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AN ANALYSIS OF EAGLEs:
EMERGING AND GROWTH-LEADING ECONOMIES

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Dissertation submitted as partial requirement for the conferral of
Master in International Management

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October 2014

RESUMO

A globalização abriu imensas oportunidades em várias áreas, com os países cada vez mais integrados e, consequentemente, contribuindo para o desenvolvimento econômico mundial. Existem nações – países desenvolvidos – mais evoluídos do que outros – países emergentes, principalmente devido às fortes políticas de controlo, onde as agências governamentais desempenham um papel central na economia. Mas estas tendências estão a mudar e as nações emergentes estão a fazer avanços no sentido da liberalização, privatização e mudanças legislativas.

EAGLEs (Emerging and Growth-Leading Economies) é um acrônimo criado pelo BBVA Research e designa um grupo de países que são considerados como países emergentes. É importante mencionar que o relatório pertinente é revisto anualmente, proporcionando assim uma análise actualizada e uma maior credibilidade. Em 2012, nove nações foram consideradas EAGLE: Brasil, China, Índia, Indonésia, México, Rússia, Coréia do Sul, Taiwan e Turquia.

Neste trabalho foi feita uma análise comparativa aos países indicados,nomeadamente foi realizada a análise PESTEL, a fim de se verificar se um EAGLE deve ser considerado como país emergente ou avançado.

Depois de um exame profundo a 100 indicadores importantes, abrangendo todas as categorias de PESTEL, chegou-se à conclusão de que a Coreia do Sul e Taiwan devem ser considerados como desenvolvidos e, portanto, devem ser excluídos dos EAGLEs. De fato, existem grandes diferenças em alguns tópicos entre 2 EAGLEs (Coréia do Sul e Taiwan) contra 7 EAGLEs (Brasil, China, Índia, Indonésia, México, Rússia e Turquia) e, a fim de defender a teoria de que ambos os países devem ser apresentados como desenvolvidos, a comparação com outros mercados desenvolvidos, pela classificação 2014 do Fundo Monetário Internacional, é tido em conta nesta tese.

Palavras-chave: Globalização; EAGLEs; PESTEL; Países Emergentes/Desenvolvidos

ABSTRACT

Globalization opened up immense opportunities in many fields, with countries increasingly integrated and, consequently, contributing for world economic development. There are nations – developed countries – more evolved than others – developing countries, mostly due to the strong control policies, where government agencies play a central role in economy. But these trends are changing and the emerging nations are making advances towards liberalization, privatization and legislative changes.

EAGLEs (Emerging And Growth-Leading Economies) is an acronym created by the BBVA Research and designates a group of countries which are considered as emerging countries. It is important to mention that the pertinent report is revised yearly, thus providing an updated analysis and a greater credibility. In 2012, 9 nations were considered EAGLE: Brazil, China, India, Indonesia, Mexico, Russia, South Korea, Taiwan and Turkey.

In this work was made a comparative analysis was made of the countries listed, namely was performed a PESTEL analysis, in order to verify if an EAGLE should be regarded as emerging or advanced country.

After a deep examination of 100 important indicators, covering all categories of PESTEL, it came to conclusion that South Korea and Taiwan must be considered as developed and, therefore, must be excluded from EAGLE. Indeed, there are major differences in some topics between 2 EAGLEs (South Korea and Taiwan) vs 7 EAGLEs (Brazil, China, India, Indonesia, Mexico, Russia and Turkey) and, in order to defend the theory that both countries must be presented as developed, a comparison with other advanded markets, by 2014 International Monetary Fund classification, is take into account in this thesis.

Keywords: Globalization; EAGLEs; PESTEL; Developing/Developed Countries

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LIST OF ABBREVIATIONS

2 EAGLEs – South Korea and Taiwan

7 EAGLEs – Brazil, China, India, Indonesia, Mexico, Russia and Turkey

B – Billion

BBVA – Banco Bilbao Vizcaya Argentaria

BM&F BOVESPA – Brazilian Securities, Commodities and Futures Exchange

BRIC – Brazil, Russia, India and China

BRICS – Brazil, Russia, India, China and South Africa

CCASG – Cooperation Council for the Arab States of the Gulf

CIA – Central Intelligence Agency

CIVETS – Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa

E7 – Brazil, China, India, Indonesia, Mexico, Russia and Turkey

EAGLEs – Emerging and Growth-Leading Economies

EIU – Economist Intelligence Unit

EM – Emerging Markets

EU – European Union

FDI – Foreign Direct Investment

FII – Foreign Indirect Investment

FTSE – Financial Times and Stock Exchange

G6 – France, United Kingdom, Canada, Japan, Italy and Germany

G7 – France, United States, United Kingdom, Canada, Japan, Italy and Germany

GDP – Gross Domestic Product

GNI – Gross National Income

HDI – Human Development Index

IE – Industrialized Economies

IMF – International Monetary Fund

IGDP – Incremental GDP

IT – Information Technology

M – Million

M&A – Mergers and Acquisitions

MER – Market Exchange Rates

MIST/MIKT – Mexico, Indonesia, South Korea and Turkey

MNC – Multinational Corporation

MNE – Multinational Enterprise

MPI – Market Potential Index

NAFTA – North American Free Trade Agreement

NEXT ELEVEN (N-11) – Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey and Vietnam

OECD – Organisation for Economic Co-operation and Development

PPP – Purchasing Power Parity

PRB – Population Reference Bureau

PwC – PricewaterhouseCoopers

R&D – Research and Development

ROI – Return On Investment

T – Trillion

TI – Transparency International

TFP – Total Factor Productivity

UNCTAD – United Nations Conference on Trade and Development

UNDP – United Nations Development Programme

USCB – United States Census Bureau

USSR – Union of Soviet Socialist Republics

WEO – World Economic Outlook

WFE – World Federation of Exchanges

WIR – World Investment Report

WTO – World Trade Organization

GLOSSARY

Brownfield Investment – Acquisition of existing production facilities

Broad money – "Quasi money" (total quantity of time, savings and foreign currency deposits) plus narrow money

Commonwealth of Independent States – Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan (former Soviet Union)

Cost of living – Cost of sustaining a typical international lifestyle in the nation. Countries are ranked by urban prices characterized in each economy, where people will face these costs overseas. Also, prices are based on products which are comparable quality internationally and are bought in supermarkets or department stores

Democracy Index – Based on 5 dimensions: political culture; political participation; electoral process and pluralism; civil liberties and functioning of government. Moreover, there are 4 types of regimes: full democracies; flawed democracies; hybrid regimes; and authoritarian regimes

Ease of Doing Business Index – Regulatory environment in starting and operation of a local company on 10 topics: starting a business; dealing with construction permits; getting electricity; registering property; getting credit; protecting investors; paying taxes; trading across borders; enforcing contracts and resolving insolvency

Economic Freedom Index – Labour and business freedom information. Banking system, property rights, trade policy, foreign investment procedures, regulation policy, black market size, extension of price and wage controls and economic output spent by the government are also taking into account

External balance – Amount of surplus or deficit in the current account of a country. Reflects the money gained by exports and the money spent on imports

FDI Inflow – A country receives investment from other economies

FDI Outflow – A nation which makes investments in other markets

Financial Assets – Foreign stocks; bonds issued by governments or firms and currency

Fiscal Balance – Quantity of surplus or deficit money that a government of a country has from tax income plus profits of assets sold minus government expenditure

Foreign Indirect Investment – Process when money is used to purchase financial assets in another economy, expecting generate positive financial return

Foreign Direct Investment – Process when a company establishes, acquires or increases production facilities in a foreign economy

G6 – G7 countries but excluding United States due to its size. However, USA are only excluded from benchmark in EAGLEs analysis

G20 – Together account for more than 80 percent of world GDP and global trade: Argentina, Australia, Brazil, Canada, China, European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States

Gender Inequality Index – Inequality in achievement between men and women in 3 categories: labour market; reproductive health and empowerment

Gini Index – Disparity relative to distribution of wealth within an economy. From 0 (perfect income equality, same amount of money for all citizens) to 100 (imperfect income inequality, this means that one person has all income/consumption and all others have none)

Global Competitiveness Index – Productivity and prosperity of an economy in 12 pillars: institutions; infrastructure; macroeconomic environment; health & primary education; higher education & training; goods market efficiency; labour market efficiency; financial market development; technological readiness; market size; business sophistication and innovation

Greenfield Investment – Establishment of new production facilities

Gross Domestic Product – Total value of a country's output of goods and services.

1. Purchasing Power Parity: is accurate because it measures relative living standards because it compensates the weakness of local currencies of developing countries in international markets. Also, it compares goods with similar costs in different economies. Measures the domestic purchasing power of average consumer or producer within an economy
2. Market Exchange Rates: is the exchange rate in the international foreign exchange market. However, this method do not decrease the discrepancy between high and low income nations

Gross domestic savings – Final consumption spending minus Gross national disposable income (GNI + current transfers in cash receivable - current transfers in cash payable, between resident and non-resident entities): personal saving + business saving + government saving. Higher savings leads to a higher income of a country and, consequently, the increase of national wealth

Gross National Income (PPP) – Total domestic and foreign value added by all citizens of a nation, plus product taxes (minus subsidies) not included in output, plus net income received from abroad

Human Development Index – Takes into account various spheres (life expectancy at birth; mean years of schooling; expected years of schooling; Gross National income per capita)

Incremental GDP – Expected GDP growth average rate in the next 10 years

Inflation rate – Percent change of prices between actual and previous year and measures the cost of purchasing a basket of goods and services to the average consumer

Liquidity – Degree of buy or sell an asset in the market without affect the asset's price

Market capitalization – Total value of issued shares of public companies and represents the worth value of an enterprise in public markets

Market value – Stock price of a share, where each share has their own price and they are available in publicly traded markets for investors to sell and buy

Money supply (M2) – "Cash" available to purchase goods and services

Narrow money (M1) – Total money in circulation and demand deposits

Networked Readiness Index – How prepared a country is in order to apply information and communications technology. Economies with higher score are best promoting economic growth, productivity and quality employment

Press Freedom Index – Degree of freedom which citizens, journalists and news enterprises in a nation. Efforts made by authorities in order to respect and guarantee respect for freedom are also taking into account.

Private Capital Outflows – Difference between account deficit and the sum of changes in reserves and net capital inflows

Prosperity Index – Ranked by the performance of 8 different indicators: economy; social capital; health; personal freedom; governance; education; safety & security and entrepreneurship & opportunity

Risk Aversion – Certainty/uncertainty of buying or selling an asset which involves an expected payoff

Stock of domestic credit – Total amount of credit, in a local currency, provided by banks and other organizations

Total Factor Productivity – Degree of efficiency of all inputs in a production process

Trade Openness – Openness to international trade and economic integration. Reflects the dependence on exports and imports of goods and services in GDP

SUMÁRIO EXECUTIVO

A integração das economias emergentes, particularmente das de rápido crescimento (com mais de 5% de crescimento anual), nas transações comerciais globais e investimentos internacionais, salienta a crescente participação destes países na globalização. À medida que a globalização progrediu, as condições de vida melhoraram significativamente em quase todos os países e milhares de pessoas saíram da pobreza. Com o crescimento da classe média nas nações em desenvolvimento, a procura de produtos e serviços mais avançados tem aumentado, comparativamente há uns anos atrás.

Estes países estão interessados em melhorar a quantidade e qualidade das suas infraestruturas com o objetivo de fomentar a sua competitividade no mundo. De fato, as nações emergentes têm maior quota de população, capital e tecnologia, que impulsiona o crescimento do produto interno bruto (PIB) mundial. Atualmente, os mercados emergentes representam no mundo 85% da população; 78% de área na terra; 76% das reservas em moeda estrangeira; 58% da energia consumida; 50% do PIB em termos de paridade do poder de compra; 50% das exportações; 32% do PIB e 12% em capitalização do mercado.

O BBVA Research identificou um grupo de países-chave emergentes em 2010, denominado por EAGLEs. Em 2012, 9 países faziam parte deste grupo: Brasil, China, India, Indonésia, México, Rússia, Coreia do Sul, Taiwan e Turquia, sendo esperado que os mesmos contribuíssem aproximadamente 58% para o desenvolvimento global económico, no período 2011-12. As principais vantagens deste estudo são a dinâmica de entrada e saída de países do grupo, conforme a sua performance; não é um grupo fixo ligado a um acrónimo (como por exemplo, BRICS, CIVETS, MIST/MIKT, onde cada letra representa a inicial do nome de um país) e é revisto anualmente e de acordo com as últimas previsões. Por outro lado, EAGLEs foca-se no PIB incremental e, consequentemente, no seu contributo para o desenvolvimento económico mundial na próxima década.

Em 2050, China, Brasil, India, Rússia, Indonésia e México estarão no top 10 das maiores economias no mundo e um dos fatores responsáveis pelo crescimento espontâneo é a tecnologia. Os países emergentes do G20 (todos os EAGLEs com exceção de Taiwan e outros) irão apresentar incrementos superiores comparativamente aos países avançados em termos de mão-de-obra, investimento, poder de compra, atratividade do mercado, valorização das taxas de câmbio e produtividade total os fatores. Além disso, 68% do PIB em termos de paridade do poder de compra irá pertencer às nações em desenvolvimento do G20 e 70% da atividade e

comércio internacional, em 2050. De fato, o peso da China, Brasil, India, Rússia, Indonésia e México no PIB dos G20 irá verificar um aumento de 19,6% em 2009 para 50,6% em 2050.

Em 2017, China irá ultrapassar os Estados Unidos como a maior economia a nível mundial no PIB em termos de paridade do poder de compra. India será terceiro e Brasil quarto. Turquia será maior que a Itália; México e Indonésia maior que o Reino Unido e a França. A Rússia será a maior economia na Europa, ultrapassando a Alemanha em 2020.

Depois de uma árdua análise de vários indicadores entre as várias categorias PESTEL (Política, Econômica, Social, Tecnológica, Ambiental e Legal), chegou-se à conclusão que os 9 países considerados pelo BBVA Research em 2012 como EAGLEs, existem 2 países que devem de ser considerados como países desenvolvidos e não emergentes: Coreia do Sul e Taiwan.

Por fim, é importante mencionar que a Coreia do Sul e Taiwan, como países desenvolvidos, registam valores muito superiores em alguns importantes indicadores comparativamente aos restantes EAGLEs (Brasil, China, India, Indonésia, México, Rússia e Turquia), nomeadamente densidade populacional; produto interno bruto *per capita*; valor $ *per capita* no setor da indústria e serviços; saídas de investimento estrangeiro direto *per capita*; número de empresas registadas *per capita*; ranking liberdade econômica; índice facilidade em fazer negócios; menor índice de corrupção; *stock* de crédito interno; exportações em valor *per capita* e em percentual do PIB; capitalização do mercado; menor fragilidade do estado; avaliação geral da infraestrutura; esperança média de vida; menor mortalidade infantil; menor desigualdade de rendimento; pesquisa e desenvolvimento como percentual do PIB; consumo de energia; índice desempenho ambiental; reservas oficiais *per capita*; ranking prosperidade.

CHAPTER ONE

INTRODUCTION

I. Introduction

The topic of this thesis is the analysis of Emerging And Growth-Leading Economies, a grouping of key emerging countries developed by BBVA Research and its advantages over other known studies like BRICS and Next Eleven by the Goldman Sachs and CIVETS by the Economist Intelligence Unit. What is presented is a deep investigation of each EAGLE, based on BBVA Research 2012 report, in order to verify the verisimilitude of each country within the group.

The development and transformation of the globalization process has become a necessary consequence for economic development. The world is experiencing one of the greatest revolutions in history, with the transfer of economic power from developed to most emerging countries. This is due to market reforms (targeted policies to the outside world), where developing nations are growing much faster than the developed and are gathering all the necessary conditions to develop even further.

Economic activity will become increasingly concentrated in developing countries in general and, more specifically, a limited group of countries, i.e., EAGLEs. This study considered 9 countries in 2012: Brazil, China, India, Indonesia, Mexico, Russia, South Korea and Taiwan where it is expected that they will lead economic growth in the next 10 years.

Developing countries are of strategic importance for sustainable development worldwide. These nations should demonstrate a growing demographics, rising incomes in the household, increasing the availability of credit to households and businesses and, finally, productivity.

II. Methodology and Structure

In the present chapter, introduction to the context of this thesis has been defined, where the methodology and structure have been addressed (chapter one).

In the following chapter, we illustrate the conceptualization of globalization and the current predominance of power in the global economy as well new challenges and opportunities due to globalization. Furthermore, an introduction to emerging countries is made and their advantages to develop even further are mentioned. Afterwards, a connection between globalization and developing economies is made, identifying four indicators of globalization (trade; capital movements; movement of people; spread of knowledge (and technology)) where, in each topic, emerging markets are described. Afterwards, different terminologies about developing nations (BRICS; Next Eleven; MIST/MIKT; CIVETS; EAGLEs, among others) created by different

institutions are presented and a table with countries is presented in order to identify the countries that each organization sets as emerging. As the EAGLEs study belongs to the BBVA Research, this institution is introduced in this thesis and the EAGLEs concept is explained as well the advantages over other studies about developing economies. Moreover, the 2012 report of the BBVA Research is exposed and their statistics taken into account: the economic outlook subchapter. Indeed, two essential themes were addressed and developed: EAGLEs macroeconomic risks and EAGLEs potential brakes to growth (chapter two).

The PESTEL analysis (Political, Economic, Social, Technological, Environmental and Legal) was used in order to describe past and current facts about the 9 EAGLEs (Brazil, China, India, Indonesia, Mexico, Russia, South Korea, Taiwan and Turkey), with a subchapter about the sector composition: agricultural, industrial and service sectors (chapter three).

An analysis about the future, with estimations about the 9 EAGLEs in the year of 2050 is presented next. Two perspectives made by different sources are illustrated: Dadush and Shaw, 2011; PricewaterhouseCoopers, 2013. In both perceptions, key challenges and opportunities, essentially in GDP and demographics, for emerging countries in 2050 demonstrate similarity in their results (chapter four).

Finally, the 9 countries are discussed based on international rankings from reliable sources, characterized in each PESTEL category. After extensive research, it came to conclusion that some EAGLEs should be considered as developed and not as developing economies: South Korea and Taiwan. To defend this theory, it is essential to illustrate major differences between these 2 countries with other EAGLEs but, on the other hand, it is also important to mention advanced countries in this analysis in order to compare similarities with South Korea and Taiwan. Moreover, it is worth mentioning that, in order to have a comparable basis between countries, the value of each indicator assessed is divided by population of the respective country and, when comparing per capita values of these two nations with industrial economies, should be with similar population: Spain will be for South Korea and Australia to Taiwan. A table with 100 indicators was created and organized accordingly to 9 EAGLEs and a classification was given: 1 – best positioned to 9 or below – worst positioned, in each subject. This means that a country with 1 was best placed in a world ranking, comparatively with other EAGLEs. Major topics were mentioned: GDP by PPP, infrastructure, governance, sector composition, FDI, debt, trade, population, labour force, income, R&D, among others (chapter five).

CHAPTER TWO

GLOBALIZATION AND EMERGING COUNTRIES

I. Globalization

The term globalization achieved an important relevance in the 80s since it was used to describe technological advances in international transactions. Currently, it defines the growing intensity of worldwide interconnectedness (Baylis et al., 2011).

Globalization can be conceptualized as *"the process through which an increasingly free flow of ideas, people, goods, services, and capital leads to the integration of economies and societies. Major factors in the spread of globalization have been increased trade liberalization and advances in communication technology"* (IMF, 2006) and as "*a movement which facilitates the coordination and/or the integration of industrial and marketing operations beyond national borders, by generating the decompartmentalisation of markets and underlining the interdependence of the actors"* (Milliot and Tournois, 2010).

Hamilton and Webster (2012) depict globalization as the process of global economic, political, social, technological and environmental integration among nations. Depending on the levels of integration, these links can be weak or strong. For Czinkota et al. (2011), it involves the exchange of goods, services, money and people where barriers (physical, political, economic and cultural) between countries and regions are reduced or even removed. The downfall of these barriers means that all countries worldwide have unrestricted access to other nations and their markets (Lawal, 2006).

While the importance of international exchanges increases, nations build relationships in an integrated and interdependent way. Yet, several countries are becoming more integrated into the global economy and more quickly than others. Economies with high integration have faster growth mainly due to outward-policies which are essential for economic development since they bring greater wealth and dynamism instead of inward-policies (economy flat or decreased, poverty raising and high inflation).

Until now, the global economy was predominantly constituted by three trade blocs:

- NAFTA which includes Canada, USA and Mexico;
- Japan;
- Western Europe, mainly, the EU member states.

A major share of foreign trade and investment is made within and between these clusters. They are called the triad and their main traders and investors are the big multinational companies. Moreover, most of the world trade is internal. According to Hamilton and Webster (2012), more than 60% of EU trade is made between the member states.

In international trade, the triad represents 55 percent of world exports and imports. WTO: World Trade Report 2012 shows that weight between goods (82%) and services (18%) in world trade is discrepant, in 2011 (Annexes Table I). United States was the largest trader (10.47% imports + exports) in merchandise. However, their imports were superior to exports (+39,5pp), according to weight of total trade (imports + exports). China was second (10.18 percent) and Germany third (7.62%). Regarding commercial services (Annexes Table II), United States was still first (12.1pp), Germany takes second place (6.7 percent) and United Kingdom third (5.55 %). Finally, in international investment, the triad is leading but China and India are quickly growing in this area (Hamilton and Webster, 2012).

New challenges and opportunities for global growth have emerged due to globalization: new markets and capital flows, innovative technology, stabilized macroeconomic conditions, cheaper imports, larger export markets, higher savings and investment rates, effective government support in the private-sector and improved cross-cultural communication, according to Dadush and Shaw (2011). Still, there are some risks: the higher the interdependence, the higher the vulnerability of actors to external events (Nester, 2010).

II. Emerging countries

"India and China, which constitute the majority of the world's population, may also provide the biggest potential market opportunity for marketers in the twenty-first century" (Czinkota et al., 2011).

Emerging markets "*have growing economies and a growing middle class. Some of these countries were once poor, and some still have high rates of poverty. Many are undergoing profound social and political change for the better"* (Logue, 2011).

FTSE (2010) quotes that "*the generic term emerging markets is used to describe a nation's social or business activity in the process of rapid industrialization. The term "rapidly growing economy" is now being used to denote emerging markets*".

A World Bank economist referred that emerging nations are in a transitional phase from developing to developed status. These countries are working in order to restructure their economies, to integrate in market-oriented globalization where opportunities in trade, technology transfers and foreign investment are available. According to MPI - Global Edge (2012), Singapore is first on the rank, followed by Honk Kong and China, in 2011 (Annexes Table III).

More than 100 countries worldwide are not triad members. Most of them are emerging markets characterized by their rapid growth and impact in global economy (Czinkota et al., 2011). In 2010, four developing nations - China (2^{nd}), India (4^{th}), Russia (6^{th}) and Brazil (9^{th}) – were ranked in top 10 of largest economies in the world by the Economist (Annexes Table IV) and it is forecasted by the Wealth Report 2012 a higher growth in the coming years.

Emerging countries are generally represented by large population and an important source of inputs including products, technology and value-adding capabilities. In these nations, the government is changing traditional policies for achieving a sustainable economic and market-oriented growth. Furthermore, they are the world's fastest growing economies, an essential part of the contribution to international trade development and, possibly, the major buyers of goods and services in future (Ganster, 2001).

According to USCB and PRB (2012), demographic profiles of developing markets are typically characterized by a large majority of population between 25 and 59 years old (Annexes Figure I). These are the age bands with the highest work productivity. Therefore, an opportunity arises for creation of low-cost labour in order to boost economic development. In 2010, China and India were the most populous countries worldwide, with over than 1 B each (Annexes Table V).

Generally, emerging countries are very rich in natural resources. 90% of the world's proven oil reserves are located in these nations. Other raw materials like copper, gold and platinum are abundant in Latin America.

Currently, emerging markets represent worldwide (Annexes Figure II):

- 85 percent of population;
- 78% of land mass;
- 76pp of foreign currency reserves;
- 58 percent of energy consumption;
- 50% of GDP by PPP
- 50pp of export;
- 32 percent of GDP;
- 12% of market capitalization.

Wealth in these markets is increasing, as the rise of better standards of living and consumerism: they have people who are willing to integrate the western lifestyle in their lives. Consequently, western MNCs are expanding their brands of goods and services to developing

countries and, yet, local competitors are rapidly increasing: they both have the willingness of satisfying the needs and wants of emerging market consumers (Fidelity, 2008/2009).

Innovative technology is essential for the progress of TFP and is conditional to quality of systems in governance, education, physical and organizational structures. Emerging nations should develop their know-how in order to attract foreign investment, which is still lower than their counterparts.

Gamble (2011) wrote that markets in South Korea (355%), Brazil (436%) and India (470%) are growing since 2001. However, Indonesia and Russia are the developing countries with the highest growth.

These progresses represent many new opportunities as well as new risks. Some of these risks are from volatile capital movements and from social, economic and environmental degradation, as a consequence of poverty. Openness to volatile capital flows must be managed cautiously to have effective control on risk-taking. These risks are inevitable because they are intrinsic to world economic and demographic development. Thus, it is very important to embrace outward-oriented policies to build a stronger framework for international coordination in trade, finance and migration (IMF, 2002 and Dadush and Shaw, 2011).

Developing countries are strategically important to world development. Therefore, they should exhibit favourable consumer demographics; increase of household incomes; rising availability of credit and expansive productivity resulting in more attractive prices (Czinkot et al., 2011).

III. Globalization in emerging countries

The accelerated integration over the last twenty years of emerging nations in global markets, emphasize the growing involvement of these countries in globalization (Milliot and Tournois, 2010). However, the progress made in these countries in order to achieve of development in advanced economies is different for each market, according to Dadush and Shaw (2011).

This new paradigm can be justified mainly by four structural changes: the rise of share in trade of manufactures; the expansion of middle class; the increase of FDI and integration in the global value-added chains and the leadership on elaboration of new trade policies (trade agreements at regional and bilateral level).

Therefore, developing nations represent a major role in international transactions and their participation in foreign agreements is imperative. IMF (2002) considers four indicators of globalization:

Trade

Trade is a crucial component of global economic activity. This indicator weighs in a country's GDP. Yet, the less is the weight in GDP, the lower vulnerability to external volatilities (OECD, 2009).

Dadush and Shaw (2011) states that importance of emerging countries as export market has risen since 1980 (from 19.5% in 1996 to 30% in 2006, in merchandise) due to an increase of population and incomes by having greater accessibility to international exchange which allowed them to acquire better quality and diversity of goods and services available in global market.

The nature of export profits is dissimilar between developed and developing countries: the first ones are based on manufactured goods, technology and services while the second ones rely on primary products and raw materials (Czinkota et al., 2011).

In 2011, China was the largest exporter of goods, with 10.7% (Annexes Table I). Also, trade to GDP ratio of China from 2009 to 2011 is 53.2pp, according to WTO statistics database 2012. This means that China is particularly dependent on trade (WEO database, 2012). Furthermore, from 1993 to 2013, China registered the highest improvement of GDP based on PPP share of world total, followed by India, in a selected group of developing markets, as shown in Annexes Figure III.

Dadush and Shaw (2011) quote that from 1996 to 2006, EU exports to China more than quadrupled. Russia and India exports also increased. On the other hand, export share of many developed nations fell – United States, Japan, and European Union (Annexes Figure IV).

Capital movements

Private capital flows in emerging markets has risen because of strong economic growth, an optimistic financial environment and a local policy progress. They are becoming important actors in global financial markets (Dadush and Shaw, 2011).

External capital movements to emerging nations increased strongly before the last global financial crisis (Annexes Figure V). Nevertheless, the rise of official reserves is the most

outstanding achievement of these countries, from 16 percent in 1990 to 57 percent in 2009 in global reserves (Annexes Figure VI). Reserves of almost all developing countries have risen relatively to exports and GDP due to the ability of these markets to live above their expectations.

Private capital outflows of emerging economies has increased from $91 B in 2003 to $658 B in 2008. Was estimated that $61 T, 15pp of global GDP, contributed for total external assets of these countries in 2008 (Dadush and Shaw, 2011).

Foreign Indirect Investment (or Portfolio Investment)

One important FII is migrant remittances. Migrants usually send money to their home countries. In 2010, India, China and Mexico were the largest receivers. Each one of these countries earned more than $20 B. Their biggest source was from the United States, sending $48 B in 2009.

Foreign Direct Investment

For emerging markets, FDI is the largest source of external finance and it accounts around 30% of their GDP (Hamilton and Webster, 2012).

According to UNCTAD – WIR 2012, these economies accounted for almost 50% of global FDI and their inflows reached a new record: $684 B, in 2011. China and India increased their inflows by 8 and 31 percent, respectively. Turkey also registered a strong rise. Dadush and Shaw (2011) quote that these inflows raised from 2.2% in 2003 to 3.7%t in 2008 of their GDP. According to annexes Figure VII, the weight of emerging markets regarding global FDI inflows has risen over the past twenty years.

FDI Outflows in developing countries fell 4% (to $384 B), in 2011. For instance, China decreased their outflows by 5 percent from 2010, to $65 B. Yet, they reached the second highest level recorded, since 2000 (Annexes Figure VIII).

Emerging economies are important to MNEs as locations for foreign production. Plus, they select these countries as destination for their FDI in medium term, according to UNCTAD – WIR 2012. National policy progress and fast-growing economy in these nations contributes to the attraction of FDI and other flows due to the improvement of creditworthiness (Dadush and Shaw, 2011).

China is the most attractive economy for location of FDI by foreign multinationals because of cheaper labour and greater market potential (Annexes Figure IX).

Greenfield and Brownfield Investment

According to UNCTAD – WIR 2012, FDI Inflows in developing economies are increasing mainly by Greenfield investments.

Regarding Brownfield investments, cross-border mergers and acquisitions have a major role to MNCs. Companies from China, India and Russia are playing a prominent role as key purchasers. In 2009, almost one third of cross-border M&A took place in emerging economies (Hamilton and Webster, 2012).

Movement of people

Currently, 200 million of people reside outside their home countries. In industrial markets, migration is increasing relative to population (Annexes Figure X). Since 1960, immigrants have significantly increased their share in population in higher-income countries, achieving 10 percent in 2005. Some nations like Switzerland (22%), Singapore (43%), Kuwait (62%), United Arab Emirates (71%) and Qatar (78%) have higher shares of immigrants. Rich countries can get immigration restrictions due to rapid increase of population and income in emerging economies. However, the average life expectancy of population in industrial countries is increasing and, consequently, the need of skilled migration as well.

(Annexes Table VI) Generally, migration generates profits for migrants (higher earnings), home countries (more foreign exchange) and destination countries (increased supply of services and improved efficiency of production inputs). Recorded remittances of advanced countries rose from $31 B (0.8% of GDP) in 1990 to an estimation of $317 B (1.9% of GDP) in 2009. Yet, this result would be much higher because of unrecorded remittances. Opportunities for migration will be driven by:

- Demographic trends – Generally, population from developed countries are getting old and birth rates are decreasing. This aging will demand more migrants in order to provide more services;
- Advances in technology – The progress made in reduction of costs of transportation and communication is beneficial for migrants. Internet is an essential tool for access of information about migration opportunities;
- Networks – Migrants from countries with a rich network of connections can help them to provide information about job opportunities, conditions and expenses;

- Climate change – Many changes in nature (soil erosion, flooding, etc.) will force people to move to other regions with a more productive land.

People move from one nation to another with motive of finding better employment, learning opportunities and for personal motives. Most of population from emerging nations (Asia, Latin America and Africa) leave their homes in order to find better life condition in higher-income nations mainly in North America and Europe. Moreover, people migrate for a variety of reasons:

- Economic - To find work, to earn higher wages, to follow a career path;
- Social - To find a better quality of life, to be closer to family or friends;
- Political - To escape political persecution, war, violation of human rights;
- Environmental - To escape natural disasters.

Movement of people also happens between developing economies: South-South migration. The rapid economic growth in these markets is one of reasons. This type of migration is increasing significantly, approaching number of migrants from developing to developed countries (Annexes Table VII). Besides, around 80% of South-South migration is with neighbour countries. But, this number can stabilize once the growth progress is similar between countries within a region (Dadush and Shaw, 2011).

Spread of knowledge (and technology)

Information exchange is an essential aspect of globalization. For instance, when FDI brings physical capital stock (computers, machinery, buildings) it also brings technical innovation as knowledge about production process, managerial system, export markets and economic policies available at low-cost. This represents a high valuable resource for developing economies.

India is a good example of a country that has benefited from advances in communications technology. As they provide cheap educated labour, reduction in costs and improvement in quality and reliability of telephony, India is becoming more important in call centre jobs. Consequently, there has been a movement of jobs from higher-income regions (UK and Unites States) to South-East Asia. Moreover, almost 50% of world's top 500 companies are outsourcing IT and other business to India.

One of the most vital sources of economic development is capability to create new technologies and apply them to new products (Milliot and Tournois, 2010).

IV. Emerging countries: terminology

In 2001, Jim O'Neil - chief economist of Goldman Sachs - coined the acronym BRIC: Brazil, Russia, India and China. He predicts that these markets can surpass total GDP of G7 countries by 2027 (Foroohar, 2009) and accounting around 40 percent of global GDP by 2050 (Keohane, 2011).

According to Logue (2011), BRIC represent 42% of world's population and 23% of world's output of goods and services. They differentiate from other developing nations due to strong rise of population, which is relatively young, fast economic growth and large extension of territory (Annexes Table VIII). These countries have opportunity of becoming developed nations and to be true economic great powers.

In 2010, South Africa was officially added to BRIC acronym, standing now as BRICS, by Goldman Sachs (Hervieu, 2011). However, there are some critics who state that the join of South Africa to BRIC was not based on a purely economic criterion. García-Herrero (2011) estimates that South Africa will contribute less to world economic development than any of countries that constitutes the EAGLEs.

Beyond the BRICS, there are other known proposals (Martin, 2012; Wassener, 2010, Moore, 2012; García-Herrero, 2011): N-11 is a group of big eleven emerging markets identified by Goldman Sachs who have high potential of becoming the world's largest economies, along with BRICS. In 2011, Jim O'Neil created a new acronym called MIST/MIKT in which he considered as the four biggest markets in Goldman Sachs's N-11 Equity Fund. Moreover, the EIU developed the acronym CIVETS in 2008. Publicized by HSBC Bank, these markets will be the future generation of developing nations. Finally, the BBVA Research identified a group of key emerging economies in 2010, called EAGLEs, which are expected to lead world economic growth in the next 10 years.

List of emerging countries by group of analysts

There are several lists of developing economies made by various important entities (Annexes Table IX). Turkey is the only country who shows up in every list. Yet, there are several nations which appear only in one list such as Bangladesh, Bulgaria, Hong Kong, Iran, Israel, Latvia, Lithuania, Nigeria, Romania, Saudi Arabia, Singapore, Slovenia, United Arab Emirates and Ukraine. On the other hand, the Economist is the analyst with highest number of emerging markets in their list (27), followed by the IMF (23) and EIU (22).

V. BBVA Research

BBVA is a multinational Spanish banking group, formed in 1999 by the merger of BBV and Argentaria. It was recognized by top financial publications as the world's best bank by Forbes, the best bank in Spain, both in 2000. In 2001, was also renowned as the best bank in Latin America by Forbes and the best European bank by Lafferty. Also, they have a strong international presence in Europe, in Asia-Pacific, in North, Central and South America.

In 2010, BBVA Research department created a study about emerging markets called Emerging and Growth-Leading Economies (Annexes Figure XI), "*whose contribution to World economic growth in the next ten years is expected to be larger than the average of the leading industrialized nations, namely the G6 countries".*

The Nest *"is a watch list of countries with expected incremental GDP in the next 10 years to be lower than the G6 average but higher than the smallest contributor of that group"*. These countries can be future EAGLE based on their improvement of performance above current forecasts.

BBVA Research is composed by a group of 200 economists and strategists scattered in Western hemisphere, Europe and Asia and they consider a group of emerging markets and industrialized economies in their analysis, as shown in Annexes Table X.

In 2011 EAGLEs annual report, they identified 10 markets as EAGLE: China, India, Brazil, Indonesia, South Korea, Russia, Mexico, Egypt, Taiwan and Turkey, whose contribution to the World's economic growth is expected to be around 51% from 2010 to 2020. On the other hand, the Nest countries were in Thailand, Nigeria, Poland, Colombia, South Africa, Malaysia, Vietnam, Pakistan, Bangladesh, Argentina, Peru and Philippines: 12 members who were expected to deliver 8 percent for world's incremental GDP in same time period.

Regarding 2012 EAGLEs annual report, all economies maintained their EAGLE status, except Egypt which is now in Nest (Annexes Figure XII). This new group is expected to contribute around 58% to global economy development in 2011-2012 period. In Nest countries, there are new 3 members: Egypt, Chile and Ukraine and they all shall contribute 10 percent in following ten years for global economy growth.

According to Annexes Table XI, the top 7 of emerging countries with the highest number of presences in a list made by different group of analysts, are also included in BBVA's list. The exceptions are Taiwan and South Korea with 7 and 6 presences, respectively. When comparing EAGLEs concept with other proposals (BRIC, N-11 and CIVETS), his methodology is different

from others in several ways (García-Herrero, Navia and Nigrinis, 2010; García-Herrero, 2011; García-Herrero and Schwartz, 2011):

- **Dynamic concept:** is not a fixed group and is not linked to an acronym, like BRICS, allowing the entrance or exit of countries with better or worse performance over time. This approach is used to select the key leading economies in developing markets. The number of countries is variable in the sense that entering one country does not mean the exit of another one;
- **Yearly revision:** their research is revised once a year, according to latest forecasts (performance and changes in economic conditions) relative to higher-income countries, exploring the potential growth paths with greater accuracy;
- **Objective measure:** IGDP vs. absolute size, giving less importance to economic size and population, separately. Thus, the combination of both is what is really important: population is constant and almost impossible to anticipate trends in long term and economic size is partly generated by incremental demand;
- **The Nest:** number of nations in EAGLEs is changeable due to their growth prospects over time. So, it is important to have a watch list of EM, which may become an EAGLE in the future. These economies are contributing considerably to economic growth worldwide. Still, is not sufficient to enter the EAGLEs list;
- **Cut-off point:** is explicit. Each emerging market can be considered relevant enough in terms of its contribution to global growth and, consequently, becoming an EAGLE. The only requisite is that IGDP in the next 10 years has to be greater than expected average of G6 economies;
- **"Falling Angel":** a country that drop out the EAGLEs status due to a large downward revision on growth projections in a 10 years period. The chances of this happening are higher when the country is small and closer to the cut-off point;
- **Short horizon:** forecasts are based in a 10 years period, while most other analysis is considered a range from 20 to 50 years. They are able to make accurate trends in long term and not falling in error of making predictions almost impossible to reach in a larger horizon of years, as global economy may suffer huge variations in a long period of time;
- **EAGLEs outlook:** BBVA provides quarterly economic reports and a yearly report where is made a new updated evaluation, taking into account any economic developments that might impact developing economies, within a period of 10 years.

