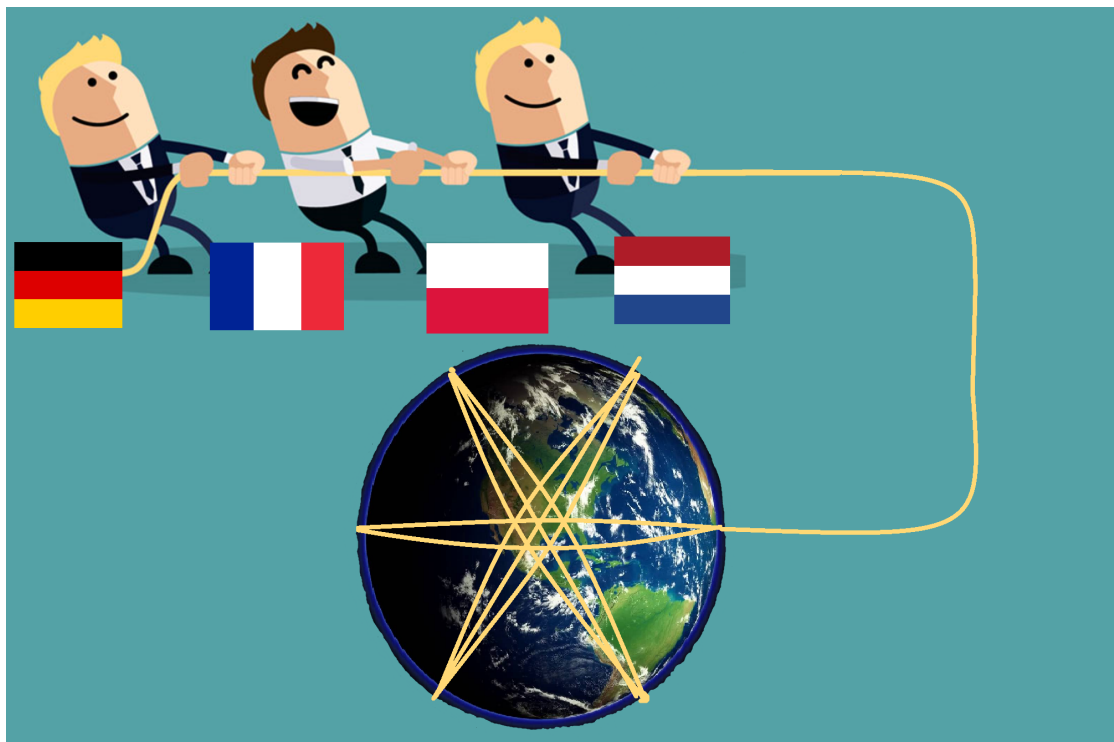




# **ECONOMICS IN PRACTICE**

## **Country Analysis**



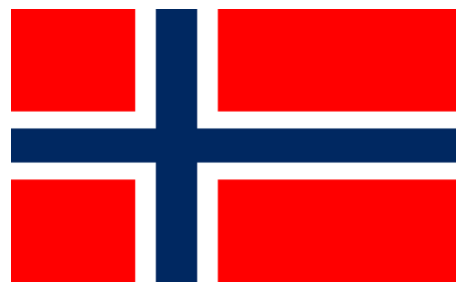
**Final Magazine**  
**Created by the French and the German Students**

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# NORWAY

CHIARA & ANAËLLE



Norway is a Nordic country located in the European North. The Scandinavian Peninsula which comprises the mainland of Sweden, the mainland of Norway (with the exception of a small coastal area bordering Russia), the north-western area of Finland, as well as a narrow area in the west of the Pechengsky District of Russia. The Scandinavian mountain range generally defines the border between Norway and Sweden. In 2017, there are 5,258 billion inhabitants in Norway and approximately 21 billion inhabitants of the Scandinavian peninsula with 22.7 km<sup>2</sup> density. The Kingdom of Norway is not a member state of the European Union (EU). The capital of Norway is Oslo. Norway is amongst the most comfortable and interesting place to see the northern lights and to experience the unbelievable colours move across the sky.

Gross Domestic Product	The Gross Domestic Product (GDP) is to \$371 billion with 1.6% growth, 70.890 USD per capita and 1.7% 5-year compound annual growth.
Price Stability/Inflation	The inflation (CPI) is 3.6%
Unemployment	Unemployment rate in July 2018 = 4,0 %
Distribution of Income and Wealth	The distribution of net wealth is highly skewed in Norway There is an imbalance.
Government Debt	Norway recorded a government debt equivalent to 36.20 percent of the country's Gross Domestic Product in 2017
Interest Rate Level	The Norges Bank left its key policy rate unchanged at 0.75 percent on December 13th 2018, in line with market expectations, saying underlying inflation is close to the 2 percent target.
Exchange Rates	1 Norweign Kroner = 0.10 euros 1 Euro = 9,78 Norweign Kroner
Size and Importance of Domestic Market	Norway is considered to be one of the world's wealthiest countries with a GDP per capita based on purchasing power parities (PPP) exceeding USD 70,000.

Import and Export	In 2016, Norway exported \$92.8B, making it the 36th largest exporter in the world. Norway imported \$75.6B in 2016, and is the 37th largest importer in the world.
-------------------	--

Norway is an interesting country with an economy that increases. Norway's economy is powerful, the different sectors are developing; particularly, the education and health sectors. It has a negative GDP but the HDI is the highest compared to the Anglo-Saxon countries. Norway is the 36<sup>th</sup> largest exporter and the 37<sup>th</sup> largest importer.

# SWEDEN

LENNARD

## Mixed Economy

Sweden has a very export oriented economy. Being a really regulated economy in past, deregulation reforms in the 1990 have spurred competition. Today it's openness and liberal approach are really iconic for Sweden's economic system. It's among the top ten most competitive countries in the world. Considering the state interventions, Sweden is one of the world leaders in redistributing wealth, with high income taxes.



## System of Government

The Swedish system of government is a parliamentary democracy. Around 7 million people are entitled to vote directly. The Swedish parliament is also called the Riksdag and currently has 349 members. While the parliament is the legislature, Sweden apart from the Swedish King, also got a prime minister, forming the executive

### GDP

Has experienced a long phase of economic growth. As reason the GDP increased.

- was among the 12<sup>th</sup> place among the OECD GDP per capita ranking.
- 7<sup>th</sup> highest GDP in Europe after

Germany

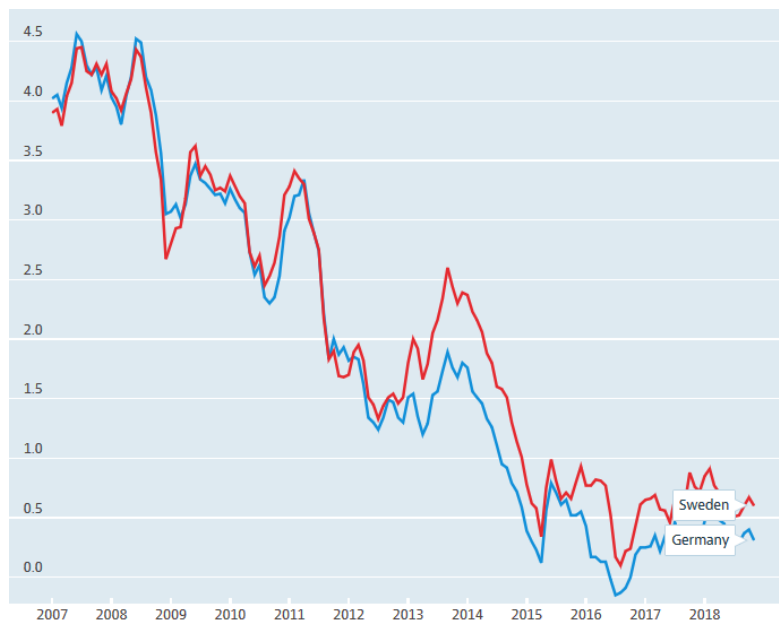
- expected GDP of 554.66 \$

### Price Stability

- Repo rate will stay at -0,5%
- Since 2015 the Repo rate is negative
- stable currency

### Inflation:

- Inflation target of 2%



### Unemployment

- unemployment level is far above the other Scandinavian countries

- approximately 6% in 2018

### Distribution of income and wealth

- among of the most equal countries in the world
- Gini coefficient of 0.35 in 2011

### Government Debt

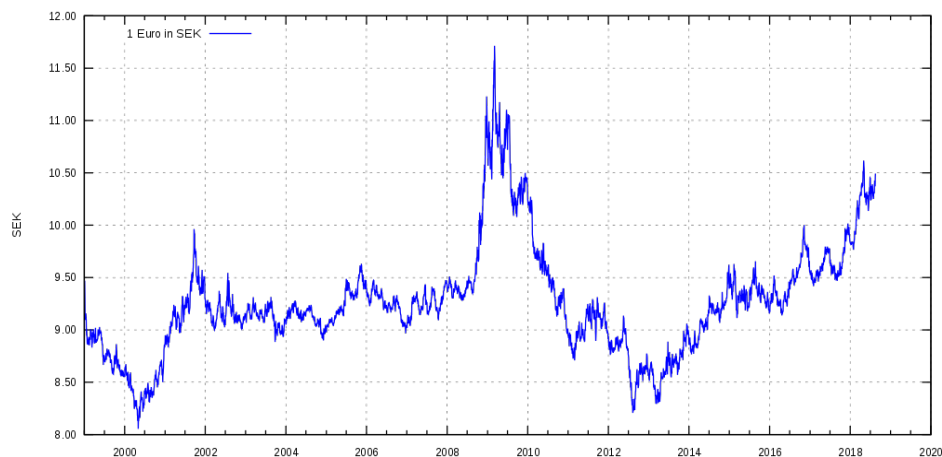
- 41 per cent in 2017
- AAA rating
- lowest public debt in Europe

### Interest Rate Level

- was lowered after the financial crisis
- higher demand for credits
- causing a boost in economy

### Exchange Rates

After the world financial crisis in 2008, Sweden began to lower the interest rates and the currency began to weaken. There are many good reasons why countries lower their interest rates. Mainly the effects on imports and exports are decisive for lower or increase the interest rates



### Size and Importance of domestic markets

With a population of approximately 10.2 million people Sweden is one of the mid-size markets in Europe.

