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, the Impact and Partnerships department, and the Policy Strategy and Delivery department on the transition progress in the economies where the EBRD invests. 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 economy, as compared with the other economies in the EBRD regions 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 economies 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.

Assessment of transition qualities (ATQ) scores are composite indices combining information from a large number of indicators and assessments in a consistent manner. The underlying indicators within each ATQ score are constructed using a wide range of sources, including national and industry statistics, data from other international organisations and affiliated databases (the World Bank, the International Monetary Fund [IMF], the United Nations); surveys (the Business Environment and Enterprise Performance Survey (BEEPS); the 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, the 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 are 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 the economies where it invests) or the observed regional minima are used to impute the missing observations.

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 economy where we invest, a comparator economy or a theoretical value determined based on expert judgement.

If an observation for an economy 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).

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[1] The group of comparator developed economies currently includes Canada, Cyprus, France, Germany, Japan, Sweden, the 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 2023 reflect progress on transition based primarily on data available for the years 2022 and 2023.

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 2023

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, rather it focused largely on modifications to the set of underlying indicators. The primary purpose of this work has been to ensure 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, a discontinuation of the use of others, and the use of equivalent data series from alternative sources. Details of these changes are provided below.

Overall

The sample of economies used to calculate ATQs was expanded to include six sub-Saharan African economies, namely: Benin, Cote d'Ivoire, Ghana, Kenya, Nigeria and Senegal.

Competitive

The services export indicator, previously measured as a percentage of total services exports, is now measured as a percentage of GDP.

Green

Mitigation indicators, measuring greenhouse gas (GHG) emissions for various sectors, previously sourced from the International Energy Agency are now sourced from the World Resource Institute.

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

TABLE M.1. List of indicators used to compute the ATQ indices

COMPETITIVE						
Components	**Sub-components**	**Indicators**	**Source**	**Frontier economy**	**Frontier value**	**Worst performance**
Market structures [50%]	-	Applied tariff rates [a] (weighted average) [14%]	World Bank, World Development Indicators (WDI), International Trade Centre, Market Access Map, 2022	Georgia	2	15.9
		Subsidies expense [a] (share of GDP) [14%]	IMF, government finance statistics, 2021	Albania	0.12	7.05
		Resolving insolvency score [14%]	EBRD assessment, 2022	United States of America	88.38	38.33
		Number of new business entries (scaled by population) [14%]	World Bank, WDI, 2022	Estonia*	18.62	0.04
		SME index adjusted (1 = worst, 10 = best) [14%]	EBRD assessment, 2019	United Kingdom	7.73	3.52
		Competition Law, Institutions and Enforcement index adjusted (1 = worst, 10 = best) [14%]	EBRD assessment, 2019	United Kingdom	8.02	4.89
		Business services exports (percentage of GDP) [14%]	World Bank, WDI, 2022	Cyprus	0.05	0
Capacity to generate value added [50%]	-	Economic Complexity Index [14%]	Harvard, Centre for International Development, 2020	Japan	2.26	-1.84
		Knowledge economy index (KEI) adjusted (1 = worst, 10 = best) [14%]	EBRD assessment, 2019	Sweden	8.02	1.92
		World Bank Logistics Performance Index (1 = worst, 5 = best) [14%]	World Bank, WDI, 2022	Germany	4.10	2.06
		Skills [14%]	World Economic Forum (WEF) Global Competitiveness Index, 2019	Germany	84.18	42.90
		Labour productivity (output per worker, GDP in constant 2011 int. US$ PPP) [14%]	ILOSTAT, WDI, 2023	United States	110,498.84	7,818.28
		Credit to private sector [b] (percentage of GDP) [14%]	World Bank, WDI, 2023	Canada*	193.49	8.58
		Global value chain participation [14%]	UNCTAD, EBRD, 2018	Slovak Republic	0.81	0.31

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TABLE M.1. List of indicators used to compute the ATQ indices (continued)

