

METHODOLOGICAL NOTES

Transition indicators: six qualities of a sustainable market economy

The transition indicators reflect the judgement of the EBRD's Office of the Chief Economist and the Economics, Policy and Governance department on the transition progress in its countries of operations. According to this approach a sustainable market economy is characterised by six qualities: Competitive, Well-governed, Green, Inclusive, Resilient and Integrated.

This approach measures the state of each quality and its components in a given country, as compared with the other countries in the EBRD region and a few select developed economies,¹ against a frontier. The frontier is set either by the best performance in this group of economies or by an unobserved theoretical value and provides a common benchmark against which all countries are assessed consistently and comparably. The same frontier values are also applied across the years to ensure that computed scores are comparable and capture changes in underlying indicators through time.

Assessments of Transition Qualities (ATQs) are composite indices combining information from a large number of indicators and assessments in a consistent manner. The underlying indicators within each ATQ are constructed using a wide range of sources, including national and industry statistics, data from other international organisations and affiliated databases (World Bank, IMF, UN); surveys (The Business Environment and Enterprise Performance Survey (BEEPS); Life in Transition Survey (LiTS) and assessments prepared internally by EBRD experts (see Table M.1 below for the list of indicators).

The computation of ATQ indices involves multiple steps, namely: data preparation, normalisation and aggregation. Details of each of these steps are provided below.

Data preparation and treatment of missing observations

The underlying data for the majority of indicators either enter the composite index directly or are scaled using a meaningful related measure. A number of indicators may themselves be composite indices (for example, EBRD SME index or EBRD Knowledge Economy index) and they enter the ATQ composites in index form. No further transformation is applied to the underlying indicators before normalisation. For some indicators no data is available for the current year and simple imputation methods are used.² One method of imputation uses the latest available observation from past years, thus assuming that no change from the latest available observation has been observed. When there are no past or present observations available for a particular indicator, then, based on the judgement of EBRD experts, either the regional mean (using the EBRD classification of regions for its countries of operations) or the observed regional minima are used to impute the missing observations.

For the regional disparity component of the Inclusive ATQ, imputations for the southern and eastern Mediterranean (SEMED) economies and Turkmenistan are necessary due to the LiTS (source of the data for this indicator) not being administered in these countries. In particular, a new series is generated for a full set of countries including SEMED and Turkmenistan based on available indicators on rural-urban disparities from other sources. Using the statistical relationship between the scores produced by this series and LiTS-based regional inclusions scores, missing SEMED and Turkmenistan values were imputed. Further details of this imputation are available on request.

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¹ The group of comparator developed economies currently includes Canada, the Czech Republic, France, Germany, Japan, Sweden, United Kingdom and the United States of America.

² Due to lags in the availability of data, ATQ scores for a given year may not correspond fully to that calendar year. In particular, ATQ scores for 2018 reflect progress in transition based primarily on data available for the years 2016-17.

To mitigate the effect that extreme values may have on scores, observations that lie above the 98th percentile are considered outliers and replaced by the next value within the acceptable range. Outlier detection and replacement is only applied to select continuous variables.

Normalisation

The raw data for each indicator are normalised to the same scale using the min-max normalisation method as follows:

$$x' = \frac{x - x_{worst}}{x_{best/frontier} - x_{worst}}$$

The resulting scores are then rescaled from 1 to 10, where 10 represents the frontier for each quality. The frontier is taken to be the best performance, observed either in an EBRD country of operations, a comparator country or a theoretical value determined based on expert judgement.

If an observation for a country exceeds the selected frontier, then the normalised value of the indicator is capped at the frontier value. For indicators where any deviation from the frontier is undesirable, values either below or above the frontier are treated similarly (the same score is computed and assigned to two observations that are equally distant from the frontier).

Aggregation

Normalised indicators are aggregated to a single composite index (by quality) using weights determined by expert judgement (see Table M.1 for details of weights). A simple weighted averaging method is used for aggregation.

