Outperformers: High-growth emerging economies and the companies that propel them

Exhibit

Key indicators linked to growth in emerging economies.

Performance within emerging markets (quartile)[1]: First, Second, Third, Fourth

Archetype[2]	Economy	GDP per capita Real $ 2016	Real GDP per capita[3] CAGR, 1965–2016, %	Real GDP per capita CAGR, 1996–2016, %	Domestic savings CAGR, 1996–2016, %	Government effectiveness[4] Change, 1996–2016	Market cap of listed companies CAGR, 1996–2016, %	Global Innovation Index[5] Rank change, 2013–16	Exports CAGR, 1996–2016, %	MGI Connectedness Index[6] Score, 2016
Long-term outperformers	China	6,894	7.3	8.6	10	33	10	4	14	21
	South Korea	25,459	6.2	3.5	4	20	11	1	9	14
	Singapore	52,601	5.2	2.9	5	5	7	1	7	51
	Indonesia	3,974	3.6	2.6	4	40	5	-6	4	2
	Hong Kong	36,726	4.0	2.6	2	23	10	-2	6	21
	Malaysia	11,028	3.8	2.5	3	11	0	-2	4	8
	Thailand	5,901	4.3	2.4	3	6	7	0	6	8
	Average	**20,369**	**4.9**	**3.6**	**5**	**20**	**7**	**-1**	**6**	**18**
Recent outperformers	Myanmar	1,420	4.2	8.9	6	17				
	Azerbaijan	5,859	2.5	8.2	19	48	0	7	14	
	Turkmenistan	6,987	3.2	6.1	16	1				
	Cambodia	1,078	5.5	5.8	16	2		6	16	1
	Belarus	6,219	2.7	5.6	8	-6		-3	6	2
	Laos	1,643	4.3	5.4	13	13			6	1
	India	1,861	3.5	5.3	8	9	7	0	0	7
	Kazakhstan	10,570	2.3	5.2	9	58	13	3	3	4
	Vietnam	1,770	4.8	5.1	8	31	9	9	14	8
	Uzbekistan	1,961	2.6	5.1	7	47	8		6	
	Ethiopia	511	2.3	4.8	4	44	11	5		
	Average	**3,626**	**3.4**	**6.0**	**10**	**24**	**7**	**4**	**8**	**4**
Very recent accelerators	Sri Lanka	3,759	3.7	4.6	8	-1	9	2	4	1
	Mozambique	515	2.8	4.6	13	-30		18	14	1
	Rwanda	739	2.0	4.5	14	93		13	14	1
	Bangladesh	1,030	1.9	4.2	8	0	9	1	12	1
	Poland	15,049	3.6	4.0	5	0	13	2	8	8
	Dominican Rep.	6,909	3.4	3.9	5	-1		0	4	1
	Peru	6,089	1.3	3.3	6	-8	7	-1	6	1
	Ghana	1,708	0.9	3.2	3	-3	-1	-8	6	1
	Philippines	2,753	1.7	2.9	5	14	4	9	5	2
Consistent growers	Slovak Rep.	19,238	3.9	3.7	4	15	4	0	9	
	Bulgaria	7,929	2.5	3.7	6	14	35	0	3	2
	Romania	10,081	2.5	3.4	5	5	14	-4	9	3
	Tanzania	867	2.2	3.1	14	8	5	7	9	
	Turkey	14,071	2.7	3.0	6	5	5	12	6	3
	Serbia	5,852	3.0	3.0	6	81	-1	-9	10	2
	Chile	15,020	2.6	2.9	3	-8	4	-4	4	2
	Uganda	662	2.3	2.8	8	7		-8	9	1
	Morocco	3,196	2.8	2.6	4	0	0	11	6	2

1 Represents which quartile of the 71 economies the growth rate of each indicator falls in, except if it is in the top decile in terms of level (eg, for government effectiveness, Singapore is green as it has the highest score among all countries).
2 A note on archetypes: Long-term outperformers achieved more than 3.5% GDP per capita CAGR over a 50-year period and outpaced US growth for more than 36 years. Recent outperformers achieved more than 5% CAGR over a 20-year period. Middlers achieved CAGR of 0.95–3.5% over a 50-year period and include very recent accelerators (more than 3.6% CAGR between 2006–16), consistent growers, and volatile growers (exhibited high coefficient of variation in at least one ten-year interval). Underperformers had CAGR of less than 0.95% over a 50-year period.
3 Starting point is 1965 or earliest year available; simple averages have been taken across indicators.
4 The perceived quality of public services, civil service, and policy formulation and implementation, as measured by the World Bank's Government Effectiveness Score.
5 An annual ranking of national innovation in 80 fields, such as politics, education, infrastructure, and business sophistication, by Cornell University, INSEAD, and WIPO. Rank change reflects movement within emerging markets only.
6 McKinsey Global Institute's ranking of 117 countries based on total flows of goods, services, finance, people, and data and communication, adjusting for country size.

