Searching for International Business Opportunities in a Risky World

The BECH Index 2021-28

January 2024

The ranking uses a new algorithm with data from the International Monetary Fund and Transparency International.

Hans Peter Bech

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TARGET AUDIENCE

The target audience for this whitepaper is business development executives and operational staff at B2B information technology companies considering international expansion.

ABSTRACT

The recent COVID-19 pandemic, Russia's invasion of Ukraine, the war between Hamas and Israel, China's increasing imperialistic ambitions, the uncertainty introduced by Trumpism in the USA and the growing acceptance of severe and man-made climate changes are changing the world.

Small and medium-sized B2B information technology companies with ambitions for international expansion and global growth should carefully consider their current and future business model environment before choosing their target markets.

Reflecting on these changes, I have applied a new algorithm for cal-culating the BECH Index described on page 24.

Considering national market conditions is especially crucial when your software requires substantial localisation, your business development efforts need feet on the ground and post-sales support must be provided in the local language, in person and on short notice.

The whitepaper reviews the various go-to-market approaches and urges the reader to consider the virtual and remote options that considerably reduce investment requirements and risk.

When this approach is impossible, the whitepaper recommends identifying and prioritising the markets where investments in localisation and infrastructure represent the lowest possible risk. Using these criteria, Northern Europe deserves consideration.

The whitepaper finally estimates the relative demand capacity for B2B information technology and related services worldwide. This estimation is called "The BECH Index."

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Summary

I believed that the struggle for democracy, the promotion of human rights, and the pursuit of a free world had been resolved with the conclusion of the Cold War and the disintegration of the Soviet Union. I thought that globalisation, marked by the growth of trade, travel, and communication, would steadily usher in prosperity, freedom, and democracy for all.

Unfortunately, I was wrong. Hopeful, but naïve. The expectation that increased international trade and communication would reduce tension and maintain peace was unfounded.

As we emerged from the COVID-19 pandemic and anticipated a resurgence in global economic growth, I was confident that the climate agenda would regain its prominence on the political stage. However, the situation shifted when Russia initiated a war against Ukraine, and China's demeanour grew increasingly hostile. More recently, conflict erupted between Hamas and Israel, and the United States has yet to distance itself from the unpredictability of Trumpism decisively.

Despite the atrocities and the increased uncertainty, the economy in most of the Western world has recovered nicely since COVID-19 and has been remarkably strong during the conflicts. The business climate in this area will remain friendly until we know the outcome of the US presidential election by the end of 2024.

If the war in the Middle East escalates, we get a Trump version 2 situation, and China decides to annex Taiwan, then we must reconsider our international investment opportunities.

How Uncertainty Affects Your Choice of Markets

The degree to which you are affected by uncertainty depends on the level of investments required for market entry.

If you have a product or service that customers buy or subscribe to without a need for any national infrastructure, then you take what comes.

However, the more you must invest before becoming attractive and acceptable to customers, the more you should consider the local business environment.

Here's my straightforward advice: Exercise caution when dealing with risky markets and focus on stable and transparent democracies instead. The benefit of such markets often lies in their ability to command higher prices, with purchase decisions driven by product features rather than personal relationships. Additionally, these markets are typically easier to initiate and are less susceptible to disruptions caused by political instability.

A New Perspective

The primary goal of this annual whitepaper, which involves ranking countries based on their economic potential, was initially designed to assist software executives in identifying the most promising global expansion opportunities. While economic capacity was originally used as a straightforward measure for assessing market size, the underlying assumption was that a certain level of critical mass was necessary given the investments required to establish a revenue-generating infrastructure.

Expanding internationally necessitates activities such as product localisation, translation, and the establishment of country-specific revenue generation and support capabilities. However, in the present economic and political landscape, making investment decisions of this nature has become increasingly challenging. Fortunately, we now have alternative options available.

THE VIRTUAL FORMAT

The information technology industry is, by nature, global. No wars, pandemics, or climate problems will change that.

Our industry is blessed with low cost of entry and simple supply chains. Serving customers in other countries doesn't require opening warehouses, building factories, setting up repair shops or investing in other CAPEX-heavy[1] assets and infrastructures.

International growth, therefore, is much more accessible than in most other industries.

With the proliferation of the internet, the introduction of cloud-based computing and the increasing popularity of software-as-a-service, it has become possible to serve customers worldwide without needing a local presence.

The pandemic pushed the threshold for what companies are prepared to purchase without meeting with the potential vendors. We got used to web meetings and learned to use virtual collaboration tools.

As you consider your options for global growth, you should carefully review if you can take advantage of the virtual go-to-market approach.

As I describe in the book Going Global on a Shoestring, there are products so generic that they don't need any, or only minor, localisation. They can be used as they are in any country. There may even be a global market for just the English version of such a product.

You may not get deep penetration with an English-only version in other segments, but it can be an excellent starting point.

For certain products, selling them doesn't require that you have any feet on the ground. All customer interaction can be done virtually and asynchronously.

[1] CAPEX: Capital Expenditure

In some situations, communicating in English may also be acceptable.

In such situations, there is no need to pick a market. You can run your global business from your current office, complemented with freelance resources located anywhere in the world.

And even if you need to master local languages, the fact that you don't need to meet physically, face-to-face, with your customers will enable you to run your operation from any location or even in a fully remote or virtual format.

All you must do is invest in a professional presence on the web and lead generation activities[2]. Then, you can generate revenue from customers all over the world.

Examples of well-known companies that started this way are Salesforce, Atlassian, Basecamp, Zendesk, ZoHo, WordPress and HubSpot. In my recent book, you can find more examples of lesser-known and smaller companies that do the same.