### Import and Exports

Since 2011 Sweden's imports have slightly decreased. In October 2018 the imports rates consisted of approximately 145,000\$.

Sweden is the 32<sup>nd</sup> largest export economy in the world and really relies. The main exported goods include the telecommunication, automotive and the pharmaceutical goods. .

After being so far in the hole in the 1990ies, Sweden created a model economy and reframed the domestic economy. As a result of reforming and deregulating the economy, Sweden created a golden opportunity for the next few years. Nevertheless, some improvements must be made. In the beginning, we will consider the sectors with the worst

economic performance. Even if the productivity in the public sector is generally difficult to assign, we can say that its productivity in, comparison to the other sectors, is really weak. To realize this potential, concrete measures need to be taken. First of all the public sector need clearer goals and a greater transparency to enable a better control. Secondly Sweden should implement specific plans, for instance for increasing the level of ambition as regard to productivity. Thirdly the government should increase the collaborations among public-sector service providers. Concerning the local service sector, again the government still has to carry out deregulation and regulatory reforms and improve the transparency in this sector. For example, they could streamline the allocation of permits in municipalities (environmental permits, business licenses) and therefore accelerate this process. Focusing on the international sector, the only strong engine of growth, Sweden should maintain or even enhance its economic performance. Retrospective, we can sum up that high R&D investments and an early globalization of production and sales were the key success factors. Possible solutions for a greater economic performance of the international sector could further improve the companies' innovation productivity. Furthermore, the government should turn Sweden into one of the most attractive countries for investments in R&D and innovation on our planet. For instance, they could offer tax benefits for companies investing in R&D. In addition, Sweden should turn itself into a world leader in education. As an example, they could improve the teachers skills. With an ageing population Sweden will face a shortage in labour force in future. That's why Sweden should raise the retirement age and assess an apprenticeship system for instance for youth unemployed people and for unskilled refugees, who mainly arrived between 2015 and 2017. However, Sweden tops world rankings in CSR. Thanks to extensive environmental protection, active measures to respect human rights, as well as fighting corruption, the country is a leading example for corporate social responsibility. In conclusion, we can say, that Sweden in many aspects is a really worth living and an economically strong country.

# ICELAND

## MARION

Iceland's economy combines a capitalist structure and free-market principles with an extensive welfare system. Except for the period 2007-2010, when there was a financial crisis, Iceland has achieved high growth, low unemployment, and a remarkably even distribution of income. The Iceland's economy depends on fishery.

Iceland is a republic, has a written constitution and a parliamentary form of government.

Economic and Financial Indicators	Iceland
Gross Domestic Product (GDP)	2017: 23.91 billion USD (all time high)
Price stability / Inflation	Inflation rate November 2018: 3.3%
Unemployment	Unemployment rate 2018: 5.2%
Distribution of Income and Wealth	Gini-Index: 26.3 0 is equal and 100 is unequal
Government Debt	2017: 42.30% of the country's GDP
Interest Rate Level	November 2017: 4.5%
Exchange Rate	€1.00 = ISK 139.200 ISK 1.00 = €0.0072
Import and Export	Export: November 2018: ISK 54.3 billion Import: 2016: ISK 785,661.6 billion

All in all Iceland has a pretty good Economy. Except for the brief period during the 2008 crisis, Iceland has achieved high growth, low unemployment, and a remarkably even distribution of income. The economy is rebuilt.

If you compare the GDP in 2016 of Iceland (52,590 USD/capital) to the total value of all OECD countries (42,474 USD/capital) you see that the GDP of Iceland is over the worlds average.



The inflation rate is according to OECD always close to the total value of the member countries.

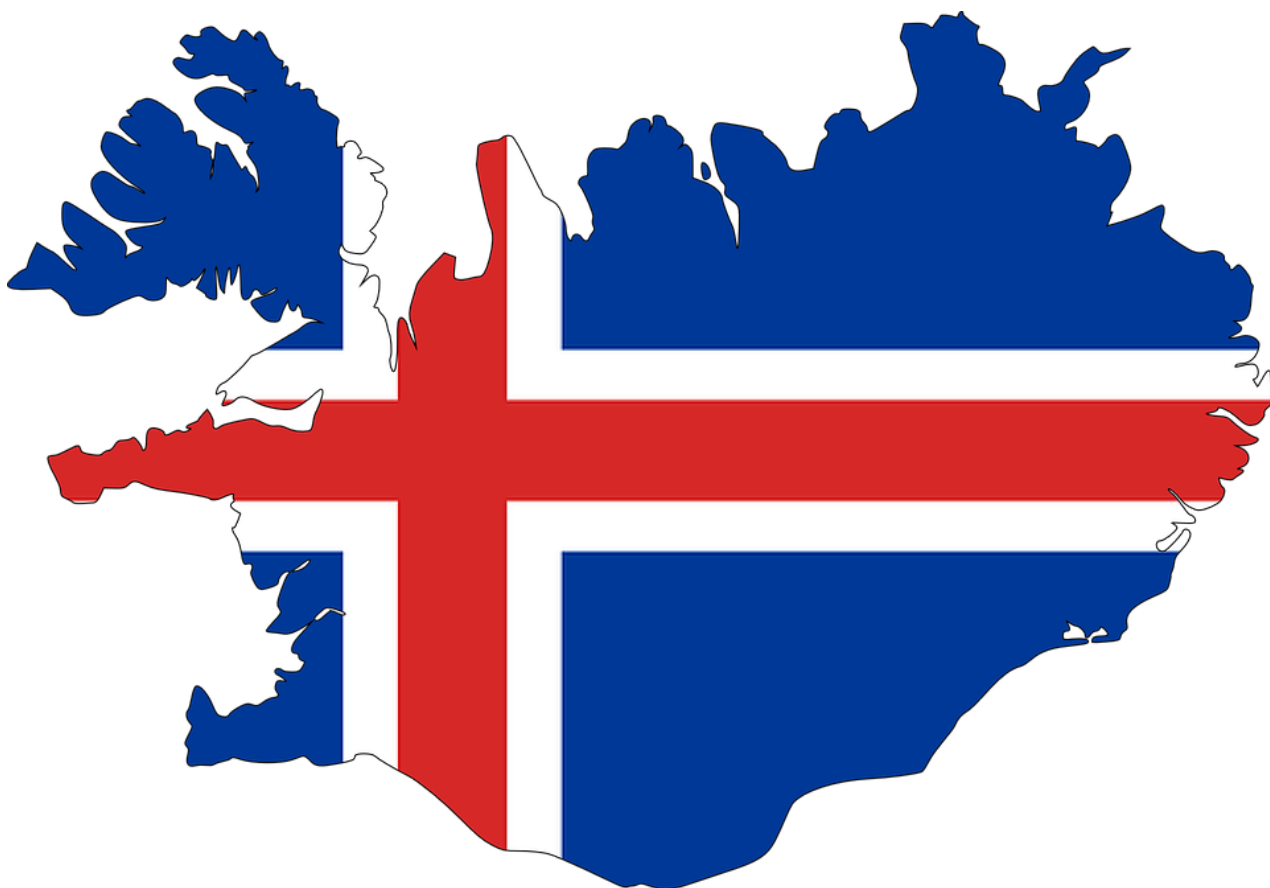
During the bankruptcy was high unemployment but today it is a lot under the average.

The distribution of income and wealth is shown by the Gini-Index. According to the World-Bank a 26.3 and according to the Eurostat a 24.0 are good scores, therefore Iceland has an equal income and wealth.

42.30% of the country's GDP are government debt which is a good value.

The interest rate level is with 4.5% way better than for example in Germany.

Last but not least the import and export. A country wants to export more than it imports to obtain greater currency inflows. This is not achieved in Iceland.



# IRELAND

VICTORIA & JENNIFER

Government System	Ireland has a parliamentary democracy, with a Prime Minister, President, Parliament and Constitution.
Economic System	Ireland is a mixed economy that is knowledge based and dependent on trade and investments from American multinational companies.
GDP	Ireland is currently experiencing an economic growth of 6.7% (2018), with a per capita average of \$69,188 USD. The GDP is made up of 70,4% for the tertiary (service) sector, 28% for the secondary (industry) sector and 1.6% for the primary (agriculture) sector.
Price Stability/ Inflation	The inflation rate in Ireland has grown by 0.3% since 2017, which means that a product that used to cost \$1000, will cost people \$1003 in 2018. There was fluctuation during 2018, however: the inflation rate in January was +0.5%, -0.4% in April, and 0.9% in December.
Unemployment	The unemployment rate sank from 6.4% (2017) to 5.3% (2018). The unemployment rates sank due to the investments of multinational companies.
Distribution of Wealth	Main owners of wealth are over 55, due to the Irish saving money during their working lives to use in retirement.
Government Debt	Ireland's debt, as of 2017, was equal to 68.0% of the country's GDP. In previous years (2012), the government debt to GDP ratio was 119.60% due to the collapse of the Irish bank.
Ireland's HDI Ranking	Ireland is in 4 <sup>th</sup> place in the HDI (0.938 out of 1), indicative of a very good quality of life in this country.

