



Growth Promise Indicators

2019 report

July 2019



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Foreword



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Welcome to the 2019 edition of KPMG's Growth Promise Indicators (GPI) report, the latest iteration of research we have now been conducting for five years. Like its predecessors, this year's report, based on two decades of data from some 180 countries, seeks to assess which countries are best prepared for growth – and, crucially, what other countries can now do to catch up and fulfil their potential.

For investors, the GPI report offers actionable insight into how countries are performing on a range of vital pillars, from macro-economic stability to infrastructure and human capital. It will act as a reference guide as you make strategic and long-term decisions about where to locate key businesses and operations.

For policymakers and governments, the GPI report is an opportunity to take stock – both of the progress your country has made compared to its counterparts, and of how other countries are achieving the goals to which you aspire. Everyone has lessons to learn from their international peers.

Indeed, it has never been more important to pool our knowledge. We are living in a climate of volatility and often outright hostility, where political tensions make rational, cool-headed decision making increasingly difficult. Those countries that have been able to lay the foundations for sustainable growth represent shining beacons that light up the path ahead.

We must follow these examples wherever they are to be found – and the leaders are truly global. Asia again offers two of the top five in the GPI 'league table', led by Hong Kong, while Europe provides the remainder, including second-placed Switzerland. Smaller nations coming up fast range from South Korea to the UAE, while developing economies are often making progress more quickly than their developed counterparts.

Their example is invaluable. From KPMG research just published elsewhere, we know that two-thirds of CEOs now believe that agility is the key attribute required in today's marketplace. In that context, we hope that the GPI report and the success stories it highlights will help agile leaders, whether in business or government, make smarter choices even more quickly.

For now, read on – and let us know what you think. We look forward to hearing your views.

Best wishes

A handwritten signature in black ink, appearing to read 'Yael Selfin', written in a cursive style.

Yael Selfin

About this report

What is a Growth Promise Indicator?

The variables that influence a nation's potential for future productivity and growth are many and varied. How effective are business rights laws? How much exposure do local businesses have to international best practice? How strong is the education programme? The transport system? Mobile data coverage?

Establishing a coherent framework that can effectively track all these factors – and more – for every country on the planet is no mean feat. But that's exactly what KPMG did five years ago when our macroeconomics team sat down with external expert advisers to hammer out a new set of indicators. The goal was to create an authoritative framework that would give investors and policymakers practical insights into which countries offer most potential for sustained growth – and which have challenges that need addressing.

The result is what we call Growth Promise Indicators (GPI). Our raw materials are a series of independent global data sources from which we derive a series of individual indices evaluating factors that range from life expectancy to technology readiness. From judicial independence to national debt.

These, in turn, are grouped into five key indicators:

-  Macroeconomic stability
-  Openness to catch-up
-  Infrastructure
-  Human capital
-  Institutional strength

These five are then weighted again and combined to create a single unique GPI for each country. And because we've been able to apply this framework retrospectively, we now have granular GPI data for each country going back to 1997.

Our hope is that these GPIs prove to be an invaluable resource for decision-makers in business and government the world over. Anyone who needs independent insights into a country's investment potential or scope for improvement.

For a detailed explanation of the GPI methodology, see Appendix 1.

GPI is based on global data, weighted to form GPI scores for:

181 Countries^(a)

22 years of data

26 series grouped into five pillars

Note: (a) Hong Kong (S.A.R.) jurisdiction was included in the report as an additional comparator.

For investors

- GPIs represent an unbiased view of a country's true potential, based on factors that go far beyond GDP. So if you're a business looking to break into a new market or an institutional investor looking to spread your portfolio, check your target country's headline GPI or dig a little deeper using the table at the back of the report.

For policymakers

- Your country's GPI profile is a benchmark that represents its standing on the world's economic stage. Track your own performance to inform new policies. Track other countries to see what lessons you can learn from your peers.

This year's results

Hong Kong has maintained its place at the top of the GPI 'league table', followed by Switzerland and the Netherlands. Elsewhere in the top 10, Luxembourg and Finland have both moved up a single place compared to last year, leapfrogging Norway. This year's ranking has also seen Mauritius, the Bahamas and South Korea make significant ground.

See Appendix 2 for a full listing and additional underlying scores.



Venezuela

Rapid macro-economic deterioration in Venezuela has prompted a larger fall in its GPI Index score than in any other country.



South Africa

South Africa has slipped six places down the ranking, largely due to lower scores for judiciary independence and business rights.

Top 20

	1	–	Hong Kong	8.7		7	▲ 1	Finland	8.1		14	▼ 1	United Kingdom	7.7
	2	–	Switzerland	8.6		8	▼ 2	Norway	8.0		15	–	Iceland	7.7
	3	–	Netherlands	8.5		9	–	Sweden	8.0		16	–	Australia	7.7
	4	–	Singapore	8.4		10	–	New Zealand	7.9		17	–	Belgium	7.6
	5	–	Denmark	8.2		11	–	Canada	7.8		18	–	Japan	7.6
	6	▲ 1	Luxembourg	8.2		12	▲ 2	Germany	7.7		19	–	Estonia	7.5
						13	▼ 1	Ireland	7.7		20	–	Austria	7.4

Source: KPMG analysis



Norway

Norway's lower GPI ranking reflects lower scores for its institutional quality in areas such as business rights and transparency of policymaking.



South Korea

South Korean investment in infrastructure – particularly in technology readiness – has paid off, supporting the biggest improvement in its GPI ranking of any developed economy in the Index.



India

India's commitment to greater transparency and improved business rights has helped it rise four places.



United Arab Emirates

The UAE has moved four places up the rankings, largely thanks to advances in its infrastructure, particularly in transport.

On the right road

Which countries are successfully improving their transport infrastructure?

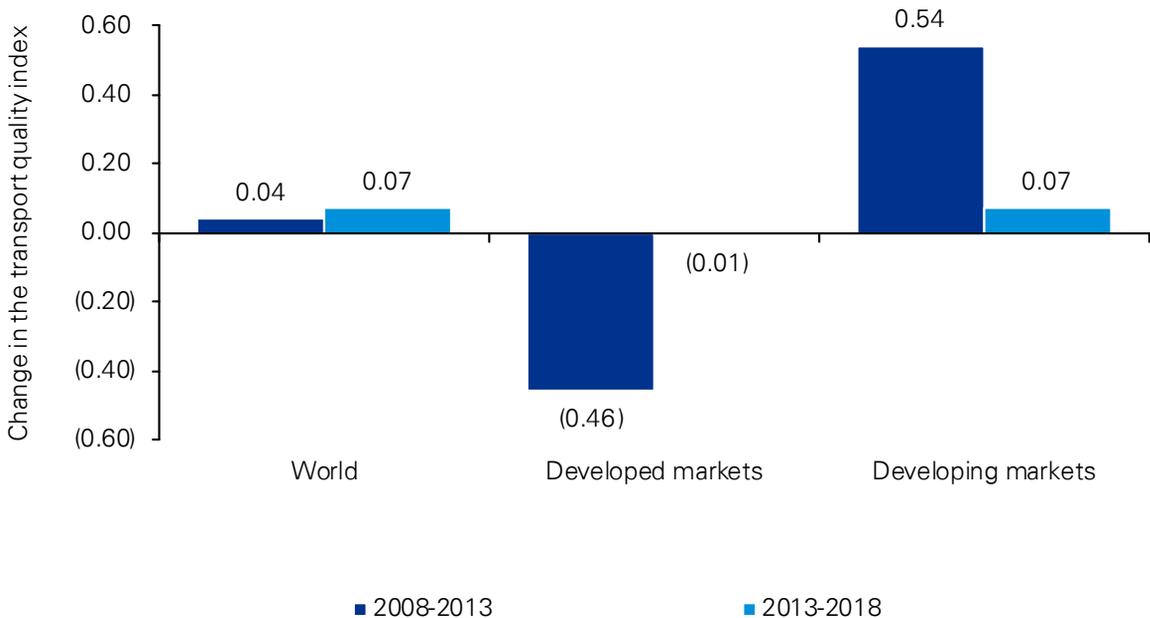
The quality of a country's transport infrastructure is a crucial factor in its economic competitiveness. But while the ability of people and goods to move freely, whether by road, rail, sea or air, is a fundamental determinant of growth, maintaining and improving transport infrastructure requires significant investment, often from both public and private sector sources.

