

Press Release

Zurich, 23 October 2019, 9 am

KOF Globalisation Index: Weaker World Trade Slowing Globalisation

The extent of worldwide globalisation has recently increased only modestly. Protectionist tendencies in many parts of the world are likely to have a dampening effect. Social globalisation is hardly advancing at all. Switzerland, the Netherlands and Belgium are the most strongly globalised countries in the world overall.

The degree of worldwide globalisation grew rapidly between 1990 and 2007. However, the financial crisis and the subsequent Great Recession have curbed this trend. In 2017, the most recent year covered by the KOF Globalisation Index, the extent of worldwide globalisation once again increased only slightly.

Economic globalisation has hardly advanced at all since the financial crisis of 2007. However, a distinction must be made between financial globalisation and trade integration. Whereas international financial flows (*de facto* financial globalisation) have been growing for the past few years while underlying conditions (*de jure* financial globalisation) have remained unchanged, trade has become noticeably more sluggish. International trade integration (*de facto* trade globalisation) has declined since 2014, and the latest trends suggest that world trade is set to weaken further. Although underlying trading conditions have improved since 2014, the ongoing trade conflicts between the United States and China as well as those between the US and the European Union are not captured in the latest index. The US raised its tariffs for the first time at the beginning of 2018, imposing higher import duties on washing machines and solar panels from China, and it hiked tariffs on steel products from various countries in mid-2018.

Social globalisation has hardly advanced at all in recent years either. Whereas the intensity of personal contact (measured in terms of variables such as tourism flows and migration) is stagnating, information flows (measured in terms of variables such as patent applications and trade in high-tech goods) continue to grow. At the same time there are signs of a slight downturn in cultural globalisation. Meanwhile, the degree of **political globalisation** – as measured by the latest index – continues to increase.

Country-by-country analysis

Switzerland remained the most highly globalised country in the world in 2017, followed by the Netherlands and Belgium. Switzerland is strongly globalised across all categories (economic, social and political). The country has a high trade-to-GDP ratio and is strongly interconnected with other countries in the financial sector owing to its role as a banking centre and the headquarters of many international holding companies. Moreover, the country is also highly integrated from a social perspective owing to its geographical location, cultural diversity and high income levels. And, last but not least, the many international organisations headquartered in Switzerland are likely to have a positive impact on the country's political globalisation. The countries ranked right behind the top three are Sweden, the United Kingdom, Austria, Germany, Denmark, Finland and France.

Small countries tend to be more strongly globalised than large ones because they are more highly interconnected with neighbouring countries, for example. Large countries conduct a sizeable proportion of their dealings domestically. The world's largest economies therefore come halfway down the globalisation rankings. The United States ranks 59th in terms of economic globalisation, 27th in terms of social globalisation and 14th

in terms of political globalisation. China comes in the lower third of the overall index, ranking 80th. Whereas China ranks 26th in terms of political globalisation, its degree of economic and social globalisation is much lower. Japan – the world’s third-largest economy – ranks 37th. Major EU economies – such as Germany, the UK, France and Spain – are much more strongly globalised overall because of their high levels of economic, social and political interconnectedness within the EU.

Methodology

The KOF Globalisation Index measures the economic, social and political dimensions of globalisation. It is used to monitor changes in the levels of globalisation of different countries over a long period. The latest KOF Globalisation Index is available for 195 countries and covers the period from 1970 to 2017. The index distinguishes between *de facto* and *de jure* globalisation in the overall index as well as in the economic, social and political dimensions. The index measures globalisation on a scale from 1 to 100. The figures for the constituent variables are expressed as percentiles. The index comprises 42 different variables, which are aggregated using statistically determined weights (principal component analysis).

The **economic globalisation** dimension includes both trade flows and financial flows. *De facto* trade globalisation is determined based on trade in goods and services. *De jure* trade globalisation contains customs tariffs, taxes and trade restrictions. *De facto* financial globalisation comprises foreign investment across various categories. *De jure* financial globalisation consists of investment restrictions, openness of the capital account and international investment agreements.

