# Portugal vs Spain: Where to Invest?


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Country Risk

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# Introduction

The purpose of this paper is to study the social and economic environment in Portugal and Spain in order to understand which country is able to provide a better FDI opportunity. To accomplish this objective, several factors were compared, such as GDP, inflation rates, balance of payments, productivity, fiscal policy and targets, as well as the social/political stability in both countries. In the end, one country is chosen in detriment of the other and this outcome is based on the analysis of the latter variables.

## Economic Indicators:

### GDP

Since 2013, after the euro crises, both countries have exhibited positive rate of GDP per capita growth, before starting to decease over the last 2-3 years.

Portugal is one of the countries that have been most affected by the crises in the late 2000's. As a result the country adopted an austerity program and implemented reforms in the banking sector which have resulted in gains in competitiveness and more stable GDP growth (2.2%-3.04%) since 2015. The Portuguese economy has qualitative and modern infrastructure and a system that has been able to promote research & development, which, in turn has resulted in more FDI inflows. As seen in the chart above, GDP growth in Portugal has decelerated somewhat since 2017. Quarterly GDP in 2019 is in line with expectations. Hence, from a structural point of view, the dynamic of the country is good because it has been able to stabilize its economy and attract investors.

On the other side we have the Spanish economy that has also been able to grow rapidly after the crisis, and its GDP per capita growth stood at a higher rate than the one of Portugal in 2015 and 2016. This can be explained by the fact that Spain has been able to attract more FDIs to a point where the country has been able to restructure the financial sector, to develop a very efficient transport network and invest more in renewable energies. It is currently the euro zone's fourth largest economy, and even if the GDP is expected to grow at a slower pace, Spain has been able to outperform most of the other major European economies since 2013. However, certain areas of the economy continue to be a major source of vulnerability. For example a hard Brexit and potentially a lack of resolution on the trade war between the US and China. A potentially weaker recovery, than the one projected by the European Central Bank, is also a risk that must be taken into account when investing in Spain.

### Inflation

Over the years, the inflation rates of Spain and Portugal have been somewhat correlated. Yet, there are periods where Spain has a higher annual inflation than that of Portugal, and it shows the different phases both countries have been going through. After the euro crisis, the inflation went in negative territory in 2014 (-0.15%), 2015 (-0.50%) and 2016 (-0.20%).

A higher growth rate than in Portugal since 2014 has allowed Spain to attract foreign investors but some additional time was needed for the increased economic activity to transform into inflation. Between 2016 and 2017, CPI Inflation in Spain went from -0.20 to 1.95 before decreasing to 1.68% in 2018.

The inflation levels sharply decreased in the latest years for both countries because of fear of an upcoming global recession. For example, in September 2019, the annual inflation rate stood at -0.3% for Portugal and 0.2% for Spain.

Thus, we can observe that both countries have been affected by the changing economic outlook that is getting more and more negative. Spain still has a higher inflation but there is some uncertainty on whether it will stay above that of Portugal. Inflation, even if it shows a decreasing purchasing power, is good for the economy, at a certain level because it shows increased demand as a result of higher wages, consumption, investment, etc.

**Unemployment**

First, we observe that both countries have been able to reduce the unemployment rate which peaked at 16% in 2013 for Portugal and 26% for Spain in 2013.

Spain has one of the highest unemployment rates among the OECD countries and its economy is highly dependent on the global and especially EU economic climate. Spain suffers from a high level of structural unemployment. This might be explained by the fact that Spanish economy is mainly based on tourism and the real estate sector and less on industrial production. Moreover, the youth unemployment in Spain is very high as well. Almost one third of the labor force aged from 15 to 24 is unemployed. This might not necessarily be explained only by the economic environment, but also by the fact that Spain has elevated levels of high school drops outs.

As already mentioned, 2014 marked the beginning of the Portuguese recovery program. This recovery has been accompanied by a continuous fall in the unemployment rate. Other factors explaining this decrease include increasing number of people that work in foreign countries as immigration has positively impacted this trend. Many jobs were created with this program: mostly in tourism, agricultural sector.

**Productivity**

The GDP per workng age population can be split between the employment rate times the productivity and the activity rate. Knowing that in the long run, the actiiviity rate and the emplyment rate cannot increase indefinitely, the productivityremains a very important factor for explaining the prosperity of a society.

We observe that in Spain, productivity and the unemployment rate have been two major weakeness for some time now. This can be explained by two factors. The first one is the fact that Spain cannot take the full advantage of growing productivity for medium & larger companies that benefit with economies of scale and technical progress. Indeed, Spain has a fragmented economy with a lower rate of employment in these medium and large companies. A 2015 study carried out by BBVA Research and the Círculo de Empresarios found that 73% of the productivity gap between Spain and Germany could be attributed to this difference in the average firm size, rather than to the sectoral structure. The second one is the fact that usually, Spain has a “counter-cyclical productivity. While between 1996 and 2005 the GDP per working hours has only grown up by around 1%, GDP per capita increased by more than 70%.

Starting from 2013, Spain began to see some recovery effect (from the financiial and euro crisis). As the supply-side of the economy takes a major role in a recovery, this has been accompanied with an increase in exports relative to the GDP, and a decrease in the unemployment rate. This phenomenom seems to disapear as productiviity decreases since 2018.

An increase in productivity takes a major role in the future of Spain, as the country still has a 15% unemplyment rate. A sustainable growth coming from increased productiivity will be necessary, and the country will need to allocate capital efficiently into productive investments in order for this dynamic to continue.

For Portugal, we observe the same drop in the unemplyment rate starting in 2013. Yet, the structure of productviity is different from Spain. Portugal has not been really able to see its productivity converge with its peers (europeans). This can be explained by by the fact tha the country has been less integrated in the global markets and that productivity growth suffered from that.

Companies remain too small to exeprience sustainable gains in productivity Firms remain also highly indebted. Political factors can also explain why Porgual did not see its competitiveness increase as much as it should have . For example, policy makers have promoted policies in order to improve employment. Yet, these policies do not ensure a sustainable and improved production per unit of time and efficient resource allocation.

With the weak global outlook for the economy and especially for the EU, Portugal will have some difficulties to improve its productivity in order to attract investors. A change in the structure of the production dynamics and espacially toward more sutainability will be the only way for Portugal to improve its GDP growth prospects.

## Balance of Payments

### Trade Account

Looking exhibit B1 it appears that the trajectory of the trade balance for both countries is very similar over the past 10 years. Spain has had an average growth rate in exports of approximately 4.8% compared to a 3.5% growth rate in imports. In comparison, Portugal has had an average growth in exports of slightly above 5.3 % compared to a 2.7% average growth in imports. Even though based on these numbers it seems that Portugal has done marginally better, over the last 3 years both countries have had a larger growth in imports relative to exports which is evident in the trade balance graphics displayed in exhibit B1. In terms of services, Portugal has had a larger growth in service exports over the last 10 years (6.3%) compared to Spain (3.6%).In 2018 both countries saw deceleration in the growth of export of goods and services. Tourism represents a huge portion of service exports for both countries. Service imports grew on average at 2.3% in Spain and 3.7% in Portugal for the same period.

### Current Account

Spain has been running a current account surplus since 2013. After reaching its 10 year peak in 2016, it has been on a downward trajectory since then. Increased competitiveness from wage moderation and greater internationalization efforts by Spanish firms have been two major factors behind the growth of exports over the last decade. Spain has benefited from exceptionally strong tourism over the last several years. In 2017, it became the world's second most visited country. However, in 2018 the growth in tourism moderated as the geopolitical situation in some of the other Mediterranean countries such as Turkey normalized. Additionally, higher oil prices in 2018, which drive up the cost of transportation, also had an effect on tourism. Appreciation of Spain's effective nominal exchange rate against non-euro area developed countries was also a factor for the slowdown in exports.

