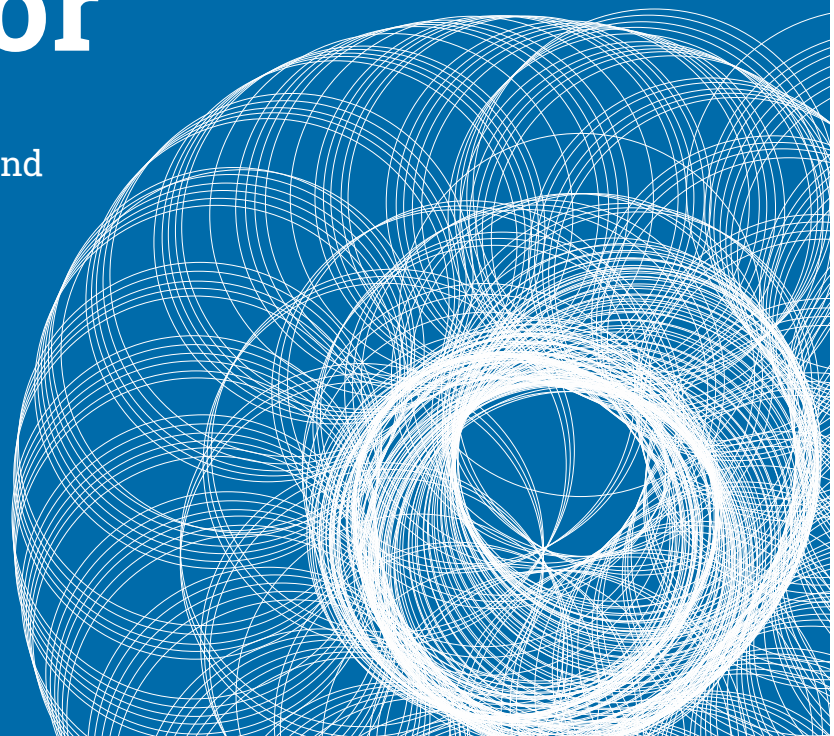


Country Risk Monitor

Risk and Strategy
for a Globalised Scotland



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Contents

3	About Scotianomics
4	Executive Summary
5	Introduction
6	Scotland and globalisation
7	The Scotianomics Country Risk Monitor
8	Methodology
8	Components
11	Results
12	Uses for this resource
14	Scotland's Future: A Strategy
16	Policy recommendations for the Scottish Government
17	Appendix 1
19	Appendix 2
27	Appendix 3
27	Country profiles: East Asia and Pacific
31	Country profiles: Europe and Central Asia
39	Country profiles: Latin America and Caribbean
40	Country profiles: Middle East and North Africa
42	Country profiles: North America
43	Country profiles: South Asia
44	Country profiles: Sub-Saharan Africa

About Scotianomics

In the 21st century data is everywhere but it is the analysis that transforms data into valuable, actionable knowledge that is key to success.

Organisations, both in Scotland's private and public sectors, lack access to useful, reliable data and value-added analysis of the kind that most advanced countries take for granted. This creates a hidden but real disadvantage for Scottish business, limits public policy and disrupts the pursuit of shared prosperity.

Scotianomics aims to spark a knowledge revolution and inform the decision makers on Scotland's economy. We provide cutting-edge intelligence and strategic planning resources so that stakeholders can gain a wide view of the threats and opportunities in the world through our geopolitical, economic and policy analysis, unique historical datasets, risk and opportunity forecasts, Geographic Information System mapping solutions and strategic planning services.

Gordon MacIntyre-Kemp

Director

Executive Summary

- This report introduces a dataset analysing country risk for 41 of Scotland's most important trading partners.
- It has been built by compiling and comparing data across a range of variables covering the political, social, economic, business and environmental performance of countries.
- The report should be used by businesses in Scotland looking to expand economic relations abroad, or by policymakers who want to encourage greater trade between Scotland the world.
- The data should be used by both private and public organisations to assess the level of risk entailed in promoting or embarking on increased trade with a particular country, as well as any ethical issues that should be taken into consideration. It can also be used by companies or charities with a specific social purpose to identify where they would likely have the most impact abroad.
- In this report we demonstrate that Scotland performs strongly in trade between advanced economies but should now look to increase its level of trade with emerging markets, where most of the economic opportunities now exist, and where the most social impact can be generated.

Introduction

It is becoming increasingly hard to speak of a truly local economy. Today, more goods and services are traded globally than ever. More people and investment cross borders than ever. More countries possess the debts of others than ever. In this age, the competitive focus of governments, businesses and civil society organisations has been on building the most expansive and robust global networks. The results have been remarkable, as the world's population has witnessed great leaps in human development, particularly in the developing world.

But with the formation of global networks, the world's many societies have also become more dependent on events occurring outside of their borders. Economic, political, social and ecological conditions matter to the security of global networks; sudden crises arising out of policy failures can disrupt trade, travel, labour, investment and financial relationships between states and regions. This, in turn, threatens to undermine the progress that has been made in recent times.

In 2008 the global financial crisis, originating in American mortgage markets, sent shockwaves across the world as it spread through international financial markets and disrupted inter-bank borrowing and lending, the financial shock subsequently decreasing demand for goods and services. Now the world faces another international crisis, as a virus originating in China has spread across borders as a result of movement of people, disrupting travel and bringing many economies to a near halt.

These are just some of the major security issues to be concerned about. They are themselves punctuated by many regular, smaller crises occurring regionally or between a smaller number of countries; from sovereign debt crises, to Brexit, to tensions in the Middle East and renewed geopolitical competition between the world's great powers – China, the US, the EU, and Russia.

Faced with such conditions, public and private organisations are seeking ways to anticipate, and rapidly respond to, potential crises.