Changes to methodology from 2017

During the past year, further work on strengthening the methodology for computing ATQ indices was carried out. This work did not involve changes to the process of computation of ATQ indices and it focused largely on modifications to the set of underlying indicators. The primary purpose of this work has been ensuring that ATQs better capture the relevant phenomena and allow adequate monitoring of the pace of reforms and transformation in the region. This work resulted in the addition of new indicators, discontinuation of the use of others and use of equivalent data series from alternative sources. Details of these changes are provided below.

Competitive

- Indicators added to the quality composite: EBRD Knowledge Economy index and Global Value Chain (GVC) participation indicator
- Indicators removed from the quality composite: Global Innovation Index, number of broadband connections per population
- Changes to sources of data: import tariffs, share of services in total exports, labour productivity.

Well-governed

- For all BEEPS-based indicators, share of respondents with certain values is used as an indicator now instead of mean of responded values.

Green

- Indicators removed from the quality composite: Water pricing indicator.

Inclusive

- The gender equality component of the composite was revised and includes a different set of indicators this year
- The opportunities for youth component of the composite was also substantially revised. The component retained some of the indicators from last year (quality of education, PISA scores, hiring and firing flexibility index) and three new indicators were added
- The number of indicators entering the regional disparities component of the composite was reduced.

Resilient

- Treatment of deviations from frontier for a number of indicators changed.

Integrated

- Indicators added to the quality composite: Foreign direct investment restrictiveness indicator, losses and spoilages during transport, number of internet users, time required to get electricity
- Indicators removed from the quality composite: Investing across borders indicator
- Trade volume indicator now also includes services trade.

The following tables show, for each quality, the components used in each quality index along the indicators and data sources that were fed into the final assessments.

TABLE M.1 List of indicators used to compute Assessment of Transition Qualities (ATQs) indices

COMPETITIVE						
Components	Sub-components	Indicators	Source	Frontier country	Frontier value	Worst performance
Market structures [53%]		Applied tariff rates ^a (weighted average) [13%]	World Bank Development Indicators (WDI), International Trade Centre, Market Access Map (MACMAP), 2016	Georgia	0.66	9.35
		Subsidies expense ^a (per cent of GDP) [13%]	IMF, Government Finance Statistics, 2016	Albania	0.12	7.05
		Doing Business (Distance to Frontier (DTF) Score) [13%]	World Bank <i>Doing Business</i> , 2017	United States of America	83.67	53.57
		DB Resolving insolvency score (DTF Score) [13%]	World Bank <i>Doing Business</i> , 2017	Japan	93.16	20.3
		Number of new entries ^d (per 1,000 people) [6%]	WDI, 2016	Estonia	20.76	0.15
		Starting a business ^d (DTF Score) [6%]	World Bank <i>Doing Business</i> , 2017	Canada	98.23	63.6
		SME Index adjusted (0 = worst, 1 = best) [13%]	EBRD, 2017	United Kingdom	0.69	0.32
		ISO 9001 certification/pop [13%]	ISO Institute, WDI, 2016	Slovak Republic	0.11	0
Capacity to generate value added [47%]		Share of business services in service exports (per cent of total service exports) [13%]	WDI, 2016	United Kingdom	77.55	8.38
		Economic Complexity Index [14%]	Harvard Centre for International Development, 2016	Japan	2.26	-1.38
		Knowledge Economy Index (KEI) adjusted (1 = worst, 10 = best) [14%]	EBRD, 2017	Sweden	8.15	1.97
		WB Logistics Performance Index (1 = worst, 5 = best) [14%]	World Bank WDI, 2016	Germany	4.44	1.96
		WEF quality of education (1 = worst, 7 = best) [14%]	WEF Global Competitiveness Index, 2017	United States of America*	5.58	2.46
		Labour productivity (output per worker, GDP (constant 2011 int.US\$ PPP)) [14%]	ILO, 2017	United States of America	111,056	7,544
		Credit to private sector ^b (per cent of GDP) [14%]	WDI, 2016	Canada*	100	10.94
	Global value chain participation [14%]	EORA UNCTAD, 2017	Slovak Republic	0.81	0.33	

