Market Attractiveness Index for FDI: Different entry modes

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I. Introduction

Rapid economic growth, increasing consumer demand and low labor costs have combined to make emerging markets a key destination for foreign investors over the past two decades. According to the World Investment Report 2012, foreign direct investment (FDI) inward stock in emerging markets increased by a factor of nearly fourteen, from US$517 billion in 1990 to US$7.38 trillion in 2011. The emerging markets' share of worldwide FDI inward stock also increased substantially, from 24.85% in 1990 to 36.12% in 2011.

The ways in which this FDI has entered emerging markets has been relatively one-sided. Although cross-border mergers and acquisitions (M&As) have increased in recent years, greenfield investments (including wholly owned greenfield investments and joint ventures) still dominate. For example, in 2011, the value of M&As in emerging markets was US$116 billion, while the value of greenfield FDI projects was more than twice this amount, at US$261 billion dollars.

What is driving the move towards one mode of entry over another? For the most part, country specific attributes create conditions that make one entry mode preferable. Emerging markets in particular have unique characteristics, such as underdeveloped institutional environments, or low levels of managerial capability that make multinational firms more likely to pursue greenfield investment. Moreover, lack of knowledge of the country specific context for a firm may mean selecting the wrong entry mode, which could seriously harm the company's performance. As Curt Moldenhauer, a partner in PwC's Transaction Services Group in Shanghai, said "Typically in the US and the UK, of the [M&A] deals we get involved in, about 80-90% go through. In China, it's about 44% – well south of what you expect in a developed market."[1] Even for the deals that went through, only 27% of them enhanced value.[2]

This high failure rate of FDI in emerging markets could be contributed either to choosing the wrong country to enter, or the wrong entry mode. However, up to now, firms have had little consolidated data on the "appropriate" entry mode for a specific country. It is hoped that this report and the development of its two national level indexes, referred to below, will help bridge this gap.

Although cross-border mergers and acquisitions (M&As) have increased in recent years, greenfield investments still dominate

Index 1: The overall attractiveness of a country as a destination for FDI.

Index 2: A definition of the "best" choice among different entry modes: joint venture (JV), Merger and Acquisition (M&A) and wholly owned greenfield subsidiary (WOS).

The indexes developed in this report differ from existing national level data and indexes in at least two important ways. Firstly, despite the fact that there are indexes focusing on one particular entry mode (such as the M&A Maturity Index),[3] no existing indexes have compared the appropriateness of different entry modes for any one particular country in one particular year. The breadth of coverage of this index and its comparative nature makes it an important addition to the information required by a manager when deciding on where and how to locate production in emerging markets.

Secondly, although indexes exist that measure the overall competitiveness of a country, such as the Global Competitiveness Index, developed by the World Economic Forum (WEF), there are relatively fewer indexes that focus specifically on the attractiveness of a country as a host for FDI. Moreover, even the indexes that do focus on FDI in particular are either based on subjective

1 The China challenge: Why do mergers and acquisitions so often fail in China? China Economic Review, May 2012.

2 All to play for: Striving for post-deal success. KPMG International, 2008.

3 M&A Maturity Index 2012: M&A in a two-speed world. E&Y, 2012.

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viewpoints garnered from surveys (such as the A.T. Kearney FDI Confidence Index), or on actual FDI inflow data (such as the Inward FDI Performance and Potential Index, developed by UNCTAD). Overall FDI attractiveness, on the other hand, combines subjective and objective indicators relating to political and economic conditions. It also adds a dimension otherwise neglected by current indexes - social and cultural factors, which are highly country specific and which also drive the development of national level institutions.

This high failure rate of FDI in emerging markets could be contributed either to choosing the wrong country to enter, or the wrong entry mode

It is important to note that the selection of an entry mode depends on various determinants – the firm, industry and nation. The indexes we have created in this report merely measure the country level factors, and thus should not be taken as the be-all and end-all of where and how to locate a firm in emerging markets. Our national level indexes provide a tool to compare entry modes, assuming other things (firm and industry level characteristics) are equal. Managers should therefore use these indexes in conjunction with company and industry level evaluation tools. However, we believe that these indexes will provide managers with a preliminary guide on where to invest and how appropriate a country is for each type of entry mode. The indexes will also steer governments with regard to improving the overall attractiveness of their country for FDI in general, as well as for a specific entry mode in particular.

II.
JVs, M&As and WOSs

A company has the choice to enter a foreign country using a variety of different entry modes, each possessing its own advantages and disadvantages, as summarized in Table 1.

In general, these three entry modes differ in the following aspects:

- *The level of control.* With a WOS and M&A, the parent firm has complete control over the foreign subsidiary; in a JV, the parent firm shares the control with its local partner.
- *Resource commitment.* With both a WOS and an M&A, the parent firm is responsible for procuring all of the resources needed by the foreign subsidiary, whereas in a JV, the parent firm and its local partner share the responsibility for providing the resources necessary.
- *Investment risk.* Since a WOS or M&A requires more resource commitment, the parent firm is exposed to higher investment risk than in a JV.
- *Speed of entry.* Since the nature of an M&A is to consolidate one company with another existing firm, time is saved and thus it is the fastest mode to enter a market. A JV or WOS takes considerably longer since the parent firm needs to start the subsidiary from scratch.
- *The importance of local firms.* In both JVs and M&As, it is extremely important to find an appropriate local partner/firm, with which the foreign company can work intensively. The success of JVs and M&As depends largely on the availability and quality of local firms and the cooperation with them.

Table 1. Different Entry Modes

	Greenfield Wholly Owned Subsidiary	Merger & Acquisition	Joint Venture [4]
Definition	The independent building of a new plant	To merge with, or acquire an existing firm	To build a new plant with another firm
Advantage	Complete control over the new plant; No need to search for targets or partners; No risk of technology/ knowledge leakage	Fast; The possibility of paying a low price for valuable assets	Pooling resources from two parties to achieve large scale; Benefiting from complementary assets from the partner; Risk reduction
Disadvantage	Slow; Requires large resource inputs	Post M&A integration; The search for available targets; The risk of overpaying	The search for partners; The risk of technology/knowledge leakage; Conflicts with partners about how to manage the venture

4 A joint venture can involve either Greenfield investment or a merger and acquisition. However, it is a distinctive type of entry mode, due to its unique features as described in Table 1. In this study, we regard a subsidiary as a joint venture if two or more parties share its ownership.

III. National level factors influencing the choice of entry mode

Our national level indexes provide a tool to compare entry modes, assuming other things (firm and industry level characteristics) are equal

Given the differences among these three entry modes, the same national level factor may have different implications for different entry modes. In this section, we describe the national level factors which influence the choice of entry mode. To classify the different factors, we draw from and modify the PEST (Political, Economic, Social, and Technological) analysis. A PEST analysis describes a framework of macro-environmental factors used in environmental scanning of strategic management components. It gives an overview of the different macro-environmental factors that the company has to take into consideration.