LET THE MARKETS PICK YOU

If you can generate international business virtually, you may already have an installed base from which you can expand. Working from a position where you already have reference customers is preferred over starting from scratch.

Are there ways these customers can introduce you to other potential customers?

Are there resellers or a distributor that could represent you?

An opportunistic approach, where you respond to inbound inquiries, may seem lazy. Still, provided you qualify them carefully, it can be a great way to get started in a new country.

This is often the case with large projects in super niche markets where there are very few competitors and where you have a significant comparative advantage. Such an advantage can be on the product side, where your solution is more innovative and attractive to visionary customers. But it can also be a better product/market fit for specific customers. Your product may not be the most innovative, but you have references that match perfectly with what risk-averse customers are looking for.

I have several examples of such situations in the book *Going Global on a Shoestring*, where software vendors only pick a market when one or more customers are ready to engage. The business case can then be built on these references, which removes substantial risk.

If you fall into this category, you must have a team that can travel the world and convincingly represent your product and company. These people must have the skills to qualify and develop the opportunities that present themselves.

[2] Click here for inspiration on how to generate international inbound leads.

The sales process in such cases is usually long and expensive, so you must ensure a high probability of winning the deals. Otherwise, it is much better to pull out early.

THE NEED FOR FEET ON THE GROUND

If you don't have a position anywhere, if you start from scratch, you must rank the countries and verify their market potential before you invest.

So, how do you do that?

Should you take Germany before the UK, start in the Nordics or go directly to North America?
The United Nations has 193 regular members and two countries that are non-member observer states, The Holy See and the State of Palestine.

So, we have 195 countries in the world[3]. We cannot make a market analysis for all 195 countries. How do we then bring that number down to a manageable shortlist?

Most countries are small markets you will not consider until later unless you receive qualified inquiries.

There are less than 20 countries in the world that represent more than 1 per cent of global demand, and some of them are off-limits for other reasons that I will get back to.

However, I would not exclude countries because they represent less than one per cent of global demand.

Language, social physics, culture, and low barriers to entry may make even small countries in your immediate vicinity attractive.

Also, countries where you can use English may be more attractive than investing in an additional language for your product, including all the marketing and sales activities.

In most B2B situations, I would always look to the Scandinavian countries[4] and the Netherlands. Maybe Belgium. Why?

Because they are open cultures, because you can communicate in English and because the very high cost of living (salaries, prices, and taxes) motivates companies and the government, for that sake, to invest heavily in what we call digital transformation. That is anything that can reduce costs, especially labour costs, remove friction and increase convenience.

Using your common sense and some help from your in-

[3] The statistic in this whitepaper is based on the April 2023 dataset from the International Monetary Fund (IMF) which covers 191 countries.

[4] https://tbkconsult.com/destination-denmark-small-but-beautiful/

dustry association, you can typically point to between 5 and 10 countries that could be attractive.

Let's assume that you have a shortlist of ten countries. Then, what do you need to know to rank them?

Again, that depends on your product and your overall go-to-market approach. You should run an internal workshop to identify the 5 to 10 most important parameters.

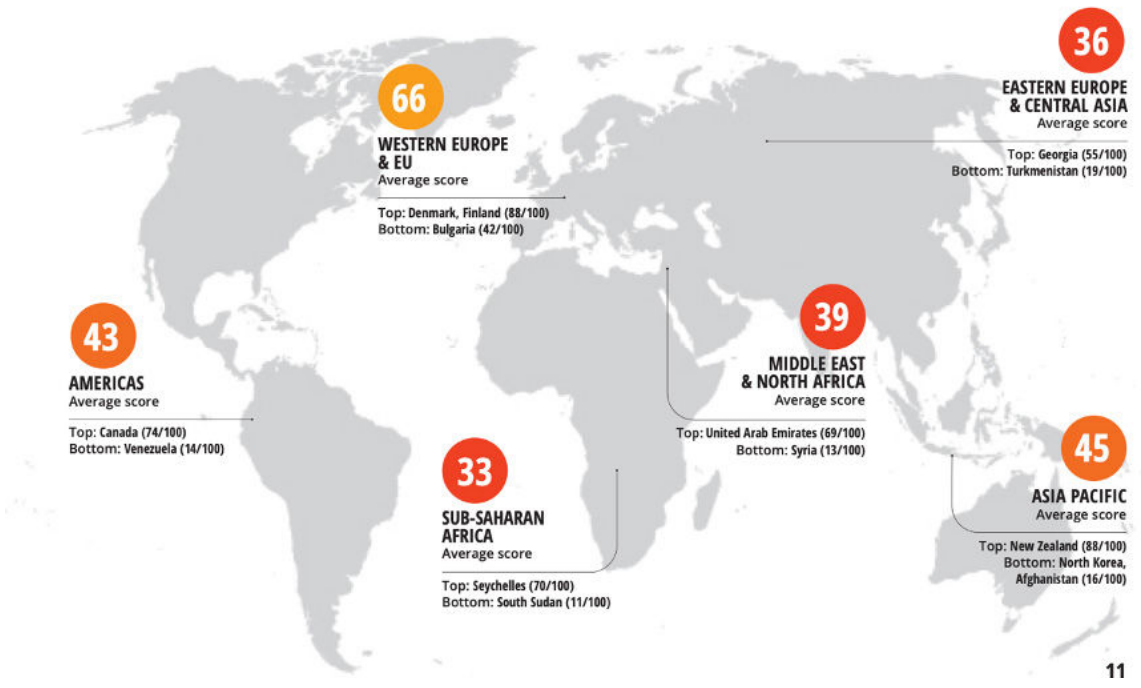
I call this exercise mapping the business model environment, and in the book *Going Global on a Shoestring*, I describe how you do it in detail.

