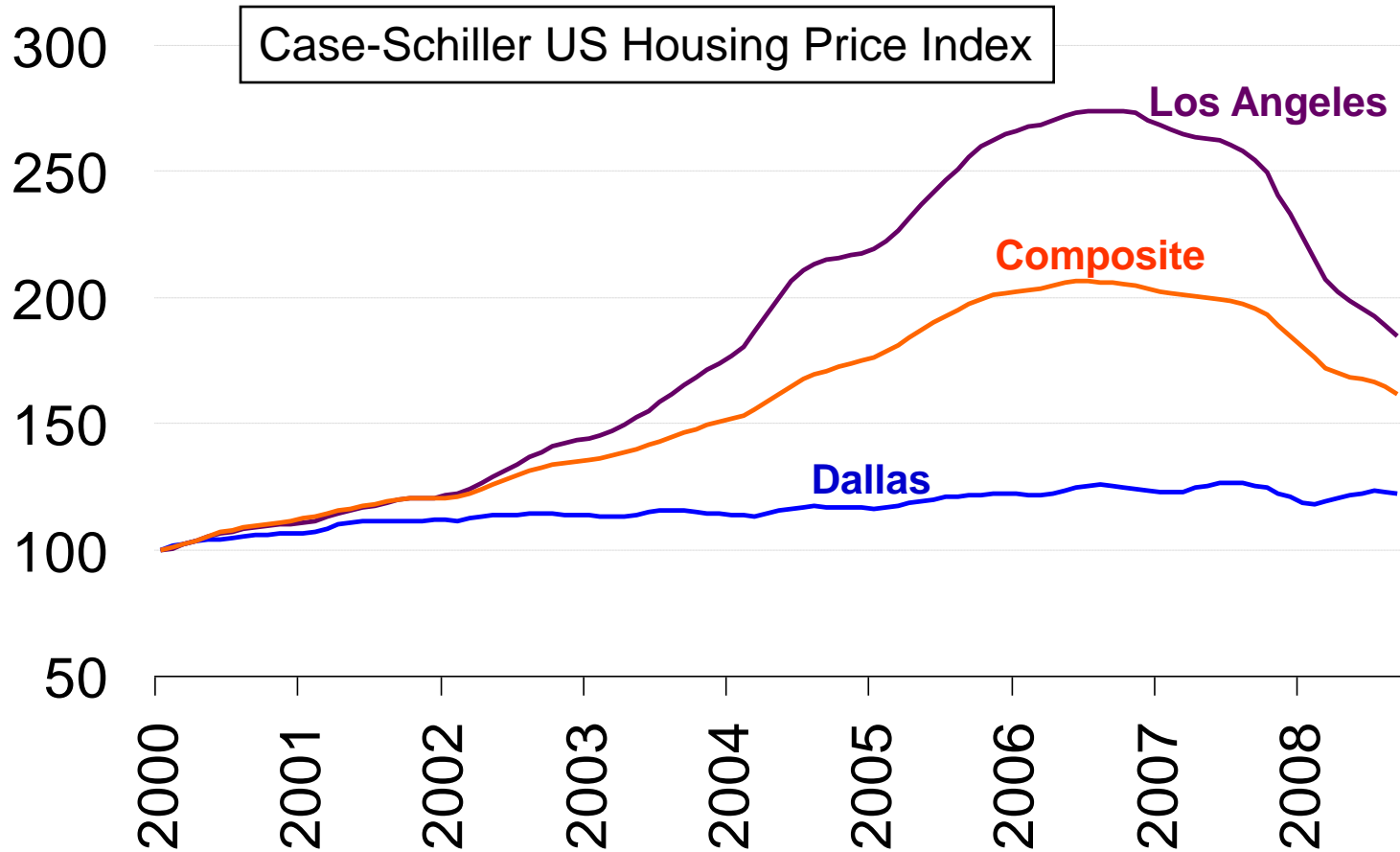
# Large Developing Economies will All Grow Less