The **social globalisation** dimension includes personal contact, information flows and cultural globalisation. For each of these in turn a distinction is made between *de facto* and *de jure* globalisation. *De facto* personal contact is measured in terms of international telephone connections, tourism flows and migration, while *de jure* personal contact is quantified on the basis of telephone line rentals, international airports and visa restrictions. *De facto* information flows are determined based on international patent applications, international students and trade in high-tech goods. *De jure* information flows consist of access to television and the internet, press freedom and international internet connections. *De facto* cultural globalisation comprises trade in cultural goods, international trademark registrations and the number of McDonald’s restaurants and IKEA stores. *De jure* cultural globalisation is measured in terms of civil rights, gender equality and educational standards.

De facto political globalisation is measured in terms of the numbers of embassies and international non-governmental organisations (NGOs) as well as participation in UN peacekeeping missions. *De jure* political globalisation comprises variables relating to membership of international organisations and international treaties.

Details of the latest KOF Globalisation Index as well as interactive charts are available here:

<https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html> →

Contacts:

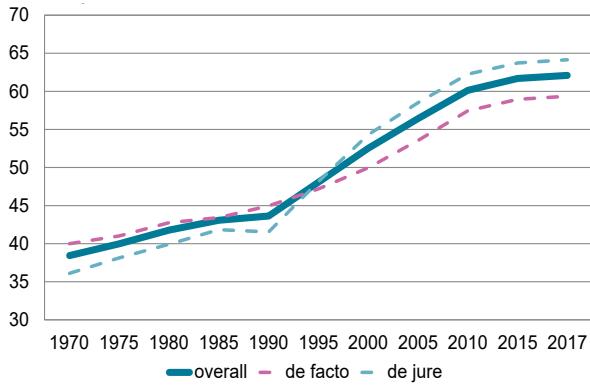
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Graphs

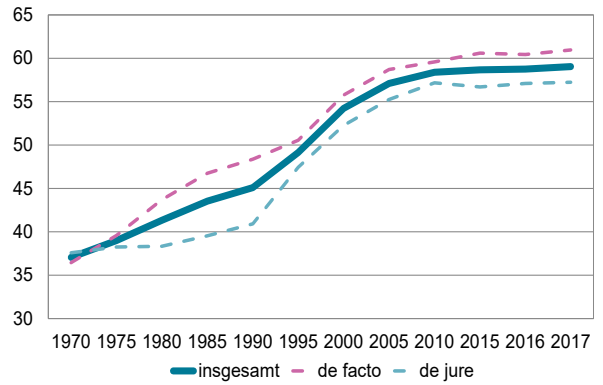
Graph 1
KOF Globalisation Index

World average



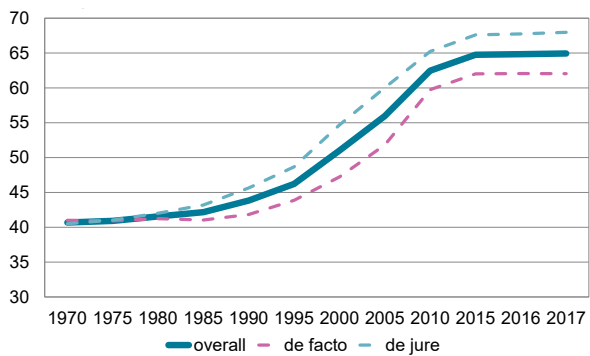
Graph 2
KOF Globalisation Index, Economic Globalisation

World average



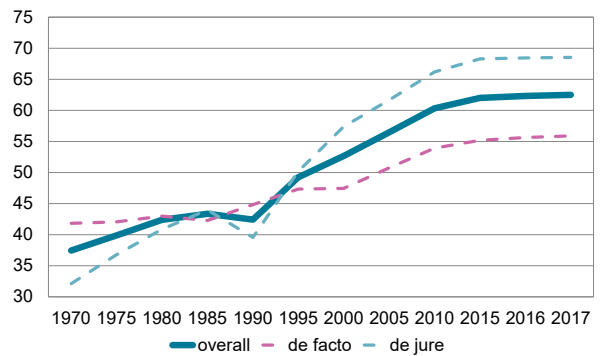
Graph 3
KOF Globalisation Index, Social Globalisation