WELL-GOVERNED						
Components	Sub-components	Indicators	Source	Frontier country	Frontier value	Worst performance
National level governance [60%]	Quality of public governance [33%]	Regulatory quality (-2.5 = worst, 2.5 = best) [14%]	World Bank Governance Indicators, 2016	Sweden	1.85	-2.09
		Government effectiveness (-2.5 = worst, 2.5 = best) [14%]	World Bank Governance Indicators, 2016	Japan	1.83	-1.14
		Transparency of government policy making (1 = worst, 7 = best) [14%]	WEF Global Competitiveness Index, 2017	Canada	5.67	2.71
		Private property protection ^o (1 = worst, 7 = best) [7%]	WEF Global Competitiveness Index, 2017	United Kingdom	6.3	2.87
		IP rights protection ^o (1 = worst, 7 = best) [7%]	WEF Global Competitiveness Index, 2017	United Kingdom	6.09	2.93
		Regulatory burden (1 = worst, 7 = best) [14%]	WEF Global Competitiveness Index, 2017	Germany	4.77	1.88
		Political instability ^a (4 = major obstacle, 0 = no obstacle) [14%]	World Bank/EBRD BEEPS V, 2012	Azerbaijan	0	0.96
		Freedom of media ^{a, f} (100 = least free, 0 = most free) [7%]	Freedom House, 2016	Sweden	11	98
		Freedom of media ^{a, f} (100 = least free, 0 = most free) [7%]	Reporters Without Borders, 2017	Sweden	12.33	84.19
	Integrity and control of corruption [33%]	Control of corruption ^g (-2.5 = worst, 2.5 = best) [19%]	World Bank Governance Indicators, 2016	Sweden	2.22	-1.46
		Perception of corruption ^g (0 = highly corrupt, 100 = not corrupt) [19%]	Transparency International, 2017	Sweden	84	19
		Perception of corruption ^g (4 = major obstacle, 0 = no obstacle) [19%]	World Bank/EBRD BEEPS V, 2012	Estonia	0.01	0.71
		Informality ^a (4 = major obstacle, 0 = no obstacle) [22%]	World Bank/EBRD BEEPS V, 2012	Jordan	0.04	0.62
		Implementation of anti-money laundering/counter-terrorism-financing (CFT)/tax exchange standards ^a (0 = low risk, 10 = high risk) [22%]	International Centre for Asset Recovery, 2017	Lithuania	3.67	8.28
	Rule of law [33%]	Judicial independence (1 = worst, 7 = best) [20%]	WEF Global Competitiveness Index, 2017	United Kingdom	6.35	1.99
		Enforcement of contracts ^h (1 = worst, 7 = best) [10%]	WEF Global Competitiveness Index, 2017	No economy was at the frontier in 2018	5.69	2.06
		Efficient framework for challenging regulations (1 = worst, 7 = best) [20%]	WEF Global Competitiveness Index, 2017	No economy was at the frontier in 2018	5.21	2.06
		Enforcement of contracts ^h (DTF Score) [10%]	World Bank <i>Doing Business</i> , 2017	Sweden	94.61	42.75
		Rule of law (-2.5 = worst, 2.5 = best) [20%]	World Bank Governance Indicators, 2016	Sweden	2.04	-1.56
		Effectiveness of courts ^a (4 = major obstacle, 0 = no obstacle) [20%]	World Bank/EBRD BEEPS V, 2012	Jordan	0	0.28
Corporate level governance [40%]	Corporate governance frameworks and practices [80%]	Structure and functioning of the board (0 = worst, 5 = best) [20%]	EBRD Legal Transition Team Corporate Governance Assessment, 2016	Czech Republic*	3.68	1.78
		Transparency and disclosure ⁱ (0 = worst, 5 = best) [10%]	EBRD Legal Transition Team Corporate Governance Assessment, 2016	Czech Republic*	4.66	1.96
		Internal control (0 = worst, 5 = best) [20%]	EBRD Legal Transition Team Corporate Governance Assessment, 2016	Czech Republic*	4	0.6
		Rights of shareholders ^j (0 = worst, 5 = best) [10%]	EBRD Legal Transition Team Corporate Governance Assessment, 2016	Czech Republic*	4.2	2.75
		Stakeholders and institutions (0 = worst, 5 = best) [20%]	EBRD Legal Transition Team Corporate Governance Assessment, 2016	Czech Republic*	4.16	0.18
		Transparency and disclosure ⁱ (1 = worst, 7 = best) [10%]	WEF Global Competitiveness Index, 2017	Canada	6.22	3.33
		Rights of shareholders ^j (DTF Score) [10%]	World Bank <i>Doing Business</i> , 2017	Canada*	78.33	38.33
	Integrity and other governance-related business standards and practices [20%]	Ethical behaviour of firms (1 = worst, 7 = best) [100%]	WEF Global Competitiveness Index, 2017	Sweden	5.98	2.65