Portugal on the other side dipped into slightly negative territory in 2018 as domestic demand grew faster than exports. According to IMF projections Portugal will be running a current account deficit at least until 2024 as domestic demand continues to increase and growth in exports moderates. According the IMF analysis, encouraging domestic savings by invigorating second and third-pillar pension schemes in Portugal will be crucial for keeping a healthy current account balance. According to Portuguese authorities the strengthening of the current account position over the last several years was a result of non-cost competitive gains which boosted the country's exports. They expect the country's external position to keep strengthening based on innovation, increasing the portion of skilled workforce and improving the quality of its products.

### Foreign Direct Investment (FDI)

Comparing the time series in exhibit B3 on foreign direct investment in the two countries we see that in the case of Portugal FDI outflows have consistently been larger then FDI inflows during the last 10 years. Spain on the other hand had net inflows between 2014 and 2017 and net outflows in 2018.

### Portugal

In Portugal the total stock of FDI stood at around USD 135.8 billion in 2018, which is around 62.4% of the country's GDP. The bulk of the investments are concentrated in the financial and insurance sectors (27.2%), professional, scientific and technical services (23.2%) and the wholesale and retail space (6.7%). Additionally, Lisbon has become a major destination for real estate investments. The countries with the biggest share of FDI are: Netherlands (24.6%), Spain (19.2%), Luxemburg (18.4%) and the UK (8.9%). The Portuguese Government has made FDI a major priority. Large renewable energy projects have been initiated recently, including solar energy and wave power. It is worth noting that Portugal has the second largest solar power station in the world. The government has also created free zones to encourage technology driven investments. Additionally, the Citizens by Investment (CBI) visa program offers a fast track for non-EU investors to gain citizenship in six years. It requires a EUR 350,000 investment in a Portuguese company or EUR 250,000 investment in revitalizing a company. The government also launched a "Start Up Visa" program for companies that want to start a business in the country.

In spite of all these steps there are still large bureaucratic and judicial burdens related to starting a business in the country. Currently, the country ranks 34th in the World's bank doing business ranking, dropping five position compared to the previous year.

**Spain**

Spain was the 9th largest host for FDI inflows in 2018 according to the 2019 World Investment Report. FDI in the country has picked up in recent years due to improved competitiveness and investor confidence in the country. In 2018 FDI inflows were 108% higher than the previous year. The largest deal was the acquisition of Albertis (highway operator) by Atlantia, ACS and Hochtief for $23 billion. Total FDI stock for 2018 stood at $659 billion. 385 greenfield FDI projects were attracted in 2017 for a total of $13.9 billion, the highest level since 2008. The investments are directed mostly to the financial, manufacturing, energy supply, wholesale and retail trade, as well as information and communication. The countries with the largest FDI share in Spain are: Netherlands, Luxemburg, UK, France, Germany and Italy. Spain was ranked 30th in the 2019 Doing Business report, falling down two position from the previous year. Some of the country's strengths include, improving financial sector, growth in tourism, highly efficient transport network, development of renewable energy and cultural proximity to Latin America. On the other hand, high levels of public and private debt as well as structural unemployment remain very high.

**Portfolio Investment**

**Spain**

Looking at exhibit B4, Spain has had net portfolio inflows since 2015. The country's negative NIIP remains very high. This is mainly a result of Spain running huge current account deficits in the 2000s. At the end of 2018, the negative net IIP stood at 77% of GDP. One mitigating factor is that portfolio flows as percentage of NIIP has decreased from 45% in 2006 to 35% in 2018. Additionally, public debt which has a lower rollover and liquidity risk makes up the majority share (roughly 75%) of the liabilities. Nevertheless, the high negative NIIP remains a major risk in case of economic shocks, which means that external surpluses have to be maintained in the future.

**Portugal**

Net portfolio investment has been positive in Portugal between 2016 and 2018. The country's NIIP remains largely negative (around 100% of GDP), which will continue to be a source of major vulnerability in case of financial shocks. The peak was in in 2014 when the negative NIIP was 119% of GDP. The reduction was a result of positive current account balances. According to IMF analysis, to see a faster reduction in the negative NIIP a moderate current account surplus will have to be maintained over the medium term.

## Debt Structure and Fiscal Position

In this section we will study the fiscal policy indicators of Portugal and Spain in order to better understand the debt ratios and structure of both countries.

According to the table showing the previous data, Exhibit C1, it is easy to identify that Spanish debt's burden is healthier than the Portuguese one, as out of the 21 indicators provided only 4 work in favor of Portugal. Looking at the most renowned measure, the debt to GDP ratio, figures demonstrate current ratio is already below 100% for Spain, at 97,10% , while in Portugal, external debt accounts for 121,50% of the current GDP level. However, the current budget deficit is -0,42 for Portugal and -2,48 to Spain, which means the gap should shrink. In terms of the debt to exports ratio, both countries will need approximately 5 years of Exports to overcome the current level of External Debt, which is not unexpected. Furthermore, turning to another important factor, Portugal illustrates that 17,29% of its Debt is short-term whilst in Spain, shorter-term maturity Debt only accounts 7,23%. According to IMF projections the debt to GDP ratio in Portugal should go down to 119% by the end of 2019 and 101% by the end of 2024.

Considering the debt consolidation in respect to overall debt, Spain reports 20% and its neighbor Portugal only 6,80%. Realizing that debt consolidation is the ability to pay a number of several types of debt with more favorable payoff terms, it becomes clearer that Spain has a better capacity to combine debt and reduce the exposure to multiple varieties of it. In terms of debt holder structure, approximately 65% of Portugal's external debt is owned by non-residents. For Spain, the same indicator, is below the 50% mark, at 45%, indicating that Spanish debt is less susceptible to foreign events compared to Portugal. Moving on, the average cost of government debt for both countries hover around the same level, below 3%.

Shifting the page to private debt, the total private debt as a percentage of GDP is 261,67% in Portugal and 200% in Spain, which is 30% higher in terms of GDP for Portugal when compared to its neighbor. Nevertheless, both portions are huge and much higher than the sovereign debt. Within this barometer, the household debt is 66,20% for Portugal and 58,30% for Spain, meaning the largest slice falls on the corporate sector. Going further, we can look for at the debt service ratio, which is 6,50% for households for both regions while the same data for non-financial corporations is 48,90% and 33,70% for Portugal and Spain, respectively.

Giving consideration to one of the indicators in which Portugal shows better performance, the interest payments per year as a proportion of GDP, Spain is at around 5% while Portugal at 4,50%, unveiling the fact that interest payments on debt are a greater burden to Spain. Additionally, 5 Year CDS prices are homogeneous, which cannot be said for the amount of NPL to gross loans. In Portugal, the count is 13,30% whilst for Spain only 4,50%, demonstrating more loans are not being paid within the scheduled payment period in Portugal, in percentage terms.

In order to conclude this piece, after evaluating the findings, we believe the Spanish external debt is more constrained and less volatile than the Portuguese, which is also reflected in the credit rating of both regions, which is A for Spain and BBB for Portugal.

## Social/Political Context

### Demographic situation

If we take a look into the population distribution for each country at first, we may think that they are pretty similar, but there's a key factor that makes a huge difference. Portugal has a fatter distribution in the 10 – 25 years old population which may indicate more labor force for the future and less expenses for the public sector in pensions and healthcare, leading to a higher investment capacity for the public sector. In the case of Spain, we see that there is a greater aging of the population which in the long term is a negative point since the public sector must devote more resources to compensate the increasing expenses derived from the future aging. (Exhibit D1)

### Socio-Economic situation

Another important factor to consider when assessing country risk is the socio-economic situation. In this case, to obtain a more complete vision, we will use three indicators, the poverty gap, the GINI index and the distribution of the poverty ratio.

Starting with the poverty gap we can see how Portugal is in a situation of greater socio-economic equality since its 0.294 level is much better at the Spanish level of 0.391. (Exhibit D2 & D3)
The poverty gap indicates the intensity of poverty which means that the situation of people with few resources in Spain is much worse than the situation in Portugal. In addition, if we link that data with the distribution of the poverty rate, we can see how in Spain poverty is accentuated in young people. In the medium and long term this means less educational possibilities for these young people, less prepared workers and a lower capacity for long-term techno-economic development.

