

BDO INTERNATIONAL BUSINESS COMPASS 2017

Update and in-depth look at openness

Hendrik Hüning, Konstantin Poensgen, André Wolf



„Globalisation now no longer seems a natural mechanism..“



Hamburgisches
WeltWirtschafts
Institut



PROF. DR. HENNING VÖPEL
DIRECTOR OF HWWI



DR. ANDRE WOLF
HEAD OF ECONOMICS HWWI

THIS PERCEPTION OF CONTINUOUS RAPPROCHEMENT IS ONE OF THE KEY NARRATIVES OF THE 21ST CENTURY. IT MAKES THE RENAISSANCE OF THE CONCEPT OF THE BORDER ALL THE MORE ASTOUNDING.

The idea of boundlessness is closely associated with globalisation. In a globalised world, goods, businesses and people can all move around the planet virtually freely and trade brings once remote locations closer and closer together. This perception of continuous rapprochement is one of the key narratives of the 21st century. It makes the renaissance of the concept of the border all the more astounding. This concept manifests itself most directly in the European refugee crisis which has sparked calls for a return to purely national decision-making processes from some groups. However, people have recently also started speaking of regression with regard to the free movement of goods; one need only think of the election of Donald Trump, the massive resistance to TTIP – the planned US-EU free trade agreement – and the trade conflict with China. Globalisation now no longer seems a natural mechanism, but rather a process that is increasingly under threat and besieged by countermovements. In this context, it is informative to place the current degree of openness of countries under the microscope.

Therefore, the focus of this year's issue of the BDO International Business Compass is trade openness. We evaluate the current level of trade barriers using various metrics and carry out an empirical

analysis of the effects of protectionism on growth. In addition to our in-depth look at innovation, we present the updated ranking of the IBC overall index as a yardstick of local attractiveness. For the sixth time, we have evaluated the general economic, political and sociocultural conditions of individual countries and converted them into illustrative statistics. Furthermore, the production and business sub-indices have been updated from the previous year. This makes it possible to compare countries in terms of their attractiveness as production and marketing locations. With this analysis we hope to provide corporate decision-makers with a useful tool for selecting locations for their companies.

PROF. DR. HENNING VÖPEL
DIRECTOR OF HWWI

DR. ANDRE WOLF
HEAD OF ECONOMICS HWWI, GLOBAL ECONOMICS AND
INTERNATIONAL TRADE RESEARCH AT HWWI

„Tariffs and other barriers to international economic activity are still on the decline. However, we are observing a relative shift between the drivers of and constraints on free international trade.“



IDENTIFY OPEN MARKETS – GUARANTEE SUCCESS

The opening of markets, the removal of tariff and non-tariff trade barriers and the greatest possible freedom of movement for goods, services and even labour have long been the trend. This has generated completely new opportunities for small and large businesses alike and made a

significant contribution to considerable improvements in welfare on a global scale. However, the indications that what have so far been predominantly positive attitudes to free international trade are turning sour are multiplying. Especially in Europe and the USA.

What initially manifested itself in widespread opposition to free trade agreements such as TTIP or CETA is now manifesting itself in certain countries' U-turns on trade policy. Great Britain's exit from the European Union was a profound blow to the European Single Market. The collateral damage of Brexit cannot yet be foreseen. On the other side of the globe, the new protectionist line taken by the USA has already led to the termination of its participation in the Trans-Pacific Partnership. The impact of this development on the economy is also uncertain. And other trade barriers are looming on the horizon.

International companies, however, are reliant on a high degree of openness and unrestricted market access, both for their turnover and for utilising comparative cost advantages in the production chain. Protectionism and bilateralism are therefore threatening a number of business models. Yet is this the new global trend?

There are not many signs that this is the case. The results of the recent BDO International Business Compass (IBC), which focused on this subject, attest to the generally (at least) ongoing opening up of the business world. Tariffs and other barriers to international economic activity are still on the decline. However, we are observing a relative shift between the drivers of and constraints on free international trade. Whereas once highly protectionist, emerging industrial nations such as China are increasingly open, traditionally mercantile countries in Europe and America are more frequently resorting to regulating the flows of goods and cash as well as the freedom of movement of people.

At the same time, the process of digitisation is gaining momentum across all borders. Although this fundamental process is revolutionising industry and society inexorably and globally, politicians are looking for isolated solutions. In this context, globally uniform regulatory standards for data transfers and security are indispensable in order to make full use of the potential efficiency improvements offered by digitisation. Until these become reality, regionalism will remain prevalent, as reflected by the indices of our IBC.

As an international auditing and consultancy firm, the ongoing success of German companies is of great importance to us. We therefore invite industry and SMEs to use the HWWI and BDO International Business Compass to gain a quick overview of almost every country in the world. By updating the in-depth analyses on an annual basis, we can ensure that the data are always up-to-date so as to map the risks and opportunities of the market reliably. This way, the IBC can provide you with a sound basis for your corporate decisions – decisions that could make your company even more successful.