But let me give you what I believe are important parameters and where you can find the data.

1. POLITICAL STABILITY AND TRANSPARENCY

The first parameter is political stability and transparency.

This parameter would not have been the first one I would mention a year ago. However, today it is. No one in their right mind today would consider setting up a business in Russia.



China is also out of the question for the time being. Even if you could accept operating under an unpredictable political regime, the conditions for providing foreign software in China are not for small companies.

I would also put India on the waiting list. Although it is a democracy, the risk is way too high. That may change, and hopefully, it will, but you must be careful right now.

I would even be hesitant to consider several Middle Eastern and African countries.
If I were to rank countries for international expansion, I would only consider countries with a score of

at least 50 in transparency as measured by Transparency International[5].

Doing business in countries with high levels of corruption is way too risky for a small company.

Please let me stress that this is not about political inclinations. It's about minimising your risk. With the change in the geopolitical situation, your business in corrupt countries may alienate your customers and business partners elsewhere. It's not worth the risk[6].

2. GROSS MARKET POTENTIAL

The second parameter is gross market potential.

They are expressed either in value or number of customers. The more customers, the better.

Looking at the entire world, the USA will always be #1, China #2, India #3, Japan #4, and Germany #5.

But you can already hear that choosing markets only by size makes no sense.

The markets I just mentioned are, in general, but not always, the most difficult in the world.

However, the markets that make it to your shortlist must have some potential.

Suppose your product addresses a particular type of customer, a vertical industry, for example, or big enterprises. In that case, you need to know how significant that segment is in the countries you consider. If there are less than 100 potential customers, you should resort to another approach, than invest first and harvest later.

Up-to-date standard country demographic information is available from The World Factbook[7], which the CIA publishes. The IMF and the World Bank also provide detailed financial information on all countries worldwide.

The national statistical bureaus in the individual countries also offer demographic information. LinkedIn's Sales Navigator and other private data providers such as Dunn & Bradstreet, Experian and the local providers may be good sources of information on the size of your market.

[5] https://www.transparency.org/en

[6] https://www.hpbech.com/blood-and-oil-mohammed-bin-salmans-quest-for-global-power/

[7] https://www.cia.gov/the-world-factbook/

3. AN ASSESSMENT OF THE COMPETITIVE LANDSCAPE

The third parameter is an assessment of the competitive landscape.

A market may be blocked because one or more competitors own the customer base, and your product and value proposition are not sufficiently different to win them over.

However, in other cases, it may be wide open precisely because there is no local competition or the local competitor is weak. The more niche your market is, the more often you find weak competition.

You must now map the competitive landscape and carefully define a sufficiently unique position without placing you entirely outside the market. This position must be compatible with your current position in other or domestic markets.

As a small company, you cannot maintain different market positions.

Only huge companies can do that, and even they try to avoid it.

Information on competitors is sometimes available from industry analysts such as Gartner, I.D.C., Forrester, Aragon Research, Ovum, etc.

There are around 750 industry analyst firms globally; a few have international operations, while most operate regionally or locally. There is no guarantee that an industry analyst covers your market, and even when there is, the information they provide may not be of any value to you. But sometimes it is, and then 5,000 or 10,000 Euro for a report may be wholly justified.

In most cases, you must do your own competitive mapping or commission someone to do it for you. Plenty of consultants are available on a freelance basis that can help you.

Talking to potential customers is the best way to gather or at least cross-check competitive information. Such information is typically a side product of a normal discovery conversation. You have a good picture of the situation after 15-20 meetings with potential customers.

4. THE COST OF LOCALISATION

We have not discussed the product aspects of running an international software business. It is also outside the scope of this whitepaper, but let me briefly mention the requirements.

Before taking your products to the global markets, you need an **i18n** version. An international version of your software can be localised to a specific country. For each country, you then need an **l10n** version. There's more about these issues in my book, *Going Global on a Shoestring*, but there is also plenty of information on the internet[8].

[8] An excellent source on software internationalisation:
https://docs.microsoft.com/en-us/globalization/software-internationalization

If you do not have an **i18n** version yet, that is the first investment you must make. On top of this version, you then estimate the cost of developing and maintaining the l10n versions required for each market you consider.

Assessing the cost of localisation requires that you engage with an industry consultant who can give you a picture of the situation. Talking to customers will also be a source of information, but often, they have difficulty distinguishing between their own needs and those of the market in general. In any case, will you need to establish a product management function to define and maintain the national or local versions.