All this can lead to social unrest that transforms into protests, demands for social change, vandalism, etc. In other words, greater instability derived from a bad socio-economic situation and instability leads to lower work performance and lower growth.

As a last point in this section we can see that the GINI index is slightly better in Portugal with 0.33 compared to 0.34 in Spain. And although it seems that the difference is not large, the reality is that it indicates a distribution of wealth 3.5% more equal in the Portuguese country, putting it at the level of countries such as Canada, France or Australia. (Exhibit D4)

**Human and social situation**

Another important aspect that we must take into account before making an investment decision is the social and human development situation of the country. For this we will use data such as the HDI, HCI, CPI or the Doing Business Index.

A very relevant factor in this aspect is the Human Development Index (HDI) that is responsible for showing the possibilities of economic growth of the world's societies and the way in which their states provide them with an adequate environment or not for that growth. In both cases this indicator is above 0.80, showing that these are countries with very high human development. However, Spain has a value of 0.891 compared to 0.847 of Portugal which allows us to say that in this aspect Spain is a slightly more developed country, which could work at its favor when deciding to make an investment.

The Human Capital Index (HCI) uses education and health data to estimate the potential development of the next generation. It shows us with the current data how the future of the next generation will be compared to what it could be in a perfect environment. In the case of Portugal, the HCI is 0.78 compared to 0.74 in Spain. That means that Portugal's productivity is 78% of its full potential. It also shows us that Portugal's education and health system is achieving greater overall productivity if we compare it to Spain since it is four percent higher. Globally, Portugal occupies the 14th position against 34 in Spain, making it clear that the Portuguese system is more efficient and will be more efficient in the next generations.

A very important point to decide the feasibility of a possible investment in a country is the ability and ease to conduct business. For this we can rely on the Doing Business Index that analyses the ease of doing business, legal protection, property rights and in general the quality of the business environment.

In the case of the countries we are studying both are in a very good position indicating that they are countries in which it is easy to conduct business. In the case of Spain, it is at number 30 on the list and Portugal at 34. However, if we want to create a new business, Portugal is at number 57 in the ranking compared to 86 in Spain. This is mainly due to the fact that in recent years, the Portuguese government has facilitated the creation of new companies through legislation. That shows that both countries are good options for investment but if we are thinking of creating a business, we may have more facilities in Portugal.

Last but not least, it is important to know the transparency and level of corruption in a country. For this we can use the Corruption perception index (CPI). This indicator shows us the society of a country and also the experts on its public corruption. In this index 180 countries are ordered from least to highest corruption and as we can see from the data, Portugal is ranked 30th compared to 41 in Spain. This indicates an important difference that can be very relevant since a greater perception of corruption can lead to strikes, protests and general instability.

**Political situation**

Finally, another really important factor is the political stability of the country. To bring light on this topic we have used the worldwide governance indicators. These show us aspects such as the absence of violence, the effectiveness of the government, the control of corruption and other important points.

As we can see in the table provided. Portugal is superior to Spain in all indicators except regulatory quality where the difference is minimal. This indicates that Portugal is now a much more stable country than Spain at a social, legal and political level. If we look at the variable of political stability, we can see how Spain is in a moment of great instability which could be harmful for us if we invest in the country. (Exhibit D5)

We also have to take into account the latest news that has come to us from each country. From the Portuguese side, the last elections showed that the socialists of Antonio Costa have enough support to create a government and that the citizens support it. In contrast, in Spain the socialists of Pedro Sanchez have not been able to form a government and there will be new elections in November. Early polls show that it is most likely that no party will achieve an absolute majority and that it will be difficult to form a government. This leaves the country in a situation of great instability that is aggravated by the reaction of the government and the citizenship of Catalonia asking for the independence and liberation of Catalan politicians who are in prison.

In addition, the Basque government supports the Catalan government since both communities have always wanted to separate from Spain. All this has led to strikes, protests, vandalism and in general a lot of instability in Catalonia. Catalonia represents 19.1% of Spanish GDP and the Basque country 6.3%. Both communities account for more than 25% and both are against the central government. All this leaves an image of insecurity about the future of the Spanish economy.

In conclusion, from a social, demographic and political point of view, it seems that the most reasonable option with the best growth possibilities is to invest in Portugal. Mainly due to the lack of a stable government in Spain and the worsening of the relationship between the government of Catalonia and that of Spain that can lead to a significant loss of economic growth. (Exhibit D6)

## Conclusion

After carefully analyzing all the information provided in the study, we believe that, currently, Portugal provides a better socio/economic environment for foreign direct investment and our conclusion is based on the following:

To begin with, Portugal has lower total and youth unemployment which means that Portuguese economy is operating at better capacity and it should mean more consumption and growth in the future.

Furthermore, Portugal has a skilled and often multilingual workforce which is significantly cheaper than other countries in the Euro area. The country has cheaper work force than Spain but roughly the same productivity. Just like Spain, the country has modern infrastructure which is crucial for a well-functioning economy. As mentioned earlier in the text, the Portuguese government has spent a considerable amount of effort to promote foreign direct investment, through investments in innovation and R&D. Recently, the government has also spent effort on simplifying the tax code. Some other initiative to attract investment include easing labor regulations and creating a special aid regime for large products. Moreover, Portugal continues to maintain close ties to former colonies such as Brazil and Mozambique which could serve as an outlet to other Portuguese-speaking markets. In addition, another major factor in favor of Portugal is its lower corporate tax rate.

Looking at socio/political factors Spain is more unstable than Portugal in almost every variable. The two major issues are the inability of Spanish politicians to create a government as well as the Catalonian and Basque independency problems. With both territories producing more than 25% of Spanish GDP, the conflict could have a major impact on future economic growth.