World average



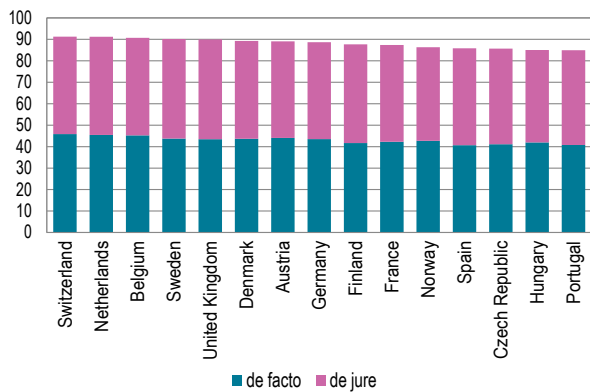
Graph 4
KOF Globalisation Index, Political Globalisation

World average



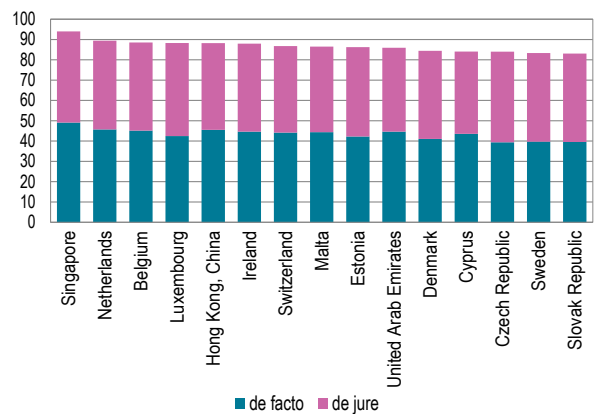
Graph 5
KOF Globalisation Index, Top 15 Countries

Overall index value and contributions from de facto and de jure index, data for the year 2017



Graph 6
KOF Globalisation Index: Economic Globalisation, Top 15 Countries

Overall index value and contributions from de facto and de jure index, data for the year 2017

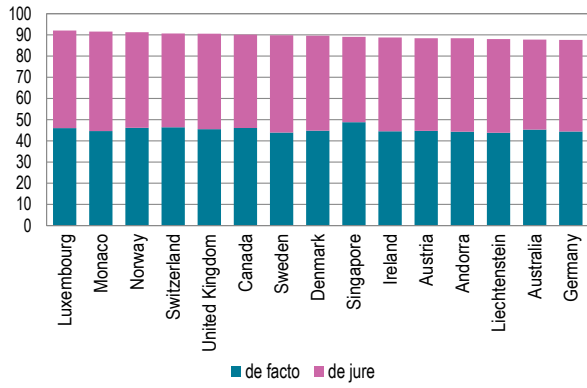


Graphs

Graph 7

KOF Globalisation Index: Social Globalisation, Top 15 Countries

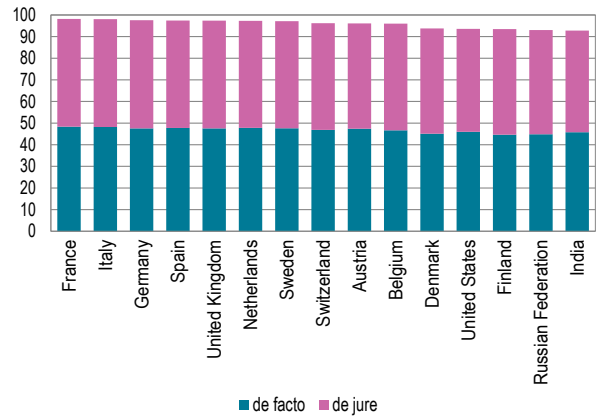
Overall index value and contributions from de facto and de jure index, data for the year 2017



Graph 8

KOF Globalisation Index: Political Globalisation, Top 15 Countries

Overall index value and contributions from de facto and de jure index, data for the year 2017