Scotland and globalisation

Between 1998 and 2018, the Scottish Government reports Scotland's onshore imports and exports internationally to have increased by 99 per cent.¹ Factoring in trade with the UK, much of which is also linked to international markets, this figure climbs to 106 per cent. Since 2001, over 633,000 people have moved to Scotland from abroad, while over 411,000 have moved from Scotland to countries abroad.² In net terms, 222,000 people have moved to Scotland in this time, making flows of inward migration critical to keeping population levels in Scottish communities healthy and its economy performing strongly. In other areas too, from tourism to foreign direct investment, finance, and many more, Scotland has become increasingly internationalised.

Between 1998 and 2018, the Scottish Government reports Scotland's onshore imports and exports internationally to have increased by 99 per cent

The Scottish Government intends to considerably expand Scotland's international relationships. Since Scotland's devolved government was established, it has begun participating in more of its own international development projects, having at this stage established four partnerships with developing countries. Eight offices have been opened between North America, Europe and Asia working to promote Scottish interests, while Scottish Development International has 30 offices globally that work to grow Scottish trade and investment.

Edinburgh is likewise developing strategies of engagement with some the world's largest, and/or promising, economies. The First Minister has recently launched the GlobalScot trade programme, which aims to multiply Scotland's business network abroad from 600 to 2,000 business representatives, likewise increasing Scotland's exports as a share of GDP from 20 to 25 per cent.³

1 Scottish Government (2020) 'Quarterly National Accounts 2019, Quarter 3', Available Online: [<https://www.gov.scot/publications/gdp-quarterly-national-accounts-for-scotland-2019-q3/>].

2 National Records of Scotland (2020) 'Total Migration to or From Scotland', Available Online: [<https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/migration/migration-statistics/migration-flows/total-migration-to-or-from-scotland>].

3 Scottish Government (2020) 'Economic Action Plan 2019-20: Exports', Available Online: [<https://economicactionplan.mygov.scot/international/exports/>].

The Scotianomics Country Risk Monitor

This is the first edition of the Scotianomics Country Risk Monitor, an index of good governance and well-being covering social, political, economic, ecological and business performance. Each indicator is an umbrella for sub-categories covering various aspects of risk, security and policy performance.

Together, they form a picture of macro risk, a comprehensive tool for analysing a country's stability and level of progress. This edition covers 41 of Scotland's biggest trade partners. It is designed to meet the present challenges facing an increasingly globalised Scotland and the future challenges that will arise as the Scottish Government attempts to further internationalise the economy.

It should, therefore, be used by public and private organisations in Scotland which want to pursue further economic and political relationships abroad, in countries with which Scotland already has significant dealings. Future editions of the Country Risk Monitor will include more countries, to generate a more comprehensive picture of the state of the world.

This resource arms public and private organisations in Scotland with a strategic tool to protect existing, or plan proposed, international partnerships — identifying risks and opportunities across their country networks. It will also assist in providing an index of ethical criteria to inform investment decisions, in line with the United Nation's Sustainable Development Goals and the Scottish Government's new well-being agenda, being developed in co-ordination with the Well-Being Economy Governments intergovernmental forum, composed currently of Iceland, Scotland and New Zealand.

Methodology

The purpose of this resource is to guide public, private and third sector organisation organisations on their engagement strategies and investments abroad. A state’s “macro risk” score is intended to provide a sense of the overall policy performance and stability of a country.

This is made up of several equally weighted components, covering progress in creating effective institutions to manage policy areas related to social, political, economic, ecological and business issues.

These components are likewise built by taking an average of performance across a variety of relevant sub-components covering performance in a number of specialised policy areas. Each sub-component is weighted according to its relative importance to governance and social well-being.

This resource is versatile and can inform many strategic decisions. Some areas will be more important than others, depending on the organisation. Macro risk may be more important for manufacturers looking to establish long-term relationships with a country and who want to ensure that every potential area from which a crisis can emerge is accounted for in the score. Environmental risk may be the focus of an environmental start-up looking to find states most in danger from the climate crisis, and/or with the best policy frameworks to facilitate the expansion of their operations.

Components

Political risk⁴

Political risk measures the political situation and circumstances of a country, including issues like corruption, government effectiveness, stability, regulation, democratic accountability and peace.

4 World Bank (2020) ‘World Governance Indicators’, Available Online: [<https://info.worldbank.org/governance/wgi/>]; Transparency International (2020) ‘Corruption Perceptions Index’, Available Online: [<https://www.transparency.org/research/cpi/overview>]; Economist Intelligence Unit (2020) ‘Democracy Index 2019’, Available Online: [<https://www.eiu.com/topic/democracy-index>]; Vision of Humanity (2020) ‘Global Peace Index 2019’, Available Online: [<http://visionofhumanity.org/indexes/global-peace-index/>]; Fund for Peace (2020) ‘Fragile States Index’, [<https://fragilestatesindex.org/>].

Social risk⁵

Social risk captures the social conditions in which people are living and that they experience. This includes social inequality, human development, personal safety and happiness.

Economic risk⁶

Economic risk is an important indicator of the overall risk present in a country. When talking about risk with regard to the economy, we refer to the status and the performance of the economy overall. To measure this, we use variables such as GDP per capita, income per capita, and their growth, unemployment, levels of debt, financial flows, inflation, and unofficial economic activity (i.e. the shadow economy).

Business risk⁷

Business risk is an indicator that aims to capture the ease with which a company can do business in a country. It includes factors such as local skills, innovation, infrastructure, economic networks, foreign direct investment (FDI) flows, and the extent to which a country is globalised.