Political and regulatory factors

Political and regulatory factors include how and to what degree a government intervenes in the economy. Specifically, they include areas such as tax policy, labor law, environmental law, trade restrictions, tariffs, regulations and political stability. They may also incorporate goods and services provided by the government. Political and regulatory factors that are relevant to the choice of entry mode include:

- *Hospitality towards foreign investment.* This point is related to investment risk. The more a host country entertains foreign investment, the lower the investment risk is in the country. Therefore, the more hospitable the host country government is towards foreign investments, the more entry modes with high investment risk are favoured: WOS and M&A.
- *Political stability.* This point is also related to investment risk. A country with a high level of political stability indicates a low investment risk. Thus, a high level of political stability favors entry modes with high investment risk: WOS and M&A.
- *Investment protection.* Again, this point is related to investment risk. A host country with a high level of investment protection encourages investors to commit more resources, because their investments are well protected. Therefore, a high level of investment protection points towards entry modes with high investment risk: WOS and M&A.
- *Ease of starting a new business.* If the regulations in a host country make it hard to start a new business, foreign firms may opt for an M&A, because in an M&A firms acquire an existing firm rather than start a new business from scratch. On the contrary, if it is easy to start a new business, they may choose a WOS and/or a JV.
- *Contract enforcement.* In a JV, the foreign firm needs to sign contracts with a local partner(s) to set up the new business. Similarly in an M&A, the foreign firm needs to sign contracts with local firms to finish the transaction. In both cases, contract enforcement is important to the success of the foreign investment. Therefore, a high level of contract enforcement in a host country encourages M&As and JVs.

Economic and financial factors

Economic and financial factors include economic growth, interest rates, exchange rates, inflation rates, market potential and financial market development. These factors have major impact on how businesses operate and make decisions in a country. Economic and financial factors which influence the choice of entry mode include:

- *Economic growth.* This point is related to the speed of entry. Countries with a high economic growth rate will also have a fast-growing domestic market. In order to catch the fast-growing markets, foreign firms need to select a high-speed entry mode: M&A.
- *Industry maturity.* A mature industry means

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that there are many firms competing within it, which provides a large pool of potential targets for M&As, and also potential partners for JVs. Therefore countries with a high level of industry maturity encourage M&As and JVs.
- *The development of equity markets.* A well-developed equity market means that the number of listed firms in a country is high, information about listed companies is accurately disclosed, and the value of listed firms is reflected by the stock price. A well-developed equity market thus favors M&As, because it provides foreign firms with the accurate information they need to choose potential targets.

Social factors

Social factors include cultural aspects and social norms, such as health consciousness, population growth rate, age distribution, career attitudes and an emphasis on safety. Social trends affect how firms operate in a country. Social factors which influence the choice of entry mode include:
- *The level of trust.* Although every firm would prefer to do business in a society with a high level of trust, levels of trust have different implications for different entry modes. Since both JVs and MAs involve dealing extensively with local partners or firms, a host country with a high level of trust would encourage JVs and M&As, over WOSs.
- *Population growth rate.* Countries with a high population growth rate promise more future potential consumers. In order to catch the fast-growing markets, foreign firms need to select a high-speed entry mode: M&A.

Technological factors

Technological factors include R&D activity, automation, technology incentive, technological change and the protection of technology. They can determine barriers to entry and minimum efficient production levels. Technological shifts

> The same national level factor may have different implications for different entry modes

can also affect costs, quality and innovation. Technological aspects that influence the choice of entry mode include:
- *Protection of intellectual property rights.* Countries that actively enforce intellectual property rights help protect a company's privileged information and technology, which usually forms the competitive advantage of foreign firms. Therefore firms do not need to select an entry mode with a high level of control, and in countries where intellectual property rights are actively protected, a mode of entry with a lower level of control is preferred: JV.

Non-mode specific factors influencing attractiveness

Besides the factors which inform entry mode choices, there are a number of other conditions that influence the overall attractiveness of a host country as an FDI destination. In other words, these underlying considerations impact on the three entry modes in the same way. These factors include:
- *Government effectiveness.* Government effectiveness refers to how the quality of public services, the civil service, policy formulation and implementation is perceived. Firms are more likely to invest in host countries with a high level of government effectiveness.
- *Control of corruption.* This related concept refers to the host country's government's effort to control corruption. Companies want to avoid host countries with a high level of corruption, since it increases their costs of doing business.
- *Market size.* Apart from market growth potential, sheer market size is also important for attracting foreign investment. Firms are more likely to invest in countries with a large domestic market.
- *Technological development.* Companies are more likely to invest in countries with a high level of technological development, as this signifies a well-educated labor force and a well-connected society.
- *Infrastructure.* Infrastructure means the basic physical structures needed for a society to operate, and/or the provision of the services and facilities necessary for an economy to function. It is an important term when judging a country's development and usually includes roads, bridges, water supplies, sewers, electrical grids, telecommunications and so forth. Firms are more likely to invest in countries with good infrastructure, because it reduces the costs of doing business.
- *Democracy.* The level of a country's democracy reflects the extent to which everyone has an equal say in the political decisions that affect their lives. Democracy allows citizens to participate equally, either directly or through elected representatives, in the proposal, development and creation of laws. A country's level of democracy is based on an evaluation of that state's elections in terms of competitiveness, openness and participation statistics. Enterprises are more likely to enter countries with a strong democracy, as that implies a society that is open, educated, economically efficient and conducive to the development of human capital. All of these factors attract foreign investments.

IV. Variables and data sources

Table 2 summarizes the variables that can be used to measure the different factors, and their data sources, all of which come from the public realm. Some are objective measures, such as World Development Indicators, and others are surveys, for example, the World Value Survey. Regardless of the nature of the data, it has been widely used by scholars and practitioners to evaluate the conditions of a country.

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Table 2. Variables and data sources

	Variable	Data Source
	Political and regulatory factors	
Hospitality towards FDI	Total inward FDI	World Investment Report
	Trading across borders	Doing Business Report
Political instability	Policy-making uncertainty	POLCON
	Perception of the likelihood that a government will be destabilized	Governance Matters Report
Investment protection	Resolving insolvency	Doing Business Report
	Rule of law	Governance Matters Report
Ease of starting a business	Starting a business	Doing Business Report
	Dealing with construction permits	Doing Business Report
	Registering property	Doing Business Report
Contract enforcement	The time the administrative judicial system takes to resolve commercial disputes	Doing Business Report
	Economic and financial factors	
Economic growth	GDP growth rate	World Development Indicators (WDI)
Industry maturity	The number of registered firms (>US$1m assets)	Orbis
Development of the equity market	Domestic credit to the private sector (% of GDP)	WDI
	The market capitalization of listed companies (% of GDP)	WDI

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Table 2. Variables and data sources		
	Variable	Data Source
	Social factors	
Level of trust	The level of trust among people	World Value Survey
Population growth rate	Growth rate of the total population	WDI
	Technological factors	
Protection of intellectual property rights	The significance of international property rights and their protection for economic well-being	International Property Rights Index
	Overall attractiveness (not mode specific)	
Government effectiveness	The perception of the quality of public services, the civil service, policy formulation and implementation	Governance Matters Report
Control of corruption	The perception of the extent to which public power is exercised for private gain	Governance Matters Report
	CPIA transparency, accountability and corruption in the public sector rating (1=low to 6=high)	WDI
Market size	% of the population between 14 and 65	WDI
	Birth rate, crude (measured per 100 people)	WDI
	GDP size	WDI
Technology development	Number of patents granted per a population of 1 million	World Patent Report
	Patent applications, residents plus non residents	WDI
	Internet users per 100 people	WDI
Infrastructure	% of paved roads in relation to the total number of roads	WDI
	The total length of railway lines	WDI
Democracy	The level of democracy in governing institutions	Polity IV

5 The data for this variable is from the M&A Research Center at Cass Business School.

V. Ranking Scheme

We have produced two different types of indexes. The first is an index based on the overall attractiveness of a country as a host for FDI. This index is not entry mode specific. The first column of Table 3 summarizes the components of the indexes. Where there is a missing value in any one of the variables, we fill it with the value of the nearest available year. The index covers the time period between 2000 and 2011. For each year, we average the percentile of a country in these dimensions and rank countries by their average.