Source: World Bank



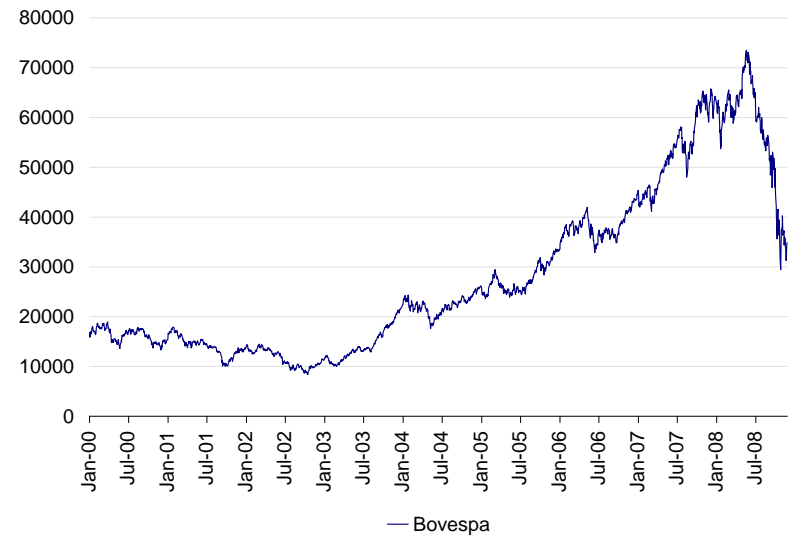
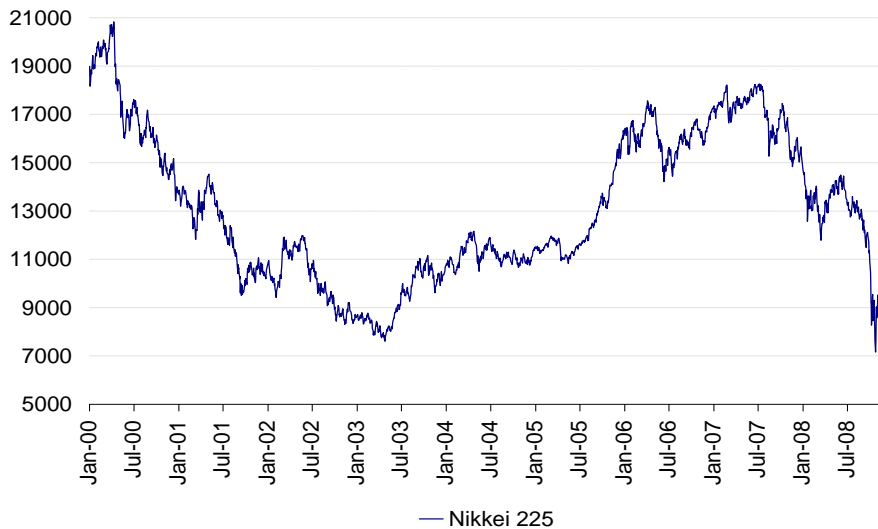
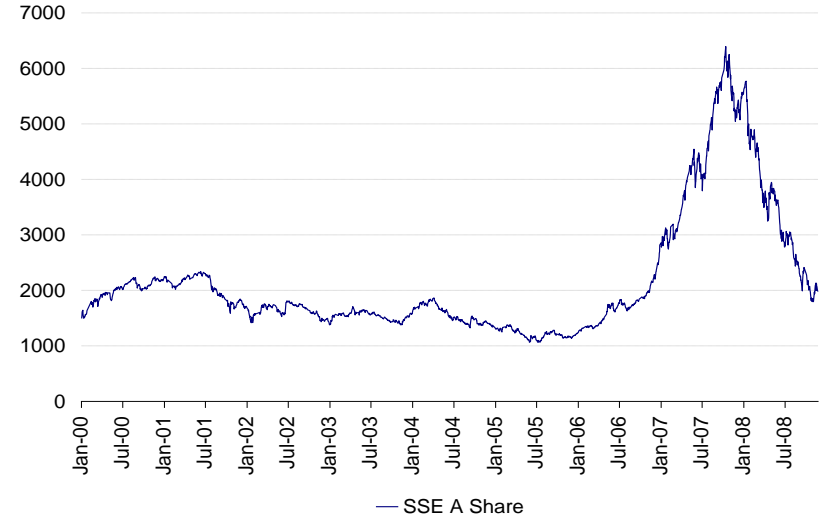
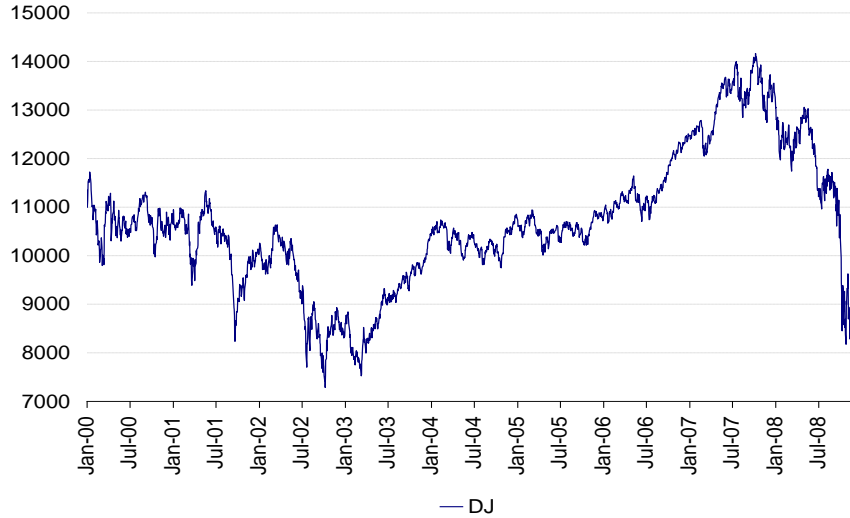
# The Crisis will be Deeper and Last Longer Where Asset Prices Declines are Larger: (1) Housing