PARWÁZ RAFIQPOOR
MEMBER OF THE MANAGEMENT BOARD
BDO AG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

EXECUTIVE SUMMARY

MOTIVATION

The dynamic growth of international trade is one of the most significant global development trends in recent decades. For a long time globalisation seemed a natural, almost irreversible process. However, cracks have appeared in this notion recently. One reason for this is the significant decrease in the dynamism of international trade. It is also due to the resurgence of protectionism on a political level, even in Western countries. However, global markets remain a crucial basis for expansion for international companies. This goes for companies pursuing global export strategies in particular. Indirectly, however, it also affects companies that are less reliant on exports yet whose production chains span numerous countries in order to cut costs. Besides the trading of finished products, the international trading of preliminary services and semi-finished products has also increased steadily over the past few decades. Therefore, in the medium term a swing towards protectionism also threatens to break value chains that have been built up over extended periods. In this context, it appears to be time to carry out an up-to-date appraisal of the degree of openness in the countries around the world and of its relationship with general economic growth.

This is the focus of the BDO International Business Compass 2017. We will firstly compare countries and global regions descriptively with regard to the current status and development trends of their degrees of openness. As the concept of openness cannot be defined unequivocally and encompasses a number of different aspects, we will use a number of different indicators. Specifically, we will differentiate between outcome-based measures based on observed trade flows and policy-based measures that factor in trade policy instruments (tariffs and non-tariff trade barriers). We will then carry out an econometric analysis of the correlation between openness and economic output (gross domestic product (GDP)) on the basis of our global data set. We will be able to use our findings to simulate the long-term effects of an increase in import tariffs on the economic output of a country. This way we will obtain a differentiated picture of the conceivable consequences of upheavals in trade policy.

RESULTS

Overall, there have been only minor changes in the top 10 in the International Business Compass 2017 compared to the previous year. Singapore retook the top spot, due primarily to improved general economic and sociocultural conditions. Hong Kong is in second place. Switzerland too climbed the rankings and is now one of the top three again following improvements in its economic indicators in particular. The Netherlands and Denmark round off the top five, having barely moved since the previous ranking. Germany and New Zealand are new additions to the top 10. In terms of rankings, Germany enjoyed the greatest progress out of all the countries at the top of the rankings. This too was down to its impressive economic data. In the case of New Zealand, its placement in the top 10 is due primarily to its excellent performance in the political and sociocultural pillars. In contrast, Australia (11th place (-1)) and Canada (12th place (-3)) fell out of the top 10. Whereas Australia did not experience any noteworthy declines in absolute terms, Canada lost significant ground in the economic seg-

ment. Overall, the dominance of the OECD countries in the top spots remained striking this year. As before, Singapore and Hong Kong were the only non-OECD countries in the top 20.

There were no major movements on a global scale this year, with the largest shifts in rankings being 20 places. The largest leap forward in the ICB 2017 was by Cape Verde, followed by Namibia and Gambia. As Cape Verde and Namibia had already registered double-digit advances in the previous year, their trend can be considered extremely positive. Cape Verde has improved in terms of both its general economic and sociocultural conditions. Namibia made the most progress in the political and sociocultural segments. Considered globally, therefore, both countries have established themselves in the middle of the index (Namibia in 65th place and Cape Verde in 70th place). Other African countries such as Gambia, Liberia and the Democratic Republic of the Congo also achieved significant increases this year. However, in spite of this they are still near the bottom of the global rankings. Otherwise, the biggest winners are the Solomon Islands and Fiji in the Pacific.

This year's biggest loser is Rwanda. The country fell by 17 places due to deteriorations in its economic and sociocultural indicators. Nevertheless, it remains one of the highest-ranked African countries. Other African countries to suffer major setbacks were Mali and Benin. In Europe, the countries to lose the most ground were the Balkan nations of Bosnia and Herzegovina and Kosovo. For Bosnia and Herzegovina, this due to a decline in political indicators; Kosovo experienced a sociocultural decline instead.

Amongst the OECD countries, the Netherlands is at the top of the IBC production sub-index. This is predominantly due to its central location in Europe and the international focus of its financial policies. The Netherlands is followed by Great Britain, Denmark, Switzerland and Belgium. In Africa, the production sub-index continues to be dominated by Mauritius. However, some changes are noticeable here compared to the previous year. For example, Gambia, Malawi and Liberia gained significant ground whilst Uganda and Lesotho fell far behind in the production location rankings. The production sub-index for Asia is characterised by the outstanding performances of Singapore and Hong Kong. These are in first and second place respectively in the global comparison due to the great market potential of both countries as well as their investor-friendly legislation. Taiwan, Bahrain and the United Arab Emirates occupy the other top positions in Asia. In 29th place on the production sub-index, Lithuania is the leading European non-OECD country. It is followed by Latvia, Malta and Montenegro. The results of the production index for the countries in Latin America are relatively homogeneous. The best performer was Barbados, followed by Jamaica, St. Lucia and Uruguay. The five countries in Oceania changed very little compared to the previous year.