The main objective of this annual report is to review status of EAGLEs and the entrance of new countries in the list;

- **Investors:** the methodology created by BBVA Research is essential to investors as they search for guidance in their reports with constant updates and based on real facts. This is a relevant concept due to identification of business and market opportunities with more anticipation;
- **Focus:** BRIC (absolute size), Next-11 (population and GDP size) and CIVETS (young population) have ambiguous focus which may be misleading in determining market potential. On the other hand, EAGLEs focuses in on incremental GDP and, consequently, in their contribution for world economic growth (Annexes Table XII);
- **Methodology:** based on demographic trends (taking into account structural changes in workforce: productivity and participation rates) and capital accumulations (projections of investment rates).

In conclusion, the EAGLEs concept is objective with rigorous and transparent criteria.

VI. EAGLEs

Introduction

BBVA annual report of 2012 states that EAGLEs and Nest contribution to world economic development rises from 59 (2011 estimation) to 68 percent, in 2011-2021 period. Furthermore, G7 countries are expected to contribute around 16% (increased 2pp from last year estimation).

In 2011, 10 countries were EAGLEs (BBVA annual report). Nevertheless, 9 countries maintain their status: China, India, Brazil, Indonesia, Korea, Russia, Turkey, Mexico and Taiwan. Egypt is the first "fallen angel" due to a downward revision, in short horizon, to his growth perspective. Until recently, no country in Nest has upgraded their level to EAGLEs membership. With update of forecasts, number of countries in Nest increased from last year to 15 members: Chile, Egypt, Ukraine (the new ones), Argentina, Bangladesh, Colombia, Malaysia, Nigeria, Pakistan, Peru, Philippines, Poland, South Africa, Thailand and Vietnam.

The EAGLEs assessment of vulnerabilities has six types of risks: growth model, external demand, macro disequilibria, institutional factors, social unrest and inclusive growth challenge. These risks are generally limited when comparing with developed markets and their degree of vulnerability is different in every EAGLE member.

Regarding growth model risks, productivity can be improved in China, India, Indonesia and Mexico. On the other hand, workforce will decline in Russia and will rise relatively in China and Taiwan.

In external demand risks, Brazil, Indonesia and Russia heavily rely on merchandise trade. However, Brazil, South Korea and Taiwan are very dependent on China whereas Russia, Turkey and Mexico have low growth in higher-income countries.

Concerning macroeconomic disequilibria risks, India and Brazil show fiscal fragility, external deficit and high public debt. Turkey presents a large current account imbalance.

Finally, in institutional factors, social unrest and inclusive growth challenge risks, China, India, Indonesia and Russia are facing institutional and social challenges, while Brazil and Mexico have opportunity to improve their social inclusion and, therefore, to increase their potential to grow. Moreover, due to high income per capita, South Korea and Taiwan presents a propitious situation in this regards.

Economic outlook

In 2011, developing countries continue to demonstrate an outstanding performance for global economic development despite of all difficulties, as crisis that reaches Europe about sovereign debt, lack of liquidity, decline of demand from industrial markets and the rise of global risk aversion.

China is the economy with the highest contribution to worldwide growth. As shown in Annexes Table XIII, EAGLEs members contributed with 7.1 percent, in 2011. Their performance was better than all 45 EM (6.3%), even excluding China (5%) and BRIC nations (4.8%). BRICs show the highest share of contribution (7.6%) but, without China, result is lower (-2.1pp).

EM and IE are following distinct patterns: first group will continue to thrive globally, while second group will maintain or even reduce their progress in world economic growth, where Italy was revised downwards in G6/G7 countries.

The current economic size of 45 EM without BRICs represents around 52 percent vs. G6 countries (Annexes Figure XIII). Still, in the next 10 years, their share will be 59pp and IGDP of these economies will be 79% against 21% of G6. When comparing EAGLEs plus Nest vs. G7, actual GDP of these two groups is higher than G7 (Annexes Figure XIV). Moreover, in 2011-2021 period, EAGLEs will generate an IGDP of 69 percent (Nest = 12% and G7 = 19%).

There has been a positive evolution since the 80's regarding increase of GDP in 45 EM: from 3 percent to around 6% in the next ten years, contrasting the decline in G7 (from almost 3 in 1980s to 2pp in 2011-2021). Regarding share of global GDP by PPP, 2012 is critical once the 45 EM surpasses the supremacy of IE, reaching an upward tendency (Annexes Figure XV and XVI).

China will be the global leader in the next decade, with the highest incremental GDP (+ $13 B) out of the three: China (1st), US (2nd) and India (3rd). Also, China (34%) will be the greatest contributor for world economic growth, where India (11.9%) will be second and United States (9.6%) third, highlighting that rest of the world will have a major important share of contribution, with 44.5 percent (Annexes Figure XVII and XVIIII).

There are three countries that registered an improvement from the previous BBVA yearly report: India, Russia and Turkey. India made more investment and productivity gains, which is expected to boost economic growth to 8 percent and to have higher IGDP than United States. Russia increased trade and production of commodities. Yet, its institutional structure and high social unrest are threatening Russia's growth. Finally, Turkey had a faster capital accumulation process and higher productivity.

In the next decade, Brazil and Indonesia will be highest contributors for world economic growth than Japan. Also, South Korea will have the same performance as Japan. From 7 EAGLEs members, excluding China and India, all of them, except Taiwan, could surpass Germany. Finally, Taiwan will equal United Kingdom and will exceed Canada, France and Italy (Annexes Figure XIX to XXII).

According to annexes Table XIV and XV, EAGLEs will have the highest improvement of GDP from 2011 to 2021, with an average annual growth of 6.6%, followed by Nest (4.9 percent) and G7 (1.9 percent). In 2021, EAGLES and Nest will be responsible for 52% of global GDP, while G7 with 31%. When comparing the ranking 2011 vs. ranking 2010 of countries contribution to world economic growth in the next decade, Turkey is the country with the biggest improvement within EAGLEs (from 14 to 9 position).

Asia will be the region with the major contribution for global economic development, with 59.7 percent. With the supremacy of Asia, big changes will happen in allocation of great powers worldwide. In the next 10 years, Latin America (7.8%) will overtake Western Europe (5.8%) by 2pp in terms of IGDP but it won't surpass North America (10.5 %). Eastern Europe (6.0%) will be greater than Western Europe by 0.2 percent and Australia + New Zealand will contribute with 1pp Finally, Africa and Middle East will share similar contribution, with 4.1% and 5%, respectively (Annexes Figure XXIII).

Relatively to membership sensitivity between EAGLEs and Nest, Taiwan is the EAGLE that is more close to the cut-off point. This means that a downward revision in the annual average growth for the next decade of 0.1%, Taiwan would be no longer an EAGLE member. Plus, Taiwan, Mexico (-0.5%) and Turkey (-0.9%) are the countries with greater risk of leaving EAGLEs. Thailand (+ 0.3pp), Egypt (+0.4pp) and Argentina (+0.6pp) are the Nest countries with high probability of becoming an EAGLE, if they are able to accelerate annual growth to an EAGLE scenario.

EAGLEs Macroeconomic risks (Annexes Table XVIII)

In general, EAGLEs exhibit an on average performance (above average, on average and below average of the average for 45 EM) in three dimensions: growth model risks, external demand risks and macro disequilibria.

Out a total of 14 variables, South Korea is the economy with more above average in 7 different indicators, followed by Taiwan with 6 and Brazil with 5, while Mexico and Turkey have only one variable above average. Also, Turkey presents on average in 8 indicators and Mexico has below average in 7 variables. In conclusion, South Korea is the EAGLE with the best relative evaluation, followed by Turkey and China. On the other hand, Indonesia, India and Brazil present the worst relative assessment.

R&D expenditure is the variable with more above average from EAGLEs with 5, whereas that external debt has zero above average. Moreover, expected fiscal balance presents 7 countries with on average performance, while commodity exports dependency has only one. Finally, trade openness shows 6 EAGLEs with below average expectation. On the other hand, China exports dependency and expected fiscal balance have only one below average each.

China has the strongest expected labour force productivity growth (8.3pp next 10 years) of all EAGLEs. Also, R&D expenditure (1.4% of GDP) and expected external balance (6.5 percent next 5 years) are both in above average. China has low external debt (9.3pp of GDP), very low commodity exports dependency (6.3% of total exports) and relatively low trade openness (50.6 percent of GDP). However, there are some potential concerns regarding low expected labour force growth (1.9pp next 10 years), who is the second weakest of all EAGLEs, and low tertiary education enrolment (24.3 percent).

India and Brazil present the worst assessment in macro disequilibria, where both have the highest public debt in EAGLEs: 64.1% and 66.8% of GDP, respectively, way more than the 45 EM average. Yet, both countries show a low external debt: 17.8 percent of GDP for India and

16.6 percent of GDP for Brazil. India has the worst expected fiscal balance deficit (-7.1pp next 5 years) and Brazil the second worst expected external balance (-3.0% next 5 years). On the other hand, Brazil growth acceleration from 2002-07 to 2011-21 period is expected to be flat, which is above the 45 EM average. India expected labour force growth (16.9pp) and expected labour force productivity growth (6.1%) in the next decade are one of the highest of all EAGLEs, while Brazil is below average (3.0 percent) in the last indicator mentioned before. They both have low quality of overall infrastructure (average of 3.7 of a total score of 7). In terms of R&D expenditure, Brazil is above average (1.1pp of GDP) and India is below average in tertiary education enrolment (16.2 percent). Furthermore, both countries have the lowest trade openness of EAGLEs, which means that they have less exposure to global demand variations (18.8% of GDP for Brazil and 33.5% of GDP for India). Lastly, Brazil has high dependency in China exports (15.6pp of total exports) and in commodity exports (61.9 percent of total exports).

Indonesia is the only EAGLE with a positive growth acceleration (0.9% between 2011-21 and 2002-07) and one of the three above average in expected labour force productivity growth (5.3 pp next 10 years). Nevertheless, the main concern is in TFP indicators: quality of overall infrastructure (3.7 score), R&D expenditure (0.0% of GDP) and tertiary education enrolment (22.4 percent) which are very low. Indonesia is also characterized by low trade openness (41.0pp of GDP), high expected trade partners' growth (4.5 percent next 10 years) and high commodity exports dependency (62.2% of total exports). In macro disequilibria, Indonesia exhibits a low public debt (27.4% of GDP) when comparing with the 45 EM average.

Despite the slight decrease of 0.9% in growth acceleration, South Korea exhibits an above average performance. Also, South Korea has the highest improvement of all EAGLEs in TFP variables: quality of overall infrastructure (score of 6 out of 7), R&D infrastructure (3.2% of GDP) and tertiary education enrolment (103.9pp). The country shows an above average in expected trade partners' growth (4.7 next 10 years) and in China exports dependency (25.1 percent of total exports). South Korea is the only economy with above average in expected fiscal balance (2.7 pp next 5 years), while in commodity exports dependency shows a below average performance (11.1 percent of total exports).

Russia faces big challenges: it is the EAGLE who is positioned in last in growth acceleration (-5.2 pp) and the only one who is expected to suffer a decrease in labour force growth (-7.7 percent next 10 years). Russia is also characterized by below average in quality of overall infrastructure (3.6 score), contrasting the above average in R&D expenditure (1.0% of GDP) and tertiary education enrolment, which is the second highest among EAGLEs (75.9%).

In external demand risks, Russia presents the highest dependency on commodity exports of all EAGLEs (75.7pp of total exports), a low trade openness (43.8% of GDP) and a low public debt (11.7 of GDP).

Turkey (-3.8 pp from 2011-21 to 2002-07) follows the same path as Russia in growth acceleration: both have the worst predictions in this indicator. Also, Turkey (3.2pp next 10 years) has one of the lowest expected trade partners growth in EAGLEs. Another concern for Turkey is the expected external balance deficit, which is the worst of all EAGLEs (-6.9pp next 5 years). Still, regarding trade openness (40.7% of GDP) and dependency in commodity exports (19.0 pp of total exports), both variables are below the 45 EM average. On the other hand, Turkey benefits from good quality of overall infrastructure (score of 5.1).

Mexico is one of the 4 EAGLEs with above average in growth acceleration (-1.0%). The country has a low external debt (19.3% of GDP) and low dependency in China exports (1.4pp of total exports) and commodity exports (23% of total exports) and has the lowest expected trade partners' growth (2.6% next 10 years). Moreover, Mexico present the lowest expected labour force productivity growth of all EAGLEs (1.5pp next 10 years) and has to improve their TFP indicators, such as R&D expenditure (0.4 percent of GDP) and tertiary education enrolment (27.0%), both below the 45 EM average.

Taiwan is compared to South Korea, but in a smaller scale, due to similar assessments. The country shows a strong quality of overall infrastructure (score 5.9 out of 7) and R&D expenditure (2.3pp of GDP). Taiwan has the highest dependency on China exports (28.0% of total exports) and the highest trade openness (122.3 percent of GDP), although benefiting from the highest expected trade partners growth (5.0% next 10 years) of all EAGLEs. Also, Taiwan exhibits the highest positive expected external balance (9.7 percent next 5 years). Finally, it is important to mention that the study does not have information on Taiwan in 5 different indicators (expected labour force growth, expected labour force productivity growth, tertiary education enrolment, commodity exports dependency and external debt).

EAGLEs potential brakes to growth (Annexes Table XIX)

Overall, EAGLEs show a below average performance in three dimensions: institutional factors, social unrest risks and inclusive growth challenge. Out a total of 10 variables, South Korea is the country with more below average in 7 different indicators, followed by Taiwan with 5, while Turkey has only one variable below average. Turkey and Russia present on average in 6 indicators and South Korea zero. India, Brazil, Turkey and Indonesia have above

average in 3 variables. South Korea and Taiwan demonstrate the best relative assessment while Indonesia, India and Russia present the worst relative evaluation.

In an indicator perspective, food imports dependency is the variable with more below average from EAGLEs, with 8. Investment climate and food in the consumption basket show 4 countries with above average each. On the other hand, food imports dependency have zero above average.

Taiwan and South Korea demonstrate the best evaluation in institutional factors: both present below average in investment climate (48th and 28th, respectively, from a rank with 183 positions) and in state fragility (both with 0 from an index between 0 and 25) and above average in governance (1.0 and 0.7 score, respectively, between -2.5 and +2.5). In terms of food prices, both show low food imports dependency (2.2% of GDP for Taiwan and 1.9% of GDP for South Korea) and in food in the consumption basket, South Korea present a below average (14.0 percent). Regarding labour market, unemployment (Taiwan: 5.2pp; South Korea: 3.6pp of active population) and youth unemployment (South Korea: 9.8% of active population) rates are also low, when comparing the 45 EM average. Moreover, South Korea has a high secondary education enrolment, with 97.1 pp. Finally, income inequality of these two economies is the lowest among EAGLEs, with 31.6 for South Korea and 33.9 for Taiwan, in GINI Index.

China is one of the worst in governance (-0.6 score), along with Russia (-0.7 score) and Indonesia (-0.5 score) of all EAGLEs. The country exhibits a high sensitivity to food price variations (the weight in food in the consumption basket is 39.8%) and a low dependency in food imports (1.0 percent of GDP). Also, China has a high income inequality (GINI Index of 44.9). On the positive side, unemployment rate is one of the lowest (4.3pp of active population).

India is the country worst positioned in investment climate (119th) of all EAGLEs, followed by with Indonesia (113th), Brazil (111th) and Russia (106th). It has the highest state fragility (13 score), with Indonesia and Turkey, with 10 points each. Moreover, India is the EAGLE with the highest sensitivity to food price fluctuations (food in the consumption basket: 49.7pp) and Indonesia is second, with 45.4%. The country has the lowest secondary education enrolment, with below average (60.2 percent), similar performance as Indonesia (75.1%).

All EAGLEs, except Russia (2.3% of GDP), exhibit a low dependency on food imports, a below result from the 45 EM average.

Brazil presents a low sensitivity in food in the consumption basket (22.3 pp) and the highest score in secondary education enrolment of all EAGLEs (101.3%). However, Brazil has the highest uneven income distribution (GINI Index of 53.9 pp).

In inclusive growth challenge, Indonesia shows 13.3% of poverty, sharing with Russia (11.1%) the lowest percentage of population below the poverty line, although it is relatively high. Also, it is important to mention that this research does not have information about this variable in 4 countries – China, India, Korea and Taiwan.

Russia demonstrates a high sensitivity in food prices shock (food in the consumption basket equal to 38.7%), while Turkey presents the highest rates among EAGLEs in unemployment and youth employment (14.0%. and 25.3% of active population, respectively), both higher than the 45 EM average. However, the study lacks on information in the last indicator mentioned before of 3 different economies: China, India and Taiwan.

Mexico presents a below average performance in three indicators: food in the consumption basket (high resilience to food price fluctuations: 18.9pp), unemployment rate (5.2% of active population) and youth unemployment rate (10.0% of active population). Nevertheless, Mexico has one of the highest rates of EAGLEs in inclusive growth challenge: income inequality (GINI index of 51.7 pp) and poverty (47.4% of population below the poverty line).

CHAPTER THREE
EAGLEs – PESTEL ANALYSIS

I. Brazil

Brazil - Federative Republic of Brazil - is the 5th largest country in the world in terms of area (Annexes Table XX) and population (Annexes Table V). It borders Atlantic Ocean and all South American nations except Ecuador and Chile. Brazil will be the host country of two major world events: 2014 FIFA World Cup and 2016 Olympic Games, demanding huge investments in areas like social development and transport infrastructure, boosting Brazil's attractiveness as foreign trade and investment (World Bank, 2014). The climate of Brazil is mostly tropical except in south, where it is temperate (CIA, 2013). According to the Conservation International, Brazil is one of the 17 megadiverse countries worldwide (Biodiversity, 2013).

Brazil was a Portuguese colony from 1500 to 1822. Since 1889, Brazil was ruled by military. This fact originated constant popular rebellions, who led to a lack of confidence in society and stagnation of economic growth. Also, the country achieved record levels of inflation: an increase of 3,000% annually. This would change when, in 1985, democracy became the main ruler, moving Brazil towards a free-market economy. However, inflation lowered only in 1994 and economic development above 5% only happened from 2004. From 1990 to 2009, Brazil's GDP (PPP) per capita was a little bit lower than Latin America and the Caribbean until 2010, where Brazil surpassed it (Annexes Figure XXIV).

The growing demand for Brazilian goods from major markets of United States, Europe and China will continue to boost Brazil's economy. Furthermore, the UNCTAD World Investment Report 2012 places Brazil as the fifth most attractive country for FDI for 2012-2014 (Annexes Figure IX). The economic growth of Brazil in the first decade of 20th century happened mostly because of former President Lula da Silva which implemented economic liberalization and decline of inflation. Though, with 2008 global financial crisis, Brazilian economy experienced two quarters of recession but was one of the first emerging markets to begin a positive recovery (Czinkota, Ronkainen and Moffett, 2011; CIA, 2013).

The Brazilian population is characterized by different ethnicities and religions, although the major issue is the big gap between socio-economic groups. Nevertheless, this situation has diminished with rise of economic power which led to a more equal distribution of income and an increase of middle class. In 2012, Brazil's population was predominantly young, between 5 and 34 years old (Annexes Figure I). Roman Catholic is the main religion in Brazil with 64.6 pp, followed by protestant, with 22.2% (CIA, 2013).

The legal system, based on Federal Constitution, does not work or, in some cases, has slow pace in decision making. Also, Brazil has one of the highest tax burdens worldwide and black market has a significant representation in Brazil's GDP.

BM&FBovespa is the largest stock exchange in Latin America and the 17th largest in the world (WFE, 2014). Moreover, the top five Brazilian companies represent 48% of total market (Gamble, 2011).

Sector composition

Brazil is rich in different natural resources – bauxite, iron ore, tin, gold, nickel, platinum, phosphates, uranium, petroleum, wood, hydropower, petroleum and freshwater. Also, they produce coffee, wheat, rice, corn, soybeans, cocoa, citrus, chickens, beef and sugarcane. Active in agricultural, manufacturing, mining and service sectors, Brazil is known by extensive diversity of industries – cement, lumber, footwear, steel, textiles, motor vehicles and parts, aircraft, chemicals, electrical equipment (Logue, 2011; Gamble, 2011; CIA, 2013).

The three largest public enterprises in Brazil are (Logue, 2011; Forbes, 2013):

- Oil and Gas Operations: Petrobras (rank 30th; founded in 1953) is one of the biggest oil companies worldwide. Their sales are valued in $141.19 B. In addition, they operate service stations, mainly in Brazil;
- Major Banks: Itaú Unibanco Holding (rank 46th; founded in 1944) is the leading financial multinational in the Southern Hemisphere. They account revenues of $67.2 B and are present in Brazil plus 18 countries;
- Regional Banks: Banco Bradesco (rank 63th; founded in 1943) is one of the major banking and financial services business in Brazil. Sales are estimated in $74.1 B.

Tax regulations, inadequate supply of infrastructure and tax rates are the major issues for doing business in Brazil (Annexes Table XXVII).

II. China

China - People´s Republic of China - is the 3th largest country in the world in terms of area (Annexes Table XX) and 1st in population (Annexes Table V). It borders with 14 countries and with Pacific Ocean. Their climate is subarctic in north and tropical in south (CIA, 2013). China is one of the 17 megadiverse nations in the world, according to Conservation International (Biodiversity, 2013). China is the largest investor worldwide in renewable energy commercialisation (The New York Times, 2013).

The country is one of the world's oldest civilizations and, along the years, they were agonised by the unrest, colonization, famine and invasion. The Republic of China ruled mainland China until 1949, when Communist government established People's Republic of China. Their main objective was to help economy to grow by pressing population to give all they can. This situation continued until 1976, when leader Mao Zedong died. The tight governmental control over population has decreased and living standards improved. Liberalization began in 1978 when Deng Xiaoping's took power and implemented new policies such as economy privatization, openness to capitalism, market openness and entrepreneurship (Nester, 2010).

China's spectacular growth happened due to fewer barriers: none bureaucracy and unlimited power of government. From 1990 to 2011, China's GDP (PPP) per capita was generally higher than Developing Asia (Annexes Figure XXIV). In past twenty years, China has generally growth rates with double digits, which is outstanding. Their growth has pulled millions of people out of poverty. Although this growth has slowed in recent times due to global recession of 2009, the country successfully re-established all potential growth once achieved (Gamble, 2011). The UNCTAD World Investment Report 2012 places China as the most attractive country for FDI for 2012-2014 (Annexes Figure IX). Their main successful keys are high productivity, good/inexpensive infrastructure, cheap/skilled labour and updated technology (Gamble, 2011).

By struggling against poverty and overpopulation, government created an official policy limiting most families to one child, especially to baby boys, leading baby girls for abandonment, abortion or even infanticide. Due to this, China has 14 pp more male population than female (Gamble, 2011; World Bank, 2014). In 2012, China's population is predominantly between 20 to 24 and 40 to 49 years old (Annexes Figure I). Also, China have a tight control on internal migration and they censor the media. Folk religion (21.9%) is the largest religion practiced in the country, Buddhism is second (18.2%), according to CIA, 2013.

There are some major issues in China's legal system. The jurisdiction of courts is very limited, restrained to province and city, in some cases. The courts work in a subsidiary way and are regularly considered as advisory (Gamble, 2011).

Shanghai's stock exchange – 7th largest worldwide – and Shenzhen's stock exchange – 11th biggest in the world – are China's stock exchange. 27% of the Chinese market is made up among the five largest companies (Gamble, 2011; WFE, 2014). Regarding futures stock exchanges, there are: Dalian Commodity Exchange, Shanghai Futures Exchange and Zhengzhou Commodity Exchange (WFE, 2014).

Sector composition

China is very diversified regarding natural resources (petroleum, natural gas, mercury, iron ore, coal, tin, aluminum, rare earth elements, uranium, zinc, lead, hydropower) and in agriculture (rice, peanuts, corn, tea, potatoes, wheat, millet, barley, apples, oilseed, cotton, pork, fish). Also, diversity of industries in China is huge: chemicals, armament, consumer products, transportation and telecommunications equipment, metals, coal, food processing, cement, petroleum, machine building, textiles, mining and ore processing (Logue, 2011; CIA, 2013).

The three largest Chinese public companies are in bank sector (Forbes, 2013):

- Major Banks: Industrial and Commercial Bank of China (rank 1st; founded in 1984) is the world's biggest public company. Their sales are estimated in $148.7 B;
- Regional Banks: China Construction Bank (rank 2nd; founded in 1954) is the second largest public firm worldwide. With revenues of $121.3 B, the bank operates its businesses in China and overseas;
- Regional Banks: Agricultural Bank of China (rank 3th; founded in 1951) is the world's 3rd biggest public enterprise. The bank revenues are valued in $136.4 B.

Access to financing, inflation and policy instability are the major issues for doing business in China (Annexes Table XXVII).

III. India

India - Republic of India - is the 7th largest country in the world in terms of area (Annexes Table XX) and 2nd in population (Annexes Table V). Also, is the world's most populous democracy. Is bounded by Indian Ocean, Arabian Sea and countries like Pakistan, China and Nepal. The climate is characterized by four climatic groups: montane, tropical dry, tropical wet and subtropical humid. India is one of the 17 megadiverse countries worldwide, according to Conservation International (Biodiversity, 2013).

India was an English colony until 1947. When they became independent, the country had to struggle against their biggest issue: poverty (Logue, 2011). The founders believed that Socialism was the best policy in order to grow in a fair and balanced way.

In the 80's, economy grown annually below 4 percent (Gamble, 2011). However, in middle of a currency crisis in 1991, economy suffered a profound restructuring and, consequently, Indian economy was liberalized which led to a sustained economic growth and, consequently, took India to have one of the faster average growth in a long term versus other nations in the world (Logue, 2011). Moreover, the UNCTAD World Investment Report 2012 places India as the most attractive country for FDI for 2012-2014, after China and United States (Annexes Figure IX). However, from 1990 to 2011, India's GDP (PPP) per capita was lower than Developing Asia (Annexes Figure XXIV). The improvements made by increasing efficiency of international service providers, mainly in the IT area, until recently have shown an increase in economic growth (Gamble, 2011; OECD, 2009).

Regarding demographics, India's population, in 2012, was predominantly young, between 0 and 19 years old (Annexes Figure I), where there was a preference of boys over girls. Although there was no policy regarding family size, India has more sons than daughters, a 13% surplus. In matter of religion, 80.5 percent of the population is Hindu and 13.4 pp is Muslim (CIA, 2013).

70% of population is rural. They had no communication, until recently. The country has now 500 million mobile telephones, due to improvement made in this area by government. India has become a world specialist in high technology. So, they have a huge advantage over other emerging countries in dealing business with United States and England, where they dominate the English language (Logue, 2011).

India has a Supreme Court mandated by its constitution. The law does exist, nonetheless enforcement is weak, in some cases. The levels of corruption in courts are high (Gamble, 2011). "License Raj" - red tape and over-regulation - was used until 1992. India experienced a

consistent growth after that year. Still, there are some laws and regulations ongoing nowadays which can be disadvantageous for the country (Gamble, 2011).

India has two stock exchanges: Bombay Stock Exchange (BSE) - 13th largest worldwide - and National Stock Exchange of India (NSE) - 12th biggest in the world (WFE, 2014). Also, the five largest Indian companies represent 23% of the total market (Gamble, 2011).

Sector composition

India's main natural resources are: coal, rare earth elements, bauxite, iron ore, natural gas, limestone, titanium ore, diamonds, petroleum, chromite and arable land. Regarding agriculture, the country is very productive in rice, dairy products, poultry, cotton, wheat, oilseed, tea, onions, goats, fish, sugarcane, potatoes, sheep and lentils. Moreover, India is strong in some industries like armaments, cement, machinery, chemicals, metal fabrication, petroleum, software, pharmaceuticals, transportation equipment, food processing, mining and textiles (Logue, 2011; CIA, 2013).

The three largest public enterprises in India are (Logue, 2011; Forbes, 2013):

- Oil and Gas Operations: Reliance Industries (rank 135th; founded in 1966) is the largest enterprise in India. With estimated sales of $72.8 B, they operate in three main areas: petrochemicals, refining and oil & gas;
- Regional Banks: State Bank of India (rank 155th; founded in 1806) revenues are worth of $37.1 B. They are divided in three segments: treasury, corporate/wholesale banking and retail banking;
- Oil and Gas Operations: Oil & Natural Gas (rank 176th; founded in 1956) operates in exploration, production and refining activities. Their sales are about $29.6 B.

Inadequate supply of infrastructure, corruption and inefficient government bureaucracy are the major issues for doing business in India (Annexes Table XXVII).

IV. Indonesia

Indonesia - Republic of Indonesia - is the 15th largest country in the world in terms of area (Annexes Table XX) and 4th in population (Annexes Table V). Has the third most populous democracy worldwide and is the largest archipelagic state worldwide, with 17,508 islands. Is a sovereign state in Southeast Asia and Oceania and shares borders with Papua Nova Guinea, Malaysia and Timor-Leste. Indonesia has a tropical climate (CIA, 2013). The country is one of the 17 megadiverse nations in the world, according to Conservation International (Biodiversity, 2013).

In 17th century, Indonesia was colonized by Germany and occupied by Japan from 1942 to 1945. They declared independence in 1945 but it was acknowledged only in 1949 from Netherlands (CIA, 2013). Since the fall of Dictator Suharto in 1998, Indonesia has made an effort at real reform by President Yudhoyono, although it is very challenging to eradicate all influence of Suharto's dictatorship. Moreover, Suharto was considered by Transparency International as one of the most corrupt politicians worldwide.

In 1997-98, a financial crisis had established in Asia, where Rupiah was devalued by 80 percent. Consequently, banking system was revised as well improvement of policies in fiscal, monetary, transparency and governance sectors, which originated a stable environment. The first democratic elections were made in 1999 in order to rebuild and strengthen their economy and, therefore, attract more investors and international trades. Also, the UNCTAD World Investment Report 2012 places Indonesia as the 4th most attractive country for FDI for 2012-2014 (Annexes Figure IX). The country had a sustainable economic growth during global economic crisis of 2008-09 (BBVA, 2011). From 1990 to 2003, Indonesia's GDP (PPP) per capita was higher than Developing Asia, however this path was reversed in 2004 until 2011 (Annexes Figure XXIV).

The age population predominance is situated between 0 to 19 years old (Annexes Figure I). Is the nation with the largest Muslim population on earth, which influences the banking and financial system. Sukuk is a form of financing a business without interests, considering the regulations imposed by Islamic religion.

Corruption is a main legal issue in Indonesia. Is one of the most corrupt nations worldwide, ranks 114th of 175 positions of TI Corruption Index. This happens mostly due to relationship-based system who rules Indonesia, as wealthy and powerful families who manage the actual regime – democracy – as if as a dictatorship (Gamble, 2011).

Indonesia has one stock exchange: Indonesia Stock Exchange (IDX) which resulted of a merge in 2007 between Jakarta Stock Exchange and Surabaya Stock Exchange. Also, 40% of GDP comes from state owned companies (Gamble, 2011).

Sector composition

Their main natural resources are oil and trees, although Indonesia has suffered deforestation and is in risk of losing land with the raise of water (Gamble, 2011; CIA, 2013). Other natural resources are tin, natural gas, copper, fertile soils, coal, timber, nickel, silver and gold. Also, Indonesian agriculture is much diversified: poultry, beef, medicinal herbs, shrimp, cocoa, forest products, palm oil, fish, coffee, rubber and spices. The major industries of Indonesia are: apparel, footwear, automotive, cement, mining, food processing, rubber, tourism, medical instruments and appliances, chemical fertilizers, textiles, jewellery, handicrafts, electrical appliances and petroleum and natural gas (Logue, 2011; Gamble, 2011; CIA, 2013).

According to Forbes (2013), the three biggest public firms in Indonesia are in the banking sector:

- Regional Banks: Bank Mandiri (rank 478th; founded in 1998) is the biggest bank in Indonesia. Their revenue is worth of $6.8 B and they operate in different units: commercial, corporate and consumer banking, treasury and international banking services and small and micro business;
- Regional Banks: Bank Rakyat Indonesia (rank 484th; founded in 1895) with sales of $6.3 B;
- Regional Banks: Bank Central Asia (rank 661th; founded in 1955) with revenues of $4 B.

Inefficient government bureaucracy, corruption and inadequate supply of infrastructure are the major issues for doing business in Indonesia (Annexes Table XXVII).

V. Mexico

Mexico - United Mexican States - is the 14th largest country in the world in terms of area (Annexes Table XX) and 11th in population (Annexes Table V). The country has a stable government, strong economic increase and has United States as their main trading par. Is bordered by Belize, Guatemala, United States of America, Pacific Ocean, Caribbean Sea and Gulf of Mexico. The Mexican climate is characterized by temperate and tropical zones (CIA, 2013). Mexico is one of the 17 mega diversity nations in the world, according to Conservation International (Biodiversity, 2013).

Since early 16th century, Mexico was a Spanish colony until his independence in 1810. From 1929 to 2000, Institutional Revolutionary Party ruled in Mexico. When multiparty elections were held, where National Action Party defeated the party in government (Nester, 2010). In early 90s, government – Federal Republic – privatized public-owned enterprises when they sold to investors, creating prosperity and innovation (Gamble, 2011).

From 1990 to 2011, Mexico's GDP (PPP) per capita was always higher than Latin America and the Caribbean (Annexes Figure XXIV). The global financial crisis of 2008 impacted negatively Mexican economy in 2009. However, they recovered growth quickly in the following year. Moreover, the UNCTAD World Investment Report 2012 places Mexico as the 12th most attractive country for FDI for 2012-2014 (Annexes Figure IX).

Mexico's demographics are characterized by young population, predominantly concentrated between 0 to 24 years old (Annexes Figure I). Regarding migration, about 12 M of Mexicans live in United States. So, it is important to mention that some of them are illegally in USA but they all send money to their families in Mexico, to help them financially and, consequently, turn Mexico a wealthier nation. Therefore, this means that is necessary to have a strong relationship with United States, and Mexico has to control possible tensions created by migration issues in order to maintain a steady alliance. Roman Catholicism is the main religion in Mexico, with 82.7% of the population (CIA, 2013).

Mexico is very well-known by their illegal narcotic business and its corrupt politicians, who are working together with drug dealers. This is a real issue for Mexico because of investors who are not willing to do business and tourist who avoid visit the country, two major contributors for the economic growth. According to Transparency International's annual corruption perception index, Mexico ranked 58th in 1999, falling to 98th in 2010 and falling even more in 2013, to 106th position (Gamble, 2011).

Mexico has one stock exchange: Bolsa Mexicana de Valores (BMV). Is the 2nd largest in Latin America, after BM&FBovespa in Brazil, and 5th in America (WFE, 2012).

Sector composition

Regarding natural resources, they are very rich in zinc, copper, petroleum, silver, natural gas, timber, lead and gold. In agriculture, they manufacture rice, coffee, corn, fruit, beans, wheat, tomatoes, soybeans, cotton, beef, poultry, wood and dairy products. Mexico's major industries are in the following areas: food and beverages, iron and steel production, motor vehicle manufacturing, electronics, tobacco, chemicals, petroleum, mining, textiles, clothing, consumer durables and tourism (CIA, 2013).

The three largest public companies in Mexico are (Forbes, 2013):

- Telecommunication Services: América Móvil (rank 115th; founded in 2000) is a Mexican enterprise which provides wireless communication services in Latin America. With revenues of $61.6 B, they operate in various areas: broadband access, cable and satellite television and mobile and landline telephony services;
- Beverages: Femsa (rank 373th; founded in 1986) is a holding company in beverage industry with estimated sales of $20 B. They produce and distribute a variety of non-alcoholic drinks and bottled water. Brands such as Coca-Cola, Fanta, Sprite, Powerade and others are associated to the company;
- Regional Banks: GFNorte (rank 469th; founded in 1899) provides commercial and retail banking services. Their revenue is worth of $8.4 B.

Corruption, crime and theft and inefficient government bureaucracy are the major issues for doing business in Mexico (Annexes Table XXVII).

VI. Russia

Russia - Russian Federation - is the largest country in the world in terms of area (Annexes Table XX) and 9th in population (Annexes Table V). The country shares borders with 14 nations of Europe and Asia and Arctic Ocean. The predominant climate in Russia is humid continental, except for tundra and extreme southeast (CIA, 2013).

Russia was ruled by the USSR from 1922 to 1991, a communist state characterized by union of various Soviet Republics, now represented by Russia and 14 different nations. It was a bureaucratic regime, where government and economy were highly centralized.

Since the collapse of Soviet Union, where communist government destroyed all of Russia's institutions, the country suffered a deep restructuring in political and economic system, which led to liberalization in social and economic areas and to privatization of most companies. However, government still controls 40% of stock market capitalization (Logue, 2011; Gamble, 2011; CIA, 2013). In 1998, Russia entered in a financial crisis due to currency devaluation and the country could not repay its debts, increasing the risk on all government debts. Yet, Russia recovered, leading to a strong economic growth, with an average growth of 7% from 1998 to 2008. The Russian economy is very vulnerable on commodity exports, when global prices have volatile swings. When 08/09 global financial crisis happened, Russia was one of the most affected, as oil prices rose quickly and foreign credits were sealed to Russian banks and enterprises (Logue, 2011, CIA, 2013).

According to UNCTAD – WIR 2012, Russia is the 8th most attractive economy for FDI 2012-2014 by foreign multinationals (Annexes Figure IX). Furthermore, from 1990 to 2011, Russia's GDP (PPP) per capita was always higher than Commonwealth of Independent States (Annexes Figure XXIV).

The population pyramid of Russia is more predominant between ages of 20 to 54 years old (Annexes Figure I). Their main religion is Russian Orthodox, although most of people do not practice any religion (CIA, 2013). Also, government controls media: television news, movies and pop music scene (Gamble, 2011).

Corruption is one of the major problems in Russia: ranked 127th in 2013 in Transparency International corruption perception index. There are no laws or courts to put boundaries to the power of oligarchs and *siloviki* (security or military services members). *Siloviki* are pointed by President of Russia to run enterprises which belong to state and ministries. Their goal is taking back the most valuable assets from oligarchs and give them to the state. Nowadays, their system is based basically on relationships and political acquaintances (Gamble, 2011).

Russia has one stock exchange: Moscow Exchange – 21th largest in the world, resulting from the merge between Russian Trading System and Moscow Interbank Currency Exchange. 45% of the market is essentially dominated among five largest enterprises (Gamble, 2011; WFE, 2014).