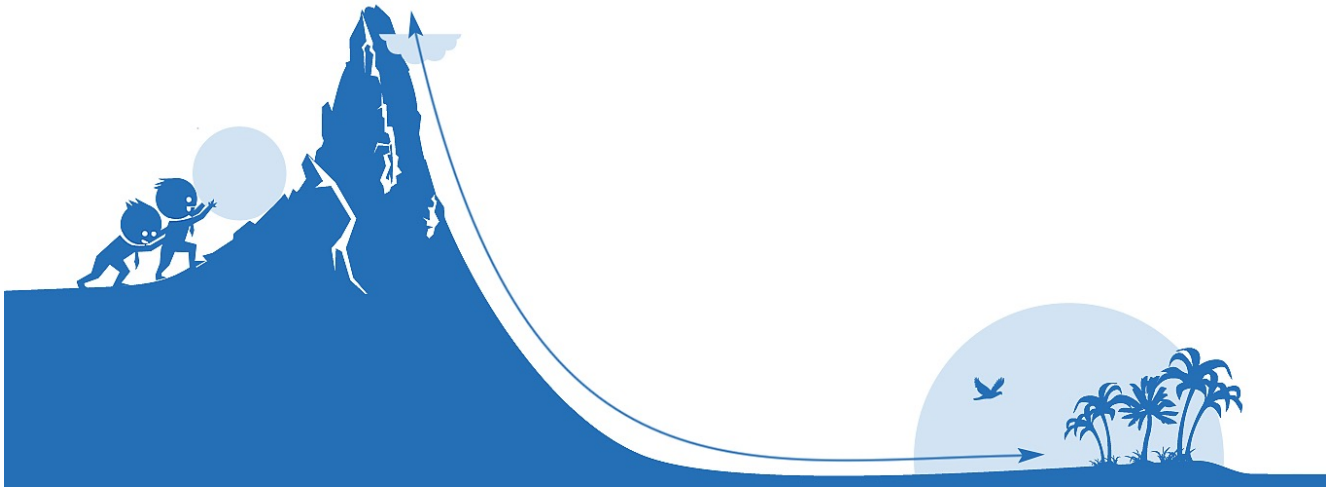
5. IDENTIFY TRENDS THAT ACCELERATE CHANGE

The fifth and last issue is identifying a force you can ride.

Moving into a market where you must replace solutions provided by local or global competitors is hard. If nothing is rocking and shaking your market, nothing accelerates the replacement rate. It means you must do all the work of convincing the customers to change – which is problematic.

Therefore, you should look for something to accelerate the replacement or adoption rate.

It could be a change in local legislation forcing customers to change their IT systems. It could be a competitor discontinuing a product that you can replace. Or some other external change that will open the market for replacements or adoptions and where you have an attractive value proposition. If you cannot find such a trend, then consider if you could invent one. Can you develop a narrative to motivate potential customers to consider a change?



Even when you provide an add-on product instead of a replacement product, riding on a wave can help you get established faster.

A slightly better mousetrap is often insufficient to break into a new market.

There is no single source of information on identifying a wave you can ride or a trend that motivates customers to change. The team responsible for your international go-to-market project must put their heads together and compile all the information they have. Either you find the wave, or you invent it.

At least don't stop until you have one.

As you perform the market analysis, you compile the information into a number in your decision matrix. You can either rank the countries on each parameter or assign 100 to one of the countries and then index the other countries to this benchmark. That's also a ranking, but it may be easier to handle.

The decision making matrix

With the definition of the 10-20 most important characteristics (CHA) of the Ideal Market Profile a decision-making matrix can be established.

	Value	Market A	Market B	Market C	Market D	Market E
CHA 1	3	5	0	5	3	0
CHA 2	3	3	0	5	5	5
CHA 3	3	5	1	5	0	3
CHA 4	3	0	1	1	3	3
CHA 5	3	0	3	1	3	5
...						
CHA N	1	3	5	0	5	0
Weighted Total:		93	49	51	111	89

A Case for Northern Europe

When we measure where people are best off, most productive, and genuinely happy, the Nordic countries always come out on top.

What characterises these countries?

- **Strong Social Welfare Systems:** Nordic countries have social welfare systems that provide healthcare, education, and a safety net for their citizens. This helps reduce income inequality and ensures a high quality of life for all residents.

- **High Education Levels:** The Nordic countries fund and prioritise education, strongly focusing on individuality, quality, and accessibility. This has led to a highly skilled and capable workforce.

- **High and Progressive Taxation:** Nordic countries have progressive tax systems that redistribute wealth and provide funding for social programs. This ensures that those who can afford to pay more taxes contribute to the welfare of society.

- **Political Stability:** These countries have stable political environments with low levels of corruption. The democratic system is based on proportional principles, allowing minorities to be represented. This stability encourages investments and economic growth.

- **Innovation and Research:** Nordic countries invest heavily in research and innovation, leading to the development of cutting-edge technologies and industries.

- **Work-Life Balance:** The Nordic countries promote a healthy work-life balance, with short working hours and long vacation periods. This contributes to overall well-being and productivity.

- **Social Trust:** The power distance is low, and social trust is high in these countries, which helps maintain strong social cohesion and cooperation. A free and independent press monitor and report on missteps in private and public enterprises.

- **Green Initiatives:** The Nordic countries are leaders in sustainable and environmentally friendly practices, which benefit the planet and create economic opportunities.

- **Open Economies:** Nordic countries have open and export-oriented economies, which have allowed them to engage in international trade and attract foreign investments.

- **Secularity:** The Nordic countries are predominantly secular. Religion is a personal matter and plays no role in politics, business or elsewhere.

How do these facts impact your consideration for international growth?

While markets that score well on transparency may not be the biggest, they are the most stable, provide the highest prices, make decisions based on product features and rely less on personal relationships.

They are more straightforward to enter.

The BECH Index 2021-2028

This whitepaper section includes calculations of the BECH index for 2021 to 2028 based on BNP data from the IMF. For a definition of the BECH Index, see page 24.