As expected, the OECD countries were also dominant in the business sub-index. Of the 15 highest index values, 13 are attributable to OECD countries. This year the business market category is led by Norway which stands out as a business location through its high consumption expenditure per capita. Norway was followed by Switzerland and the USA, both of which also have a high consumption expenditure per capita. In Africa, nations from the south of the continent are in the upper echelons of the business sub-index. Mauritius is at the top of the list and is even one of the 60 most attractive markets on a global scale. South Africa is in second place, followed by its neighbours Namibia and Botswana. The business market for Asia is led by China and Singapore, both of which are also the only non-OECD countries to be in the global top 15. Hong Kong is in third place in Asia. The European non-OECD countries are led by Malta, Lithuania and Latvia in the business sub-index ranking. Globally, both of these countries are in the top 50. They are followed by Croatia, Albania and Bulgaria. The most attractive markets in Latin America are the relatively affluent Caribbean islands of Barbados and the Bahamas. These are followed by Uruguay and Panama. Oceania's non-OECD countries are in the upper middle field in the international comparison. Samoa performed the best.

This year's in-depth look at openness initially showed how greatly the countries of the world differ in terms of the extent to which they practise protectionism. This is largely irrespective of how one conceptualises openness. North America and Europe appear to be the most open regions in the world, both when applying an indicator based on real trade flows and when utilising direct measures of political and administrative barriers. The highest tariff rates and lowest trade intensities are currently to be found in Africa as well as in the Caribbean, Central Asia and parts of South America. Trade intensity in China and Vietnam has increased the most by far. With regard to the lowering of tariff rates, North African countries in particular have excelled over the past 15 years.

Additionally, our statistical analysis of the correlation between tariff level and economic output showed that from a global perspective, higher import tariffs are linked to lower GDP per capita for the average country. We can therefore confirm the results of a majority of the available research literature. However, through a differentiated analysis we have also confirmed that the nature of the correlation is dependent on both the initial level of the tariffs and on the economic region under review. According to our estimates, if the initial tariff rates are very low then the expected effects of a tariff rate increase would still be positive. The effect only becomes negative when the tariff rate reaches a certain level. Again, when this is the case it is region-specific. The effect is almost universally estimated to be negative for the countries in Asia and Eastern Europe, whereas positive effects would be expected for Latin America even if the initial tariff level were relatively high. Our exemplary simulation results show that, based on the current levels, an increase in tariff restrictions could have highly diverse effects from region to region. One likely cause of this differentiated effect is the existence of various – sometimes opposed – variables through which increasing openness can influence a national economy. Another likely cause is the heterogeneity of the economic structures which affects different countries differently in the form of trade policy adjustments. Ultimately, the same applies to trade policy as to most other sectors of economic policy: nothing is black and white and policy recommendations should always be based on the specific circumstances.

CONCLUSIONS

The overall ranking of the International Business Compass remained largely stable in 2017. There were slight shifts at the top of the rankings, with Singapore having reclaimed first place following a setback in the previous year. Hong Kong fell from first place in the previous year to second place, although its decline was negligible in absolute index values. Switzerland was able to break back into the top three. Likewise, Germany and New Zealand both made it into the top 10, Ireland having experienced exceptionally positive developments. Overall, with the exceptions of Hong Kong and Singapore the top 10 once again exclusively comprise OECD countries. The changes in the middle and bottom of the ranking were more significant. This year's biggest winners were Cape Verde and Namibia, whereas the biggest losers were Rwanda and Mali.