Sector composition

Russia have large supply of freshwater, nickel, tin, diamonds, rare earth elements, aluminium, timber, gold, coal, chemicals and metals. In agriculture, the country is rich in vegetables, beef, grain, milk, sugar beets and sunflower seed. The industry is mainly concentrated in production of oil and gas. Manufacturing equipments for agriculture, building, communications, energy, defence, transportation areas are other type of industry. Consumer durables, foodstuffs, handicrafts and production of textiles are important industries in Russia (Gamble, 2011; CIA, 2013).

The three largest public companies in Russia are (Forbes, 2013; Gamble, 2011):

- Oil & Gas Operations: Gazprom (rank 21th; founded in 1989) produces and distributes natural gas to Europe. Is the biggest gas producer with 25% of natural reserves worldwide and revenues of $164.6 B. Additionally, they are engaged in oil production, refining activities and energy generation;
- Oil & Gas Operations: Rosneft (rank 34th; founded in 1993) operates in exploration, development, production and sale of crude oil and gas. With sales of $142.6 B, Rosneft have 22.3 B barrels of oil in Russia and 1,700 services stations where they provide natural gas;
- Regional banks: Sberbank (rank 58th; founded in 1841) is the largest commercial bank in Russia, with revenues of $56.5 B. They provide retail and corporate banking services.

Corruption, inefficient government bureaucracy and access to financing are the major issues for doing business in Russia (Annexes Table XXVII).

VII. South Korea

South Korea - Republic of Korea - is the 26th largest country in the world in terms of population (Annexes Table V) and 109th in area (CIA, 2013). The nation shares boundaries with North Korea and the climate is characterized by humid continental and humid subtropical (CIA, 2013).

The country has been establishing national companies to grow, attending the customer needs nationally and internationally, with their firmly entrenched democratic institutions and advanced development.

In 1905, Korea (North and South Korea) was occupied by Japan and, in 1945, they become independent when Japan surrender to United States. After World War II, Korea was divided in two countries: a communist government (Democratic People's Republic of Korea) was established in the north part of Korean Peninsula while a democratic government (Republic of Korea) was settled in the south. After the split, relationship between both countries has been plagued by hostility and even war. North and South Korea continue to claim sovereignty over entire peninsula and they share the most heavily fortified border worldwide. The relationship with North Korea is the major challenge for this nation (Gamble, 2011; CIA, 2013).

South Korea is the 17th most attractive economy for FDI 2012-2014 by foreign multinationals, according to UNCTAD – WIR 2012 (Annexes Figure IX). The nation achieved one of the world's fastest-growing economies from 1960 to 1990 and, in the 2000s, along with other so-called Asian Tigers: Hong Kong, Taiwan and Singapore (CIA, 2013). Still, from 1990 to 2011, the GDP (PPP) per capita of Advanced Economies was always higher than South Korea (Annexes Figure XXIV).

The Asian financial crisis of 97/98 had a negative effect in the country, exposing weaknesses in South Korea system. So, they adopted various economic reforms and, consequently, they tripled GDP. However, economy was again devastated by global economic crisis of 2008, but quickly recovered: in 2010, South Korea achieved 6.3% of growth (CIA, 2013). They have experienced a rapid and sustainable economic development in order to become a high-tech industrialized economy, as well a strong declining in poverty, building of infrastructures and improvement of services to boost the quality of life (The World Bank, 2013; CIA, 2013). Still, there are some disadvantages on this approach like imposed restrictions on imports through tariffs and currency.

South Korea age pyramid is mostly concentrated between 30 to 54 years old (Annexes Figure I). Regarding religion, almost half of population expressed no religious preference.

Christianity (Protestant 24%, Roman Catholic 7.6%) is the main religion in the nation, followed by Buddhism, with 24.2 pp (CIA, 2013).

Small companies provide 90% of South Korean jobs although their share in economy is declining: 55.8% to 52.6%. They cannot compete with so-called *chaebols* (dozen large Korean family-controlled corporate groups) and when a small business achieves a sustainable growth and profit, they are integrated in *chaebols*. South Korea has a relationship-based system. Due to this, *chaebols* are "untouchable" with their power, money and relationships (Gamble, 2011).

South Korea has one stock exchange: Korea Exchange. Is the 15th largest stock exchange in the world (WFE, 2014).

Sector composition

Regarding natural resources, they are very rich in coal, graphite, tungsten, lead, molybdenum and hydropower potential. In agriculture, the country produces in large quantities rice, vegetables, fruit, barley, root crops, cattle, pigs, chicken, fish, eggs and milk. South Korea major industries are in various areas: electronics, telecommunications, industrial machinery, steel, chemicals, shipbuilding and motor vehicles. (CIA, 2013).

The top three biggest public enterprises in South Korea are (Forbes, 2013):

- Semiconductors: Samsung Electronics (rank 22th; founded in 1969) produces consumer electronic products. With revenues of $208.9 B, is the 9th most valuable brand worldwide and 1st without North American brands, according to the list of the world's most valuable brands;
- Auto & Truck Manufacturers: Hyundai Motor (rank 87th; founded in 1967) is an automobile manufacturer and their sales are estimated in $79.8 B;
- Iron & Steel: Posco (rank 236th; founded in 1968) is the world's 4th largest steelmaker, according the World Steel Association (2012). With revenues of $56.5 B, the company is engaged in production of steel products.

Policy instability, inefficient government bureaucracy and access to financing are the major issues for doing business in South Korea (Annexes Table XXVII).

VIII. Taiwan

Taiwan - Republic of China - is the 51th largest country in the world in terms of population (Annexes Table V) and 139th in area (CIA, 2013). The country is characterized by literate population and innovative technology. Taiwan is an island located in eastern Asia and their climate is tropical and marine (CIA, 2013).

After World War II, they become independent from Japan. Japan surrenders Taiwan to Republic of China. When Communist Party of China took control of mainland China in 1949, founding People's Republic of China, Republic of China fled to Taiwan, establishing a Multiparty Democracy. Until 1987, Taiwan was ruled by military and their first elections were made in 1991. In 2000, Taiwan suffer a change in power: from Nationalist to Democratic Progressive Party. After this major event, economy thrived and Taiwan became one of the East Asia's economic Tigers (CIA, 2013).

However, from 1990 to 2011, the GDP (PPP) per capita of Advanced Economies was always higher than Taiwan (Annexes Figure XXIV). There have been some divergences between Republic of China (Taiwan) and People's Republic of China (China) about politics: Communism versus Democracy. This issue is the main challenge of Taiwan, as well economic reforms and growth (CIA, 2013). In fact, China does not have any diplomatic relationships with any country who recognizes Taiwan as an independent nation and to countries who has diplomatic relations with China, they must recognize Taiwan as its 23rd province (Henckaerts, 1996). Thus, international recognition of Taiwan has been tough. In international events and where China is also present, Taiwan is forced to use the name "Chinese Taipei" due to China's pressure (The China Post, 2008).

Regarding business environment, Taiwan has a large number of small enterprises. In banking sector, for instance, Taiwan has 40 banks for a population of 23 M. Their market has been more fragmented over the years, where market share of the three largest companies in Taiwan decreased from 31% in 1996 to 23% in 2007. Still, government controls some banks, including the six largest (Gamble, 2011). The Taiwan economy is very dependent on exports, which are very exposed to fluctuations in world demand (CIA, 2013).

Taiwan age pyramid is mostly concentrated between 25 to 54 years old (Annexes Figure I). Population is aging quickly, where people over 65 years represents a major share of Taiwan's total population. The fertility rate is one of the lowest worldwide, with a rate of 1.1 children per woman. Due to this issue, labour, domestic demand and tax revenues will decrease in the future.

Regarding religion, Buddhism and Taoism are the main religions in Taiwan, with 93% (CIA, 2013).

The country has three stock exchanges: Taiwan Stock Exchange – 19th largest in the world – Gretai Securities Market and Taiwan Futures Exchange (WFE, 2014).

Sector composition

Taiwan major natural resources are natural gas, coal, limestone, asbestos and marble and in agriculture there are plenty of vegetables, rice, tea, fruit, flowers, pigs, fish and poultry. The industry is mostly concentrated in the following areas: textiles, electronics design, chemicals, petrochemicals, iron and steel, machinery, petroleum refining, cement, food processing, vehicles, consumer products, pharmaceuticals and electronics, communications and information technology products (CIA, 2013).

The three largest public companies in Taiwan are (Forbes, 2013):

- Electronics: Hon Hai Precision (rank 139th; founded in 1974) is engaged in production and sale of communication, computer and consumer electronic products for three markets: Europe, America and Asia. Their sales are worth of $127.2 B;
- Semiconductors: Taiwan Semiconductor (rank 190th; founded in 1987) is involved in research, development, production and distribution of integrated circuit related products. With revenues of $20.1 B, their products and services are applied in fabrication of computers and peripheral products, wire and wireless communication systems, automobile and industrial equipment, consumer electronic products, among others;
- Life & Health Insurance: Cathay Financial (rank 400th; founded in 2001) provides provision of life insurance products, wealth management, banking, corporate services and consumer and corporate financing. Their sales are estimated in $11.05 B.

Policy instability, restrictive labour regulations and inefficient government bureaucracy are the major issues for doing business in Taiwan (Annexes Table XXVII).

IX. Turkey

Turkey - Republic of Turkey - is the 37th largest country in the world in terms of area (Annexes Table XX) and 17th in population (Annexes Table V). It borders with eight nations in Europe and Asia (Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Iran, Iraq, Syria), which makes Turkey with a significant geostrategic value. The climate is temperate Mediterranean: soft, rainy winters and warm, dry summers (CIA, 2013).

The country has some advantages which they can use in order to become a potential economic and political power on earth: their geoFigure location, its young and educated population and their natural resources in natural gas and petroleum (Logue, 2011).

In 1923, Turkey became independent from the Ottoman Empire. They were ruled by one-party for a long period of time. However, opposition with multi-party policies won the elections in 1950. Democracy - Parliamentary Democracy - emerged and currently is the largest democracy in the Middle East, marked negatively by instability and various military coups in the country (CIA, 2013). Turkey became an associate participant of European Community in 1964 and negotiations with European Union started in 2005 to become full member (CIA, 2013). Until recently, there was no advance in this topic. The process requires that Turkey has to reformulate its laws and regulations imposed in EU.

Consequently, current Prime Minister of Turkey, Erdogan, began a serious of reforms, like spreading minority rights and freedom of expression and restricting the military power. The European Union membership is taking too much time in which Turkey is seeking for new opportunities in east, where their systems are based in relationship. Also, Turkey shares the same religion as other countries in the Middle East which contributes for good diplomatic relations between nations (Gamble, 2011).

Turkey had a financial crisis in 2001, which obligated them to take support by International Monetary Fund and, consequently, making various reforms in financial and fiscal sectors. This changes resulted in a good economic recovery and was the start of a strong growth around 6% yearly until 2008. In 2009, economy was negatively impacted because of global financial crisis. However, the country recovered quickly due to well-regulated banking system and financial markets. Turkey's GDP has increased in average 9 pp between 2010-11 periods (CIA, 2013). Additionally, from 1990 to 2001, the GDP (PPP) per capita of Turkey was very similar with Central and Eastern Europe but in 2002 until 2011, Turkey could not keep growth of Europe (Annexes Figure XXIV).

Regarding demographics, the age pyramid is predominantly young, between 0 to 34 years old (Annexes Figure I). Muslim is the main religion practiced in Turkey, with 99.8% (mainly Sunni), according to CIA 2013.

Turkey has one stock exchange: Borsa Instabul (WFE, 2014).

Sector composition

Turkey's natural resources are, essentially, copper, mercury, gold, coal, iron ore, chromium, barite, limestone, marble, pumice, clay, arable land and hydropower. In agriculture, they are very rich in livestock, hazelnuts, olives, sugar beets, tobacco, cotton, grain and citrus. The country is very resourceful in different industries like construction, electronics, mining, paper, motor vehicles, food processing, steel, petroleum, lumber and textiles (CIA, 2013).

However, their biggest public enterprises are mainly located in banking industry (Forbes, 2013):

- Regional banks: Isbank (rank 392th; founded in 1924) operates in commercial and personal banking services. Their sales are worth of $14.6 B;
- Regional banks: Garanti Bank (rank 414th; founded in 1946) provides retail, commercial, corporate and investment banking services and their revenues are about $9.5 B;
- Conglomerates: Koç Holding (rank 450th; founded in 1926) is engaged in five sectors: consumer durables, finance, energy, automotive and others. The company sales are estimated in $34.7 B.

Access to financing, tax rates and inadequate educated workforce are the major issues for doing business in Turkey (Annexes Table XXVII).

CHAPTER FOUR

EAGLEs – 2050: 2 PERSPECTIVES

I. Introduction

In order to make an analysis about developing countries, it is essential not only to focus in information about the present but also in statistics for the following years, so two perspectives are shown in the next subchapters for the period until 2050.

China, United States and India will be the largest economies in the world, where 6 EAGLEs (Brazil, China, India, Indonesia, Mexico and Russia) will be at top 10. India is the country that is projected to have the highest growth of all EAGLEs.

II. Dadush and Shaw (2011)

In 2010, China, Brazil, India and Russia were between the 10 world's largest economies. Yet, there are projections who point that, in 2050, more emerging countries will be entering the top 10. Indonesia and Mexico will join at the top, France and Italy will step out (Annexes Table XXVIII). One of the main factors that will trigger a spontaneous growth is technology and once emerging countries established the internal conditions essential to implement advanced techniques, these nations can grow extremely rapidly.

G20 developing nations tend to grow faster than developed ones for four reasons:

- Labour force is increasing 1-2% faster than their counterparts;
- Investment share of their income is 7% higher than industrial countries in the last 10 years;
- In real terms, their exchange rates tend to valorise due to exponential increase of labour productivity. Consequently, their purchasing power and attractiveness will grow in worldwide markets;
- Their TFP is growing 1-4% faster than advanced industries.

Besides, it is projected that G20 emerging countries will grow 4.6 pp yearly until 2050 in average, against 2 percent of their counterparts. Indeed, in 2050, 68% of world GDP (PPP) is accounted to developing economies. However, poverty will remain the major issue of this countries. In 2050, China's per capita income will be 37 pp and India's will be just 11% of USA's per capita income, at market exchange rates. Yet, G20 countries will witness a reduction from 1.3 B in 2005 to 600 M in 2050 of people living with less than $1.25 a day. In the next forty years, G20 emerging countries will represent the largest share (70/30) of economic activity and trade worldwide, allowing a rising of middle and upper classes (368 M in 2009 to 1.9 B in

2050), contrasting by decline of poverty. Nevertheless, it could bring major risks like financial crisis, political conflicts, protectionism, demands on international commons and pressure regarding migration.

In 2050, under plausible assumptions, the three largest economies will be China, India and USA (Annexes Figure XXV). India, it is assumed that will be the country, within the G20, with the fastest growth: 5.9% annually, plus population that never stops growing: it is expected that India will be the most populous nation worldwide in 2030. Moreover, India's GDP will be at $15.4 T ($1.1 T in 2009). Regarding China, their GDP will account $46.3 T in 2050 ($3.3 T in 2009) due to a strong a currency and an annual growth of 5.6 pp. Finally, United States GDP will be at nearly $40 T in the next forty years.

Emerging economies within G20 are expected to contribute with $121 T in 2050, of a total of $160 T of all G20 nations. The major contributors (more than 60% together) are Brazil, China, India, Indonesia, Mexico and Russia: they will grow 6 pp annually, in average, and their weight in G20 GDP will see an increase from 19.6% in 2009 to a 50.6% in 2050.

There are three drivers of growth for developing nations:

- Development and productivity of technology: Countries will continue to assimilate technologies which are well-established. The latest innovations are spreading very fast within these economies due to low expenses and low spending on infrastructure by the government. As advanced industries will remain in vanguard, their counterparts will modify technologies in order to adjust to local conditions. There are 5 main factors that determines technological improvement in emerging countries: infrastructure, education, governance and investment, barriers to world trade and others. China, Mexico and Russia are the G20 developing economies with best preparation for a fastest acceptance of international technologies;
- Labour force: Emerging countries will testify an increase in workforce (1.5 B) and a decrease in working age population (61.1% in 2009 to 59.5% in 2050);
- Capital stock: Will increase significantly due to the rise of labour force, where capital-output ratio is lower than in advanced industries. However, China's population is decreasing and yet it is projected that investments will continue to be high. Regarding fixed capital formation, emerging nations are investing more than developed countries (35-40% vs 20% of GDP, annually). Still, South Korea experienced a decline of investment of 40 pp in 1992 to below 30 in 2008 of GDP a year. In 2050, China (33.8% of GDP yearly) and India (33.5% of GDP yearly) will have the highest investment rates.

III. PwC (2013)

China will replace United States as the largest economy worldwide in 2017 at PPP's (Annexes Figure XXX). India will be third and Brazil is expected to surpass Japan to 4th place. In 2050, it is projected that Turkey will be larger than Italy; Mexico and Indonesia than France and United Kingdom. Russia will be the largest economy in Europe, overtaking Germany in 2020 (Annexes Figure XXIX).

India will have the strongest growth of GDP: almost 6% per year, in average, followed by Indonesia (4.5%) and China (4%). South Korea will presence the lowest growth, with only 2.5% of growth. In terms of average population growth, India also leads in EAGLE´s (Taiwan not mentioned in this report). Indonesia, Mexico and Turkey also will present positive changes in population. However, Russia's population is expected to shrink until 2050 (Annexes Figure XXVI).

According to Annexes Table XXIX, China will have a growth of around $42.5 B from 2011 to 2050; India will remain stable in third place in the same period, with an increment of $30 B of their GDP. Brazil will demonstrate a potential improvement: 7th in 2011, 6th in 2030 and 4th in 2050 at top 20; the country will see a growth of $6.5 B. Within EAGLEs, Russia will be 6th and with an increment of almost $5 B. Mexico will present a positive performance: from 11th in 2011, to 8th in 2030 and, finally, 7th in 2050. Their economy will grow about $5.6 B. Indonesia will have one of the highest improvements of GDP: in 2011, the country ranked at 16th position; in 2030, they reached 11th and, in 2050, Indonesia will be the 8th largest economy worldwide, with a growth of $5.2 B. Next will be Turkey at 12th position with an increment of $3.8 B of GDP. South Korea will be the only EAGLE with a negative performance at the top 20: 13th in 2011, 14th in 2030 and 17th in 2050. However, the nation will demonstrate a growth of $2 B.

In 2050, average income per capita will be higher in industrial nations. The difference in income nowadays in developing countries is huge to fulfil this gap over the next forty years. However, countries like China and India will achieve major developments in technology until 2050 in order to catch up technical performances of a few advanced countries.

In 2011, the size of E7 economies (Brazil, China, India, Indonesia, Mexico, Russia and Turkey) is 80% the GDP size of G7 countries (France, United States, United Kingdom, Canada, Japan, Italy and Germany). This will change in 2050: it is estimated that E7 economies will be 75 pp larger (Annexes Figure XXVII).

The Annexes Figure XXVIII states that E7 economies will overtake G7 countries in 2017 in GDP and it is projected that the difference between them will be wider after 2017: 75% larger than G7 economies by 2050.

In 2050, GDP per capita of E7 economies will be lower than G7 countries. United States is the country with the highest relative income levels and will be in 2050 also, followed by other advanced industries like Canada and France. Russia (7^{th}) will be the E7 country with the largest average income levels, overtaking Italy, the only industrial economy at this top surpassed by an emerging country. Turkey (9^{th}), Mexico (10^{th}), China (11^{th}), Brazil (12^{th}), Indonesia (13^{th}) and India (14^{th}) are the other E7 countries (Annexes Figure XXXI). Nevertheless, income gap between these two groups will narrow down. For instance, China's GDP per capita is estimated to grow from 18% in 2011 to 44% in 2050 proportionally of US levels.

Regarding demographics, all E7 countries, except India, will have a decline share in their working population (15-59 years old) in 2011-2050 period. The countries with the highest share decreases are South Korea (although in this report, this country is characterized as an advanced economy), Russia and China. Indeed, all E7 economies, including India, will testify an increase share of population aged 60 or over. According to Annexes Figure XXXII, India has a positive expected growth of working age population, with almost 1% a year. Turkey has a growth of almost 0.5% yearly. Both countries have positive growth due mostly to high birth rates. Mexico and Indonesia have also positive performances. Russia one has of the strongest declines, as well South Korea, due to an ageing population. China has same motive as Russia. Finally, it is expected that Brazil will suffer a small decline, almost null, in working age population per annum.

The average annual investment/GDP ratio will narrow down between countries: 2012 from 2025 (36 to 15 points of difference). This means that marginal returns on new investment will decline throughout the years and high investment rates of developing nations from Asia will tend to decrease over time as these markets develops. China will have the highest investment rates, along with South Korea, from 2025. However, China will suffer a decline of 16 pp between the periods mentioned above; India and Indonesia will follow the same course. The remaining EAGLEs will stay stable (Annexes Table XXX).

CHAPTER FIVE
CONCLUSIONS

I. Introduction

The methodology for the following conclusions is based on international rankings by country from reliable sources: The World Bank, Central Intelligence Agency, BBVA, The Economist, United Nations Development Programme, among others (Annexes Table XXXI). These rankings were characterized in five categories: Political, Economic, Social, Technological, Environmental and Legal.

Data was gathered about the Emerging and Growth-Leading Economies designated by BBVA in 2012: Brazil, China, India, Indonesia, Mexico, Russia, South Korea, Taiwan and Turkey. After an extensive research, the main conclusion in this thesis is that some EAGLEs should be considered as developed and not as developing economies:

- Developing countries: Brazil, China, India, Indonesia, Mexico, Russia and Turkey;
- Developed countries: South Korea and Taiwan.

Therefore, in order to defend this theory, it is essential to compare South Korea and Taiwan (IMF labels these two economies as advanced economies) with:

- Other EAGLEs to illustrate major differences between them;
- Industrialised nations, according to 2014 IMF's criteria, to demonstrate major similarities among them.

Moreover, in order to have a comparable basis between countries and, whenever is possible, the value in each evaluated subject is divided by population of each country. Furthermore, when comparing values per capita of South Korea and Taiwan with industrial economies, it should be with a similar population. Therefore, Spain will be for South Korea and Australia for Taiwan.

II. Developing countries

Brazil, China, India, Indonesia, Mexico, Russia and Turkey, these 7 EAGLEs are making progress towards becoming advanced economies and all of them have so much potential of growth in years to come. There are a variety of indicators which contribute for this purpose. One of them is population and area, where all 7 EAGLEs are at top 15 at world ranking of countries by area, except for Turkey (37^{th}).

In terms of population, most of these nations are placed in top 10, except for Mexico (11^{th}) and Turkey (17^{th}), in 2010. In 2010-15 period, it is estimated that Turkey will have the highest

have the highest growth of 7 EAGLEs, followed by India and Mexico, with a more of 1% in average annual growth. On the other hand, China will present the lowest growth and Russia is the only EAGLE with a negative performance. In 2030, 5 EAGLEs will be at top 10, while Russia is at 11th and Turkey is at 18th.

In regards of population/area ratio, India, China and Indonesia indicate a relevant performance, in 2010. India is best positioned of 7 EAGLEs, but is only placed 20th in world ranking. Moreover, Brazil, Mexico, Russia and Turkey have low population density. Indeed, Brazil and Russia have one of the lowest worldwide. In 2010-30 period, India, Indonesia and Mexico will achieve a growth around 30% and Russia will suffer a decrease of 1%.

In 2012, Brazil has the largest urban population of all EAGLES. In Mexico, Russia and Turkey, around 70% of people lives in urban areas. On the other hand, India, Indonesia and China have the highest rates of rural population of all EAGLEs.

Regarding economy matters, China has the highest GDP by PPP terms of all EAGLEs, in 2010. In fact, discrepancy between China and India (2nd) is huge. Yet, 7 EAGLEs are placed at top 20. From 2011 to 2050, India will have the highest annual average growth of all EAGLEs, followed by Indonesia and China. Indeed, 7 EAGLEs will be at top 10 in 2050, except for Turkey (12th).

In GDP per capita, Russia has the highest GDP of 7 EAGLEs. Also, Turkey and Mexico has a relevant performance. However, India and Indonesia has the lowest GDP per capita. When comparing with other countries worldwide, 7 EAGLEs are not so well placed in world ranking: Russia is at top 60, at least. Moreover, in 2050, performance of 7 EAGLEs will be similar as in 2010. However, the G7 economies will still display highest GDP per capita than E7 countries, with exception of Italy which will be surpassed by Russia. It is important to mention that these E7 nations are all the same as in 7 EAGLEs. Still, India, Indonesia and China will see the largest average growth per annum of all EAGLEs, in 2011-50 period.

Regarding GDP by sector composition, Turkey has the largest output per capita in agriculture, by far from all EAGLEs in 2010. On the other hand, India has the lowest but, in terms of GDP, has the highest rate of all EAGLEs, followed by Indonesia. Mexico and Russia has only 4% each of their GDP. Also, 7 EAGLEs are at top 60, in world ranking.

In industry, Russia has the highest revenue per capita of 7 EAGLE´s, in 2010, followed by Mexico. India has, by far, the lowest performance of all EAGLEs and also in % GDP, where China and Indonesia have the largest contribution of all EAGLEs. Indeed, 7 EAGLEs are at top 60 in world ranking.

Finally, Brazil is leader in services output per capita of 7 EAGLEs, very distant from Mexico (2nd). On the other hand, India has the lowest income of all EAGLEs, far away from Indonesia (8th). Still, Brazil has the largest % GDP of all EAGLEs, with -3% is Turkey, second in 7 EAGLEs. Also, these 7 countries are ranked in top 80 in world ranking.

Foreign investment is essential towards economic growth. Therefore, 7 EAGLEs, except for Turkey, are in top 12, from 2012 to 2014. China is the top destination for enterprises to invest, well ahead from India (2nd) and only 4 developed economies are forward of Mexico. In terms of FDI, Russia receives the largest investment per capita of all EAGLEs. Also, Mexico is second with a very small difference from Russia. On the other hand, India has the lowest FDI Inflow and Indonesia and China are close by. Regarding FDI Outflows, Indonesia is the EAGLE with less FDI abroad per capita of all EAGLEs, followed by India. Russia stands first of 7 EAGLEs, with a large difference from Mexico (2nd).

Speaking on investment, there is a list of domestic companies per capita within each market. Turkey and India have the highest number of registered enterprises of 7 EAGLEs, contrasting with Mexico and China. Additionally, Russia and Mexico are 7 EAGLEs with the best score when evaluating 4 major factors in creating a business in 2013. On the other hand, Brazil and Indonesia have the worst assessment. Regarding this factors:

- Start-up procedures to register a business: Turkey and Mexico have the lowest number of procedures of 7 EAGLEs (6 vs 13 of Brazil and China – both with one of the worst places in world ranking);
- Tax payments: Mexico is best placed of all EAGLEs (6 vs 52 taxes of Indonesia and 33 of India) and world ranking;
- Time required to start a business: Mexico and Turkey need 6 days, when Brazil need 108 days and has one of the worst assessments worldwide (4th in world ranking);
- Time to prepare and pay taxes: Russia leads in this factor of all EAGLEs, with 177 vs 2,600 hours of Brazil which have the highest number of hours in the world.

In 2012, Mexico has the highest score of 7 EAGLEs in Economic Freedom Index and is in "moderately free" category, in 55th place. However, Indonesia is third with 36 positions of difference from Turkey (2nd) and is inserted in "mostly unfree" category as Brazil, India, China and Russia, where the last two have one of the worst assessments of all EAGLEs and worldwide (placed at 137/140th, respectively in 178 countries). In regard of 2013-14 Global Competitiveness Index, China has the best place of 7 EAGLEs. However, 7 EAGLEs are at top 65 in world ranking and China is only at 29th position. Also, Indonesia is second, Mexico and

Brazil share close positions from each other and Russia is last of all EAGLEs. Lastly, Mexico leads of 7 EAGLEs in Ease of Doing Business Index, in 2013. Still, is only at 53th place in world ranking, not to mention that India - worst placed of all EAGLEs – is at 134th. Turkey is second: +16 positions than Mexico and -23 than Russia (3rd).

One of the major economic issues is the black market. In 2007, China (7th in world ranking) has the lowest of all EAGLEs, in % GDP terms, with a difference of 6% from second place, Indonesia. On the other hand, Russia has the highest rate of all EAGLEs, more 4% than Brazil (8th). Regarding corruption, Turkey is the least corrupt of 7 EAGLEs, in 2013. Still, it only appears in 53th in world ranking. Brazil is second, with 19 positions of difference from Turkey. Indonesia and Russia are the most corrupt nation of all EAGLEs and in the world.

Regarding expected fiscal and external balance, all 7 EAGLEs will have an annual average decrease in fiscal balance in the next 5 years. However, China will have the best assessment and India the worst, with 7% of difference between them. In external balance, the divergence is wider: China (1st) vs Turkey (7th), where 5 EAGLEs will have negative performances. Meanwhile, India has the lowest external debt of all EAGLEs per capita, followed by China and Indonesia; Turkey has the largest of 7 EAGLEs, in 2010. In public debt (% GDP), Russia (11th in world ranking) has the lowest of all EAGLEs, less 14.5% than China (2nd), in 2013. On the other hand, India and Brazil have high public debt, where India has more 14.1% than Turkey and less 7.4% than Brazil (9th).

Russia has the largest gross domestic savings per capita in 2013 of 7 EAGLEs, with a small discrepancy from second place, China. Yet, India has the worst evaluation of all EAGLEs. Relative to total "money" available to purchase goods and services, China has the highest value of 7 EAGLEs, with a large advantage over Russia (2nd), where India and Indonesia are at bottom in EAGLEs ranking, per capita. Lastly, in stock national credit, Brazil is the inconstant leader of 7 EAGLEs where, once again, India and Indonesia have the lowest values of all EAGLE's.

One of the major contributors for economic growth is trade. About trade openness, the sum of exports and imports as a % of GDP, Mexico has the largest value of 7 EAGLEs, in 2010. With 8.3% less is China, at second place. However, Brazil has the lowest % GDP of all EAGLEs, with a large variation of 14.7% from 8th, India. In trade-weighted average annual growth in the next 10 years, Indonesia will have the highest % of 7 EAGLEs, followed by Brazil and India. Mexico will have the lowest trade partner growth within all EAGLEs.

Regarding exports, Russia is the biggest exporter per capita of 7 EAGLEs, followed by Mexico. On the other hand, India and Indonesia have the worst assessment of all EAGLEs, in 2010. In % GDP terms, Russia, Mexico and China have the largest share of 7 EAGLEs. Brazil

has the lowest share of all EAGLEs and is placed at 9th from the bottom, in world ranking. However, when comparing with other countries, 7 EAGLEs are placed at top 70 of 178 countries, counting from lowest to highest, in 2010.

India and Indonesia are the smallest importers per capita of all EAGLEs, where Turkey and Mexico have the largest share of imports of 7 EAGLEs. However, Brazil has the lowest share of imports, in % GDP terms, of all EAGLEs, with difference of 10% from 2nd place, Russia and 20% of Mexico, last of 7 EAGLEs. In fact, Brazil has the lowest share of imports worldwide and 7 EAGLEs are positioned at top 45, from lowest to highest share, in 2010.

In trade balance, where exports should be superior to imports, Russia has the largest variation per capita of 7 EAGLEs. On the other hand, India and Turkey are the EAGLEs with a negative balance.

In 2011, Brazil has the largest market capitalization per capita of 7 EAGLEs, followed by Russia, while India and Indonesia have the worst performance of all EAGLEs. In market value traded, Russia leads in this subject of 7 EAGLEs, per capita. In 2011, there is a relevant difference of 2.5% between first and second place, China. India, Indonesia and Mexico have the lowest value of all EAGLEs. Finally, China leads in Market Potential Index, of all EAGLEs and is 3rd in world ranking. Indeed, 7 EAGLEs are at top 20, where Indonesia and Russia have the worst classification of all EAGLEs.

Concerning political aspects, Brazil has the highest score in governance and is the only country with positive punctuation of 7 EAGLEs (-2.5 to +2.5). On the other hand, Indonesia, China and Russia have the lowest score of all EAGLEs. In terms of state fragility, India has the worst assessment of all EAGLEs, followed by Indonesia and Turkey, while Mexico has the best evaluation of 7 EAGLEs, in 2010. India is best positioned in Democracy Index of 7 EAGLEs. However, the country is inserted in "flawed democracies" category, which means that, in a world ranking, is not well placed, at 38th position in 2012. Brazil, Mexico and Indonesia are in the same category as India, between 44th to 53th positions, in world ranking. The only "hybrid regime" of all EAGLEs is Turkey (88th), while Russia (122th) and China (142th) are the "authoritarian regimes". Lastly, Indonesia is 1st of 7 EAGLEs in 2014 Global peace Index. However, is only ranked at 54th out of 162 countries in world ranking with 37 positions of difference from Brazil (2nd) and 98 from Russia, the EAGLE with the worst evaluation in this indicator.

Infrastructure of a country can be a major trigger for economic development. So, in terms of quality of overall infrastructure, Turkey has the highest score of 7 EAGLEs, in 2011. However, there is a significant variation between 1st and 2nd places, China. On the other hand,

India and Russia have the weakest punctuation of all EAGLEs: a score of 3.6 out of 7. In regards of improvement of sanitation facilities, Turkey has 91% of population with access, the highest of 7 EAGLEs, followed by Mexico and Brazil. However, India has the lowest percentage of population with access of all EAGLEs and one of the lowest worldwide, with only 36%, in 2012. Also, Turkey has the highest % of population with water access of all EAGLEs and is the only country with 100%. Brazil is second of 7 EAGLEs, only less 2% than first place. Indonesia has 85% of population with water access, putting this nation last of all EAGLEs, in 2012. Regarding transportation, Russia has the largest number of cars per 1,000 population of 7 EAGLEs, followed by Mexico and Brazil. With a large difference from other EAGLEs is China and India, the lowest of all EAGLEs and worldwide, with an average of 16.5 cars.

Concerning age distribution, India has the highest % of population between 0 and 14 years old of all EAGLEs (2014 estimation), followed by Indonesia and Mexico, while China and Russia has the lowest of 7 EAGLEs. In segment of 15 – 64 years old, China leads in this subject of 7 EAGLEs, with 3% more than Russia (2^{nd}) and is 7^{th} in world ranking. On the other hand, India and Mexico have the lowest performance of all EAGLEs, with 65%. Indeed, India has the largest share of population between 15 to 24 years old, while from 25 to 64 has the lowest of all EAGLEs. In fact, Indonesia and Mexico have a similar path as India. Russia has the older population of all EAGLEs in category of 55 – 64 years old and has the largest % of population with 65 years old and over of all EAGLEs. China is second of 7 EAGLEs, with less 3.7% from Russia. Still, India has the lowest share of all EAGLEs. Lastly, China has the lowest inequality in Gender Inequality Index of 7 EAGLEs and is at 37^{th} place in world ranking, in 2012. Russia is second, with 15 position of difference from 1^{st}. India is at 127^{th} position out of 152 in world ranking and has the worst performance of all EAGLEs.

India has the largest rate in fertility of all EAGLEs, in 2010-15 period. However, the country has the lowest life expectancy at birth and the highest infant mortality (50^{th} worldwide) of all EAGLEs, 2014 estimative. India is not last but penultimate in health at % GDP terms of all EAGLEs, with 1.5% more than Indonesia. In fact, Indonesia (6^{th}) and India (24^{th}) have one of the lowest % of GDP worldwide, in 2010. Also, Indonesia has a similar performance with India: has one of the highest rates in fertility (3^{rd}) but has one of the worst results life expectancy at birth (7^{th}) and infant mortality (8^{th}) of all EAGLEs. Brazil is the EAGLE with the largest investment in health of all EAGLEs, with 2.3% GDP more than Turkey (2^{nd} of 7 EAGLEs). Mexico has the best average score in 3 indicators: fertility (2^{nd} highest), life expectancy at birth (highest – 1^{st} of 7 EAGLEs) and infant mortality (lowest – 2^{nd} of 7 EAGLEs), while India, Indonesia and Russia have the worst of all EAGLEs.

Regarding education, Brazil is the EAGLE with the highest % of GDP in this category and is at 38th position in world ranking, well-ahead from Mexico (2nd). Indonesia is last and one of the worst positioned worldwide. In adult literacy, Russia is leader in EAGLEs ranking, China is second with a significant difference from Russia. India is the only EAGLE with less than 90% of population with the ability to read and write.

In terms of social income, Mexico has the lowest % of food in consumption basket of 7 EAGLEs. This means that the country consumes a large diversity of goods and services, not only food, the most basic need of population. On the other hand, India and Indonesia have the highest % of all EAGLEs, where 47.5% of consumption basket is composed by food, on average. However, both economies have the lowest income inequality (GINI Index) of 7 EAGLEs, with a relevant discrepancy from Turkey (2nd), while China, Mexico and Brazil are at top 30 with one of the highest scores worldwide. Mexico has the largest % of population below the poverty line of all EAGLEs, well-ahead from India (8th) and Russia (1st – lowest of 7 EAGLEs). Lastly, in GNI per capita, Russia has the highest value of 7 EAGLEs but is only at top 40 worldwide, in 2013. India and Indonesia have the worst evaluation of all EAGLEs: both countries show GNI per capita below 10.000$.

Concerning social costs, India has the highest consumer price inflation of all EAGLEs, followed by Russia, while Mexico present the best assessment of 7 EAGLEs, with 2% of difference from Indonesia and China (2nd), in 2011. On the other hand, India has the lowest cost of living of all EAGLEs (US=100; India=56 – 3rd worlwide), with a margin of 29 points of difference from Indonesia (2nd), in 2011. Brazil and Russia are the only EAGLEs which are more expensive than United States (US=100; Brazil=104; Russia=102).

Mexico has the best assessment in Human Development Index of 2011 of 7 EAGLEs and 53rd in world ranking, followed by Russia, while India has the lowest score of all EAGLEs.

Labour force is a powerful tool for economic growth. So, China has the highest participation rate of 15-64 population of all EAGLEs and is the only country with 80%, followed by Brazil and Russia, in 2010. Turkey and India have the worst assessment of all EAGLEs, with around 50%. Furthermore, it is expected that India will have the highest growth of all EAGLEs, in 2011-50 period. Indeed, Brazil, China and Russia are the 7 EAGLEs that will verify a decrease in labour force in the next years. In terms of unemployment, China has the lowest share of 7 EAGLEs, followed by Mexico, while Turkey has, by far, the worst assessment of all EAGLEs. Finally, in employment in 3 sectors (agriculture, industry, services), India has the largest share of active population working at agriculture of all EAGLEs, 11% more than China (2nd), where Mexico and Russia only have 11.5% of population employed in

this sector, on average. In industry sector, Russia is leader of 7 EAGLEs, followed by China, Mexico and Turkey, while Indonesia only have 19% of working population. Russia is still leading in services sector of 7 EAGLEs, with 62% of active population. Mexico and Brazil is second, with 1% less than Russia, where India is last.