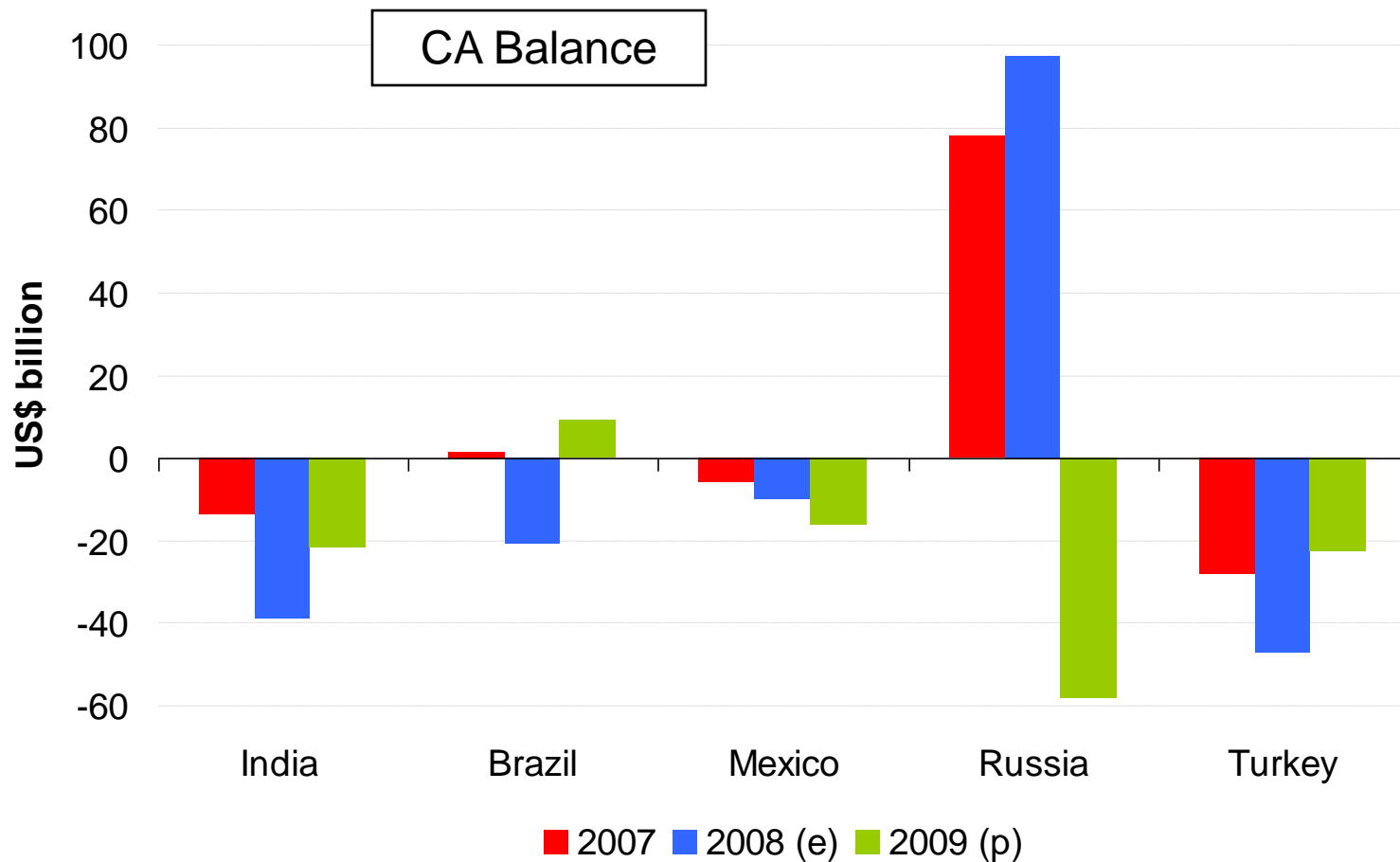
# The Crisis will be Deeper and Last Longer