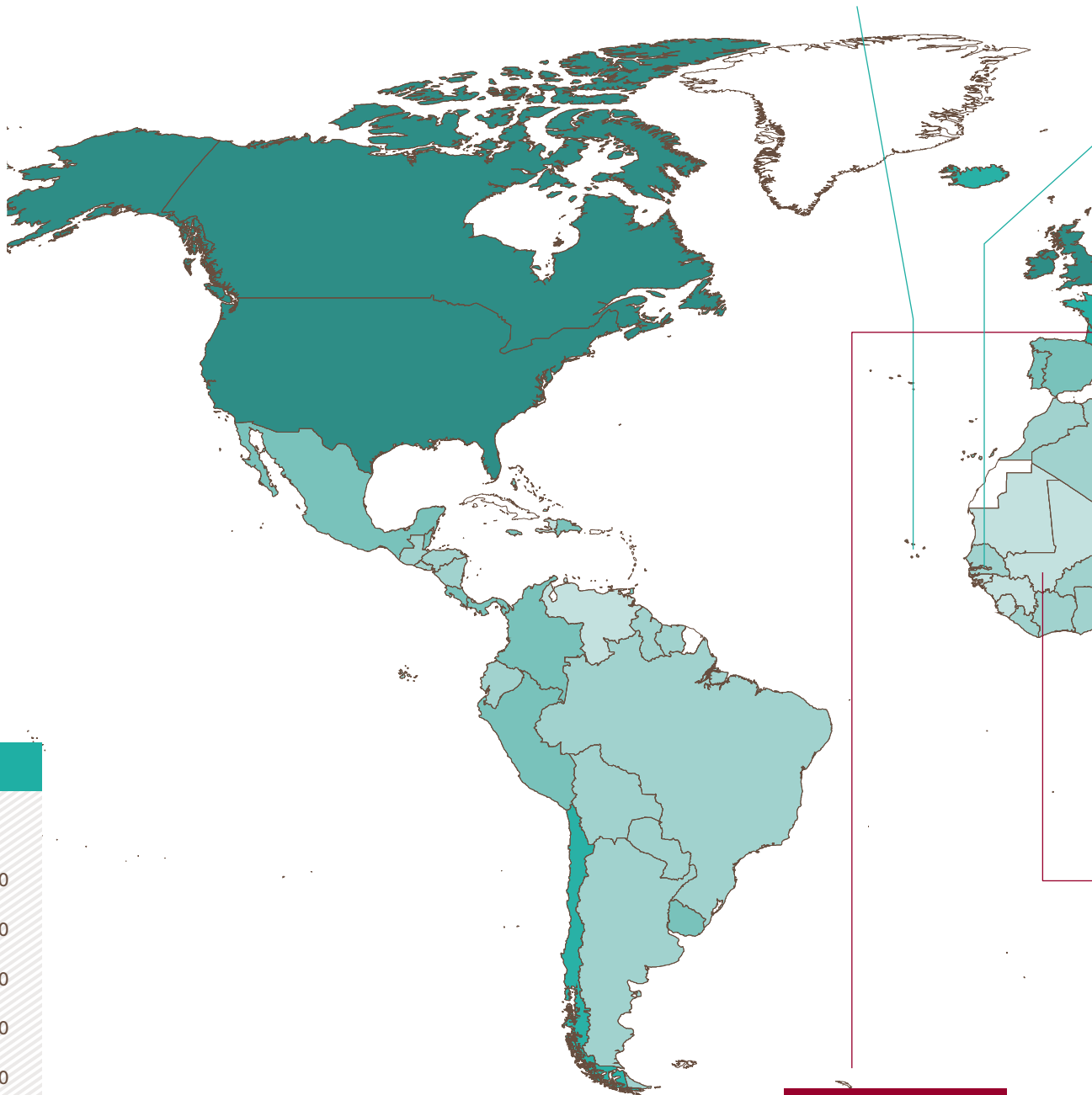
TECHNICAL DETAILS

The study comprised 174 countries across all continents. As in the previous year, the study did not include countries with fewer than 150,000 inhabitants or the countries/territories of Cuba, the West Bank, Somalia or Western Sahara. Likewise, Luxembourg was excluded from the overall ranking due to its unusual economic structure, especially because of its extraordinarily high capital inflows per capita. These would have greatly distorted the weighting of direct investments in the index calculation. Additionally, as in previous years Syria was excluded from the index as the civil war makes it impossible to reliably assess its future prospects.

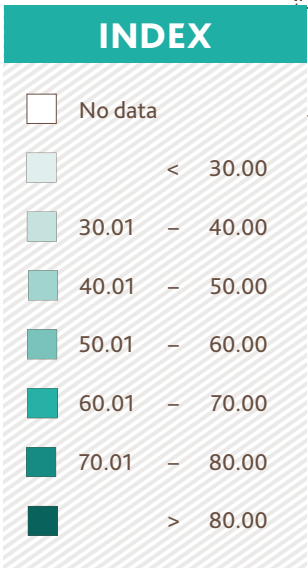
We updated the data by referring to the selection of reliable international sources used in the previous year. This normally involves updating the 2014 values from last year's index to the values measured in 2015. With regard to averages of variables measured over time, such as population growth, the time frame was moved into the future by a period. Compared to last year's report, the selection of indicators used to calculate the index did not change. As before, the indicators reflect the key theoretical sub-aspects of the quality of a country as a business or production location. Like last year, each indicator was first standardised in the form of a scale from 0 to 100 and assigned to one of three pillars. The arithmetic mean of the indicators within each pillar was then calculated. In the final step, the geometric mean of the pillar values was calculated in order to determine the total index value. The values for the business and production sub-indices were calculated by determining the mean of the relevant local factors. For non-OECD countries, the index values were expressed in relation to the continental average for the purposes of intraregional comparisons.

THE BDO INTERNATIONAL BUSINESS COMPASS 2017

Cape Verde
2017: Rank 70
2016: Rank 90



Bosnia and Herz.
2017: Rank 93
2016: Rank 80



Source: HWWI (2017)