WELL GOVERNED						
Components	**Sub-components**	**Indicators**	**Source**	**Frontier economy**	**Frontier value**	**Worst performance**
National-level governance [75%]	Quality of public governance [53%]	Regulatory quality (-2.5 = worst, 2.5 = best) [13%]	World Bank Governance Indicators, 2020	Germany*	1.75	-2.30
		Government effectiveness (-2.5 = worst, 2.5 = best) [13%]	World Bank Governance Indicators, 2020	Canada*	1.66	-1.86
		Budget transparency (1 = worst, 7 = best) [6%]	WEF Global Competitiveness Index, 2019	No economy was at the frontier in 2023	89.00	3.00
		Private property protection (1 = worst, 7 = best) [6%]	WEF Global Competitiveness Index, 2019	Japan*	6.17	2.87
		Intellectual property protection (1 = worst, 7 = best) [6%]	WEF Global Competitiveness Index, 2019	Japan*	5.98	2.91
		Burden of government regulation (1 = worst, 7 = best) [13%]	WEF Global Competitiveness Index, 2019	Azerbaijan*	4.81	1.59
		Political instability [a] [4%]	World Bank/EBRD BEEPS, 2018-20	Montenegro*	0.01	0.96
		Political stability and absence of violence and terrorism (-2.5 = worst, 2.5 = best) [4%]	World Bank Governance Indicators, 2020	Canada	1.02	-2.61
		Political and operational stability [4%]	Global Innovation Index, 2019	Sweden*	89.1	14.90
		Government ensuring policy stability (1 = worst, 7 = best) [6%]	WEF Global Competitiveness Index, 2019	Azerbaijan	5.41	1.83
		World Press Freedom Index [a] (100 = least free, 0 = most free) [13%]	Reporters Without Borders, 2024	Sweden*	87.73	8.82
		E-government participation [7%]	WEF Global Competitiveness Index, 2019	Japan*	0.99	0.0
		Online services index [7%]	UNDESA, 2022	Estonia*	0.98	0.09
	Integrity and control of corruption [20%]	Corruption Perception Index (0 = highly corrupt, 100 = not corrupt) [43%]	Transparency International, 2024	Sweden*	82.00	14.00
		Perception of corruption a [14%]	World Bank/EBRD BEEPS, 2018-20	Sweden*	2.68	77.91
		Informality a [14%]	World Bank/EBRD BEEPS, 2018-20	Sweden	0.00	66.90
		Implementation of anti-money laundering (AML)/combating the financing of terrorism (CFT) and tax exchange standards [a] (0 = low risk, 10 = high risk) [29%]	International Centre for Asset Recovery, 2023	Estonia*	3.12	8.30
	Rule of law [27%]	Judicial independence (1 = worst, 7 = best) [22%]	WEF Global Competitiveness Index, 2019	Japan	6.19	1.99
		Efficiency of legal framework in settling disputes (1 = worst, 7 = best) [22%]	WEF Global Competitiveness Index, 2019	Sweden*	5.35	1.86
		Efficiency of legal framework in challenging regulations (1 = worst, 7 = best) [22%]	WEF Global Competitiveness Index, 2019	Germany*	5.04	1.79
		Rule of law (-2.5 = worst, 2.5 = best) [22%]	World Bank Governance Indicators, 2020	Sweden*	1.69	-1.88
		Effectiveness of courts [a] [11%]	World Bank/EBRD BEEPS, 2018-20	Montenegro*	0.60	45.40
Corporate-level governance [25%]	Corporate governance frameworks and practices [100%]	Structure and functioning of the board [20%]	EBRD Legal Transition Team (LTT) Corporate Governance Assessment, 2019-2022	Serbia*	3.55	1.34
		Transparency and disclosure [10%]	EBRD LTT Corporate Governance Assessment, 2019-2022	Lithuania*	4.7	1.41
		Internal control [20%]	EBRD LTT Corporate Governance Assessment, 2019-2022	Lithuania*	4.03	1.33
		Rights of shareholders [20%]	EBRD LTT Corporate Governance Assessment, 2019-2022	Latvia*	4.15	1.99
		Stakeholders and institutions [20%]	EBRD LTT Corporate Governance Assessment, 2019-2022	Estonia*	4.07	0.98
		Strength of auditing and reporting standards (1 = worst, 7 = best) [10%]	WEF Global Competitiveness Index, 2019	Canada*	5.97	3.08

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TABLE M.1. List of indicators used to compute the ATQ indices (continued)