## Where Asset Prices Declines are Larger: (2) Equities





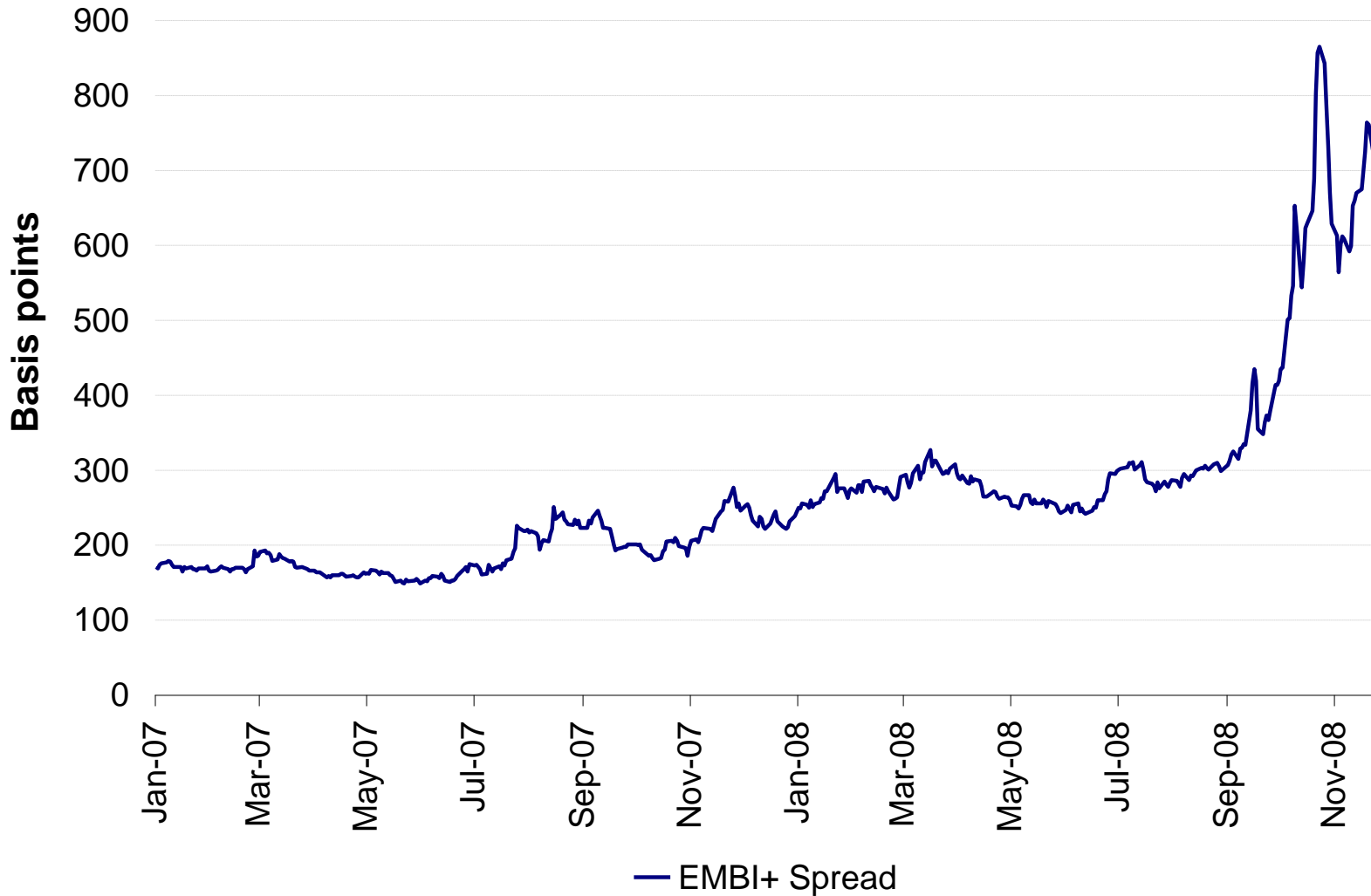
# The Crisis will be Deeper and Last Longer Where Reliance on External Finance is Higher or Financial Systems are More Vulnerable