Import/Export	<p>Export partners are: the U.K. ((11.8%) excluding Northern-Ireland), the United States (27.2%), other European countries, China, Japan and Australia</p> <p>Exporting: machinery, computers, medical products and animal products.</p> <p>Important partners are: the U.K. (22.5% (excluding Northern Ireland)), Northern America (19%), and France (12.5%), as well as Asia, Australia, New Zealand and Africa.</p> <p>Importing: data processing equipment, chemicals, petroleum and clothing.</p>
Ireland and Europe	<p>Ireland is part of the EU, granting it some benefits like open borders, lower taxes and use of the Euro. This relationship is greatly valued by the citizens of the country as well.</p>

Ireland has been experiencing an economic growth recently, with a decrease in government debt and unemployment rates, as well as a growing and high HDI ranking. However, the effect that Brexit may have on Ireland will most likely lead to negative consequences for the country. With an important trade partner (namely Britain) leaving the European Single Market, as well as many Irish workers now uncertain of their job security in Britain, Brexit will certainly have an effect on the economic growth of Ireland. In addition to this, an outer EU border between Northern Ireland and the Republic of Ireland may rekindle past hostilities (namely, “The Troubles”, where thousands of people lost their lives) and start anew the violent altercations between the two countries. All in all, Ireland is, despite its recovery from the economic crisis in 2012, now dealing with a time of uncertainty in the face of changing policies.

# THE UNITED KINGDOM

PAULINE & JULIETTE



The United Kingdom is located in the north west of Europe. It consists of England, Wales, Scotland, and Northern Ireland. The industrialisation started in England in the 18th century, thus they started to become an influential power around the world. They began expanding their territory and colonised countries all around the world. That was the start of the British Empire, which was a world power for a long time. The UK has an area of 130 395 km<sup>2</sup> with a density of population of 54.79 million inhabitants. There are 422 inhabitants by km<sup>2</sup>. The national language is English. The capital is London and the money is the pound sterling. London is now the second most visited city in the world, and the first in Europe. The U.K is also recognized for its colleges like Oxford University, the University of Cambridge, and the Imperial College London that are part of the best schools in the world.



The United Kingdom is ranked the 10th largest export- and the 4th largest import economy in the world. In 2016 goods worth of 374 billion dollars were exported out of the UK, meanwhile goods worth of 609 billion dollars were imported. The result was a negative trade balance stating 235 billion dollars. To calculate the trade balance you need subtract the Imports from the Exports ( $E - I$ ). Exports as well as Imports have decreased in the years of 2011-2016.

It is yet to be seen how the export and import are going after the Brexit takes place. Import as well as export are mainly located within the EU. This could drastically the UK decides on a hard Brexit, because they won't included in the EU's trade laws anymore, which makes it much more expensive for anyone involved.



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## SYSTEM OF GOVERNMENT

The UK's governmental system is a constitutional monarchy. The UK's top of state is a monarch. At the time this is Queen Elizabeth II. The queen doesn't have executive power. All the governmental power lies within the parliament. Officially the queen is still the head of parliament, but in reality the head of the UK government is the prime minister. Thus the actual system of government is a parliamentary.

Theresa May is the current prime minister of the UK. She became the head of government after, ex-prime minister, Cameron resigned from his post, due to the result of the Brexit referendum in 2016.

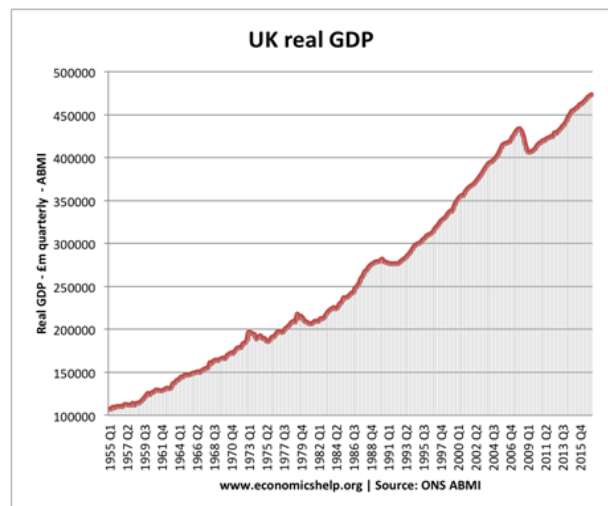


## ECONOMIC SYSTEM

The United Kingdom is the sixth largest economy in the world, with \$ 2.481 billion in gross domestic product. Its currency is the pound sterling. It's a free market system. A part of the strength of the country lies in its strong banks and its financial center: the City, which is one of the world's two largest financial centers with Wall Street. However, the economic power today (2012) shows some signs of fragility: the balance of payments deficit, due in particular to the relative depletion of oil resources, has deteriorated sharply, public and private debts are high levels and income inequalities are a bit higher than in the rest of the European Union.

The United Kingdom is an economically strong country. You can see that in the graph because of the overall constantly increasing GDP. The only real decrease was in 2008/09 due to the financial crisis.

Inflation	2.4%
Unemployment	4.4%
Government Debt	85.2%
Interest Rate	0.75%
Exchange Rate	1 pound = 1.11€



## Conclusion

The UK was part of the European Domestic Market, which plays a big role in Europe, because if you trade in the EU you don't have to pay customs. That will change when the UK leaves the EU.

The United Kingdom is a strong economic power. It is ranked the 6th largest economy in the world and that has its reasons. Being a big exporting and importing country the UK is able to participate in the international competition. This is an important factor in the age of globalization. The country has a high gross domestic product and government debt isn't the worst.

Also the money has a higher value than the Euro which indicates wealth and the ability to participate in the international market.

The question is: How will it be in the future? Brexit is around the corner and it's still uncertain how it's going to affect the UK's economic situation. The European Domestic Market was a big advantage and it's not sure yet if they will still have the privilege of free movement, free international trade and so on, after they officially leave. Also the people's mentality could affect the economy, because a lot of people are unhappy and might want to leave the UK. We still can't be sure what effects the Brexit will have on the United Kingdom, but it's interesting to see how the situation will develop.

# THE UNITED STATES OF AMERICA

VANESSA & JUSTINE

The foundation of United-States of America happens when the 13 colonies met in 1776 at the Continental Congress which met July 4, 1776 in Philadelphia. Nowadays, USA is a country composed of 50 states and has about 304 million inhabitants. His administrative capital is Washington and his economic capital is New York because of the location of Wall Street. The country is divided into four regions: the Northeast, the Midwest, the South and the West. These regions are different in size, population, race, dialects and cultural background. It's one of the largest country of the world, after Russia and Canada. The United States of America is the first economic, politics and military world power. It's an example for all the country in the world.

<b>capital</b>	Washington D.C.
<b>Inhabitants</b>	about 326 million people live in the 50 states
<b>System of Government</b>	presidential democracy
<b>Head of state</b>	Donald Trump, Republicans
<b>Economic System</b>	<ul style="list-style-type: none"> <li>● mixed economy</li> <li>● best known free market system</li> </ul>
<b>Gross Domestic Product (GDP)</b>	<ul style="list-style-type: none"> <li>● Gross Domestic Product: \$20.66 trillion</li> <li>● GDP Growth Rate: 3.5 percent</li> <li>● GDP per Capita: \$56,824</li> <li>● Gross National Income: \$18.138 trillion</li> </ul>
<b>Price Stability / Inflation</b>	In November 2018, prices increased by 2.2 percent compared to November 2017.
<b>Unemployment</b>	<ul style="list-style-type: none"> <li>● lowest level of unemployment in almost 48 years</li> <li>● the unemployment rate fell from 3.9 percent to 3.7 percent</li> </ul>
<b>Distribution of Income and Wealth</b>	<ul style="list-style-type: none"> <li>● Uneven distribution of wealth</li> <li>● The upper class is getting richer, the lower class is getting poorer and the middle class disappears</li> </ul>
<b>Government Debt</b>	21850094 USD Million, November 2018
<b>Exchange Rates</b>	<ul style="list-style-type: none"> <li>● currency : U.S. Dollar</li> <li>● 1 USD U.S. Dollar = 0.8227 EUR (Euro)</li> <li>● 1 USD U.S. Dollar = 0.7392 GBP (British Pound)</li> </ul>
<b>Size and Importance of the</b>	<ul style="list-style-type: none"> <li>● The United States foreign trade and global economic</li> </ul>

<p><b>Domestic Market</b></p>	<p>policies have changed dramatically in the two centuries since the country was founded.</p> <ul style="list-style-type: none"> <li>● They were instrumental in the conclusion of the General Agreement on Tariffs and Trade (GATT), an international code of customs and trade rules.</li> </ul>
<p><b>Import and Export</b></p>	<p><u>The five most important export products are:</u></p> <ul style="list-style-type: none"> <li>● vehicles (8.4% of all US exports)</li> <li>● aerospace technology (8.5% of all US exports)</li> <li>● fuels including oil (8.9 of all US exports)</li> <li>● electrical engineering and industrial equipment (11.3% of all US exports)</li> <li>● machinery and computers (13% of all US exports)</li> </ul> <p><u>The most important countries for the USA in 2017 were:</u></p> <ul style="list-style-type: none"> <li>● China with 21.6%</li> <li>● Mexico with 13.4%</li> <li>● Canada with 12.8%</li> <li>● Japan with 5.8%</li> <li>● Germany with 5%</li> </ul>

Conclusion:

Finally, the United States is one of the strongest economies in the world. It's a world political and economic power. After Canada and Russia the USA is the third largest country in the world. But this success also has negative aspects. The division of society into an upper class and a lower class is getting bigger and the middle class is getting smaller. The US dollar and price stability are very stable and therefore only positive for the American economy.