TABLE 1: THE BECH INDEX FOR THE MAJOR MARKETS 2021-2028

Per cent	2021	2022	2023	2024	2025	2026	2027	2028
North America	24,2	25,0	24,5	24,3	23,9	23,8	23,6	23,5
Latin America	5,1	5,2	4,8	5,1	5,0	5,0	5,0	5,0
Americas	**29,3**	**30,1**	**29,3**	**29,3**	**28,9**	**28,8**	**28,6**	**28,5**
The European Union	20,0	19,4	19,8	19,4	19,4	19,3	19,1	18,9
Rest of Europe	8,5	8,2	7,9	8,1	7,7	7,6	7,5	7,5
Middle East	3,8	3,3	3,9	3,4	3,9	3,9	4,0	4,0
Africa	2,3	2,2	2,1	2,1	2,1	2,1	2,2	2,2
EMEA	**34,6**	**33,0**	**33,7**	**32,9**	**33,1**	**33,0**	**32,8**	**32,6**
Australia/NZ	1,7	1,8	1,8	1,7	1,7	1,7	1,7	1,7
Japan	5,5	5,5	5,4	5,3	5,2	5,0	4,9	4,8
China	14,4	14,6	14,8	15,2	15,3	15,5	15,6	15,7
South Korea	2,0	2,0	2,0	2,0	1,9	1,9	1,9	1,9
Taiwan	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3
India	4,8	5,3	5,4	5,6	5,8	6,0	6,2	6,4
Rest of Asia	6,5	6,4	6,5	6,7	6,7	6,9	7,0	7,1
Asia	**36,2**	**36,8**	**37,0**	**37,7**	**37,9**	**38,2**	**38,6**	**38,9**
The World	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Note: The analysis uses the April 2023 International Monetary Fund (IMF) dataset.

The IMF data series for 2021 to 2028 includes 191 countries, of which some of the more prominent countries must be considered several markets. Talking about the US as one market when you haven't won the first customer or independent channel partner may seem overly self-confident. For most information technology companies, the US has at least 50 geographical markets, Germany has 16 markets (Bundesländer), France has at least four markets, the UK has four markets, the Nordics have four markets, and so on.

As can be seen from Table 1, world demand continues moving east, although the speed, compared with my previous predictions[9], has levelled off.

Because of the dramatic geopolitical changes, I predict that North America, Europe, Australasia, Japan, South Korea, and Taiwan are the most attractive markets.

[9] https://tbkconsult.com/product/the-winners-remain-china-and-india-bech-index-2020-2/

THE TOP 25 MARKETS 2021-28

These 25 countries comprise over 80 per cent of the world's demand for information technology products and services, with 166 countries sharing the remaining 20%. It doesn't mean these 25 markets are the most attractive, as issues other than size may play a more critical role. The five countries, the USA, China, India, Japan, and Germany, make up nearly half of the world's demand for information technology.

TABLE 2: TOP 25 INFORMATION TECHNOLOGY COUNTRIES IN THE WORLD

2021	2022	2023	2024	2025	2026	2027	2028	Share 2028	Country 2028	Acc. 2028
1	1	1	1	1	1	1	1	21,56 %	USA	
2	2	2	2	2	2	2	2	15,74 %	China	
5	4	3	3	3	3	3	3	6,39 %	India	
3	3	4	4	4	4	4	4	4,83 %	Japan	
4	5	5	5	5	5	5	5	4,69 %	Germany	53,20 %
6	6	6	6	6	6	6	6	3,23 %	UK	
7	7	7	7	7	7	7	7	3,18 %	France	
9	9	9	9	9	9	9	8	1,94 %	Canada	
8	8	8	8	8	8	8	9	1,92 %	Italy	
10	10	10	10	10	10	10	10	1,92 %	Korea, South	65,39 %
11	11	11	11	11	11	11	11	1,68 %	Brazil	
12	12	12	12	12	12	12	12	1,59 %	Spain	
14	16	15	15	13	13	13	13	1,57 %	Indonesia	
15	14	14	13	15	15	14	14	1,44 %	Australia	
16	15	17	15	15	16	16	15	1,39 %	Turkey	73,05 %
18	18	16	17	17	17	17	16	1,39 %	Saudi Arabia	
13	13	13	13	13	14	15	17	1,38 %	Russia	
17	19	18	18	18	18	18	18	1,25 %	Taiwan	
19	19	19	19	19	19	19	19	1,18 %	Netherlands	
20	20	20	20	20	20	20	20	1,02 %	Mexico	79,28 %
21	21	21	21	21	21	21	21	1,01 %	Poland	
23	23	22	22	22	22	22	22	0,74 %	Singapore	
N/A	N/A	N/A	N/A	N/A	N/A	24	23	0,72 %	Vietnam	
22	22	23	25	25	25	23	24	0,70 %	Switzerland	
N/A	N/A	N/A	N/A	N/A	N/A	25	25	0,65 %	Ireland	83,10 %

I expect the USA will maintain its position as the world's largest market. China will remain number 2, and Russia will move further down the list to position 20 or 21.