Overall, the quality of transport infrastructure around the world has improved over the past decade, but at a modest pace. Progress was slow during the five years following the global recession triggered by the financial crisis of 2008 and has picked up only marginally since then.

However, the aggregate data obscures significant variations. The 2008-9 recession hit developed economies harder than the developing world, severely squeezing the public finances of many countries in the former and limiting their capacity for investment in transport. As a result, developed markets have experienced a deterioration in the quality of their transport while developing economies have made consistent progress – albeit at a slower rate between 2013-2018.

Developing markets have therefore been able to narrow the gap between the quality of their transport networks and those of developed economies; this is welcome given that transport quality has in the past been more of a constraint to growth in the developing world. However, the bridge remains significant: the average developed market's transport infrastructure scored 7.75 on the GPI Index last year, compared to only 4.83 in developing countries.

Figure 1: Developed markets saw deterioration of transport quality in the past 10 years, while developing markets made some progress



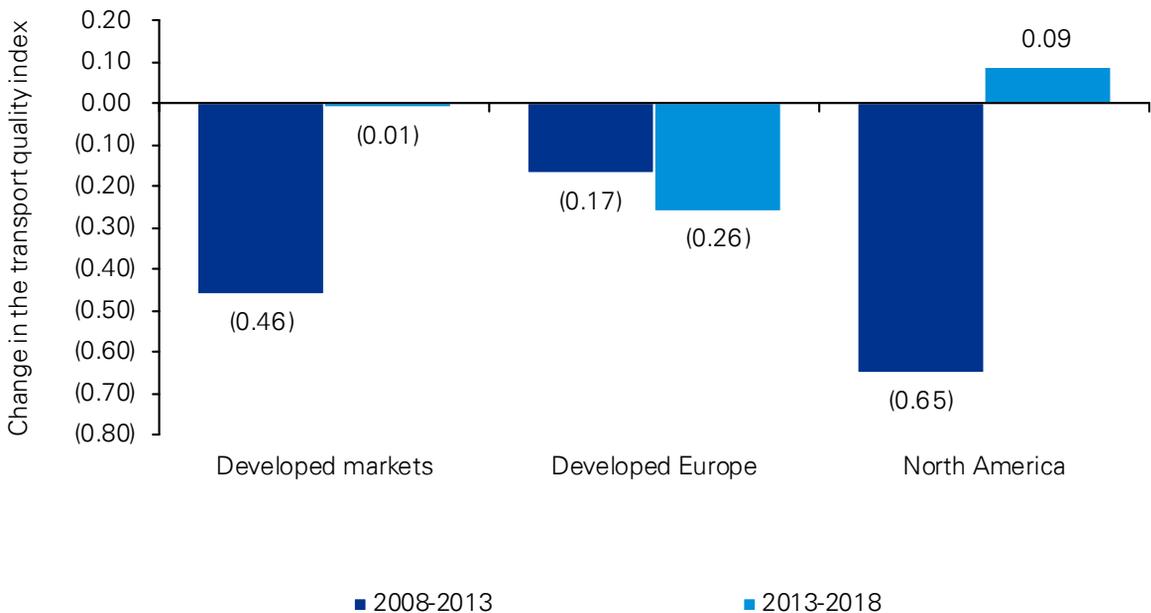
Source: KPMG analysis

Amongst developed markets, the decline of transport quality during the 2008-2013 period was most precipitous in North America, but it was then able to reverse some of this fall over the subsequent five years.

That said, some of the European countries hit hardest by austerity have managed to restore investment to a positive path. Both Italy and Greece have been able to improve their GPI Index scores for transport over the past five years.

By contrast, transport quality in Europe has now been in decline for an entire decade. The fiscal austerity measures adopted by many European countries as a response to the spending deficits run up during the recession have left little spare cash available for investment in transport infrastructure.

Figure 2: Both developed Europe and North America experienced deterioration in transport infrastructure during 2008-2013, but in North America that trend was reversed more recently between 2013-2018



Source: KPMG analysis

In the developing world, many countries have delivered continuous improvement in transport quality over the past decade. However, progress has not been equal. In this research, we divide the developing world into Growth Markets, consisting of the 'BRIC' countries (Brazil, Russia, India, China) as well as Mexico, South Korea, Turkey and Indonesia, and other emerging markets. Transport improvements have been more significant and consistent in the former group of countries.

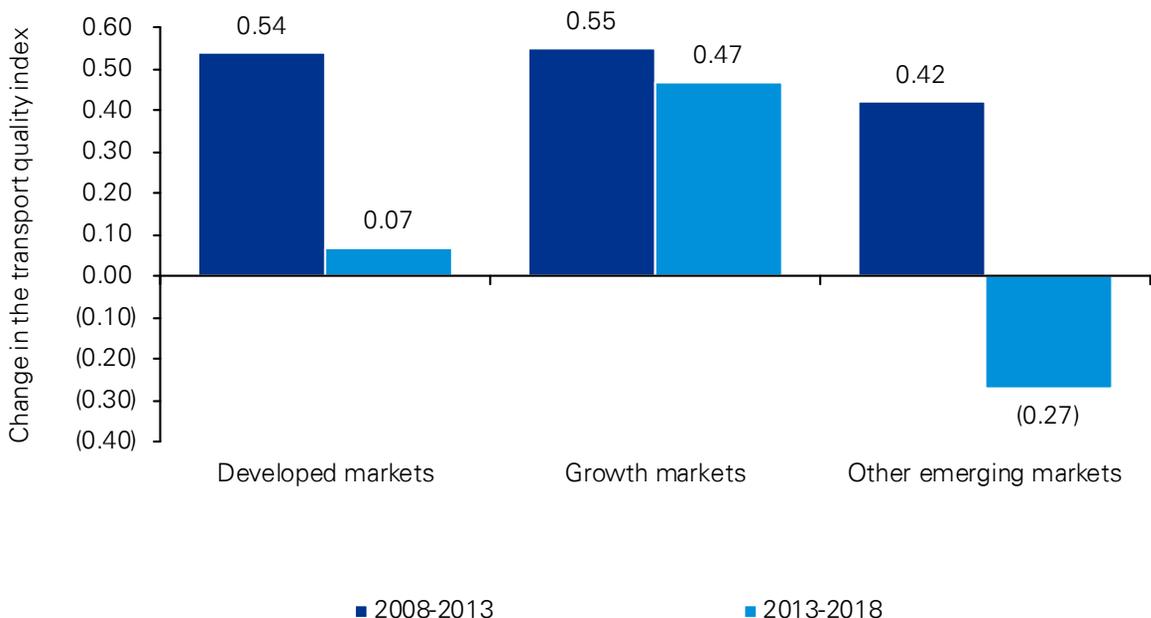
The Growth Markets were able to deliver almost as great a boost to transport quality during the years 2013-2018 as they achieved over the previous five-year period. The top performers over the decade included China, India and Indonesia.

By contrast, the Other Emerging Markets group has not been able to sustain the momentum of the improvements it achieved between 2008-2013. The subsequent five years saw transport quality decline, in aggregate, across this group as a whole.

Africa remains a stand-out region, with its countries consistently recording lower GPI Index scores for transport quality. Infrastructure improvements are now crucial for its development, but the dramatic progress achieved during 2008-2013 has not been sustained during the five-year period since then.

However, there have been exceptions. In North Africa, Egypt and Algeria both achieved further transport quality improvements between 2013 and 2018. Further south, Tanzania made even greater progress.