In addition, the USA has a mixed economy and is the best known free market economy. The fantastic geographical location across the Pacific and Atlantic is also only positive for the import and export of goods. The export goods of the USA are needed all over the world, which leads to a constant demand of the products and to a permanent employment of the USA. I think it is exciting to observe the economic and political situation of the USA in the future, because it is the land of unlimited possibilities.



# CANADA

JAKOB



## Economic System


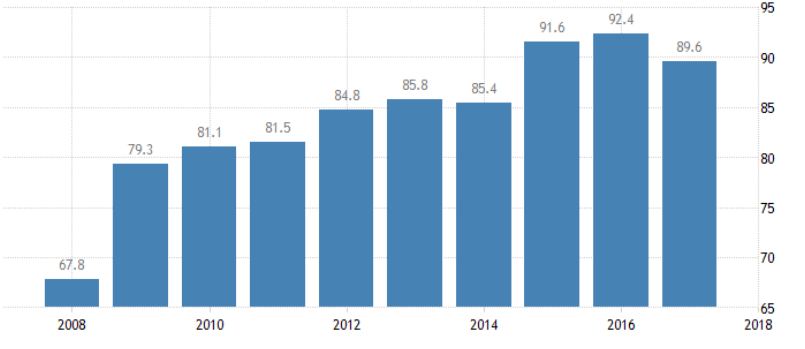
Social Market Economy / Modern Mixed Economy	Canada has a <i>Modern Mixed Market Economy</i> , comparable to a <i>Social Market Economy</i> , which means that the Canadian economy is based on a free market operated in conjunction with state provision for those unable to work.
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## System of Government

federal parliamentary constitutional monarchy	→ indicates a form of <i>monarchy</i> , in which the sovereign exercises authority in accordance with a <i>constitution</i>
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Gross Domestic Product (GDP)	<p>GDP: 1.7 trillion USD current growth rate: +0.5%.</p>
Inflation	current inflation: 1.7%



<p>Unemployment</p>	 <p>unemployment rate: 5.8%</p>
<p>Distribution of Income and Wealth</p>	<p>unfair distribution:</p> <ul style="list-style-type: none"> <li>→ richest 20% own nearly 70% of all the wealth</li> <li>→ poorest 20% own less than 1% of the total wealth</li> <li>→ richest CEOs earn 206 times more than the average worker</li> <li>→ top 10% richest people hold 60% of all the financial assets</li> </ul>
<p>Government Debt</p>	 <p>\$671.25B</p> <p>→ likelihood of Canada paying off their debts: 89.6%</p>
<p>Interest Rate Level (&amp; Recent Development of Interest Rate Level)</p>	<ul style="list-style-type: none"> <li>→ current interest level of 1.75%</li> <li>→ averaged 5.89% from 1990 until 2018</li> <li>→ 2% target</li> </ul>
<p>Exchange Rates</p>	<ul style="list-style-type: none"> <li>→ Canadian Dollar (CAD)</li> <li>→ 1 USD = 1.35 CAD</li> </ul>
<p>Size and Importance of the Domestic Market</p>	<p>→ high consumer spending (over 1160000 CAD Million at the end of July 2018) → strong domestic market</p>
<p>Import and Export</p>	<p>→ 11th largest export economy in the world</p>

	→ in 2016, Canada exported \$364B and imported \$388B, resulting in a negative trade balance of \$24B
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Canada is an economically stable country. The Canadian (nominal) GDP is the tenth-largest in the world and the country is at a state of price stability, regarding the low inflation rate and a stable currency value over the last few years. Canada is a first world country and is considered a developed country as well as a high educated country. Canada is also the 24<sup>th</sup> richest country in the world. The Canadian government is currently working on spreading the wealth and income more equally. The constantly falling unemployment rate is a good sign towards this goal as well. Canada does not have high debts, but the debts that they do have, they are able to pay off. One of Canada's biggest concerns might be the high imports as Canada has a negative trade balance (=higher imports than exports). Overall, Canada is doing very well looking at the economic aspect.

# NEW ZEALAND

## LINE & LEON

New Zealand is a country in Oceania, southwest of the Pacific Ocean. The country consists of two islands: One in the south and one in the north. New Zealand is also surrounded by approximately 600 smaller islands.

New Zealand is very geographically isolated. This isolation has allowed the development of a very rich and varied flora and fauna.

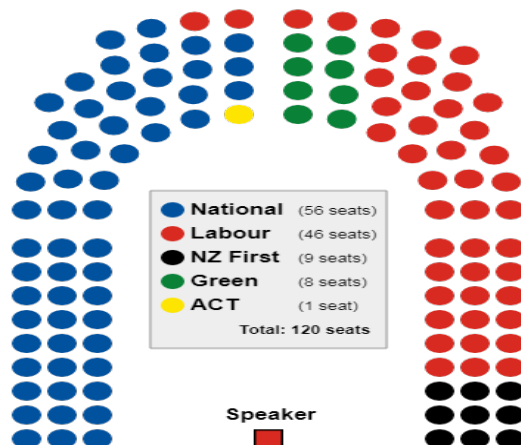


<https://www.lonelyplanet.com/maps/pacific/new-zealand/>

The history of this country is one of the shortest in the world, because it's one of the last territories discovered by humans. New Zealand has been independent since September 26, 1907, before it was a British colony. It still has strong ties with the United Kingdom, as well as with Australia. Since its independence, New Zealand is a parliamentary monarchy and part of the Commonwealth. The national language is English and the currency is the New Zealand dollar. Wellington has been the capital of New Zealand since 1865 and the second most populous city in the country. It's located at the edge of the Pacific Ocean.

The main New Zealand financial institutions are spread between Wellington and Auckland. Wellington is also the political center of New Zealand, the seat of parliament, ministries and state departments.

It also hosts a world-class film industry, as well as an important theatrical scene.



<http://goworldcargo.com/where/shipping-to-new-zealand/>

<https://www.lonelyplanet.com/maps/pacific/new-zealand/>

The economy of New Zealand is the 53rd-largest national economy in the world when measured by nominal gross domestic product (GDP) and the 68th-largest in the world when measured by purchasing power parity (PPP). New Zealand has one of the most globalised economies and depends greatly on international trade – mainly with Australia, the European Union, the United States, China, South Korea, Japan and Canada.

New Zealand's economy is mainly based on the tertiary sector, particularly tourism, although the primary sector, through agriculture and the mining sector, plays a more important role than the other developed countries.

<b><u>Free Market System</u></b>	New Zealand is a small open economy that works on the principles of free trade.
<b><u>Monarchy</u></b>	New Zealand is a constitutional monarchy with parliamentary democracy. A member of the Commonwealth, the country recognizes Queen Elizabeth II as a monarch, she has the title Queen of New Zealand. A governor represents the Crown on New Zealand territory.
<b><u>Gross Domestic Product (GDP)</u></b>	From 2016 to 2018 the GDP rose by 6,1% (from 185,37 to 206,00 USD) also for the future there are good opportunities.
<b><u>Price Stability / Inflation</u></b>	Consumer prices in New Zealand increased 1.9 percent year-on-year in the third quarter of 2018 following a 1.5 percent increase in the previous quarter. The print came above consensus expectations (1.7 percent) and was the highest rate in four quarters.
<b><u>Unemployment</u></b>	The unemployment rate decreases and experts predict a continuing decrease in unemployment rate because of the GDP.
<b><u>Distribution of Income and Wealth</u></b>	The country is highly dependent on its primary sector which is highly oriented to export. This makes the economy New Zealand vulnerable to fluctuations prices.
<b><u>Government Debt</u></b>	The government debt was at a percentage of 30.4 in 2018 which is very low in comparison to other states. For 2020 experts predict it decreasing to 28.4 %.

<b><u>Exchange Rates</u></b>	The currency of New Zealand is the New Zealand Dollar (NZD). This currency is only used in the country itself. Underneath the NZD is compared with the USD and the Euro: 1 NZD → 0,67 USD 1 NZD → 0,59 €
<b><u>Size and Importance of the Domestic Market</u></b>	Roughly half of the country's GDP is made up by the domestic market.
<b><u>Import and Export</u></b>	The country is highly dependent on its primary sector which is highly oriented to export. This makes the economy New Zealand vulnerable to fluctuations prices. Import and export contribute 55% of the GDP.

**Conclusion:**

All in all we can say that New Zealand is a economic stable country with many import and export possibilities. The economy is based on free trade and it's the 53rd-largest national economy in the world with the 68th-largest GDP that is measured by purchasing power parity (PPP). The most important trading partner is Australia but New Zealand is connected in trading with the whole world. The country is ruled by a constitutional monarchy with parliamentary democracy with Queen Elizabeth II as the monarch.

The currency is called the New Zealand Dollar, so this currency is only used in the country itself.

# AUSTRIA

EMILIE & EMMA T.



Austria is bordered on the north by the Czech Republic, in the Northeast by Slovakia, in the East by Hungary, in the South by Slovenia and Italy and in the West by Liechtenstein. The capital is Vienna and Austria is member of the EU since the 1st of January 1996.



## Economic System

Austria is one of the most stable EU Member States with a Free Market Economy. The economy is well-developed, highly globalized and resilient. Aside from this, it is open to global trade and has a strong social focus.

## Gross Domestic Product (GDP)

The GDP represents 0.67 percent of the world economy. With the years the GDP raised and decreased. In 2017 the GDP per capita was \$47,290.91 which is high, compared to the neighbor countries.