The first is an index based on the overall attractiveness of a country as a host for FDI. The second type of index relates to each entry mode

The second type of index relates to each entry mode. For each year, a country will have three different indexes - for JVs, M&As and WOSs respectively. For each country and entry mode, the index is calculated as the simple average of the percentiles on each of the dimensions listed in the remaining three columns of Table 3.

We should note that the same dimension may play different roles in the construction indexes for JV/WOS/M&As. For example, low hospitality towards FDI favors JVs, while high hospitality towards FDI favors WOSs and M&As. When we rank hospitality towards FDI, the ranking is from low to high when constructing the JV index, while it is from high to low when constructing the WOS and M&A indexes.

How to develop the index further can be illustrated by way of a focused example - China in 2006. In that year, for the WOS mode, it ranks 42.02% in political and regulatory factors, 11.78% in economic and financial factors, 65.82% in social factors, 49.59% in technological factors and 53.01% in non-mode specific factors. The percentile for China in 2006 for WOS is, then, the average of these percentiles: 44.45%, therefore China ranks 161th in WOS. In the same year, for M&As it ranks 55.01%. For the JV mode, the overall percentile is 45.00%. Comparing these three modes in 2006, M&As are the preferred mode for China.

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Table 3. Components of each index

	Overall attractiveness	WOS	M&A	JV
Political and regulatory factors				
Hospitality towards FDI	High	High[6]	High[7]	Low
Political instability	Low	Low	Low	High
Investment protection	High	High	High	Low
Ease of starting a business	High	High	Low	High
Contract enforcement	High	Low	High	High
Economic and financial factors				
Development of the equity market	High	Low	High	Low
Industry maturity	High	Low	High	High
Economic growth	Fast	Slow	Fast	Slow
Social factors				
Level of trust	High	Low	High	High
Population growth	High	Low	High	Low
Technological factors				
Intellectual property rights protection	High	Low	High	High
Non-mode specific factors				
Market size	Large	Large	Large	Large
Government effectiveness	High	High	High	High
Control of corruption	High	High	High	High
Technology development	High	High	High	High
Infrastructure development	High	High	High	High
Democracy	High	High	High	High

6 High means high in this dimension increases the overall attractiveness of this country as a destination for FDI.
7 High means high in this dimension increases the attractiveness of this entry mode in a country.

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VI. Overall Attractiveness Index

Table 4 summarizes the Top 10 countries for their overall attractiveness ranking in 2000 and 2011.

Table 4 shows that the majority of countries which make the Top 10 list of the most attractive host countries for FDI are developed nations. This is not surprising, as developed countries have better infrastructure, more developed institutions and stable economic and political environments, compared with emerging markets. All Top 10 countries on the 2000 list are developed nations. The list in 2011 sees several new entries: Australia ranks number 5, Macao SAR, China - 7, Norway - 8, Denmark - 9 and Austria - 10. Notably though, the list is still dominated by developed countries. However, whilst some emerging markets make the Top 20 list in 2011, none of them appear there for 2000. For 2011, Chile ranks number 11, South Korea - 14 and UAE - 16. The appearance of several emerging markets in the Top 20 marks the improvements they are making in various areas, such as in the political, economic, social, and technological arena.

The majority of countries which make the Top 10 list of the most attractive host countries for FDI are developed nations

To examine the movement of emerging markets in the overall attractiveness ranking in more detail, in Table 5 we have tracked the change of ranking of RGM (rapid-growth markets) in 25 countries in 2000 and 2011.

Overall, there are improvements in the general attractiveness of emerging markets. The average percentile of RGM 25 increased from 52.54% to 55.39%, and the average ranking climbed from 73rd to 63rd. The average percentage of the remaining countries only increased from 49.57% to 50.00%, and the average rank dropped from 94th to 98th. The results show that emerging markets as a whole are making gradual improvements in various areas. However, there are major differences within the RGM 25 countries.

The Gulf countries as a group have made substantial progress. All three countries (Qatar, Saudi Arabia and UAE) have improved their ranking. Qatar jumped from 60th in 2000 to 22nd in 2011; Saudi Arabia leapt from 91st to 51st; and UAE climbed from 27th to 16th. If we look in more detail at the data of these countries, we will discover that the improvements were made in hospitality towards FDI (moving from an average percentile of 14.57% in 2000 to 64.76% in 2011), development of the equity market (from

Table 4. Overall Attractiveness Ranking in 2000 and 2011

	Year 2000		Year 2011	
Rank	Country	Percentile	Country	Percentile
1	Luxembourg	79.48%	Sweden	79.22%
2	Malta	78.08%	Singapore	75.61%
3	Singapore	77.42%	Luxembourg	75.13%
4	Netherlands	77.41%	Canada	72.83%
5	Ireland	77.19%	Australia	71.08%
6	Sweden	76.92%	Netherlands	71.06%
7	Canada	76.52%	Macao SAR. China	71.01%
8	Israel	76.03%	Norway	70.33%
9	UK	73.36%	Denmark	70.13%
10	Belgium	72.49%	Austria	69.94%

48.15% in 2000 to 60.69% in 2011), and the control of corruption (from 61.44% in 2000 to 71.65% in 2011).

Emerging markets in East Europe (Poland and Turkey) also improved their ranking. Poland climbed from 38th in 2000 to 28th in 2011, while Turkey moved to 34th in 2011 from 59th in 2000. The increase in the ranking was driven by improvements in areas such as growth in market size (from an average percentile of 70.90% in 2000 to 73.60% in 2011), and development in the capital markets (from an average percentile of 45.71% in 2000 to 54.17% in 2011).

Emerging markets in Asia in general improved their rankings on the list. India, Indonesia, South Korea and Vietnam improved; China and Malaysia remained relatively stable; while Thailand is the only country whose ranking declined. The improvement in India, Indonesia, South Korea and Vietnam was due to increased hospitality towards FDI (from an average percentile of 32.61% in 2000 to 54.06% in 2011), development of the equity market (from 49.48% in 2000 to 63.55% in 2011), and improvements in infrastructure (from 47.42% in 2000 to 64.11% in 2011). The decline in Vietnam's ranking is the result of slow economic growth (its ranking fell from an average percentile of 59.13% in 2000 to 10.18% in 2011), decreasing population growth (from 41.47% in 2000 to 29.68% in 2011), and slower development in infrastructure (from 61.90% in 2000 to 33.75% in 2011).

RGM 25 ranking in 2000 and 2011

	Year 2000		Year 2011	
Country	Percentile	Rank	Percentile	Rank
Argentina	54.49%	58	52.00%	71
Brazil	58.89%	46	51.98%	72
Chile	65.63%	23	69.81%	11
China	51.63%	66	53.50%	64
Columbia	38.73%	141	50.91%	83
Czech Republic	58.81%	47	53.76%	61
Egypt	48.36%	90	45.04%	109
Ghana	47.98%	92	56.44%	55
India	45.00%	106	51.10%	78
Indonesia	41.64%	120	48.81%	94
Kazakhstan	46.47%	102	44.54%	117
Malaysia	65.88%	22	66.38%	21
Mexico	53.46%	61	52.46%	69
Nigeria	44.66%	110	46.07%	106
Poland	60.33%	38	64.02%	28
Qatar	53.89%	60	66.34%	22
Russia	42.45%	116	48.22%	100
Saudi Arabia	48.27%	91	57.35%	51
South Africa	62.88%	32	58.35%	45
South Korea	63.33%	30	69.21%	14
Thailand	52.91%	62	51.01%	81
Turkey	54.48%	59	61.11%	34
UAE	65.22%	27	68.11%	16
Ukraine	43.53%	112	44.91%	113
Vietnam	44.70%	109	53.20%	67
Average	52.54%	72.80	55.39%	63.28

Whilst some emerging markets make the Top 20 list in 2011, none of them appear there for 2000

The results for African emerging markets are mixed. Two countries, Egypt and South Africa, declined in our ranking, while two, Nigeria and Ghana, improved. The decline was mainly driven by a fall in government effectiveness (from an average percentile of 48.20% in 2000 to 35.91% in 2011), and in the control of corruption (from 52.38% in 2000 to 37.74% in 2011). Ghana, which jumped from 91st in 2000 to 49th in 2011, however, was able to control corruption, illustrated by an increase from 41.46% in 2000 to 57.94% in 2011. Moreover, it enjoyed high economic growth (from 41.83% in 2000 to 98.57% in 2011) and improved infrastructure (from 81.54% in 2000 to 90.76% in 2011).