Figure 3: Growth markets were able to sustain their investment in transport upgrading over the past 10 years, but other emerging markets were not



Source: KPMG analysis

For investors

- As countries seek to accelerate (or revive) their transport infrastructure improvements, there will be significant investment opportunities, both direct and indirect.
- Improving transport quality, particularly in developing economies, may unlock previously untapped growth potential. KPMG research shows, for example, a huge increase in demand for expertise in building data-driven smart cities.
- With transport quality having deteriorated in certain markets while improving dramatically elsewhere, it may now be time to reassess strategic decisions about where to locate both existing and new operations.

For policymakers

- Improving access to markets through better-quality transport will become an ever-more crucial ingredient in economic success. As globalisation continues, countries hampered by poor transport links will struggle to compete.
- While reducing investment is an understandable reaction during a period of economic austerity, it may prove a false economy over the longer term.
- Transport policy will increasingly be influenced by the environmental agenda, with governments under pressure to develop infrastructure in such a way as to support efforts to reduce carbon emissions.



People power

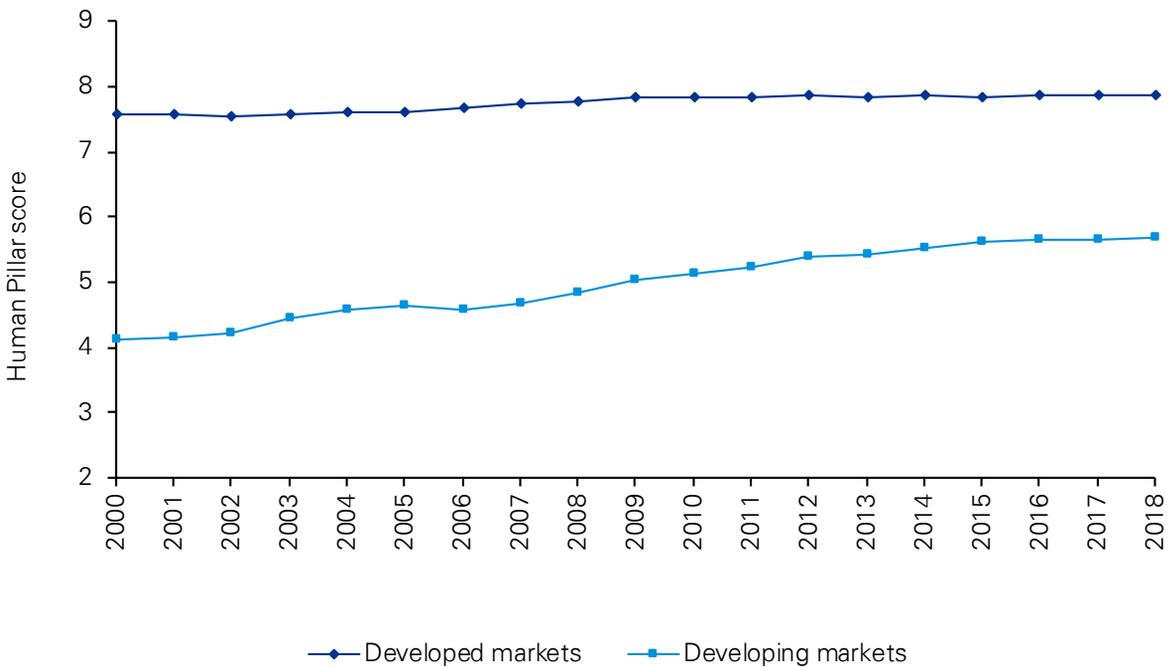
Which countries are building the workforces of the future?

Economies equipped with workforces that are ready for the future have the potential to grow more quickly. Not only do they have access to the labour required to power the economy as it expands, but also, their labour is equipped with the right skills and knowledge to accelerate growth.

The human pillar of the GPI Index assesses the workforce in two different contexts that relate to these imperatives. Life expectancy analysis gauges the extent to which an economy can be confident it will have sufficient numbers of healthy workers. The Human Capital Index assesses the skills base of the workforce, based on the age at which students tend to leave full-time education and the educational achievements made up until this point.

On both these measures, developing countries are now catching up with their developed counterparts. Looking at the Human Pillar of the GPI Index in aggregate, the former have closed the gap by almost 25 per cent over the past decade.

Figure 4: On average, developing countries are catching up with the developed world on the Human Pillar

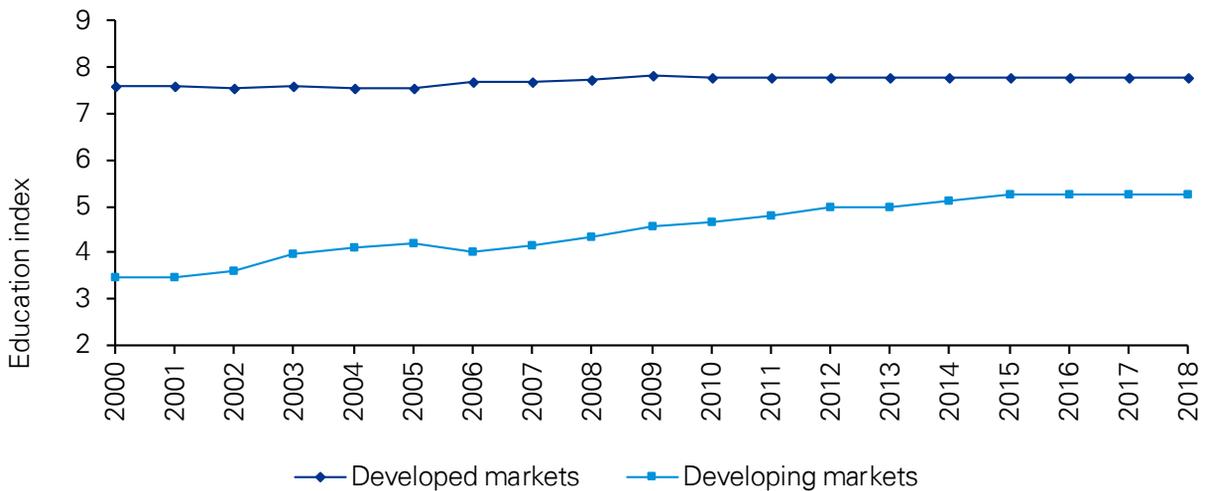


Source: KPMG analysis

In practice, however, the bulk of this effect reflects significant improvements in education in developing economies, where students are staying in education for longer and achieving higher levels of qualifications. In doing so, they leave school or college better equipped to play a productive role in the workforce.

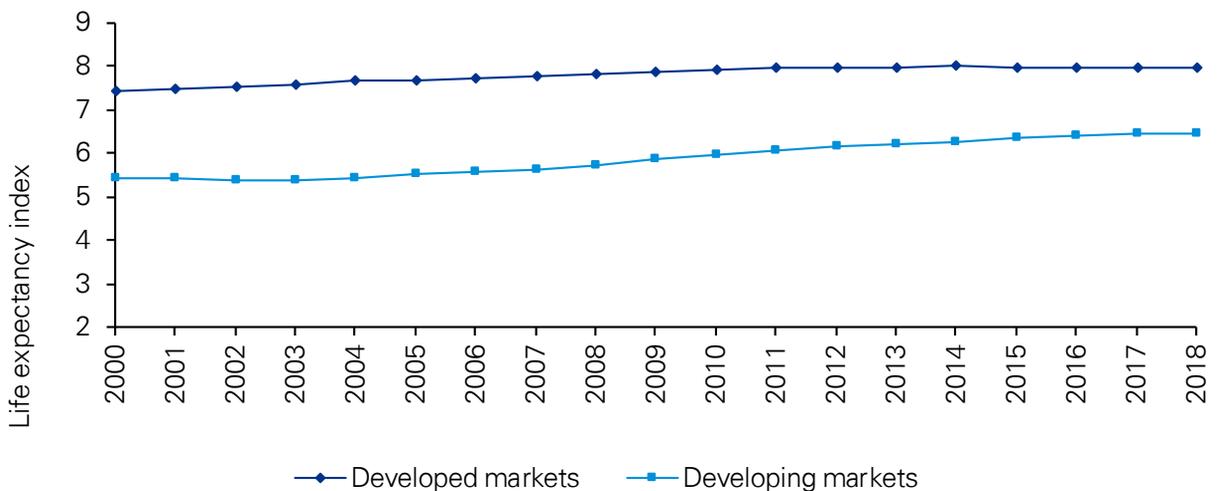
On life expectancy, the gap between developed and developing economies is closing at a much slower rate. Life expectancy continues to rise in the developing world, but at a slower pace over the last five years compared to the 2008-13 period.