GREEN						
Components	**Sub-components**	**Indicators**	**Source**	**Frontier economy**	**Frontier value**	**Worst performance**
Mitigation [35%]	Physical indicators [37%]	Electricity production from renewable sources, including hydroelectric (percentage of total) [17%]	World Bank, World Resources Institute (WRI), 2023	Albania*	94.59	0.03
		Value added from industry (construction, manufacturing, mining, electricity, water and gas) per unit of CO_2 emissions from industry (GVA (US$)/total CO_2) [17%]	World Bank, WRI, 2021	Estonia*	24,648.61	573.2
		MWh consumed per tonne of CO_2 emitted from electricity and heat generation (MWh/total CO_2) [17%]	World Bank, WRI, 2021	Albania*	24.45	0.46
		GDP per tonne of CO_2 emitted from residential buildings (from fuel combustion) (GDP (US$)/ total CO_2 [17%]	World Bank, WRI, 2021	Sweden	82,448.77	1,314.96
		Number of registered vehicles per tonne of CO_2 emitted from transport [17%]	World Health Organization, WRI, 2016	Turkmenistan*	6.88	0.01
		Agricultural sector GVA per tonne of GHG emissions from agriculture (GVA (US$) / total CO_2eq) [17%]	World Bank, Food and Agriculture Organization of the United Nations (FAO), 2021	Japan	2,516.34	43.02
	Structural indicators [63%]	Market support mechanism for renewable energy production (0 = no support, 0.5 = regulatory support, 1 = revenue support) [20%]	IEA, 2022	Canada*	1.00	0.00
		INDC rating (0 for no INDC. 0.5 for INDC but not ratified. 1 for ratified INDC) [20%]	World Resources Institute (WRI), CAIT, 2022	Canada*	1.00	0.00
		Carbon price (0 = worst, 1 = best) [20%]	World Bank, 2021	France*	1.00	0.00
		Fossil-fuel subsidies (percentage of GDP) [a] [20%]	IMF, 2022	No economy was at the frontier in 2024	-0.01	-58.49
		Just Transition Plan [20%]	EBRD assessment, 2021	Germany	1.00	0.00
Adaptation [30%]	Physical indicators [45%]	NDGAIN human habitat score [a] [25%]	Notre Dame Global Adaptation Initiative, 2020	Germany*	0.37	0.63
		Aqueduct water stress index [a] [25%]	WRI, 2023	No economy was at the frontier in 2024	0.00	-4.82
		NDGAIN projected change in cereal yield [a] [25%]	Notre Dame Global Adaptation Initiative, 2020	Turkmenistan*	0.13	0.98
		Number of people affected by droughts, extreme temperatures, floods and wildfires in the last 10 years [a] (per 100,000 people) [25%]	EM-DAT database, 2022	Jordan	6.42	866,271.76
	Structural indicators [55%]	NDGAIN agricultural capacity [a] [20%]	Notre Dame Global Adaptation Initiative, 2020	Uzbekistan	0.13	0.99
		World Governance Indicators: Institutional Quality (-2.5 = worst, 2.5 = best) [40%]	World Bank Governance Indicators, 2020	Sweden*	1.69	-1.88
		Adaptation in INDCs (1 = there is a national adaptation plan, 0.5 = adaption is mentioned in INDCs, 0 = none of the above) [40%]	CGSpace, CGIAR, 2022	Czechia*	1.00	0.00
Other environmental areas [30%]	Physical indicators [37%]	Population-weighted mean annual exposure to PM2.5 [a] [22%]	Organisation for Economic Co-operation and Development (OECD), 2019	Estonia*	5.95	88.21
		Waste-intensive consumption (kg municipal solid waste/US$ household expenditure) [a] [22%]	Waste Atlas, 2015	Japan	0.01	0.33
		Waste generation per capita (kg/cap) [a] [22%]	Waste Atlas, 2015	Armenia	149.70	777.00
		Number of animal (terrestrial and marine) species threatened as proportion of total number assessed [a] [17%]	IUNC Red list, 2020	Estonia*	0.04	0.18
		Number of plant (terrestrial and marine) species threatened normalised by total number assessed [a] [17%]	IUNC Red list, 2020	Mongolia	0.00	0.27
	Structural indicators [63%]	Vehicle emission standards (0 = worst, 6 = best) [34%]	UN Environment Programme, 2021	Bulgaria*	6.00	0.00
		Municipal solid waste collected (percentage of total generated) [34%]	Waste Atlas, 2015	Czechia*	100.00	20.00
		Proportion of terrestrial protected area (percentage of total area) [16%]	World Bank, 2022	Bulgaria	40.36	0.13
		Proportion of marine protected areas (percentage of total area) [16%]	World Bank, 2022	No economy was at the frontier in 2024	213.43	0.00
Cross-cutting [5%]		Number of environmental technology patents (percentage of GDP (billion US$)) [100%]	OECD, 2017	Japan	0.97	0.00