CIS countries as a group did not perform well. Kazakhstan moved down from 102nd in 2000 to 117th in 2011. Ukraine remained low in the ranking - 112nd in 2000 and 113rd in 2011. The exception is Russia, which moved from 116th in 2000 to 100th in 2011. Although there are improvements in areas such as corruption control (from an average percentile of 25.49% in 2000 to 33.09% in 2011), the improvements are overshadowed by weakening contract enforcement (65.15% in 2000 to 36.90% in 2011) and slower economic growth (78.31% in 2000 to 58.52% in 2011). The rankings in these four countries are low, with an average of 110th in 2011, well below the RGM 25 average of 63rd. This shows that CIS countries in general are not favorable places for FDI.

The results for emerging markets in Latin America are similar, with some countries (Columbia and Chile) improving their ranking, but more (Argentina, Brazil, and Mexico) declining. Columbia and Chile are the two emerging markets in Latin America that have improved substantially. Columbia climbed from 141st to 83rd, while Chile rose from 23rd to 11th. They have made improvements in areas such as economic growth (from an average percentile of 56.25% in 2000 to 76.79% in 2011) and political stability (from 56.43% in 2000 to 68.45% in 2011). The other three countries suffered from decreased hospitality towards FDI (with a fall from an average percentile of 60.13% in 2000 to 35.59% in 2011), and decreased government effectiveness (61.77% in 2000 to 55.07% in 2011).

It is worth noting that out of the five BRICS countries, only Russia and India improved in the ranking (Russia moved from 116th to 100th, and India from 106th to 78th). China remained relatively stable - 66th in 2000 and 64th in 2011. The other two countries (Brazil and South Africa) declined in their ranking over the twelve-year period from 2000 to 2011. Although the BRICS are becoming an important part of the world economy, their status in terms of attracting FDI does not seem to match their pace of economic development. During the past ten years, there has been limited improvement in the attractiveness of the overall environments in these countries. The average percentile changes from 52.17% in 2000 to 52. 63% in 2011, and the average ranking moved from 73rd to 72nd. Compared with other RGM 25 countries, BRICS did not improve much from 2000 to 2011. In many of these countries, economic growth has slowed (from an average percentile of 66.15% in 2000 to 62.48% in 2011) and the policies encouraging foreign investment have become dated (the average percentile with regards to hospitality towards FDI declined from 39.40% in 2000 to 37.53% in 2011).

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VII. Indexes for each entry mode

In the following section the indexes for each entry mode will be examined, beginning with the correlation between the percentiles of the three entry modes for each country/year, as shown in Table 6.

The correlations are not high, showing that a country may have a high percentile for one entry mode, but low percentiles for the others. As a result, for each country in each year there is an entry mode with the highest percentile indicating the preferred option. Overall, WOSs are the favorite entry mode for 41.76% of the observations, followed by M&As with 34.41%, and JVs with 23.83%. Figure 1 illustrates the preferred entry mode for all countries over the given period. It shows that consistent with the average numbers, in each year WOSs and M&As are more popular than JVs. However, JVs as a mode of entry are gradually gaining in popularity in many countries, whilst M&As are slightly declining.

Turning to the RGM 25 countries, we find that M&As and WOSs are the preferred entry modes, with 44% and 42% respectively. JVs form the least preferred option at 16.57%. The comparison shows that in the RGM 25 countries, it makes sense more frequently to adopt WOSs and M&As, rather than JVs. This is reasonable, because in emerging markets JVs have two disadvantages when compared to the other entry modes. Firstly, a JV is slower than an M&A. Since many emerging markets are growing fast (the average percentile of economic growth of RGM 25 countries is 62.34%, while the average percentile for the other countries is 48.75%.), selecting a JV will mean sacrificing the opportunity to catch up with the fast growth opportunity. Secondly, intellectual property rights protection is weak in many emerging markets. The average percentile of RGM 25 countries in intellectual property rights protection is 45.71%, while for other countries it is 56.68%. Therefore, JVs are disadvantageous against WOSs, because a WOS protects intellectual property rights more effectively. M&As are also more popular in emerging markets than in developed countries (44% vs. 34%), suggesting that more firms are setting out to capture the fast growing opportunities in emerging markets by selecting M&As.

Table 7 summarizes the preferred entry mode of RGM 25 countries from 2000 to 2011.

Table 7 confirms that WOSs and M&As are the preferred entry modes in emerging markets. When a WOS is the preferred entry mode, the average percentile of intellectual property protection is 32.61%, whilst for the other two entry modes it is 63.25%. The result further confirms that WOSs form the most effective entry mode to protect a firm's intellectual property rights in emerging markets. When an M&A is the preferred entry mode, the average percentile of economic growth is 68.73%, while for the other two types it is 56.94%. So M&As are the preferred entry mode for capturing a fast-growing market in emerging markets. The average percentile for the development of the capital market is 64.70% for M&As, whereas it stands at 49.77% for the other two. Development of the equity market is a requirement for the selection of an M&A as the preferred entry mode. When a JV is preferred, the average percentile of investment protection is 42.81%, with the other two types at 52.07%. The result confirms that a JV is the way to protect a firm's investment in emerging markets. The average percentile of the level of trust is 67.41% for JVs, while the number for the other types is 45.39%. The result shows that a relatively high level of trust is a prerequisite for a JV.

Next, we examine the ranking of countries by each mode of entry. Notably, this ranking is different from the overall attractiveness ranking in the sense that it reflects the relative attractiveness of a particular entry mode in a certain country, not a

Table 6. Correlation between different entry mode indexes

	WOS	M&A	JV
WOS	1		
M&A	-0.25	1	
JV	0.25	0.07	1

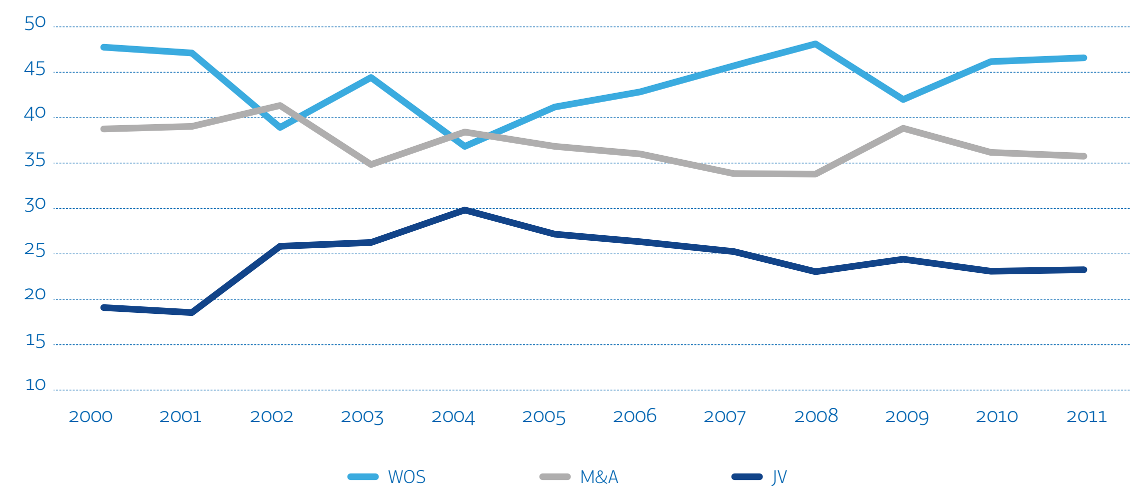
country's overall attractiveness as a host country for FDI. The ranking is based on the average percentile of a country in a specific entry mode over the twelve-year period from 2000 to 2011.