## Price Stability / Inflation

The inflation decreased from 2% to 2.2% in October 2018. The prices rose faster for fuels and less for household equipment.

## Unemployment

Currently Austria is ranked fifth in EU. In October 2018 there was an unemployment rate of 5.1%

## Government Debt

## Distribution of Income and Wealth

The richest 10% of Austria's population owns 54% of the monetary wealth. 40% don't own any real estate, while the richest 10% own 61% of the domestic real estate wealth.

## Exchange Rates

At the moment you get for 1,00 Euro 1,15 US-Dollar. When the US-Dollar is higher than the Euro, the oil- and gasoline prices rise in Euro areas.

## Import and Export

Austria is the 31 largest export economy in the world. In 2016 Austria exported 146 Billion US-Dollar and imported 162 Billion US-Dollar. Top exports are Packaged Medicaments and Cars. Partners are Germany, the US and Switzerland. Top imports are Cars and Broadcasting Equipment. Partners are France, China and Slovakia. The EU accounts for 70% for Austria's foreign trade.

It matches 78.40% of the country's GDP in 2017.

In the next few years the Government Debt will decrease, because it is paying off its debt. The red graph shows the government debt from Austria in comparison to France, the Netherlands and Germany.

### Interest Rate Level

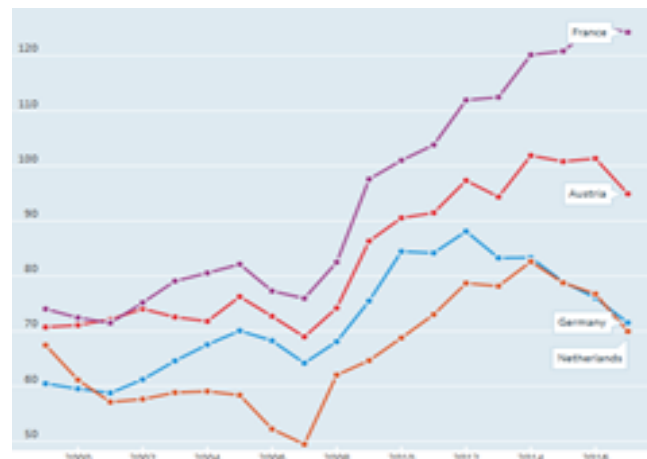
The Interest Rate Level is decreasing. When it decreases, the economy strengthens. A strong economy leads to more safety and prosperity. The red graph shows the average of all countries in the Euro Area. The benchmark interest rate is set by the European Central Bank.

### Conclusion

To sum up, Austria has a strong economy with a stable system of government. In the future the GDP will grow 2.0% what means, that there'll be more available products and a higher standard of living. In the past, Austria's government debt was increasing because presidents sold state property, which wasn't available in the next few years: as result the revenues decreased. An advantage for the government is, that the taxes have been raised in 2012 and 2014.

The import and export in Austria is balanced what means, that the products they import aren't expanded in the country and the exported products mean that the supply and the quality are appreciated and bought by other countries.

The very low unemployment rate increase every year by 0.1%. The state economy is decreasing, because unemployed people can't afford to buy goods.





# AUSTRALIA

ZOÉ & JONAS

Australia or the Commonwealth of Australia is the mainland of the Australian continent and the Tasmanian Island including numerous islands. Australia is surrounded by the Indian and Pacific oceans and is located in the southern hemisphere northwest of New Zealand and south of Indonesia, East Timor and Papua New Guinea.

It's the world's 6<sup>th</sup> largest country by total area and the 13<sup>th</sup> largest economy and military power. Australia was inhabited by indigenous Australians, the Aborigines for about 60 thousand years before the British colonization in the late 18<sup>th</sup> century. Today the population of 25 million inhabitants is highly urbanized. Most of the people live on the eastern seaboard whereas there is a nearly uninhabited area in the middle of the country. This area is also known under the designation of the "Australian Outback".

It has a high quality of life, health, education, economic freedom, civil liberties and political rights. It is also known under the synonyms like "The Land Down Under" and "The Sunburnt Country".

His capital is Canberra. Australia is known for the Sydney Opera House, the Great Barrier Reef, its wild and desert expanses known as the Outback, and its unique animal species such as kangaroos and platypus.



## *POLITICAL IMPACTS*

The Australian governmental system consists of a Representative Democracy, a Constitutional Monarchy and a Federal Monarchy. Australia is headed by Prime Minister Scott Morrison. The British Queen Elizabeth II. is the official monarch of Australia.

The governor general Sir Peter Cosgrove got the function of the symbolic head of Australia who is the representer of the British Monarch in Australia.

## *THE ECONOMY OF AUSTRALIA*

The main characteristic of the economic system of Australia is the Free market.

Australia is among the first five developed countries in the world because of its growth in economy.

The main components of the Australian economic system are trade, manufacturing, services and finance.

## *THE GDP OF AUSTRALIA*

About 60% of the GDP comes from the tertiary sector.

The Quarterly GDP at market prices 2018 was of 356,270M.\$ (3.4% Quat. GDP Annual Growth) in 2018Q2 and



241,581M.\$ (3.2% Quat. GDP Annual Growth) in 2018Q1.

The GDP of Australia for 2018 compared with the development of 2016 and 2017:

The Annual GDP Australia was 1,323,000M.\$ in 2017 with an GDP Growth of 2.9%. In 2016 the GDP was of 1,264,944M. \$ in total with a Growth of 2.0%. Following this the GDP per capita Australia amounts to 53,799.94 \$ in 2017 (1.2% GDP P. C. Annual Growth) and 51,837 \$ in 2016 (0.9% GDP P. C. Annual Growth

# ITALY

## LILI & YUNUS

Mixed Economy	Italy has a mixed economy, as the Italian government is involved in a lot of companies. Over the time there has been a change in the development of the government. Large industrial companies, which are slowly dominating the industrial economy in the north of Italy, are owned by private persons and not by the government, as it has been the case in the past. On the other hand, there is a less-developed, welfare-dependent, agricultural south, with high unemployment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family owned.
Republic (here in the sense of a democracy)	Italy has been a democratic republic since the 2nd of June 1946, when the monarchy was abolished by popular referendum. After this, a constituent assembly was elected to draft a constitution, which was proclaimed on the first of January 1948. Italy is now headed by a President (currently Sergio Mattarella) who appoints a Prime Minister, the elected head of government.
Gross Domestic Product (GDP)	GDP: 39621 US\$ per capita Projected growth rate: 0.9%
Price Stability / Inflation	The annual inflation rate in Italy is expected to increase to 1.7 percent in November of 2018 from 1.6 percent in the previous month, matching market expectations.
Unemployment	unemployment rate: 11.2% of labour force
Distribution of Income and Wealth	Gini coefficient: 0.34
Government Debt	Household debt: 86.8% of disposable income Government debt: 152.6% of GDP

Interest Rate Level (& Recent Development of Interest Rate Level)      The benchmark interest rate In the Euro Area was last recorded at 0 percent. Interest Rate in the Euro Area averaged 1.98 percent from 1998 until 2018.

Exchange Rates      1€ = 1.13\$

Import and Export      Top imports: minerals, nonferrous minerals, transport and energy products, chemicals, textiles, clothing and food and beverages. The reason for which Italy imports products from the energy sector, such as oil, is that it has very few oil deposits.  
Main exports: precision machinery that represents 18 percent of total exports, metals and metal products, worth 13 percent, but also clothing and footwear, motor vehicles, including luxury vehicles, motorcycles and scooters

Italy is the world's ninth largest economy in the entire world. Its economy relies mainly on services (wholesale, retail sales and transportation sectors) and manufacturing. The industrialized accounts for a quarter of Italy's total production and employees around thirty percent of the total workforce. It is the most important sub-sector within the industry sector. Italy is mostly specialized in high-quality goods and is mainly run by small- and medium-sized enterprises. The services sector accounts for almost three quarters of total GDP and employs around 65 % of the country's total employed people. One of the largest problems for Italy is her unemployment rate. This has been increasing for the last seven years. This highlights its instability in global competition.



# BRAZIL

## ELMA & ENZO

### Economic System

Brazil is South America's most influential country, a rising economic power and one of the world's biggest democracies.

Brazil's economy is the largest one in Latin America and the second-largest in the entire Western Hemisphere. Brazil has a free market economy, organized along capitalist lines, which feature an exchange of goods, services and commodities internally and with other nations (trade, monetary, investment, banking and labor freedom). The industry sector contributes a quarter of the GDP. Brazil has natural resources and diversified economy. Brazil has benefited greatly from its mineral ore wealth. Brazil is one of the main producers of the aluminium and coal. Brazil's oil reserves make Brazil one of the top five oil exporters. The main sector in Brazil is a service sector, making up 73% of the GDP. In recent years, the country has embarked on the production of high added-value services, especially in the fields of aeronautics and telecommunications.

### GDP

In comparison to the GDP of the other BRIC countries India, Russia and China, Brazil was ranked second in 2017. The forecast for the next years projects an increase of the GDP.

### Unemployment

Currently the unemployment rate is roughly 12%. This figure is nearly four times bigger than that in Germany. A steady decrease in unemployment in the last two quarters of 2017, contributed to an improvement in household consumption.

### Distribution of Income and Wealth

Economic inequality in Brazil has reached extreme levels, despite being one of the largest economies in the world. Approximately 16% of the Brazilian population lives below the poverty line. The gap between the highest and the lowest social levels is high, the richest 5 percent of the Brazilian population concentrated 50 percent of the country's national income.

### Price Stability

The price stability/inflation rate of Brazil is decreased from 9.0% in 2015 to 4.0% in 2018. However the production prices are seven times higher than those in Germany. The high level of inflation is still today big problem for Brazil's citizen and its economy growth.