Regarding tourism per capita, Turkey is leader in revenues of all EAGLEs, in 2012 and with a significant difference from other 7 EAGLEs. On the other hand, India has the lowest value of all EAGLEs. Still, is last too in expenses, where Russia is 1st of 7 EAGLEs with great advantage over other 7 EAGLEs.

Technology influence directly development of a country. In R&D terms, China has the highest % of GDP of 7 EAGLEs, followed by Brazil and Russia, while Indonesia has 0.0%, the lowest of all EAGLEs. However, is not last in R&D exports, India is, where China and Mexico have the largest value per capita of 7 EAGLEs, in 2012. Russia is the EAGLE which has the highest energy consumption per capita of 7 EAGLEs. Once again, India and Indonesia occupy last places in EAGLEs ranking and with a major distance from all EAGLEs. In charges for use of intellectual property per capita, scenario is still dark for these two nations: last places in payments and receipts in EAGLEs ranking, in 2012. Russia is the largest payer and receiver of 7 EAGLEs in intellectual property. In Innovation Index of 2014, China have the highest score of 7 EAGLEs (29th in world ranking), with a major advantage from Russia (3rd). On the other hand, India and Indonesia have the worst assessment of all EAGLEs. Also, both countries are placed at 76th and 87th out of 143 countries worldwide, respectively. Indeed, India is last of all EAGLEs in Networked Readiness Index of 2014 (placed at 83 in 148 nations), while Russia is at 50th, the best position of 7 EAGLEs, followed by Turkey. Finally, Brazil is leader of 7 EAGLEs in Press Freedom Index of 2014 and China is last. However, 7 EAGLEs have one of the worst positions in world ranking: from 111th to 175th out of 180.

In terms of telecommunications, Russia has the largest telephone lines of 7 EAGLEs (per 100 population), in 2010. India has a very low value, becoming last in EAGLEs ranking. Regarding mobile subscribers, Russia is leader of all EAGLEs, per 100 population, while China and India have the lowest score, in 2010. Now, in internet matters, Mexico has the largest number of internet hosts (per 1.000 population) of 7 EAGLEs and India and Indonesia have the worst evaluation of all EAGLEs, in 2012. Furthermore, Russia and Mexico are leaders in broadband subscribers of 7 EAGLEs, while, once again, India and Indonesia are last in EAGLEs ranking.

Mexico (76th in world index) leads in investment climate of 7 EAGLEs in 2012, followed by Turkey, where Indonesia and India are last in EAGLEs ranking and are placed, in world

ranking, at 113th and 119th positions. Still, both countries and China have the worst assessment in Environmental Performance Index of 2014, while Mexico and Turkey have largest scores of 7 EAGLEs. However, are only ranked at 65th and 66th places out of 178 countries, where India is at 155th position. Russia has the largest official reserves per capita of 7 EAGLEs and India and Indonesia have the lowest of all EAGLEs, in 2011.

Finally, regarding Prosperity Index of 2013, Brazil leads in this indicator of 7 EAGLEs but is only at 46th position, in world ranking. India is at 106th of 142 nations and is the EAGLE with the worst evaluation.

III. Developed countries

South Korea and Taiwan, these 2 EAGLEs are already fully developed and ahead in some important indicators than 7 EAGLEs. In terms of area, it adversely affects both countries due to their medium/small size. Indeed, when comparing with 7 EAGLEs, there is a large divergence. However, difference is not too large regarding population: Turkey (17th) from South Korea (26th), which has similar number of people as Spain (29th), and Taiwan (51st) has resemblance with Australia (54th), in 2010. Yet, it is projected that both economies will have a low growth in population from 2010 to 2015, like Austria and Denmark and far away from Turkey (1st) by 1.14%. In 2013-30 period, South Korea will see an increase of 6%, as well as Austria and will verify a difference of 12% from India (1st). Indeed, in 2030, South Korea will have larger population than Spain.

Of all EAGLEs, Taiwan has the highest population density, followed by South Korea, in 2010. India, is third, less 24% than South Korea. For other EAGLEs, the difference is too wide. In world ranking, Taiwan (12th) and South Korea (15th) has one of the highest density of people per kilometre square. Only Singapore, Hong Kong and Malta, as industrial countries, have larger population density. Still, 2 EAGLEs have superior population/area ration than Netherlands, Belgium, Israel and Japan, in 2010 and 2030.

In 2013, 82% of population is urban in South Korea, like United Kingdom. Also, is 2nd of all EAGLEs and only 1% from Brazil (1st). On the other hand, South Korea has one of the lowest rural population of all EAGLEs.

South Korea is placed at 13th in GDP by PPP terms, ahead of Turkey (15th) and Indonesia (16th). Moreover, the performance of South Korea is similar to Spain (12th) and Canada (14th). Taiwan (19th) has the lowest GDP of all EAGLEs but has a similar performance as Australia. In 2010-15, South Korea GDP will grow but will achieve the lowest increase of all EAGLEs.

Still, the country will have a similar growth as Italy and United Kingdom. In terms of average growth (2011-50), South Korea will have an increase of above 2% annually, like Spain and UK, and faraway of other EAGLEs. Finally, in 2050, South Korea will have a similar performance with Canada.

In terms of GDP per capita, 2 EAGLEs have the largest performance of all EAGLEs in 2010, very distant from Russia (3rd): 31% from South Korea (2nd). Also, Taiwan has similar GDP per capita with Iceland and UK and South Korea with New Zealand and Greece. Furthermore, from 2011 to 2050, South Korea will have the lowest improvement of all EAGLEs. Still, Spain and UK will demonstrate a similar average annual growth as South Korea.

South Korea has a relevant income per capita in agriculture: is third in EAGLEs ranking, almost catching up Brazil (2nd). However, 2 EAGLEs have the lowest contribution in GDP of all EAGLEs, like Finland and Spain for South Korea and France and Canada for Taiwan.

South Korea is the largest contributor per capita in industry and Taiwan is second of all EAGLEs, where both countries have large discrepancy from Russia (3rd). Also, Spain has similar performance as South Korea. However, they do not dominate in GDP terms: South Korea is third, behind China and Indonesia by 8%; Taiwan is 6th with 7% of difference from South Korea. Still, Czech Republic and Norway have similar GDP in industry as South Korea and Ireland and Slovenia as Taiwan.

In services, Taiwan as the highest revenue per capita of all EAGLEs, followed by South Korea. Indeed, all 7 EAGLEs have a very large difference from 2 EAGLEs but, in % GDP, performance is different: Taiwan (2nd) has 1% less than Brazil (1st) and South Korea (6th) has 9%. However, when verifying other advanced industries, Norway has equal % with South Korea and Slovenia with Taiwan.

Of a 2012-14 period, developing countries are receiving most of investment from multinationals. However, South Korea is well-positioned: 17th selected economy as top destination of foreign investment, tied with Sweden and ahead from France and Italy. 2 EAGLEs have similar FDI Inflows per capita: 4th and 5th, respectively in EAGLEs ranking. However, they are leaders in FDI Outflows per capita, with a large discrepancy from 7 EAGLEs (sum 7 EAGLEs = 6.3 vs 2 EAGLEs = 15, per capita).

Regarding listed domestic companies, 2 EAGLEs have the largest number per capita, with a very large difference from 7 EAGLEs (sum 7 EAGLEs = 18 vs 2 EAGLEs = 70.5, per capita). Indeed, South Korea has the highest assessment in 4 important factors in establishing a business: best positioned of all EAGLEs in start-up procedures to register a business (5 procedures required to start a business vs 13 in Brazil and China); time required to start a

business (6 days like Mexico and Turkey vs 108 in Brazil); 2nd in time to prepare and pay taxes (10 hours more than Russia and 2413 hours less than Brazil) and 5th in tax payments (4 taxes more than Mexico and 42 less than Indonesia). Similarities with advanced industries: South Korea with Iceland, Norway and France in start-up procedures to register a business; South Korea with Denmark in tax payments; South Korea with Denmark, Italy and Slovenia in time required to start a business.

Taiwan has the best place in Economic Freedom Index of all EAGLEs and is 17th in world ranking. South Korea is second, with 24 positions of difference from Mexico (3rd). Indeed, both economies are in "mostly free" category and have similar performance with Norway for South Korea and Luxembourg for Taiwan. In terms of 2013-14 Global Competitiveness, Taiwan also leads is this index of all EAGLEs, followed by South Korea - 12/25th in world ranking, respectively - with less 4 positions than China (3rd). Moreover, United Kingdom and Norway have a close result of Taiwan; Luxembourg and France of South Korea. Finally, South Korea has the highest score of all EAGLEs in Ease of Doing Business Index and is 7th in world ranking, followed by Taiwan, which is placed in 16th position worldwide. Still, is important to mention that, when comparing with 7 EAGLEs, there is a variation of 37 positions in world index separating 2nd place from Mexico (3rd) and, when comparing with advanced markets, South Korea has a resemblance with Norway and Denmark and Taiwan with Ireland and Sweden.

2 EAGLEs have to struggle against the underground economy. Both have significant values in % GDP and are among 7 EAGLEs. Still, South Korea has similar % as Cyprus and Greece and Taiwan with Slovenia and Portugal. However, both economies have the lowest corruption of all EAGLEs, in 2013, and have similar performance with Malta and Latvia for South Korea and Spain and Portugal for Taiwan.

In expected fiscal and external balance matters, South Korea will grow in both indicators (1st in fiscal balance, only country with positive performance) when Taiwan will only achieve increase on external balance, an annual average in 2013-17 period, but will have the strongest rise of all: 3.2% more than China (2nd). Moreover, South Korea present the highest foreign debt per capita of all EAGLEs in 2010, while Taiwan is second (sum 7 EAGLEs = 11.6 vs 2 EAGLEs = 11.9, per capita). Regarding public debt as a % of GDP, South Korea is 4th and Taiwan is 7th, in 2013. When comparing with advanced economies, Hong Kong has a similar public debt as South Korea and New Zealand with Taiwan.

However, South Korea has the largest gross national savings of all EAGLEs in 2013, far away from Russia (2nd). Indeed, South Korea have larger savings per capita than Spain. The

total money supply of both countries is one of the highest of all EAGLEs (sum 7 EAGLEs = 49.3 vs 2 EAGLEs = 116.8, per capita) and almost catching up performances of Spain (+14 of South Korea) and Australia (+28 of Taiwan), per capita. Finally, in stock of domestic credit, 2 EAGLEs are leaders in EAGLEs ranking and well ahead from 7 EAGLEs (sum 7 EAGLEs = 41.4 vs 2 EAGLEs = 58.8, per capita).

In regards of trade, a key contributor for economic development, 2 EAGLEs are well-ahead from 7 EAGLEs in trade openness: South Korea has more 29% than Mexico (3rd) and the difference between Taiwan (1st) and Brazil (9th) is enormous: 103.5%. Furthermore, it is expected that 2 EAGLEs will have the highest average annual growth of all EAGLEs relative to trade partners, in 2011-21 period, with 0.2% of difference with third place, Indonesia, and 2.1% with Mexico (9th).

Taiwan is the biggest exporter of all EAGLEs, followed by South Korea, in 2010. Both countries present a major performance vs 7 EAGLEs (sum 7 EAGLEs = 10.1 vs 2 EAGLEs = 21.6, per capita). Indeed, these 2 EAGLEs are larger exporters than Spain and Australia, per capita. They dominate exports as a % of GDP, too: average 7 EAGLEs = 24.14% vs 2 EAGLEs = 63%. Estonia and Netherlands have similar performance with Taiwan, when Denmark and Sweden with South Korea.

Also, 2 EAGLEs are the biggest importers of all EAGLEs. In fact, the sum of 7 EAGLEs is inferior of 2 EAGLEs, by 9.7 per capita. Also, South Korea and Taiwan have superior imports per capita than Spain and Australia. Regarding in % GDP terms, performance is equal and yet, variation of 7 EAGLEs vs 2 EAGLEs is huge: average of 23.86% vs 58.5%, respectively. When comparing with developed countries, South Korea has similar results with Austria and Latvia and Taiwan with Slovenia and Netherlands.

Both countries have high exports and imports. However, is essential that exports will be always higher than imports. So, in trade balance, 2 EAGLEs have positive result. Indeed, Taiwan has the best assessment per capita in this matter of all EAGLEs, followed by Russia and South Korea, in 2010. Yet, 2 EAGLEs have superior performance of Spain (imports > exports) and Australia, per capita.

2 EAGLEs have the best performance of all EAGLEs in market capitalization, where Taiwan is first, and market value traded, where South Korea leads, in 2011. Still, is important to mention the large difference in:

- Value traded: sum 7 EAGLEs = 26.4 vs 2 EAGLEs = 79.6, per capita;
- Market capitalization: sum 7 EAGLEs = 23.3 vs 2 EAGLEs = 47.6, per capita.

Also, South Korea have similar market capitalization per capita with Spain and, in market value traded, South Korea has a superior performance per capita than Spain. Lastly, South Korea is second of all EAGLEs in Market Potential Index, 4th in world ranking, where Czech Republic, as an advanced economy, is at 5th position.

Regarding political aspects, 2 EAGLEs are leaders in governance of all EAGLEs. Both countries have a positive evaluation, along with Brazil. However, there is a difference of 0.6 points (-2.5 to +2.5) between Brazil and South Korea (2nd). Moreover, 2 EAGLEs are tied at top with the best score in state fragility of all EAGLEs: 0 vs 4 of 2nd place, Mexico, in 2010. In Democracy Index of 2012, South Korea has the largest score of all EAGLEs: at 20th place in world ranking and is inserted at "full democracies" category. USA and Czech Republic have similar punctuation as South Korea. Still, Taiwan is second of all EAGLEs but is placed at 35th in "flawed democracies" category as other EAGLEs. However, Estonia and Greece, two industrial nations, have resemblance in this ranking with Taiwan. Finally, Taiwan has the best assessment in 2014 Global Peace Index of all EAGLEs and is at 28th place in world ranking. South Korea is second, with 24 positions of difference from 1st and 2 from Indonesia (3rd). Still, Cyprus has similar performance with South Korea and Spain with Taiwan.

In quality of overall infrastructure, a major indicator towards economic boost, South Korea leads of all EAGLEs, with a punctuation of 6.0 out of 7. With score 5.9 is Taiwan, second in 2011 EAGLEs ranking. Indeed, there is a significant difference between 2nd and Turkey (3rd). In 2012, South Korea also leads in improvement of sanitation facilities of all EAGLEs, with 100% access to population (like Switzerland and United States) and is the only EAGLEs with full score. Turkey is second, with less 9% than South Korea. Yet, in water source access, positions are reversed: South Korea has 98% of population, in 2012. Latvia, as an industrial country, has the same percentage as South Korea. Regarding cars per 1.000 population, South Korea and Taiwan have the highest number of all EAGLEs, with a large margin over 7 EAGLEs: average 7 EAGLEs = 23.3 vs 2 EAGLEs = 259. Indeed, South Korea have a similar number of cars as Israel.

2 EAGLEs have similar performance in age distribution. As 2014 estimate, both present the lowest % of population of all EAGLEs in 0 - 14 years old category, 2% less than Russia (7th). When comparing with advanced markets, Latvia, Austria, Greece and Italy have resembling results with South Korea and Taiwan. In 15 – 64 years old segment, 2 EAGLEs have the highest share of population of all EAGLEs, where South Korea is tied with China at second place and with a difference of 3% from Russia (4th). However, China has more % of

population between 15 – 24 years old than 2 EAGLEs, which have more weight in 25 - 64 category. Now, similarities with developed countries are the following:

- From 15 to 24 years old: Australia, Canada, Denmark, Luxembourg, Malta, New Zealand, Norway, United Kingdom and United States;
- From 25 to 54 years old: Cyprus, Hong Kong and Spain;
- From 55 to 64 years old: Denmark, Italy, Luxembourg, San Marino and Switzerland with South Korea; Belgium, Czech Republic, Estonia, Japan and Netherlands with Taiwan.

Finally, in 65 years old and above category, South Korea and Taiwan are well-ahead from 7 EAGLEs, except of Russia which have the highest % of population. However, these 3 countries are the only EAGLEs with double digits in this segment. Cyprus, Iceland and Ireland are the industrial economies with similar performance with 2 EAGLEs. In terms of Gender Inequality Index in 2012, South Korea has the highest score of all EAGLEs, with a large variation (20 positions) from second place, China. Indeed, South Korea has similarity with Spain and Israel in this subject.

South Korea has the second highest investment in health of all EAGLEs in 2010, with 2.1% of GDP less than Brazil (1st). However, Latvia, as an industrial economy, have similar performance with South Korea. Furthermore, 2 EAGLEs have the lowest fertility rates of all EAGLEs (2010-15 period) and one of the lowest in world ranking: South Korea is 8th and share the same position as Austria, Japan, Singapore and Slovakia, while Taiwan is 1st with Hong Kong. In life expectancy at birth (2014 estimative), 2 EAGLEs lead in this subject, in EAGLEs ranking and well ahead from 7 EAGLEs in world ranking: 55 positions separating South Korea (2nd) and Mexico (3rd). Developed countries like Belgium, Finland, Luxembourg and United States have similarity with 2 EAGLEs. Still, regarding infant mortality (2014 est.), both countries have the lowest of all EAGLEs, with large difference from Russia (3rd) and resemblance with Portugal and San Marino to Taiwan and Israel and Slovenia to South Korea.

In terms of education, South Korea is third in investment (% GDP) in this subject, less 0.8% than Brazil (1st) and equal result as Latvia and Spain. However, South Korea (2nd) and Taiwan (3rd) have a relevant performance among all EAGLEs in adult literacy, with 1.8% of difference from Russia (1st) and 2% more than China (4th). Moreover, Taiwan has similar performance with San Marino and South Korea with Austria in literacy.

Regarding social income, South Korea has the lowest % of food in consumption basket of all EAGLEs, where Taiwan is only 4th. Still, 2 EAGLEs have the lowest income inequality of all EAGLEs, less 3% than India and Indonesia (3rd), where Estonia and Cyprus have similarity

with South Korea, Greece and Ireland with Taiwan, according to CIA. Taiwan has the lowest % of population below of the poverty line of all EAGLEs and in the world. South Korea is only at 5th in EAGLEs ranking, where his performance is comparable with Japan and United Kingdom (CIA). Finally, South Korea has the largest GNI per capita of all EAGLEs, in 2013. Russia is second, with 30% less than South Korea. Still, Israel and Italy are advanced markets with similar performance with South Korea.

Concerning social costs, consumer price inflation in Taiwan is the lowest of all EAGLEs, while South Korea is third (more 0.6% than Mexico – 2nd and less 1.4% than Indonesia – 4th), in 2011. Furthermore, Norway have similarity with Taiwan and Slovakia with South Korea. It is important to mention that 2 EAGLEs have different performances in cost of living: Taiwan (3rd) has one of the lowest of all EAGLEs (US=100; Taiwan=90), while South Korea is the EAGLE with the largest expenditure (US=100; S. Korea=113), in 2011. Still, Israel, Ireland, Sweden and Hong Kong have a similar performance with South Korea and Czech Republic, Portugal and Greece with Taiwan.

South Korea has the highest quality of life of all EAGLEs (HDI, 2011), where Mexico (2nd) has less 12.7 points. Moreover, Hong Kong, Iceland and Denmark have similarity with South Korea.

In working population, 2 EAGLEs have a participation rate of 15-64 population around 62%, which puts them at 6th and 7th in EAGLEs ranking, in 2010. However, it is expected than South Korea will verify the largest decrease of all EAGLEs in labour force (2011-50 period), as well Japan, Germany, Italy and Spain. 2 EAGLEs have the best assessment in unemployment of all EAGLEs, only China (2nd) is ahead of Taiwan, which is tied with Mexico at 3rd. Regarding employment in agriculture sector, 2 EAGLEs present the lowest share of all EAGLEs, with a 3% distance from Russia (7th). Taiwan is leader in working force at industry sector, with a major advantage over all EAGLEs, including South Korea, which have the lowest share. Still, this country have 76% of active population working at services sector – the highest of all EAGLEs, with 14% more than Russia (2nd), while Taiwan is 5th. Similarities with developed economies are the following:

- Agriculture sector: Austria, Finland and Ireland with Taiwan; Latvia and Netherlands with South Korea;
- Industry sector: Czech Republic and Slovakia with Taiwan; United Kingdom Netherlands and United States with South Korea;
- Services sector: Belgium, Australia and Canada with South Korea; Czech Republic, Slovenia and Slovakia with Taiwan.

South Korea has the best assessment in tourism per capita of all EAGLEs, in 2012: is leader in tourism expenditures and second in receipts. Still, there is major discrepancy between South Korea and 7 EAGLEs, except of Turkey in revenues: both countries are well-ahead from other EAGLEs but, in expenses, South Korea has a relevant advantage for all EAGLEs. Indeed, Spain has a similar performance with South Korea in tourism expenditures.

Regarding technology, 2 EAGLEs are in the vanguard of all EAGLEs: leaders in R&D, as a % of GDP, with a relevant difference from China (3rd); South Korea is the largest exporter, in 2012 (sum 7 EAGLEs = 883.7 vs S. Korea = 2 426.2, per capita) and has 87% more than Spain; leaders in energy consumption (sum 7 EAGLEs = 19.1 vs 2 EAGLEs = 19.8, per capita), where 2 EAGLEs have higher performance per capita than Spain (for South Korea) and Australia (for Taiwan) and, finally, South Korea is 1st in EAGLEs ranking in charges for use of intellectual property - payments (sum 7 EAGLEs = 114.4 vs S. Korea = 167.7, per capita) and receipts (sum 7 EAGLEs = 9.2 vs S. Korea = 68.7, per capita), with enormous advantage of Spain in both indicators, in 2012. Still, South Korea leads in Innovation Index of 2014 in EAGLEs ranking, with 13 positions less than China (2nd) in world ranking. Australia and Israel have similarity with South Korea in this subject. 2 EAGLEs have the largest score of all EAGLEs in Network Readiness Index of 2014, with 36 positions of difference between Taiwan (2nd) and Russia (3rd). When comparing with advanced countries, United Kingdom, Luxembourg (for South Korea), Denmark and Israel (for Taiwan) have resemblance with 2 EAGLEs. Lastly, Taiwan is leader in Press Freedom Index of 2014 of all EAGLEs, followed by South Korea. With more 54 positions in world ranking is Brazil (3rd), while Japan and Hong Kong have similar performance with South Korea; Malta and Italy with Taiwan.

In telecommunications, 2 EAGLEs have privileged positions of all EAGLEs (only surpassed by Russia in mobile subscribers):

- Leaders in telephone lines with 27.8 points of difference between South Korea (2nd) and Russia (3rd), in 2010. In fact, sum 7 EAGLEs = 133.5 vs S. Korea = 138, where Taiwan is 3rd and South Korea (similarity with Malta) is 9th in world ranking;
- 2nd and 3rd places in mobile telephone subscribers, in 2010. Ireland and Slovenia have similar performance with South Korea, while Norway and Sweden have with Taiwan;
- Taiwan has the largest number of internet hosts of all EAGLEs, while South Korea is only 7th, in 2012. However, there is a major advantage of Taiwan over 7 EAGLEs. Developed economies with similarity with Taiwan are Canada and France;

- In broadband subscribers, 2 EAGLEs have the largest score and sum 7 EAGLEs = 48.6 vs S. Korea = 58.4, while South Korea (resemblance with Norway) is 5th and Taiwan (with Spain) is 31st worldwide;

Concerning environmental matters, 2 EAGLEs have the best assessment of all EAGLEs in investment climate in 2012 (28 positions of difference in world ranking between Taiwan 2nd and Mexico 3rd); in Environmental Performance Index of 2014 (19 positions separate Taiwan 2nd and Mexico 3rd; similarities with Latvia for South Korea) and in official reserves (sum 7 EAGLEs = 11 vs 2 EAGLEs = 23.1, per capita), in 2011. Indeed, Taiwan is 7th and South Korea is 10th in world ranking of official reserves, well-ahead from Spain and Australia.

Lastly, 2 EAGLEs are well positioned in world ranking of Prosperity Index 2013: Taiwan is at 22nd and South Korea is at 26th, 1st and 2nd in EAGLEs ranking, respectively. Moreover, there is an advantage of 26 positions from Brazil (3rd) and resemblance with Malta and Portugal for South Korea; Spain and Japan for Taiwan.

IV. Conclusions

An upward revision of South Korea and Taiwan in 2014 EAGLEs report was made. Both countries are now considered by the BBVA as advanced industries, where they establish a new criteria with more accuracy in order to differentiate developing from developed countries. Moreover, they assumed IMF's criteria from world economic outlook databases. 2 EAGLEs were in BBVA's first ranking in 2010 and currently they are included in the developed group. Moreover, there are facts that defend this assessment and they were mainly discussed in the two previous subchapters.

The 7 EAGLEs (Brazil, China, India, Indonesia, Mexico, Russia and Turkey) have major challenges and opportunities to become developed countries. All of them have potential to growth in the many years to come. These countries share similar characteristics with remarkable performances: areas per kilometre square, population, GDP by PPP, MNC's top prospective host economies for foreign investment, low imports (as % of GDP and value per capita), Market Potential Index and low external debt per capita.

However, there are some indicators where these 7 EAGLEs need to improve in order to trigger a higher growth. In 100 indicators assessed for this analysis, 65 need improvement (common in all 7 EAGLEs):

- **Political** (7): quality of overall infrastructure; governance; state fragility; improved sanitation facilities; health spending (% GDP); education spending (% GDP); listed domestic companies per capita;
- **Economic** (18): GDP per capita 2010; GDP per capita 2050; share (value per capita) in services; share (value per capita) in industry; expected fiscal balance; exports (% GDP); exports (as value per capita); trade openness; Gross National Income per capita; consumer price inflation; FDI outflows per capita; gross domestic savings per capita; total "money" available per capita; stock domestic credit per capita; market capitalization per capita; value traded per capita; expected trade partners growth; shadow economy;
- **Social** (16): population density 2010; population density 2030; life expectancy at birth; GINI Index; labour force employment in industry sector; urban population; 65 years old and over category; expected labour force growth 2011-50; participation rate 15-64 population in labour force; unemployment in labour force; food in consumption basket; poverty below poverty line; infant mortality; tourism receipts per capita; tourism expenditures per capita; cost of living;
- **Technological** (7): number of cars per 1,000 population; R&D expenditure (% GDP); R&D exports per capita; energy consumption per capita; telephone lines per 100 population; broadband subscribers per 1,000 population; internet hosts per 1,000 population;
- **Environmental** (1): investment climate;
- **Legal** (2): charges for use of intellectual property (payments per capita); charges for use of intellectual property (receipts per capita);
- **Various** (14): Economic Freedom Index; Global Competitiveness Index; Ease of Doing Business Index; Corruption Perception Index; Democracy Index; Global Peace Index; Gender Inequality Index; Human Development Index; Networked Readiness Index; Press Freedom Index; Environmental Performance Index; official reserves per capita; Prosperity Index; Innovation Index.

Regarding the 2 EAGLEs, South Korea and Taiwan as developed countries, is important to mention which indicators where the 2 EAGLEs have shown a better performance than 7 EAGLEs (50 out of 100):

- **Political** (6) :listed domestic companies per capita; start-up procedures to register a business; governance; state fragility; quality of overall infrastructure; improved sanitation facilities;
- **Economic** (14): GDP per capita 2010; share (value per capita) in industry; share (value per capita) in services; FDI Outflows per capita; total "money" available per capita; gross national savings per capita; stock of domestic credit per capita; trade openness; expected trade partners growth; exports (value per capita); exports (% GDP); market capitalization per capita; market value traded per capita; Gross National Income per capita;
- **Social** (7): population density 2010; population density 2030; life expectancy at birth; infant mortality; GINI Index; tourism expenditures per capita; 15 - 64 years old category;
- **Technological** (6): number of cars per 1,000 population; R&D expenditure (% GDP); R&D exports per capita; energy consumption per capita; telephone lines per 100 population; broadband subscribers per 1,000 population;
- **Environmental** (1): investment climate;
- **Legal** (2):charges for use of intellectual property (payments per capita); charges for use of intellectual property (receipts per capita);
- **Various** (14): Economic Freedom Index; Global Competitiveness; Ease of Doing Business Index; Corruption Perception Index; Democracy Index; Global Peace Index; Gender Inequality Index; Human Development Index; Innovation Index; Network Readiness Index; Press Freedom Index; Environmental Performance Index; official reserves per capita; Prosperity Index.

Nevertheless, it was possible to compare with other advanced industries (defined by the IMF) in the following indicators, with a similar/ better performance with South Korea and/or Taiwan (75 out of 100):

- **Political** (7): water source access; health spending (% GDP); education spending (% GDP); start-up procedures to register a business; tax payments; time required to start a business; sanitation facilities;
- **Economic** (21): GDP by PPP 2010; GDP by PPP 2050; GDP by PPP annual growth 2011-50; GDP per capita 2010; GDP per capita annual growth 2011-50; share (% GDP) in agriculture; share (% GDP) in industry; share (% GDP) in services; MNC's top prospective host economies for foreign investment; shadow economy; public debt (% GDP); gross national savings per capita; total "money" available per capita; exports (value per capita); exports (% GDP); imports (% GDP); trade balance per capita; market capitalization per capita; market value traded per capita; Gross National Income per capita; share (value per capita) in industry;
- **Social** (23): population 2010; population 2030; population annual growth 2010-15; urban population; rural population; population 0 - 14 years old category; 15 - 64 years old category; 65 years old and over category; fertility rates per woman; life expectancy at birth; infant mortality per 1,000 population; GINI Index; population below of the poverty line; consumer price inflation; cost of living; labour force annual growth 2011-50; labour force employment in industry sector; labour force employment in agriculture sector; labour force employment in services sector; tourism expenditures per capita; population density 2010; population density 2030; literacy;
- **Technological** (7): R&D exports per capita; energy consumption per capita; telephone lines per 100 population; mobile telephone subscribers per 100 population; internet hosts per 1,000 population; broadband subscribers per 1,000 population; number of cars per 1,000 population;
- **Legal** (2): charges for use of intellectual property (payments per capita); charges for use of intellectual property (receipts per capita);
- **Various** (15): Economic Freedom Index; Global Competitiveness; Ease of Doing Business Index; Corruption Perception Index; Market Potential Index; Democracy Index; Global Peace Index; Gender Inequality Index; Human Development Index; Innovation Index; Network Readiness Index; Press Freedom Index; Environmental Performance Index; official reserves per capita; Prosperity Index.

Finally, the 7 EAGLEs have to make improvements in some subjects towards of becoming advanced nations. So, they have to make progress in 65% of the indicators presented in this analysis, as well the 2 EAGLEs which have a superior performance in 50 indicators vs 7 EAGLEs. The similarity between 2 EAGLEs and other advanced industries is high: 75 of 100 evaluated indicators (Annexes Table XXXIV).

Limitations

It is important to mention possible restrictions of this study:

- **Statistics:** this information was based on estimates made in an explicit year and by different institutions. This data is subject to constant updates in specific times. The BBVA Research already made a new report about EAGLEs in 2014 and this thesis only describes the 2012 report;
- **Sources:** some of the information was withdrawn from secondary sources. Books from not so recognized worldwide authors regarding a determinate subject is an example;
- **Projections:** making predictions regarding the future for these countries is always something inaccurate, due to the variable conditions which are subject. For instance, China has high growth rates but the uncertainty of keeping this performance for the following years is high (political changes can be a major trigger for the development of a country);
- **Data:** some of the information based on a specific source cannot provide data about all 9 countries studied before. For example, the World Bank does not have information about Taiwan;
- **Reliability:** some of the data included in this thesis can have lack of consistency, mostly due to the lack of information in some updated matters and for some countries.

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ANNEXES

TABLES

Table I: World merchandise trade by region and selected economies

(US$ billion and percentage, 2011)

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2011	2005-11	2009	2010	2011	2011	2005-11	2009	2010	2011
World	17,779	10	-23	22	20	18,000	9	-23	21	19
North America	2,283	8	-21	23	16	3,090	5	-25	23	15
United States	1,481	9	-18	21	16	2,265	5	-26	23	15
Canada[a]	452	4	-31	23	17	462	6	-21	22	15
Mexico	350	9	-21	30	17	361	8	-24	28	16
South and Central America[b]	749	13	-23	26	27	727	16	-25	30	24
Brazil	256	14	-23	32	27	237	20	-27	43	24
Other South and Central America[b]	493	12	-24	22	27	490	14	-25	24	25
Europe	6,501	7	-22	12	17	6,854	7	-25	13	17
European Union (27)	6,029	7	-22	12	17	6,241	7	-25	13	16
Germany	1,474	7	-23	12	17	1,254	8	-22	14	19
France	597	4	-21	8	14	715	6	-22	9	17
Netherlands	660	8	-22	15	15	597	9	-24	17	16
United Kingdom	473	4	-23	15	17	636	4	-24	16	13
Italy	523	6	-25	10	17	557	6	-26	17	14
Commonwealth of Independent States (CIS)	788	15	-36	31	34	540	17	-33	24	30
Russian Federation[a]	522	14	-36	32	30	323	17	-34	30	30
Africa	597	11	-30	29	17	555	14	-15	15	18
South Africa	97	11	-24	31	20	122	12	-27	27	29
Africa less South Africa	500	12	-31	29	17	433	14	-12	12	15
Oil exporters[c]	331	11	-38	34	15	160	15	-9	8	11
Non oil exporters	169	13	-14	21	20	274	14	-14	15	18
Middle East	1,228	15	-31	27	37	665	12	-15	13	16
Asia	5,534	12	-18	31	18	5,568	13	-20	33	23
China	1,899	16	-16	31	20	1,743	18	-11	39	25
Japan	823	6	-26	33	7	854	9	-28	26	23
India	297	20	-15	33	35	451	21	-20	36	29
Newly-industrialized economies (4)[d]	1,290	10	-17	30	16	1,302	10	-24	32	18
Memorandum										
MERCOSUR[e]	354	14	-22	29	26	334	20	-28	43	25
ASEAN[f]	1,244	11	-18	29	18	1,151	11	-23	31	21
EU (27) extra-trade	2,131	8	-20	17	19	2,344	8	-27	19	17
Least-developed countries (LDCs)	203	16	-25	27	25	202	15	-5	11	19

a. Imports are valued f.o.b.

b. Includes the Caribbean. For composition of groups see the Technical Notes of WTO, *International Trade Statistics*, 2011.

c. Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan.

d. Hong Kong, China; Republic of Korea; Singapore; and Chinese Taipei.

e. Common Market of the Southern Cone: Argentina, Brazil, Paraguay, Uruguay.

f. Association of Southeast Asian Nations: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam.

Table II: World trade in commercial services by region and selected economies

(US$ billion and percentage, 2011)

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2011	2005-11	2009	2010	2011	2011	2005-11	2009	2010	2011
World	4,150	9	-11	10	11	3,865	9	-11	10	10
North America	668	8	-7	9	10	516	6	-8	8	8
United States	578	8	-6	9	11	391	6	-7	6	6
South and Central America[a]	130	11	-8	15	14	163	15	-8	23	18
Brazil	37	16	-9	15	21	73	22	-1	36	22
Europe	1,964	7	-13	4	10	1,605	6	-13	3	8
European Union (27)	1,762	7	-13	4	10	1,480	6	-12	2	4
Germany	253	8	-9	3	9	284	5	-12	3	8
United Kingdom	274	5	-14	2	11	171	1	-19	1	7
France	161	5	-13	1	11	141	5	-8	2	7
Netherlands	128	6	-9	4	11	118	6	-3	-2	12
Spain	141	7	-14	1	14	91	5	-17	0	5
Commonwealth of Independent States (CIS)	96	15	-17	13	20	133	15	-19	19	21
Russian Federation	54	14	-19	8	22	90	16	-20	22	24
Ukraine	19	13	-23	24	13	14	13	-30	10	19
Africa	85	7	-10	11	-0	149	13	-12	10	9
South Africa	15	5	-6	17	8	20	9	-13	25	13
Egypt	19	5	-14	11	-20	13	5	-22	2	-0
Morocco	14	11	-7	2	14	6	13	-6	8	11
Middle East	111	...	-3	6	10	210	...	-7	9	10
Saudi Arabia, Kingdom of	12	...	3	10	17	55	...	-5	8	8
Israel	26	7	-10	13	6	20	7	-14	6	14
Asia	1,096	13	-11	23	12	1,091	11	-10	21	14
China	182	16	-12	32	7	236	19	0	22	23
Japan	143	6	-14	10	3	165	5	-12	6	6
India	148	19	-13	33	20	130	19	-9	45	12
Singapore	125	14	-6	20	12	110	12	-9	22	15
Korea, Republic of	94	12	-19	19	8	98	9	-17	19	3
Hong Kong, China	121	11	-6	23	14	56	9	-7	16	10
Australia	50	9	-8	15	6	59	12	-13	22	18
Memorandum item										
Extra-EU(27) trade	789	8	-13	6	12	639	7	-13	4	8

a. Includes the Caribbean. For composition of groups see Chapter IV Metadata of WTO International Trade Statistics, 2011.

Note: While provisional full-year data were available in early March for 50 countries accounting for more than two-thirds of world commercial services trade, estimates for most other countries are based on data for the first three-quarters.