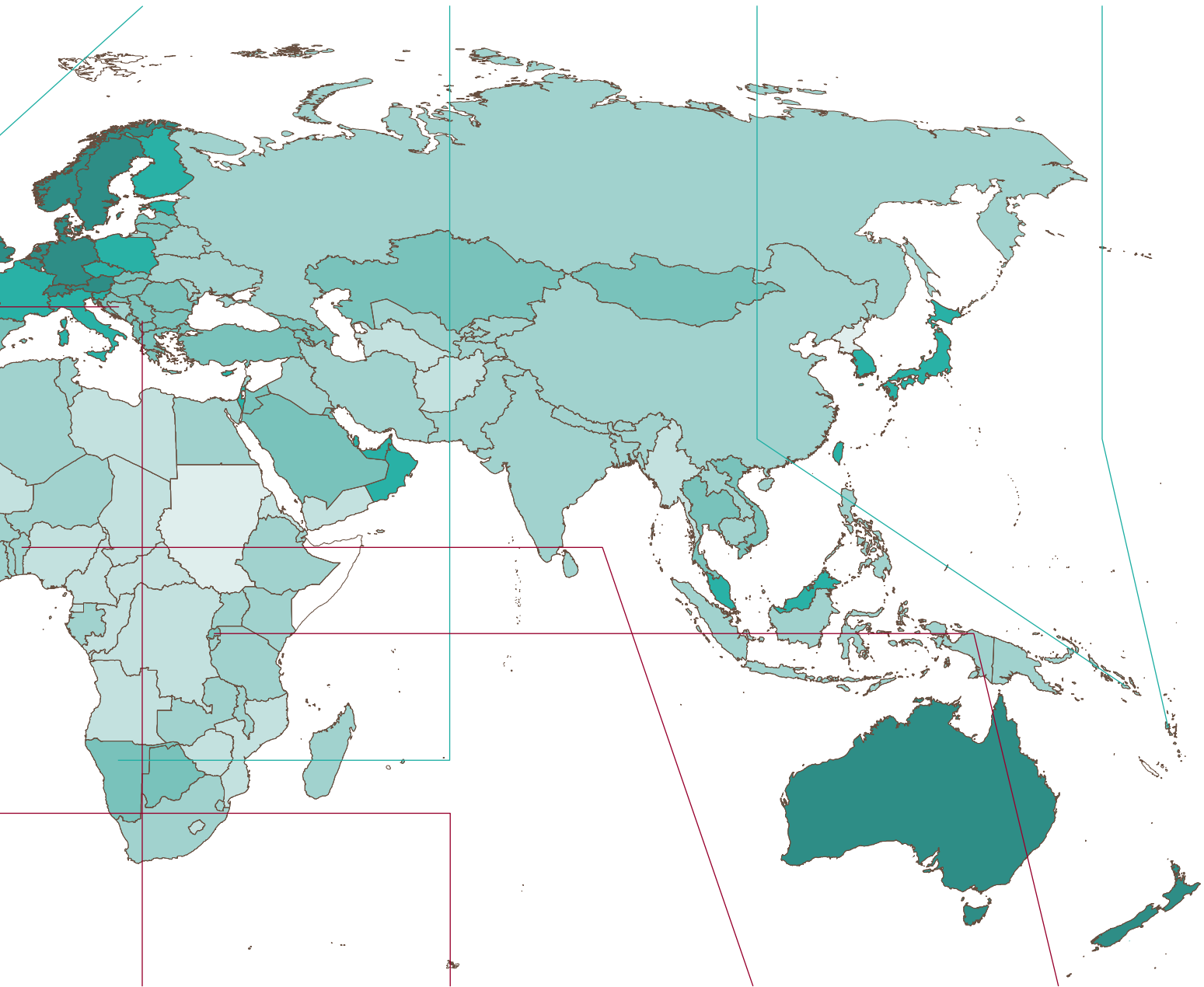
The main increases of the Year 2017

Gambia
2017: Rank 137
2016: Rank 154

Namibia
2017: Rank 65
2016: Rank 82

Solomon Islands
2017: Rank 86
2016: Rank 102

Fiji
2017: Rank 63
2016: Rank 78



Kosovo
2017: Rank 71
2016: Rank 59

Mali
2017: Rank 163
2016: Rank 147

Benin
2017: Rank 128
2016: Rank 113

Rwanda
2017: Rank 84
2016: Rank 67

The main falls of the Year 2017

APPENDIX D

RANKING THE OVERALL INDEX

Country	Continent	Index			Economic		Political-legal		Socio-cultural	
		Rank	Change	Value	General conditions					
					Rank	Value	Rank	Value	Rank	Value
Singapore	AS	1	1	82.80	1	80.93	1	96.61	7	72.59
Hong Kong	AS	2	-1	80.54	2	77.06	7	94.19	8	71.98
Switzerland	EU	3	1	78.69	7	67.05	3	95.58	1	76.05
Netherlands	EU	4	-1	77.99	3	76.65	8	93.39	17	66.28
Denmark	EU	5	1	76.23	11	63.41	5	94.92	5	73.60
Norway	EU	6	-1	75.75	9	63.81	9	92.82	6	73.38
Ireland	EU	7	0	75.13	4	70.23	10	91.90	19	65.72
Germany	EU	8	4	74.19	6	69.54	14	91.22	21	64.39
Great Britain	EU	9	-1	74.18	8	63.89	12	91.56	12	69.78
New Zealand	OC	10	1	74.02	33	55.72	2	96.27	3	75.59
Australia	OC	11	-1	73.57	22	57.64	15	90.85	2	76.04
Canada	NAM	12	-3	73.55	13	61.30	11	91.83	11	70.70
Belgium	EU	13	0	72.93	5	70.15	18	86.00	22	64.31
USA	NAM	14	1	72.74	14	61.28	22	83.42	4	75.29
Sweden	EU	15	-1	72.54	15	61.00	6	94.63	18	66.13
Austria	EU	16	0	71.13	19	57.99	13	91.23	14	68.02
Iceland	EU	17	1	69.56	30	56.06	16	88.38	15	67.92
Finland	EU	18	-1	69.55	21	57.67	4	95.27	28	61.22
France	EU	19	6	67.43	18	59.43	27	79.23	20	65.12
Japan	AS	20	0	67.28	62	50.84	19	83.85	9	71.44
Qatar	AS	21	-2	66.60	23	57.55	42	72.22	10	71.08
Taiwan	AS	22	-1	66.23	12	62.89	23	80.85	39	57.13
Czech Republic	EU	23	3	65.18	29	56.12	24	79.78	26	61.85
Israel	AS	24	5	64.87	45	53.31	36	75.23	13	68.09
South Korea	AS	25	2	64.86	10	63.70	43	71.93	31	59.56
United Arab Emirates	AS	26	-4	64.73	16	60.82	40	72.94	30	61.13
Malta	EU	27	-3	64.57	35	55.10	20	86.60	35	58.44
Cyprus	AS	28	5	63.52	17	59.67	28	79.00	49	54.37
Chile	LAM	29	1	63.41	52	52.24	21	86.49	34	58.47
Estonia	EU	30	-2	63.28	20	57.85	17	86.66	74	50.53
Brunei	AS	31	-8	63.13	36	54.94	37	74.83	29	61.19
Oman	AS	32	-1	62.98	46	52.83	47	70.99	16	66.59
Slovenia	EU	33	-1	62.86	25	56.60	34	76.74	38	57.19
Poland	EU	34	0	60.68	47	52.69	32	77.61	47	54.64
Italy	EU	35	0	60.49	51	52.25	45	71.58	33	59.16
Malaysia	AS	36	1	60.37	28	56.20	52	67.93	37	57.65
Bahrain	AS	37	-1	60.04	39	54.53	57	64.16	25	61.86

Country	Continent	Index			Economic		Political-legal		Socio-cultural	