## Exhibits:

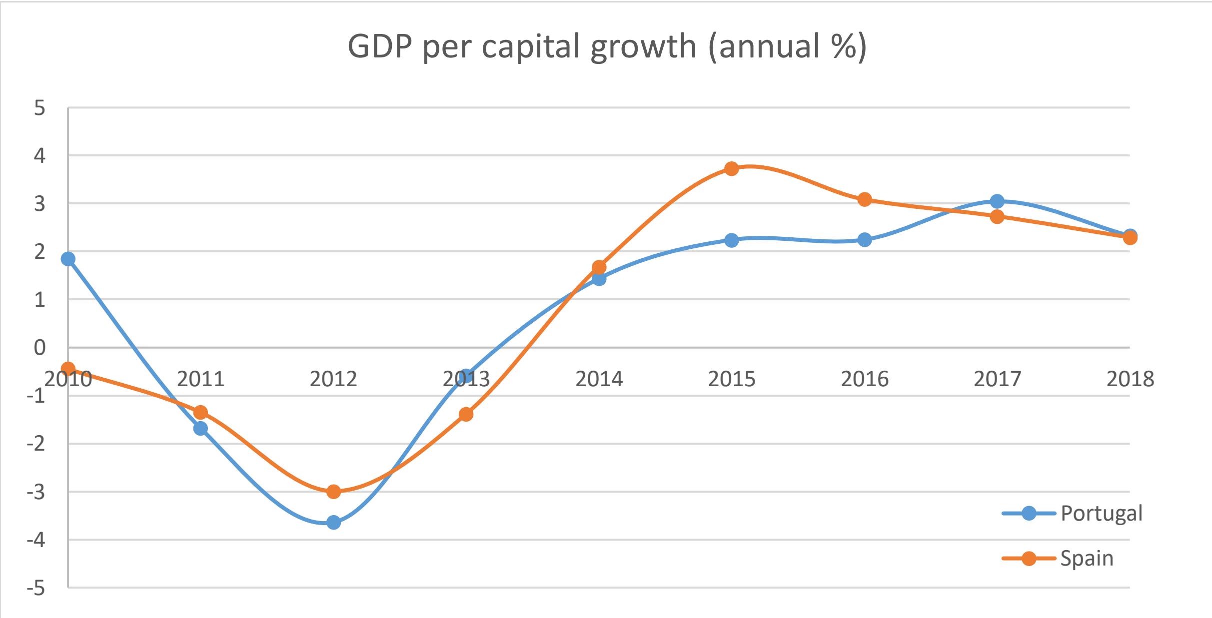



***Exhibit A1***

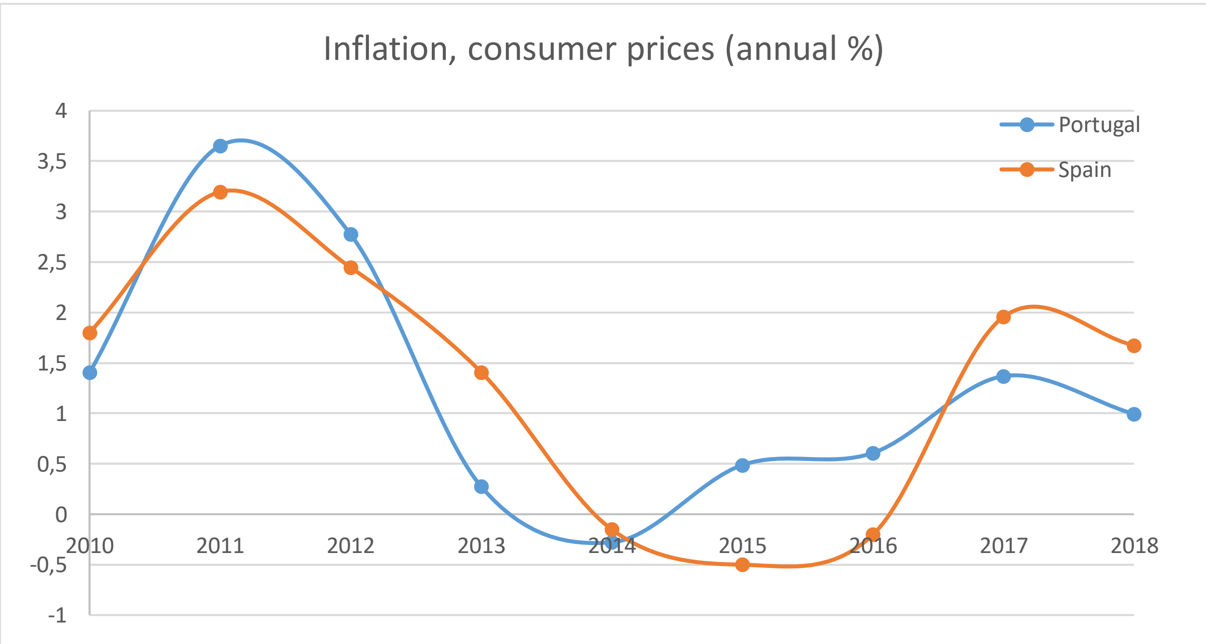



***Exhibit A2***

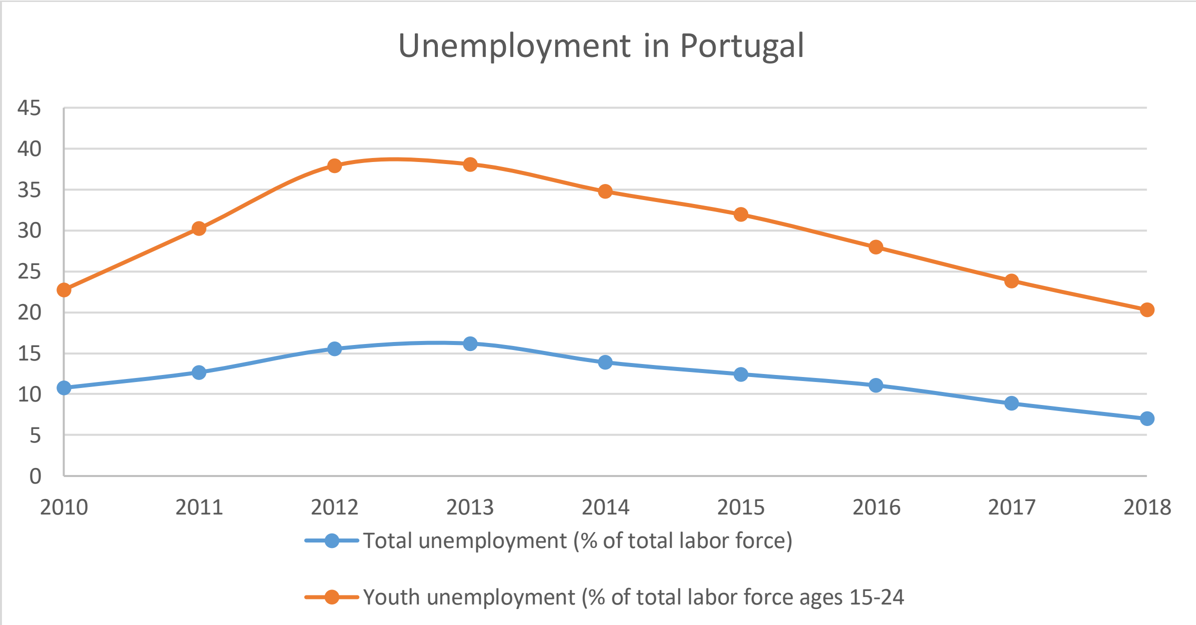



***Exhibit A3***

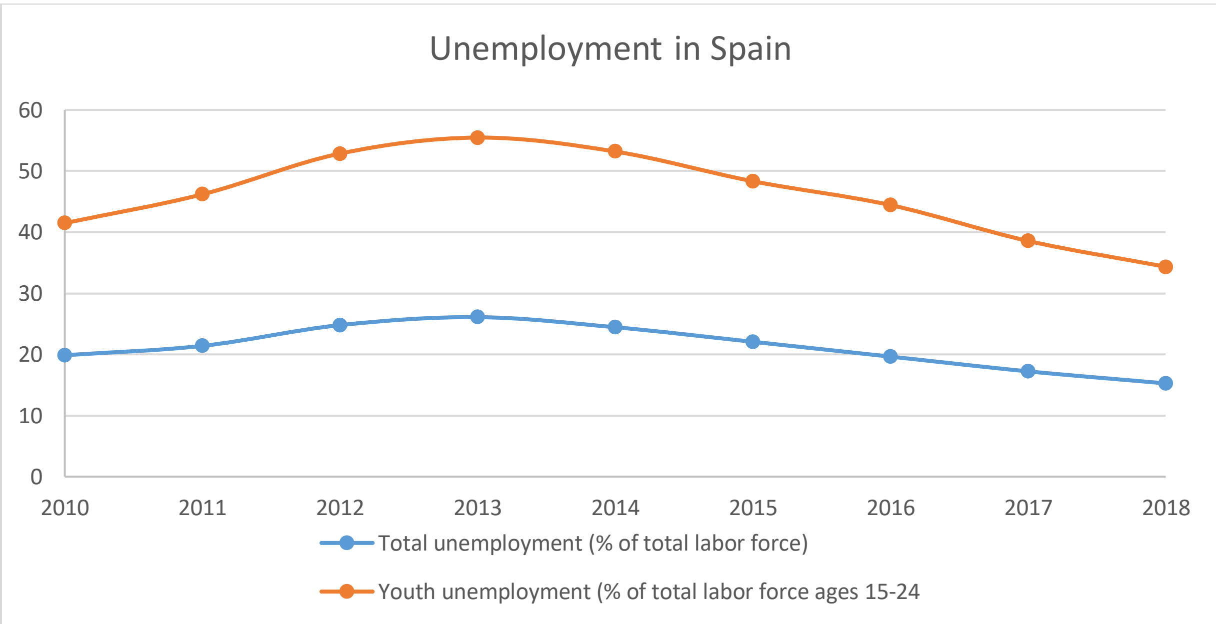