TABLE 3: THE BECH INDEX FOR THE AMERICAS 2021-28

Country	2021	2022	2023	2024	2025	2026	2027	2028
USA	22,17 %	22,90 %	22,48 %	22,25 %	21,93 %	21,83 %	21,66 %	21,56 %
Canada	2,02 %	2,06 %	2,02 %	2,01 %	1,99 %	1,97 %	1,95 %	1,94 %
North America	**24,19 %**	**24,96 %**	**24,50 %**	**24,26 %**	**23,91 %**	**23,80 %**	**23,61 %**	**23,49 %**
Antigua and Barbuda	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Argentina	0,51 %	0,53 %	0,51 %	0,51 %	0,50 %	0,50 %	0,50 %	0,49 %
Aruba	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Bahamas	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Barbados	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Belize	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Bolivia	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
Brazil	1,77 %	1,79 %	1,75 %	1,74 %	1,72 %	1,70 %	1,69 %	1,68 %
Chile	0,45 %	0,45 %	0,43 %	0,43 %	0,43 %	0,43 %	0,42 %	0,42 %
Colombia	0,41 %	0,43 %	0,42 %	0,42 %	0,42 %	0,42 %	0,43 %	0,43 %
Costa Rica	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %
Dominica	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Dominican Republic	0,09 %	0,09 %	0,10 %	0,10 %	0,10 %	0,10 %	0,10 %	0,11 %
Ecuador	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %
El Salvador	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,02 %	0,02 %	0,02 %
Grenada	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Guatemala	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %
Guyana	0,01 %	0,02 %	0,02 %	0,03 %	0,03 %	0,04 %	0,04 %	0,04 %
Honduras	0,02 %	0,00 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,00 %
Jamaica	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Mexico	1,09 %	1,08 %	1,07 %	1,06 %	1,05 %	1,04 %	1,03 %	1,02 %
Nicaragua	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Panama	0,07 %	0,08 %	0,01 %	0,08 %	0,08 %	0,08 %	0,08 %	0,08 %
Paraguay	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %
Peru	0,19 %	0,21 %	0,02 %	0,21 %	0,21 %	0,21 %	0,21 %	0,21 %
Puerto Rico	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Saint Kitts and Nevis	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Saint Lucia	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Saint Vincent and the Grenadines	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Suriname	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Uruguay	0,08 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,08 %	0,08 %
Venezuela	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
South America	**5,08 %**	**5,16 %**	**4,81 %**	**5,08 %**	**5,03 %**	**5,01 %**	**5,00 %**	**4,97 %**
Americas	**29,28 %**	**30,12 %**	**29,31 %**	**29,33 %**	**28,94 %**	**28,81 %**	**28,61 %**	**28,46 %**

TABLE 4: THE BECH INDEX FOR THE EUROPEAN UNION 2021-28

Country	2021	2022	2023	2024	2025	2026	2027	2028
Austria	0,53 %	0,53 %	0,51 %	0,51 %	0,50 %	0,49 %	0,49 %	0,49 %
Belgium	0,68 %	0,69 %	0,67 %	0,66 %	0,65 %	0,64 %	0,63 %	0,62 %
Bulgaria	0,10 %	0,11 %	0,10 %	0,11 %	0,10 %	0,10 %	0,10 %	0,11 %
Croatia	0,08 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %
Czech Republic	0,32 %	0,34 %	0,32 %	0,32 %	0,32 %	0,32 %	0,32 %	0,32 %
Denmark	0,46 %	0,48 %	0,46 %	0,46 %	0,45 %	0,44 %	0,44 %	0,43 %
Estonia	0,06 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %
Finland	0,35 %	0,03 %	0,33 %	0,03 %	0,32 %	0,32 %	0,32 %	0,31 %
France	3,37 %	3,44 %	3,35 %	3,32 %	3,28 %	3,25 %	3,21 %	3,18 %
Germany	5,24 %	5,16 %	4,98 %	4,93 %	4,87 %	4,83 %	4,76 %	4,69 %
Greece	0,24 %	0,26 %	0,26 %	0,26 %	0,25 %	0,25 %	0,25 %	0,24 %
Hungary	0,20 %	0,02 %	0,20 %	0,20 %	0,20 %	0,20 %	0,20 %	0,20 %
Iceland	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Ireland	0,54 %	0,61 %	0,63 %	0,64 %	0,64 %	0,64 %	0,64 %	0,65 %
Italy	2,11 %	2,15 %	2,09 %	2,06 %	2,02 %	1,99 %	1,96 %	1,92 %
Latvia	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %
Lithuania	0,10 %	0,10 %	0,10 %	0,10 %	0,10 %	0,09 %	0,09 %	0,09 %
Luxemburg	0,10 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %
Netherlands	1,17 %	1,17 %	1,25 %	1,24 %	1,22 %	1,20 %	1,19 %	1,18 %
Poland	1,05 %	1,02 %	0,99 %	0,99 %	1,00 %	1,00 %	1,01 %	1,01 %
Portugal	0,33 %	0,34 %	0,34 %	0,34 %	0,33 %	0,33 %	0,33 %	0,32 %
Romania	0,37 %	0,04 %	0,39 %	0,40 %	0,40 %	0,40 %	0,41 %	0,41 %
Slovakia	0,13 %	0,13 %	0,13 %	0,13 %	0,13 %	0,13 %	0,13 %	0,13 %
Slovenia	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %
Spain	1,65 %	1,69 %	1,66 %	1,65 %	1,63 %	1,62 %	1,60 %	1,59 %
Sweden	0,69 %	0,68 %	0,66 %	0,65 %	0,65 %	0,64 %	0,64 %	0,64 %
EU	**20,02 %**	**19,39 %**	**19,79 %**	**19,37 %**	**19,45 %**	**19,28 %**	**19,11 %**	**18,92 %**

TABLE 5: THE BECH INDEX FOR THE REST OF EUROPE 2021-28

Country	2021	2022	2023	2024	2025	2026	2027	2028
Albania	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Belarus	0,10 %	0,09 %	0,08 %	0,08 %	0,08 %	0,08 %	0,08 %	0,08 %
Bosnia and Herzegovina	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %
Cyprus, Republic	0,03 %	0,03 %	0,03 %	0,35 %	0,03 %	0,03 %	0,03 %	0,03 %
Georgia	0,04 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,06 %
Kosovo	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Macedonia	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Malta	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Moldova	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Montenegro	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Norway	0,43 %	0,42 %	0,42 %	0,42 %	0,41 %	0,41 %	0,40 %	0,40 %
Russia	1,62 %	1,56 %	1,51 %	1,50 %	1,46 %	1,43 %	1,41 %	1,38 %
San Marino	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Serbia	0,06 %	0,06 %	0,06 %	0,06 %	0,06 %	0,06 %	0,06 %	0,06 %
Switzerland	0,78 %	0,76 %	0,74 %	0,74 %	0,73 %	0,72 %	0,71 %	0,70 %
Turkey	1,41 %	1,38 %	1,37 %	1,39 %	1,38 %	1,38 %	1,39 %	1,39 %
UK	3,70 %	3,52 %	3,40 %	3,36 %	3,32 %	3,30 %	3,27 %	3,23 %
Ukraine	0,23 %	0,16 %	0,15 %	N/A	N/A	N/A	N/A	N/A
Rest of Europe	**8,51 %**	**8,16 %**	**7,93 %**	**8,08 %**	**7,66 %**	**7,60 %**	**7,54 %**	**7,48 %**

