

Country Forecasts

Unrivalled medium and long-term forecasts for 82 countries

Country Forecasts focus on how economic and political developments will shape the business environment in 82 of the world's largest economies over the next five years. The reports provide access to a comprehensive set of political, economic, and business environment forecasts that are continuously updated and written from the point of view of foreign investors. Country Forecasts also include 20-year forecasts for a range of key indicators, as well as analysis of the long-term trends that influence economic outcomes and business decision making.

A key feature of Country Forecasts is a set of business environment rankings that assess the attractiveness of the investment climate across 82 countries, allowing subscribers to make comparisons across countries and over time. Alongside the rankings, our country experts present in-depth analysis on various facets of the business environment, providing insights into key risks and opportunities.

Country Forecasts are available for 82 countries, with one main annual report and eleven monthly updates produced each year. Quarterly PowerPoint presentations supplement online subscriptions, distilling our analysis and allowing subscribers to incorporate our forecasts easily into their own presentations.

Monthly updates contain a condensed analysis and forecast for the country based on the most recent events plus a full set of historic and five-year forecast data. Our country-by-country expertise and the in-depth analysis that we provide make Country Forecast an ideal resource for the global investor.

Use Country Forecast as:

- **A planning tool for anticipating future opportunities and risks**

Country Forecasts identify how economic and political developments will shape the business environment.

- **A country comparison tool**

Our business environment rankings allow clients to evaluate and compare investment conditions across countries, while the consistent set of data provided in each report helps you compare conditions across countries.

- **A reliable source for identifying the best places to do business**

Country Forecasts provide a clear evaluation and detailed analysis of each country's:

- institutional and political environment
- macroeconomic environment
- market opportunities
- policy towards private enterprise and competition
- policy towards foreign investment
- foreign trade and exchange controls
- taxation and financing issues
- labour market and infrastructure

- **A tool for developing long-term strategies**

Country Forecasts deliver 20-year forecasts for a range of key demographic and economic indicators, as well as analysis of institutional and policy trends that influence long-term economic outcomes.



Expect unrivalled accuracy, expertise, and rigorous methodology

It is our analytical framework and forecasting methodology that gives us our competitive edge. Our forecasts are grounded in tested models, with carefully vetted data and a quality-control process that ensures both accuracy and consistency. The Economist Intelligence Unit has an unrivalled track record for prescient analysis and accurate forecasting.

Country Forecasts provide in-depth and unbiased analysis alongside some 375 macroeconomic data series. Forecasts are always up-to-date, consistent with our global view and subject to a rigorous in-house checking process.

Our business environment rankings model meshes qualitative assessments with quantitative data from our economic forecasts. Our methodology enables our analysts to assign numerical scores to factors as varied as the quality of the road infrastructure and the credibility of the central banks, allowing us to assess complex qualitative information in a structured way. From this wealth of highly structured data we can assemble valuable league tables of countries, track each country's performance over time and assess how changes to one aspect of a country's business environment alter our overall assessment.

Our country economic model produces numerical forecasts covering a multitude of indicators. Forecasts are generated in proprietary spreadsheet-based models, using a framework that is carefully customised for each individual economy and structured to ensure internal consistency.

What you receive:

- **Highlights**—key features of a country's medium-term economic and political prospects; also includes business environment rankings, outlook for demographics, market opportunities forecast and long-term outlook summary.
- **Political forecast**—forward-looking analysis of key political trends.
- **Demographic assumptions**—discussion of how future population trends will affect the country's business and economic outlook.
- **Policy and business outlook**—evaluation of the operating climate in terms of policies towards private enterprise and competition, foreign investment, foreign trade and exchange controls, taxes, infrastructure, financing, and labour market issues. Also includes business environment rankings.
- **Economic forecast**—GDP growth and its components; wage and price inflation; exchange rates; foreign trade and payments; external debt; foreign direct investment.
- **Market opportunities**—discussion of medium-term market opportunities, including the way in which consumer markets will be influenced by macroeconomic developments.
- **Long-term outlook**—including projections of key macroeconomic and market size variables, as well as institutional and policy trends for a 20-year period.
- **Data summary**—tabulation of all economic forecasts in the report in addition to historical data.

Global Outlook

EIU's Global Outlook report provides an in-depth five-year macroeconomic forecast for the world economy. The report presents clear analysis of the complex global trends that influence markets and business, including analysis on monetary policies, exchange rates, commodity prices and trade, as well as regional outlooks.

Regional Outlooks

EIU's quarterly Regional Forecasts provide political and economic forecasts, business environment rankings and in-depth articles on key regional issues. The reports also include regional aggregates of key macroeconomic data. The forward-looking regional analysis complements the in-depth country analysis of the other Country Forecast reports.

Analyst outlook presentations & consultations

Our specialists regularly address the world's leading organisations, providing independent and objective input into confidential in-house planning sessions and strategic decision-making meetings—as well as large client gatherings and external conferences. Our analysts are equipped to brief at board, regional, and local levels in both the corporate and government spheres.