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- 5 Solt, F. (2019) 'The Standardised World Income Inequality Database', Available Online: [<https://fsolt.org/swiid/>]; United Nations (2020) 'Gender Inequality Index', Available Online: [<http://hdr.undp.org/en/content/gender-inequality-index-gii>]; Social Progress Imperative (2020) '2019 Social Progress Index', Available Online: [<https://www.socialprogress.org/?tab=2&code=NOR>]; UL Safety Index (2020) 'UL Safety Index', Available Online: [<https://ulsafetyindex.org/>]; World Population Review (2020) 'Crime Rate by Country 2020', Available Online: [<https://worldpopulationreview.com/countries/crime-rate-by-country/>]; World Happiness Report (2020) 'World Happiness Report 2019', Available Online: [<https://worldhappiness.report/ed/2019/>]; United Nations (2020) 'Human Development Index', Available Online: [<http://hdr.undp.org/en/data>]; World Bank (2020) 'Human Capital Project', Available Online: [<https://www.worldbank.org/en/publication/human-capital#firstLink01619>].
- 6 World Bank (2020) 'GDP Per Capita Growth (Annual %)', Available Online: [<https://data.worldbank.org/indicator/ny.gdp.pcap.kd.zg>]; World Bank (2020) 'GDP Per Capita (Current US\$)', Available Online: [<https://data.worldbank.org/indicator/ny.gdp.pcap.cd>]; World Bank (2020) 'GNI Per Capita Growth (Annual %)', Available Online: [<https://data.worldbank.org/indicator/ny.gnp.pcap.kd.zg>]; World Bank (2020) 'GNI Per Capita (Current US\$)', Available Online: [<https://data.worldbank.org/indicator/ny.gnp.pcap.cd>]; World Bank (2020) 'Unemployment, Total (% Total Labour Force)', Available Online: [<https://data.worldbank.org/indicator/sl.uem.totl.zs>]; World Bank (2020) 'Central Government Debt, Total (% of GDP)', Available Online: [<https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS>]; World Bank (2020) 'Current Account Balance (% of GDP)', Available Online: [<https://data.worldbank.org/indicator/BN.CAB.XOKA.GD.ZS>]; World Bank (2020) 'Inflation, Consumer Prices (Annual %)', Available Online: [<https://data.worldbank.org/indicator/fp.cpi.totl.zg>]; Medina, L. & Schneider, F. (2018) 'Shadow Economies Around the World: What did we Learn Over the Last 20 Years', International Monetary Fund, Available Online: [<https://www.imf.org/en/Publications/WP/Issues/2018/01/25/Shadow-Economies-Around-the-World-What-Did-We-Learn-Over-the-Last-20-Years-45583>].
- 7 Hays (2020) 'Hay's Global Skills Index', Available Online: [<https://www.hays-index.com/>]; World Intellectual Property Organisation (2020) 'Global Innovation Index', Available Online: [<https://www.wipo.int/publications/en/series/index.jsp?id=129>]; World Bank (2020) 'Overall Quality of Infrastructure', Available Online: [https://tcdata360.worldbank.org/indicators/h2cf9f9f8?country=BRA&indicator=536&viz=line_chart&years=2007,2017]; World Bank (2020) 'Ease of Doing Business Index', Available Online: [<https://data.worldbank.org/indicator/ic.bus.ease.xq>]; Observatory of Economic Complexity (2020) 'Economic Complexity Rankings', Available Online: [<https://oec.world/en/rankings/country/eci/>]; KOF Swiss Economic Institute (2020) 'KOF Globalisation Index', Available Online: [<https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html>].

Environmental risk⁸

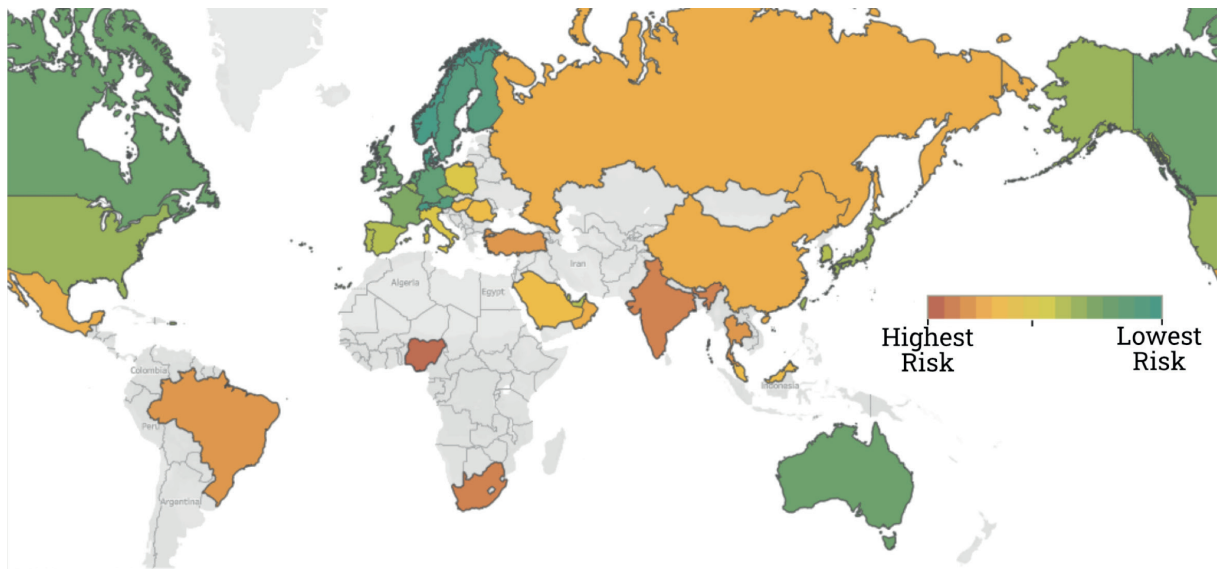
Environmental risk refers to a country's performance in terms of addressing climate change, as well as its own environmental conditions and its ability to fight local climate-related events. Indicators include progress in environmental policy areas, its biodiversity, food security, and climate resilience.

Some countries may experience more negative environmental changes than others as a result of climate change but will still have a higher score in the environmental risk component. Australia is one example of a country that is faced with serious pressures as a result of climate change, but it still performs relatively strongly in this component because it is a highly developed country. That is, it possesses access to the resources and effective government institutions required for increasing its climate resilience.