The rankings for different entry modes are rarely the same. The Top 10 list for WOSs includes many countries in East Europe - Romania, Serbia, Slovakia, Bosnia and Herzegovina, Moldova, Macedonia and Bulgaria. Compared with others, these countries are characterized by a relatively stable political environment (66.12%[8] vs. 49.65%[9]), slow economic and population growth (37.77% vs. 50.34%) and (15.80% vs. 53.17%) respectively, a low level of trust (30.81% vs. 52.62%), and weak intellectual property rights protection (34.80% vs. 51.06%). All these factors suggest WOSs as the preferred entry mode and therefore these countries rank high on the list for using them.

The Top 10 list for M&As comprises of both emerging markets and developed countries. These countries are characterized by well-developed capital markets (78.92% vs. 44.61%), a high population growth (69.51% vs. 49.21%), a highly hospitable attitude towards FDI (68.46% vs. 50.08%), and strong intellectual property rights protection (84.74% vs. 46.83%). UAE and Qatar are the two emerging markets which made it onto the Top 10 list. In addition to the characteristics described above, they are also strong in economic growth (84.91% vs. 50.18%) and political stability (63.51% vs. 50.00%).

All countries on the Top 10 list for JVs are developed countries. They have relatively slow economic and population growth (25.10% vs. 51.57%) and (24.63% vs. 51.40%) respectively, a high level of contract enforcement (60.57% vs. 49.00%) and trust (69.18% vs. 49.93%), significant intellectual property rights protection (87.60% vs. 46.65%), a stable political environment (82.37% vs. 49.46%) and a well-developed capital market (80.28% vs. 44.92%). All these factors favor JVs as the preferred entry mode. Developed countries are the ideal hosts for JVs, as, on the one hand, these countries provide companies with a high level of security thanks to their considerable trust and contract enforcement rankings, and, on the other hand, these countries are relatively slow in their economic and population growth, giving foreign firms the time to set up their JVs without losing the growth opportunity.

Figure 1. Preferred entry mode



8 Average of the countries mentioned earlier.
9 Average of the other countries.

Table 7. Preferred entry mode of RGM 25 countries from 2000 to 2011

Country	Preferred entry mode	Count
Argentina	WOS	9
Brazil	WOS	10
Chile	M&A	12
China	M&A	11
Columbia	WOS	12
Czech Republic	JV	6
Egypt	M&A	10
Ghana	WOS/M&A	6/6
India	M&A	11
Indonesia	WOS	12
Kazakhstan	WOS	12
Malaysia	M&A	12
Mexico	WOS	11
Nigeria	M&A	11
Poland	WOS	9
Qatar	M&A	12
Russia	JV	12
Saudi Arabia	M&A	12
South Africa	M&A	11
South Korea	JV	10
Thailand	WOS	9
Turkey	WOS	8
UAE	M&A	12
Ukraine	WOS	8
Vietnam	WOS	12

Table 8. Country ranking for each entry mode

	WOS		M&A		JV	
Rank	Country	Percentile	Country	Percentile	Country	Percentile
1	Dominica	70.64%	Singapore	75.11%	Japan	70.14%
2	Serbia	68.81%	Luxembourg	74.04%	Austria	68.45%
3	Romania	68.72%	UAE	72.01%	Norway	67.65%
4	Puerto Rico	68.04%	Qatar	70.58%	Sweden	67.24%
5	Slovakia	67.57%	Macao SAR. China	68.76%	Netherlands	66.46%
6	Bosnia and Herzegovina	66.68%	Canada	68.45%	France	66.11%
7	Moldova	66.45%	Ireland	67.10%	Puerto Rico	65.80%
8	Macedonia	65.28%	Bahrain	66.70%	Germany	65.49%
9	Bulgaria	64.30%	Israel	66.62%	Canada	65.29%
10	Guyana	64.07%	Australia	66.48%	UK	65.08%

VIII. BRIC at a glance

This section will focus on the four largest emerging markets – the BRIC economies (Brazil, Russia, India, China).

Brazil

The overall attractiveness percentile of Brazil is quite stable, ranging from 51.51% to 58.89% over the time period from 2000 to 2011. The preferred entry mode is a WOS, followed by an M&A and JV. Brazil has a high level of investment protection (average 75.44%), which explains the reason why WOSs most often form the preferred entry mode. In terms of longitudinal change, the level of hospitality towards FDI has been decreasing (from 70.35% in 2000 to 39.32% in 2011), along with political stability (from 77.13% in 2000 to 55.98% in 2011). The decline in these dimensions is offset by high values in market size (average 74.34%), hence the overall attractiveness remained stable over the period.

China

The overall attractiveness percentile of China is also stable, ranging from 48.85% to 53.51% from 2000 to 2011. The preferred entry mode is by way of M&As, followed by WOSs and JVs. China has a large market size (average 92.70%), and a high level of economic growth (average 93.34%) and population increase (average 71.96%). Therefore M&As are the fastest way to capture the opportunities in such a large and growing market. Moreover, the capital market in China is also relatively well developed (average 79.38%), which provides M&A capital and potential targets. All of the above factors explain the reason why they are usually the preferred entry mode. In terms of longitudinal change, the level of investment protection has been decreasing (from 47.95% in 2000 to 36.67% in 2011), along with the control of corruption (from 52.45% in 2000 to 29.47% in 2011). The decline in these dimensions is offset by an increase in hospitality towards FDI (from 52.76% in 2000 to 64.53% in 2011), and technology development (from 41.50% in 2000 to 68.86% in 2011), therefore overall attractiveness has remained stable over the years. Although China has made great progress with "hard" economic indicators, such as technology, it still has a long way to go in terms of building the "soft" elements.

India

The overall attractiveness percentile for India ranges from 45.00% to 53.26% and M&As are the preferred entry mode for the country most of the time. There is steady improvement in the Overall Attractiveness Index over the period. Similar to China, India is characterized by a high level of economic growth (average 77.41%) and a population increase (average 57.13%). M&As offer the best way to capture the growth opportunity. Moreover, the capital market in India is also improving, increasing from 53.94% in 2000 to 64.12% in 2011. Again, India is similar to China in that it is improving with regard to its “hard” economic indicators, but neglecting its “soft”. It has made substantial improvements in technology development, as the percentile increased from 22.43% in 2000 to 50.70% in 2011, yet India’s control of corruption has deteriorated, with the percentile dropping from 47.06% in 2000 to 36.23% in 2011. Unlike China, its hospitality towards FDI is low (average 29.09%), and it has an underdeveloped infrastructure (average 21.11%). The weakness in these dimensions pulls down India’s overall attractiveness as a host country for FDI, although it still has enough room to open up its economy and attract more foreign investment by improving its infrastructure.

