

About Eurasia Group's Global Political Risk Index

What is the Global Political Risk Index (GPRI)?

The GPRI is an index of country stability ratings for 24 emerging market countries. Its unique methodology measures a country's ability to absorb political shocks. The GPRI evaluates political, social, economic, and security factors, using a combination of quantitative and qualitative data that is collected on the ground and through open source methods. Ratings are expressed on a scale of 0 to 100. Clear and concise analysis accompanies the index to illustrate what events impacted each country's stability rating and make forecasts for the coming month.

What does the GPRI measure?

The GPRI measures stability—defined as the capacity of a country to withstand internal and external shocks or crises—in 24 emerging market countries. Each country's score is based on 20 indicators in four equally weighted subcategories: government, society, security, and economy.

Why is the GPRI calculated on a monthly schedule?

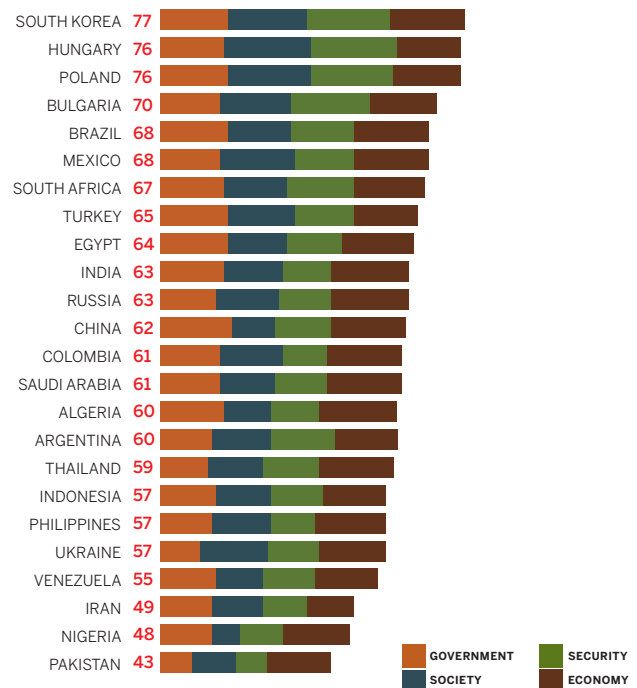
Monthly analysis allows for considered, rather than reactive, analysis on important developments in emerging markets. It places everyday occurrences into a larger context of comparative state stability.

Who scores the GPRI? How do you get your information?

Eurasia Group analysts in New York, Washington, DC, and London score and analyze the GPRI each month. Scoring is subject to a rigorous monthly review process to ensure consistent implementation of the guidelines. Information comes from teams of in-country experts, who receive hands-on training in the methodology, as well as from open source materials. Eurasia Group analysts employ hundreds of local language and open sources in developing their analyses.

Global Political Risk Index (GPRI), January 2010

The GPRI, which is produced by Eurasia Group, measures a country's ability to absorb political shocks. The higher the number, the more stable the country.



Highly stable countries (those with an index number at, or higher than, 80) possess all or most of the following characteristics:

- efficient state institutions;
- government effectiveness (high degree of political institutionalization);
- high degree of political legitimacy among the population;
- sound economic performance and policies;
- absence of significant anti-state opposition;
- rare instances of political violence;
- low level of social, ethnic, or religious tensions; and
- infrequent occurrence of humanitarian emergencies and capacity to mitigate natural disasters.

What countries are currently covered on the GPRI?

The 24 GPRI countries include: Algeria, Argentina, Brazil, Bulgaria, China, Colombia, Egypt, Hungary, India, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, Poland, Russia, Saudi Arabia, South Africa, South Korea, Thailand, Turkey, Ukraine, and Venezuela.

How are GPRI countries selected?

Selection of countries for the index is based upon economic relevance for the international markets in equities, debt, or foreign direct investment (FDI).

When are scores updated and published?

The scoring process each month is completed by the end of the third week of the month and is published on the first business day of the subsequent month, along with forward-looking analysis of possible upcoming risks.

Who publishes the GPRI?

The GPRI and accompanying analysis are prepared by Eurasia Group. It is distributed by Eurasia Group and Citi Private Bank to their clients. We also partner with selected media publications worldwide to publish the GPRI.

How long has the GPRI existed?

The index was created in 2001 as a joint venture between Eurasia Group and Lehman Brothers, during which time it was known as the LEGSI (Lehman Brothers–Eurasia Group Stability Index). In 2003, Eurasia Group partnered with Deutsche Bank to produce the index under the name DESIX (Deutsche Bank–Eurasia Group Stability Index). In June 2007, Eurasia Group and Citi Private Bank formed an exclusive relationship to offer the index to clients. The methodology remained constant, but the analytical product was redesigned and the index was renamed the Global Political Risk Index (GPRI).

About Eurasia Group

Eurasia Group is a research and consulting firm that focuses on global political risk and emerging market country analysis, serving major financial institutions, multinational corporations, and governments. Founded in 1998, Eurasia Group has a full-time staff of 85, a global network of more than 480 in-country experts and partners covering more than 65 countries. The firm is headquartered in New York, with offices in Washington, DC, and London. Eurasia Group analysts comment regularly in the mainstream print, broadcast, and online media.

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