### Government debt

Brazil recorded the highest government rate in Brazil in 2017 with 74% of its GDP.

In the last seven years 85% of the government debt has been financed domestically. According to the forecast in 2020, the government debt would rise to 90% . Therefore, it presents a big problem for Brazil's progress and prosperity.

### Exchange rate

Brazil's currency is Real. The system is also not dollarized. The banking industry is well regulated, in consequence of the low financing dependency of the external wholesales. The year 2018 (first quarter) testified the highest level of exchange rate in last 10 years. Generally, weaker currency in Brazil raised the prices of imports and increased inflation.

### Size and importance of the domestic Market

Brazil has a large domestic market. There are 3.9 million registered companies

### Interest rates

Brazil recorded in 2018 the lowest interest rate in its history (6.5). This is good way for its economic development, this means also an increase of export.

### Conclusion

To sum up the economy of the country that I presented is on the good way, the unemployment rates, interest rates and inflations has been declined over the centuries, this make a good possibility to compete with other economic strong countries. There is also fact that Brazil's economy is the world's ninth largest economy in terms of nominal GDP. Furthermore, Brazil has stable democratic political system.

Evidently, the income and wealth is not equally distributed.

There are also high disparities between the regions. These are all consequences caused by the process of globalisation and its disadvantages. Brazil has many resources, developed sectors and with new President there is hope for better economic future.

# FRANCE

BJÖRN

France is a country in the middle of Europe. The capital is Paris. France is not just geographically located in the middle of Europe, it's also **one of the most important economic centers of the European Union**. In 2014 France was the **second largest economy in the European Union**.



In general you can say that France has a **mixed economy** that combines capitalist and socialist characteristics. This means that some industries are controlled privately and some by the government. In the last years government intervention in the economy has been reduced.

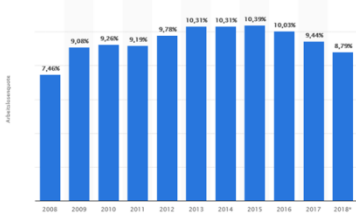
France is a **Republic** and the current President of the Republic is Emmanuel Macron. The President is elected every five years. The Parliament consists of two chambers.

*<https://www.dreamstime.com/royalty-free-stock-image-france-europe-map-image4291046> (mit Snipping Tool bearbeitet)*

The lower house has 577 members. The upper house, also called the senate, has 348 seats and is elected every three years. In each election half of the members are elected which results in a tenure of six years.

In the following grid you can see the most important facts about the French economy:

Economic and Financial Indicators	Explanation
Gross Domestic Product (GDP)	<ul style="list-style-type: none"><li>➤ The entire GDP in France for 2018 is expected to be \$2.960 trillion.</li><li>➤ With this value France is ranked 10th in the whole world.</li><li>➤ The 2017 GDP was \$2.835 trillion</li><li>➤ The per capita GDP did increase as well from \$43.760 in 2017 to \$45.473 in 2018.</li></ul> → The GDP increased from 2017 to 2018.

Inflation	In 2018 the inflation rate was 1.52% which is more or less in the average of the last 10 years.				
Unemployment	<p>➤ <i>The unemployment rate is currently 8.75 %, which means a decrease by approximately 0.6 %.</i></p>  <p><a href="https://de.statista.com/statistik/daten/studie/17310/umfrage/arbeitslosenquote-in-frankreich/">https://de.statista.com/statistik/daten/studie/17310/umfrage/arbeitslosenquote-in-frankreich/</a></p> <p>➤ <i>This is a relatively high figure compared with other European countries. Germany for example has an unemployment rate of 3.8%, Monaco is rated best in Europe with a quote of only 2.0%.</i></p>				
Distribution of Income and Wealth	Money which the people have	<10.000 US\$	10.000-100.000 US\$	100.000-1.000.000 US\$	>1.000.000 US\$
	Percentage of the people	26.1%	23.9%	46.7%	3.3%
	→ <i>The wealth is distributed more or less fair.</i>				
Government Debt	<p>➤ <i>The estimated Government Debt in France for 2018 is \$2,273 trillion.</i></p> <p>➤ <i>France is ranked 23rd in the international comparison concerning the Government Debts and France has the 6th highest Government Debts in Europe.</i></p>				
Interest Rate Level	<p>➤ <i>France's benchmark interest rate is set by the European Central Bank because France is a member of the European Union.</i></p> <p>➤ <i>The current Interest Rate indicated by the ECB is 0.00%</i></p>				
Exchange Rates	<p>In 2002 France launched the Euro as its currency. These are the exchange rates to some other currencies from the 28th November, 2018:</p> <p>1€ ≙ 1.13 US\$</p> <p>1€ ≙ 4.29 Zloty</p> <p>1€ ≙ 0.89 £</p>				
Size and Importance of the Domestic Market	57% of the GDP is linked to trade with foreign countries. In other countries like the UK this figure is higher (65%) which means that the domestic market in France is relatively important.				
Import and Export	<p>➤ <i>The most important partner of France is Germany.</i></p> <p>➤ <i>7 of the 10 most important countries are in Europe.</i></p> <p>➤ <i>Another important partner is the US.</i></p> <p>➤ <i>Russia and China gain influence in the French economy.</i></p>				

Currently, France has a **good, successful and rich economy** but there are several problems that have to be solved: The distribution of wealth is not ideal and there are huge problems concerning the Government Debt. The French President Emmanuel Macron has already said that **reforms in the economy have to be made** and that the state budget has to be fixed.

In December 2018 you can see that there have been massive protests against the economic policy by president Macron. Macron wants to increase the amount of taxes in France. Lots of people are very upset because the **unemployment rate is very high** and the unemployed people can hardly pay these taxes. And these unemployed people are a great factor:

If the government made it possible that the number of unemployed people decreased, the GDP would increase and the distribution of wealth would be fairer. This could be a **solution for the French economy**.

On the 11th December President Macron announced that the statutory minimum wage will increase and hopefully the purchasing power will increase too due to the higher average salary of the French population.

**It'll be very exciting to pursue the development of the French economy.**



# MEXICO

LOUANNE & DAVID



## Economic System

Mexico is located in North America. The Inhabitants is 129.9 people. The Capital is Mexico-City with 8.8 million people. Mexico has a mixed economy. The government tries to make the country attractive for investors. Especially low corporate and income tax makes it interesting for Investors. The government owns the Central Bank to create stability in purchase power

## The System of Government

The official name of Mexico is United Mexican States. It is a federal republic and consists of 32 federal states. The president is elected for a period of 6 years. Andrés Manuel López Obrador is since 02 July.2018 the president. The legislative consists of 2 bodies. The senat(128 members) and the Chamber of Deputies (500 members)



**Gross Domestic Product (GDP) (1950):** 13 billion

**Gross Domestic Product (GDP) (2017):**

1.15 trillion is a high GDP the 14<sup>th</sup> highest in the world (increase of 766%)

**GDP per capita:** 8.902,83 USD

## Inflation:

4.9% decrease by 2% from December 2017 until today. It's a high inflation, but in Mexico's case it's good, because they can export more.

**Unemployment rate:**

3.32% in September 2018, is even low compared to industrial countries. Compared to Germany (same level of unemployment), France (9% unemployment) or the USA (4% unemployment) The Mexican economy recovered well from the finance crisis in 2009.

**Distribution of Income and Wealth:**

1 percent of the population owns 50% of the wealth. 48% of schools are very bad equipped. 48% of schools have now sewage, 31% no drinking water, 12% no bathrooms and 11% no electricity.

**Government Debt:**

445.8 billion USD that's 54.3% of the GDP. When the government debt is under 60% it's no threat to the country.

**Exchanges Rate:** 1USD = 19.22 peso

**Import and Export:**

1/3 of the economy is depending on oil export. Most exports is possible due to NAFTA (North American Free Trade Agreement).

This country has a semi strong economy. Although the GDP per capita is low it's enough for people to live because, the cost of living is very cheap in Mexico. The wealth distribution in Mexico is very bad and a lot of people are poor. But even like this Mexico is one of the best countries to live in the South and Middle American Continent. With Lopez Obrador there is new hope for all the poor people in Mexico. He wants to change the country with reforms to make it a better place to live. Pensions, scholarships and the fight against corruption are his aim.

# TURKEY

ZEYNEP & EMMA D.



Turkey the Eurasian country, mainly located in West-Asia is with smaller portions on the Balkan peninsula in Southeast Europe. The neighbours of Turkey are Greece and Bulgaria to its northwest, Georgia to its northeast, Armenia, the Azerbaijani exclave of Nakhchivan and Iran to the east; and Iraq and Syria to the south. The capital is Ankara but its largest city is the metropolis Istanbul. There are various spoken languages and a lot of ethnic groups like Kurds, Arabs, Laz and in different regions of Turkey. Turkey's economy and diplomatic initiatives led to its recognition as a regional power while its location has given it geopolitical and strategic importance throughout history. The currency is the Turkish Lira The head of state and government is Recep Tayyip Erdogan. 99% of the citizens in Turkey are Muslim, mostly Sunni. There is a minority of Alevi (about 20% of the population) and Christian minorities (Greek Orthodox, Armenian Gregorian, Syriac, Latin Catholic) and Jewish.