To learn more, visit us at eiu.com/speakers

Annual data

Annual data	2009*	Historical average (%)	2010-11
Population (M)	43.2	Population growth	1.0
GDP (US\$ bn, market exchange rate)	363.77	Real GDP growth	0.7
GDP per head (US\$ market exchange rate)	844.27	Real domestic demand growth	1.3
GDP per head (US\$ purchasing power parity)	7,083	Inflation	0.8
GDP per head (US\$ purchasing power parity)	14,384	Current account balance (% of GDP)	2.0
Exchange rate (US\$ Per US\$)	1.00	FDI inflows (% of GDP)	2.5

Download the numbers in Excel

Background: Economic liberalisation in the 1990s under the Carlos Menem (1989-99) of the Partido Justicialista (PJ), followed by a failure to deepen structural reforms left the economy vulnerable to external shocks, contributing to the collapse in December 2003 of Fernando de la Rúa's centre-left government and of the main opposition party, the Unión Cívica Radical (UCR), and leading in 2003 to a presidential win for the PJ's Néstor Kirchner. Benefiting from an extraordinarily favourable global environment, Mr Kirchner presided over an economic rebound despite an array of extraordinary policies. The best-guess factor carried the win. Cristina Fernández (a PJ senior lieutenant) has steadily opposed Kirchner's policies but the PJ political structure, democracy widely respected, a strong party...

Fundamental Indicators

Real GDP growth (% YoY)

Private sector credit (% of GDP)

Exports (US\$ bn)

Fiscal risk (change %)

Economic forecast: Global outlook

	2009	2010	2011	2012	2013	2014
Real GDP growth (%)	-4.4	5.8	5.8	5.8	5.8	5.8
Japan	-5.5	5.2	5.2	5.2	5.2	5.2
China	5.9	7.8	7.8	7.8	7.8	7.8
World (market exchange rates)	-1.2	5.1	5.1	5.1	5.1	5.1
World (PPP exchange rates)	0.9	7.1	7.1	7.1	7.1	7.1
World trade growth (%)	-11.3	6.0	6.0	6.0	6.0	6.0
Consumer price inflation (%)	0.2	3.0	3.0	3.0	3.0	3.0
USA	0.4	3.0	3.0	3.0	3.0	3.0
Japan	0.4	0.4	0.4	0.4	0.4	0.4
China	3.2	3.2	3.2	3.2	3.2	3.2
Export price inflation (%)	1.4	0.9	0.9	0.9	0.9	0.9
Manufacturing (US\$)	62.2	62.2	62.2	62.2	62.2	62.2
Government (US\$)	12.0	12.0	12.0	12.0	12.0	12.0
Real, housing, transport	20.4	20.4	20.4	20.4	20.4	20.4
Total of all materials	-75.0	30.0	30.0	30.0	30.0	30.0

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Stronger risks to the growth outlook from 2011

- The global recovery, which first started in Asian emerging markets, but has since spread to most major regions, is being supported in 2010 by policy stimulus and the rebounding of inventories.

Domestic politics

The Congressional Intelligence Unit expects an extended period of political tension in the run-up to the presidential election in October 2011, as relations between the left, populist government led by president, Cristina Fernández de Kirchner, and the opposition-led Congress deteriorate. Against the backdrop, a variety of factors raise the risk of destabilising pro- or anti-government, including the recent re-emergence of food price inflation. To keep a lid on discontent and with an eye to the 2011 presidential election, the government will maintain its tight expansionary fiscal policies, which are targeted at gaining the support of key local politicians and the urban poor. Already, and in the midst of a rapid economic rebound, this policy appears to be driving a gradual recovery in the government's approval ratings to a (still low) 20-25%, making it increasingly likely that Néstor Kirchner, Mr Fernández's husband and presidential predecessor, will win the presidential race. But although Mr Kirchner will be able to use the powers of incumbency to his advantage, we continue to base our forecasts on the assumption that the Kirchners will use office next year, given rising discontent with inflation, crime, corruption and clientelism.

Since all the potential opposition front-runners currently express more left-wing and less interventionist economic policies than the current government, we assume that a more to the left administration is in prospect from 2012. But with a pattern of potential opposition presidential candidates who are still reluctant to announce their candidacies, and in a highly uncertain political environment where political alliances are changing rapidly, there is a high degree of uncertainty over who will win the 2011 presidential election at this stage. In the meantime, we expect a period of legislative gridlock and frequent policy reversals in a polarised and highly fractious Congress.

Which countries are covered?

Americas

- Argentina • Brazil • Canada
- Chile • Colombia • Costa Rica
- Cuba • Dominican Republic
- Ecuador • El Salvador • Mexico
- Peru • United States • Venezuela

Africa and the Middle East

- Algeria • Angola • Bahrain
- Egypt • Iran • Israel • Jordan
- Kenya • Kuwait • Libya
- Morocco • Nigeria • Qatar
- Saudi Arabia • South Africa
- Tunisia • United Arab Emirates

Asia and Australasia

- Australia • Bangladesh • China
- Hong Kong • India • Indonesia
- Japan • Malaysia • New Zealand
- Pakistan • Philippines • Singapore
- South Korea • Sri Lanka • Taiwan
- Thailand • Vietnam

Eastern Europe

- Azerbaijan • Bulgaria • Croatia
- Czech Republic • Estonia • Hungary
- Kazakhstan • Latvia • Lithuania
- Poland • Romania • Russia
- Serbia • Slovakia • Slovenia • Ukraine

Western Europe

- Austria • Belgium • Cyprus
- Denmark • Finland • France
- Germany • Greece • Ireland
- Italy • Netherlands • Norway
- Portugal • Spain • Sweden
- Switzerland • Turkey • United Kingdom

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