2019 KOF Globalisation Index

Rankings for the year 2017

Rank	Country	Globalisation Index, overall	Rank	Country	Globalisation Index, de facto	Rank	Country	Globalisation Index, de jure
1	Switzerland	91.19	1	Switzerland	91.65	1	Luxembourg	93.04
2	Netherlands	90.71	2	Netherlands	90.66	2	United Kingdom	92.85
3	Belgium	90.59	3	Belgium	90.48	3	Sweden	92.51
4	Sweden	89.93	4	Ireland	88.71	4	Finland	91.83
5	United Kingdom	89.84	5	Austria	87.76	5	Netherlands	90.76
6	Austria	88.85	6	Sweden	87.34	6	Switzerland	90.73
7	Germany	88.60	7	Denmark	87.18	7	Belgium	90.71
8	Denmark	88.26	8	United Kingdom	86.83	8	Germany	90.39
9	Finland	87.70	9	Germany	86.82	9	Spain	90.33
10	France	87.25	10	Singapore	86.30	10	France	90.19
11	Norway	86.17	11	Malaysia	85.56	11	Austria	89.93
12	Spain	85.70	12	Norway	85.30	12	Denmark	89.34
13	Czech Republic	85.60	13	France	84.31	13	Czech Republic	89.06
14	Hungary	84.98	14	Hungary	83.86	14	Slovak Republic	88.60
15	Portugal	84.72	15	Finland	83.58	15	Estonia	88.18
16	Canada	84.64	16	Czech Republic	82.13	16	Portugal	88.06
17	Ireland	84.47	17	Portugal	81.38	17	Canada	87.91
18	Estonia	83.77	18	Canada	81.38	18	United States	87.86
19	Slovak Republic	83.72	19	Cyprus	81.31	19	Italy	87.53
20	Singapore	83.62	20	Spain	81.07	20	Norway	87.05
21	Luxembourg	83.60	21	Qatar	80.03	21	Romania	87.05
22	Italy	83.37	22	Australia	79.65	22	Poland	86.25
23	United States	82.41	23	Estonia	79.36	23	Hungary	86.10
24	Greece	82.38	24	Greece	79.33	24	Malta	85.93
25	Australia	81.99	25	Italy	79.21	25	Chile	85.69
26	Malaysia	81.49	26	Slovak Republic	78.84	26	Greece	85.42
27	Croatia	81.42	27	United Arab Emirates	78.83	27	Croatia	85.00
28	Lithuania	81.34	28	Slovenia	78.15	28	Lithuania	84.88
29	Poland	81.33	29	Bulgaria	78.15	29	Latvia	84.78
30	Slovenia	81.14	30	Croatia	77.83	30	Japan	84.42
31	Bulgaria	80.78	31	Lithuania	77.80	31	Australia	84.32
32	Latvia	80.57	32	Serbia	77.39	32	Slovenia	84.13
33	Romania	79.74	33	United States	76.96	33	Bulgaria	83.41
34	Korea, Rep.	79.29	34	Ukraine	76.51	34	Korea, Rep.	82.08
35	Cyprus	79.14	35	Korea, Rep.	76.50	35	Israel	81.51
36	Serbia	78.98	36	Poland	76.40	36	New Zealand	81.31
37	Japan	78.59	37	Latvia	76.35	37	Singapore	80.93
38	New Zealand	78.34	38	Jordan	75.73	38	Mauritius	80.76
39	Malta	77.79	39	Thailand	75.64	39	Serbia	80.69
40	Chile	77.74	40	New Zealand	75.36	40	Costa Rica	80.59
41	Israel	76.82	41	Luxembourg	74.76	41	Iceland	80.57
