

## Section B: Government

*[This section addresses the impact of the government's activities on a country's economy.]*

### Spending

*[Is there a balance between what the government receives in taxes and other revenues and what it spends? If not, what is the size of the deficit? Is it growing or shrinking? A persistent deficit can lead to inflation and a weak currency as well as high interest rates.]*

- Total annual government revenues from taxes, state-owned enterprises, etc. both in absolute terms and as a growth rate. If possible, a breakdown of sources of revenue is useful.
  - How much comes from taxes, duties or other charges?
- Total annual government expenditures (absolute). If possible, find out what the main budget items are (e.g. social spending, defense, government administration etc.)
- Trend in government spending (growth rate).
  - Are certain items growing faster than others?
- Government spending as a percentage of GDP.
- Trend (growth rate) of government spending as a percentage of GDP..

### Borrowing

*[Most governments borrow money to cover cash flow or deficits. Persistent borrowing will lead to high debt-service charges relative to national income, and can cause financial instability.]*

- Total national debt (in absolute terms)
- National debt (growth rate, year over year)
- National debt as a percentage of GDP (and trend, year over year)
- Total foreign debt: i.e. identify what is owed to foreign creditors in the form of bonds, loans, etc. (in absolute terms)
- Foreign debt (as a growth rate year over year)
- Foreign debt as a percentage of GDP (and trend, year over year)

## Section C: Market Indicators

*[This section addresses indicators of how wealthy a market is. Exporters will be interested in knowing what people are buying in the target market. In less-developed economies, most spending will be focused on necessities such as food, clothing and shelter. In rich economies, there will be a larger proportion of disposable income that goes to pay for recreation, luxury items etc.]*

- Total private consumption (absolute and trend)
  - how much of a country's GDP goes to satisfy private consumption?
  - what are the key items on which wealth is spent?
- Disposable incomes (absolute and trend)
  - what is left over after taxes and other necessities are paid for?
- Tax burden as a percentage of total income