Introduction to The EIU
For the Center for Research Libraries

Robin Bew, EIU Managing Director
October 2014
Our roots: 1843

“To take part in a severe contest between intelligence, which presses forward, and an unworthy timid ignorance obstructing our progress.”
The shape of The Economist Group*: The 3 legs

- **The Economist**
  - Helps people to understand the world and helps organisations reach and engage those individuals.

- **The Economist Intelligence Unit**
  - Provides information to help organisations operate internationally.

- **CQ Roll Call**
  - Helps professionals involved in affecting US public policy with the information and tools they need.
The founding of the EIU

“The minimum objective of the intelligence branch shall be to provide, gratis, a full library and statistical service thus relieving the paper’s overhead. The further objective should be to earn an independent profit”

Internal memorandum, 1943

Geoffrey Crowther
Editor of The Economist
1938 - 1956
EIU born in 1946

- Client queries to the newspaper
- Re-industrialisation
- Global markets

Consulting business

- Which then expanded into B2B publishing
  - Countries – economics and politics
  - Industries
Today's drivers of demand for our services

Global GDP in US$trn from 2000 - 2030

- G7 countries
- E7 (emerging) countries

Rich world is overtaken

Prepare for opportunity.

Nominal US$trn. G7=US, Japan, Germany, UK, France, Italy, Canada. E7=Brazil, Russia, India, China, Indonesia, Mexico, Turkey
Emerging markets will dominate

Global GDP by geography in US$trn from 1990 - 2030

- Euro
- Japan
- Brazil
- ASEAN
- USA
- China
- India
- Lat Am
- Mid East
- Emerging world
- Developed world

Nominal US$trn.
From the small intelligence branch in 1946 grew a global organisation of 120 analysts and 260 contributors located around the world today.
Our business lines

**Custom solutions**
- Bespoke research addressing universal business challenges:
  - Market sizing
  - Location benchmarking
  - Sector analysis
  - Country/city forecasting
  - Etc.
- Specialised research for key sectors:
  - Healthcare
  - Public Policy
  - Consumer

**Subscription services**
- Web-based services, databases and reports that provide:
  - Political and economic analysis and forecasting for countries and cities
  - Sovereign and operational risk analysis
  - Sector-specific analysis and forecasts
  - Macroeconomic, demographic, income and cost of living indicators

**Network membership**
- Regionally-focused executive forums in Asia, the Middle East and Africa. Membership includes:
  - Exclusive executive forums
  - In-house presentations and custom advisory services
  - Roundtable discussions
  - Conference calls and webinar
  - Access to online resource centre

*Prepare for opportunity.*
How do we work?

The EIU has answers
Using a macroeconomic framework and our toolkit of core expertise, we deliver actionable business insights enabling clients to act with confidence.

Clients have questions
Clients come to us with questions relating to opportunities or risks their businesses face, or for analysis that will inform strategic decision making.
How do we deliver it?

Subscription databases
- Political & economic forecasts for every country in the world
- Industry forecasts
- Operating and credit risk analysis
- City data
- China deep dive

Custom Research Services
- Benchmarking and indexing
- Bespoke Country Analysis
- Bespoke Industry and sub-sector analysis
- Product demand forecasting
- Market sizing
- Bespoke risk analysis

Specialist practice areas
- Healthcare research
- Public policy research
Making sure we are right

**Step 1**
Gather dependable information from in-country analysts, timely data and primary research.

**Step 2**
Analyse with a qualitative and quantitative approach using global assumptions and various models.

**Step 3**
Ensure quality with checks and re-checks by in-country analysts and editorial heads.
Why our forecasts are successful

- Large team of internal and external analysts, each covering just a few countries
- A quantitative and qualitative approach
- Reliable sources of local data in 203 countries
- Sensitivity to geopolitical dynamics
- Independent view
- Ongoing assessment of global trends and events
- Over 60 years of experience
Our core expertise

**Country**
Covering 203 countries, we highlight political, economic and business developments in both established and emerging markets.

**Industry**
We cover six key strategic industries - and 26 sub-sectors - in the biggest global markets. Our analysis, data and forecasts offer insight into current developments and likely trends.

**Risk**
Our risk models and early-warning systems can identify actual and potential threats to businesses around the world.
Primary access is via eiu.com
Politics

We offer users comprehensive political coverage allowing you to understand recent developments and to build a short- to medium-term picture of the political outlook for a country.

We analyse and forecast upcoming elections, foreign relations and government effectiveness.
To facilitate long-term planning, we provide forecasts for all countries, extending to 20-year forecasts for the largest 82.

