

## Resource price trends and development prospects

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**Abstract.** If natural resource prices follow exogenous paths, then future resource price changes must be reflected in current measures of resource depletion, as shown by Vincent et al. (1997). This result is extended to the measurement of income and saving in a small resource exporting economy. A precise formula for net (genuine) saving is derived when resource prices grow exogenously at the international interest rate. Empirical results are presented for over 100 countries and a dozen resource commodities, using historical real price trends to forecast future prices. Reductions in saving in excess of 1% of GNI are observed for over 20 countries.

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