GREEN							
Components	Sub-components	Indicators	Source	Frontier country	Frontier value	Worst performance	
Physical Indicators [37%]	Climate change mitigation [35%]	Electricity production from renewable sources, including hydroelectric (per cent of total) [17%]	WDI, 2014	Albania	100	0.36	
		Value added in industry per unit of CO ₂ emissions (GVA(US\$) /total CO ₂) [17%]	World Bank, International Energy Agency (IEA), 2015	Sweden	15,646	473.37	
		MWh consumed per unit of CO ₂ emissions from electricity and heat generation (MWh/total CO ₂) [17%]	World Bank, IEA, 2015	Albania*	42.88	0.12	
		GDP per unit of CO ₂ emissions from residential buildings from fuel combustion (GDP(US\$)/total CO ₂) [17%]	World Bank, IEA, 2015	Sweden	2,346,478	7,335	
		CO ₂ emissions from transport a (number of registered vehicles/total CO ₂) [17%]	IEA, WHO, 2012	Tajikistan	0.79	7.38	
		Agricultural GVA per unit of GHG emissions (GVA (US\$)/total CO ₂ eq) [17%]	FAO, World Bank, 2016	Japan	2,909	53.34	
	Climate change adaptation [35%]	NDGAIN human habitat score ^a [25%]	Notre Dame Global Adaptation Index (NDGAIN), 2016	Germany	0.25	0.64	
		Aqueduct water stress index ^a [25%]	Aqueduct, World Resources Institute, 2013	Slovenia	0.83	3.14	
		NDGAIN projected change in cereal yield ^a [25%]	NDGAIN, 2016	United Kingdom*	0	0.85	
		WDI Occurrence of droughts, floods, extreme temperatures ^a (per cent of population exposed 1990-2009) [25%]	World Bank WDI, 2009	Sweden*	0	5.38	
	Other environmental areas [30%]	Population weighted mean annual exposure to PM2.5 ^a [25%]	World Bank WDI, 2016	Sweden	5.2	126.03	
		Waste intensive consumption a (kg municipal solid waste/household expenditure (US\$)) [25%]	Waste Atlas, 2015	Japan	0.01	0.33	
		Waste generation per capita ^a (kg / population) [25%]	Waste Atlas, 2015	Armenia	118.9	777	
		Number of animal (terrestrial and marine) species threatened (per cent of total number assessed) ^a [13%]	The IUCN red list of threatened species, 2017	Estonia	0.04	0.18	
		Number of plant (terrestrial and marine) species threatened (per cent of total number assessed) ^a [13%]	The IUCN red list of threatened species, 2017	Estonia*	0	0.27	
	Structural Indicators [63%]	Climate change mitigation [36%]	Market support mechanism index (0=no support, 0.5 regulatory support, 1=revenue support) [25%]	IEA, 2015	Canada*	1	0.5
			INDC rating (0 = no INDC, 0.5 = INDC but not ratified, 1 = ratified INDC) [25%]	World Resource Institute, 2017	Japan*	1	0
			Carbon price (0 = worst, 1 = best) [25%]	World Bank International Carbon Action Partnership (ICAP), 2017	France*	1	0
			Fossil fuel subsidies ^a (per cent of GDP) [25%]	IMF, 2015	Sweden*	0	11.91
Climate change adaptation [26%]		NDGAIN agricultural capacity ^a [20%]	NDGAIN, 2016	Japan	0.36	0.99	
		World Governance Indicators: Institutional Quality [40%]	WDI, 2016	Sweden	1.82	-1.62	
		Adaptation mentioned in INDCs (1 = yes, 0 = no) [40%]	CGIAR, 2017	Armenia*	1	0	
Other environmental areas [30%]		Vehicle emission standards (0 = worst, 6 = best) [34%]	United Nations Environment Programme (UNEP), 2015	Canada*	6	0	
		Municipal waste collection coverage (per cent of total) [34%]	Waste Atlas, 2015	Germany*	100	39	
		Proportion of terrestrial protected area 1990/2014 (per cent of total area) [16%]	World Bank, 2016	Slovenia	53.64	0	
		Proportion of territorial seas protected (per cent of total area) [16%]	World Bank, 2016	Slovenia	100	0	
Cross-cutting [8%]		Number of environmental technology patents (per GDP (billion US\$)) [100%]	OECD, World Bank, 2014	Japan	0.61	0	