		Rank	Change	Value	General conditions					
					Rank	Value	Rank	Value	Rank	Value
Barbados	LAM	38	13	60.00	65	50.41	29	78.83	50	54.36
Latvia	EU	39	0	59.99	34	55.68	33	77.31	77	50.14
Portugal	EU	40	3	59.51	49	52.54	26	79.27	73	50.59
Lithuania	EU	41	-3	59.48	32	56.03	25	79.53	94	47.22
Spain	EU	42	0	59.43	37	54.80	35	76.36	76	50.16
Slovakia	EU	43	-3	59.37	41	54.19	39	74.15	61	52.08
Samoa	OC	44	4	59.20	70	49.50	53	66.41	23	63.11
Hungary	EU	45	-4	59.15	56	52.12	41	72.67	46	54.64
Kuwait	AS	46	-2	58.68	31	56.04	82	57.40	24	62.80
Georgia	AS	47	3	58.36	48	52.56	46	71.42	56	52.95
Mauritius	AF	48	-2	57.85	83	48.38	30	78.79	71	50.79
Uruguay	LAM	49	-4	57.71	104	46.62	31	78.07	57	52.80
Saudi Arabia	AS	50	-1	56.65	26	56.46	83	55.69	36	57.82
Romania	EU	51	-4	56.35	68	49.83	51	68.23	60	52.62
Bahamas	LAM	52	1	56.22	73	49.20	54	66.25	48	54.53
Turkey	AS	53	7	55.99	40	54.34	70	59.51	51	54.29
St. Lucia	LAM	54	1	55.89	101	47.04	49	68.87	53	53.90
Bulgaria	EU	55	-3	55.73	38	54.55	59	63.29	78	50.14
Montenegro	EU	56	0	55.38	43	53.83	56	64.43	85	48.97
Panama	LAM	57	1	55.08	61	51.09	58	64.11	68	51.02
Costa Rica	LAM	58	-4	54.75	111	45.95	44	71.69	80	49.81
Vanuatu	OC	59	13	54.34	86	48.33	69	59.85	42	55.46
Trinidad and Tobago	LAM	60	1	54.31	77	49.01	73	59.17	43	55.24
Croatia	EU	61	-4	54.26	55	52.13	48	70.03	114	43.75
Jamaica	LAM	62	9	53.92	50	52.44	65	61.94	89	48.28
Fiji	OC	63	15	53.55	125	45.00	84	55.60	27	61.38
Jordan	AS	64	-2	53.42	98	47.23	64	62.01	63	52.05
Namibia	AF	65	17	53.38	88	48.12	55	65.44	88	48.29
Thailand	AS	66	3	52.86	42	54.14	91	53.46	69	51.02
Colombia	LAM	67	8	52.80	91	47.94	72	59.38	64	51.71
Peru	LAM	68	-3	52.69	85	48.34	74	58.89	66	51.38
Azerbaijan	AS	69	10	52.53	60	51.28	108	50.30	41	56.20
Cape Verde	AF	70	20	52.43	108	46.26	50	68.51	104	45.47
Kosovo	EU	71	-12	52.37	27	56.37	92	53.39	91	47.72
Kazakhstan	AS	72	-8	52.32	64	50.72	103	51.35	45	55.00
Botswana	AF	73	-7	52.32	103	46.91	38	74.15	129	41.18
Mexico	LAM	74	-11	52.28	78	48.98	85	55.28	58	52.77
Mongolia	AS	75	-5	51.95	57	52.05	90	53.89	79	49.97
Albania	EU	76	-3	51.70	58	51.86	61	62.74	124	42.47
Armenia	AS	77	-3	51.64	63	50.73	66	61.82	112	43.91
Greece	EU	78	-10	51.28	99	47.17	62	62.14	100	46.02
Serbia	EU	79	-2	51.28	72	49.28	63	62.09	111	44.07
Dominican Republic	LAM	80	3	50.98	105	46.57	75	58.42	86	48.68
Macedonia	EU	81	-5	50.92	44	53.47	67	61.38	133	40.23
Belize	LAM	82	4	50.58	118	45.48	98	52.44	52	54.26
Vietnam	AS	83	8	50.15	71	49.38	110	50.00	67	51.08