***Exhibit A4***

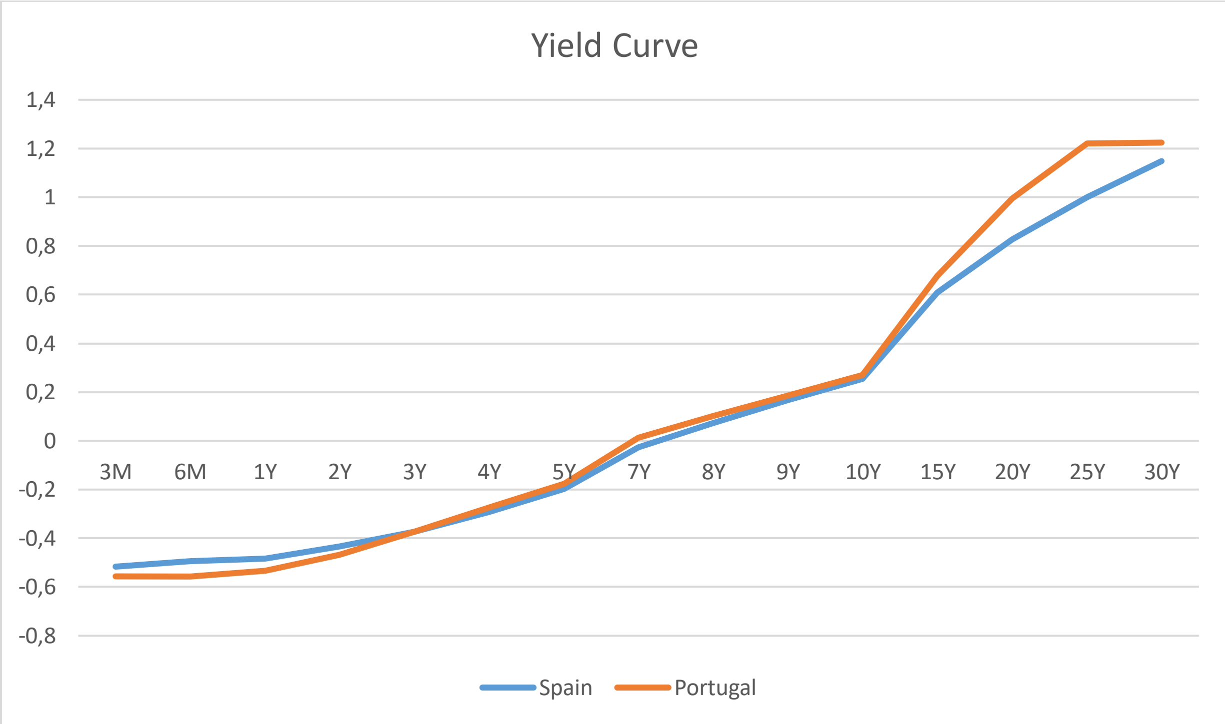
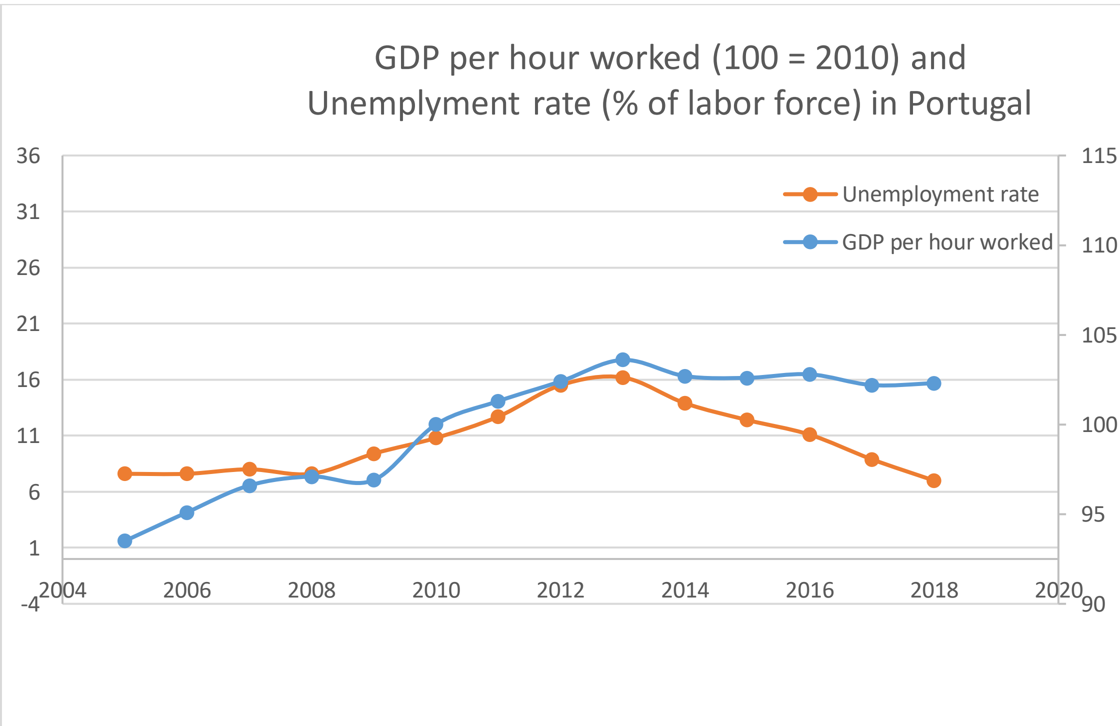



***Exhibit A5***

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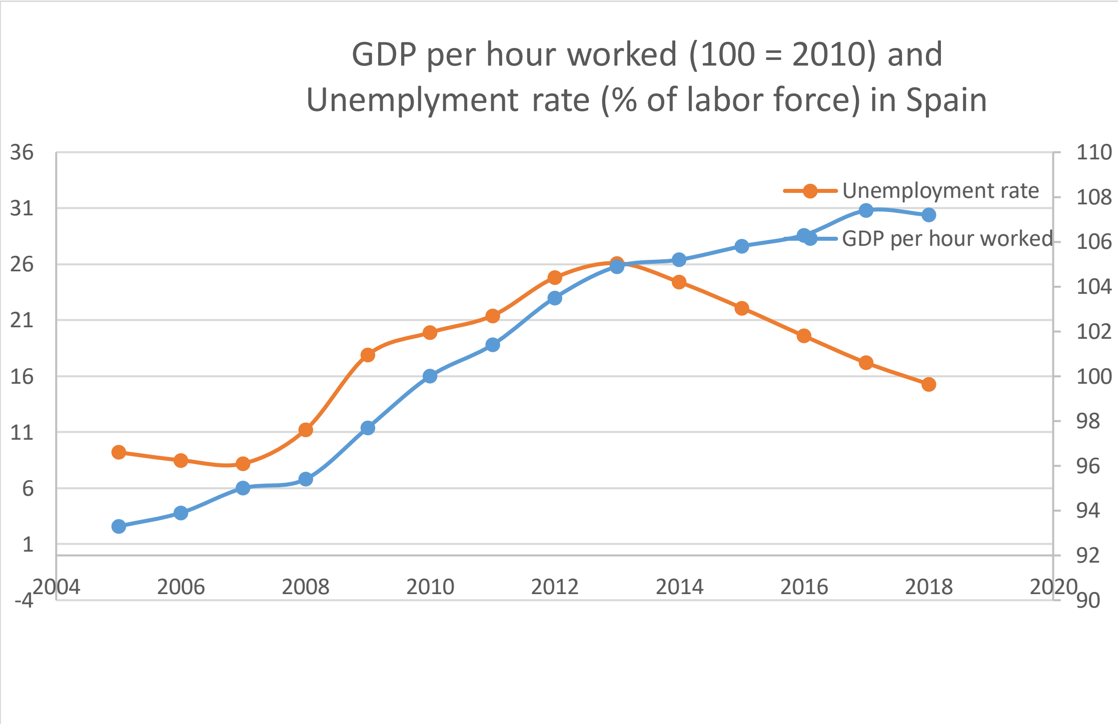