Table III: MPI for emerging markets

(Scale 1 to 100, 2011)

Overall Rank	Country	Market Size	Market Growth Rate	Market Intensity	Market Consumption Capacity	Commercial Infrastructure	Economic Freedom	Market Receptivity	Country Risk	Overall Score
1	Singapore	1	100	72	65	83	80	100	100	63
2	Hong Kong	1	29	100	59	100	93	86	95	58
3	China	100	93	1	67	36	7	4	55	55
4	South Korea	10	41	59	92	88	83	16	71	49
5	Czech Republic	1	18	45	100	92	89	14	76	45
6	India	38	83	35	67	17	50	2	42	41
7	Israel	1	17	63	76	73	81	20	61	40
8	Poland	4	21	60	79	73	80	5	69	40
9	Hungary	1	4	65	83	81	83	17	47	40
10	Turkey	6	70	66	65	49	60	4	43	38
11	Brazil	20	57	47	42	51	58	1	54	36
12	Mexico	10	40	59	47	46	65	18	45	35
13	Argentina	4	65	62	64	59	51	3	18	35
14	Malaysia	3	41	29	59	61	53	22	57	34
15	Chile	2	21	44	43	53	100	11	74	34
16	Peru	2	67	49	58	36	72	4	42	34
17	Indonesia	12	69	25	70	28	53	3	45	34
18	Thailand	4	53	26	61	45	46	14	54	32
19	Russia	23	20	39	62	64	15	3	42	32
20	Egypt	4	53	67	77	41	28	3	18	32
21	Saudi Arabia	4	26	19		55	29	12	58	28
22	Philippines	5	28	49	59	28	48	6	38	28
23	Colombia	3	35	53	32	42	61	3	46	28
24	Pakistan	6	52	62	74	1	32	1	1	26
25	Venezuela	3	1	48	66	41	1	4	15	20
26	South Africa	6	23	35	1	17	68	4	47	19

Table IV: Economy: the largest by PPP

(GDP PPP, $bn, 2010)

1	United States	14,587	23	Saudi Arabia	623
2	China	10,170	24	Thailand	591
3	Japan	4,299	25	South Africa	528
4	India	4,195	26	Egypt	501
5	Germany	3,059	27	Pakistan	467
6	Russia	2,820	28	Colombia	438
7	United Kingdom	2,221	29	Malaysia	418
8	France	2,214	30	Belgium	410
9	Brazil	2,185	31	Nigeria	380
10	Italy	1,933	32	Philippines	370
11	Mexico	1,652	33	Sweden	366
12	Spain	1,485	34	Switzerland	363
13	South Korea	1,422	35	United Arab Emirates	355
14	Canada	1,333	36	Venezuela	353
15	Turkey	1,141	37	Austria	336
16	Indonesia	1,037	38	Hong Kong	329
17	Australia	851	39	Greece	321
18	Iran[b]	846	40	Romania	311
19	Taiwan	824	41	Ukraine	308
20	Poland	759	42	Algeria	299
21	Netherlands	701	43	Singapore	294
22	Argentina	647	44	Norway	280

a Includes overseas departments. b 2009

Table V: Population: the largest

(Million, 2010)

1	China	1,354.1	34	Poland	38.0
2	India	1,214.5	35	Algeria	35.4
3	United States	317.6	36	Canada	33.9
4	Indonesia	232.5	37	Uganda	33.8
5	Brazil	195.4	38	Morocco	32.4
6	Pakistan	184.8	39	Iraq	31.5
7	Bangladesh	164.4	40	Nepal	29.9
8	Nigeria	158.3	41	Peru	29.5
9	Russia	140.4	42	Afghanistan	29.1
10	Japan	127.0	43	Venezuela	29.0
11	Mexico	110.6	44	Malaysia	27.9
12	Philippines	93.6	45	Uzbekistan	27.8
13	Vietnam	89.0	46	Saudi Arabia	26.2
14	Ethiopia	85.0	47	Ghana	24.3
15	Egypt	84.5		Yemen	24.3
16	Germany	82.1	49	North Korea	24.0
17	Turkey	75.7	50	Mozambique	23.4
18	Iran	75.1	51	Taiwan	23.0
19	Thailand	68.1	52	Syria	22.5
20	Congo-Kinshasa	67.8	53	Côte d'Ivoire	21.6
21	France	62.6	54	Australia	21.5
22	United Kingdom	61.9	55	Romania	21.2
23	Italy	60.1	56	Sri Lanka	20.4
24	Myanmar	50.5	57	Madagascar	20.1
	South Africa	50.5	58	Cameroon	20.0
26	South Korea	48.5	59	Angola	19.0
27	Colombia	46.3	60	Chile	17.1
28	Ukraine	45.4	61	Netherlands	16.7
29	Spain	45.3	62	Burkina Faso	16.3
30	Tanzania	45.0	63	Niger	15.9
31	Sudan	43.2	64	Kazakhstan	15.8
32	Kenya	40.9	65	Malawi	15.7
33	Argentina	40.7	66	Cambodia	15.1

Table VI: Estimates of the gain from migration

A global, computable general equilibrium model finds that a 5 percent rise in the labor force of high-income countries owing to immigration from 2010 to 2025 would increase natives' incomes in these countries by $190 billion, including the effect of rising remittances, and global income by about $1 trillion.[1] Another study estimates that in the short term, a 1 percent increase in the destination countries' population due to immigration would increase GDP by 1 percent, without affecting average wages or labor productivity.[2]

It is also possible to measure the gains from migration through studies of historical events. One example: in 2004 the EU was enlarged to include countries in Eastern Europe. A rush of immigrants came to the United Kingdom and Ireland, and GDP there is expected to be 0.5 to 1.5 percent larger after 10 years.[3]

Notes

1. van der Mensbrugghe and Roland-Holst 2009.
2. Ortega and Per 2009.
3. UNDP 2009.

Table VII: South-South migration rivaling South-North

(Millions)

MIGRATION FROM	MIGRANTS TO: DEVELOPING COUNTRIES	MIGRANTS TO: HIGH-INCOME COUNTRIES	TOTAL
DEVELOPING COUNTRIES	73.9	81.9	155.8
HIGH-INCOME COUNTRIES	4.2	30.6	34.8
TOTAL	78.1	112.5	190.6

Note: Data are for 2000.

Table VIII: A snapshot of the BRICs

	Brazil	*Russia*	*India*	*China*
Gross Domestic Product	$2.05 trillion	$2.10 trillion	$2.56 trillion	$8.79 trillion
Population	201 million	139 million	1.2 billion	1.3 billion
GDP per capita (purchasing power parity basis)	$10,100	$15,100	$3,100	$6,600
Area (square kilometers)	8.5 million	17.1 million	3.3 million	9.6 million

Table IX: Emerging markets by each group of analysts version 1

Country	BBVA	Columbia University	Dow Jones	The Economist	EIU	FTSE	Goldman Sachs	IMF	MSCI	S&P	
Argentina		x		x				x			3
Bangladesh							x				1
Brazil	x	x	x	x		x	x	x	x	x	9
Bulgaria								x			1
Chile		x	x	x		x		x	x	x	7
China	x	x	x	x		x	x	x	x	x	9
Colombia			x	x	x	x		x	x	x	7
Czech Republic			x	x		x			x	x	5
Egypt			x	x	x	x	x		x	x	7
Hong Kong				x							1
Hungary		x	x	x		x		x	x	x	7
India	x	x	x	x		x	x	x	x	x	9
Indonesia	x		x	x	x	x	x	x	x	x	9
Iran							x				1
Israel		x									1
Latvia								x			1
Lithuania								x			1
Malaysia			x	x		x		x	x	x	6
Mexico	x	x	x	x		x	x	x	x	x	9
Morocco			x			x			x	x	4
Nigeria							x				1
Pakistan				x		x	x				3
Peru			x	x		x		x	x	x	6
Philippines			x	x		x	x	x	x	x	7
Poland		x	x	x		x		x	x	x	7
Romania								x			1
Russia	x	x	x	x		x	x	x	x	x	9
Saudi Arabia				x							1
Singapore				x							1
Slovenia		x									1
South Africa			x	x	x	x	x	x	x	x	8
South Korea	x	x	x	x			x		x		6
Taiwan	x	x	x	x		x			x	x	7
Thailand			x	x		x		x	x	x	6
Turkey	x	x	x	x	x	x	x	x	x	x	10
UAE						x					1
Ukraine								x			1
Venezuela				x				x			2
Vietnam				x	x		x				3
	9	14	21	27	6	22	16	23	21	20	

Table X: Emerging Markets and Industrialized Economies considered by BBVA Research

Emerging Markets (EM)				
Argentina	Bahrain	Bangladesh	Brazil	Bulgaria
Chile	China	Colombia	Czech Republic	Egypt
Estonia	Hungary	India	Indonesia	Iran
Jordan	Korea	Kuwait	Latvia	Lithuania
Malaysia	Mauritius	Mexico	Morocco	Nigeria
Oman	Pakistan	Peru	Phillippines	Poland
Qatar	Romania	Russia	Slovakia	Soutrh Africa
Sri Lanka	Sudan	Taiwan	Thailand	Tunisia
Turkey	Ukraine	UAE	Venezuela	Vietnam
Industrialized Economies (IE)				
Australia	Austria	Belgium	Canada	Cyprus
Denmark	Finland	France	Germany	Greece
Hong Kong	Iceland	Ireland	Israel	Italy
Japan	Luxembourg	Malta	Netherlands	New Zeland
Norway	Portugal	Singapore	Slovenia	Spain
Sweden	Switzerland	United Kingdom	United States	

Table XI: Emerging Markets by Each Group of Analysts version 2

Country	BBVA	Columbia University	Dow Jones	The Economist	EIU	FTSE	Goldman Sachs	IMF	MSCI	S&P	
Turkey	X	X	X	X	X	X	X	X	X	X	10
Brazil	X	X	X	X		X	X	X	X	X	9
China	X	X	X	X		X	X	X	X	X	9
India	X	X	X	X		X	X	X	X	X	9
Indonesia	X		X	X	X	X	X	X	X	X	9
Mexico	X	X	X	X		X	X	X	X	X	9
Russia	X	X	X	X		X	X	X	X	X	9
South Africa			X	X	X	X	X	X	X	X	8
Chile		X	X	X		X		X	X	X	7
Colombia			X	X	X	X		X	X	X	7
Egypt			X	X	X	X	X		X	X	7
Hungary		X	X	X		X		X	X	X	7
Philippines			X	X		X	X	X	X	X	7
Poland		X	X	X		X		X	X	X	7
Taiwan	X	X	X	X		X			X	X	7
Malaysia			X	X		X		X	X	X	6
Peru			X	X		X		X	X	X	6
South Korea	X	X	X	X			X		X		6
Thailand			X	X		X		X	X	X	6
Czech Republic			X	X		X			X	X	5
Morocco			X			X			X	X	4
Argentina		X		X				X			3
Pakistan				X		X	X				3
Vietnam				X	X		X				3
Venezuela				X				X			2
Bangladesh							X				1
Bulgaria								X			1
Hong Kong				X							1
Iran							X				1
Israel		X									1
Latvia								X			1
Lithuania								X			1
Nigeria							X				1
Romania								X			1
Saudi Arabia				X							1
Singapore				X							1
Slovenia		X									1
UAE						X					1
Ukraine								X			1
	9	14	21	27	6	22	16	23	21	20	

Table XII: EAGLEs against other economic concepts

BRIC	NEXT 11	CIVETS	EAGLEs
Based on absolute size	**Based on population /GDP size**	**Based on young population**	**Based on absolute growth**
▪ Bigger does not necessarily determine market potential	▪ Includes high population economies, which do not necessarily determine market potential		▪ Large enough size plus fast-enough growth
Static concept	**Static concept**	**Static concept**	**Dynamic concept**
▪ Allows no anticipation: too much inertia ▪ Too long horizon: at least 20-25 years ▪ Why four countries? Subjective	▪ Includes countries with political instability ▪ Too long horizon: between 20-45 years ▪ Based on absolute size	▪ Missing key economies: Mexico, South Korea ▪ Several other large economies missing ▪ No clear horizon from 2020 onward ▪ Average growth above 4.5 percent over 20 years	▪ Anticipation ▪ Shorter horizon: next 10 years ▪ Flexible number of countries: club admission depends on performance
No clear cutoff	**No clear cutoff**	**No clear cutoff**	**Defined cutoff: G7** (excluding U.S.)

Table XIII: Real GDP growth rates adjusted by PPP

(Percent)

Group	2005	2006	2007	2008	2009	2010	2011
45 EM	7.0	8.4	8.6	5.1	1.2	7.8	6.3
45 EM w/o China	5.8	7.0	6.8	3.8	-1.4	6.6	5.0
45 EM w/o BRICs	5.4	6.5	6.0	3.1	-1.8	6.1	4.8
EAGLEs	7.7	9.0	9.3	5.6	2.2	8.8	7.1
EAGLEs w/o China	6.0	6.9	6.7	3.6	-1.5	7.5	5.4
EAGLEs w/o BRICs	4.9	5.8	4.5	1.4	-3.0	7.9	5.5
Nest	5.2	6.6	6.6	4.3	-0.6	6.3	4.8
BRICs	8.8	10.3	11.1	7.1	4.0	9.3	7.6
BRICs w/o China	6.8	7.8	8.3	5.1	-0.5	7.6	5.5
Industrialized Economies	2.9	3.1	2.3	-0.6	-4.9	3.2	1.6
G7	2.7	2.9	2.0	-0.8	-5.2	3.4	1.5
United States	3.5	2.9	1.7	-0.9	-4.5	3.4	1.9
G6	2.0	2.9	2.3	-0.8	-5.8	3.3	1.1
World	4.0	5.4	5.1	2.1	-2.0	5.4	3.8

Table XIV: 45 Emerging Markets and G7 projections

	Country	GDP (billion USD PPP) 2011	2021	Change	Average annual growth (%)
EAGLES	China	11,067	24,785	13,718	8.4
	India	4,314	9,135	4,820	7.8
	Brazil	2,247	3,385	1,137	4.2
	Indonesia	1,100	2,083	983	6.6
	Korea	1,523	2,249	725	4.0
	Russia	2,326	3,026	700	2.7
	Turkey	1,053	1,587	534	4.2
	Mexico	1,628	2,141	514	2.8
	Iran (excluded)	912	1,409	497	4.4
	Taiwan	863	1,281	419	4.0
	G6 average	**2,482**	**2,887**	**405**	**1.5**
Nest	Egypt	506	880	374	5.7
	Thailand	601	974	373	4.9
	Argentina	700	1,048	347	4.1
	Nigeria	407	740	333	6.2
	Colombia	461	783	322	5.4
	Poland	752	1,067	316	3.6
	Vietnam	295	595	300	7.3
	Pakistan	480	774	294	4.9
	Bangladesh	277	545	268	7.0
	Malaysia	436	698	262	4.8
	South Africa	543	772	229	3.6
	Philippines	382	607	225	4.8
	Peru	296	494	198	5.3
	Chile	275	441	165	4.8
	Ukraine	322	485	163	4.2
	G6 minimum	**1,791**	**1,925**	**134**	**0.7**
Groups	EAGLES	26,122	49,672	23,550	6.6
	Nest	6,733	10,904	4,171	4.9
	G6	14,894	17,323	2,429	1.5
	G7	29,700	36,009	6,309	1.9
	World	77,204	117,565	40,361	4.3

	Country	GDP (billion USD PPP) 2011	2021	Change	Average annual growth (%)
Other Emerging Economies	UAE	256	388	131	4.2
	Romania	259	386	126	4.1
	Morocco	160	276	116	5.6
	Qatar	178	286	107	4.8
	Sri Lanka	113	213	100	6.6
	Czech Rep.	268	361	93	3.0
	Kuwait	147	236	88	4.8
	Tunisia	100	186	86	6.4
	Venezuela	366	445	79	2.0
	Hungary	192	261	68	3.1
	Slovak Rep.	125	188	64	4.2
	Sudan	95	149	53	4.5
	Bulgaria	100	145	46	3.8
	Oman	80	115	35	3.7
	Lithuania	60	87	27	3.8
	Jordan	36	56	20	4.5
	Latvia	34	50	16	4.0
	Bahrain	30	46	16	4.3
	Estonia	26	39	12	3.9
	Mauritius	19	29	10	4.5
G7	United States	14,806	18,687	3,881	2.4
	Japan	4,311	5,052	741	1.6
	Germany	3,039	3,495	456	1.4
	UK	2,213	2,628	415	1.7
*G6	Canada	1,367	1,710	343	2.3
	France	2,173	2,513	341	1.5
	Italy	1,791	1,925	134	0.7

*G6 = G7 - US

Table XV: Contribution to world economic growth

(percent)

Ranking 2011	Country	Contribution 2011-2021	Ranking 2010	Country	Contribution 2010-2020	Change in ranking
1	China	34.0	1	China	30.2	0
2	India	11.94	3	India	8.55	1
3	United States	9.61	2	United States	8.66	-1
4	Brazil	2.82	4	Brazil	2.68	0
5	Indonesia	2.44	5	Indonesia	2.26	0
6	Japan	1.83	7	Japan	1.74	1
7	Korea	1.80	6	Korea	1.77	-1
8	Russia	1.73	8	Russia	1.42	0
9	Turkey	1.32	14	Turkey	0.99	5
10	Mexico	1.27	9	Mexico	1.20	-1
11	Iran	1.23	22	Iran	0.70	11
12	Germany	1.13	10	Germany	1.05	-2
13	Taiwan	1.04	12	Taiwan	0.99	-1
14	United Kingdom	1.03	13	United Kingdom	0.99	-1
15	Egypt	0.93	11	Egypt	1.00	-4
16	Thailand	0.92	15	Thailand	0.89	-1
17	Australia	0.89	18	Australia	0.82	1
18	Argentina	0.86	30	Argentina	0.58	12
19	Saudi Arabia	0.85	16	Saudi Arabia	0.85	-3
20	Canada	0.85	17	Canada	0.83	-3
21	France	0.84	19	France	0.78	-2
22	Nigeria	0.83	20	Nigeria	0.77	-2
23	Colombia	0.80	24	Colombia	0.67	1
24	Poland	0.78	21	Poland	0.72	-3
25	Vietnam	0.74	27	Vietnam	0.62	2
26	Pakistan	0.73	28	Pakistan	0.60	2
27	Bangladesh	0.66	29	Bangladesh	0.59	2
28	Malaysia	0.65	26	Malaysia	0.64	-2
29	Spain	0.58	23	Spain	0.70	-6
30	South Africa	0.57	25	South Africa	0.66	-5
31	Philippines	0.56	33	Philippines	0.42	2
32	Iraq	0.50	32	Iraq	0.47	0
33	Peru	0.49	31	Peru	0.49	-2
34	Kazakhstan	0.44	35	Kazakhstan	0.39	1
35	Hong Kong	0.44	34	Hong Kong	0.41	-1
36	Chile	0.41	37	Chile	0.37	1
37	Singapore	0.41	39	Singapore	0.35	2
38	Ukraine	0.40	38	Ukraine	0.37	0
39	Italy	0.33	36	Italy	0.37	-3

Legend		
	EAGLEs	Other Economies
	Nest	Other EM (not a member of EAGLEs/Nest)
	G7	Excluded

Table XVI: Assessment on challenges form demographics and Labour market dynamics*

	Participation rate		
	TOTAL	Male	Female
	2010		
	% 15-64 population		
China	80,4	85,3	75,2
India	57,7	83,1	30,3
Indonesia	69,7	86,3	53,2
Korea	65,0	75,4	54,3
Taiwan**	58,1	66,6	50,0
Brazil	74,8	85,4	64,6
Mexico	65,0	83,8	46,9
Russia	72,9	78,0	68,2
Turkey	52,8	75,5	30,3

*The lightest (darkest) color corresponds to significantly below (above)-average figures.
**Participation rates for population with 15 years and over

Table XVII: How much less/more growth is needed for an EAGLE /Nest to end up in the Nest/EAGLE group

		Average annual growth in the next 10 years		
		Baseline scenario	To become a Nest...	Difference
EAGLEs	China	8.4	0.4	-8.0
	India	7.8	0.9	-6.9
	Brazil	4.2	1.7	-2.5
	Indonesia	6.6	3.2	-3.4
	Korea	4.0	2.4	-1.6
	Russia	2.7	1.6	-1.0
	Turkey	4.2	3.3	-0.9
	Mexico	2.8	2.2	-0.5
	Taiwan	4.0	3.9	-0.1
		Baseline scenario	**To become an EAGLE...**	**Difference**
Nest	Egypt	5.7	6.1	0.4
	Thailand	4.9	5.3	0.3
	Argentina	4.1	4.7	0.6
	Nigeria	6.2	7.1	1.0
	Colombia	5.4	6.5	1.1
	Poland	3.6	4.4	0.8
	Vietnam	7.3	9.0	1.8
	Pakistan	4.9	6.3	1.4
	Bangladesh	7.0	9.4	2.4
	Malaysia	4.8	6.8	2.0
	South Africa	3.6	5.7	2.1
	Philippines	4.8	7.5	2.7
	Peru	5.3	9.0	3.7
	Chile	4.8	9.5	4.6
	Ukraine	4.2	8.5	4.3

Table XVIII: Macroeconomic risks indicators*

	Dimension	A.Growth model risks						B.External demand risks				C.Macro disequilibria			
		Relevance						Diversification				Flows		Stocks	
	Variable	Growth acceleration	Expected labour force growth	Expected labour force productivity growth	Quality of overall infrastructure	R&D expenditure	Tertiary education enrolment	Trade openness	Expected trade partners growth	China exports dependency	Commodity exports dependency	Expected fiscal balance	Expected external balance	Public debt	External debt
	Definition	Diff. in average annual growth between 2011-21 and 2002-07	Total change in % (next 10 years)	Average annual growth of GDP to labour force (next 10 years)	Score between 1 and 7 (2011)	Expenditure as a % of GDP (last year available)	In % (last year available)	The sum of exports and imports as a % of GDP (2010)	Trade-weighted average annual growth (next 10 years)	As a % of total exports (2010)	As a % of total exports (2010)	Annual average (next 5 years)	Annual average (next 5 years)	As a % of GDP (2010)	As a % of GDP (2010)
	Source	BBVA Research, IMF	UN	BBVA Research, UN, IMF	WEF	WB (World Development Indicators)	WB (World Development Indicators)	WTO, IMF	BBVA Research, IMF	UN (COMTRADE)	WTO	IMF	IMF	IMF	WB (World Development Indicators), IMF
EAGLEs	China	-3.4	1.9	8.3	4.1	1.4	24.3	50.6	3.6	NA	6.3	-0.1	6.5	33.8	9.3
	India	-1.4	16.9	6.1	3.6	0.8	16.2	33.5	4.0	7.9	35.5	-7.1	-2.3	64.1	17.8
	Brazil	0.0	11.3	3.0	3.8	1.1	36.1	18.8	4.1	15.6	61.9	-2.5	-3.0	66.8	16.6
	Indonesia	0.9	12.9	5.3	3.7	0.0	22.4	41.0	4.5	9.9	62.2	-1.2	-0.9	27.4	25.3
	Korea	-0.9	8.5	3.1	6.0	3.2	103.9	87.9	4.7	25.1	11.1	2.7	1.2	33.4	NA
	Russia	-5.2	-7.7	3.8	3.6	1.0	75.9	43.8	3.4	5.1	75.7	-3.1	1.4	11.7	26.0
	Turkey	-3.8	13.2	3.3	5.1	0.7	45.8	40.7	3.2	2.0	19.0	-1.0	-6.9	42.2	40.0
	Mexico	-1.0	14.7	1.5	3.9	0.4	27.0	58.9	2.6	1.4	23.0	-2.4	-0.9	42.9	19.3
	Taiwan	-1.5	NA	NA	5.9	2.3	NA	122.3	5.0	28.0	NA	-1.6	9.7	38.6	NA
Next	Egypt	0.3	19.1	3.4	4.3	0.2	30.4	36.3	3.7	1.6	53.9	-7.2	-2.1	73.8	15.9
	Thailand	-1.0	4.2	4.2	4.9	0.2	46.2	118.4	4.4	11.0	24.2	-3.1	1.1	44.1	22.3
	Argentina	-5.0	9.2	3.6	3.5	0.5	68.7	33.7	4.1	8.5	62.3	-1.1	-1.1	49.1	34.6
	Nigeria	-1.2	30.3	3.5	2.4	NA	10.3	62.3	3.4	1.7	92.9	0.9	8.2	17.3	3.9
	Colombia	-0.3	14.6	4.0	3.6	0.2	39.1	27.8	3.3	4.9	72.7	-1.1	-2.2	36.0	21.8
	Poland	-1.9	-7.5	4.4	3.4	0.6	70.5	70.2	2.3	1.0	20.7	-3.1	-5.2	55.0	NA
	Vietnam	-1.1	10.0	6.1	3.0	0.2	22.3	151.6	4.0	9.5	30.5	-3.3	-2.7	52.8	33.9
	Pakistan	-1.3	24.9	2.4	3.5	0.7	5.4	34.2	3.8	6.7	25.5	-4.5	-2.5	56.8	32.1
	Bangladesh	0.4	21.9	4.8	2.7	NA	10.6	44.5	2.6	1.3	6.6	-4.2	-0.7	NA	23.6
	Malaysia	-1.5	19.2	3.0	5.5	0.6	37.5	152.8	4.5	12.6	32.3	-4.6	9.6	54.2	34.2
	South Africa	-1.8	6.3	2.9	4.6	0.9	15.0	48.4	4.0	11.4	46.9	-2.6	-4.9	33.8	12.4
	Philippines	-1.0	22.8	2.5	3.2	0.1	28.9	55.0	4.0	11.1	14.2	-2.1	1.3	44.7	36.2
	Peru	-1.5	15.8	3.9	3.6	0.1	35.0	42.7	3.7	15.5	66.2	1.5	-2.7	24.5	23.6
	Chile	-0.3	7.6	4.2	5.7	0.7	59.2	63.9	4.4	24.6	86.0	1.3	-1.9	9.2	42.5
	Ukraine	-3.9	-9.7	5.3	4.1	0.9	79.5	81.5	3.9	2.6	35.6	-2.0	-4.5	40.1	84.7
	Graduation	Above average	On average	Below average											

* A figure is considered to be above average (below) when its value is equal or larger (smaller) than the average for 45 Emerging Markets plus (minus) 0.5 standard deviations

Table XIX: Potential brakes to growth indicators*

	Dimension	A.Institutional factors			B.Social unrest risks					C.Inclusive growth challenge	
		Market	Public		Food prices		Labour market				
	Variable	Investment climate	Governance	State fragility	Food imports dependency	Food in the consumption basket	Unemployment rate	Youth unemployment rate	Secondary education enrolment	Income inequality	Poverty
	Definition	Average world ranking for 10 indicators between 1 and 183 (2012)	Average of 6 indicators between-2.5 and +2.5 (2010)	General index between 0 and 25 (2010)	As a % of GDP (2010)	As a % (last year available)	As a % of active population (last year available)	As a % of active population (last year available)	In % (last year available)	GINI index (last year available)	% of population below the poverty line (last year available)
	Source	WB (Doing Business)	WB (Worldwide Governance Indicators)	CSP	WTO, IMF	FAO, national statistics	ILO, national statistics	ILO, national statistics	WB (World Development Indicators)	WB (World Development Indicators), UNU-WIDER	WB (World Development Indicators)
EAGLEs	China	92	-0.6	9	1.0	39.8	4.3	NA	80.1	44.9	NA
	India	119	-0.3	13	0.7	49.7	10.8	NA	60.2	36.8	NA
	Brazil	111	0.1	6	0.4	22.3	8.3	17.8	101.3	53.9	21.4
	Indonesia	113	-0.5	10	1.6	45.4	7.9	22.2	75.1	36.8	13.3
	Korea	28	0.7	0	1.9	14.0	3.6	9.8	97.1	31.6	NA
	Russia	106	-0.7	7	2.3	38.7	8.2	18.3	88.6	42.3	11.1
	Turkey	81	-0.1	10	1.0	27.9	14.0	25.3	77.6	39.8	18.1
	Mexico	76	-0.2	4	1.9	18.9	5.2	10.0	86.9	51.7	47.4
	Taiwan	48	1.0	0	2.2	25.9	5.2	NA	NA	33.9	NA
Next	Egypt	102	-0.6	13	4.6	42.1	9.4	NA	84.7	34.4	22.0
	Thailand	40	-0.3	7	2.7	33.0	1.2	4.3	77.2	42.0	8.1
	Argentina	107	-0.3	1	0.4	36.2	8.6	21.2	85.8	45.8	NA
	Nigeria	118	-1.2	17	2.2	59.4	21.1	NA	44.0	43.7	NA
	Colombia	69	-0.3	12	1.4	29.5	12.0	23.0	96.4	58.5	37.2
	Poland	82	0.8	0	2.8	24.9	8.2	20.7	97.0	34.2	NA
	Vietnam	93	-0.5	8	5.5	41.6	2.4	NA	77.2	37.6	14.5
	Pakistan	104	-1.1	15	2.8	34.8	5.0	7.7	34.2	32.7	22.3
	Bangladesh	113	-0.9	12	4.6	53.8	5.1	NA	49.3	33.2	NA
	Malaysia	43	0.3	5	5.4	31.4	3.7	10.9	69.1	46.2	3.8
	South Africa	63	0.2	8	1.3	18.3	23.8	48.2	93.8	67.4	23.0
	Philippines	115	-0.6	11	3.2	39.0	7.5	17.4	84.8	44.0	26.5
	Peru	65	-0.2	7	2.0	47.5	6.8	14.0	91.6	48.0	31.3
	Chile	57	1.2	2	2.0	18.6	9.7	22.6	87.9	52.3	15.1
	Ukraine	128	-0.6	6	4.1	53.7	8.8	NA	95.6	27.5	NA
	Graduation	Above average	On average	Below average							

* A figure is considered to be above average (below) when its value is equal or larger (smaller) than the average for 45 Emerging Markets plus (minus) 0.5 standard deviations

Table XX: Countries: the largest

('000 sq Km, includes freshwater)

1	Russia	17,075	31	Tanzania	945
2	Canada	9,971	32	Nigeria	924
3	China	9,561	33	Venezuela	912
4	United States	9,373	34	Namibia	824
5	Brazil	8,512	35	Pakistan	804
6	Australia	7,682	36	Mozambique	799
7	India	3,287	37	Turkey	779
8	Argentina	2,767	38	Chile	757
9	Kazakhstan	2,717	39	Zambia	753
10	Algeria	2,382	40	Myanmar	677
11	Congo-Kinshasa	2,345	41	Afghanistan	652
12	Saudi Arabia	2,200	42	South Sudan	644
13	Greenland	2,176	43	Somalia	638
14	Mexico	1,973	44	Central African Rep.	622
15	Indonesia	1,904	45	Ukraine	604
16	Sudan	1,862	46	Madagascar	587
17	Libya	1,760	47	Kenya	583
18	Iran	1,648	48	Botswana	581
19	Mongolia	1,565	49	France	544
20	Peru	1,285	50	Yemen	528
21	Chad	1,284	51	Thailand	513
22	Niger	1,267	52	Spain	505
23	Angola	1,247	53	Turkmenistan	488
24	Mali	1,240	54	Cameroon	475
25	South Africa	1,226	55	Papua New Guinea	463
26	Colombia	1,142	56	Sweden	450
27	Ethiopia	1,134	57	Morocco	447
28	Bolivia	1,099		Uzbekistan	447
29	Mauritania	1,031	59	Iraq	438
30	Egypt	1,000	60	Paraguay	407

Table XXI: Official reserves

($m, end-2011, foreign exchange, special drawing rights, IMF position and gold at market prices)

1	China	3,254,690	16	Thailand	174,891
2	Japan	1,295,835	17	Italy	169,874
3	Euro area (17)	847,744	18	France	168,489
4	Saudi Arabia	556,572	19	Mexico	149,209
5	United States	537,267	20	Malaysia	133,595
6	Russia	497,410	21	Indonesia	110,137
7	Taiwan	386,285	22	Libya	107,133
8	Brazil	352,009	23	Poland	97,713
9	Switzerland	330,587	24	United Kingdom	94,549
10	South Korea	306,934	25	Turkey	87,937
11	India	298,739	26	Denmark	84,956
12	Hong Kong	285,405	27	Philippines	75,124
13	Singapore	243,786	28	Israel	74,874
14	Germany	234,098	29	Canada	65,820
15	Algeria	191,365	30	Iraq	60,960

Table XXII: Largest industrial output

($bn, 2010)

1	China	2,771	23	Taiwan	136
2	United States	2,769	24	Switzerland	135
3	Japan[a]	1,338	25	Poland	131
4	Germany	827	26	Iran[b]	126
5	Brazil	478	27	Venezuela[b]	114
6	Russia	467	28	Malaysia	106
7	Italy	465		Sweden	106
8	France[a]	451	30	Argentina	105
9	United Kingdom	437	31	South Africa	101
10	India	421	32	Austria	100
11	Canada[b]	420	33	Colombia	96
12	South Korea	359	34	Algeria	95
13	Mexico	341	35	Belgium	91
14	Indonesia	332	35	Chile	84
15	Spain	331	37	Egypt	78
16	Saudi Arabia	269	38	Libya[c]	68
17	Australia	209	39	Nigeria[b]	67
18	Turkey	171	40	Czech Republic	65
19	Netherlands	166		Philippines	65
20	United Arab Emirates	165	42	Ireland[a]	64
21	Norway	149	43	Finland	60
22	Thailand	142		Kazakhstan	60

a. 2009 b. 2007 c. 2008

Table XXIII: Largest services output

($bn, 2010)

1	United States	10,649	27	Argentina	200
2	Japan[a]	3,605	28	Hong Kong[a]	185
3	China	2,557	29	South Africa[a]	168
4	Germany	2,083	30	Saudi Arabia	154
5	France[a]	1,876	31	Colombia	150
6	United Kingdom	1,554		Portugal	150
7	Italy	1,337	33	Finland	142
8	Brazil	1,201	34	Singapore	141
9	Spain	923	35	Thailand	137
10	Canada[b]	889	36	Ireland[a]	134
11	India	877	37	United Arab Emirates	130
12	Russia	755	38	Iran[b]	128
13	Australia[c]	625	39	Philippines	110
14	Mexico	613	40	Malaysia	107
15	South Korea	532	41	Chile	106
16	Netherlands	517	42	Czech Republic	103
17	Turkey	410	43	Egypt	101
18	Switzerland	357	44	Romania	99
19	Belgium	324	45	Pakistan	90
20	Taiwan	290	46	Venezuela[b]	87
21	Sweden	286	47	Peru	82
22	Poland	268	48	Kazakhstan	75
23	Indonesia	266	49	Ukraine	74
24	Austria	238	50	Hungary	71
25	Norway	212	51	Bangladesh	51
26	Denmark	204	52	Slovakia	49

a. 2009 b. 2007 c. 2008

Table XXIV: Largest agricultural output

($bn,2010)

1	China	599	16	Argentina	34
2	India	304	17	Egypt	29
3	United States	156		Iran[b]	29
4	Indonesia	108	19	Germany	26
5	Brazil	103	20	Malaysia	25
6	Japan[a]	71		Philippines	25
7	Turkey	62	22	Australia	24
8	Nigeria[b]	54	23	South Korea	23
9	Russia	51	24	Canada[b]	22
10	France[a]	42		Vietnam	22
11	Mexico	39	26	Colombia	19
	Thailand	39	27	Bangladesh	18
13	Pakistan	36	28	Poland	15
14	Italy	35		United Kingdom	15
	Spain	35			

a. 2009 b. 2007

Table XXV: Largest market capitalisation

($bn, end 2011)

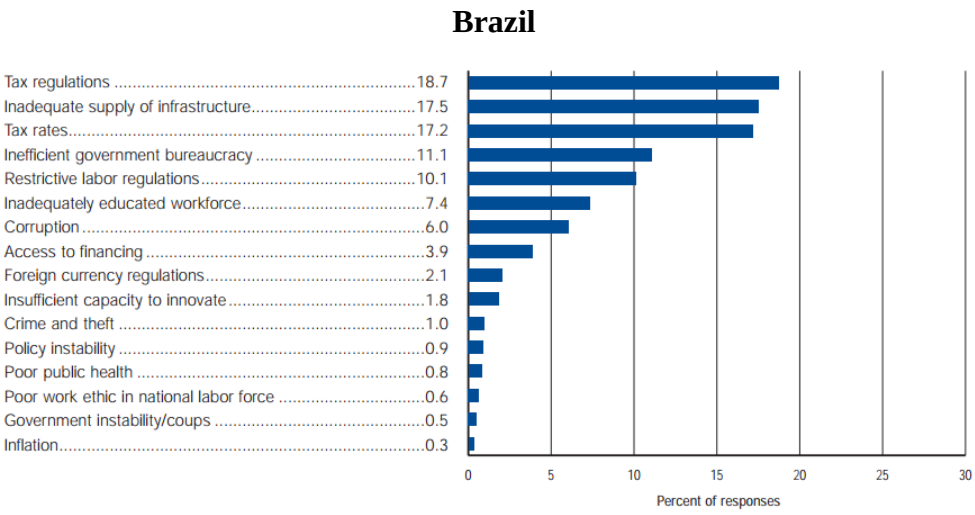
1	United States	15,641	23	Indonesia	390
2	Japan	3,541	24	Saudi Arabia	339
3	China	3,389	25	Singapore	308
4	United Kingdom	2,903	26	Chile	270
5	Canada	1,907	27	Thailand	268
6	France	1,569	28	Belgium	230
7	Brazil	1,229	29	Norway	219
8	Australia	1,198	30	Turkey	202
9	Germany	1,184	31	Colombia	201
10	Spain	1,031	32	Denmark	180
11	India	1,015	33	Philippines	165
12	South Korea	994	34	Israel	145
13	Switzerland	932	35	Finland	143
14	Hong Kong	890	36	Poland	138
15	South Africa	856	37	Qatar	125
16	Russia	796	38	Iran	107
17	Taiwan	623	39	Kuwait	101
18	Netherlands	595	40	United Arab Emirates	94
19	Sweden	470	41	Austria	82
20	Italy	431	42	Peru	79
21	Mexico	409	43	New Zealand	72
22	Malaysia	395	44	Luxembourg	68

Table XXVI: Largest value traded

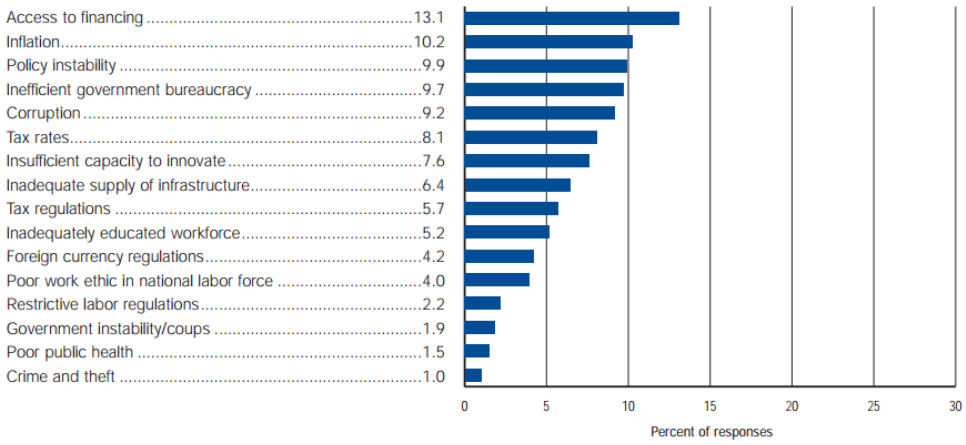
($bn, 2011)