Figure 5: The closing gap is largely attributable to improvement in education in developing countries



Source: KPMG analysis

Figure 6: The gap in life expectancy is also closing, but the process is much slower

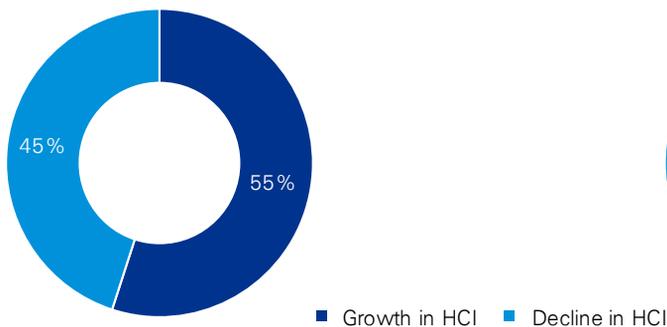


Source: KPMG analysis

Still, progress is being made. Of the 181 countries in this research, just one has reported a decline in average life expectancy over the past five years; the US's opioids dependency crisis has played a significant role in rising mortality rates during a period of economic expansion that would typically be associated with people living longer.

Looking ahead, the ability of developed and developing economies to continue raising life expectancies will also depend on different factors. For developing economies, it will be crucial to go on improving basic public services such as water, sanitation and power, as well as to increase access to healthcare services, including vaccinations. In developed economies, where public services are typically already at least at a minimum basic level, the quality, cost and accessibility of healthcare facilities will be all-important.

Figure 7: More than half of developed countries saw an improvement in human capital over the past five years



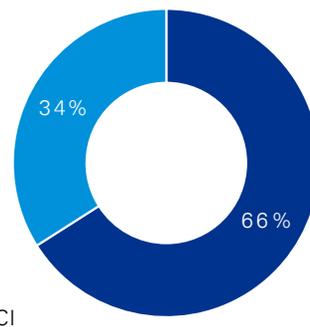
Source: KPMG analysis

There is room for further progress everywhere, but amongst the cohort of countries where the Human Capital Index has improved, some performances have been particularly impressive.

At the same time, policymakers must strive for continued and sustainable improvements on the other side of the human pillar of the GPI Index; this is challenging, requiring ongoing investment in education. Countries that reduce this investment are putting progress in educational achievement and participation at risk.

The good news is that in both the developed and the developing world, the majority of countries have seen their Human Capital Index scores on the GPI Index increase over the past five years. Almost two-thirds of developing countries have moved up, while more than half of developed countries have improved. Where possible, the index measures both participation, through enrolment rates in primary, secondary and tertiary education, and achievement, as measured by scores on PISA tests, a standardised OECD test of attainment.

Figure 8: The majority of developing countries are demonstrating growth in education outcomes



Source: KPMG analysis

In Sweden and Norway, for example, investment in school reform and teacher education has buoyed math and reading results. In Algeria, government efforts to increase graduate numbers have increase participation in tertiary education; similar progress has been made in the Seychelles.

For investors

- Access to healthy and vibrant workforces is improving throughout the developing world, offering new opportunities to expand operations in these markets.
- With educational attainment improving in developing markets, it is important to reconsider stereotypes about where high-value work is best undertaken.
- Employers have a crucial role to play in delivering tailored education to equip the workforce with the specific skills they require.

For policymakers

- Improvements in life expectancy will not be sustained without further investment in basic public services and healthcare.
- Educational participation and achievement are crucial drivers of economic potential, but higher aggregate rates may obscure inequality and uneven levels of progress.
- As secondary and tertiary education participation rates increase, the focus will turn to ensuring the curriculum equips students with the right skills for the modern economy.



Solid foundations

Why strong institutions can mitigate the risk of macro-economic instability

Macro-economic stability provides a solid foundation on which to establish and encourage future economic growth. The Macro-stability pillar of the GPI Index assesses countries' progress in this regard according to their levels of national debt and budget deficit. The aim is to capture how successfully governments are managing the public finances and combatting their natural "deficit bias" – the tendency to spend more than they raise in taxes in the hope of domestic popularity and electoral success.

This is not a straightforward area, just as in company finances, much depends on what public spending is used for. When used as investment that in turn delivers higher growth, for example, higher spending could make a lot of sense in the current era of low interest rates and meagre productivity.

Some countries have been able to improve their macro-stability scores in recent times. As the table shows, Ireland achieved the biggest improvement of all between 2013-2018, increasing its score by 3.5 points. Irish debt expressed as a proportion of GDP fell from above 110 per cent to 65 per cent over that period.

Figure 9: Macro-stability improvers

Countries with the biggest improvement in macro-stability score over the past five years.	
Ireland	3.5
Grenada	3.4
Iceland	2.8
Jamaica	2.3
Malta	1.5
Barbados	1.3
Micronesia	1.2
Germany	1.1
Slovenia	1.1
Netherlands	1.0

Source: KPMG analysis

Iceland, which like Ireland was devastated by the financial crisis, has achieved a similar level of improvement.

Its macro-stability score is up by 2.8 points, thanks to a reduction in its debt to GDP ratio from 80 per cent to 35 per cent between 2013-18. That was achieved, the International Monetary Fund records, through a combination of sustained budget surpluses, rapid GDP growth and a number of large irregular income tax receipts.

The link to growth

Generally speaking, developing economies score more highly on the macro-stability pillar (averaging a GPI Index score of 5.8) than developed countries (5.2). The latter typically pay lower interest rates, allowing them to borrow more, all other things being equal. This is because they enjoy lower risk premiums – the extent to which lenders require additional interest to compensate for the risk of default – underlining how perceptions of creditworthiness should be an important consideration when judging whether debt is sustainable.