Russia

Russia’s overall attractiveness increased during the 2001 to 2006 period (from 42.45% in 2001 to 47.91% in 2006), but then dropped significantly during the global economic crisis from 2007 to 2009 (from 45.16% in 2007 to 38.86% in 2009). It returned to the level of 2006 after the crisis, illustrating just how badly the global recession hit the Russian economy. Russia ranks low in hospitality towards FDI (average 33.54%) and in investment protection (average 24.26%). As a result, JVs are the preferred mode of entry in that they help avoid the risk. Russia also suffers from a very low population growth (average 6.11%),

which favors slow entry modes such as JVs. Similar to China and India, Russia has improved its "hard" economic indicators, but neglected its "soft". Russia has improved its position in technology development (from 63.99% in 2000 to 72.22% in 2011) and has sound infrastructure (average 64.73%). Yet, although its control of corruption has been improving (from 18.14% in 2000 to 33.55% in 2011), along with an increase in government effectiveness (from 23.04% in 2000 to 40.58% in 2011), the absolute value is still low. Moreover, the level of democracy has decreased from 56.79% in 2000 to 36.54% in 2011.

Figure 2. Brazil

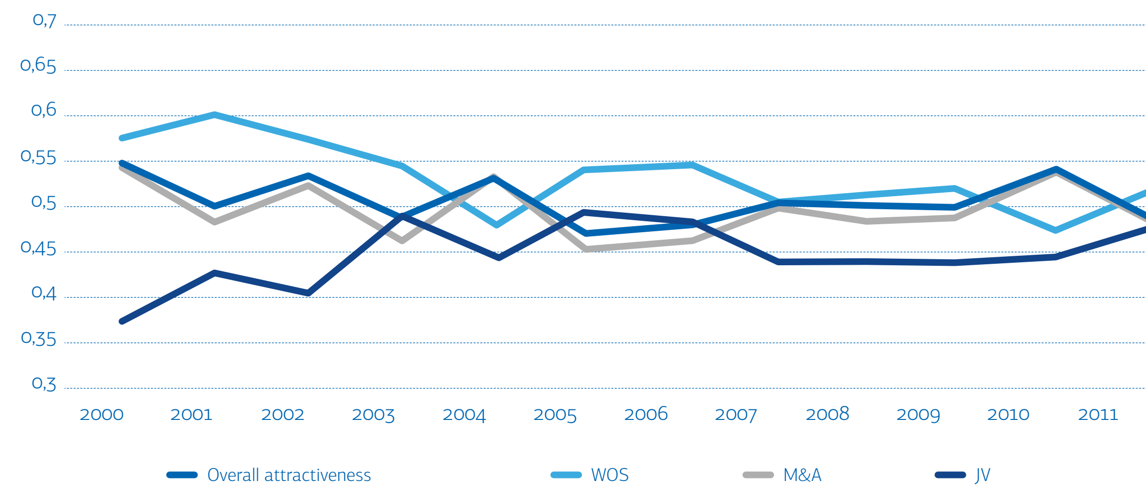


Figure 3. China

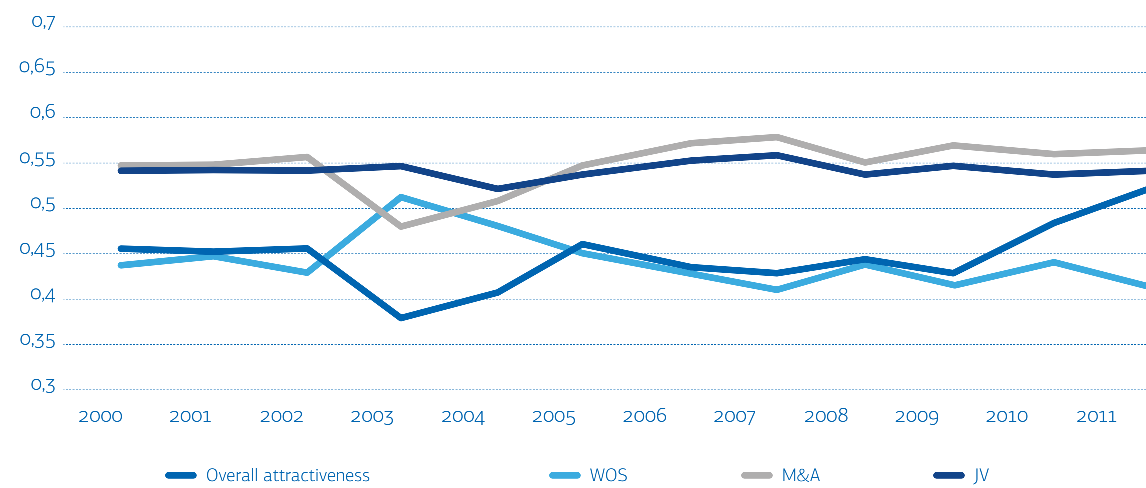


Figure 4. India

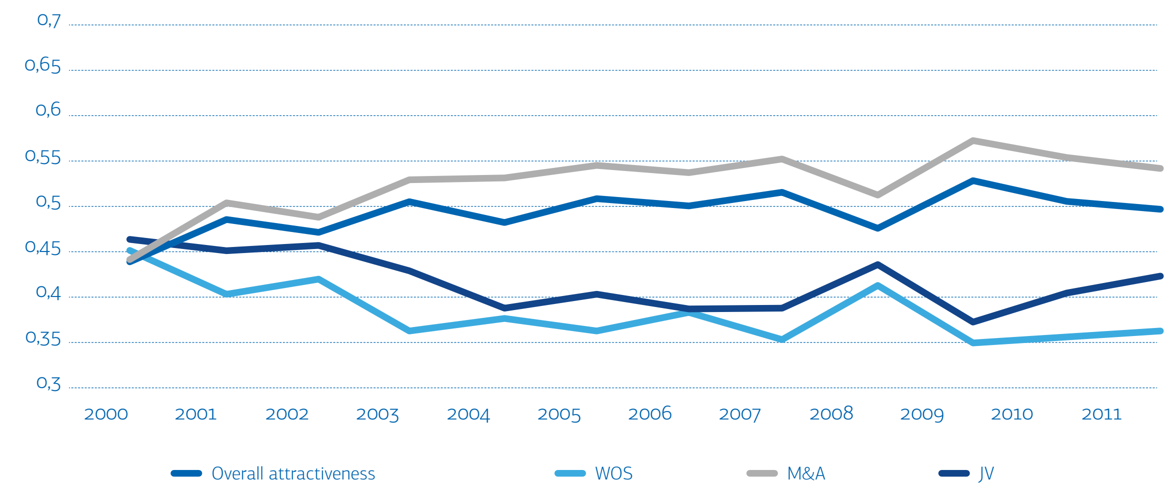
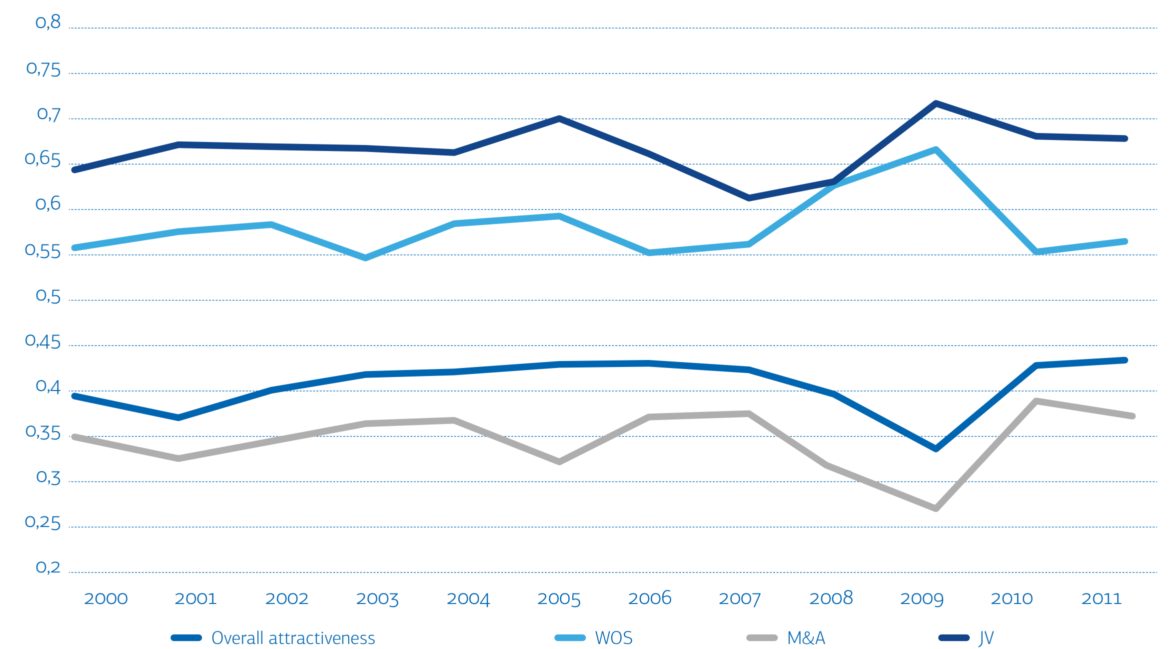