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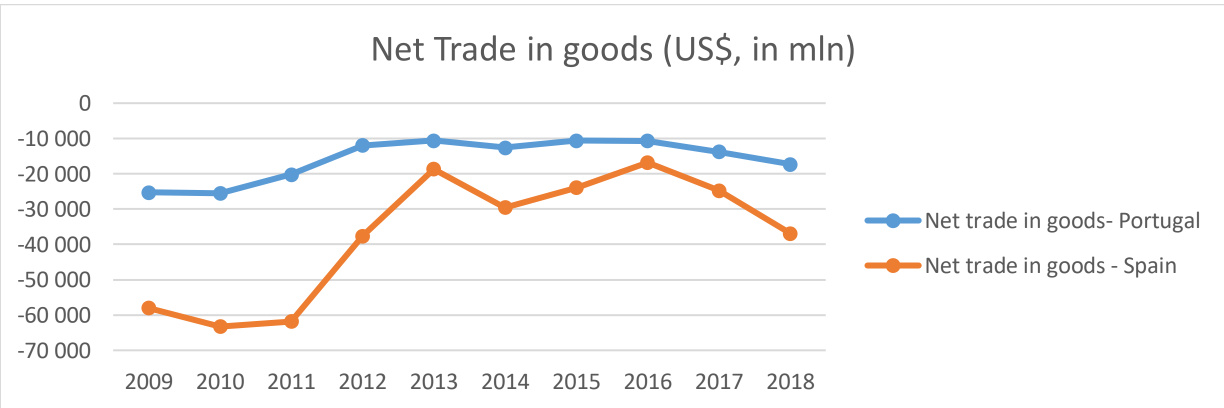