Source: World Bank

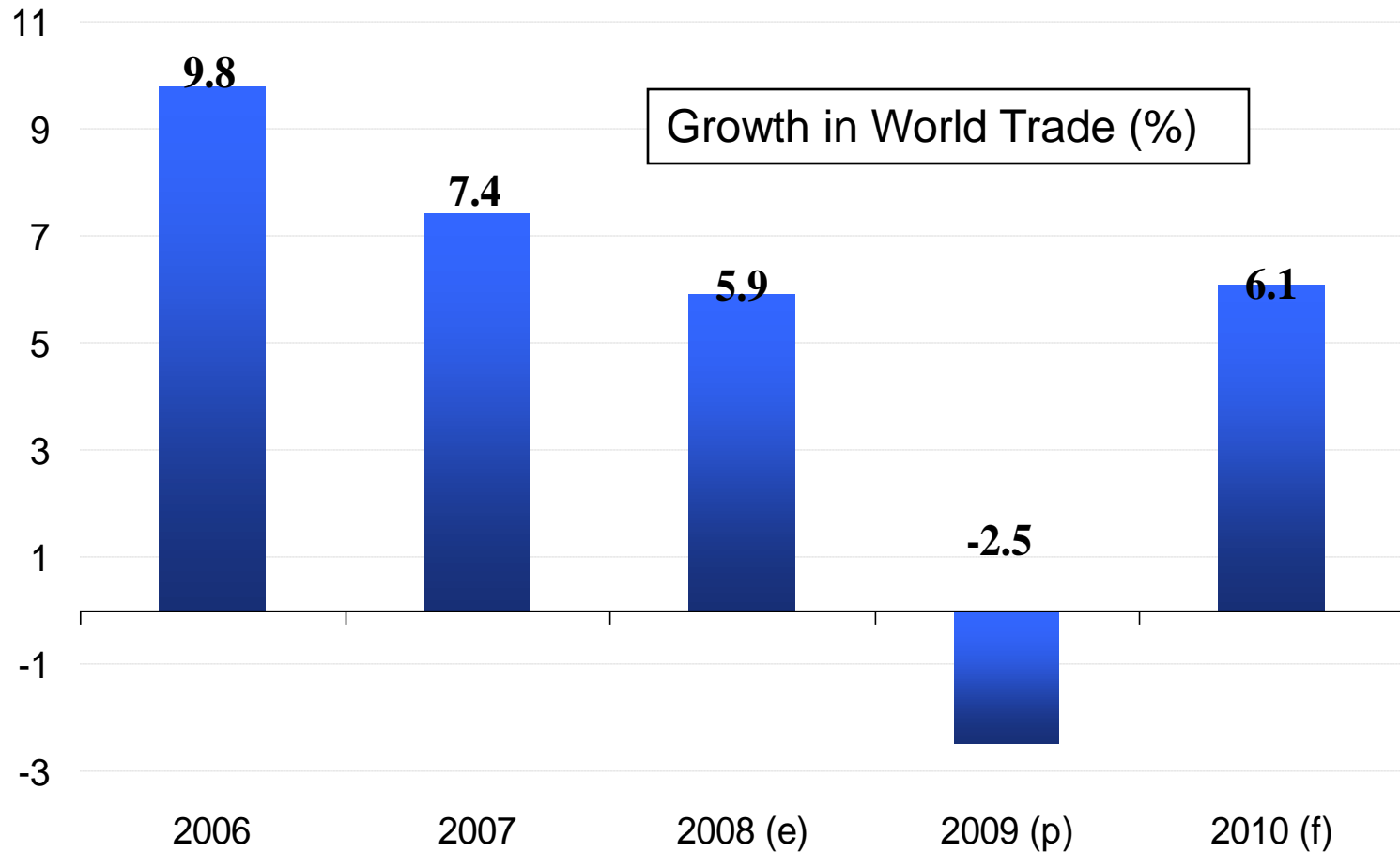


# Capital Flows to Developing Countries will Decline and will Cost More





## ...and Lower Exports to High-Income Countries will Mean Lower Incomes for Developing Countries



Source: World Bank