Figure 5. Russia



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IX. Testing the validity of our indexes

In this section we compare our market attractiveness index with other national level indexes to test its validity. We have held it against the Global Competitiveness Index (GCI), developed by the World Economic Forum, for two reasons. Firstly, the GCI is one of the most inclusive national level indexes and includes the twelve pillars of competitiveness: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication and innovation. Countries that are well developed in these areas should also be attractive for FDI. Therefore, our Overall Attractiveness Index should relate closely to GCI. Secondly, in constructing our index, we have tried to avoid using the GCI indicators as far as possible. Our data source is mainly WDI and the Doing Business Report. By minimizing the overlap of data sources, a comparison of our index with the GCI should strongly support the validity of our index. The correlation between our Overall Attractiveness Index and the GCI in 2011 is 0.86. This high correlation confirms that our Overall Attractiveness Index has captured the major dimensions of the competitiveness of a country.

Next, we compare our index with the M&A Maturity Index, which is the only other existing index that is entry mode specific. There are many overlaps in the dimensions of both, however the M&A Maturity Index may not accurately capture the attractiveness of a country for M&As in particular, as it includes many factors that are not mode specific. For example, the increase in Internet users per 100 people could attract all three types of FDI, not just primarily M&As. This problem exists for many of the factors included in the M&A Maturity Index, such as the control of corruption, GDP size, innovation, high-technology exports, population size, population demographics, ports, railways and roads. These factors belong to different dimensions, and thus have a significant impact on the index as a whole. As a result, the M&A Maturity Index resembles more an index of the overall attractiveness of a country for FDI in general, than for M&As in particular. Our index, on the contrary, places all such factors into one dimension: non-mode specific factors. Thus, they only have limited impact on the final index. Therefore, the M&A Maturity Index should have a higher correlation with our Overall Attractiveness Index than with our M&A specific attractiveness index. We have compared the M&A Maturity Index for 2011 with our Overall Attractiveness Index and M&A Attractiveness Index. The numbers are 0.74 and 0.52 respectively, confirming our claim that the M&A Maturity Index illustrates the overall attractiveness for FDI in general.

Finally, we have checked the correlation between our Overall Attractiveness Index and the actual FDI inflows in each country over the period from 2000 to 2011. The correlation is 0.44. This is not very high, because our index simply averages the percentiles of different dimensions without weighting. In reality, firms may enter a country as a result of just one factor, rather than considering all the factors included in our index. For example, China's considerable inward FDI could be driven primarily by its fast economic growth and large market size. As companies engage in FDI for different reasons, it is hard to find a formula which would suit every type of investment. Therefore, we have deliberately not weighted each dimension in the construction of our indexes, but rather left it to managers to weigh the different dimensions themselves for their own purposes. For example, intellectual property rights protection is more important for a firm with a high level of intellectual property that is investing in a country with weak intellectual property rights protection.

X. Conclusion and Implications

This report has developed two types of indexes for countries around the globe, examining both the overall attractiveness of a country as a destination for FDI, and national attractiveness for the different entry modes. These indexes have identified some important trends and recommendations for policymakers from emerging markets, as well as highlighting areas for managers to consider.

1. Developed countries are still the most attractive destinations for foreign direct investment, although emerging markets are slowly catching up.

Our Overall Attractiveness Index shows that developed countries occupy the top positions on the list, an assessment that is borne out by reality. In 2011, developed countries accounted for 63.88% of the world's total FDI inward stock, while the number for emerging markets was 36.12%.[10] Developed countries continue to be ideal destinations for FDI, thanks to their well-developed infrastructure, (relatively) stable economic and political environments, and well-functioning institutions. However, emerging markets are catching up, due to the on-going improvements in infrastructure, institutions and their fast-growing economies. The average ranking and percentile of emerging markets has improved from 2000 to 2011. This is consistent with the fact that emerging markets' share of the world's total FDI inward stock increased from 24.85% in 2000 to 36.12% in 2011.

Within emerging markets there are important regional differences in FDI attractiveness. However, the commonalities among our "winners" in the FDI sweepstakes are, as noted above, down to infrastructure, improving institutions, political and economic stability, which has then led to economic growth. For example, the Gulf countries (Qatar, UAE and Saudi Arabia) perform the best in our overall index, mirroring the fact that FDI inward stock in this region increased by 14.73 from 2000 to 2011 (the world average increase was only 3.62). Poland

Within emerging markets there are important regional differences in FDI attractiveness

and Turkey also perform well in our index, and they have also seen an above-average increase in FDI inward stock from 2000 to 2011 (growing 6.32 times their 2000 level). Conversely, African countries (Egypt, Nigeria and South Africa) did not perform well, which is consistent with their slowing FDI inward stock growth rate (below the world average at only 3.12 from 2000 to 2011). In Africa, Ghana was the lone exception, with a jump in ranking and an increase in FDI inward stock by 7.68 from 2000 to 2011.

2. WOSs are the generally preferred entry mode worldwide, followed by M&As, and JVs; while in emerging markets, M&As form the most desirable entry mode, followed by WOSs and JVs.

When looked at as a whole, across all the countries researched from 2000 to 2011, greenfield subsidiaries are seen as the preferred entry mode (42%) for multinational firms, followed by M&As (34%) and joint ventures (24%). In 2011, the value for global greenfield investment was $904 billion, while for M&As it was $526 billion[11]. In other words, M&As account for 36.78% of global FDI.

In emerging markets, however, the pattern is slightly different. M&As are relatively more popular as an entry mode (even though developed countries dominate the M&A Top 10), mainly because the ever-shifting nature of emerging markets and the lucrative possibilities available today make firms place a premium on speed. Joint ventures also rank as the least preferred mode in emerging markets, and are scarcely used due to the low level of trust and weak intellectual property rights protection in emerging markets. Indeed, the top 10 countries using joint ventures are among the most stable and have the best investment cli-

10 World Investment Report 2012. UNCTAD.
11 World Investment Report 2012. UNCTAD.

mates internationally. In order for joint ventures to thrive in emerging market economies, governments must focus on policies that both protect intellectual property and encourage trust (although this cultural aspect is slow moving at best). Companies looking to set up joint ventures may also benefit from staying in markets that are more familiar to them culturally (such as one Gulf state with another), in order to overcome trust issues.