***Exhibit B1***

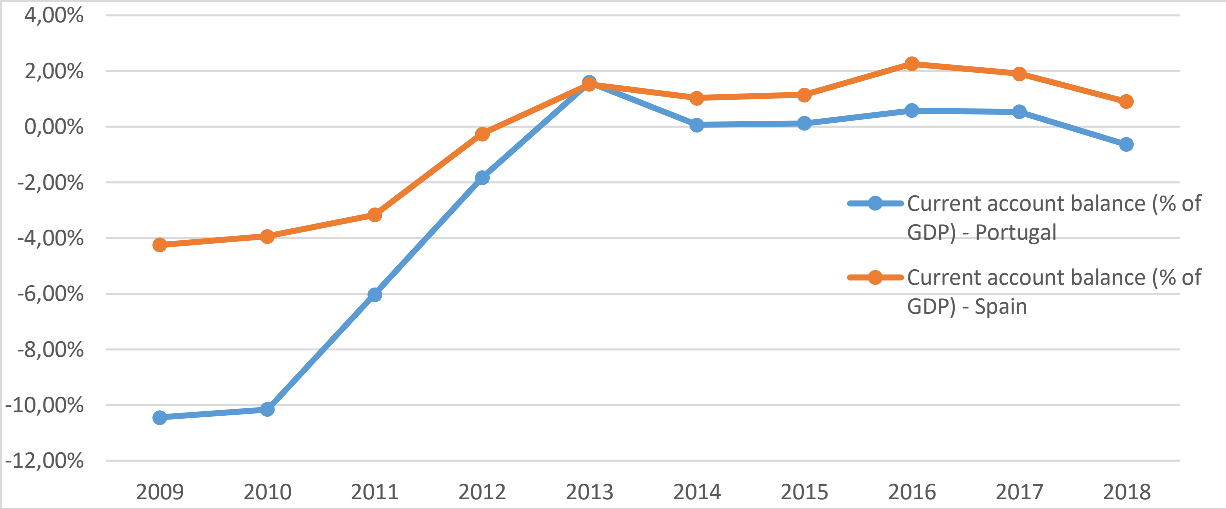



***Exhibit B2***

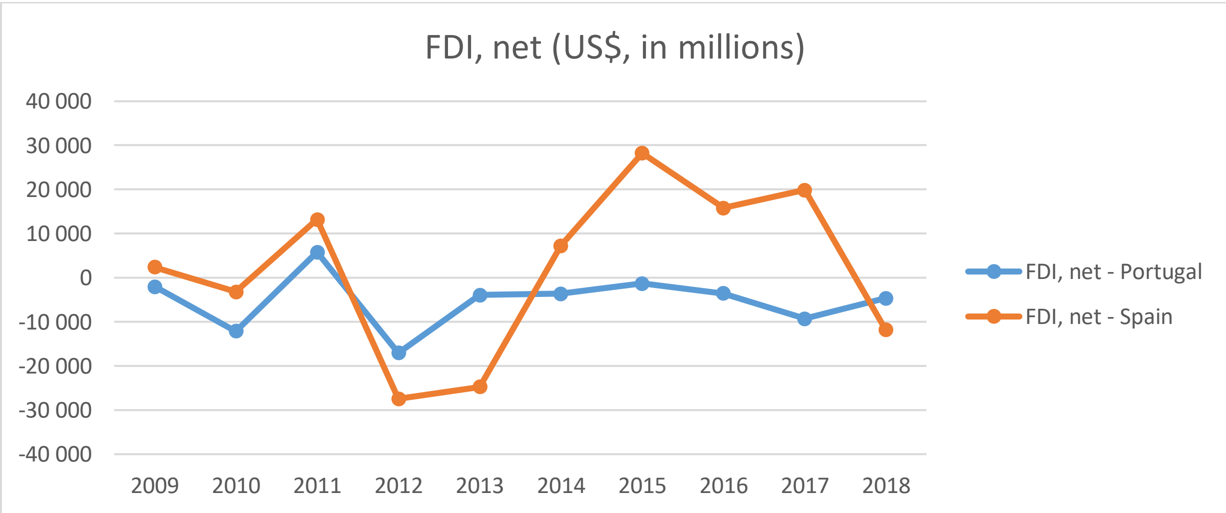



***Exhibit B3***

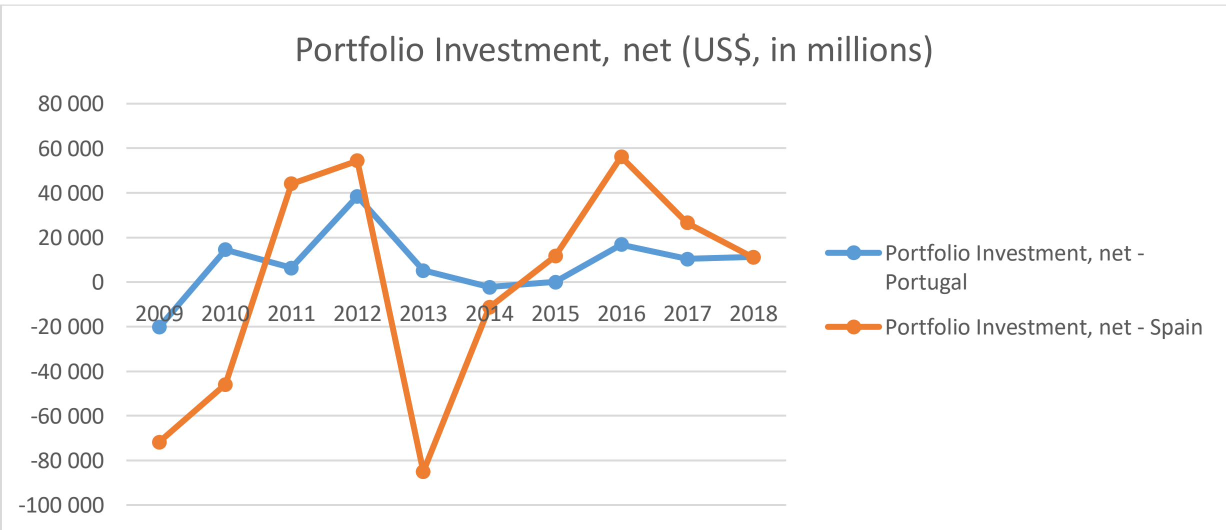



***Exhibit B4***

**Debt Profiles**

| | Portugal | Spain |
|---|---|---|
| Debt/GDP (%) | 121,50 | 97,10 |
| Debt/X Ratio | 4,83 | 4,63 |
| Debt/Reserves Ratio | 10,46 | 19,81 |
| ST Debt/Total Debt (%) | 17,29 | 7,23 |
| ST Debt/Reserves Ratio | 1,81 | 1,43 |
| Budget Deficit/GDP (%) | -0,42 | -2,48 |
| Debt Consolidation/Government Debt (%) | 6,80 | 20,00 |
| Government Gross Debt by Financial Instrument (%) | | |
| *Currency and Deposits* | 10,89 | - |
| *Debt Securities* | 60,25 | 86,45 |
| *Loans* | 28,86 | 13,55 |
| Government Gross Debt by Sector of Debt Holder (%) | | |
| *Resident Financial* | 35,38 | 55,29 |
| *Resident Non-Financial Sectors* | 13,28 | - |
| *Non-Residents* | 51,34 | 44,71 |
| Government Gross Debt by Currency of Issuance (%) | | |
| *National Currency* | 100,00 | 99,76 |
| *Foreign Currency* | - | 0,24 |
| Average Cost of Government Gross Debt (%) | 2,72 | 2,63 |
| Government Guarantees/GDP (%) | 5,21 | 5,19 |
| Total Private Debt/GDP (%) | 261,67 | 200,01 |
| Household Debt/GDP (%) | 66,20 | 58,30 |
| Debt Service Ratio (%) | | |
| *Private Non-Financial Sector* | 15,40 | 13,90 |
| *Households* | 6,50 | 6,50 |
| *Non-Financial Corporations* | 48,90 | 33,70 |
| Interest Payments per Year/GDP (%) | 4,53 | 4,95 |
| 5 Y CDS | 37,50 | 37,30 |
| NPL to Gross Loans (%) | 13,30 | 4,50 |
| Bank Liquid Reserves to Bank Assets (%) | 1,04 | 2,98 |
| Tax Rate (%) | | |
| *Corporate* | 21,00 | 25,00 |
| *Personal Income* | 14,5 - 48 | 19 - 45 |
| RATING | BBB | A |

*Sources:* *BIS*
*EuroStat*
*IMF*
*World Bank*

***Exhibit C1***

## Demographics

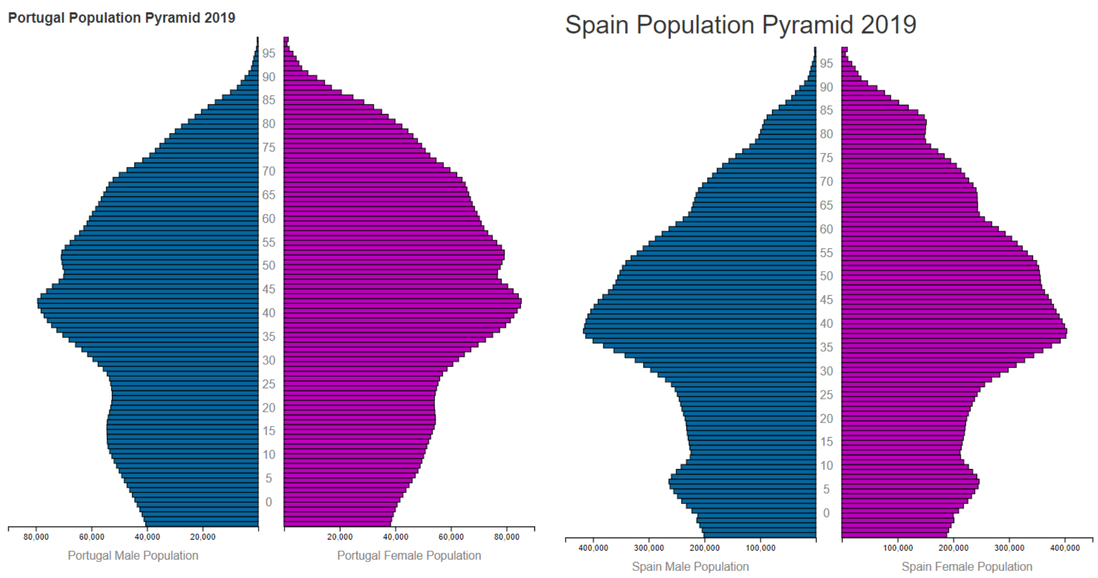
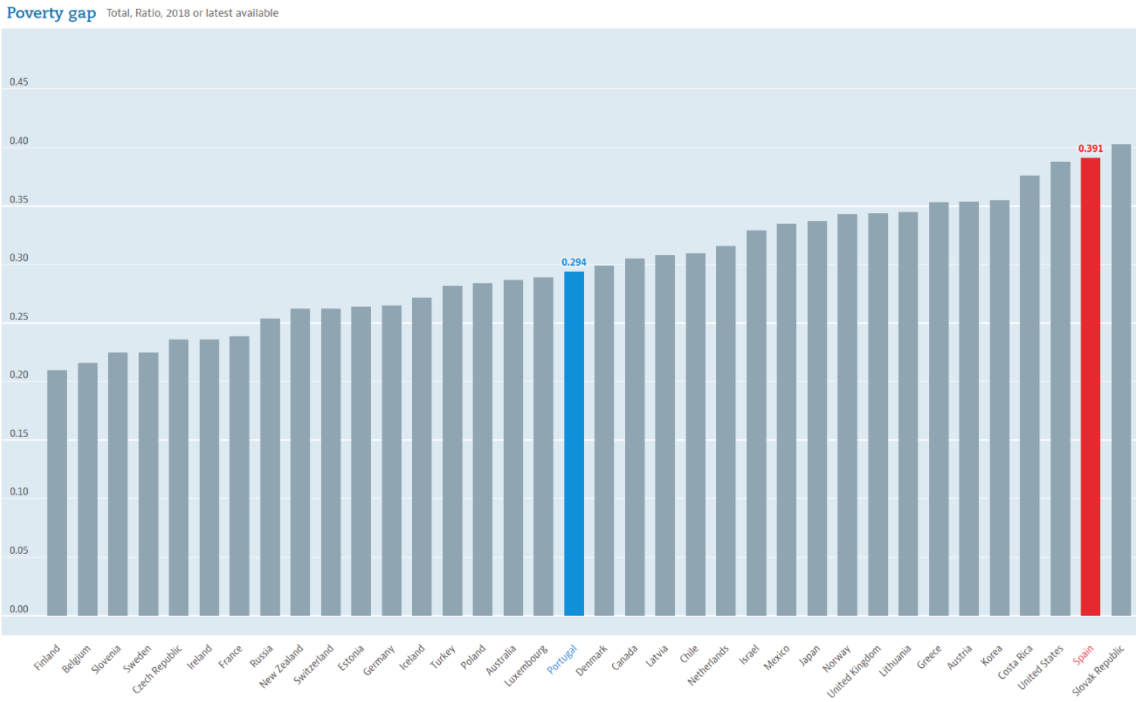



