

## FY26 Updated Country Income Classification for Analytical Purposes

The World Bank Group classifies the world's economies into four income categories — high, upper-middle, lower-middle, and low. We base this classification on GNI per capita expressed in US dollars according to the Atlas method.

With the start of each fiscal year, we update the classification to reflect:

1. Changes to Atlas GNI per capita: In each country, factors such as economic growth, inflation, exchange rates, and population growth affect the Atlas GNI per capita. Revisions to national accounts methods and data can also sometimes have an impact.
2. Changes to classification thresholds: To keep income classification thresholds fixed in real terms, following SecM83-924 they are adjusted for inflation using the Special Drawing Rights (SDR) deflator — a weighted average of the GDP deflators of China, Japan, the UK, the US, and the Euro Area. This year, classification thresholds have moved up in line with this inflation measure.

The World Bank Group's estimates of 2024 Atlas GNI per capita have been reviewed and cleared by country economists. The 2024 data will be available at this [link](#) as of July 1<sup>st</sup>, 2025.

The updated income classification will be available to the public on July 1<sup>st</sup>, 2025 at this [link](#). The tables below summarize the new classification thresholds and the four countries that will move to a different category in FY26.

Inside the World Bank Group, we use this income classification to aggregate data for groups of similar countries for analytical purposes. Some external organizations also rely on the World Bank Group's income categories to make operational or regulatory decisions.

The income classification also impacts the World Bank's Operational Guidelines, which determine whether a country is eligible to borrow from IDA, Blend, or IBRD. Starting in FY19 surcharges have been applied in IBRD loan pricing for countries above the high-income threshold for more than two consecutive years, as described in the Development Committee Paper "Sustainable Financing for Sustainable Development" (DC2018-0002/P, April 21, 2018). Updated data on lending groups will also be published at this [link](#) on July 1<sup>st</sup>, 2025.

## Summary of changes in Country Income Classifications effective July 1, 2025

	New income category	Old income category	Atlas GNI/Capita (2024) as of July 1 <sup>st</sup> , 2025	Atlas GNI/Capita (2023) as of July 1 <sup>st</sup> , 2024
<b>Up</b>				
Cabo Verde	Upper-Middle	Lower-Middle	5,000	4,280
Costa Rica	High	Upper-Middle	15,620	13,850
Samoa	Upper-Middle	Lower-Middle	4,650	4,020
<b>Down</b>				
Namibia	Lower-Middle	Upper-Middle	4,240	4,870

	New threshold (\$) as of July 1 <sup>st</sup> , 2025	Old threshold (\$) as of July 1 <sup>st</sup> , 2024
Low income	≤ 1,135	≤ 1,145
Lower-middle income	1,136 - 4,495	1,146 - 4,515
Upper-middle income	4,496 – 13,935	4,516 – 14,005
High income	> 13,935	> 14,005

### General notes:

- In countries where dual or multiple exchange rates are in use, the exchange rate used to convert local currency units to US\$ is a composite of these exchange rates, provided necessary data are available. For more details see this [note](#).

### Country-specific notes:

- In 2024, **Cabo Verde's** GDP grew 7.3%, a 2-point increase compared with 2023. Growth was mainly driven by tourism related industries (+ 16.5%). Inflation (based on the GDP deflator) slowed from 4.1% in 2023 to 1.7% in 2024. Notably, the UN Population Division revised population levels downwards (-12.8% for 2023), explaining the 16.8% increase observed in Atlas GNI per capita.
- The **Costa Rican** economy has seen consistently strong growth recently, with an average growth rate of 4.7% over the past three years. In 2023, Costa Rica's Atlas GNI per capita was approaching the High-Income threshold. The 4.3% growth rate recorded in 2024, driven by strong domestic demand (private consumption and investment), was sufficient to push Costa Rica into the High-Income category.
- Samoa's** economy grew 9.4% in 2024, driven by a recovering tourism sector, ongoing reconstruction efforts, and strong remittances boosting consumption. Nominal GNI rose 14.8%. The population grew slightly (0.6%), while the exchange rate remained stable. Consequently, Samoa's Atlas GNI per capita increased to \$4,650, crossing the Upper-Middle Income threshold.
- In 2024, **Namibia's** GDP grew 3.7%, a 0.7-point deceleration from 2023. Inflation (based on the GDP deflator) slowed from 6.6% in 2023 to 3.3% in 2024. One of the main factors behind the slower GDP growth was a sharp deceleration in mining and quarrying, for which growth went from +19.3% in 2023 to -1.2% in 2024 due to weak demand for diamonds. Population data was adjusted upwards by the United Nations Population Division - UNDP (+13.8% for 2023), leading to a 12.9% decrease in the Atlas GNI per capita.