INCLUSIVE						
Components	Sub-components	Indicators	Source	Frontier country	Frontier value	Worst performance
Gender equality [33%]		Social Institutions and Gender Index ^{a, b} (0 = best) [20%]	OECD, 2014	No economy was at the frontier in 2018	0	0.43
		Difference between women's and men's labour force participation rate ^{a, c} [20%]	ILOSTAT Database, 2017	No economy was at the frontier in 2018	0	0.79
		Share of women in managerial employment ^c (per cent of total in managerial employment) [20%]	ILOSTAT Database, 2017	No economy was at the frontier in 2018	50	7.1
		Share of women employers ^c (per cent of total employers) [20%]	ILOSTAT Database, 2017	Moldova	50	3.85
		Share of women with bank accounts (per cent of total women) [20%]	World Bank Financial Inclusion Database, 2017	Sweden	100	0.79
Opportunities for youth [33%]		Percentage of young people with bank accounts (15-24) (per cent of total youth population) [17%]	World Bank Financial Inclusion Database, 2017	Canada*	100	0
		Hiring and firing flexibility [17%]	WEF Global Competitiveness Index, 2017	United States of America	5.44	2.37
		PISA test score performance in three fields (reading, math and science) [17%]	PISA, OECD, 2015	Estonia	524	362
		Perception of quality of education system (1 = worst, 7 = best) [17%]	WEF Global Competitiveness Index, 2017	United States of America	5.62	2.14
		Median age [17%]	UN-DESA, World Population Prospects, 2015	Japan	46.35	19.34
		Difference between youth (15-24) and adult (25+) unemployment rates ^{a, b} [17%]	ILO, 2017	No economy was at the frontier in 2018	0	29.6
Regional disparities [33%]		Percentage of establishments with checking or savings account ^a [13%]	EBRD, BEEPS V and MENA, 2012-14	Russia	0	0.45
		Quality of administrative, health and education systems ^a [13%]	EBRD, LITS, 2016	Estonia	0.07	0.87
		Access to water ^a [13%]	EBRD, LITS, 2016	Germany*	0	0.97
		Access to heating ^a [13%]	EBRD, LITS, 2016	Cyprus	0	0.99
		Access to computer ^a [13%]	EBRD, LITS, 2016	Germany	0.25	0.79
		Access to internet ^a [13%]	EBRD, LITS, 2016	No economy was at the frontier in 2018	0.26	0.86
		Household head labour market status ^a (worked in the last 12 months) [13%]	EBRD, LITS, 2016	Czech Republic	0.39	0.71
	Completed education of the household head in working age (25-65) ^a [13%]	EBRD, LITS, 2016	Uzbekistan	1.25	3.05	