TABLE 6: THE BECH INDEX FOR THE MIDDLE EAST 2021-28

Country	2021	2022	2023	2024	2025	2026	2027	2028
Bahrain	0,04 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %
Egypt	0,57 %	0,54 %	0,54 %	0,56 %	0,57 %	0,59 %	0,60 %	0,62 %
Iran	0,43 %	0,44 %	0,43 %	0,43 %	0,42 %	0,42 %	0,42 %	0,41 %
Iraq	0,12 %	0,13 %	0,13 %	0,13 %	0,13 %	0,13 %	0,13 %	0,12 %
Israel	0,35 %	0,39 %	0,39 %	0,39 %	0,39 %	0,39 %	0,40 %	0,40 %
Jordan	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %
Kuwait	0,10 %	0,04 %	0,10 %	0,10 %	0,10 %	0,10 %	0,10 %	0,10 %
Oman	0,11 %	0,09 %	0,03 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
Qatar	0,20 %	0,19 %	0,15 %	0,14 %	0,14 %	0,14 %	0,15 %	0,15 %
Saudi Arabia	1,17 %	1,21 %	1,37 %	1,38 %	1,38 %	1,38 %	1,39 %	1,39 %
Syria	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
UAE	0,58 %	0,12 %	0,60 %	0,06 %	0,61 %	0,62 %	0,63 %	0,64 %
Yemen	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Middle East	**3,77 %**	**3,27 %**	**3,86 %**	**3,36 %**	**3,91 %**	**3,94 %**	**3,98 %**	**4,01 %**

TABLE 7: THE BECH INDEX FOR AFRICA 2021-28

Country	2021	2022	2023	2024	2025	2026	2027	2028
Algeria	0,20 %	0,20 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %	0,09 %
Angola	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,08 %	0,08 %	0,08 %
Benin	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Botswana	0,03 %	0,00 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %
Burkina Faso	0,02 %	0,02 %	0,03 %	0,03 %	0,04 %	0,04 %	0,04 %	0,04 %
Burundi	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Cameroon	0,03 %	0,03 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Cape Verde	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Central African Republic	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Chad	0,00 %	0,00 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Congo, Republic of the	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Cote d'Ivoire	0,07 %	0,07 %	0,04 %	0,04 %	0,04 %	0,05 %	0,05 %	0,05 %
Dem. Rep of the Congo	0,02 %	0,02 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %	0,06 %
Djibouti	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Eq. Guinea	0,00 %	0,00 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Eritrea	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Eswatini	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Ethiopia	0,12 %	0,12 %	0,10 %	0,10 %	0,11 %	0,11 %	0,12 %	0,12 %
Gabon	0,01 %	0,01 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Gambia	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Ghana	0,10 %	0,10 %	0,08 %	0,08 %	0,08 %	0,08 %	0,08 %	0,09 %
Guin. Bissau	0,01 %	0,01 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Guinea	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Kenya	0,09 %	0,09 %	0,06 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %
Lesotho	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Liberia	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Libya	0,03 %	0,01 %	0,04 %	0,05 %	0,05 %	0,05 %	0,05 %	0,05 %
Malawi	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Mali	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,02 %	0,02 %	0,02 %
Mauritania	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Morocco	0,15 %	0,15 %	0,15 %	0,15 %	0,15 %	0,15 %	0,15 %	0,15 %
Mozambique	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,02 %	0,02 %
Namibia	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Niger	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Nigeria	0,33 %	0,33 %	0,32 %	0,33 %	0,33 %	0,33 %	0,33 %	0,33 %
Rwanda	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %

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Country	2021	2022	2023	2024	2025	2026	2027	2028
Sao Tome and Principe	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Senegal	0,03 %	0,03 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
Sierra Leone	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Somalia	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
South Africa	0,50 %	0,49 %	0,48 %	0,48 %	0,47 %	0,46 %	0,46 %	0,45 %
South Sudan	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Sudan	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
Tanzania	0,08 %	0,08 %	0,08 %	0,08 %	0,09 %	0,09 %	0,09 %	0,10 %
Togo	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Tunisia	0,08 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %	0,07 %
Uganda	0,04 %	0,03 %	0,03 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
Zambia	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %
Zimbabwe	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Africa	**2,26 %**	**2,21 %**	**2,08 %**	**2,11 %**	**2,12 %**	**2,14 %**	**2,17 %**	**2,19 %**