We offer in-depth data for key areas such as wages, prices, market size, growth and productivity.
We help users monitor and benchmark risk associated with your financial exposure to a country’s government, currency and banking sector.

We produce analysis and ratings for both emerging and developed economies.
We help users monitor changing financial operating conditions, tax laws, and developments in key countries.

We cover cash management, short-term investment options, bank credit, equity and debt financing and the market for stocks, bonds, currencies and derivatives.
We help users **track the rules and regulations governing business operations** in the world’s most important markets.

Our analysis helps users to take advantage of tax and financial incentives, organise their investments and establish international partnerships.
We analyse, quantify and forecast the quality and attractiveness of the business environment and its key components in each country.

Our rankings and analysis help users evaluate and compare countries when planning expansion and market entry.
A unique service designed to help businesses succeed in China. It is the only single source of data, analysis and forecasts for every province and prefecture, including 287 of China's largest cities.

**5- to 10-year forecasts**
Build a long-term picture of city level economic trends for China to define your China strategy.

**31 provinces, 287 cities**
China-wide data coverage. All reports are updated on a quarterly basis and can be downloaded in PowerPoint.

**Cities and regional comparisons**
It is now easy to compare cities and regions in China to facilitate benchmarking.

**Complete city data**
Valuable insights on how changing demographics affect your customer base and where they are located now – and in the future.
Access China

City level data includes a summary and map, plus benchmark comparisons to other similar cities.

We provide data and analysis on the local politics, business environment and industries.
Over a million data points at our users fingertips

*CountryData* provides users with macroeconomic trends and forecasts with 320 data series per country.

We make it easy to benchmark countries with consistent and comparable series and the ability to download the numbers.

The service includes data for 201 countries.
A guide to market size and growth in key markets

*Market Indicators & Forecasts* delivers the range of variables to allow planners and strategists to make effective global business plans.

It provides comprehensive data and forecasts for industry sectors with, demographics, consumption and income indicators for 60 countries.
Essential support for foreign direct investment decisions

*World Investment Service* allows organisations to plan for existing and future overseas investments.

Our partnership with BvD allows us to give you a valuable mix of data and analysis on flows of investment in and out of key countries around the world.
Case study #1

Chris Pearce
Director, Data Services
Case study #1: The misery index

Other academic studies have also highlighted a strong correlation with crime rates and the Misery Index...

2013 Misery Index Scores - Global

<table>
<thead>
<tr>
<th>Rank (Worst to Best)</th>
<th>Country</th>
<th>Misery Index</th>
<th>Major Contributing Factor</th>
<th>Rank (Worst to Best)</th>
<th>Country</th>
<th>Misery Index</th>
<th>Major Contributing Factor</th>
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</table>

Notes: The misery index score is the sum of the unemployment rate, the lending rate, and the inflation rate (consumer prices, end-of-period) minus the percent change in real GDP per capita. Only countries where all four data series were available from the Economist Intelligence Unit were included (2013 lending rate in Tunisia estimated at 8%).

Sources: Economist Intelligence Unit (including estimates), IMF, calculations by Prof. Steve H. Hanke, The Johns Hopkins University.
Case study #2
Case study #2: The determinants of growth

Barro, Robert J. (2001) Economic Growth in East Asia before and after the Financial Crisis (NDER working paper)
Case study #2: The determinants of growth…understanding tomorrow

Long-term projections: UK vs India (2020-2030)

UK

India

- GDP growth
- ICT
- Savings
- Primary exports
- Labour force
- Institutional quality
- Life expectancy
- Schooling
- Openness
- Terms of trade
- Trade
- Regulation
- Tropical climate
- Income gap

Prepare for opportunity.™
Case study #2: Control and environmental variables

- Analyse the impact of education (when all other variables are held constant)
- EIU data can be applied across Economics and Social Sciences to allow comparisons of populations when controlling for country-specific factors

Case study #3
Case study #3: Price dispersion or Law of One Price (LOOP)

Mario J. Crucini, Chris I. Telmery and Marios Zachariadis (2003) Price Dispersion: The Role of Borders, Distance and Location (Vanderbilt University)

Wolszczak-Derlacz (2006) One Europe, one product, two prices – The price disparity in the EU (Gdańsk University of Technology)


EIU Cost of Living survey used from tobacco studies to housing affordability
Kevin M. Carlson  
Senior Account Manager, Americas  
Economist Intelligence Unit  
T: 603-262-5837  
E: kevincarlson@eiu.com