RESILIENT						
Components	Sub-components	Indicators	Source	Frontier country	Frontier value	Worst performance
Energy sector resilience [30%]	Liberalisation and market liquidity [50%]	Sector restructuring, corporatisation and unbundling (0 = worst, 0.67 = best) [33%]	EBRD assessment, 2017	Germany*	0.67	0
		Fostering private sector participation (0 = worst, 0.67 = best) [33%]	EBRD assessment, 2017	United States of America*	0.67	0
		Tariff reform (0 = worst, 0.67 = best) [33%]	EBRD assessment, 2017	Czech Republic*	0.67	0
	System connectivity [20%]	Domestic connectivity (0 = worst, 0.67 = best) [35%]	EBRD assessment, 2017	Czech Republic*	0.67	0.09
		Inter-country connectivity (0 = worst, 0.67 = best) [65%]	EBRD assessment, 2017	Germany*	0.67	0
	Regulation and legal framework [30%]	Development of an adequate legal framework (0 = worst, 0.67 = best) [50%]	EBRD assessment, 2017	Czech Republic*	0.67	0
		Establishment of an empowered independent energy regulator (0 = worst, 0.67 = best) [50%]	EBRD assessment, 2017	Czech Republic*	0.67	0
	Financial stability [70%]	Banking sector health and intermediation [65%]	Capital adequacy ratio [6%]	IMF Financial Soundness Indicators (FSI), IHS Markit, National Authorities, 2017	Moldova	0.31
Return on assets [6%]			IMF FSI, IHS Markit, National Authorities, IMF Article IV, Fitch - Sovereign Data Comparator, EBRD FI Risk Reports, 2017	Georgia	3.12	-12.47
Loan-to-deposits ratio ^c [6%]			IMF FSI, IHS Markit, National Authorities, IMF Article IV, Fitch - Sovereign Data Comparator, EBRD FI Risk Reports, latest available	No economy was at the frontier in 2018	1	0.36
Non-performing loans (NPLs) to total gross loans ^a (per cent of total gross loans) [6%]			IMF FSI, IHS Markit, National Authorities, IMF Article IV, Fitch - Sovereign Data Comparator, S&P BICRA, EBRD FI Risk Reports, 2017	Canada	0.59	54.54
Loan loss reserves to NPLs ratio ^b (provisions to NPLs) [6%]			IMF FSI, IHS Markit, National Authorities, EBRD FI Risk Reports, 2017	FYR Macedonia*	100	16.67
Asset share of five largest banks ^a [6%]			WB Global Financial Development Database (GFDD), IMF Financial System Stability Assessment (FSSA), EBRD FI Risk Reports, 2015	United States of America	46.53	99.89
Asset share of private banks [6%]			WB GFDD/EBRD FI Risk Reports, IMF Article IV, IMF FSSA, Bank Focus, latest available	Sweden*	100	0
Assets to GDP ^c (per cent of GDP) [6%]			IMF FSI, EBRD, Internal Sovereign Risk Report, Bank Focus, National Authorities, IHS Markit, latest available	No economy was at the frontier in 2018	100	36.48
Credit to private sector ^c (per cent of GDP) [6%]			WB GFDD, S&P BICRA, IMF Article IV, WDI, 2016	No economy was at the frontier in 2018	80	4.02
Foreign currency loans ^a (per cent of total loans) [6%]			IMF FSI, IMF Article IV, IHS Markit, National Authorities, 2017	United States of America*	0	100
Alternative sources of funding [12%]		Other Financial Corporation (OFC) ^a assets ^b (per cent of GDP) [6%]	IMF FSI, WB GFDD, IMF Article IV, National Authorities, EBRD FI Risk Overview, IMF FSSA, AFDB, latest available	Canada*	100	0.32
		Stock market capitalisation ^b (per cent of GDP) [6%]	WB, Lithuanian National statistics and Stock Exchange (CEIC), IMF FSSA, IMF FSI, WDI, 2015	France*	79.24	0
Regulation, governance and safety nets [24%]		Well-functioning deposit insurance (1 = No, 5 = Partially, 10 = Yes) [6%]	EBRD assessment, 2017	United Kingdom*	10	1
		Bank risk management capacity and corporate governance (1 = No, 5 = Partially, 10 = Yes) [6%]	EBRD assessment, 2017	Czech Republic*	10	1
		Adequate legal and regulatory framework (1 = No, 5 = Partially, 10 = Yes) [6%]	EBRD assessment, 2017	Germany*	10	1
		Independent supervisory body (1 = No, 5 = Partially, 10 = Yes) [6%]	EBRD assessment, 2017	Czech Republic*	10	1