8 Mongabay (2020) 'Countries with the Highest Biodiversity', Available Online: [https://rainforests.mongabay.com/03highest_biodiversity.htm]; Economist Intelligence Unit (2020) 'Global Food Security Index', Available Online: [<https://foodsecurityindex.eiu.com/>]; Yale University (2020) 'Environmental Performance Index', Available Online: [<https://epi.envirocenter.yale.edu/>]; University of Notre Dame (2020) 'Notre Dame Global Adaption Initiative', Available Online: [<https://gain.nd.edu/>].

Results

Figure 1. Scotianomics Country Risk Monitor heat-map



The data follows an unsurprising path. More economically developed countries tend to be more stable than developing ones, while the best performing societies are smaller countries in northern Europe. This is because economic development tends to encourage political and social development.

Although the developing world is higher risk, this should not discourage organisations in Scotland from investing in new relationships there. Those societies have been improving greatly in the 21st century, with rising rates of human development. As will be discussed, whilst most of the social risk is located in those countries, most of the economic and ethical opportunities are also there; if the risks can be successfully navigated, the payoff will be much higher.

Uses for this resource

This resource can be used to compare the risk performance of countries when planning investments. The data and interactive resource for this can be found on the scotianomics.org website for users to compare country performance. To demonstrate this, we compare some countries in Western Europe.

Figure 2. United Kingdom and Norway performance in risk areas (higher scores are better)



Traditionally, organisations — particularly businesses — may compare country performance using the metric of GDP growth. Using such narrow criteria, the two countries would appear similar: in 2018 the UK economy grew by 1.4 per cent; Norway by 1.3 per cent.⁹ However, there are many more important issues to consider than GDP alone that could impact upon projects and investments and should be considered if an organisation is planning to build new relationships. Macro risk is a metric which does capture all the issues that ought to be considered; business, economic, social, political and environmental. Even within our economic risk component, GDP growth is but one of several variables used to build the overall

There are many important issues to consider than GDP alone that could impact upon projects and investments

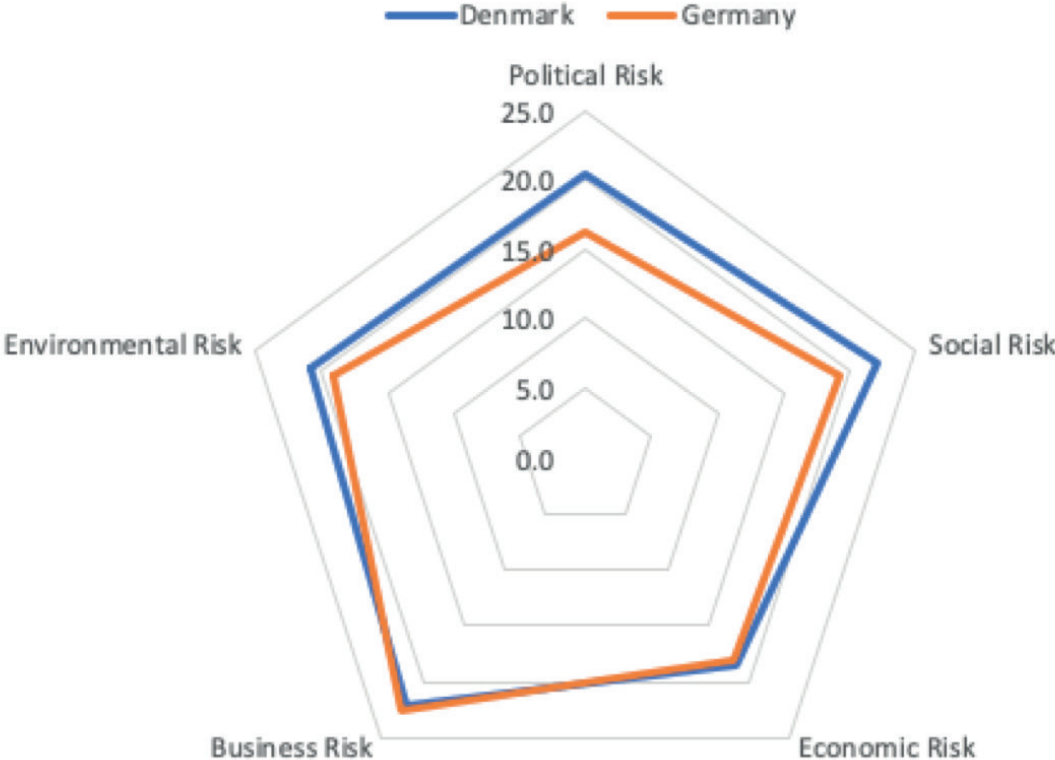
⁹ World Bank (2020) ‘GDP Per Capita Growth (Annual %), Available Online: [https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?end=2018&locations=OE-GB&start=1983].

economic performance score.

In terms of macro risk, the UK has a score of 81.3 whereas Norway has a superior score of 102.8. The above figure provides a breakdown of macro risk and an intuitive system for comparing country performance, which can be modified to suit user needs. Here we can identify why Norway has a better overall score.

In terms of environmental risk, these are areas in which Norway and the UK are equally unthreatened — compared to other countries. The two countries also share roughly equal scores in the business risk component. Political and economic risk are the areas in which the two countries' performance contrasts the most. The UK is more politically unstable and has a weaker economy than Norway. In terms of social risk, Norway also performs better.

Figure 3. Germany and Denmark performance in risk areas (higher scores are better)



Denmark's macro risk score is 103.9 whereas Germany's is 95.2. Likewise, we can identify the areas of performance that provide Denmark with a superior score. The two countries perform equally as well in dimensions such as business and economic risk and are exposed to roughly similar environmental risk. It is in the areas of political and social risk that Denmark exceeds Germany.