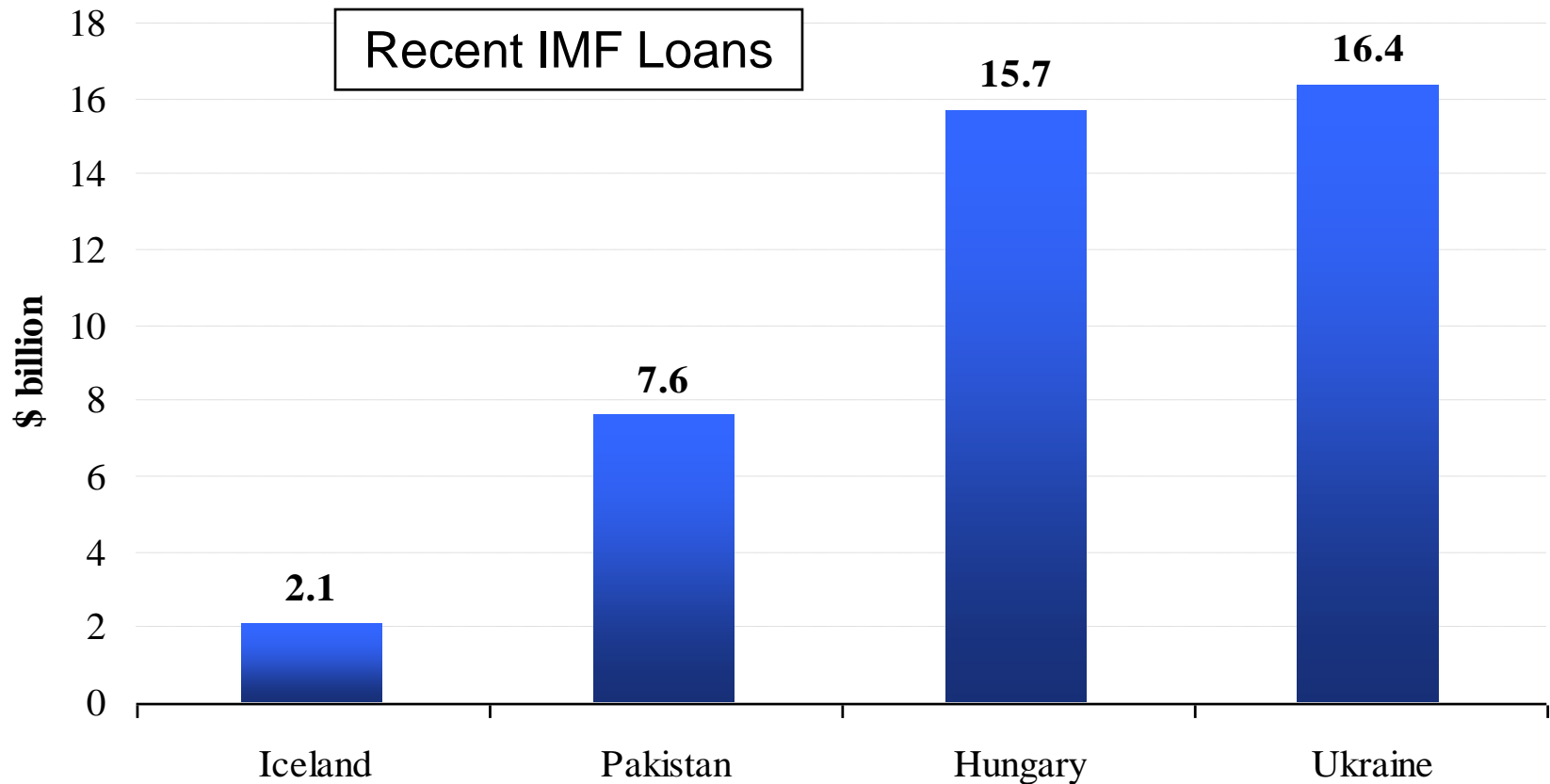
# Cities will Feel the Crisis in many Ways

- Reduced fiscal revenues
- Higher borrowing costs
- Reduced investment
- Unemployment
- Social exclusion
- Migration from rural areas
- Reduced property values