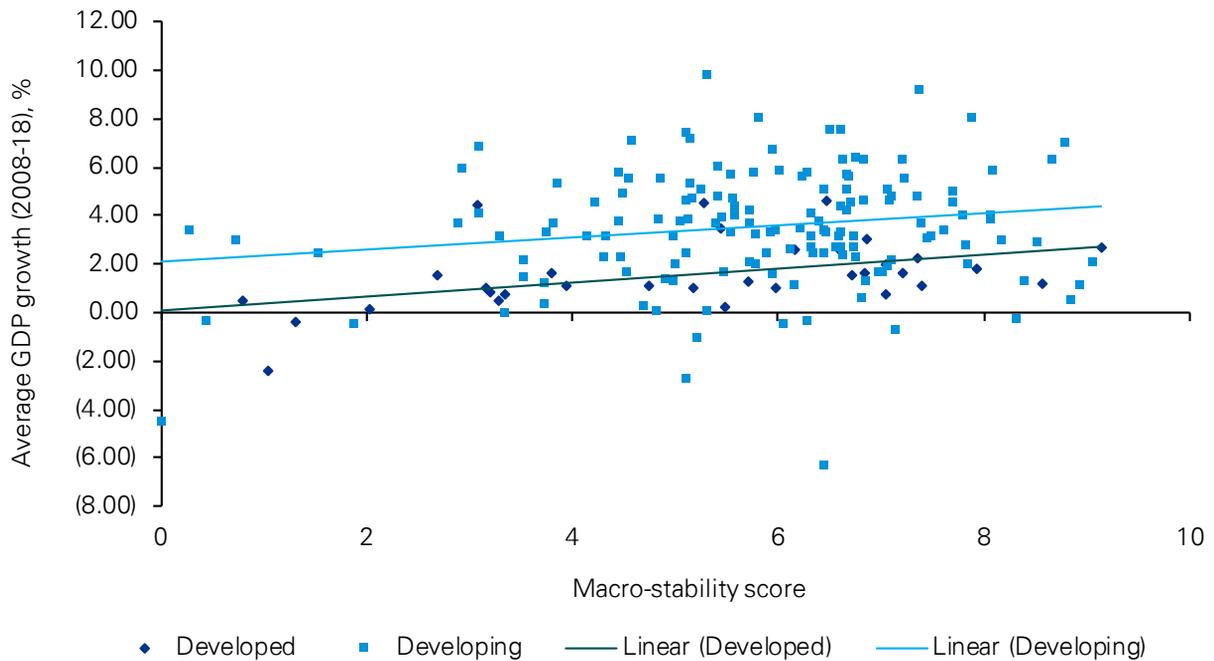
In theory, government borrowing can impact growth by crowding out private investment: as the Government's demand for credit to fund spending increases, the stock of funds available for private investment tends to decrease.

However, there are times when increased government spending has an overall positive impact on growth. During a recession, for example, investors may be less inclined to invest, and Government borrowing can help boost demand and revive the economy.

There are many other exceptions, often linked to why the Government is seeking to borrow. When governments run deficits in order to invest, the cost-benefit balance depends on whether the societal returns on that investment are higher than those that private sector investment would generate. Infrastructure investment, for example, often generates higher returns than private investment could achieve.

Nevertheless, in this research, developed countries with a macro-stability score above the median grew by an average of 0.75 percentage points more quickly than their counterparts below the median between 2008-18. Amongst developing countries, the gap was 0.2 percentage points.

Figure 10: GDP growth and macro-stability across country groups



Source: KPMG analysis

Still, there are many contributing factors to a country’s potential growth – and not all can be controlled. Outcomes will always depend, to some extent on random events and historical accidents.

Moreover, there are several reasons why any single country may have low levels of debt (including a lack of access to global capital markets). In some circumstances, it may be desirable for debt to increase:

- borrowing during a downturn may produce a net economic gain;
- borrowing when interest rates are persistently below the level of growth should mean debt does not become unsustainable, since the ratio of debt to GDP will decline even if the debt is perpetually rolled over;
- borrowing for public investment could raise productivity (whereas borrowing for spending is unlikely to do so).

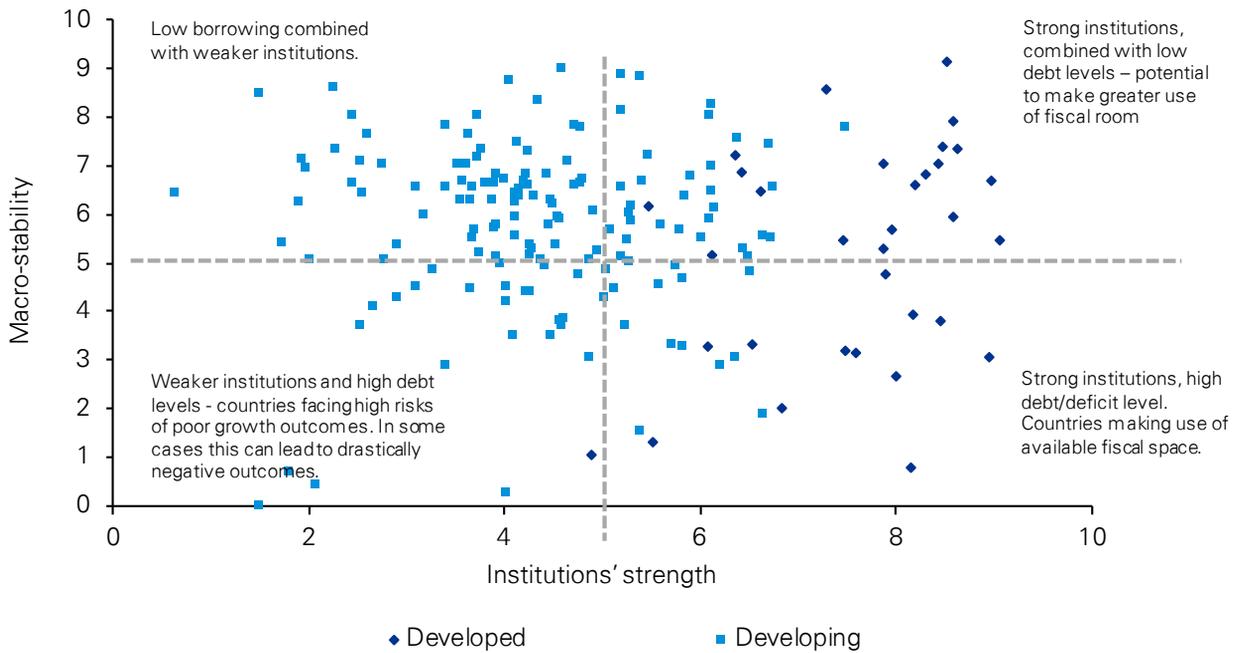
When to borrow

In fact, the GPI Index provides a loose framework for determining when debt is likely to be more productive, based on the scores that countries achieve on the Institutional pillar.

This is because a weak macro-stability score may reflect a high degree of deficit bias; the strength of institutions, measured in the GPI Index by proxies such as the quality of regulation and the effectiveness of policymaking, directly affects this. Governments with weaker institutions may be less accountable to the electorate – and therefore more prone to engage in excess spending funded by borrowing.

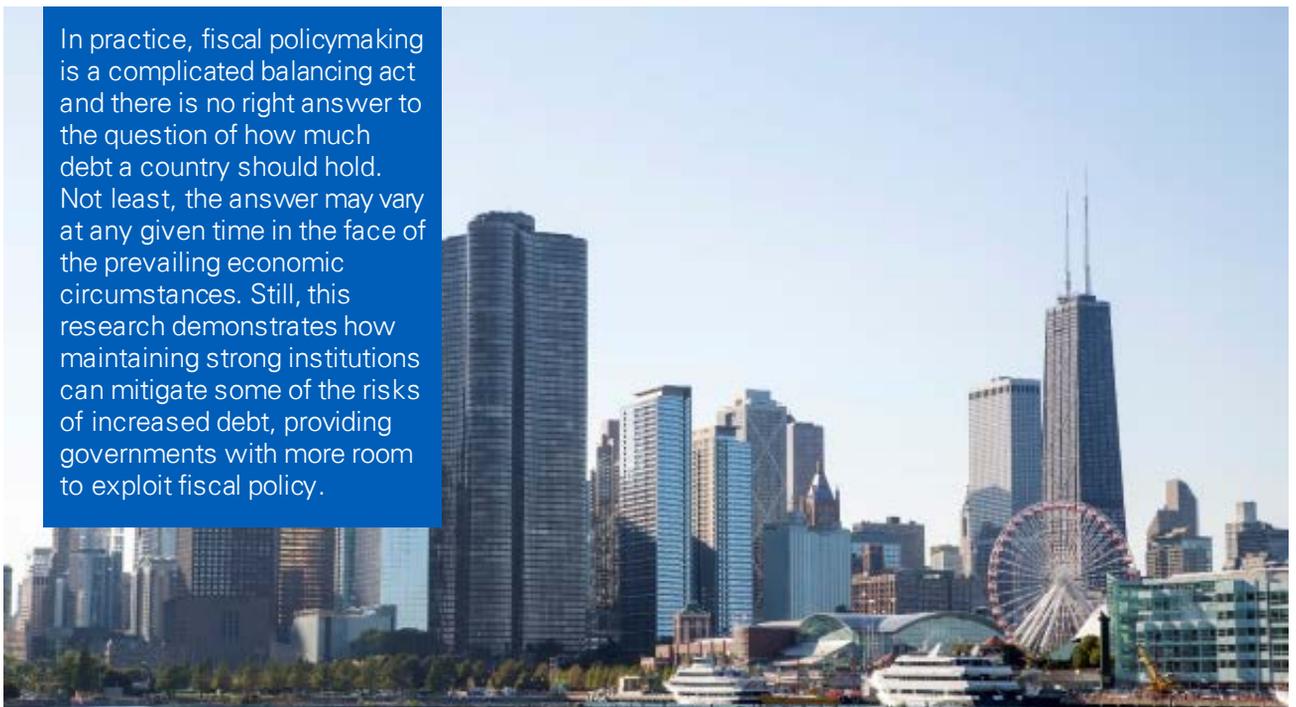
Countries with stronger institutions may also accumulate high levels of debt. However, these are more likely to reflect productive use of borrowing – and therefore more likely to benefit the economy.