42	Georgia	75.55	42	Kuwait	74.51	42	Ireland	80.22
43	United Arab Emirates	74.95	43	Georgia	72.81	43	Mexico	80.10
44	Qatar	74.88	44	Japan	72.76	44	Panama	79.85
45	Ukraine	74.83	45	Romania	72.66	45	Peru	79.45
46	Jordan	73.99	46	Israel	72.12	46	Uruguay	78.64
47	Uruguay	73.33	47	South Africa	71.88	47	Georgia	78.42
48	Panama	72.99	48	Montenegro	71.39	48	Malaysia	77.41
49	Mexico	72.56	49	Russian Federation	71.14	49	Cyprus	76.98
50	Mauritius	72.47	50	Hong Kong, China	70.77	50	Turkey	76.93
51	Russian Federation	72.45	51	Bahrain	70.68	51	Albania	76.66
52	Thailand	72.44	52	Morocco	70.44	52	Macedonia, FYR	76.38
53	Iceland	72.34	53	Chile	69.80	53	Argentina	75.88
54	Costa Rica	72.25	54	Malta	69.65	54	Russian Federation	73.75
55	Montenegro	72.05	55	Lebanon	68.80	55	Dominican Republic	73.70
56	Turkey	71.58	56	Brunei Darussalam	68.19	56	Trinidad and Tobago	73.61
57	Kuwait	71.18	57	Uruguay	68.02	57	Ukraine	73.15
58	Macedonia, FYR	70.79	58	Saudi Arabia	67.91	58	Bosnia and Herzegovina	73.11
59	Morocco	70.65	59	Vietnam	67.08	59	Moldova	73.10
60	Peru	70.35	60	Belarus	66.81	60	Montenegro	72.82
61	South Africa	70.12	61	Turkey	66.24	61	Guatemala	72.74
62	Argentina	69.90	62	Panama	66.13	62	El Salvador	72.48
63	Bahrain	69.30	63	Egypt, Arab Rep.	65.90	63	Jordan	72.24
64	Bosnia and Herzegovina	69.19	64	Fiji	65.74	64	United Arab Emirates	71.73
65	Moldova	69.18	65	Bosnia and Herzegovina	65.55	65	Armenia	71.46
66	Armenia	68.24	66	Macedonia, FYR	65.45	66	Tunisia	71.01
67	Belarus	68.21	67	Moldova	65.26	67	Morocco	70.86
68	Tunisia	68.09	68	Tunisia	65.16	68	Azerbaijan	70.26
69	Egypt, Arab Rep.	68.00	69	Philippines	65.12	69	Nicaragua	70.21
70	Hong Kong, China	67.91	70	Armenia	65.03	70	Egypt, Arab Rep.	70.10
71	Lebanon	67.58	71	Mexico	65.02	71	Colombia	69.92
72	Philippines	67.41	72	Kazakhstan	64.73	72	Belarus	69.77
73	Dominican Republic	67.35	73	Mongolia	64.28	73	Qatar	69.72
74	El Salvador	67.33	74	Mauritius	64.19	74	Philippines	69.70
75	Albania	67.30	75	Iceland	64.10	75	Paraguay	69.70
76	Mongolia	66.28	76	Argentina	63.92	76	Jamaica	69.44
77	Jamaica	66.21	77	Costa Rica	63.90	77	Thailand	69.23
78	Saudi Arabia	65.92	78	Cambodia	63.04	78	Kyrgyz Republic	68.52
79	Trinidad and Tobago	65.69	79	Jamaica	62.99	79	South Africa	68.35
80	China	65.08	80	China	62.85	80	Mongolia	68.28
81	Colombia	65.06	81	Senegal	62.45	81	Bahrain	67.96
82	Azerbaijan	65.00	82	El Salvador	62.18	82	Kuwait	67.95