***Exhibit D1***

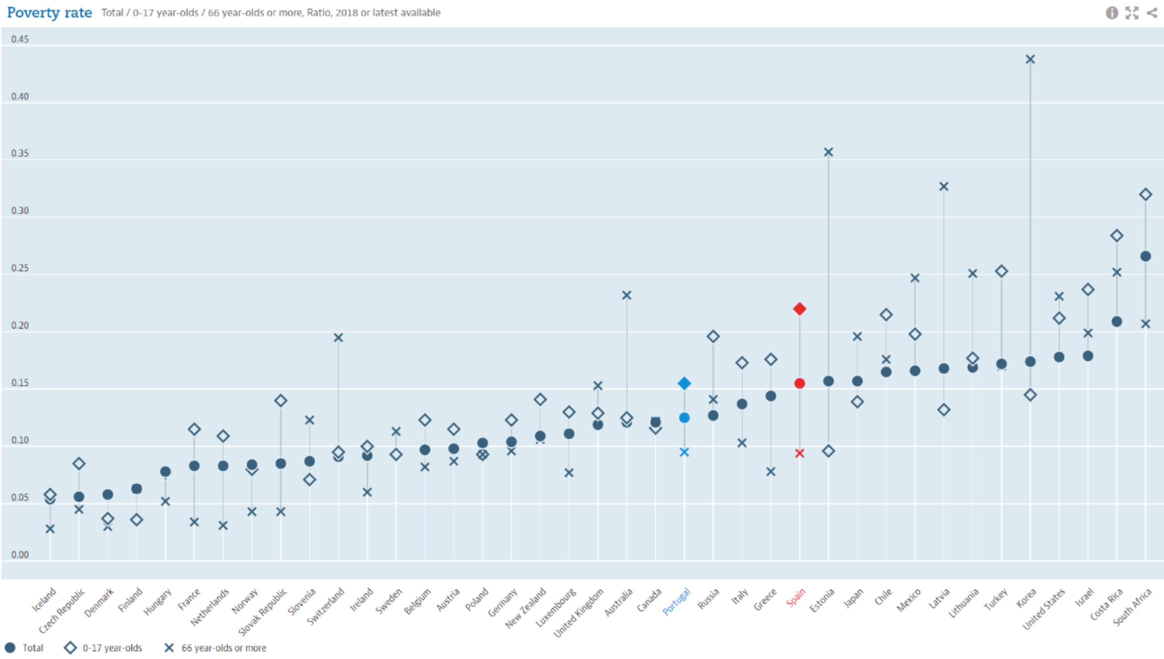
## Poverty Gap




*https://data.oecd.org/inequality/poverty-gap.htm*

***Exhibit D2***

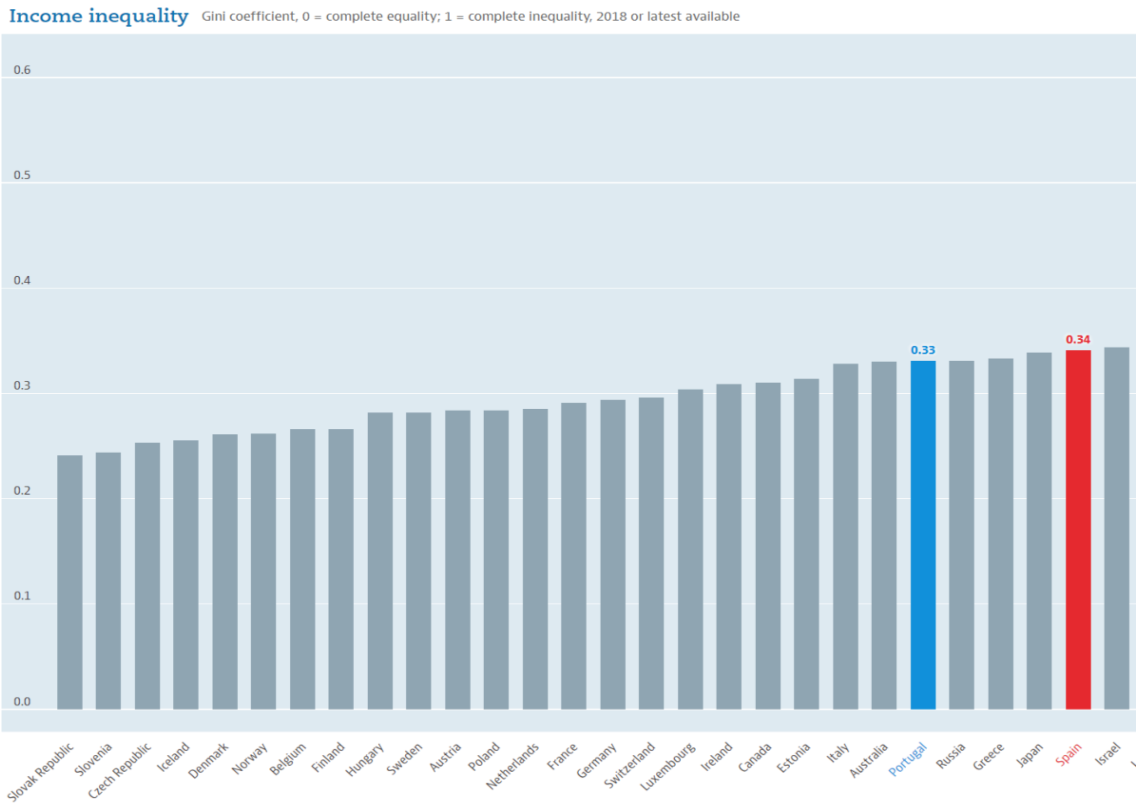
## Poverty rate




https://data.oecd.org/inequality/poverty-rate.htm#indicator-chart

***Exhibit D3***

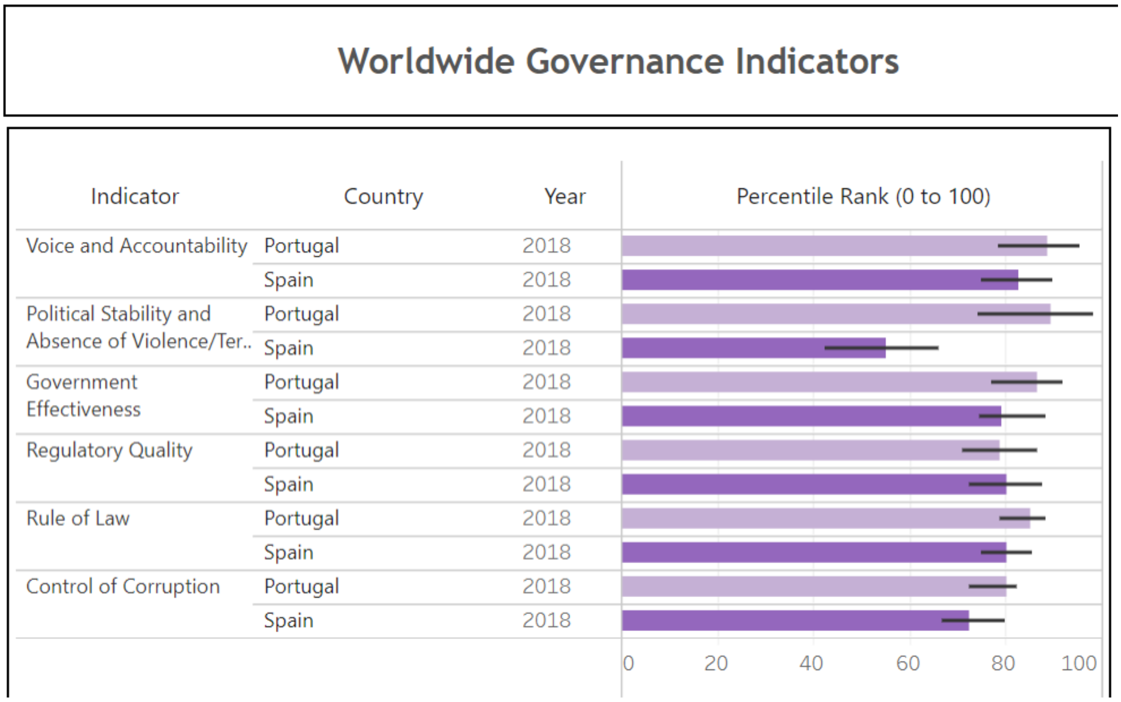
## GINI coefficient




https://data.oecd.org/inequality/income-inequality.htm#indicator-chart

***Exhibit D4***

**Political Stability**




*https://info.worldbank.org/governance/wgi/*

***Exhibit D5***

| | Spain | Portugal |
|---|---|---|
| HDI | 0,891 | 0,847 |
| GINI | 0,34 | 0,33 |
| CPI | 41/180 | 30/180 |
| HCI | 0,74 | 0,78 |
| Doing Business | 30 | 34 |
| Poverty Gap | 0,391 | 0,294 |
| Political Stability | Medium | Good |
| Demography | Medium | Good |

*Sources*

*http://hdr.undp.org/en/data*
*https://datacatalog.worldbank.org/dataset/human-capital-index*
*https://www.doingbusiness.org/en/rankings*
*https://www.transparency.org/cpi2018*

***Exhibit D6***