Figure 11: The relationship between macro-stability and institutions' strength



Source: KPMG analysis

In practice, fiscal policymaking is a complicated balancing act and there is no right answer to the question of how much debt a country should hold. Not least, the answer may vary at any given time in the face of the prevailing economic circumstances. Still, this research demonstrates how maintaining strong institutions can mitigate some of the risks of increased debt, providing governments with more room to exploit fiscal policy.



Appendix 1: Methodology

The GPI Index comprises of 26 series that were selected to assess countries' productivity performance, based on relevant academic studies and business survey results. The index covers 181 countries and tracks their performance since 1997.

For each series, a fixed floor and ceiling value were established and the series score in the range of 0-10 was calculated from the value of the underlying variable. For all series a higher value of the index denotes a strictly better outcome for the country.

The values for the floor and ceiling were chosen to be reasonable maxima and minima for the data available. For series with defined ranges, these values were used instead. Scores for values below the floor or above the ceiling were truncated at zero and ten respectively. This has the effect of reducing the influence of outliers in terms of the distribution of the underlying variable.

Weights used to aggregate the series, sub-series and pillars were derived using the results of our econometric analysis in conjunction with results of previous studies and business surveys output. The weights are fixed between different countries and over time.

While twenty of our series came directly from a range of sources we calculated a bespoke education series to feed into the Human Capital Pillar. In order to do this, we synthesised an education index including a range of factors that contribute to the potential of human capital in each country.

For our calculation we used data from enrolment rates in primary, secondary and tertiary education as well as the results from the Program for International Student Assessment (PISA).

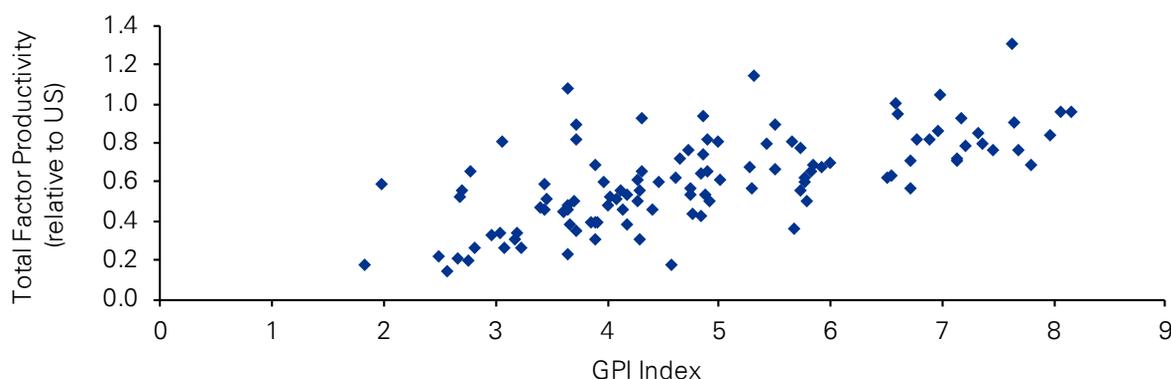
We weighted the enrolment rates according to their importance on the education returns according to relevant academic literature. Reading and math PISA results weight higher than science given these are needed for most occupations and are highly valued by employers in the majority of industries. Finally, we average the test results with the enrolment rates to get an education index.

During the aggregation stage of sub-series to series, pillars and eventually the final index we make an allowance for the possibility of missing data. If a single measurement is not available we allow the weighting of the index to take this into account and aggregate only over the remaining available data.

Our aggregate series are weighted by the real GDP of the individual countries, that is larger economies' scores have a larger weigh in the aggregate series.

We used historical TFP from the World Penn Table database (9.0) and analysed against the results of our GPI Index. The relationship between the overall GPI Index and TFP was statistically significant in the cross-sectional dimension (in terms of variation between countries at each point in time, as shown in the Chart below).

Figure 12: Correlation between GPI ratings and historical TFP figures



Source: World Penn Table (9.0) and KPMG analysis

Figure 13: Full breakdown of constituent parts in each GPI country score

Pillar	Index	Sub-index
Macro stability	— Government deficit	
	— Government debt	
Open to catch up	— FDI stock	
	— Total trade	
Infrastructure	— Quality of transport	— Roads
		— Rail
		— Ports
		— Air
	— Technology readiness	— 3G Coverage Network coverage by population
	— Broadband penetration	
	— Secure internet server	
	— Financial institutions – availability of credit	
Human capital	— Education	— Primary education enrolment, %
		— Secondary education enrolment, %
		— Tertiary education enrolment, %
		— Maths attainment (PISA)
		— Science attainment (PISA)
		— Reading attainment (PISA)
	— Life expectancy	
Institutions' strength	— Regulatory quality	
	— Judicial independence	
	— Transparency of government policymaking	
	— Government effectiveness	
	— Corruption	
	— Business rights	— Property rights
		— Intellectual property rights

Source: KPMG analysis

The data sources used to compile the index are listed in Figure 14. Great care has been taken to verify the accuracy and measurement reliability of the sources in all the series selected for the GPI report. We cannot, however, guarantee the absolute correctness of the underlying data.

Not all the data sources that make up our index go back as far as 1997. In such cases, we calculated our own estimates for the series, based on alternative proxy series that were available, using correlations between the two series.

Figure 14: GPI data sources

Series	Source
Government deficit	IMF, World Economic Outlook Database
Government debt	IMF, World Economic Outlook Database
FDI stock	UNCTADstat
Total trade	World Development Indicators, The World Bank
Quality of transport – Roads	World Economic Forum, Executive Opinion Survey World Development Indicators, The World Bank
Quality of transport – Rail	World Economic Forum, Executive Opinion Survey World Development Indicators, The World Bank
Quality of transport – Ports	World Economic Forum, Executive Opinion Survey UNCTADstat
Quality of transport – Air	World Economic Forum, Executive Opinion Survey World Development Indicators, The World Bank
Mobile cellular subscriptions	World Development Indicators, The World Bank
Broadband penetration	World Development Indicators, The World Bank
Secure internet servers	World Development Indicators, The World Bank
Financial availability	World Development Indicators, The World Bank
Life expectancy	World Development Indicators, The World Bank
Regulatory quality	Worldwide Governance Indicators (www.govindicators.org)
Judicial independence	World Economic Forum, Executive Opinion Survey Worldwide Governance Indicators (www.govindicators.org)
Transparency of government policymaking	World Economic Forum, Executive Opinion Survey Worldwide Governance Indicators (www.govindicators.org)
Government effectiveness	Worldwide Governance Indicators (www.govindicators.org)
Property rights	World Economic Forum, Executive Opinion Survey Worldwide Governance Indicators (www.govindicators.org)
Intellectual property rights	World Economic Forum, Executive Opinion Survey W.G Park, 2005, International Patent Protection, Research Policy 37 (2008)
Control of corruption	Worldwide Governance Indicators (www.govindicators.org)
Primary enrolment rate	UNESCO Institute for Statistics (UIS)
Secondary enrolment rate	UNESCO Institute for Statistics (UIS)
Tertiary enrolment rate	UNESCO Institute for Statistics (UIS)
Maths attainment	OECD (2019), Mathematics performance (PISA) (indicator). doi: 10.1787/04711c74-en (June 2019)
Science attainment	OECD (2019), Science performance (PISA) (indicator). doi: 10.1787/91952204-en (June 2019)
Reading attainment	OECD (2019), Reading performance (PISA) (indicator). doi: 10.1787/79913c69-en (June 2019)

