

# BUSINESS ENVIRONMENT ANALYSIS

## CHAPTER 1: ECONOMIC PERFORMANCE

*[This chapter offers a guide to the basic data required for regular reporting on trade and economic issues. It lists indicators that summarize economic performance that usually appear regularly. In addition to these regular indicators, reporting should also include any important announcements, projections of expected future performance, major economic developments and statistics that appear only occasionally, where they are significant to an understanding of the economy or a particular market. Finally, reports should also include any changes to the current status. This would include, for example, the introduction of new laws or regulations, the implementation of new policies, the ratification of significant economic agreements, or the announcement of important business deals.]*

### Section A: Macroeconomic Indicators

*[These are the standard indicators used to measure a country's economic performance. They are usually announced on a regular basis by the country's main statistical office. If these are gathered on a regular basis, meaningful trends may emerge which are important as indicators of the overall direction of an economy.]*

#### Output

*[It is useful to know how much value a country is producing in any given year, how this compares to other economies, and what the trends are (i.e. whether it is growing or contracting). A major pitfall in Gross Domestic Product (GDP) analysis is the unit of measurement. For example, if local currency is used and the country is experiencing severe inflation, GDP may look as if it is skyrocketing. It is, therefore, important to express GDP either in terms of a stable benchmark currency such as the U.S. dollar, or to express it in "real terms," which means translating values over a period of years into values for a benchmark year.]*

- GDP expressed as absolute figures
- GDP in terms of annual growth rate
- GDP per capita
- Sectoral breakdown of production using the two-digit Standard Industrial Classification (SIC)
  - how much are the basic sectors contributing to the economy?
  - are some doing better than others?

#### Trade

*[A comprehensive picture of trade involves details of what products are moving into and out of a country, what sources and destinations are involved, and the value of these flows. This information can be expressed in absolute terms, or as a percentage growth rate relative to a previous time period.]*

- Imports (absolute figures: products, sources, values)
- Imports (annual growth rate: products, sources, values)
- Exports (absolute figures: products, destinations, values)
- Exports (annual growth rate: products, destinations, values)
- Imports from Canada (absolute figures: products, values)
- Imports from Canada (annual growth rate: products, values)