Scotland's Future: A Strategy

The world economy is swinging toward emerging markets. In 1990, advanced economies accounted for 63 per cent of global GDP and emerging economies accounted for 37 per cent. By 2018, the share of advanced economies fell to 41 per cent, and the share of emerging markets rose to 59 per cent. This trend is set to continue, with the IMF forecasting emerging markets to take a share of 63 per cent of global GDP by 2024, as the current group of advanced economies become less significant¹⁰

China has been critical to this shift, emerging as one anchor of the global economy, alongside the United States and the European Union. It has been engaged in intense economic competition with the US since 2000. In the 21st century so far, many European economies — including smaller countries — have shifted from a focus on US markets to Chinese markets, to the extent now that China and the US have a more competitive position in the EU.¹¹ In 2005, China accounted for an average of 1 per cent of the total goods exports of Western European countries. By 2018, this share had risen to 4 per cent.¹² This has been sensible, given not only the size of China as a market and source of products but also its increasingly wealthy population. China commanded a 19 per cent share of the global economy in 2018, and this is forecasted to rise to 21 per cent in 2024.¹³

Emerging markets are forecasted to take a share of 63 per cent of global GDP by 2024

Scotland is a globally successful trading nation. It trades substantially with advanced economies, specifically the US and EU member-states. Strong positions have also been built in emerging markets, but Scottish firms and policymakers should anticipate global trends and work to further strengthen these relationships. In 2018, China accounted for an average of 3.2 per cent of the goods and services exports of Western European countries, whereas it accounted for 1.88 per cent of Scotland's goods and services exports. India is another prospective economic superpower in this century and is forecasted to see its share of the global economy rise to 10 per cent in 2024. It accounted for an average of 0.99 per cent of the goods and services exports of Western European countries in 2018, whereas it accounted for 0.87 per cent of Scotland's.¹⁴

10 IMF (2020) 'GDP Based on PPP, Share of World', Available Online: [<https://www.imf.org/external/datamapper/PPPSH@WEO/OEMDC/ADVEC/WEOWORLD>].

11 Lowy Institute (2020) 'The US-China Trade War: Who Dominates Global Trade?', Available Online: [<https://charts.lowyinstitute.org/charts/china-us-trade-dominance/us-china-competition/>].

12 OECD (2020) 'Bilateral Trade in Goods by Industry and End-Use', Available Online: [<https://stats.oecd.org/index.aspx?queryid=64755#>].

13 IMF (2020) 'GDP Based on PPP, Share of World', Available Online: [<https://www.imf.org/external/datamapper/PPPSH@WEO/OEMDC/ADVEC/WEOWORLD>].

14 OECD (2020) 'Bilateral Trade in Goods by Industry and End-Use', Available Online: [<https://stats.oecd.org/index.aspx?queryid=64755#>]; OECD (2020) 'Trade in Services by Partner Economy', Available Online: [https://stats.oecd.org/Index.aspx?DataSetCode=TISP_EBOPS2010#]; Scottish Government (2020) 'Export Statistics Scotland: 2018', Available Online: [<https://www.gov.scot/publications/export-stats-scotland-2018/>].

There are, of course, risks to be considered in strengthening Scotland's relationship with China, India and other emerging markets. The obvious one in 2020 has been the potential for health crises. In 2002/2003, a more deadly SARS virus emerged in China but at that time its global impact was less. One of the key variables that facilitated the spread of COVID-19 in contrast to SARS is that China's — as with many emerging markets — level of connectedness to other countries has increased dramatically since 2003.

Yet events like major health crises are comparatively rare and transient problems. There are more consistent issues to be concerned about in emerging markets: human rights; issues around governance and corruption; geopolitical motives; the potential for economic crises to spread. Traders and governments will need to be aware of these issues as they engage with emerging markets and navigate these challenges in an ethical way without ignoring these countries entirely. Non-engagement could impede their development and ultimately reinforce these conditions.

Policy recommendations for the Scottish Government

The Scottish Government is now pushing to expand Scottish commercial activity abroad. This resource, and the insights presented here, can assist Scottish-based organisations in developing new relationships in markets with which Scotland already trades: quantifying the risks involved and the ethical challenges that will be faced. To conclude this report, we make the following recommendations to the Scottish Government:

1. We encourage the Scottish Government to adopt our model of country risk when building advisory frameworks to help companies to expand into international markets. These firms should be encouraged to consider a variety of factors, from economic to social to political and environmental issues.
2. Ethics and an agenda for social good should be considered alongside business interests such as returns to investment. Also, firms should be keenly aware of the risks that could disrupt returns and prevent positive social outcomes. We offer here a system for measuring country performance that captures all these concerns in one framework.
3. These priorities will become even more important as the world economy swings toward emerging markets. Scotland will increasingly have to engage with these countries in this century and should begin doing so now to gain an advantage.

Appendix 1

Country	Macro Risk	Political Risk	Social Risk	Economic Risk	Business Risk	Ecological Risk
Switzerland	109.8	23.8	21.5	22.6	18	23.8
Denmark	103.9	20.3	22.1	18.6	22.1	20.9
Norway	102.8	22.1	23.2	20.3	14.5	22.6
Finland	102.2	20.9	23.8	14.5	21.5	21.5
Singapore	99.9	18.6	13.9	23.2	23.8	20.3
Sweden	99.9	18	20.3	16.3	23.2	22.1
Austria	98.1	22.6	20.9	16.8	19.2	18.6
Germany	95.2	16.3	19.2	18	22.6	19.2
Netherlands	92.3	21.5	22.6	19.7	11	17.4
Ireland	88.3	15.1	17.4	22.1	20.3	13.4
Australia	81.9	17.4	18.6	15.7	12.2	18
Canada	81.9	23.2	19.7	12.8	15.1	11
UK	81.3	13.9	16.8	11.6	15.7	23.2
France	76.7	13.4	12.8	12.2	18.6	19.7
Taiwan	73.8	19.2	15.7	5.8	16.3	16.8
Czech Republic	73.2	14.5	18	15.1	13.4	12.2
Japan	70.3	15.7	15.1	8.7	16.8	13.9
United States	70.3	10.5	9.9	17.4	20.9	11.6
Belgium	69.7	16.8	16.3	13.4	8.1	15.1
South Korea	66.8	11.6	12.2	13.9	19.7	9.3
UAE	65	9.3	13.4	21.5	10.5	10.5
Qatar	63.9	8.1	11.6	23.8	4.1	16.3
Hong Kong	62.7	12.8	7.5	20.9	17.4	4.1
Portugal	62.7	19.7	11	4.6	11.6	15.7
Spain	61	12.2	14.5	7.5	13.9	12.8
Italy	51.7	11	9.3	7	9.9	14.5
Poland	49.4	8.7	10.5	11	9.3	9.9
Malaysia	38.3	7.5	2.9	9.3	12.8	5.8
Hungary	38.3	9.9	8.7	10.5	1.7	7.5
Saudi Arabia	35.4	3.5	7	19.2	3.5	2.3
Romania	32.5	7	8.1	5.2	5.2	7
Oman	31.4	6.4	1.7	8.1	6.4	8.7
Mexico	28.5	5.2	6.4	2.9	7.5	6.4
China	27.3	4.1	4.1	9.9	4.6	4.6
Russia	27.3	1.2	5.8	6.4	8.7	5.2
Thailand	21.5	2.3	5.2	4.1	7	2.9