TABLE 8: THE BECH INDEX FOR ASIA PACIFIC 2021-28

Country	2021	2022	2023	2024	2025	2026	2027	2028
Australia	1,43 %	1,50 %	1,48 %	1,47 %	1,45 %	1,44 %	1,44 %	1,44 %
New Zealand	0,28 %	0,29 %	0,28 %	0,28 %	0,27 %	0,27 %	0,27 %	0,27 %
Australia/NZ	**1,71 %**	**1,79 %**	**1,75 %**	**1,75 %**	**1,73 %**	**1,72 %**	**1,71 %**	**1,71 %**
Japan	5,52 %	5,47 %	5,35 %	5,29 %	5,16 %	5,04 %	4,93 %	4,83 %
China	14,44 %	14,57 %	14,82 %	15,17 %	15,29 %	15,45 %	15,61 %	15,74 %
Korea, South	1,95 %	2,00 %	1,95 %	1,96 %	1,94 %	1,93 %	1,93 %	1,92 %
Taiwan	1,27 %	1,28 %	1,27 %	1,27 %	1,26 %	1,26 %	1,25 %	1,25 %
India	4,78 %	5,30 %	5,41 %	5,64 %	5,80 %	5,98 %	6,18 %	6,39 %
The Big Countries	**27,96 %**	**28,62 %**	**28,81 %**	**29,33 %**	**29,44 %**	**29,67 %**	**29,90 %**	**30,12 %**
Afghanistan	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Armenia	0,02 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %	0,03 %
Azerbaijan	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
Bangladesh	0,36 %	0,36 %	0,37 %	0,39 %	0,41 %	0,42 %	0,44 %	0,46 %
Bhutan	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Brunei	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Myanmar	0,07 %	0,01 %	0,06 %	0,06 %	0,06 %	0,06 %	0,06 %	0,06 %
Cambodia	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Comoros	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
East Timor	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Fiji	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Haiti	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Hong Kong	0,57 %	0,54 %	0,54 %	0,54 %	0,54 %	0,54 %	0,54 %	0,54 %
Indonesia	1,49 %	1,38 %	1,40 %	1,44 %	1,47 %	1,50 %	1,53 %	1,57 %
Kazakhstan	0,22 %	0,22 %	0,22 %	0,23 %	0,23 %	0,23 %	0,23 %	0,23 %
Kiribati	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Kyrgyzstan	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Laos	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Macau	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Madagascar	0,01 %	0,01 %	0,01 %	0,01 %	0,02 %	0,02 %	0,02 %	0,02 %
Malaysia	0,56 %	0,58 %	0,58 %	0,60 %	0,60 %	0,61 %	0,62 %	0,63 %
Maldives	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Marshall Islands	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Mauritius	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Micronesia	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Mongolia	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Nauru	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

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Country	2021	2022	2023	2024	2025	2026	2027	2028
Nepal	0,05 %	0,05 %	0,01 %	0,05 %	0,05 %	0,06 %	0,06 %	0,06 %
Pakistan	0,43 %	0,43 %	0,42 %	0,42 %	0,43 %	0,44 %	0,45 %	0,46 %
Palau	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Papua New Guinea	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Philippines	0,41 %	0,43 %	0,45 %	0,46 %	0,47 %	0,49 %	0,51 %	0,53 %
Samoa	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Seychelles	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Singapore	0,76 %	0,76 %	0,74 %	0,74 %	0,74 %	0,74 %	0,74 %	0,74 %
Solomon Islands	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Sri Lanka	0,15 %	0,13 %	0,12 %	0,12 %	0,12 %	0,12 %	0,12 %	0,12 %
Tajikistan	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %	0,01 %
Thailand	0,56 %	0,59 %	0,59 %	0,60 %	0,59 %	0,60 %	0,60 %	0,60 %
Tonga	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Trinidad and Tobago	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Turkmenistan	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %	0,02 %
Tuvalu	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Uzbekistan	0,10 %	0,11 %	0,11 %	0,11 %	0,11 %	0,12 %	0,12 %	0,12 %
Vanuatu	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Vietnam	0,50 %	0,58 %	0,59 %	0,62 %	0,64 %	0,66 %	0,69 %	0,72 %
Asia Pacific	**6,49 %**	**6,43 %**	**6,47 %**	**6,67 %**	**6,75 %**	**6,85 %**	**6,98 %**	**7,11 %**
Asia Pacific Total	**36,16 %**	**36,84 %**	**37,03 %**	**37,75 %**	**37,92 %**	**38,24 %**	**38,60 %**	**38,94 %**

The BECH Index

This year (2024), the BECH Index celebrates its tenth anniversary. I changed the algorithm behind the Index in 2016. This year, I changed it again.

All versions use PPP GNP, "Purchasing Power Parity Gross National Product." It's an economic indicator that measures a country's or region's total economic output, considering the differences in relative price levels and currency values. Thus, PPP GNP reflects the value of all goods and services produced by a country's residents and businesses while adjusting for differences in price levels between countries. This adjustment provides a more accurate comparison of the standard of living and economic well-being across different nations.

To adjust for differences in industrial maturity and the impact of natural resources, I changed the BECH Index in 2016 by using the GDP composition on agriculture, industry, and services. I assumed that the demand for information technology would grow as a society moves from dependency on agriculture, through being dominated by industrial manufacturing, to mainly producing services. I recognised that the productivity improvements that enable a society to grow and prosper with relatively small portions of the GDP originating from agriculture and industry were supported by information technology (and free international trade). I presumed that post-industrial activities consume far more information technology products and services than the primary and secondary sectors[10].

I have added the Corruption Perceptions Index[11] (CPI) to the algorithm this year. The CPI aggregates data from several sources that provide perceptions of corruption in the public sector from businesspeople and country experts.

The new BECH Index is the three-sector weighted PP GNP multiplied by the CPI.
This whitepaper uses the GDP dataset from April 2023, downloaded from the IMF website.

[10] The new BECH Index is based on the three-sector theory: https://en.wikipedia.org/wiki/Three-sector_theory

[11] https://www.transparency.org/en/

About the Author

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