SOURCE: World Bank; OECD; IMF; WIPO; INSEAD; WFE; WHO; UNESCO; McKinsey Global Growth model; Global Insight; McKinsey Global Institute analysis

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Exhibit (continued)

Key indicators linked to growth in emerging economies (continued).

Performance within emerging markets (quartile)[1]: First | Second | Third | Fourth

Archetype[2]	Economy	GDP per capita Real $ 2016	Real GDP per capita[3] CAGR, 1965–2016, %	Real GDP per capita CAGR, 1996–2016, %	Domestic savings CAGR, 1996–2016, %	Government effectiveness[4] Change, 1996–2016	Market cap of listed companies CAGR, 1996–2016, %	Global Innovation Index[5] Rank change, 2013–16	Exports CAGR, 1996–2016, %	MGI Connectedness Index[6] Score, 2016
Consistent growers (continued)	Hungary	14,840	2.1	2.6	3	-12	1	-2	10	8
	Nepal	682	1.8	2.5	-3	-20		1	-1	
	Egypt	2,724	2.5	2.4	0	-9	-8	-4	5	2
	Czech Rep.	21,707	1.7	2.2	3	14	1	-1	8	8
	Colombia	7,526	2.3	2.2	4	24	3	-3	4	1
	Pakistan	1,182	2.2	1.8	1	-1	7	4	3	1
	Ecuador	5,210	1.5	1.5	5	2	-3	-14	3	1
	Portugal	22,347	2.6	0.9	1	-1	3	1	4	3
Volatile growers	Nigeria	2,458	1.0	3.3	6	-10	-2	-2	8	1
	Angola	3,607	1.1	3.2	-3	-11			11	2
	Algeria	4,846	1.5	1.9	4	39		11	1	
	Iran	5,758	0.9	1.7	3	21	6	19	2	
	Paraguay	3,928	2.4	1.5	2	9	0	2	3	1
	Honduras	2,138	1.1	1.4	-2	1		0	3	1
	Kenya	1,143	1.5	1.4	3	10	5	10	4	1
	Guatemala	3,100	1.3	1.3	1	-7		-9	3	1
	Mexico	9,707	1.5	1.2	2	-3	4	1	5	9
	Argentina	10,149	1.0	1.2	1	0	1	-19	3	2
	Brazil	10,826	2.1	1.2	3	-1	3	-2	6	3
	Jordan	3,258	1.7	1.0	-3	7	-5	-16	3	4
	Greece	22,736	1.7	0.5	-1	-19	-6	3	5	3
Middlers Average		**7,060**	**2.1**	**2.6**	**4**	**6**	**4**	**1**	**6**	**3**
Underperformers	Russian Fed.	11,099	0.4	3.4	4	12	-1	7	5	
	Kyrgyz Rep.	1,038	0.4	3.1	0	-24			2	
	Zambia	1,622	-0.1	2.8	1	34	9	-10	18	1
	Nicaragua	1,946	-0.1	2.6	6	-7		-6	9	1
	Ukraine	2,906	-1.1	2.6	1	5	-3	8	-1	4
	Bolivia	2,458	1.0	2.4	5	-17		-13	4	1
	El Salvador	3,803	0.9	1.6		23		-13	5	1
	Senegal	1,093	0.1	1.5	7	-21		-10	5	1
	Cameroon	1,357	0.8	1.4	3	23		-3	2	1
	South Africa	7,504	0.6	1.3	3	-21	6	0	3	3
	Venezuela	14,462	0.1	0.8	-4	-38	-6	-11	-4	1
	Côte d'Ivoire	1,563	0.2	0.7	4	-18		12		2
	Lebanon	6,984	0.6	0.0		-17	5	2	7	3
	Zimbabwe	909	0.0	-1.8		-39	-1		-2	
	Average	**4,196**	**0.3**	**1.6**	**3**	**-8**	**1**	**-3**	**4**	**2**

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