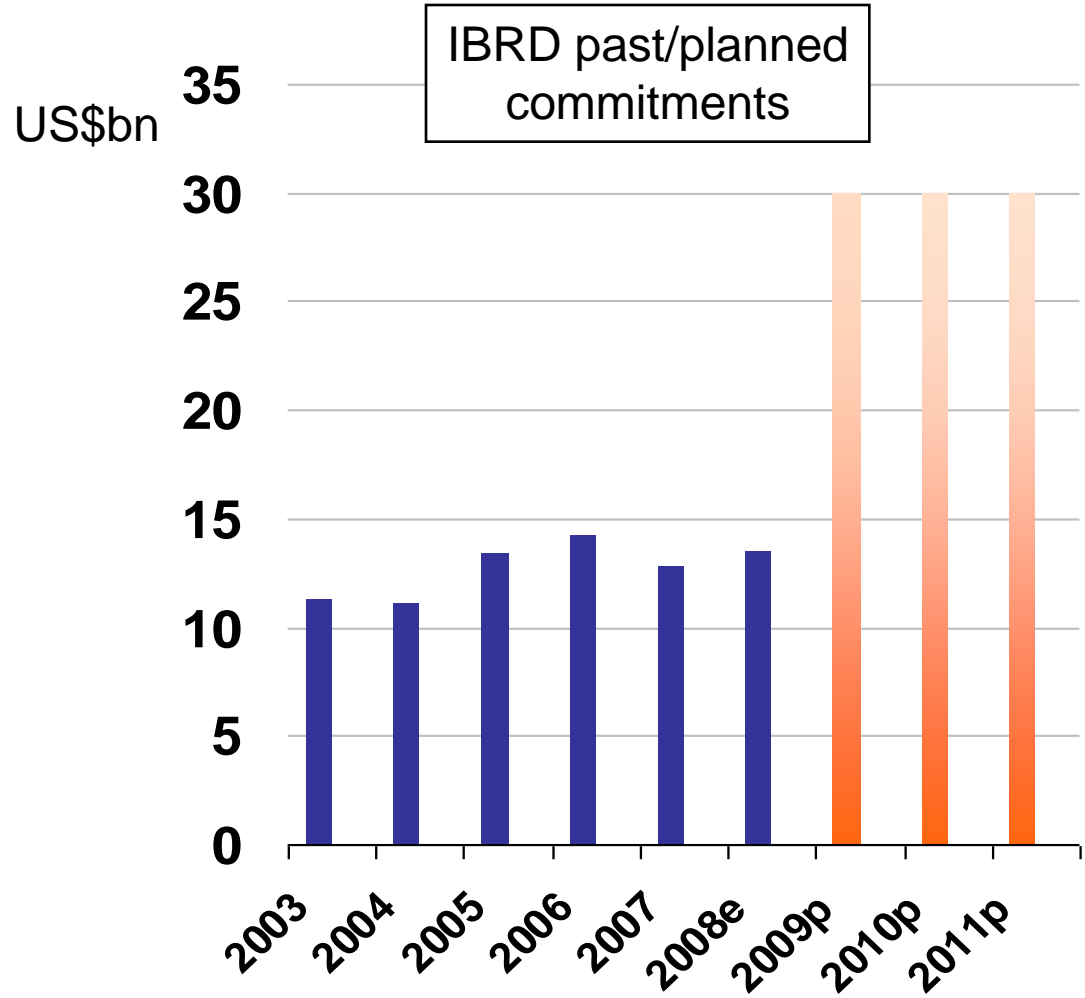
# The Global Crisis Demands Global Solutions and International Financial Coordination & Support



Source: IMF



# The World Bank Group is Ready with More Financing, More Advice, and as a Partner in Global Solutions





# The Long-Term Global Agenda Must Continue. We all Must Help Address Climate Change.



**SPECIAL REPORT GLOBAL WARMING**

# TIME

**BE WORRIED.  
BE *VERY* WORRIED.**

Climate change isn't some vague future problem—it's already damaging the planet at an alarming pace. Here's how it affects you, your kids and their kids as well

**EARTH AT THE TIPPING POINT**  
**HOW IT THREATENS YOUR HEALTH**  
**HOW CHINA & INDIA CAN HELP SAVE THE WORLD—OR DESTROY IT**  
**THE CLIMATE CRUSADERS**



Thank You