Brazil	20.3	5.8	3.5	1.7	1.2	8.1
Turkey	18	1.7	4.6	2.3	5.8	3.5
India	12.2	2.9	2.3	3.5	2.3	1.2
South Africa	11.6	4.6	1.2	1.2	2.9	1.7
Nigeria	2.9	0.6	0.6	0.6	0.6	0.6

Appendix 2

Component Rankings (Higher Scores are Better)

Macro Risk

Country	Macro Risk Score
Switzerland	109.8
Denmark	103.9
Norway	102.8
Finland	102.2
Singapore	99.9
Sweden	99.9
Austria	98.1
Germany	95.2
Netherlands	92.3
Ireland	88.3
Australia	81.9
Canada	81.9
UK	81.3
France	76.7
Taiwan	73.8
Czech Republic	73.2
Japan	70.3
United States	70.3
Belgium	69.7
South Korea	66.8
UAE	65
Qatar	63.9
Hong Kong	62.7
Portugal	62.7
Spain	61
Italy	51.7
Poland	49.4
Malaysia	38.3
Hungary	38.3
Saudi Arabia	35.4
Romania	32.5
Oman	31.4
Mexico	28.5

China	27.3
Russia	27.3
Thailand	21.5
Brazil	20.3
Turkey	18
India	12.2
South Africa	11.6
Nigeria	2.9

Political Risk

Country	Political Risk Score
Switzerland	23.8
Canada	23.2
Austria	22.6
Norway	22.1
Netherlands	21.5
Finland	20.9
Denmark	20.3
Portugal	19.7
Taiwan	19.2
Singapore	18.6
Sweden	18
Australia	17.4
Belgium	16.8
Germany	16.3
Japan	15.7
Ireland	15.1
Czech Republic	14.5
UK	13.9
France	13.4
Hong Kong	12.8
Spain	12.2
South Korea	11.6
Italy	11
United States	10.5
Hungary	9.9
UAE	9.3
Poland	8.7
Qatar	8.1

Malaysia	7.5
Romania	7
Oman	6.4
Brazil	5.8
Mexico	5.2
South Africa	4.6
China	4.1
Saudi Arabia	3.5
India	2.9
Thailand	2.3
Turkey	1.7
Russia	1.2
Nigeria	0.6

Social Risk

(Higher Scores are Better)

Country	Social Risk Score
Finland	23.8
Norway	23.2
Netherlands	22.6
Denmark	22.1
Switzerland	21.5
Austria	20.9
Sweden	20.3
Canada	19.7
Germany	19.2
Australia	18.6
Czech Republic	18
Ireland	17.4
UK	16.8
Belgium	16.3
Taiwan	15.7
Japan	15.1
Spain	14.5
Singapore	13.9
UAE	13.4
France	12.8
South Korea	12.2
Qatar	11.6

Portugal	11
Poland	10.5
United States	9.9
Italy	9.3
Hungary	8.7
Romania	8.1
Hong Kong	7.5
Saudi Arabia	7
Mexico	6.4
Russia	5.8
Thailand	5.2
Turkey	4.6
China	4.1
Brazil	3.5
Malaysia	2.9
India	2.3
Oman	1.7
South Africa	1.2
Nigeria	0.6

Economic Risk

(Higher Scores are Better)

Country	Economic Risk Score
Qatar	23.8
Singapore	23.2
Switzerland	22.6
Ireland	22.1
UAE	21.5
Hong Kong	20.9
Norway	20.3
Netherlands	19.7
Saudi Arabia	19.2
Denmark	18.6
Germany	18
United States	17.4
Austria	16.8
Sweden	16.3
Australia	15.7
Czech Republic	15.1

Finland	14.5
South Korea	13.9
Belgium	13.4
Canada	12.8
France	12.2
UK	11.6
Poland	11
Hungary	10.5
China	9.9
Malaysia	9.3
Japan	8.7
Oman	8.1
Spain	7.5
Italy	7
Russia	6.4
Taiwan	5.8
Romania	5.2
Portugal	4.6
Thailand	4.1
India	3.5
Mexico	2.9
Turkey	2.3
Brazil	1.7
South Africa	1.2
Nigeria	0.6

Business Risk

(Higher Scores are Better)

Country	Business Risk Score
Singapore	23.8
Sweden	23.2
Germany	22.6
Denmark	22.1
Finland	21.5
United States	20.9
Ireland	20.3
South Korea	19.7
Austria	19.2
France	18.6

Switzerland	18
Hong Kong	17.4
Japan	16.8
Taiwan	16.3
UK	15.7
Canada	15.1
Norway	14.5
Spain	13.9
Czech Republic	13.4
Malaysia	12.8
Australia	12.2
Portugal	11.6
Netherlands	11
UAE	10.5
Italy	9.9
Poland	9.3
Russia	8.7
Belgium	8.1
Mexico	7.5
Thailand	7
Oman	6.4
Turkey	5.8
Romania	5.2
China	4.6
Qatar	4.1
Saudi Arabia	3.5
South Africa	2.9
India	2.3
Hungary	1.7
Brazil	1.2
Nigeria	0.6