Country	Continent	Index			Economic		Political-legal		Socio-cultural	
		Rank	Change	Value	Rank	Value	General conditions			
							Rank	Value	Rank	Value
Rwanda	AF	84	-17	50.07	121	45.34	60	62.79	110	44.10
China	AS	85	2	49.97	53	52.23	115	48.00	81	49.78
Solomon Islands	OC	86	16	49.87	90	48.11	124	46.82	44	55.05
Belarus	EU	87	2	49.81	79	48.85	133	44.65	40	56.67
El Salvador	LAM	88	-7	49.78	122	45.30	68	60.78	106	44.80
Bhutan	AS	89	14	49.62	132	44.36	81	57.44	90	47.94
Sri Lanka	AS	90	3	49.59	140	43.69	95	53.04	59	52.63
Lebanon	AS	91	7	49.52	120	45.38	131	45.08	32	59.37
Philippines	AS	92	-4	49.49	84	48.36	93	53.25	95	47.06
Bosnia and Herzegovina	EU	93	-13	48.98	66	50.41	77	57.66	132	40.43
Ghana	AF	94	7	48.96	93	47.77	79	57.59	123	42.67
Moldova	EU	95	-11	48.69	74	49.15	102	51.48	103	45.62
Brazil	LAM	96	-4	48.48	138	43.78	96	52.86	83	49.23
Maldives	AS	97	-12	48.43	75	49.11	122	47.17	84	49.05
Kyrgyzstan	AS	98	-1	48.29	115	45.61	125	45.98	54	53.68
Nicaragua	LAM	99	-3	47.93	139	43.75	87	54.58	99	46.10
Indonesia	AS	100	7	47.64	81	48.68	109	50.26	109	44.20
Tunisia	AF	101	4	47.56	82	48.41	123	47.07	93	47.22
Timor-Leste	AS	102	4	47.55	54	52.23	132	44.86	101	45.88
Surinam	LAM	103	-9	47.50	128	44.89	114	48.01	82	49.73
Paraguay	LAM	104	-5	47.38	107	46.41	86	54.95	127	41.70
Morocco	AF	105	-1	47.24	110	46.01	71	59.47	138	38.53
Guatemala	LAM	106	-11	47.22	96	47.56	99	52.42	125	42.24
Cambodia	AS	107	2	47.22	119	45.42	113	49.01	92	47.30
Papua New Guinea	OC	108	2	46.93	123	45.12	139	43.07	55	53.18
Russia	EU	109	-9	46.72	67	49.95	143	40.13	70	50.88
South Africa	AF	110	-2	46.43	69	49.60	76	57.71	156	34.98
Ecuador	LAM	111	0	46.20	116	45.60	140	42.03	65	51.44
Gabon	AF	112	9	45.94	143	43.43	111	49.57	105	45.03
Zambia	AF	113	1	45.77	114	45.79	88	54.55	139	38.38
Tanzania	AF	114	3	45.47	150	42.48	101	51.56	120	42.93
Laos	AS	115	8	45.47	124	45.09	134	44.55	96	46.80
Egypt	AF	116	8	45.39	92	47.86	128	45.28	119	43.15
Honduras	LAM	117	3	45.00	137	43.79	106	50.60	130	41.14
Uganda	AF	118	-6	44.95	151	42.35	112	49.24	116	43.56
Guyana	LAM	119	-3	44.93	134	44.23	119	47.34	117	43.32
Malawi	AF	120	2	44.71	153	41.91	107	50.58	126	42.15
Madagascar	AF	121	7	44.60	152	42.26	116	47.93	113	43.80
São Tomé and Príncipe	AF	122	4	44.51	129	44.65	94	53.11	145	37.19
Iraq	AS	123	8	44.40	100	47.12	154	36.63	72	50.69
Argentina	LAM	124	-9	44.20	170	38.32	138	43.30	62	52.06
Liberia	AF	125	10	44.12	24	56.96	135	44.26	160	34.07
India	AS	126	-7	44.10	113	45.82	118	47.38	135	39.51
Kenya	AF	127	6	43.84	148	42.84	126	45.52	118	43.20
Benin	AF	128	-15	43.55	133	44.36	97	52.57	155	35.43
Senegal	AF	129	-11	43.52	156	41.65	78	57.61	158	34.34