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TABLE M.1. List of indicators used to compute the ATQ indices (continued)

INCLUSIVE						
Components	**Sub-components**	**Indicators**	**Source**	**Frontier economy**	**Frontier value**	**Worst performance**
Human capital development [33%]		Labour-force participation rate (% of population aged 15+) [11%]	ILOSTAT, modelled estimates, 2024	No economy was at the frontier in 2024	74.41	38.67
		Labour-force participation rate (gap women/men) [11%]	ILOSTAT, modelled estimates, 2024	Turkmenistan	1.07	0.15
		Output per worker (GDP constant 2017 international $ in PPP) [11%]	ILOSTAT, 2023	United States	132,347.32	7,818.28
		Youth not in education, employment or training (% of youth population) [a] [11%]	ILOSTAT, 2023	Japan	2.97	38.6
		Human Capital Index [11%]	World Bank, WDI, 2022	Japan	0.84	0.3
		Firms offering formal training to employees (% firms) [11%]	World Bank, WDI, 2019	No economy was at the frontier in 2024	70.30	3.40
		Individuals with standard ICT skills (% of population aged 15+) [11%]	International Telecommunications Union (ITU), 2020	No economy was at the frontier in 2024	47.17	2.85
		Workers employed in occupations at risk of automating (%) [a] [11%]	OECD, EBRD calculations, 2019	Jordan	0.38	0.53
		Workers employed in carbon-intensive sectors (%) [a] [11%]	Bruegel, EBRD calculations, 2019	Georgia	0.03	0.14
Access to finance and services [33%]		Savings at financial institutions (% of population aged 15+) [14%]	World Bank Financial Inclusion Database (FINDEX), 2021	Sweden	80	0.12
		Borrowing from financial institutions (% of population aged 15+) [14%]	World Bank FINDEX, 2021	Canada	82.83	0.84
		Fixed broadband subscriptions (% of population) [14%]	ITU, 2022	France	49.4	0.06
		Cost of a 5GB fixed broadband basket (% GNI per capita) [a] [14%]	ITU, 2022	United Kingdom	2.2	39.73
		Logistics performance index: Quality of trade and transport-related infrastructure [14%]	World Bank, WDI, 2022	Germany	4.44	1.90
		Using safely managed drinking water services (% of population) [14%]	World Bank, WDI, 2021	Hungary	100.00	24.81
		Using safely managed sanitation services (% population) [14%]	World Bank, WDI, 2021	Japan	99.14	2.33
Policies and norms [33%]		Social benefit spending by the government (% of GDP) [20%]	IMF IFS, 2021	France	28.66	0.48
		Equal treatment and absence of discrimination [20%]	World Justice Project, 2023	Japan	0.84	0.34
		Women, Business and the Law composite score [20%]	WDI, 2022	Canada*	100.00	26.25
		Disagreeing that "it is better for everyone involved if the man earns the money and the woman takes care of the home and children" (% population) [20%]	LiTs, 2016	Canada*	0.92	0.05
		Women subjected to physical and/or sexual violence in the last 12 months (% female population) [a] [20%]	WDI, 2016	Slovenia	2.00	28.80
RESILIENT						
Components	**Sub-components**	**Indicators**	**Source**	**Frontier economy**	**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, 2023	Estonia*	0.67	0.00
		Fostering private-sector participation (0 = worst, 0.67 = best) [33%]	EBRD assessment, 2023	United States*	0.67	0.00
		Tariff reform (0 = worst, 0.67 = best) [33%]	EBRD assessment, 2023	Czechia*	0.67	0.00
	System connectivity [20%]	Domestic connectivity (0 = worst, 0.67 = best) [35%]	EBRD assessment, 2023	Czechia*	0.67	0.09
		Inter-country connectivity (0 = worst, 0.67 = best) [65%]	EBRD assessment, 2023	Germany*	0.67	0.00
	Regulation and legal framework [30%]	Development of an adequate legal framework (0 = worst, 0.67 = best) [50%]	EBRD assessment, 2023	Czechia*	0.67	0.00
		Establishment of an empowered independent energy regulator (0 = worst, 0.67 = best) [50%]	EBRD assessment, 2023	Czechia*	0.67	0.00