Ecological Risk

(Higher Scores are Better)

Country	Ecological Risk Score
Switzerland	23.8
UK	23.2
Norway	22.6
Sweden	22.1
Finland	21.5
Denmark	20.9
Singapore	20.3
France	19.7
Germany	19.2
Austria	18.6
Australia	18.0
Netherlands	17.4
Taiwan	16.8
Qatar	16.3
Portugal	15.7
Belgium	15.1
Italy	14.5
Japan	13.9
Ireland	13.4
Spain	12.8
Czech Republic	12.2
United States	11.6
Canada	11.0
UAE	10.5
Poland	9.9
South Korea	9.3
Oman	8.7
Brazil	8.1
Hungary	7.5
Romania	7.0
Mexico	6.4
Malaysia	5.8
Russia	5.2
China	4.6
Hong Kong	4.1

Turkey	3.5
Thailand	2.9
Saudi Arabia	2.3
South Africa	1.7
India	1.2
Nigeria	0.6

Appendix 3

Country profiles: East Asia and Pacific

High income

Australia

Population: 24,992,369

Scotland's Onshore Exports to Australia

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
680	2.01	0.80	0.42

Country Risk

Macro	Political	Social	Economic	Business	Ecological
81.9	17.4	18.6	15.7	12.2	18.0

Hong Kong

Population: 7,451,000

Scotland's Onshore Exports to Hong Kong

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
315	0.93	0.37	0.19

Country Risk

Macro	Political	Social	Economic	Business	Ecological
62.7	12.8	7.5	20.9	17.4	4.1

Japan

Population: 126,529,100

Scotland's Onshore Exports to Japan

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
540	1.60	0.64	0.33

Country Risk

Macro	Political	Social	Economic	Business	Ecological
70.3	15.7	15.1	8.7	16.8	13.9

Singapore

Population: 5,638,676

Onshore Exports to Singapore

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
700	2.07	0.82	0.43

Country Risk

Macro	Political	Social	Economic	Business	Ecological
99.9	18.6	13.9	23.2	23.8	20.3

South Korea

Population: 51,635,256

Scotland's Onshore Exports to South Korea

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
460	1.36	0.54	0.28

Country Risk

Macro	Political	Social	Economic	Business	Ecological
66.8	11.6	12.2	13.9	19.7	9.3

Taiwan

Population: 23,574,274

Scotland's Onshore Exports to Taiwan

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
215	0.64	0.25	0.13

Country Risk

Macro	Political	Social	Economic	Business	Ecological
73.8	19.2	15.7	5.8	16.3	16.8

Low and middle income

China

Population: 1,393,000,000

Scotland's Onshore Exports to China

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
635	1.88	0.75	0.39

Country Risk

Macro	Political	Social	Economic	Business	Ecological
27.3	4.1	4.1	9.9	4.6	4.6

Malaysia

Population: 31,528,585

Scotland's Onshore Exports to Malaysia

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
225	0.67	0.26	0.14

Country Risk

Macro	Political	Social	Economic	Business	Ecological
38.3	7.5	2.9	9.3	12.8	5.8

Thailand

Population: 69,428,524

Scotland's Onshore Exports to Thailand

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
70	0.21	0.08	0.04

Country Risk

Macro	Political	Social	Economic	Business	Ecological
21.5	2.3	5.2	4.1	7.0	2.9

Country profiles: Europe and Central Asia

High income

Austria

Population: 8,847,037

Scotland’s Onshore Exports to Austria

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
115	0.34	0.14	0.07

Country Risk

Macro	Political	Social	Economic	Business	Ecological
98.1	22.6	20.9	16.8	19.2	18.6

Belgium

Population: 11,422,068

Scotland’s Onshore Exports to Belgium

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
1,250	3.69	1.47	0.76

Country Risk

Macro	Political	Social	Economic	Business	Ecological
69.7	16.8	16.3	13.4	8.1	15.1

Czech Republic

Population: 10,625,695

Scotland's Onshore Exports to Czech Republic

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
100	0.30	0.12	0.06

Country Risk

Macro	Political	Social	Economic	Business	Ecological
73.2	14.5	18.0	15.1	13.4	12.2

Denmark

Population: 5,797,446

Scotland's Onshore Exports to Denmark

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
700	2.07	0.82	0.43

Country Risk

Macro	Political	Social	Economic	Business	Ecological
103.9	20.3	22.1	18.6	22.1	20.9

Finland

Population: 5,518,050

Scotland's Onshore Exports to Finland

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
90	0.27	0.11	0.05

Country Risk

Macro	Political	Social	Economic	Business	Ecological
102.2	20.9	23.8	14.5	21.5	21.5

France

Population: 66,987,244

Scotland's Onshore Exports to France

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
2,990	8.84	3.52	1.83

Country Risk

Macro	Political	Social	Economic	Business	Ecological
76.7	13.4	12.8	12.2	18.6	19.7

Germany

Population: 82,927,922

Scotland's Onshore Exports to Germany

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
2,485	7.35	2.92	1.52

Country Risk

Macro	Political	Social	Economic	Business	Ecological
95.2	16.3	19.2	18.0	22.6	19.2

Hungary

Population: 9,768,785

Scotland's Onshore Exports to Hungary

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
100	0.30	0.12	0.06

Country Risk

Macro	Political	Social	Economic	Business	Ecological
38.3	9.9	8.7	10.5	1.7	7.5

Ireland

Population: 4,853,506

Scotland's Onshore Exports to Ireland

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
1,235	3.65	1.45	0.75

Country Risk

Macro	Political	Social	Economic	Business	Ecological
88.3	15.1	17.4	22.1	20.3	13.4