3. The overall attractiveness of the BRIC countries has remained stagnant. Although most countries have improved the "hard" aspects of their economy, the "soft" still lag behind.

Although the BRIC countries have high economic growth rates and large markets (especially relative to other emerging economies), their overall attractiveness as host countries for FDI has not improved over the past twelve years. This is not for lack of trying, as governments in these countries have been heavily investing in infrastructure and technology over the past decade in order to attract investment. The "hard" elements involved in improving infrastructure have indeed improved in some ways, but the "soft", such as the control of corruption, government effectiveness and investment protection, have not, and in some cases, have even deteriorated. The lag in investment climate and public sector effectiveness reforms in the BRIC countries has hindered their attractiveness for FDI (and is likely to hinder the long-term development of these countries). It is thus our recommendation that the BRIC economies focus on these reforms in order to compete for the global FDI pool.

As noted earlier, the decision to enter a foreign country, or the selection of an entry mode, depends on many factors, and country level indicators form only one facet of a number of determinants. However, these indexes represent a first attempt at consolidating political, economic and social factors across emerging markets in order to rank relative attractiveness and entry modes. As such, we believe they will be valuable for policymakers and managers seeking to relocate their production.

M&As are relatively more popular as an entry mode, mainly because the ever-shifting nature of emerging markets and the lucrative possibilities available today make firms place a premium on speed

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Appendix 1: Overall Attractiveness Ranking (12-year average)

Rank	Country Name	Average Percentile
1	Sweden	75,91%
2	Singapore	75,63%
3	Luxembourg	74,63%
4	Canada	71,85%
5	Australia	71,67%
6	Ireland	71,35%
7	Norway	70,69%
8	Netherlands	70,17%
9	New Zealand	68,88%
10	United Arab Emirates	68,87%
11	Switzerland	68,67%
12	Belgium	68,23%
13	Austria	68,18%
14	Chile	67,93%
15	United States	67,79%
16	Finland	67,60%
17	Denmark	67,35%
18	Israel	67,10%
19	United Kingdom	66,54%
20	Iceland	66,25%
21	Malta	66,06%
22	Japan	65,61%
23	France	65,08%
24	Macao Sar, China	64,62%
25	Bahrain	64,31%
26	Malaysia	63,88%
27	Estonia	62,95%
28	Qatar	62,95%
29	Korea, Rep.	62,92%
30	Cyprus	62,74%
31	Bahamas	62,41%
32	South Africa	61,22%

Rank	Country Name	Average Percentile
33	Spain	60,57%
34	Poland	60,32%
35	Jordan	60,31%
36	Costa Rica	60,00%
37	Slovenia	59,97%
38	Kuwait	59,83%
39	Germany	59,63%
40	Antigua And Barbuda	59,58%
41	Bermuda	58,22%
42	Italy	57,81%
43	Slovak Republic	57,71%
44	Oman	57,67%
45	Czech Republic	57,42%
46	Panama	57,00%
47	Greece	56,84%
48	Hungary	56,50%
49	Hong Kong Sar, China	56,28%
50	Trinidad And Tobago	56,17%
51	Croatia	56,07%
52	Barbados	55,96%
53	Lithuania	55,84%
54	Mauritius	55,70%
55	Morocco	55,60%
56	Turkey	55,50%
57	Brunei Darussalam	55,26%
58	Portugal	54,82%
59	Belize	54,36%
60	Grenada	54,02%
61	Brazil	54,02%
62	Montenegro	53,66%
63	Saudi Arabia	53,58%
64	Thailand	53,58%

Rank	Country Name	Average Percentile
65	Romania	53,00%
66	Latvia	52,72%
67	Ghana	52,67%
68	Puerto Rico	52,59%
69	Cape Verde	52,48%
70	Peru	52,41%
71	Bhutan	52,28%
72	Dominica	51,82%
73	Argentina	51,41%
74	China	51,39%
75	Samoa	51,34%
76	Kosovo	51,29%
77	Kiribati	50,99%
78	Uruguay	50,98%
79	Tunisia	50,81%
80	Maldives	50,73%
81	Vietnam	50,29%
82	Botswana	50,22%
83	Jamaica	49,98%
84	Namibia	49,94%
85	India	49,94%
86	Gambia	49,80%
87	Bulgaria	49,77%
88	Rwanda	49,62%
89	Mexico	49,59%
90	Mongolia	49,43%
91	Georgia	49,38%
92	Bosnia And Herzegovina	48,22%
93	Macedonia, Fyr	48,00%
94	Philippines	47,68%
95	Seychelles	47,62%
96	El Salvador	47,41%

Rank	Country Name	Average Percentile
97	Bolivia	47,26%
98	Egypt, Arab Rep.	47,04%
99	Lebanon	46,79%
100	Iran, Islamic Rep.	46,39%
101	Indonesia	46,11%
102	Dominican Republic	45,95%
103	Suriname	45,62%
104	Russian Federation	45,45%
105	Zambia	45,07%
106	New Caledonia	44,92%
107	Nigeria	44,85%
108	Lao Pdr	44,57%
109	Mozambique	44,47%
110	Venezuela, Rb	44,39%
111	Armenia	44,11%
112	Sri Lanka	44,09%
113	Papua New Guinea	44,00%
114	Madagascar	43,87%
115	Lesotho	43,77%
116	Gabon	43,62%
117	Tanzania	43,57%
118	Liberia	43,53%
119	Kazakhstan	43,52%
120	Honduras	43,47%
121	Mauritania	43,21%
122	Nicaragua	43,21%
123	Kyrgyz Republic	43,16%
124	Colombia	43,16%
125	Djibouti	42,93%
126	Benin	42,54%
127	Burkina Faso	42,38%
128	Tonga	42,09%

Rank	Country Name	Average Percentile
129	Senegal	41,96%
130	Niger	41,91%
131	Ukraine	41,88%
132	Ecuador	41,87%
133	Serbia	41,76%
134	Guyana	41,28%
135	Paraguay	41,19%
136	Sierra Leone	41,07%
137	Moldova	40,87%
138	Mali	40,64%
139	Syrian Arab Republic	40,58%
140	Albania	40,49%
141	Zimbabwe	40,45%
142	Guatemala	40,42%
143	Malawi	40,10%
144	Eritrea	39,85%
145	Cuba	39,84%
146	Kenya	39,63%
147	Fiji	39,13%
148	Central African Republic	39,01%
149	Congo, Rep.	38,90%
150	Algeria	38,77%
151	Belarus	38,16%
152	Swaziland	37,84%
153	Libya	37,62%
154	Burundi	37,61%
155	Tajikistan	37,52%
156	Micronesia, Fed. Sts.	37,51%
157	Cambodia	37,36%
158	Uganda	37,03%
159	Bangladesh	36,97%
160	Guinea	36,72%

Rank	Country Name	Average Percentile
161	Guinea-Bissau	36,49%
162	Monaco	36,18%
163	Chad	35,90%
164	Angola	35,66%
165	Ethiopia	35,27%
166	Equatorial Guinea	34,90%
167	Nepal	34,77%
168	Pakistan	34,71%
169	Uzbekistan	33,59%
170	Haiti	33,50%
171	Turkmenistan	33,33%
172	Congo, Dem. Rep.	33,21%
173	Togo	33,05%
174	Comoros	32,84%
175	Azerbaijan	32,43%
176	Sudan	32,00%
177	Afghanistan	31,23%
178	Yemen, Rep.	31,06%
179	Myanmar	30,47%
180	Cameroon	30,17%
181	Somalia	28,65%
182	Iraq	28,37%
183	Korea, Dem. Rep.	26,29%

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