1	United States	30,751	23	Singapore	254
2	China	7,671	24	Thailand	232
3	Japan	4,161	25	Norway	208
4	United Kingdom	2,972	26	Finland	174
5	South Korea	2,033	27	Denmark	150
6	Germany	1,758	28	Indonesia	140
7	Hong Kong	1,552	29	Malaysia	129
8	Canada	1,520	30	Israel	117
9	France	1,474	31	Mexico	112
10	Spain	1,419	32	Belgium	107
11	Australia	1,246	33	Poland	96
12	Russia	1,146	34	Chile	57
13	Brazil	961	35	Austria	39
14	Switzerland	928	36	Portugal	36
15	Italy	887	37	Philippines	33
16	Taiwan	867	38	Colombia	27
17	India	740	39	Greece	25
18	Netherlands	554	40	Qatar	23
19	Sweden	506	41	Egypt	22
20	Turkey	414	42	Kuwait	21
21	South Africa	372		New Zealand	21
22	Saudi Arabia	293	44	Iran	20

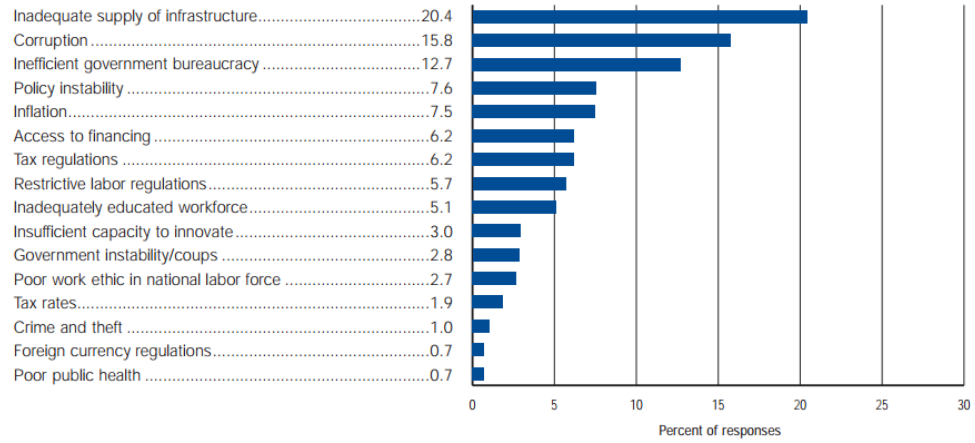
Table XXVII: The most problematic factors for doing business



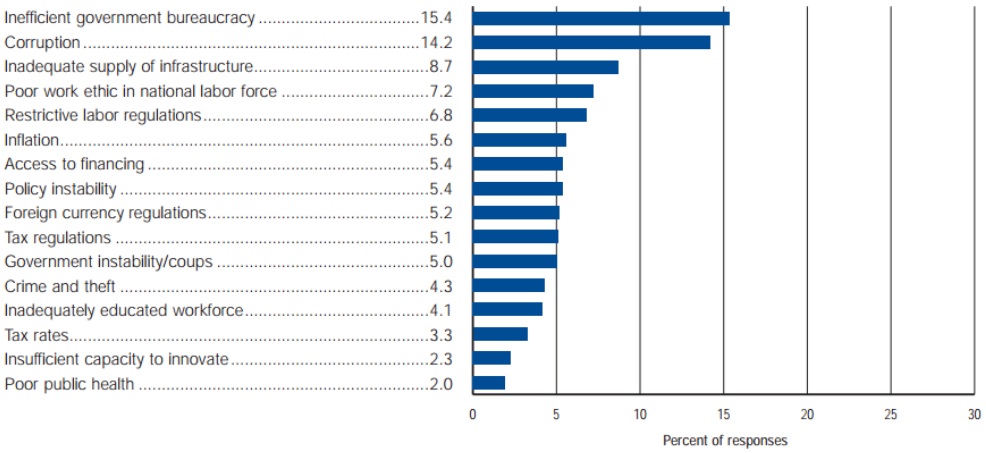
China



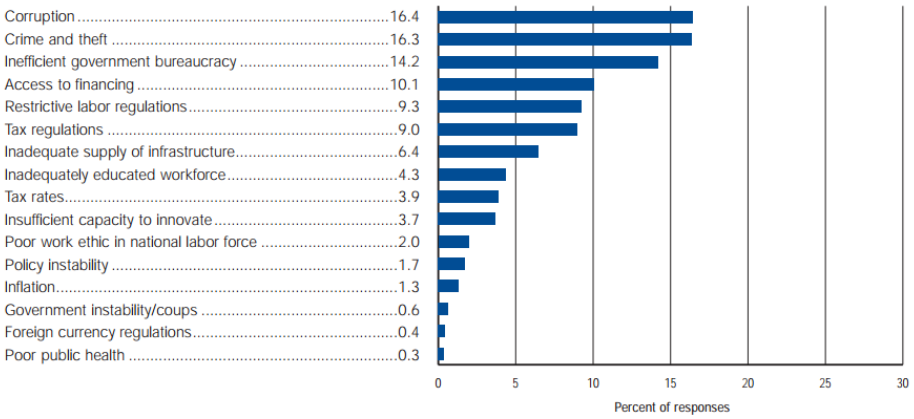
India



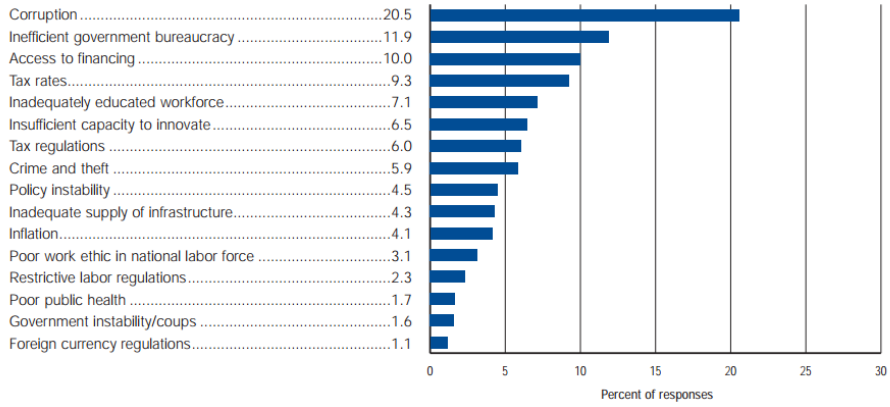
Indonesia



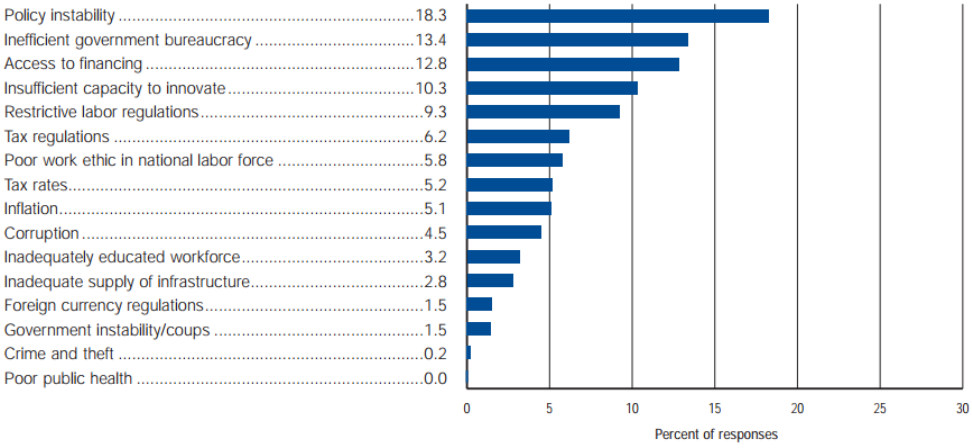
Mexico



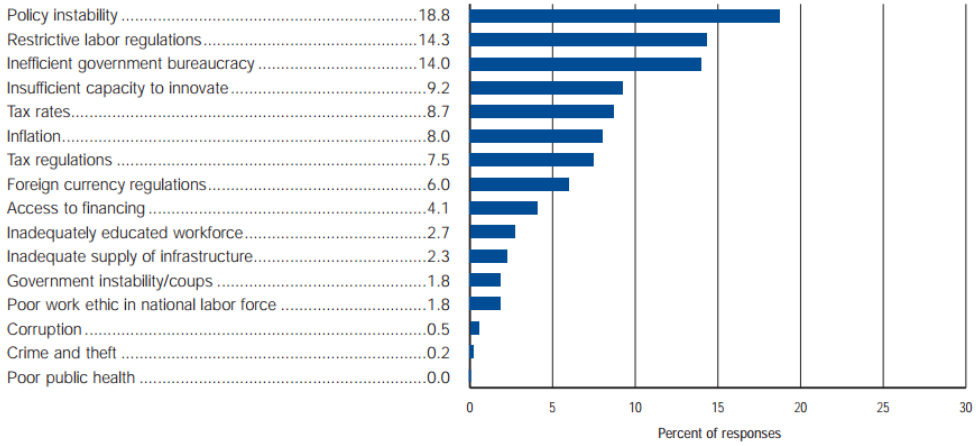
Russia



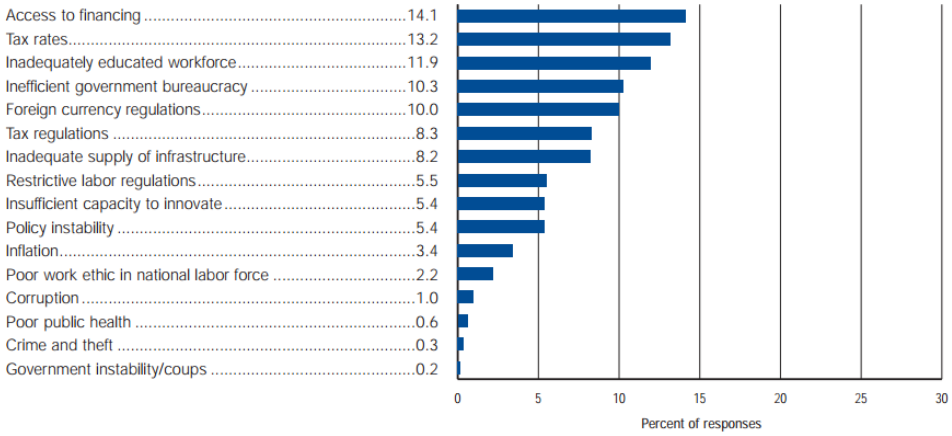
South Korea



Taiwan



Turkey



Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Table XXVIII: The World's 10 largest economies

(Percent of G20 GDP, in PPP)

2010		2050	
UNITED STATES	26.4	CHINA	33.2
CHINA	18.2	UNITED STATES	17.5
JAPAN	7.8	INDIA	15.4
INDIA	7.2	BRAZIL	4.3
GERMANY	5.3	MEXICO	3.4
RUSSIAN FEDERATION	4.0	RUSSIAN FEDERATION	3.3
BRAZIL	3.9	INDONESIA	2.7
UNITED KINGDOM	3.9	JAPAN	2.7
FRANCE	3.9	UNITED KINGDOM	2.1
ITALY	3.2	GERMANY	2.1

Table XXIX: Actual and projected top 20 economies ranked based on GDP in PPP terms

	2011		2030		2050	
PPP rank	**Country**	GDP at PPP (2011 US$bn)	**Country**	**Projected GDP at PPP (2011 US$bn)**	**Country**	**Projected GDP at PPP (2011 US$bn)**
1	US	15,094	**China**	30,634	**China**	53,856
2	**China**	11,347	US	23,376	US	37,998
3	India	4,531	India	13,716	India	34,704
4	Japan	4,381	Japan	5,842	**Brazil**	8,825
5	Germany	3,221	Russia	5,308	Japan	8,065
6	Russia	3,031	**Brazil**	4,685	Russia	8,013
7	**Brazil**	2,305	Germany	4,118	**Mexico**	7,409
8	France	2,303	**Mexico**	3,662	**Indonesia**	6,346
9	**UK**	2,287	**UK**	3,499	Germany	5,822
10	Italy	1,979	France	3,427	France	5,714
11	**Mexico**	1,761	**Indonesia**	2,912	**UK**	5,598
12	Spain	1,512	Turkey	2,760	Turkey	5,032
13	South Korea	1,504	Italy	2,629	**Nigeria**	3,964
14	Canada	1,398	Korea	2,454	Italy	3,867
15	Turkey	1,243	Spain	2,327	Spain	3,612
16	**Indonesia**	1,131	Canada	2,148	Canada	3,549
17	Australia	893	Saudi Arabia	1,582	South Korea	3,545
18	Poland	813	Australia	1,535	Saudi Arabia	3,090
19	Argentina	720	Poland	1,415	**Vietnam**	2,715
20	Saudi Arabia	686	Argentina	1,407	Argentina	2,620

Table XXX: Investment rate assumptions

Investment as % GDP	**Initial rate (2012)**	**From 2025**
Japan	30%	25%
Germany	22%	20%
UK	17%	17%
France	24%	20%
Italy	22%	20%
China	41%	25%
Spain	25%	20%
Canada	25%	20%
India	22%	20%
Korea	32%	25%
Mexico	20%	20%
Australia	24%	20%
Brazil	19%	19%
Russia	20%	20%
Turkey	20%	20%
Indonesia	28%	22%
Argentina	14%	15%
Vietnam	29%	25%
South Africa	9%	15%
Saudi Arabia	11%	15%
Malaysia	23%	23%
Nigeria	5%	10%
Poland	20%	20%

Table XXXI: Rankings

Legend: 1 (green cell) – best placed; 2 to 9 (red cell) – worst placed; 0 – no information

Category Political

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
BBVA	Annexes Table XIX	Governance	na	Score	Highest	2010	3	8	6	7	5	9	2	1	4
BBVA	Annexes Table XIX	State fragility	na	Score	Lowest	2010	4	6	9	7	3	5	1	1	7
BBVA	Annexes Table XVIII	Infrastructure	Quality of overall	Score	Highest	2011	6	4	8	7	5	8	1	2	3
Economist + World Bank	http://data.worldbank.org/indicator/CM.MKT.LDOM.NO	Business	Listed domestic companies	Number per capita	Highest	2011	7	8	4	6	9	5	1	2	3
World Bank	http://data.worldbank.org/indicator/IC.REG.PROC		Start-up procedures to register a business	Number	Lowest	2013	7	7	6	5	2	4	1	0	2
World Bank	http://data.worldbank.org/indicator/IC.TAX.PAYM		Tax payments	Number	Lowest	2013	4	2	7	8	1	2	5	0	6
World Bank	http://data.worldbank.org/indicator/IC.REG.DURS		Time required to start a business	Number	Lowest	2013	8	6	5	7	1	4	1	0	1
World Bank	http://data.worldbank.org/indicator/IC.TAX.DURS		Time to prepare and pay taxes	Number	Lowest	2013	8	6	4	5	7	1	2	0	3
World Bank	na		**Total 4 factors**	Score	Lowest	2013	8	6	5	7	2	2	1	0	4
World Bank	http://data.worldbank.org/indicator/SH.STA.ACSN	Improvement	Sanitation facilities - population	%	Highest	2012	4	6	8	7	3	5	1	0	2
World Bank	http://data.worldbank.org/indicator/SH.H2O.SAFE.ZS		Water source - population	%	Highest	2012	2	7	6	8	5	4	2	0	1
Economist	Annexes Table XXXII	Health	GDP	%	Highest	2010	1	5	7	8	4	5	2	0	3
UNDP	http://hdr.undp.org/en/data	Education	GDP	%	Highest	Last year available	1	0	5	7	2	4	3	0	6

Category Economic

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
Economist	Annexes Table IV	Gross Domestic Product PPP	Total	$	Highest	2010	4	1	2	8	5	3	6	9	7
Pricewaterhouse Coopers	Annexes Table XXIX			$	Highest	2050	3	1	2	6	5	4	8	0	7
Pricewaterhouse Coopers	Annexes Graphic XXVI			Annual %	Highest	2011-50	6	3	1	2	4	7	8	0	5
Economist	Annexes Table XXXIII		Per capita	$	Highest	2010	6	7	9	8	5	3	2	1	4
Pricewaterhouse Coopers	Annexes Graphic XXXI			$	Highest	2050	5	4	7	6	3	1	0	0	2
Pricewaterhouse Coopers	Annexes Graphic XXVI			Annual %	Highest	2011-50	6	3	1	2	4	7	8	0	5
Economist	Annexes Table XXIV	Agriculture	Total	$ per capita	Highest	2010	2	5	8	4	7	6	3	0	1
Economist	Annexes Table XXXII		GDP	%	Highest	Last year available	5	3	1	2	6	6	8	9	3
Economist	Annexes Table XXII	Industry	Total	$ per capita	Highest	2010	5	7	9	8	4	3	1	2	6
Economist	Annexes Table XXXII		GDP	%	Highest	Last year available	7	1	9	1	5	4	3	6	7

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
Economist	Annexes Table XXIII	Services	Total	$ per capita	Highest	2010	3	7	9	8	4	6	2	1	5
Economist	Annexes Table XXXII		GDP	%	Highest	Last year available	1	8	7	9	4	5	6	2	3
UNCTAD	Annexes Graphic IX	Foreign investment	MNC's top prospective host economies	Score	Highest	2012-2014	4	1	2	3	6	5	7	0	0
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2198rank.html		FDI At Home	$ per capita	Highest	Last year available / estimate	3	7	9	8	2	1	4	5	6
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2199rank.html		FDI Abroad	$ per capita	Highest	Last year available / estimate	5	7	8	9	4	3	2	1	6
BBVA	Annexes Table XVIII	Balance	Expected fiscal	Annual average	Highest	2013-17	7	2	9	4	6	8	1	5	3
BBVA	Annexes Table XVIII		Expected external	Annual average	Highest	2013-17	8	2	7	5	5	3	4	1	9
Economist	Annexes Table XXXII	Debt	External	$ per capita	Lowest	2010	4	2	1	3	5	6	9	8	7
CIA	https://www.cia.gov/library/publications/the-world-factbook/fields/2186.html		Public	% GDP	Lowest	2013	9	2	8	3	6	1	4	7	5
World Bank	http://data.worldbank.org/indicator/NY.GDS.TOTL.CD	Gross Domestic Savings	Total	$ per capita	Highest	2013	5	3	8	7	4	2	1	0	6
Economist	Annexes Table XXXII	Exports	Total	$ per capita	Highest	2010	7	6	9	8	4	3	2	1	5
Economist	Annexes Table XXXII		GDP	%	Highest	Last year available	9	3	7	6	3	3	2	1	8
Economist	Annexes Table XXXII	Imports	Total	$ per capita	Lowest	2010	3	4	1	2	7	5	8	9	6
Economist	Annexes Table XXXII		GDP	%	Lowest	Last year available	1	5	4	3	7	2	8	9	6
Economist	Annexes Table XXXII	Exports - Imports	Total	$ per capita	Highest	2010	5	4	8	6	7	2	3	1	9
BBVA	Annexes Table XVIII	Trade openness	GDP	%	Highest	2010	9	4	8	6	3	5	2	1	7
BBVA	Annexes Table XVIII	Expected trade partners growth	na	%	Highest	2011-2021	4	6	5	3	9	7	2	1	8
Economist	Annexes Table XXXII	Consumer Price Inflation	na	%	Lowest	2011	7	4	9	4	2	8	3	1	6
Economist	Annexes Table XXV	Market capitalization	Total	$ per capita	Highest	2011	3	7	9	8	5	4	2	1	6
Economist	Annexes Table XXVI	Value traded	Total	$ per capita	Highest	2011	6	4	8	9	7	3	1	2	5
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2211rank.html + https://www.cia.gov/library/publications/the-world-	Stock	Narrow + Broad money	$ per capita	Highest	Last year estimate	7	3	9	8	5	4	2	1	6
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2211rank.html		Domestic credit	$ per capita	Highest	Last year estimate	3	4	9	8	7	6	2	1	5
Knoema	http://knoema.com/NESE/net-estimates-for-the-shadow-economies-all-over-the-world?tsid=1480010	Shadow Economy	GDP	%	Lowest	2007	8	1	3	2	6	9	5	4	7
World Bank	http://data.worldbank.org/indicator/NY.GNP.PCAP.PP.CD	Gross National Income	Total	$ per capita	Highest	2013	5	6	8	7	4	2	1	0	3

Category Social

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
Economist	Annexes Table V	Population	Total	Number	Highest	2010	4	1	2	3	6	5	8	9	7
UNDP	http://hdr.undp.org/en/data			Number	Highest	2030	4	2	1	3	5	6	8	0	7
Economist	Annexes Table XXXII		Annual	%	Highest	2010-15	5	6	2	4	3	9	7	8	1
Economist	Annexes Table XXXII		Density	people per sq. Km	Highest	2010	8	4	3	5	7	9	2	1	6
UNDP	http://hdr.undp.org/en/data		Density	people per sq. Km	Highest	2030	7	4	2	3	6	8	1	0	5
World Bank	http://data.worldbank.org/indicator/SP.RUR.TOTL.ZS		Rural	%	Highest	2013	8	3	1	2	6	5	7	0	4
World Bank	http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS		Urban	%	Highest	2013	1	6	8	7	3	4	2	0	5
CIA	https://www.cia.gov/library/publications/the-world-factbook/fields/2010.html	Age	0-14 - total population	%	Highest	2014 est.	5	6	1	2	3	7	8	9	4
CIA	https://www.cia.gov/library/publications/the-world-factbook/fields/2010.html		15-64 - total population	%	Highest	2014 est.	5	2	8	7	9	4	2	1	6
CIA	https://www.cia.gov/library/publications/the-world-factbook/fields/2010.html		65 - total population	%	Highest	2014 est.	5	4	9	8	7	1	2	3	6
CIA	https://www.cia.gov/library/publications/the-world-factbook/fields/2103.html#u	Literacy	Adult	%	Highest	Last year estimate	8	4	9	7	6	1	2	3	5
Pricewaterhouse Coopers	Annexes Graphic XXXII	Labour force	Expected growth	%	Highest	2011-50	5	6	1	4	2	7	8	0	3
BBVA	Annexes Table XVI		Participation rate 15-64 population	%	Highest	2010	2	1	8	5	6	3	6	7	9
BBVA	Annexes Table XIX		Unemployment	%	Lowest	Last year available	7	2	8	5	3	6	1	3	9
Economist	Annexes Table XXXII		Employment Agriculture	%	Highest	Last year available	5	2	1	3	6	7	8	9	4
Economist	Annexes Table XXXII		Employment Industry	%	Highest	Last year available	6	3	6	8	4	2	9	1	4
Economist	Annexes Table XXXII		Employment Services	%	Highest	Last year available	3	8	9	7	3	2	1	5	6
BBVA	Annexes Table XIX	Food	Consumption basket	%	Lowest	Last year available	3	7	9	8	2	6	1	4	5
BBVA	Annexes Table XIX + https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html	Income inequality	GINI Index	Score	Lowest	Last year available	9	7	3	3	8	6	1	2	5
BBVA + CIA	Annexes Table XIX + https://www.cia.gov/library/publications/the-world-factbook/fields/2046.html	Poverty	Population below poverty line	%	Lowest	Last year available	7	4	8	3	9	2	5	1	6
Economist	Annexes Table XXXII	Rates	Fertility	per woman	Highest	2010-15	5	6	1	3	2	7	8	9	4
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2102rank.html		Life expectancy at birth	Number	Highest	2014 est.	6	4	9	7	3	8	2	1	5
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2091rank.html		Infant mortality	per 1,000 population	Lowest	2014 est.	6	5	9	8	4	3	1	2	7
World Bank	http://data.worldbank.org/indicator/ST.INT.RCPT.CD	Tourism	Receipts	$ per capita	Highest	2012	7	5	8	6	4	3	2	0	1
World Bank	http://data.worldbank.org/indicator/ST.INT.XPND.CD		Expenditures	$ per capita	Highest	2012	3	5	8	7	4	2	1	0	6
Economist	Annexes Table XXXII	Cost of living	na	US=100	Lowest	2011	8	4	1	2	4	7	9	3	6

Category Technological

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
BBVA	Annexes Table XVIII	Research & Development	GDP expenditure	%	Highest	Last year available	4	3	6	9	8	5	1	2	7
World Bank	http://data.worldbank.org/indicator/TX.VAL.TECH.CD		Exports	$ per capita	Highest	2012	5	2	8	7	3	4	1	0	6
CIA	https://www.cia.gov/library/publications/the-world-factbook/rankorder/2218rank.html	Energy	Consumption	kWh per capita	Highest	Last year available / estimate	5	4	9	8	7	3	2	1	6
Economist	Annexes Table XXXII	Telephones	Lines per 100 population	Number	Highest	2010	6	5	9	8	7	3	2	1	4
Economist	Annexes Table XXXII		Mobile subscribers per 100 population	Number	Highest	2010	4	8	9	5	7	1	3	2	6
Economist	Annexes Table XXXII	Internet	Hosts per 1,000 population	Number	Highest	2012	3	6	9	8	2	4	7	1	5
Economist	Annexes Table XXXII		Broadband subscribers per 1000 population	Number	Highest	2010	7	6	8	9	4	3	1	2	5
Economist	Annexes Table XXXII	Cars	per 1,000 population	Number	Highest	Last year available	5	7	8	0	4	3	1	2	6

Category Environmental

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
BBVA	Annexes Table XIX	Investment climate	na	Score	Highest	2012	7	5	9	8	3	6	1	2	4
Economist	Annexes Table XXXII	Area	na	sq km	Highest	na	3	2	4	6	5	1	8	9	7

Category Legal

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
World Bank	http://data.worldbank.org/indicator/BM.GSR.ROYL.CD	Charges for use of intellectual property	Payments	$ per capita	Highest	2012	3	4	8	7	6	2	1	0	5
World Bank	http://data.worldbank.org/indicator/BX.GSR.ROYL.CD		Receipts	$ per capita	Highest	2012	3	5	6	7	4	2	1	0	0

Category Various

SOURCE		SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
Global Edge	Annexes Table III	Index	Market Potential	Score	Highest	2011	5	1	3	7	6	8	2	0	4
Economist	Annexes Table XXXII		Human Development	Score	Highest	2011	4	6	8	7	2	3	1	0	5
Heritage	http://www.heritage.org/index/ranking		Economic Freedom	Score	Highest	2014	6	8	7	5	3	9	2	1	4
WEF	http://www.weforum.org/issues/global-competitiveness		Global Competitiveness	Score	Highest	2013-14	7	3	8	4	6	9	2	1	5
Global Innovation Index	http://www.globalinnovationindex.org/content.aspx?page=data-analysis		Innovation	Score	Highest	2014	5	2	7	8	6	3	1	0	4
WEF	http://www.weforum.org/issues/global-information-technology		Networked Readiness	Score	Highest	2014	7	5	9	6	8	3	1	2	4
Economist	https://portoncv.gov.cv/dhub/porton.por_global.open_file?p_doc_id=1034		Democracy	Score	Highest	2012	4	9	3	6	5	8	1	2	7
IFC	http://www.doingbusiness.org/rankings		Ease of Doing Business	Score	Highest	2013	7	6	9	8	3	5	1	2	4
World Press	http://rsf.org/index2014/en-index2014.php		Press Freedom	Score	Highest	2014	3	9	5	4	7	6	2	1	8
TI	http://cpi.transparency.org/cpi2013/results/		Corruption Perception	Score	Lowest	2013	4	5	6	8	7	9	2	1	3
EPI	http://epi.yale.edu/epi		Environmental Performance	Score	Highest	2014	6	8	9	7	3	5	1	2	4
Vision of Humanity	http://www.visionofhumanity.org/#/page/indexes/global-peace-index		Global Peace	Score	Lowest	2014	4	5	8	3	7	9	2	1	6
Legatum Institute	http://prosperity.com/#!/ranking		Prosperity	Score	Highest	2013	3	4	9	7	5	6	2	1	8
UNDP	http://hdr.undp.org/en/data		Gender Inequality	Score	Lowest	2012	6	2	8	7	5	3	1	0	4
Economist	Annexes Table XXI	Official reserves	na	$ per capita	Highest	2011	5	4	9	8	6	3	2	1	7

Table XXXII: Information from The Economist

SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
Health	GDP	%	Highest	2010	9,0%	5,1%	4,1%	2,6%	6,3%	5,1%	6,9%	0	6,7%
Agriculture	GDP	%	Highest	Last year available	6%	10%	19%	15%	4%	4%	3%	2%	10%
Industry	GDP	%	Highest	Last year available	27%	47%	26%	47%	34%	37%	39%	32%	27%
Services	GDP	%	Highest	Last year available	67%	43%	55%	38%	62%	59%	58%	66%	64%
Debt	External	$	Lowest	2010	347	549	290	179	200	385	362	102	294

SUBJECT		MEASURE	POSITION	YEAR	BRAZIL	CHINA	INDIA	INDONESIA	MEXICO	RUSSIA	SOUTH KOREA	TAIWAN	TURKEY
Exports	Total	$	Highest	2010	202	1 578	254	158	299	397	466	275	114
	GDP	%	Highest	Last year available	11%	30%	22%	25%	30%	30%	52%	74%	21%
Imports	Total	$	Lowest	2010	182	1 396	353	136	302	274	425	251	186
	GDP	%	Lowest	Last year available	-12%	-26%	-25%	-23%	-32%	-22%	-50%	-67%	-27%
Exports - Imports	Total	$	Highest	2010	20	182	-98	22	-3	124	41	23	-72
Consumer Price Inflation	na	%	Lowest	2011	6,6%	5,4%	8,9%	5,4%	3,4%	8,4%	4,0%	1,4%	6,5%
Population	Annual	%	Highest	2010-15	0,84%	0,42%	1,32%	0,98%	1,14%	-0,10%	0,38%	0,15%	1,41%
	Density	people per sq. Km	Highest	2010	22,9	141,6	369,5	122,0	56,0	8,2	488,5	635,7	97,1
Labour Force	Employment Agriculture	%	Highest	Last year available	17%	40%	51%	38%	13%	10%	7%	5%	24%
	Employment Industry	%	Highest	Last year available	22%	27%	22%	19%	26%	28%	17%	37%	26%
	Employment Services	%	Highest	Last year available	61%	33%	27%	43%	61%	62%	76%	59%	50%
Rates	Fertility	per woman	Highest	2010-15	1,8	1,6	2,5	2,1	2,2	1,5	1,4	1,1	2,0
Cost of living	na	US=100	Lowest	2011	104	91	56	85	91	102	113	90	92
Telephones	Lines per 100 population	Number	Highest	2010	21,6	22,0	2,9	15,8	17,5	31,4	59,2	78,8	22,3
	Mobile subscribers per 100 population	Number	Highest	2010	104,1	64,0	61,4	91,7	80,6	166,3	105,4	119,9	84,9
Internet	Hosts per 1,000 population	Number	Highest	2012	124,4	14,9	5,6	6,0	140,2	101,2	6,1	270,7	51,5
	Broadband subscribers per 1000 population	Number	Highest	2010	6,8	9,4	0,9	0,8	10,0	11,0	35,7	22,7	9,7
Cars	per 1,000 population	Number	Highest	Last year available	136	18	15	0	147	188	268	249	103
Area	na	sq km	Highest	na	8 511 965	9 560 900	3 287 253	1 904 443	1 972 545	17 075 400	99 274	36 179	779 452
Index	Human Development	Score	Highest	2011	71,8	68,7	54,7	61,7	77,0	75,5	89,7	0,0	69,9

Table XXXIII: List of countries

	Population	GDP	GDP per head	Area '000 sq	Median age
	m, 2010	*$bn, 2010*	*$PPP, 2010*	*km*	*yrs, 2010*
Afghanistan	29.10	17.2	1,210	652	16.6
Albania	3.20	11.8	8,590	29	30.0
Algeria	35.40	162.0	8,430	2,382	26.2
Andorra	0.09	3.5	41,750[ab]	0.4	40.0
Angola	19.00	84.9	6,190	1,247	16.6
Antigua & Barbuda	0.09	1.2	20,950	0.4	30.0
Argentina	40.70	368.7	16,010	2,767	30.4
Armenia	3.10	9.4	5,460	30	32.1
Aruba	0.11	2.5	21,800[ab]	0.2	38.3
Australia	21.50	1,131.6	38,160	7,682	36.9
Austria	8.40	379.1	40,010	84	41.8
Azerbaijan	8.90	51.8	9,940	87	29.5
Bahamas	0.30	7.7	31,750	14	30.9
Bahrain	0.80	22.9	27,040	0.7	30.1
Bangladesh	164.40	100.4	1,660	144	24.2
Barbados	0.30	4.1	19,420[a]	0.4	37.5
Belarus	9.60	54.7	13,930	208	38.3
Belgium	10.70	469.4	37,630	31	41.2
Belize	0.30	1.4	6,670	23	21.8
Benin	9.20	6.6	1,590	113	17.9
Bermuda	0.07	5.8	89,240[b]	0.1	42.4
Bhutan	0.70	1.5	5,330	47	24.6
Bolivia	10.00	19.7	4,850	1,099	21.7
Bosnia	3.80	16.6	8,690	51	39.4
Botswana	2.00	14.9	13,890	581	22.9
Brazil	195.40	2,087.9	11,210	8,512	29.1
British Virgin Islands	0.03	0.9	39,110[b]	0.2	29.5
Brunei	0.40	13.0	49,940[a]	6	28.9
Bulgaria	7.50	47.7	13,930	111	41.6
Burkina Faso	16.30	8.8	1,260	274	17.1
Burundi	8.50	1.6	410	28	20.2
Cambodia	15.10	11.2	2,190	181	22.9
Cameroon	20.00	22.5	2,290	475	19.3
Canada	33.90	1,577.0	39,050	9,971	39.9
Cape Verde	0.50	1.6	3,880	4	22.8
Cayman Islands	0.05	3.2	57,050[b]	0.3	38.7
Central African Republic	4.50	2.0	790	622	19.4
Chad	11.50	7.6	1,370	1,284	17.1
Channel Islands	0.15	11.5[a]	51,930[ab]	0.2	42.6
Chile	17.10	212.7	15,780	757	32.1
China	1,354.10	5,926.6	7,600	9,561	34.5
Colombia	46.30	288.9	9,450	1,142	26.8

	Population	GDP	GDP per head	Area	Median age
	m, 2010	*$bn, 2010*	*$PPP, 2010*	*'000 sq km*	*yrs, 2010*
Congo-Brazzaville	3.80	12.0	4,250	342	19.6
Congo-Kinshasa	67.80	13.1	350	2,345	16.7
Costa Rica	4.60	35.8	11,570	51	28.4
Côte d'Ivoire	21.60	22.8	1,900	322	19.2
Croatia	4.40	60.9	19,540	57	41.5
Cuba	11.20	64.2	9,900[b]	111	38.4
Cyprus	0.90	23.1	31,090	9	34.2
Czech Republic	10.40	192.0	24,520	79	39.4
Denmark	5.50	312.0	40,160	43	40.6
Djibouti	0.90	1.0[a]	2,310[a]	23	21.4
Dominican Republic	10.20	51.8	9,350	48	25.1
Ecuador	13.80	58.0	8,030	272	25.5
Egypt	84.50	218.9	6,180	1,000	24.4
El Salvador	6.20	21.2	6,670	21	23.2
Equatorial Guinea	0.70	14.0	34,750	28	20.3
Eritrea	5.20	2.1	550	117	19.0
Estonia	1.30	19.2	20,660	45	39.7
Ethiopia	85.00	29.7	1,040	1,134	18.7
Faroe Islands	0.05	2.2[a]	30,500[ab]	1	35.6
Fiji	0.90	3.2	4,660	18	26.4
Finland	5.30	238.0	36,470	338	42.0
France	62.60	2,560.0[c]	34,120	544	39.9
French Guiana	0.23	4.5[a]	16,660[a]	90	24.3
French Polynesia	0.30	6.7	18,000[b]	3	29.1
Gabon	1.50	13.1	15,050	268	21.6
Gambia, The	1.80	0.8	1,410	11	17.8
Georgia	4.20	11.7	5,070	70	37.3
Germany	82.10	3,280.5	37,400	358	44.3
Ghana	24.30	32.3	1,640	239	20.5
Greece	11.20	301.1	28,410	132	41.4
Greenland	0.06	2.0	26,020[ab]	2,176	29.6
Guadeloupe	0.50	11.2[a]	20820[a]	2	36.8
Guam	0.20	2.8[ab]	15,000[ab]	0.5	29.2
Guatemala	14.40	41.2	4,790	109	18.9
Guinea	10.30	4.5	1,090	246	18.3
Guinea-Bissau	1.60	0.9	1,190	36	19.0
Guyana	0.80	2.2	3,430	215	23.8
Haiti	10.20	6.7	1,110	28	21.5
Honduras	7.60	15.4	3,920	112	21.0
Hong Kong	7.10	224.5	46,500	1	41.8
Hungary	10.00	128.6	20,550	93	39.8
Iceland	0.30	12.6	35,640	103	34.8
India	1,214.50	1,727.1	3,430	3,287	25.1
Indonesia	232.50	706.6	4,330	1,904	27.8
Iran	75.10	386.7	12,720	1,648	27.1
Iraq	31.50	82.2	3,560	438	18.3
Ireland	4.60	206.6	40,460	70	34.7

	Population	GDP	GDP per head	Area	Median age
	m, 2010	*$bn, 2010*	*$PPP, 2010*	*'000 sq km*	*yrs, 2010*
Israel	7.30	217.3	28,570	21	30.1
Italy	60.10	2,061.0	31,950	301	43.2
Jamaica	2.70	14.3	7,670	11	27.0
Japan	127.00	5,458.8	33,730	378	44.7
Jordan	6.50	27.6	5,750	89	20.7
Kazakhstan	15.80	149.1	12,170	2,717	29.0
Kenya	40.90	32.2	1,650	583	18.5
Kosovo	1.80	5.6	3,290[b]	11	28.7
Kuwait	3.10	124.3	38,780	18	28.2
Kyrgyzstan	5.60	4.6	2,240	199	23.8
Laos	6.40	7.3	2,550	237	21.5
Latvia	2.20	24.0	16,340	64	40.2
Lebanon	4.30	39.0	14,070	10	29.1
Lesotho	2.10	2.2	1,600	30	20.3
Liberia	4.10	1.0	420	111	18.2
Libya	6.50	71.9	16,990[a]	1,760	25.9
Lithuania	3.30	36.3	18,370	65	39.3
Luxembourg	0.50	53.3	86,120	3	38.9
Macau	0.54	28.0	63,680	0.02	37.6
Macedonia	2.00	9.2	11,160	26	35.9
Madagascar	20.10	8.7	970	587	18.2
Malawi	15.70	5.1	880	118	16.9
Malaysia	27.90	237.8	14,730	333	26.0
Maldives	0.30	1.9	8,520	0.3	24.6
Mali	13.30	9.3	1,070	1,240	16.3
Malta	0.40	8.3	26,450	0.3	39.5
Martinique	0.40	10.8[a]	22,700[a]	1	39.4
Mauritania	3.40	3.6	2,460	1,031	19.8
Mauritius	1.30	9.7	13,700	2	32.4
Mexico	110.60	1,035.9	14,560	1,973	26.6
Moldova	3.60	5.8	3,110	34	35.2
Mongolia	2.70	6.2	4,040	1,565	25.4
Montenegro	0.60	4.1	12,860	14	35.9
Morocco	32.40	90.8	4,710	447	26.3
Mozambique	23.40	9.6	940	799	17.8
Myanmar	50.50	42.0	1,950	677	28.2
Namibia	2.20	12.2	6,480	824	21.2
Nepal	29.90	15.7	1,200	147	21.4
Netherlands	16.70	779.4	42,170	42	40.7
Netherlands Antilles	0.20	4.1	20,320[b]	1	37.9
New Caledonia	0.30	8.9	35,320[b]	19	30.3
New Zealand	4.30	141.4	29,540	271	36.6
Nicaragua	5.80	6.6	2,910	130	22.1
Niger	15.90	5.5	730	1,267	15.5
Nigeria	158.30	202.5	2,400	924	18.5
North Korea	24.00	12.3	1,800[b]	121	32.9
Norway	4.90	417.5	57,230	324	38.7

	Population	GDP	GDP per head	Area '000 sq	Median age
	m, 2010	*$bn, 2010*	*$PPP, 2010*	*km*	*yrs, 2010*
Oman	2.90	57.8	26,790[a]	310	25.3
Pakistan	184.80	176.9	2,690	804	21.7
Panama	3.50	26.7	13,610	77	27.3
Papua New Guinea	6.90	9.5	2,470	463	20.4
Paraguay	6.50	18.3	5,180	407	23.1
Peru	29.50	157.1	9,540	1,285	25.6
Philippines	93.60	199.6	3,970	300	22.2
Poland	38.00	469.4	19,890	313	38.0
Portugal	10.70	228.6	25,420	89	41.0
Puerto Rico	4.00	96.3	16,300[b]	9	34.4
Qatar	1.50	127.3	88,220	11	31.6
Réunion	0.80	20.8[a]	21,090[a]	3	29.9
Romania	21.20	161.6	14,520	238	38.5
Russia	140.40	1,479.8	19,890	17,075	37.9
Rwanda	10.30	5.6	1,160	26	18.7
St Lucia	0.16	1.2	6,560[b]	0.6	27.4
Saudi Arabia	26.20	434.7	22,710	2,200	25.9
Senegal	12.90	12.9	1,940	197	17.8
Serbia	9.90	38.4	11,350	88	37.6
Sierra Leone	5.80	1.9	830	72	18.4
Singapore	4.80	208.8	57,930	0.6	37.6
Slovakia	5.40	87.3	23,300	49	36.9
Slovenia	2.00	46.9	26,930	20	41.7
Somalia	9.40	1.1	600[b]	638	17.5
South Africa	50.50	363.9	10,570	1,226	24.9
South Korea	48.50	1,014.5	29,100	99	37.9
South Sudan[d]	*8.30*[a]	*13.2*	...	*644*	...
Spain	45.30	1,407.4	32,230	505	40.1
Sri Lanka	20.40	49.6	5,080	66	30.7
Sudan[e]	43.20	62.0	2,260	2,506	19.7
Suriname	0.50	3.7	7,660[a]	164	27.6
Swaziland	1.20	3.7	5,950	17	19.5
Sweden	9.30	458.6	39,020	450	40.7
Switzerland	7.60	527.9	46,380	41	41.4
Syria	22.50	59.1	5,290	185	21.1
Taiwan	23.00	430.2	35,600	36	38.0
Tajikistan	7.10	5.6	2,160	143	20.4
Tanzania	45.00	22.9	1,430	945	17.5
Thailand	68.10	318.5	8,550	513	34.2
Timor-Leste	1.20	0.7	930	15	16.6
Togo	6.80	3.2	1,000	57	19.7
Trinidad & Tobago	1.30	20.6	25,740	5	30.8
Tunisia	10.40	44.3	9,550	164	28.9
Turkey	75.70	734.4	15,690	779	28.3
Turkmenistan	5.20	20.0	8,270	488	24.5
Uganda	33.80	17.0	1,270	241	15.7
Ukraine	45.40	137.9	6,720	604	39.3

	Population	GDP	GDP per head	Area	Median age
	m, 2010	*$bn, 2010*	*$PPP, 2010*	*'000 sq km*	*yrs, 2010*
United Arab Emirates	4.70	297.6	47,210	84	30.1
United Kingdom	61.90	2,261.7	35,690	243	39.8
United States	317.60	14,586.7	47,150	9,373	36.9
Uruguay	3.40	39.1	14,110	176	33.7
Uzbekistan	27.80	39.0	3,110	447	24.2
Venezuela	29.00	391.8	12,230	912	26.1
Vietnam	89.00	106.4	3,210	331	28.2
Virgin Islands (US)	0.11	1.6[ab]	14,500[ab]	0.4	38.8
West Bank and Gaza	4.40	7.3	2,900[ab]	6	18.1
Yemen	24.30	31.3	2,650	528	17.4
Zambia	13.30	16.2	1,560	753	16.7
Zimbabwe	12.60	7.5	440[b]	391	19.3
Euro area (16)	328.20	12,149.1	34,350	2,497	41.8
World	6,908.70	63,257.0	11,130	148,698	29.2

a Latest available year.
b Estimate.
c Including French Guiana, Guadeloupe, Martinique and Réunion.
d South Sudan became an independent state in July 2011.
e Data include South Sudan.