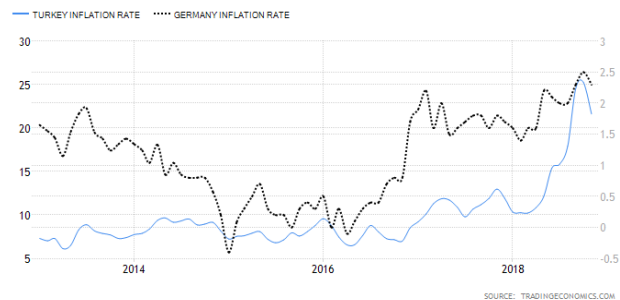
## System of government

Turkey is a Republic. The republic is a parliamentary representative democratic public. The Prime Minister is the head of the government and the President is the head of the state. At this moment, Binali Yıldırım is the Prime Minister of Turkey and Recep Tayyip Erdoğan is the President of Turkey. Before Erdoğan became the President of Turkey, he has been the Prime Minister of Turkey from 2003 to 2014. Turkey's political system is a separation of powers. The Council of Ministers is the **executive** power, the **legislative** power Grand National Assembly of Turkey. The **judiciary** however is independent of the executive and legislative powers. Its freedom and Independence is protected within the constitution, which was on the 7th November 1982 after the Turkish constitutional referendum happened. The political parties are dominantly conservative parties like AKP, **MHP** since 1950 but there are also leftist parties like **CHP**. The current party which rules is the social and conservative **AKP** (Adalet ve Kalkınma Partisi in Turkish) which means Justice and Development party. Erdoğan was the founder of the party. The party was elected by 52.59% (yellow) of the 26,324,482 voters on the 24th of June 2018.

Turkey's largely free-market economy is driven by its industry and, increasingly, service sectors, although its traditional agriculture sector still accounts for about 25% of employment.

### **Gross Domestic Product (GDP)**

The GDP in Turkey was worth 851.10 billion US dollars in 2017. The GDP value of Turkey represents 1.37 percent of the world economy. It comes as the 19st in the world list followed by the Netherlands. GDP in Turkey averaged 252.70 USD Billion from 1960 until 2017, reaching an all time high of 950.58 USD Billion in 2013 as seen in the chart and a record of 8.02 USD Billion in 1961.



### **Price Stability / Inflation**

Turkey's consumer price inflation eased to 21.62 percent year-on-year in November 2018 from a near 15-year high of 25.24 percent in the prior month, and below market expectations of 22.58 percent.

### **Unemployment**

The unemployment rate was 10.6% in February 2018, after a decrease of 2 basis points compared to the same period of 2017. In addition, the number of unemployed fell by 546,000 to 3,354,000 in the same period.

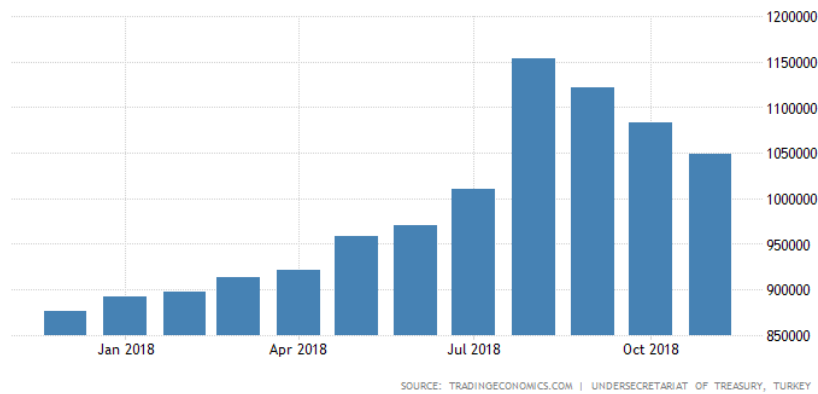
### **Distribution of Income and Wealth**

The gross domestic product (par value) is up to \$ 905 billion from US \$ in 2018. In PPP it is up to \$ 2,249.864 billion in 2018. The Rank for GDP in PPP is up to 13th. The GDP growth has increased 6.7% from 2010-2016 to avg. up 11.1% in 2017. The GDP by sector in 2008 was: agriculture: 8.5%, industry: 28.6%, services: 62.9%

### **Government Debt**

Government Debt in Turkey decreased to 1.048.876 TRY Million in November from 1.083.484 TRY Million in October of 2018.

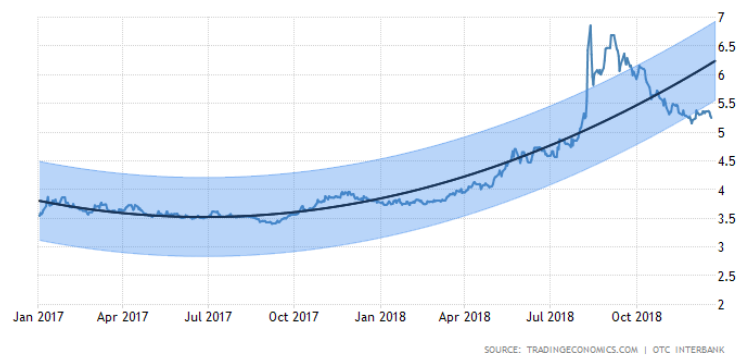
## **Interest Rate Level (& Recent Development of Interest Rate Level)**



The Turkish central bank interest rates jump to 24% (BFM Bourse) - Turkey's central bank is raising its key interest rate from 17.75% to 24%. The pound bounces on the 13 Sept. 2018.

## **Exchange Rates**

The Turkish Lira is expected to trade at 6.13 by the end of this quarter, according to Trading Economics global macro models and analysts' expectations.

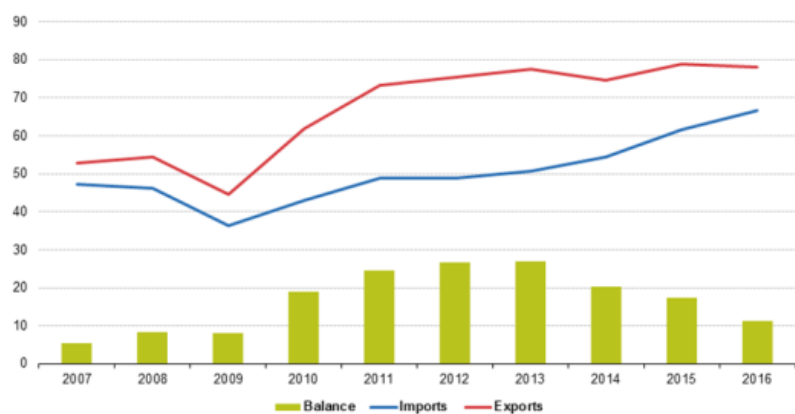


## **Size and Importance of the Domestic Market**

According to the World Bank's report on the global economic outlook published in April 2017, based on purchasing power parity (PPP), the Turkish economy is the 13th largest in the world and the 5th largest in Europe in 2016.

## **Import and Export**

In 2016, Turkey exported \$156B and imported \$186B, resulting in a negative trade balance of \$29.6B. The top exports of Turkey are gold (\$12B), cars (\$9.4B), delivery trucks (\$5.17B), vehicle parts (\$4.4B) and T-shirts (\$3.17B). Its top imports are cars (\$10.3B), refined petroleum (\$7.27B), gold (\$6.48B), vehicle parts (\$5.24B) and planes, helicopters, and/or spacecraft (\$4.23B).



Exports from France to the country: € 6.7bn (2017); imports from France to the country: € 7.5bn (2017).

# CHINA

## GIADA

China is located in East Asia and the capital is Beijing. It's the most inhabited country in the world with a population of around 1.4 billion people.

China covers 9,6 million sq km. It's approximately as big as the US.

Countries like Japan, Russia, India and other 11 countries border to China.


The currency in China is called Renminbi and its unit is Yuan. The official language is Standard Chinese but there are other recognised regional languages like Mongolian, Tibetan and Zhuang.

The flag of China is also known as the Five-starred Red Flag.



[https://upload.wikimedia.org/wikipedia/commons/f/fa/Flag\\_of\\_the\\_People%27s\\_Republic\\_of\\_China.svg](https://upload.wikimedia.org/wikipedia/commons/f/fa/Flag_of_the_People%27s_Republic_of_China.svg)

Economic System	Market Economy to specificate Mixed Economy
Political System	People's Republic but run by Communist Party
GDP	<p style="text-align: center;"><b>Chinese GDP growth and its components</b></p> <p style="text-align: center;">Sources: Central Bureau of Statistics of China, CEIC and BOFIT. 28 September 2016 bofbulletin.fi</p> <p style="text-align: right; font-size: small;">21180@kesa_2016_kontribuidiot</p> <p><a href="https://www.bofbulletin.fi/en/charts/chart/chinese-gdp-growth-and-its-components/">https://www.bofbulletin.fi/en/charts/chart/chinese-gdp-growth-and-its-components/</a></p>

Price Stability	 <p><a href="https://tradingeconomics.com/china/inflation-cpi">https://tradingeconomics.com/china/inflation-cpi</a></p> <p>China aimed an inflation rate of 3 % in 2018</p>
Unemployment	In 2018, the unemployment rate was about 3,8%.
Distribution of Income and Wealth	<ul style="list-style-type: none"> <li>-Big difference between small towns and cities</li> <li>-a lot of poor and rich people</li> </ul>
Government debt	-relatively low compared to USA
Interest Rate Level	<ul style="list-style-type: none"> <li>-in last 5 years 4.35%</li> <li>- now, strongest and biggest economy in the world</li> </ul>
Exchange Rate	1 Yuan is 0,11 Pound and 0,15 US-Dollar worth.
Importance and Size of the Domestic Market	<ul style="list-style-type: none"> <li>-before export land -&gt; transformed to domestic market</li> <li>-export figure: decreasing</li> <li>-domestic figure: increasing</li> </ul>
Export and Import	<p>Export &gt; Import</p> <p>Destinations: USA, Germany, Japan, South Korea</p>

China is a stable and well-doing economic power in the world.