Appendix 2: Country pillar scores

	Country/Jurisdiction	Headline index	Macro-economic stability	Openness	Quality of infrastructure	Quality of institutions	Human development
1	Hong Kong	8.74	9.13	10.00	8.82	8.51	8.68
2	Switzerland	8.63	6.71	8.02	9.04	8.97	7.98
3	Netherlands	8.51	7.34	9.58	8.69	8.57	8.15
4	Singapore	8.43	3.07	10.00	8.12	8.93	8.84
5	Denmark	8.20	7.04	5.37	8.67	8.42	8.07
6	Luxembourg	8.19	7.93	10.00	7.93	8.59	7.41
7	Finland	8.13	5.48	3.77	7.90	9.05	8.39
8	Norway	8.04	7.40	3.34	8.20	8.46	8.27
9	Sweden	8.00	6.83	4.80	8.31	8.29	8.05
10	New Zealand	7.89	6.59	2.32	7.88	8.61	8.20
11	Canada	7.79	3.79	3.40	7.89	8.45	8.39
12	Germany	7.72	5.70	4.28	8.11	7.96	8.00
13	Ireland	7.71	5.28	10.00	7.19	7.86	8.22
14	United Kingdom	7.69	3.94	3.13	8.24	8.18	7.95
15	Iceland	7.67	7.05	4.60	7.88	7.87	7.87
16	Australia	7.67	6.59	1.70	7.74	8.19	8.27
17	Belgium	7.62	3.15	9.53	7.78	7.59	8.08
18	Japan	7.57	0.79	0.66	8.32	8.14	8.76
19	Estonia	7.55	8.56	9.10	7.22	7.28	7.93
20	Austria	7.45	4.74	5.68	7.36	7.88	7.83
21	United States	7.43	2.67	0.67	8.42	7.98	7.72
22	France	7.40	3.19	2.87	8.38	7.47	8.00
23	United Arab Emirates	7.23	7.81	8.45	6.76	7.46	7.02
24	Korea, South	7.22	6.86	3.63	8.12	6.40	8.49
25	Malta	7.21	7.64	10.00	7.74	6.60	6.83
26	Israel	7.11	5.45	2.53	7.27	7.45	7.77
27	Cyprus	7.06	3.34	8.95	8.00	6.52	7.21
28	Portugal	7.01	2.01	4.70	7.91	6.82	7.86
29	Czech Republic	6.94	7.21	8.95	7.00	6.35	7.43
30	Slovenia	6.84	5.16	8.44	6.96	6.12	8.14
31	Lithuania	6.75	7.01	8.50	6.91	6.11	7.31
32	Spain	6.75	3.28	3.26	7.81	6.07	8.23
33	Chile	6.72	7.44	3.30	6.82	6.69	7.29
34	Malaysia	6.65	5.14	7.69	6.72	6.71	6.53
35	Latvia	6.62	6.80	6.97	6.93	5.88	7.49
36	Poland	6.21	6.20	5.69	6.53	5.29	7.71

	Country/Jurisdiction	Headline index	Macro-economic stability	Openness	Quality of infrastructure	Quality of institutions	Human development
37	Mauritius	6.21	5.78	5.17	6.74	6.46	5.25
38	Bahamas	6.14	5.29	5.23	6.46	6.42	5.55
39	Hungary	6.11	4.88	8.89	6.66	5.03	7.04
40	Italy	6.10	1.31	2.48	7.06	5.52	7.94
41	Georgia	6.03	6.40	7.13	6.04	5.82	6.04
42	Seychelles	6.02	5.71	10.00	6.28	5.79	5.17
43	Uruguay	6.01	4.82	1.64	5.79	6.49	6.79
44	Bulgaria	5.98	7.84	7.91	6.56	4.69	6.74
45	Croatia	5.96	4.80	5.61	6.96	4.74	7.28
46	Greece	5.95	1.03	2.90	7.57	4.88	7.66
47	Romania	5.90	6.72	4.40	6.36	5.39	6.44
48	Slovakia	5.90	6.15	8.72	6.50	5.46	5.14
49	Qatar	5.86	6.59	4.33	4.65	6.74	6.12
50	Belarus	5.82	6.42	7.47	7.58	4.28	5.69
51	Barbados	5.80	1.87	5.67	5.53	6.63	5.58
52	Brunei	5.80	8.30	4.50	5.49	6.10	5.37
53	China	5.71	5.80	0.98	5.39	5.59	7.58
54	Russia	5.70	8.39	1.78	6.63	4.33	7.35
55	Turkey	5.65	7.10	2.15	6.52	4.64	6.88
56	Costa Rica	5.61	5.54	3.50	4.71	5.99	6.74
57	Oman	5.58	5.58	5.31	4.27	6.62	5.53
58	Bahrain	5.53	2.88	8.55	4.56	6.18	5.59
59	Thailand	5.53	6.58	6.91	5.05	5.18	6.33
60	Vietnam	5.52	5.40	8.77	5.27	4.51	7.11
61	Panama	5.50	6.62	5.14	6.26	4.70	5.76
62	Serbia	5.45	5.94	6.82	6.23	4.54	5.64
63	Montenegro	5.35	5.03	6.71	4.40	5.12	6.97
64	Saudi Arabia	5.35	7.60	2.91	3.92	6.35	5.51
65	Azerbaijan	5.24	8.16	5.18	4.64	5.17	5.56
66	Kazakhstan	5.22	7.79	3.49	4.76	4.77	6.62
67	South Africa	5.19	5.46	2.70	6.17	5.24	4.18
68	Saint Vincent and the Grenadines	5.07	4.69	6.18	3.63	5.80	5.59
69	Indonesia	5.05	7.21	1.25	4.47	5.46	5.49
70	Argentina	4.98	3.73	0.16	5.35	4.57	6.79
71	Jordan	4.96	3.30	5.47	3.54	5.79	5.72
72	Grenada	4.94	5.71	7.31	3.88	5.06	5.51