Table XXXIV: Conclusions

SUBJECT		MEASURE	POSITION	YEAR	7 EAGLEs	2 EAGLEs vs 7 EAGLEs	2 EAGLEs + Advanced Countries	Category
					To improve	Already improved	Already improved	
Governance	na	Score	Highest	2010	X	X	No data	Political
State fragility	na	Score	Lowest	2010	X	X	No data	Political
Infrastructure	Quality of overall	Score	Highest	2011	X	X	No data	Political
Business	Listed domestic companies	Number per capita	Highest	2011	X	X		Political
	Start-up procedures to register a business	Number	Lowest	2013		X	X	Political
	Tax payments	Number	Lowest	2013			X	Political
	Time required to start a business	Number	Lowest	2013			X	Political
	Time to prepare and pay taxes	Number	Lowest	2013				Political
	Total 4 factors	Score	Lowest	2013				Political
Improvement	Sanitation facilities - population	%	Highest	2012	X	X	X	Political
	Water source - population	%	Highest	2012			X	Political
Health	GDP	%	Highest	2010	X		X	Political
Education	GDP	%	Highest	Last year available	X		X	Political

SUBJECT		MEASURE	POSITION	YEAR	7 EAGLEs	2 EAGLEs vs 7 EAGLEs	2 EAGLEs + Advanced Countries	Category
					To improve	Already improved	Already improved	
Gross Domestic Product PPP	Total	$	Highest	2010			X	Economic
		$	Highest	2050			X	Economic
		Annual %	Highest	2011-50			X	Economic
	Per capita	$	Highest	2010	X	X	X	Economic
		$	Highest	2050	X	No data	No data	Economic
		Annual %	Highest	2011-50			X	Economic
Agriculture	Total	$ per capita	Highest	2010			No data	Economic
	GDP	%	Highest	Last year available			X	Economic
Industry	Total	$ per capita	Highest	2010	X	X	X	Economic
	GDP	%	Highest	Last year available			X	Economic
Services	Total	$ per capita	Highest	2010	X	X		Economic
	GDP	%	Highest	Last year available			X	Economic
Foreign investment	MNC's top prospective host economies	Score	Highest	2012-2014			X	Economic
	FDI At Home	$ per capita	Highest	Last year available / estimate				Economic
	FDI Abroad	$ per capita	Highest	Last year available / estimate	X	X		Economic
Balance	Expected fiscal	Annual average	Highest	2013-17	X		No data	Economic
	Expected external	Annual average	Highest	2013-17			No data	Economic

SUBJECT		MEASURE	POSITION	YEAR	7 EAGLEs	2 EAGLEs vs 7 EAGLEs	2 EAGLEs + Advanced Countries	Category
					To improve	Already improved	Already improved	
Debt	External	$ per capita	Lowest	2010			No data	Economic
	Public	% GDP	Lowest	2013			X	Economic
Gross Domestic Savings	Total	$ per capita	Highest	2013	X	X	X	Economic
Exports	Total	$ per capita	Highest	2010	X	X	X	Economic
	GDP	%	Highest	Last year available	X	X	X	Economic
Imports	Total	$ per capita	Lowest	2010				Economic
	GDP	%	Lowest	Last year available			X	Economic
Exports - Imports	Total	$ per capita	Highest	2010			X	Economic
Trade openness	GDP	%	Highest	2010	X	X	No data	Economic
Expected trade partners growth	na	%	Highest	2011-2021	X	X	No data	Economic
Consumer Price Inflation	na	%	Lowest	2011	X		X	Economic
Market capitalization	Total	$ per capita	Highest	2011	X	X	X	Economic
Value traded	Total	$ per capita	Highest	2011	X	X	X	Economic
Stock	Narrow + Broad money	$ per capita	Highest	Last year estimate	X	X	X	Economic
	Domestic credit	$ per capita	Highest	Last year estimate	X	X		Economic
Shadow Economy	GDP	%	Lowest	2007	X		X	Economic
Gross National Income	Total	$ per capita	Highest	2013	X	X	X	Economic

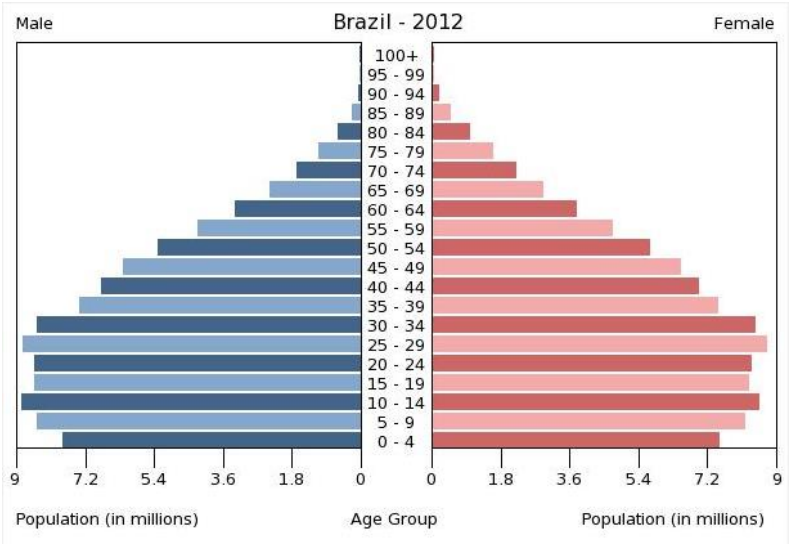
SUBJECT		MEASURE	POSITION	YEAR	7 EAGLEs	2 EAGLEs vs 7 EAGLEs	2 EAGLEs + Advanced Countries	Category
					To improve	Already improved	Already improved	
Population	Total	Number	Highest	2010			X	Social
		Number	Highest	2030			X	Social
	Annual	%	Highest	2010-15			X	Social
	Density	people per sq. Km	Highest	2010	X	X	X	Social
	Density	people per sq. Km	Highest	2030	X	X	X	Social
	Rural	%	Highest	2013			X	Social
	Urban	%	Highest	2013	X		X	Social
Age	0-14 - total population	%	Highest	2014 est.			X	Social
	15-64 - total population	%	Highest	2014 est.		X	X	Social
	65 - total population	%	Highest	2014 est.	X		X	Social
Literacy	Adult	%	Highest	Last year estimate			X	Social
Labour force	Expected growth	%	Highest	2011-50	X		X	Social
	Participation rate 15-64 population	%	Highest	2010	X		No data	Social
	Unemployment	%	Lowest	Last year available	X		No data	Social
	Employment Agriculture	%	Highest	Last year available			X	Social
	Employment Industry	%	Highest	Last year available	X		X	Social
	Employment Services	%	Highest	Last year available			X	Social

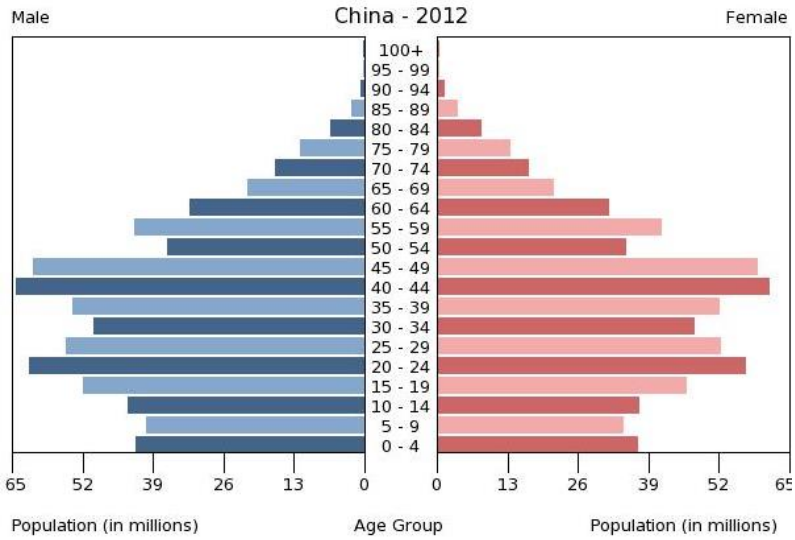
SUBJECT		MEASURE	POSITION	YEAR	7 EAGLEs	2 EAGLEs vs 7 EAGLEs	2 EAGLEs + Advanced Countries	Category
					To improve	Already improved	Already improved	
Food	Consumption basket	%	Lowest	Last year available	X		No data	Social
Income inequality	GINI Index	Score	Lowest	Last year available	X	X	X	Social
Poverty	Population below poverty line	%	Lowest	Last year available	X		X	Social
Rates	Fertility	per woman	Highest	2010-15			X	Social
	Life expectancy at birth	Number	Highest	2014 est.	X	X	X	Social
	Infant mortality	per 1,000 population	Lowest	2014 est.	X	X	X	Social
Tourism	Receipts	$ per capita	Highest	2012	X			Social
	Expenditures	$ per capita	Highest	2012	X	X	X	Social
Cost of living	na	US=100	Lowest	2011	X		X	Social
Research & Development	GDP expenditure	%	Highest	Last year available	X	X	No data	Technological
	Exports	$ per capita	Highest	2012	X	X	X	Technological
Energy	Consumption	kWh per capita	Highest	Last year available / estimate	X	X	X	Technological
Telephones	Lines per 100 population	Number	Highest	2010	X	X	X	Technological
	Mobile subscribers per 100 population	Number	Highest	2010			X	Technological
Internet	Hosts per 1,000 population	Number	Highest	2012	X		X	Technological
	Broadband subscribers per 1000 population	Number	Highest	2010	X	X	X	Technological
Cars	per 1,000 population	Number	Highest	Last year available	X	X	X	Technological
Investment climate	na	Score	Highest	2012	X	X	No data	Environmental

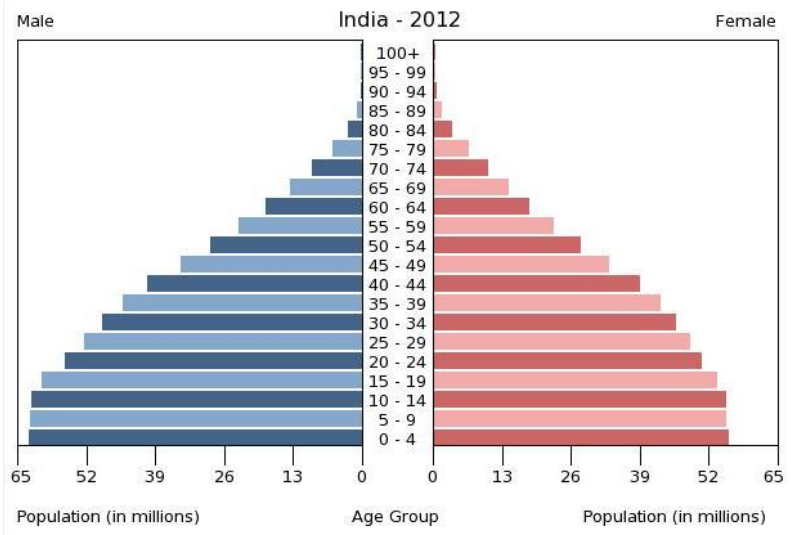
SUBJECT		MEASURE	POSITION	YEAR	7 EAGLEs	2 EAGLEs vs 7 EAGLEs	2 EAGLEs + Advanced Countries	Category
					To improve	Already improved	Already improved	
Area	na	sq km	Highest	na				Environmental
Charges for use of intellectual property	Payments	$ per capita	Highest	2012	X	X	X	Legal
	Receipts	$ per capita	Highest	2012	X	X	X	Legal
Index	Market Potential	Score	Highest	2011			X	Various
	Human Development	Score	Highest	2011	X	X	X	Various
	Economic Freedom	Score	Highest	2014	X	X	X	Various
	Global Competitiveness	Score	Highest	2013-14	X	X	X	Various
	Innovation	Score	Highest	2014	X	X	X	Various
	Networked Readiness	Score	Highest	2014	X	X	X	Various
	Democracy	Score	Highest	2012	X	X	X	Various
	Ease of Doing Business	Score	Highest	2013	X	X	X	Various
	Press Freedom	Score	Highest	2014	X	X	X	Various
	Corruption Perception	Score	Lowest	2013	X	X	X	Various
	Environmental Performance	Score	Highest	2014	X	X	X	Various
	Global Peace	Score	Lowest	2014	X	X	X	Various
	Prosperity	Score	Highest	2013	X	X	X	Various
	Gender Inequality	Score	Lowest	2012	X	X	X	Various
Official reserves	na	$ per capita	Highest	2011	X	X	X	Various

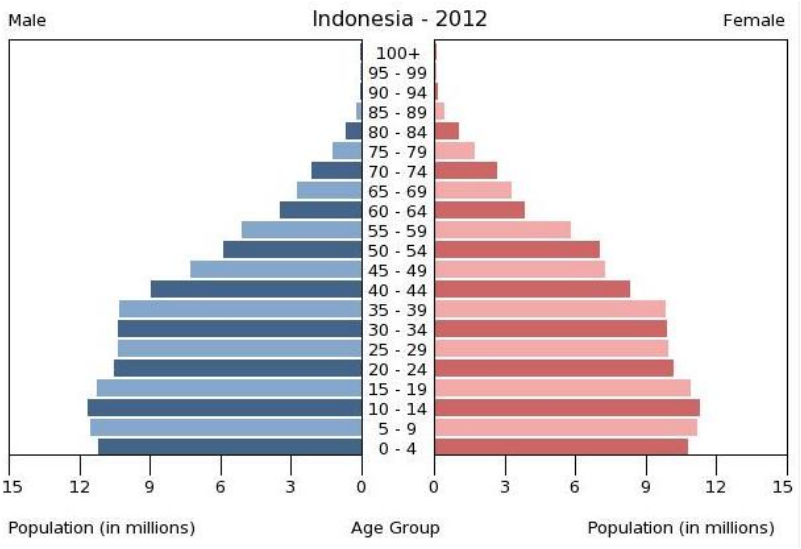
FIGURES

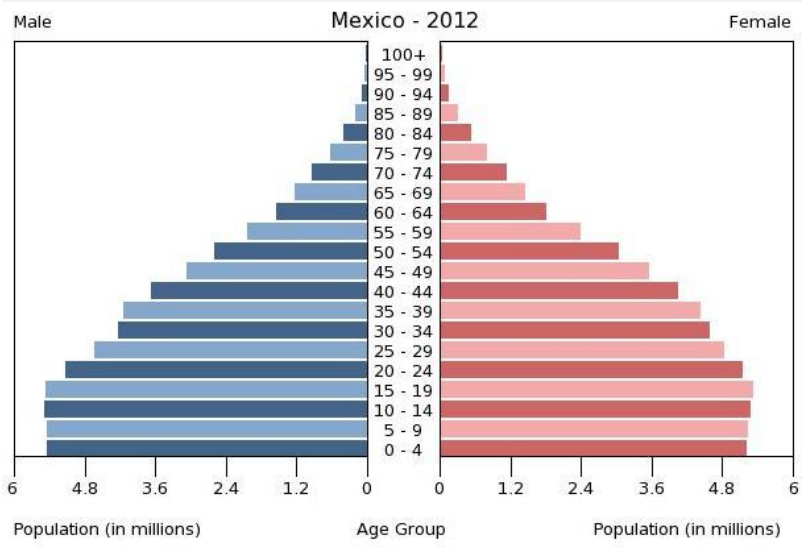
Figure I: Population pyramid of EAGLE's

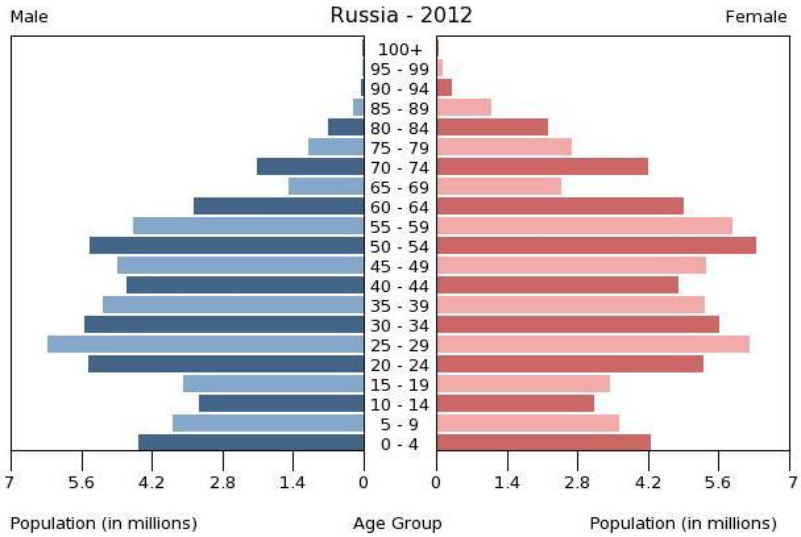


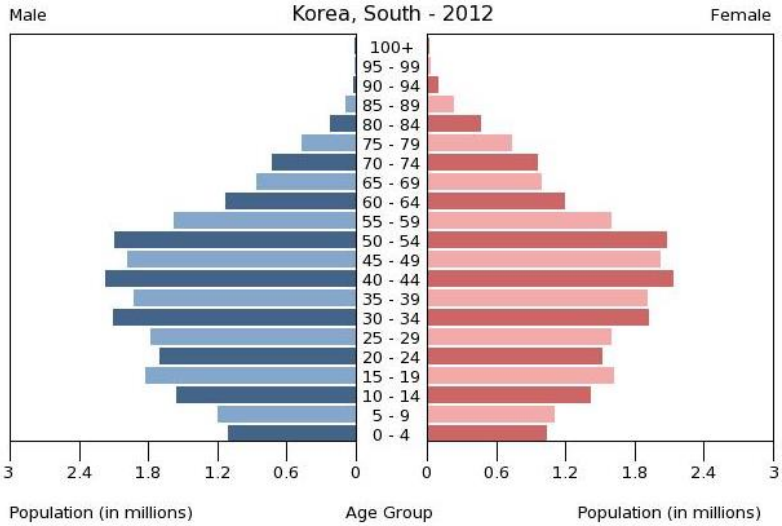


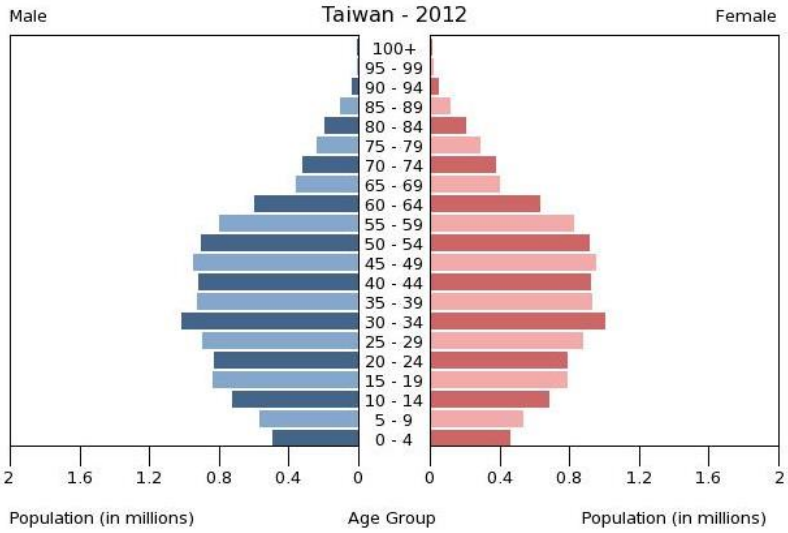

Male
India - 2012
Female
100+
95 - 99
90 - 94
85 - 89
80 - 84
75 - 79
70 - 74
65 - 69
60 - 64
55 - 59
50 - 54
45 - 49
40 - 44
35 - 39
30 - 34
25 - 29
20 - 24
15 - 19
10 - 14
5 - 9
0 - 4
65 52 39 26 13 0
0 13 26 39 52 65
Population (in millions)
Age Group
Population (in millions)


Male
Indonesia - 2012
Female
100+
95 - 99
90 - 94
85 - 89
80 - 84
75 - 79
70 - 74
65 - 69
60 - 64
55 - 59
50 - 54
45 - 49
40 - 44
35 - 39
30 - 34
25 - 29
20 - 24
15 - 19
10 - 14
5 - 9
0 - 4
15 12 9 6 3 0
0 3 6 9 12 15
Population (in millions)
Age Group
Population (in millions)


Male
Mexico - 2012
Female
100+
95 - 99
90 - 94
85 - 89
80 - 84
75 - 79
70 - 74
65 - 69
60 - 64
55 - 59
50 - 54
45 - 49
40 - 44
35 - 39
30 - 34
25 - 29
20 - 24
15 - 19
10 - 14
5 - 9
0 - 4
6 4.8 3.6 2.4 1.2 0
0 1.2 2.4 3.6 4.8 6
Population (in millions)
Age Group
Population (in millions)


Male
Russia - 2012
Female
100+
95 - 99
90 - 94
85 - 89
80 - 84
75 - 79
70 - 74
65 - 69
60 - 64
55 - 59
50 - 54
45 - 49
40 - 44
35 - 39
30 - 34
25 - 29
20 - 24
15 - 19
10 - 14
5 - 9
0 - 4
7 5.6 4.2 2.8 1.4 0
0 1.4 2.8 4.2 5.6 7
Population (in millions)
Age Group
Population (in millions)


Male
Korea, South - 2012
Female
100+
95 - 99
90 - 94
85 - 89
80 - 84
75 - 79
70 - 74
65 - 69
60 - 64
55 - 59
50 - 54
45 - 49
40 - 44
35 - 39
30 - 34
25 - 29
20 - 24
15 - 19
10 - 14
5 - 9
0 - 4
3 2.4 1.8 1.2 0.6 0
0 0.6 1.2 1.8 2.4 3
Population (in millions)
Age Group
Population (in millions)


Male
Taiwan - 2012
Female
100+
95 - 99
90 - 94
85 - 89
80 - 84
75 - 79
70 - 74
65 - 69
60 - 64
55 - 59
50 - 54
45 - 49
40 - 44
35 - 39
30 - 34
25 - 29
20 - 24
15 - 19
10 - 14
5 - 9
0 - 4
2 1.6 1.2 0.8 0.4 0
0 0.4 0.8 1.2 1.6 2
Population (in millions)
Age Group
Population (in millions)

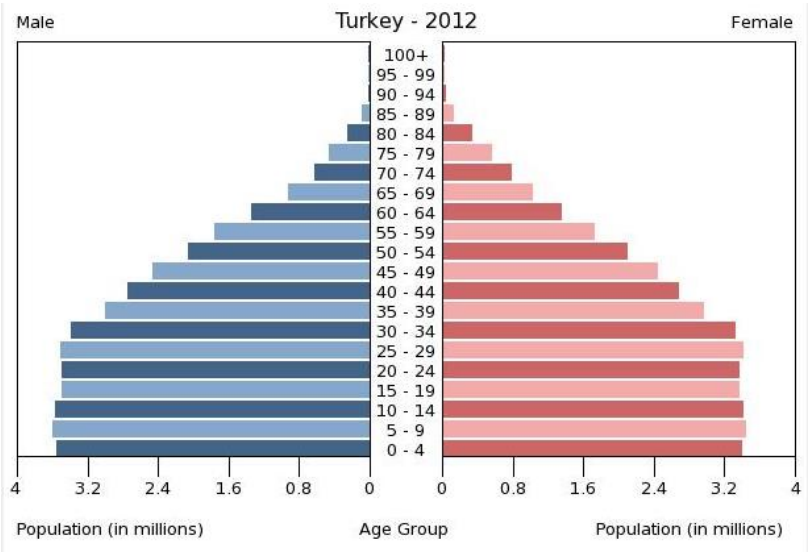


Figure II: Share of key global economic factors

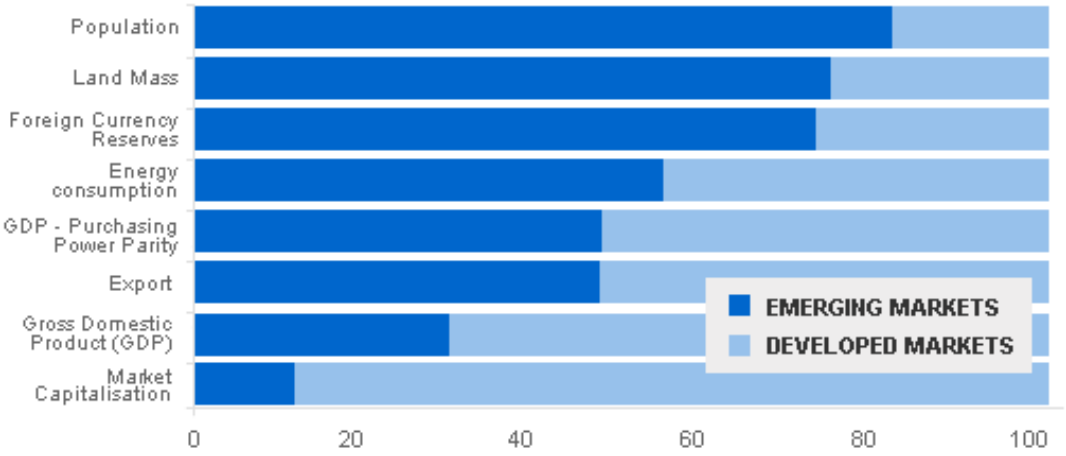
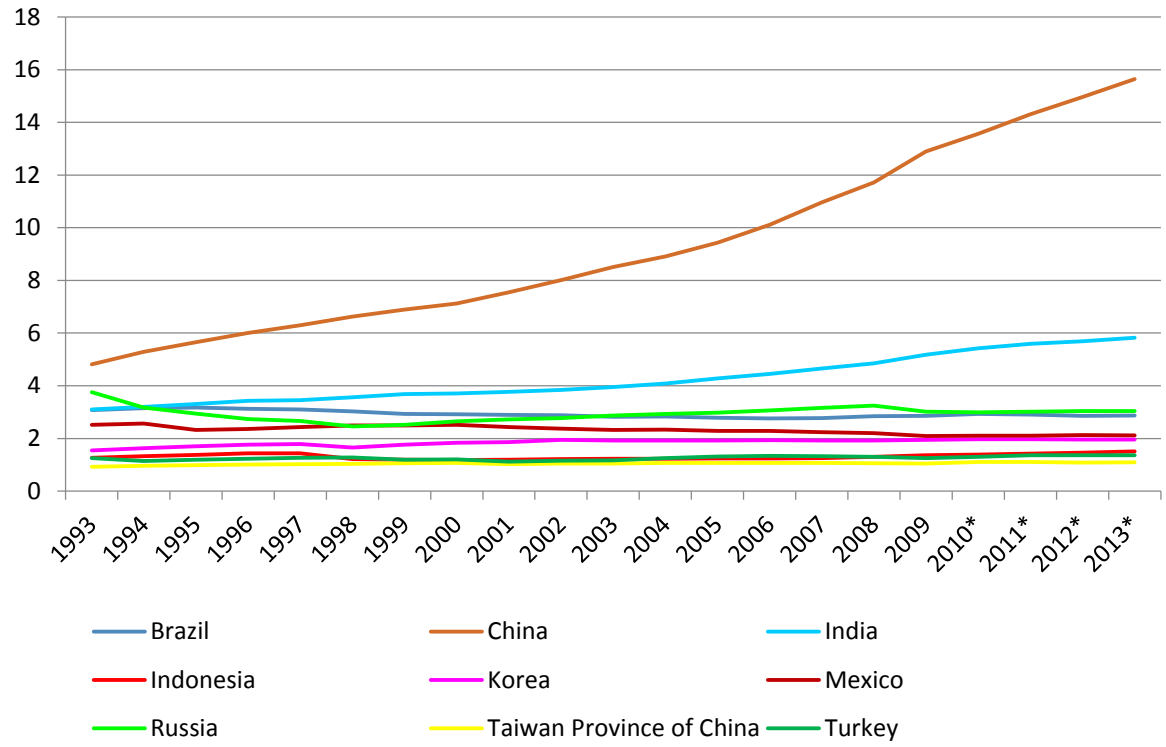


Figure III: GDP based on PPP share of world total – Emerging countries

(Percentage, 2012)



* Estimation

Note: These countries were selected based on the group of emerging countries which compose the EAGLEs (BBVA Research)

Figure IV: Export shares fall for the developed, climb for the developing

(Percentage of world merchandise exports)

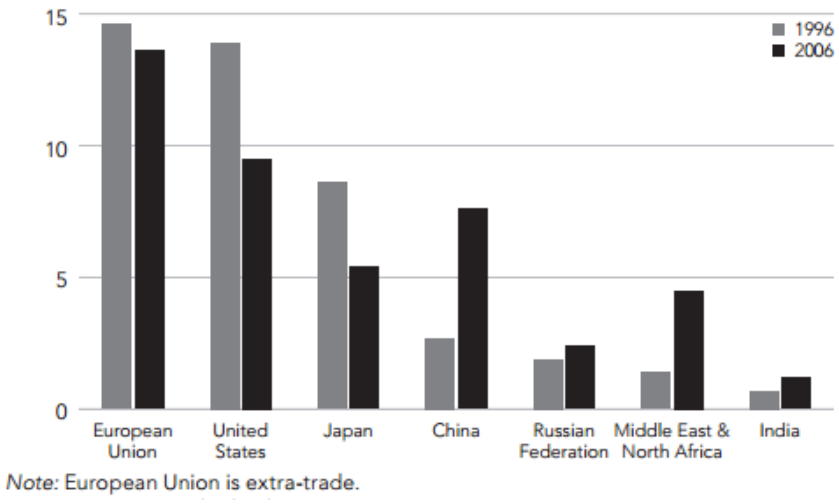


Figure V: Financial flows to developing countries – Risings before The Great Recession

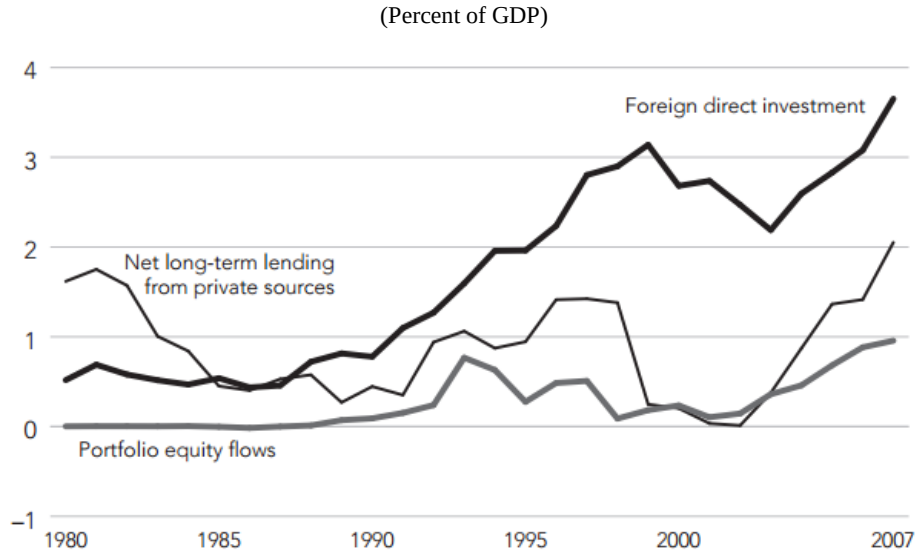


Figure VI: Developing country reserves surpass the high-income share

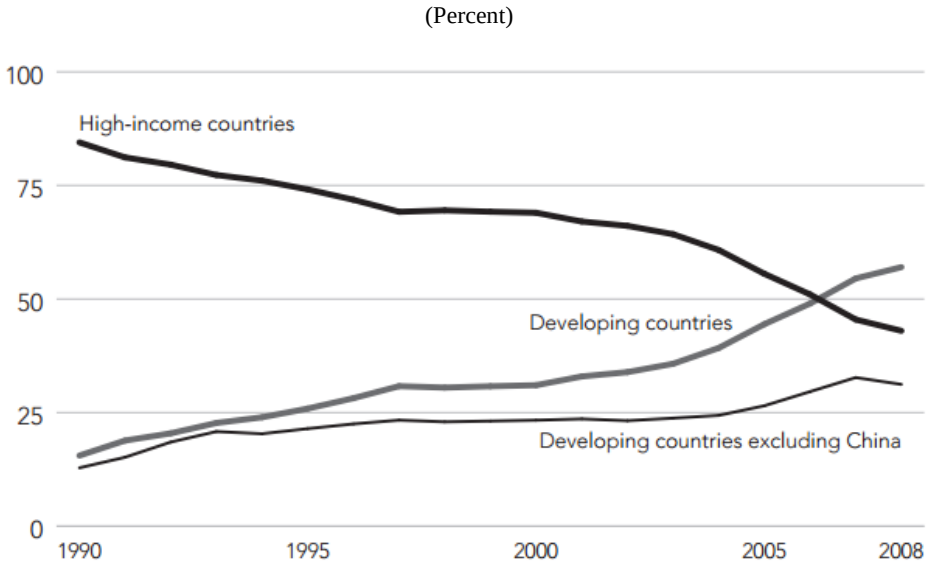


Figure VII: FDI inflows, global and by group of economies

(Billions of dolars, 1995-2011)