They reach incredible figures in e.g. their export and import area.

China is doing well in improving their wealth and health situation for their inhabitants e.g. more and more people get health insurances. A thing that a couple of years wasn't normal.

But at the other hand, China doesn't keep the human rights, so sometimes you hear that China e.g. executes the death penalty.

# ETHIOPIA

AILEEN



Capital	Addis Abeba
Inhabitants	105 Million
Economic System	Mixed and transition economy
Head of State	Sahle-Work Zewde
Political System	Parliamentary Democracy
GDP (Gross Domestic Product)	\$ 177.5 Billion
Inflation	11%
Distribution of income	33.6
Government Debt	56.2% of the GDP
Interest Rate Level	7%
Percentage of poverty	29.6 %
Exchange rate	31.59 Birr per €
Size and Importance of the Domestic Market	over 100 million people
Most important export good	Coffee
Most important import goods	Machines, fuel, food and fabrics



With about 105 million people, Ethiopia is the second most populous nation in Africa and the fastest growing economy in the region. However, it is also one of the poorest, with a per capita income of \$783. Agriculture, construction and services contribute to most of the economic growth during the last years. The higher economic growth brought with it positive trends in poverty reduction in urban and rural areas.

The key challenges are:

- Limited competitiveness, which curb the development of manufacturing, the job creation and the increase of exports
- An underdeveloped private sector, which makes the country less able to compete internationally. The government aims to expand the role of the private sector through foreign investments and industrial parks to keep Ethiopia's economy growing
- Political disruption, associated with social problems have a negative impact on the growth due to lower FDI, tourism and exports



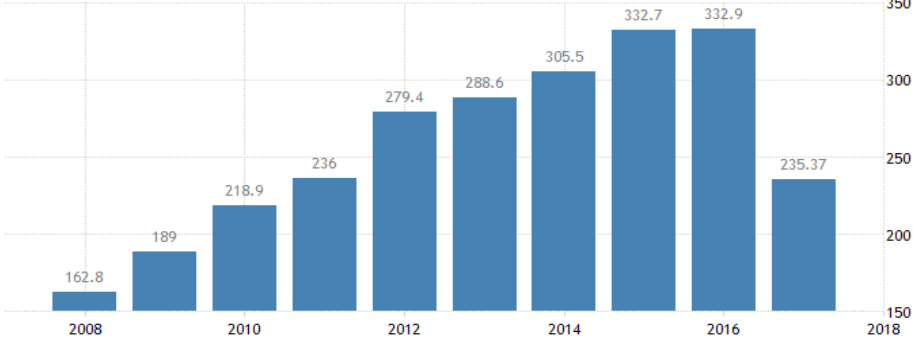
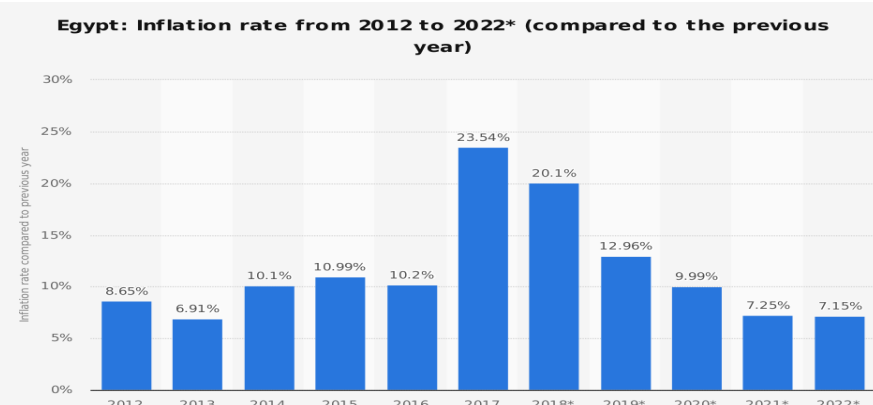
So as you can see, Ethiopia has many problems to face with. But it's economy is growing and the situation inside the country is improving. So I think, Ethiopia could be a role model for other developing countries in the world.

# EGYPT

JULIA

Egypt, officially the Arab Republic of Egypt is in the northeast of Africa. Egypt has a population of 97 million and an area of over one million square kilometers. The capital of Egypt is Cairo and it's the largest city in Egypt. The official language is Arabic and the national language is Egypt Arabic. Egypt is a republic with a head of state and a prime minister. The first presidential elections were held in 2005, but the first presidential election which was deemed fair and free was in 2011 after the Egyptian revolution of 2011. Egypt is not fully a democracy as Egypt is controlled by one central government.

The Egyptian economy was a highly centralized planned economy. Now you can say that Egypt is a mixed economy with the socialist and capitalist characteristics. The meaning of it is that some companies are controlled by the government and some are controlled privately.

<p>Gross Domestic Product (GDP)</p>	<ul style="list-style-type: none"> <li>• <i>The GDP in Egypt reached \$ 60.4 billion in June 2018.</i></li> <li>• <i>The GDP value of Egypt represents 0.38 percent of the world economy.</i></li> </ul>  <p style="text-align: right; font-size: small;">SOURCE: TRADINGECONOMICS.COM   WORLD BANK</p>
<p>Price Stability/ Inflation</p>	<p>In 2018, the average inflation rate in Egypt amounted to about 20.86% compared to the previous year.</p>  <p style="font-size: small;">Source: IMF © Statista 2018</p> <p style="font-size: small;">Additional Information: IMF</p>

Unemployment	12.2% → it's bad for the economy
Distribution of Income and Wealth	Gini- Index of 31.8 → it's bad for the economy
Government Debt	101.2%
Interest Rate Level	Inflation was higher than expected →16.75%
Exchange Rates	1 EGP $\triangleq$ 0.05577 US \$
Import and Export	<ul style="list-style-type: none"> <li>• <i>Import: Egypt's import volume reached \$ 43.98 billion in 2009, up 24% on the previous year. Egypt had a negative trade balance since the 1980s. The country ranks 49th worldwide.</i></li> <li>• <i>Export: The Egyptian export trade in 2010 achieved a sales increase of more than 29 billion US dollars, 22% more than in the previous year.</i></li> </ul>

The economy of Egypt has problems. They were a planned economy but they wanted to be a market system, it didn't work and they are now a mixed economy.

In addition to domestic problems, there are also increases in unemployment, low productivity, high inflation rates, government deficit spending, prohibitive subsidy programs, balance of payments deficits, accumulation of public debt and lack of adequate domestic investment.

Egypt's economy is struggling with structural problems and especially with low growth rates and high deficits. The country's external debt reached 60 billion US dollars in 2016/2017. The Egyptian central bank allowed the currency to fluctuate freely, leading to a sharp devaluation of the pound and a rise in food and fuel prices. The government couldn't control inflation and the public's loss of confidence increased.

So all in all even though Egypt shows improvement in their economy over the last 20 years as more jobs have been created by the growth of the industrial and private sector, the GDP has increased significantly and Egypt has gotten an important role in the world economy. The economy of Egypt is still not in a good shape right now, because of the inflation caused by the Egyptian central bank, the big debt the government is in which keeps increasing and the fact that the loss of confidence in Egypt's economy is increasing.



# COSTA RICA

HANNAH

## Economic and Financial Indicators

### Gross Domestic Product (GDP)

GDP in 2017 was 57.06 billion USD compared to 2010 when it was 37.27 billion USD  
GDP per capita was 11.630,67 USD in 2017

Price Stability/Inflation	The inflation rate is 2.29% in November 2018 Highest inflation rate was 5.23% in 2013 Lowest inflation rate was -0.02% in 2016
Unemployment	Unemployment rate was 10.2% in July 2018 242.228 unemployed people → highest number Lowest number was 38.708
Distribution of Income and Wealth	Large middle class → live in a normal standard Equal distribution of wealth One million people live in poverty Has the lowest poverty rate in Central America
Government Debt	In 2017, Costa Rica had a government debt that was equivalent to 65.1% of the GDP
Interest Rate Level	All time high with 10% in August 2008 Record low in January 2016 with 1.75% Current average is 5.25% since November 1 <sup>st</sup> 2018
Exchange Rates	Currency is Costa Rica colón 1 Euro are 689,01 Costa Rica colón

Import and Export

1 US Dollar are 604,63 Costa Rica colón  
1 Australian Dollar are 430,62 Costa Rica colón

77<sup>th</sup> largest export economy in the world  
Top 3 exports are Medical Instruments, Bananas and Tropical Fruits  
Top 3 export countries are United States, Belgium-Luxembourg and Guatemala  
Top 3 imports are Refined Petroleum, Cars and Packaged Medicaments  
Top 3 import countries are United States, China and Mexico

System of Government

It is a democratic, free and independent Republic

Economic System

It has a mixed economy

Costa Rica has a relatively stable and good economy. Based on the GDP, you can see that the country is wealthy and even the Distribution of Income and Wealth shows that they are wealthy. Even though they have a lot of people who are poor, they are still the country with the lowest poverty rate which you would probably not think about a country like Costa Rica. Pretty impressive is that Costa Rica has a large middle class which means that even though there are a lot of poor people, the majority of people lives a normal standard.

The import and export in Costa Rica isn't really the best as you can see they're only the 77<sup>th</sup> largest export economy but keeping in mind, Costa Rica is a small country.

As you can see in the statistics exports are increasing and that means that the country is less vulnerable to international market fluctuations.

The private consumption in Costa Rica is also increasing and that means the country is economically stable because the people start buying more.

<https://www.oecd.org/eco/outlook/costa-rica-economic-forecast-summary.htm>

**Growth is underpinned by domestic and external drivers**