	Country/Jurisdiction	Headline index	Macro-economic stability	Openness	Quality of infrastructure	Quality of institutions	Human development
73	Trinidad and Tobago	4.91	6.04	2.60	4.08	5.26	5.73
74	Saint Lucia	4.89	4.97	4.53	3.65	5.73	5.12
75	Namibia	4.88	6.48	4.32	3.64	6.07	4.10
76	Kuwait	4.86	8.91	4.84	3.60	5.16	5.12
77	Brazil	4.83	3.52	0.50	5.40	4.45	6.15
78	Jamaica	4.82	3.33	5.17	3.65	5.70	5.10
79	Mexico	4.81	8.85	3.93	3.75	4.44	6.35
80	Ukraine	4.80	5.20	5.65	5.65	3.73	5.36
81	Moldova	4.77	3.88	6.32	5.51	3.75	5.52
82	Tunisia	4.72	4.30	5.73	3.55	5.01	5.73
83	Botswana	4.71	8.06	3.56	2.82	6.08	4.26
84	Macedonia FYR	4.71	6.59	7.06	4.00	4.22	5.70
85	Albania	4.69	4.96	4.09	3.82	4.39	6.67
86	Morocco	4.67	2.91	4.52	3.90	5.27	5.11
87	Armenia	4.66	6.11	4.51	3.66	4.90	5.35
88	Colombia	4.64	5.97	1.36	4.07	4.52	6.21
89	Samoa	4.63	6.14	3.48	2.34	6.12	4.98
90	Belize	4.62	3.51	7.17	5.04	4.07	4.73
91	Mongolia	4.62	4.47	7.90	4.58	4.03	5.09
92	Antigua and Barbuda	4.59	3.73	4.70	3.65	5.21	4.93
93	Bhutan	4.56	3.07	3.53	2.76	6.35	4.34
94	Cabo Verde	4.48	1.52	7.21	3.20	5.36	4.66
95	Rwanda	4.45	6.50	1.93	2.70	6.10	3.89
96	India	4.40	4.57	1.21	3.32	5.56	4.47
97	Peru	4.40	7.33	2.02	3.32	4.21	6.26
98	Iran	4.38	6.85	1.68	3.82	4.21	5.62
99	Fiji	4.36	5.87	4.57	2.56	5.28	4.81
100	Maldives	4.30	6.59	8.69	3.30	3.90	4.94
101	Bosnia and Herzegovina	4.27	7.04	5.06	5.02	3.59	3.61
102	Sri Lanka	4.26	3.84	1.83	3.63	4.58	5.27
103	Egypt	4.24	3.08	2.03	3.49	4.84	5.00
104	Philippines	4.24	6.67	3.33	3.02	4.76	4.64
105	Dominican Republic	4.17	6.42	2.44	3.33	4.14	5.37
106	Honduras	4.10	6.72	5.83	3.03	4.17	4.47
107	Algeria	4.08	6.55	2.21	3.04	4.13	5.38
108	Ghana	4.05	5.13	4.07	2.52	5.18	3.83

	Country/Jurisdiction	Headline index	Macro-economic stability	Openness	Quality of infrastructure	Quality of institutions	Human development
109	Suriname	4.05	4.53	4.95	3.60	4.00	4.49
110	Lebanon	4.05	0.27	4.36	3.68	4.01	5.53
111	Ecuador	4.04	6.30	1.34	3.75	3.63	5.42
112	Guyana	4.03	5.39	6.23	2.88	4.25	4.43
113	Tonga	4.03	5.23	5.89	2.36	4.56	4.70
114	Kenya	4.03	5.25	0.98	3.19	4.93	3.95
115	Micronesia	3.96	7.38	5.68	1.03	5.36	4.28
116	Cambodia	3.91	7.19	7.64	2.88	3.70	4.13
117	Senegal	3.90	5.09	2.46	2.80	4.85	3.73
118	El Salvador	3.90	5.00	3.50	3.23	3.93	4.64
119	Tajikistan	3.87	5.95	2.50	2.74	4.09	4.97
120	Guatemala	3.83	7.49	1.59	2.78	4.11	4.48
121	Kyrgyzstan	3.81	5.71	5.97	2.50	3.68	5.00
122	Paraguay	3.78	7.69	2.88	2.79	3.61	4.83
123	Nicaragua	3.75	5.52	5.64	2.95	3.37	4.81
124	Bangladesh	3.75	6.74	0.74	2.85	3.98	4.65
125	Eswatini	3.74	6.34	5.70	2.47	4.46	3.06
126	Kiribati	3.74	6.75	5.23	0.87	4.77	4.84
127	Uzbekistan	3.72	7.86	3.04	2.80	3.39	4.89
128	Vanuatu	3.66	6.31	5.51	2.19	3.86	4.33
129	Gambia	3.66	3.81	1.95	2.84	4.55	3.49
130	Laos	3.63	5.10	3.78	1.99	4.35	4.26
131	Gabon	3.62	5.77	4.05	2.44	3.90	4.17
132	Nepal	3.61	5.96	1.81	2.58	3.90	4.45
133	Tanzania	3.59	6.82	0.97	2.45	4.41	3.53
134	Guinea	3.58	6.65	8.39	2.21	3.80	3.25
135	Sao Tome and Principe	3.54	4.22	7.92	1.59	4.00	4.31
136	Burkina Faso	3.51	6.23	2.04	2.24	4.47	3.17
137	Zambia	3.50	4.43	3.85	2.26	4.19	3.67
138	Pakistan	3.47	4.45	0.24	2.63	4.23	3.78
139	Solomon Islands	3.46	8.06	5.35	1.59	3.70	4.15
140	Benin	3.44	5.57	3.02	2.12	4.08	3.74
141	Cote d'Ivoire	3.42	5.75	2.92	2.83	3.87	2.97
142	Syria	3.41	6.77	3.85	2.68	3.14	4.12
143	Bolivia	3.40	5.41	2.47	2.77	2.87	5.11
144	Malawi	3.31	5.54	2.88	1.55	4.24	3.65

	Country/Jurisdiction	Headline index	Macro-economic stability	Openness	Quality of infrastructure	Quality of institutions	Human development
145	Sierra Leone	3.29	4.47	3.68	2.82	3.63	2.95
146	Cameroon	3.29	6.66	1.29	2.11	3.86	3.58
147	Ethiopia	3.29	5.31	0.75	1.80	4.26	3.69
148	Lesotho	3.27	6.44	6.58	1.35	4.09	2.91
149	Uganda	3.25	6.27	1.77	1.87	4.09	3.25
150	Mali	3.24	6.47	2.70	2.53	3.66	2.79
151	Liberia	3.18	6.31	8.27	1.71	3.54	2.60
152	Papua New Guinea	3.12	6.70	7.07	1.04	3.54	3.52
153	Timor-Leste	3.11	7.69	6.10	1.81	2.57	4.22
154	Myanmar	3.11	5.92	2.02	1.94	3.17	4.30
155	Mozambique	3.08	6.01	7.66	1.42	3.38	3.09
156	Congo	3.02	3.73	10.00	1.78	2.50	3.97
157	Zimbabwe	2.97	7.05	1.96	2.42	2.72	3.53
158	Mauritania	2.95	5.12	7.38	1.73	2.87	3.29
159	Togo	2.91	4.53	5.38	1.61	3.07	3.52
160	Nigeria	2.90	6.62	0.43	2.01	3.50	2.72
161	Djibouti	2.81	4.85	6.62	1.08	3.25	3.08
162	Madagascar	2.80	5.16	3.84	1.38	3.07	3.57
163	Iraq	2.79	6.65	3.34	1.57	2.42	4.29
164	Niger	2.77	7.07	2.60	0.79	3.67	2.88
165	Libya	2.74	2.53	3.45	3.20	1.48	4.47
166	Turkmenistan	2.52	7.37	3.04	2.02	2.25	2.48
167	Haiti	2.52	6.96	3.49	1.54	1.95	3.77
168	Burundi	2.50	5.09	0.10	1.64	2.75	3.26
169	Congo, Dem. Rep	2.48	8.07	3.99	1.33	2.44	2.53
170	Comoros	2.46	7.10	1.10	1.10	2.50	3.61
171	Venezuela	2.43	0.00	1.53	2.40	1.48	5.22
172	Angola	2.43	4.13	1.86	1.50	2.65	3.09
173	Chad	2.41	6.43	3.80	1.32	2.53	2.48
174	Afghanistan	2.40	8.65	1.77	1.25	2.23	3.04
175	Yemen	2.24	5.10	0.63	1.34	1.98	3.80
176	Equatorial Guinea	2.17	7.14	6.19	0.88	1.90	2.37
177	Guinea-Bissau	2.02	5.45	2.37	1.40	1.71	2.63
178	Sudan	1.91	0.43	0.33	1.27	2.06	3.32
179	Central African Republic	1.76	6.27	1.67	0.50	1.88	2.30
180	South Sudan	1.48	6.43	7.34	0.39	0.61	2.13
181	Eritrea	1.47	0.72	1.02	0.32	1.77	2.89



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