Italy

Population: 60,431,283

Scotland's Onshore Exports to Italy

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
880	2.60	1.04	0.54

Country Risk

Macro	Political	Social	Economic	Business	Ecological
51.7	11.0	9.3	7.0	9.9	14.5

Netherlands

Population: 17,231,017

Scotland's Onshore Exports to Netherlands

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
2,840	8.39	3.34	1.73

Country Risk

Macro	Political	Social	Economic	Business	Ecological
92.3	21.5	22.6	19.7	11.0	17.4

Norway

Population: 5,314,336

Scotland's Onshore Exports to Norway

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
1,165	3.44	1.37	0.71

Country Risk

Macro	Political	Social	Economic	Business	Ecological
102.8	22.1	23.2	20.3	14.5	22.6

Poland

Population: 37,978,548

Scotland's Onshore Exports to Poland

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
395	1.17	0.46	0.24

Country Risk

Macro	Political	Social	Economic	Business	Ecological
49.4	8.7	10.5	11.0	9.3	9.9

Portugal

Population: 10,281,762

Scotland's Onshore Exports to Portugal

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
120	0.35	0.14	0.07

Country Risk

Macro	Political	Social	Economic	Business	Ecological
62.7	19.7	11.0	4.6	11.6	15.7

Spain

Population: 46,723,749

Scotland's Onshore Exports to Spain

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
975	2.88	1.15	0.60

Country Risk

Macro	Political	Social	Economic	Business	Ecological
61.0	12.2	14.5	7.5	13.9	12.8

Sweden

Population: 10,183,175

Scotland's Onshore Exports to Sweden

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
680	2.01	0.80	0.42

Country Risk

Macro	Political	Social	Economic	Business	Ecological
99.9	18.0	20.3	16.3	23.2	22.1

Switzerland

Population: 8,516,543

Scotland's Onshore Exports to Switzerland

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
565	1.67	0.66	0.35

Country Risk

Macro	Political	Social	Economic	Business	Ecological
109.8	23.8	21.5	22.6	18.0	23.8

United Kingdom

Population: 66,488,991

Scotland's Onshore Exports to United Kingdom

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
51,190	NA	60.20	31.25

Country Risk

Macro	Political	Social	Economic	Business	Ecological
81.3	13.9	16.8	11.6	15.7	23.2

Low and middle income

Romania

Population: 19,473,936

Scotland's Onshore Exports to Romania

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
125	0.37	0.15	0.08

Country Risk

Macro	Political	Social	Economic	Business	Ecological
32.5	7.0	8.1	5.2	5.2	7.0

Russia

Population: 144,478,050

Scotland's Onshore Exports to Russia

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
245	0.72	0.29	0.15

Country Risk

Macro	Political	Social	Economic	Business	Ecological
27.3	1.2	5.8	6.4	8.7	5.2

Turkey

Population: 82,319,724

Scotland's Onshore Exports to Turkey

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
180	0.53	0.21	0.11

Country Risk

Macro	Political	Social	Economic	Business	Ecological
18.0	1.7	4.6	2.3	5.8	3.5

Coutry profiles: Latin America and Caribbean

Low and middle income

Brazil

Population: 209,469,333

Scotland’s Onshore Exports to Brazil

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
770	2.28	0.91	0.47

Country Risk

Macro	Political	Social	Economic	Business	Ecological
20.3	5.8	3.5	1.7	1.2	8.1

Mexico

Population: 126,190,788

Scotland’s Onshore Exports to Mexico

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
190	0.56	0.22	0.12

Country Risk

Macro	Political	Social	Economic	Business	Ecological
28.5	5.2	6.4	2.9	7.5	6.4

Country profiles: Middle East and North Africa

High income

Oman

Population: 4,829,483

Scotland’s Onshore Exports to Oman

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
<50	<0.15	<0.06	<0.03

Country Risk

Macro	Political	Social	Economic	Business	Ecological
31.4	6.4	1.7	8.1	6.4	8.7

Qatar

Population: 2,781,677

Scotland’s Onshore Exports to Qatar

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
125	0.37	0.15	0.08

Country Risk

Macro	Political	Social	Economic	Business	Ecological
63.9	8.1	11.6	23.8	4.1	16.3

Saudi Arabia

Population: 33,699,947

Scotland’s Onshore Exports to Saudi Arabia

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
195	0.58	0.23	0.12

Country Risk

Macro	Political	Social	Economic	Business	Ecological
35.4	3.5	7.0	19.2	3.5	2.3

United Arab Emirates

Population: 9,630,959

Scotland’s Onshore Exports to the United Arab Emirates

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
625	1.85	0.74	0.38

Country Risk

Macro	Political	Social	Economic	Business	Ecological
65.0	9.3	13.4	21.5	10.5	10.5

Country profiles: North America

High income

Canada

Population: 37,058,856

Scotland's Onshore Exports to Canada

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
590	1.74	0.69	0.36

Country Risk

Macro	Political	Social	Economic	Business	Ecological
81.9	23.2	19.7	12.8	15.1	11.0

United States

Population: 327,167,434

Scotland's Onshore Exports to the United States

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
5,520	16.32	6.49	3.37

Country Risk

Macro	Political	Social	Economic	Business	Ecological
70.3	10.5	9.9	17.4	20.9	11.6

Country profiles: South Asia

Low and middle income

India

Population: 1,353,000,000

Scotland's Onshore Exports to India

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
295	0.87	0.35	0.18

Country Risk

Macro	Political	Social	Economic	Business	Ecological
12.2	2.9	2.3	3.5	2.3	1.2

Country profiles: Sub-Saharan Africa

Low and middle income

Nigeria

Population: 195,874,740

Scotland's Onshore Exports to Nigeria

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
170	0.50	0.20	0.10

Country Risk

Macro	Political	Social	Economic	Business	Ecological
2.9	0.6	0.6	0.6	0.6	0.6

South Africa

Population: 57,779,622

Scotland's Onshore Exports to South Africa

Monetary Value	% of World Exports	% Total Exports	Exports as % of Onshore GDP
230	0.68	0.27	0.14

Country Risk

Macro	Political	Social	Economic	Business	Ecological
11.6	4.6	1.2	1.2	2.9	1.7