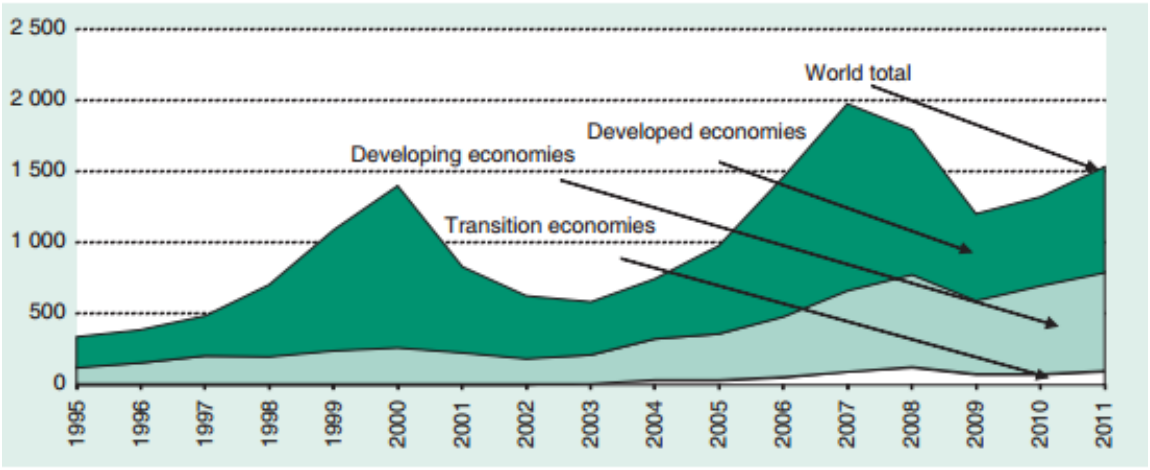


Figure VIII: FDI outflow shares by major economic groups

(Percent, 2000-2011)

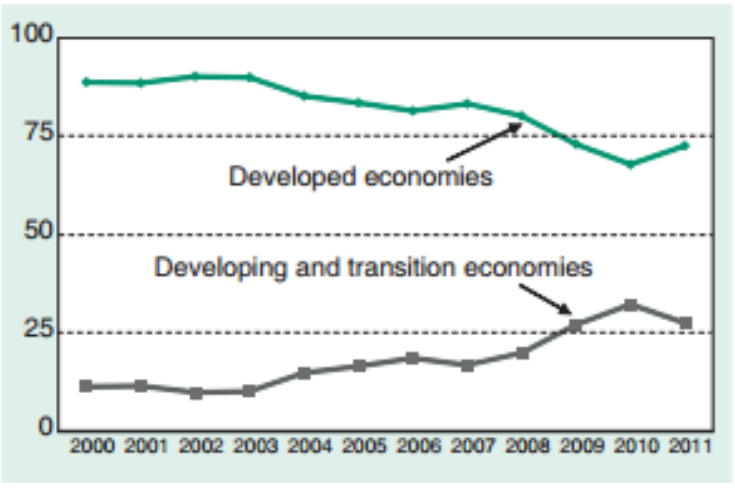


Figure IX: MNC's top prospective host economies for 2012-2014

(Percentage of respondents selecting economy as top destination)

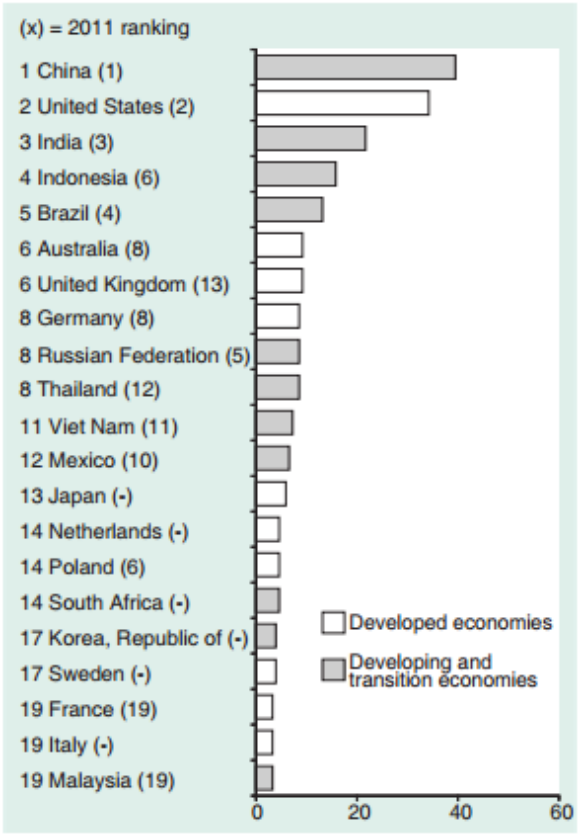


Figure X: More immigrants in industrial countries

(Percent of population)

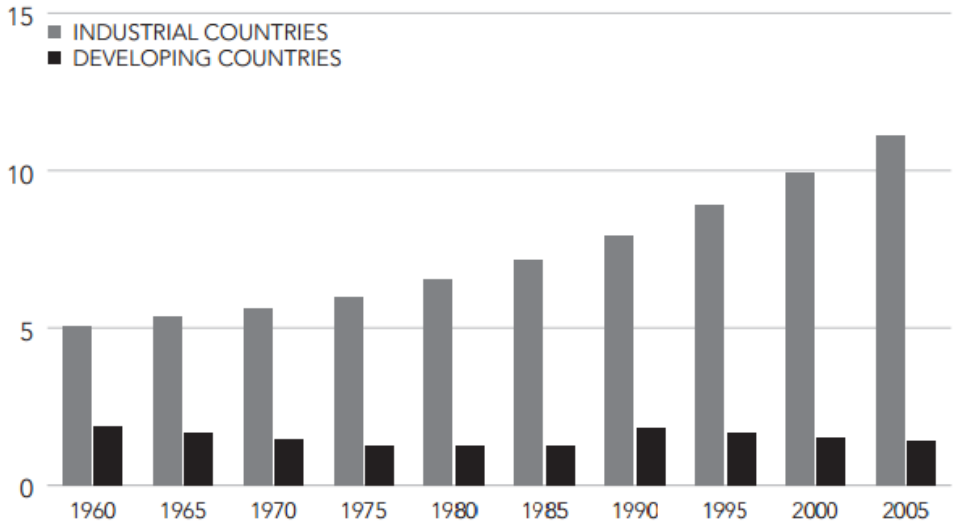


Figure XI: Membership criteria for the EAGLEs and the Nest

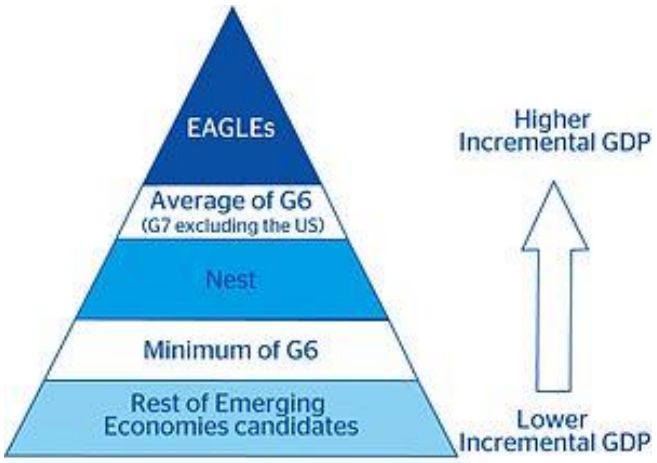


Figure XII: EAGLEs and Nest

(2012)

Figure XIII: 45 EM without BRICs vs G6: current economic size and incremental GDP 2011-2021

(billion USD, adjusted by PPP)

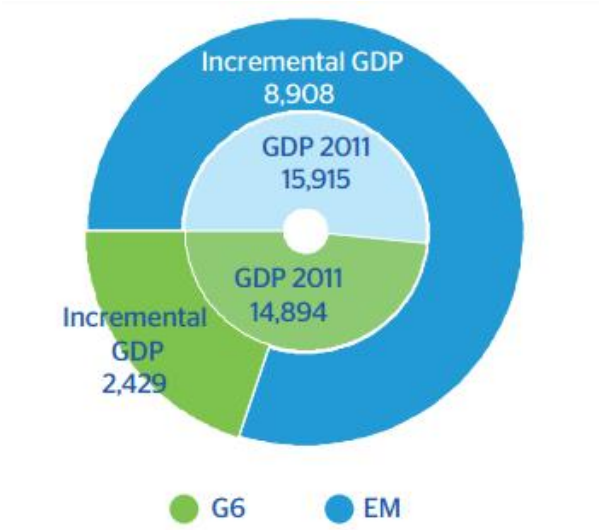


Figure XIV: EAGLEs, Nest and G7: current economic size and incremental GDP 2011-2021

(billion USD, adjusted by PPP)

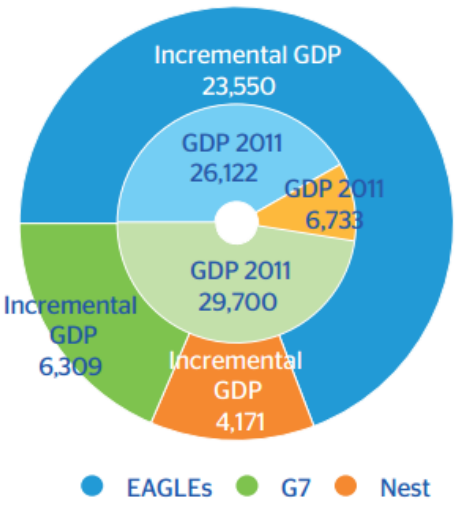


Figure XV: Real GDP growth rates adjusted by PPP

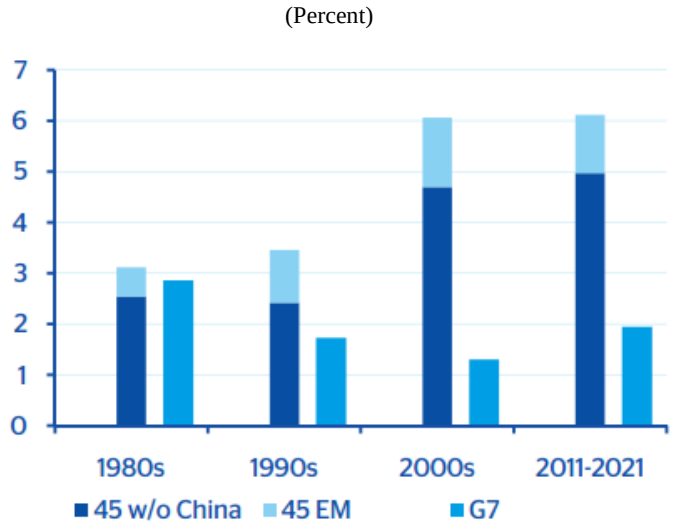


Figure XVI: Share of World GDP adjusted PPP: 45 Emerging Markets vs Industrialized Economies

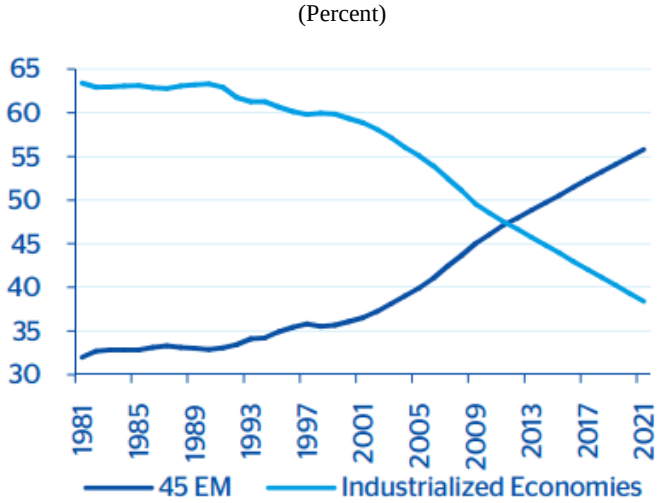


Figure XVII: Global Leaders in the next 10 years: GDP adjusted by PPP

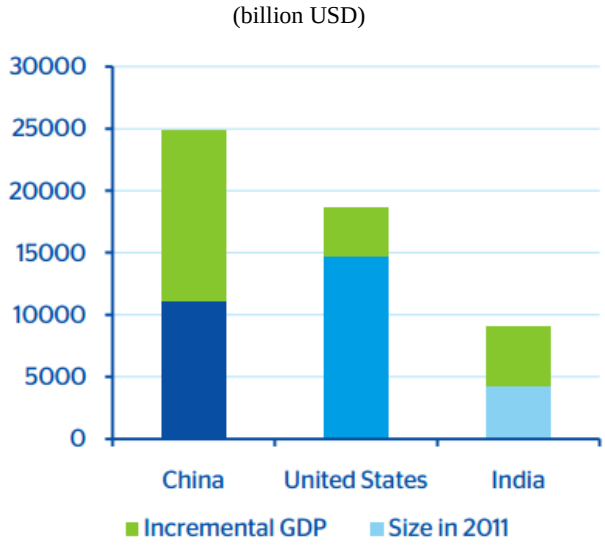
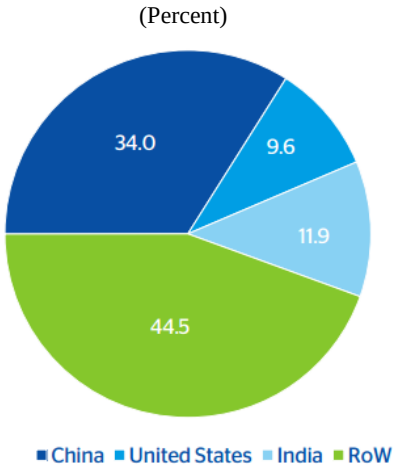


Figure XVIII: Global Leaders in the next 10 years: contribution to World economic growth 2011-2021



RoW: Rest of the World

Figure XIX: EAGLEs (excluding China and India): contribution to World economic growth 2011-2021

(Percent)

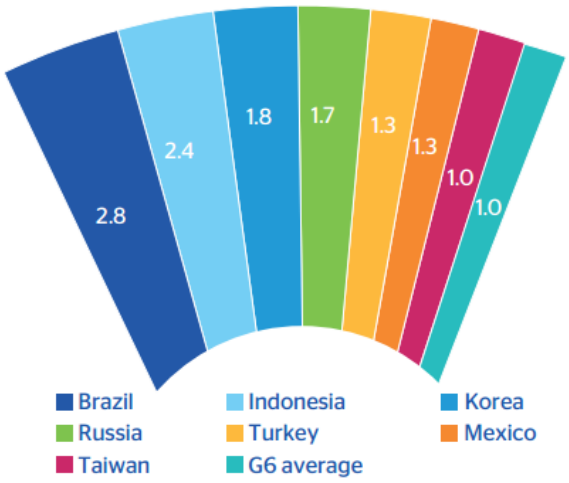


Figure XX: G6 (G7 excluding the US): contribution to World economic growth 2011-2021

(Percent)

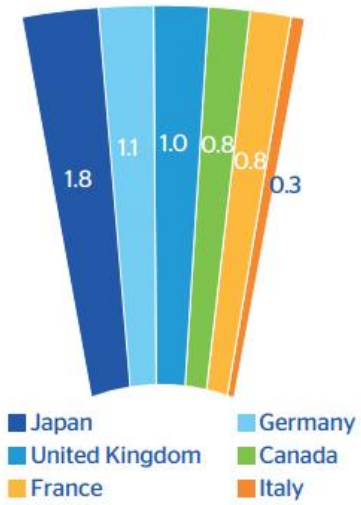
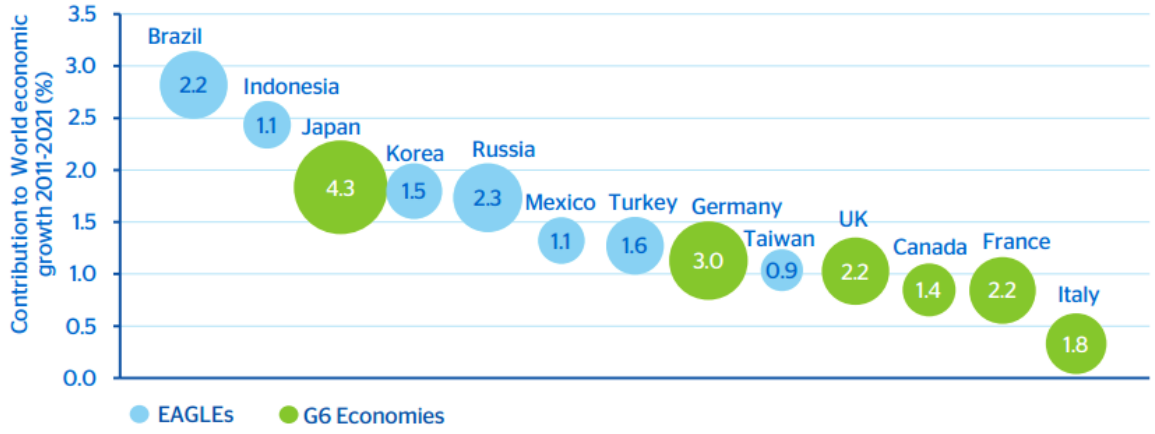


Figure XXI: EAGLEs (excluding China and India)* vs G6 Economies: current economic size and contribution to World economic growth 2011-2021**

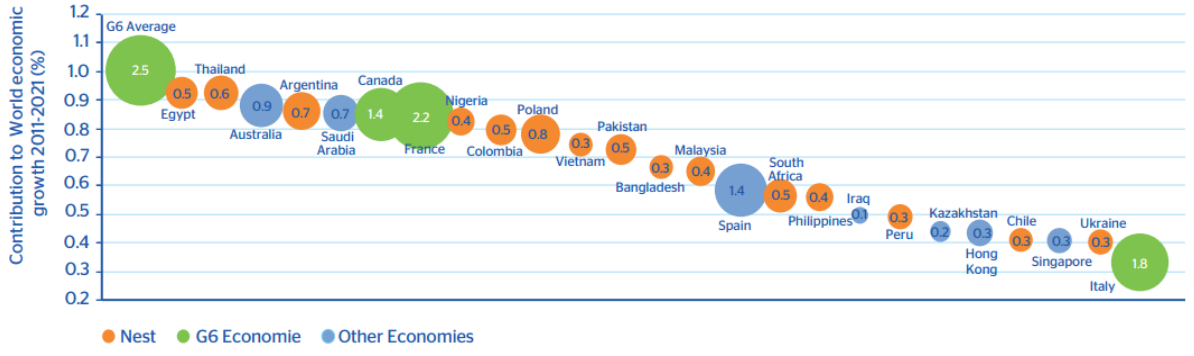
(Percent)



* China and India are off the chart, contributing 34% and 12% with the current size of USD 11 trillion and USD 4.3 trillion respectively.
** Size of the bubble represents the GDP in trillion USD adjusted by PPP in 2011

Figure XXII: Nest, G6 and Other Economies: current economic size and contribution to World economic growth 2011-2021*

(Percent)



* Size of the bubble represents the GDP in trillion USD adjusted by PPP in 2011

Figure XXIII: Contribution to World economic growth by region between 2011-2021

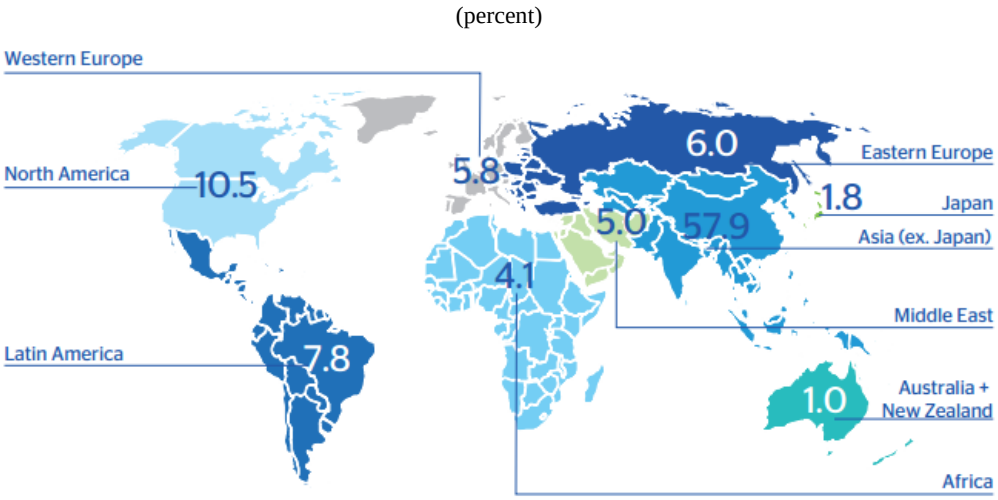
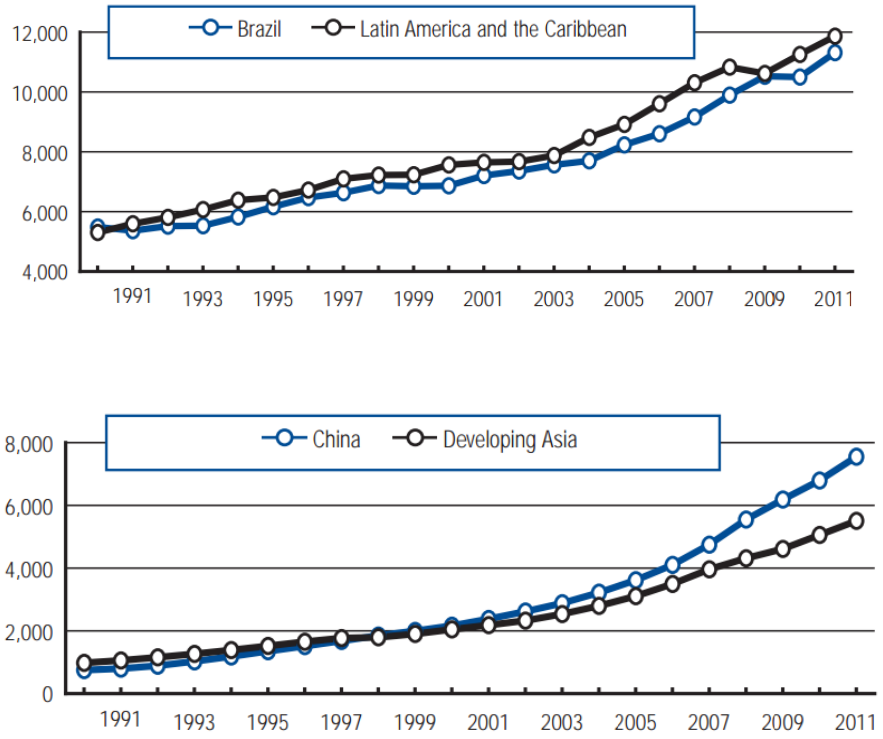
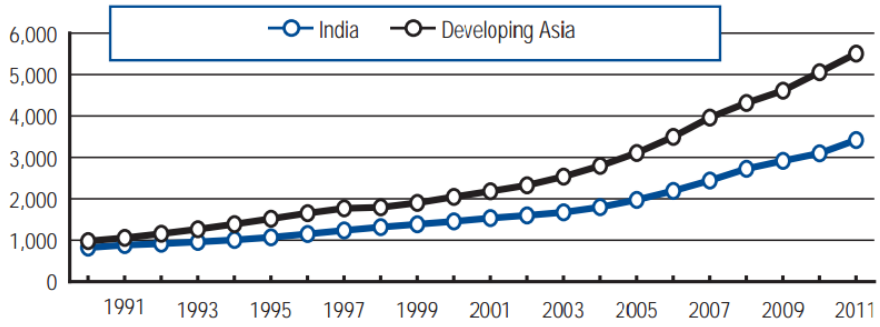
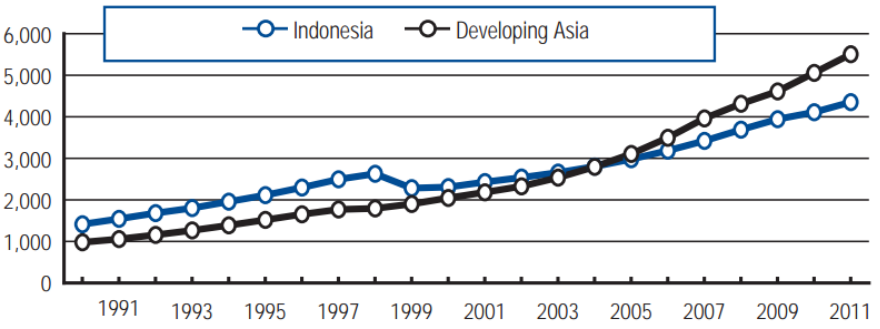
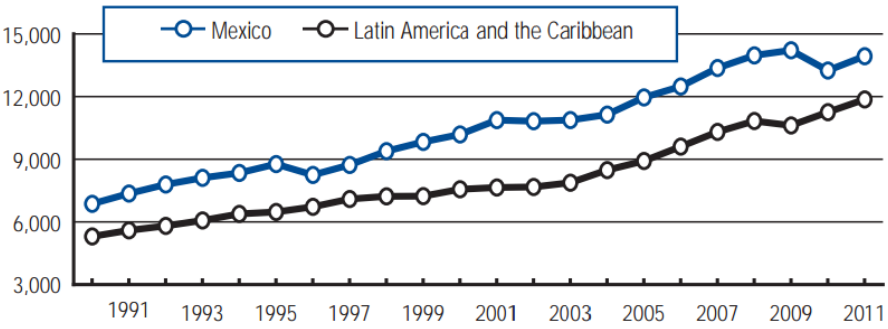


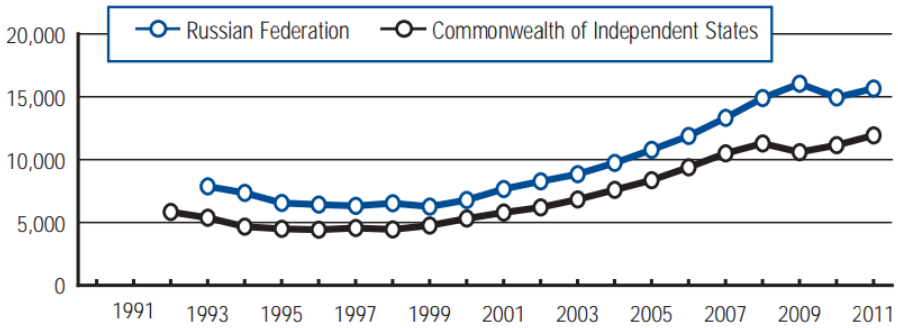
Figure XXIV: GDP (PPP) per capita (intl $), 1990-2011

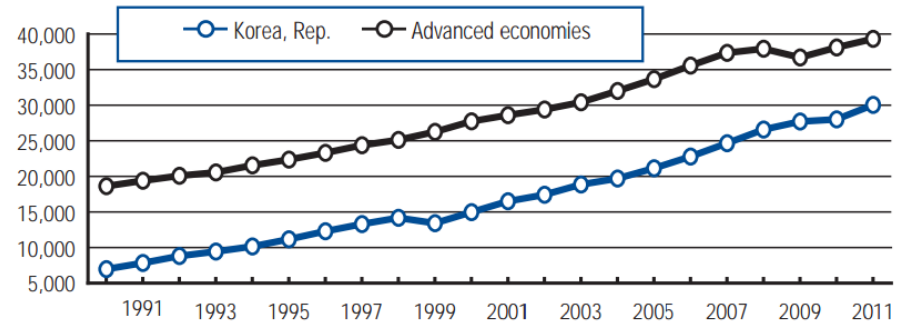


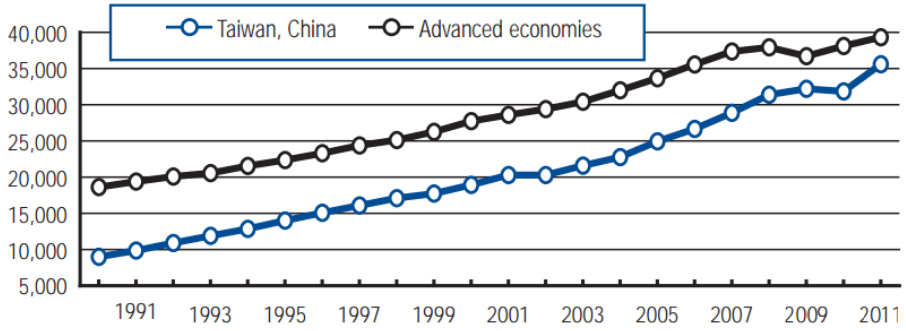

India
Developing Asia
6,000
5,000
4,000
3,000
2,000
1,000
0
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011


Indonesia
Developing Asia
6,000
5,000
4,000
3,000
2,000
1,000
0
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011


Mexico
Latin America and the Caribbean
15,000
12,000
9,000
6,000
3,000
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011


Russian Federation
Commonwealth of Independent States
20,000
15,000
10,000
5,000
0
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011


Korea, Rep.
Advanced economies
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011


Taiwan, China
Advanced economies
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011

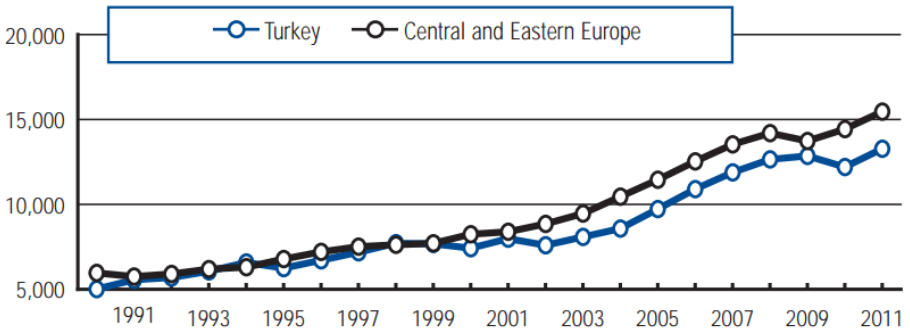

Turkey
Central and Eastern Europe
20,000
15,000
10,000
5,000
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011

Figure XXV: 2050's new triad

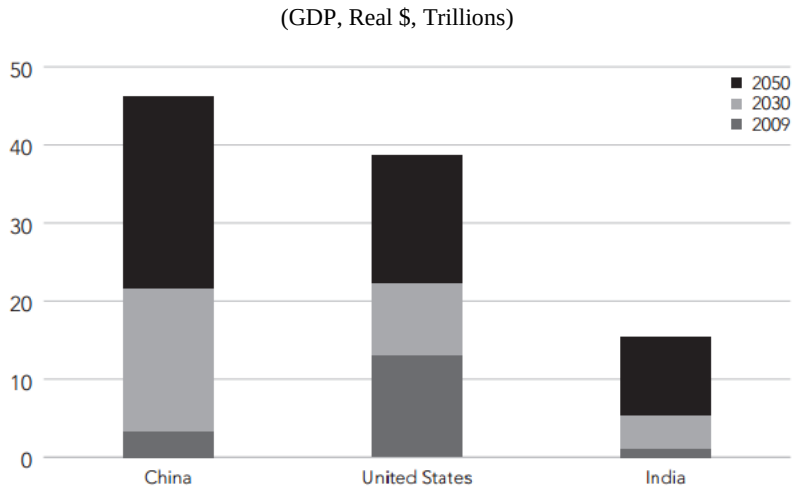


Figure XXVI: Average real growth in GDP at PPP (2011 – 2050)

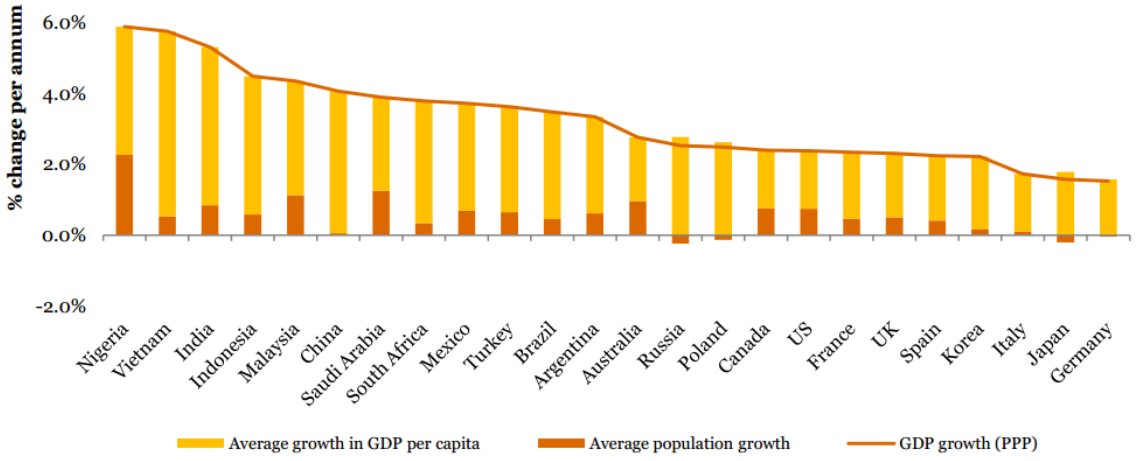


Figure XXVII: Relative size of G7 countries and E7 economies: 2011 and 2050

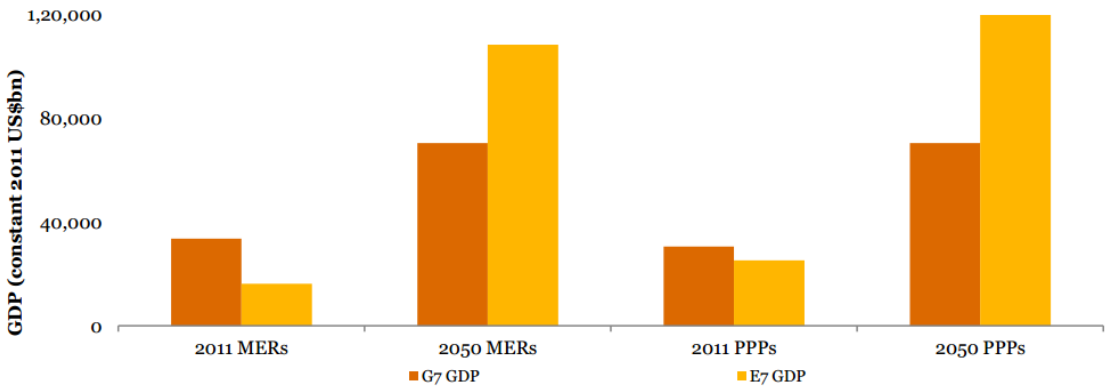


Figure XXVIII: E7 and G7 growth paths in PPP terms

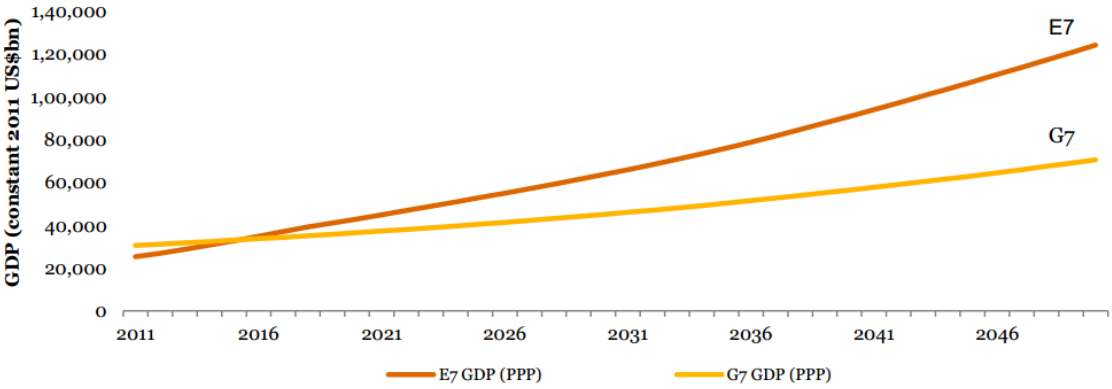


Figure XXIX: Relative GDP at MER's and PPP's in 2050 (as % of US level)

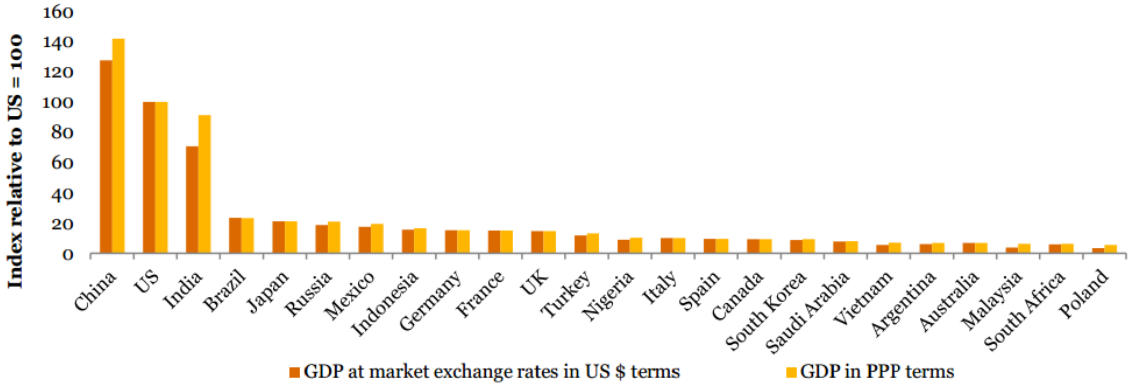


Figure XXX: Projected GDP growth paths of China and the US

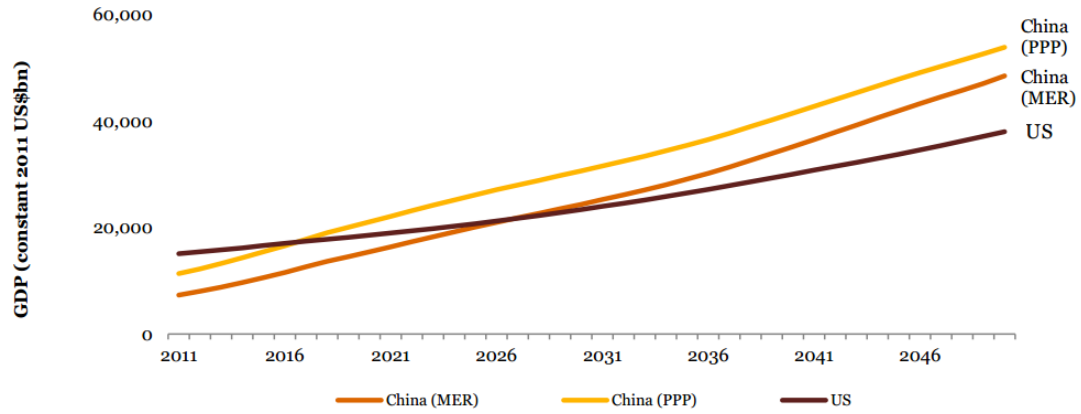


Figure XXXI: GDP per capita levels in PPP terms for the G7 and E7 economies

Figure XXXII: UN estimates of average working age population growth to 2050 (% per annum)