INTEGRATED						
Components	Sub-components	Indicators	Source	Frontier country	Frontier value	Worst performance
External integration [50%]	Trade openness [33%]	Total trade volume (per cent of GDP) [50%]	World Bank WDI, 2017	Slovak Republic	182.59	28.71
		Number of regional trade agreements (RTAs) [17%]	WTO, 2017	France*	41	1
		Binding overhang ratio ^{a,b} (%) [17%]	WTO, 2016	Sweden*	0	46.3
		Number of non-tariff measures ^a [17%]	WTO, 2017	Azerbaijan	2	4,493
	Investment openness [33%]	Foreign direct investment (FDI) inflows (per cent of GDP) [50%]	IMF International Investment Position Statistics, 2017	Cyprus	14.89	-0.84
		Number of bilateral investment agreements [25%]	UNCTAD, 2017	Germany	185	8
		FDI Restrictions indicator ^a [25%]	OECD, 2017	Slovenia*	0.01	0.24
	Portfolio openness [33%]	Non-FDI inflows (per cent of GDP) [50%]	IMF International Investment Position Statistics, 2017	Cyprus	9.48	-5.46
Chinn-Ito indicator [50%]		Chinn-Ito, 2015	Sweden*	2.37	-1.9	
Internal integration [50%]	Domestic transport [25%]	Quality of infrastructure: Roads (1 = worst, 7 = best) [13%]	WEF Global Competitiveness Index, 2017	Japan	6.11	2.41
		Quality of infrastructure: Railroads (1 = worst, 7 = best) [13%]	WEF Global Competitiveness Index, 2017	Japan	6.58	1.03
		Quality of infrastructure: Ports (1 = worst, 7 = best) [13%]	WEF Global Competitiveness Index, 2017	United States of America	5.7	1.3
		Quality of infrastructure: Air transport (1 = worst, 7 = best) [13%]	WEF Global Competitiveness Index, 2017	United States of America	6	2.6
		LPI: Logistics competence (1 = worst, 5 = best) [13%]	WB Logistics Performance Index (LPI) database, 2017	Germany	4.28	1.96
		LPI: Tracking and tracing (1 = worst, 5 = best) [13%]	WB LPI database, 2017	No economy was at the frontier in 2018	4.27	1.84
		LPI: Timeliness (1 = worst, 5 = best) [13%]	WB LPI database, 2017	No economy was at the frontier in 2018	4.45	2.04
		Proportion of products lost to breakage or spoilage during shipping ^a [13%]	WB Enterprise Surveys, 2013	Latvia*	0	4.3
	Cross-border transport [25%]	LPI: Customs, Infrastructure, International shipments (1 = worst, 5 = best) [50%]	WB LPI database, 2017	Germany	4.11	1.95
		Cost of trading across borders (DTF Score) [50%]	WB <i>Doing Business</i> , 2017	France*	100	42.23
	Energy [25%]	Quality of electricity supply (1 = worst, 7 = best) [50%]	WEF Global Competitiveness Index, 2017	France	6.76	1.65
		Losses due to electrical outages ^a [25%]	WB Enterprise Surveys, 2013	Estonia	0.1	10.1
		Time required to get electricity ^a (days) [25%]	WDI, 2017	Germany	28	281
	ICT [25%]	Number of fixed broadband internet subscriptions (per 100 people) [25%]	WEF Global Competitiveness Index, 2016	France	42.74	0.07
		Internet users (per cent of population) [25%]	ITU, 2016	United Kingdom	94.78	17.99
		Level of competition for internet services (50 = Monopoly, 75 = Partially competitive, 100 = Competitive) [50%]	World Bank The Little Data Book, 2017	United Kingdom*	100	50

* Additional countries are at the frontier. Further information is available on request

^a Inverted before normalisation

^b Capped at frontier

^c Mirrored from frontier

^d Mean of "New business entries" and "Starting a business" indicators enters the final index

^e Mean of "Private property protection" and "IP rights protection" indicators enters the final index

^f Mean of "Freedom of media" indicators enters the final index

^g Mean of "Control of corruption" and "Perception of corruption" indicators enters the final index

^h Mean of "Enforcement of contracts" indicators enters the final index

ⁱ Mean of "Transparency and disclosure" indicators enters the final index

^j Mean of "Rights of shareholders" indicators enters the final index