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TABLE M.1. List of indicators used to compute the ATQ indices (continued)

Financial stability [70%]	Banking sector health and intermediation [50%]	Capital adequacy ratio [9%]	IMF Financial Soundness Indicators (FSI), IMF Article IV, IHS Markit, national authorities, Fitch Ratings Sovereign Data Comparator, EBRD FI Risk Reports, 2023	Estonia*	0.35	0.1
		Return on assets [9%]	IMF FSI, IMF Article IV, IHS Markit, national authorities, Fitch Ratings Sovereign Data Comparator, EBRD FI Risk Reports, 2023	Türkiye*	4.86	-12.47
		Loan to deposits ratio [c] [9%]	IMF FSI, IMF Article IV, IHS Markit, national authorities, Fitch Ratings Sovereign Data Comparator, EBRD FI Risk Reports, 2023	Sweden	2.13	0.33
		Non-performing loans (NPLs) to total gross loans (per cent) [a] [9%]	IMF FSI, IMF Article IV, IHS Markit, national authorities, Fitch Ratings Sovereign Data Comparator, S&P BICRA, EBRD FI Risk Reports, 2023	Canada*	0.42	54.82
		Loan loss reserves to NPLs (provisions to NPLs) [b] [9%]	IMF FSI, IHS Markit, national authorities, EBRD FI Risk Reports, 2023	United States*	100.00	15.14
		Asset share of five largest banks [a] [9%]	World Bank Global Financial Development Database (GFDD), IMF FSSA, EBRD FI Risk Reports, 2021	Japan	43.88	100.00
		Asset share of private banks [9%]	World Bank GFDD, EBRD FI Risk Reports, IMF Article IV, IMF FSSA, Bank Focus, 2021	Canada*	100.00	33.20
		Financial sector assets [c] (percentage of GDP) [9%]	IMF FSI, EBRD, Internal Sovereign Risk Report, Bank Focus, national authorities, IHS Markit, 2021	No economy was at the frontier in 2024	100.00	28.00
		Credit to private sector [c] (percentage of GDP) [9%]	World Bank GFDD, S&P BICRA, IMF Article IV, WDI, 2023	No economy was at the frontier in 2024	80.00	4.02
		Foreign currency-denominated loans [a] (percentage of total loans) [9%]	IMF FSI, IMF Article IV, IHS Markit, national authorities, 2023	United States*	0.00	-98.65
		Liquid assets to short-term liabilities (percentage) [9%]	IMF FSI, World Bank GFDD, IMF Article IV, national authorities, EBRD FI Risk Overview, 2023	United States*	241.80	15.54
	Alternative sources of financing [32%]	Other financial corporation's assets [b] (percentage of GDP) [14%]	IMF FSI, World Bank GFDD, IMF Article IV, national authorities, EBRD FI Risk Overview, IMF FSSA, AFDB, 2023	Canada*	100.00	0
		Legal environment for financial transactions [14%]	ISDA, ICMA, 2022	United States*	2.50	0.00
		Capital market infrastructure [14%]	EBRD assessment, 2022	United States*	1.00	0.00
		Investor base [14%]	OECD, IMF, Bloomberg, Swiss RE, WEF, IMF, ECB, S&P (SNL), 2022	No economy was at the frontier in 2023	0.92	0.00
		Market capitalisation [b] [5%]	WEF, IMF, Bloomberg, local stock exchanges, 2022	United States*	100.00	0.00
		Trading to market cap [b] [5%]	WEF, IMF, Bloomberg, local stock exchanges, 2022	United States*	100.00	0.00
		IPO [b] [5%]	WEF, IMF, Bloomberg, local stock exchanges, 2022	United States*	0.0034	0.00
		FI debt [b] [4%]	Cbonds, IMF, 2022	Germany*	0.35	0.00
		Non-FI debt [b] [4%]	Cbonds, IMF, 2022	United States*	0.29	0.00
		Debt diversity [7%]	Vanguard Investment, ICMA, 2020	United States	6.75	0.00
		Money market quality [14%]	EBRD assessment, 2020	United States*	1.00	0.00
	Regulation governance and safety nets [18%]	Is there a well-functioning deposit insurance scheme? (1 = worst, 10 = best) [25%]	EBRD assessment, 2020	Czechia*	10.00	1.00
		Do the banks have good risk management and corporate governance practices? (1 = worst, 10 = best) [25%]	EBRD assessment, 2020	Czechia*	10.00	1.00
		Is there an adequate legal and regulatory framework in place? (1 = worst, 10 = best) [25%]	EBRD assessment, 2020	Czechia*	10.00	1.00
		Is the supervisory body independent and competent? (1 = worst, 10 = best) [25%]	EBRD assessment, 2020	Czechia*	10.00	1.00