Country	Continent	Index			Economic		Political-legal		Socio-cultural	
		Rank	Change	Value	General conditions					
					Rank	Value	Rank	Value	Rank	Value
Bangladesh	AS	130	-3	43.48	117	45.58	142	40.33	107	44.70
Algeria	AF	131	-2	43.44	87	48.18	152	36.84	97	46.17
Tajikistan	AS	132	0	43.12	126	44.95	153	36.67	87	48.65
Swaziland	AF	133	4	42.96	106	46.56	89	54.28	166	31.37
Ukraine	EU	134	-4	42.68	112	45.84	151	37.09	102	45.71
Burkina Faso	AF	135	-10	41.89	145	43.31	100	51.85	163	32.74
Djibouti	AF	136	-2	41.84	147	42.93	117	47.42	150	35.99
Gambia	AF	137	17	41.63	168	38.70	105	51.19	148	36.43
Uzbekistan	AS	138	6	41.56	94	47.73	166	29.94	75	50.22
Nepal	AS	139	1	41.43	80	48.73	158	34.21	122	42.67
Pakistan	AS	140	2	41.38	76	49.01	149	38.03	143	38.02
Bolivia	LAM	141	2	41.36	160	40.75	144	39.71	115	43.72
Togo	AF	142	-4	41.26	155	41.77	121	47.27	152	35.58
Burundi	AF	143	-7	40.91	127	44.95	145	39.71	140	38.38
Iran	AS	144	11	40.38	97	47.42	165	30.10	98	46.12
Ethiopia	AF	145	0	40.37	144	43.32	150	37.33	131	40.67
Niger	AF	146	0	40.30	161	40.59	127	45.38	153	35.53
Côte d'Ivoire	AF	147	-8	40.20	130	44.58	104	51.35	169	28.39
Haiti	LAM	148	-7	39.54	142	43.44	147	38.39	146	37.07
Nigeria	AF	149	2	39.47	109	46.08	161	33.93	136	39.33
Lesotho	AF	150	8	39.34	141	43.65	80	57.53	173	24.25
Comoros	AF	151	-2	39.05	172	33.06	130	45.17	134	39.89
Myanmar	AS	152	-4	39.02	154	41.83	159	34.18	128	41.55
Guinea	AF	153	-1	38.87	166	39.54	141	40.66	147	36.55
Mozambique	AF	154	9	38.69	159	40.75	137	43.40	162	32.76
Sierra Leone	AF	155	-5	38.55	146	43.05	120	47.32	170	28.14
Cameroon	AF	156	0	38.42	157	40.94	148	38.08	149	36.37
Angola	AF	157	-4	38.38	163	40.48	146	39.36	154	35.49
Afghanistan	AS	158	3	38.21	102	47.02	164	30.47	137	38.93
Republic of Congo	AF	159	-2	38.12	164	40.20	156	36.09	141	38.17
Equatorial Guinea	AF	160	-1	38.11	131	44.45	162	33.27	144	37.42
Democratic Republic of the Congo	AF	161	10	35.67	59	51.52	170	24.58	151	35.85
Turkmenistan	AS	162	0	35.63	149	42.53	163	30.66	157	34.69
Mali	AF	163	-16	35.46	135	43.90	129	45.22	174	22.46
Mauritania	AF	164	1	35.39	167	39.17	136	43.91	172	25.77
Yemen	AS	165	-5	35.37	171	37.88	155	36.31	164	32.16
Guinea-Bissau	AF	166	-2	35.19	162	40.54	160	33.97	165	31.64
Chad	AF	167	-1	34.45	165	39.59	157	34.83	167	29.65
Zimbabwe	AF	168	0	33.38	158	40.85	167	26.77	161	34.01
Central African Republic	AF	169	3	33.04	95	47.63	168	26.65	168	28.41
Libya	AF	170	-3	31.64	136	43.80	173	16.89	121	42.82
Venezuela	LAM	171	-2	31.26	173	31.20	171	22.03	108	44.45
Eritrea	AF	172	-2	30.99	174	31.14	169	25.08	142	38.10
Sudan	AF	173	0	27.82	169	38.59	172	20.73	171	26.93
North Korea	AS	174	0	25.10	89	48.11	174	9.63	159	34.11

LEGAL NOTICE

BDO AG
Wirtschaftsprüfungsgesellschaft
Fuhrentwiete 12
20355 Hamburg
Tel.: +49 40 30293-0
Fax: +49 40 337691
hamburg@bdo.de
www.bdo.de

© 2017 BDO AG Wirtschaftsprüfungsgesellschaft
All rights reserved

This document has been prepared with care. But it takes general approach and can therefore only be considered as a broad guideline. It is therefore not suitable in covering concrete consulting needs, so that the information contained herein should not be used without obtaining additional professional advice. Please contact the BDO audit firm to discuss further the subjects in this report, in the light of your specific consulting needs. The BDO audit firm, its partners, officers, employees and agents accept no liability or responsibility for damages resulting from decisions based on acts or omissions which draw on the information contained herein.

BDO AG Wirtschaftsprüfungsgesellschaft is a public limited company under German law. It is a member of BDO International Limited, a UK company limited by guarantee, and is part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO member firms.