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TABLE M.1. List of indicators used to compute the ATQ indices (continued)

INTEGRATED						
Components	**Sub-components**	**Indicators**	**Source**	**Frontier economy**	**Frontier value**	**Worst performance**
External integration [50%]	Trade openness [33%]	Total trade volume (percentage of GDP, five-year moving average) [50%]	World Bank, WDI, 2023	Slovak Republic	185.99	25.26
		Number of regional trade agreements [17%]	World Trade Organization (WTO), 2023	Czechia	47.00	1.00
		Binding overhang ratio [a], [b] (%) [17%]	WTO, 2022	Germany*	0.00	142.20
		Number of non-tariff measures [a] [17%]	WTO, 2022	Mongolia*	1	46
	Investment openness [33%]	FDI net inflows (percentage of GDP, five-year moving average) [50%]	IMF, international investment position statistics, 2023	Cyprus	0.89	-0.35
		Number of bilateral investment agreements [25%]	UNCTAD, 2023	Germany	183.00	8.00
		FDI Restrictiveness Indicator [a] [25%]	OECD, 2020	Slovenia	0.01	0.29
	Portfolio openness [33%]	Non-FDI inflows (percentage of GDP, five-year moving average) [50%]	IMF, international investment position statistics, 2023	Cyprus	0.06	-0.59
		Financial openness index (Chinn-Ito) [50%]	Chinn-Ito webpage, 2021	United States*	2.30	-1.93
Internal integration [50%]	Domestic transport [33%]	Road connectivity [a] [25%]	EBRD assessment, 2019	United States	107.53	309.27
		Quality of non-road transport infrastructure [25%]	WEF Global Competitiveness Index, 2019	Japan	89.92	24.25
		Competence and quality of logistics services (1 = worst, 5 = best) [13%]	World Bank, LPI database, 2022	Germany	4.31	1.90
		Tracking and tracing of consignments (1 = worst, 5 = best) [13%]	World Bank, LPI database, 2022	Sweden	4.38	1.64
		Timeliness of shipments (1 = worst, 5 = best) [13%]	World Bank, LPI database, 2022	Germany	4.45	2.04
		Proportion of products lost to breakage or spoilage during shipping [a] [13%]	World Bank/EBRD BEEPS, 2018-20	Estonia*	0.00	2.60
	Cross-border transport [33%]	Quality of customs and border management, trade and transport infrastructure and ease of arranging shipments (1 = worst, 5 = best) [50%]	World Bank, LPI database, 2022	Germany	4.14	1.84
		Cost of trading across borders [50%]	ESCAP-World Bank trade cost database, 2020	Czechia	107.97	392.08
	Energy and ICT [33%]	Quality of electricity supply (1 = worst, 7 = best) [25%]	WEF Global Competitiveness Index, 2017	Sweden	6.78	1.65
		Electric power transmission and distribution losses as percentage of domestic supply [a] [25%]	IEA, 2019	Slovak Republic	2.34	23.73
		Broadband subscription (per 100 habitants) [13%]	ITU, 2022	France	48.76	0.01
		Number of internet users (percentage of population) [13%]	ITU, 2022	United States	96.97	14.5
		Level of competition for internet services (50 = monopoly, 75 = partially competitive, 100 = competitive) [6%]	World Bank, The Little Data Book, 2017	Canada*	100.00	50.00
		Mobile broadband basket price [a] [6%]	ITU, 2023	France	0.16	5.14
		International internet bandwidth per internet user [6%]	ITU, 2022	Bulgaria*	353,000.00	41.6
		4G coverage (percentage of population) [6%]	ITU, 2022	Poland*	100.00	75.70

* Additional economies are at the frontier. Further information is available on request.
a Inverted before normalisation.
b Capped at frontier.
c Mirrored from frontier.

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