83 Vietnam	64.55	83 Congo, Rep.	61.69	83 Antigua and Barbuda	67.84
84 Kazakhstan	64.45	84 Peru	61.26	84 Barbados	67.52
85 Kyrgyz Republic	63.67	85 Dominican Republic	60.99	85 China	67.32
86 Guatemala	63.26	86 Honduras	60.82	86 Ecuador	67.12
87 Paraguay	62.98	87 Ghana	60.61	87 Cuba	66.72
88 Honduras	62.88	88 Seychelles	60.47	88 Lebanon	66.31
89 Oman	62.87	89 Oman	60.21	89 San Marino	65.90
90 Brunei Darussalam	62.55	90 Colombia	60.21	90 Oman	65.58
91 Seychelles	62.50	91 Indonesia	60.13	91 St. Lucia	65.29
92 Indonesia	62.47	92 Brazil	60.06	92 Dominica	65.17
93 Barbados	62.35	93 Azerbaijan	59.99	93 Hong Kong, China	64.95
94 Cuba	62.15	94 Namibia	59.50	94 India	64.94
95 India	62.10	95 India	59.26	95 Honduras	64.93
96 Nicaragua	61.53	96 Sri Lanka	59.04	96 Indonesia	64.80
97 Ghana	61.32	97 Kyrgyz Republic	58.82	97 Seychelles	64.58
98 Senegal	61.27	98 Albania	57.95	98 Botswana	64.57
99 Ecuador	60.95	99 Togo	57.93	99 Guyana	64.32
100 Antigua and Barbuda	60.56	100 Trinidad and Tobago	57.77	100 Kazakhstan	64.18
101 Brazil	60.52	101 Cuba	57.59	101 Saudi Arabia	63.98
102 Sri Lanka	59.51	102 Barbados	57.17	102 Belize	63.96
103 Belize	59.11	103 Mozambique	56.84	103 Bolivia	62.85
104 Namibia	59.10	104 Samoa	56.52	104 Vietnam	62.09
105 Cambodia	59.02	105 Paraguay	56.26	105 Ghana	62.01
106 Bolivia	58.95	106 Gabon	55.68	106 Venezuela, RB	61.33
107 Fiji	58.13	107 Macao, China	55.42	107 Brazil	60.99
108 St. Lucia	57.16	108 Cote d'Ivoire	55.35	108 Algeria	60.85
109 Zambia	57.14	109 Mauritania	55.10	109 Nigeria	60.21
110 San Marino	57.09	110 Bolivia	55.06	110 Zambia	60.17
111 Dominica	56.90	111 Burkina Faso	55.05	111 Senegal	60.13
112 Cape Verde	56.78	112 Cape Verde	54.95	112 Sri Lanka	59.97
113 Algeria	56.38	113 Ecuador	54.78	113 Kenya	59.92
114 Kenya	56.03	114 Aruba	54.70	114 Grenada	59.83
115 Nigeria	55.97	115 Antigua and Barbuda	54.66	115 Liechtenstein	59.38
116 Botswana	55.95	116 Belize	54.27	116 Papua New Guinea	59.13
117 Grenada	55.59	117 Zambia	54.10	117 Iran, Islamic Rep.	58.95
118 Bahamas, The	55.51	118 Bahamas, The	54.03	118 Suriname	58.81
119 Libya	55.22	119 Libya	53.97	119 Namibia	58.70
120 Cote d'Ivoire	55.22	120 Djibouti	53.91	120 Cape Verde	58.63
121 Congo, Rep.	55.09	121 Guatemala	53.78	121 Haiti	58.46
122 Djibouti	54.99	122 Nicaragua	52.85	122 Yemen, Rep.	58.20
123 Mozambique	54.66	123 Andorra	52.46	123 St. Vincent and the Grenadines	57.93
124 Suriname	54.65	124 Grenada	52.14	124 Bahamas, The	57.15
125 Guyana	54.40	125 Kenya	52.14	125 Uganda	56.82
126 Liechtenstein	54.36	126 Algeria	51.90	126 Libya	56.61
127 Uganda	54.24	127 Nigeria	51.73	127 Djibouti	56.37
128 Gabon	53.96	128 Maldives	51.68	128 Brunei Darussalam	56.24
129 Burkina Faso	53.94	129 Uganda	51.66	129 Pakistan	56.04
130 Pakistan	53.79	130 Pakistan	51.53	130 Tajikistan	55.98
131 Iran, Islamic Rep.	53.70	131 Bermuda	51.47	131 Gambia, The	55.85
132 Venezuela, RB	53.63	132 Vanuatu	51.34	132 Bangladesh	55.49
133 Macao, China	53.47	133 Cameroon	51.26	133 Malawi	55.47
134 Samoa	52.98	134 Rwanda	51.24	134 Uzbekistan	55.45
135 Togo	52.96	135 Benin	50.77	135 Cote d'Ivoire	55.09
136 Gambia, The	52.54	136 St. Kitts and Nevis	50.66	136 Cambodia	55.00
137 Rwanda	52.37	137 Suriname	50.55	137 Tonga	55.00
138 St. Vincent and the Grenadines	52.19	138 St. Lucia	50.37	138 Tanzania	54.74
139 Mauritania	51.98	139 Palau	50.17	139 Lesotho	54.40
140 Papua New Guinea	51.94	140 Dominica	50.01	140 Monaco	54.32
141 St. Kitts and Nevis	51.88	141 Zimbabwe	49.94	141 Iraq	54.29
142 Benin	51.51	142 Timor-Leste	49.24	142 Syrian Arab Republic	54.14
143 Bangladesh	51.19	143 Gambia, The	49.13	143 Rwanda	53.50
144 Cameroon	51.11	144 Liechtenstein	49.04	144 St. Kitts and Nevis	53.37
145 Syrian Arab Republic	50.97	145 Guinea	48.69	145 Swaziland	53.31
146 Tanzania	50.86	146 Iran, Islamic Rep.	48.44	146 Burkina Faso	52.88
147 Zimbabwe	50.76	147 Mali	48.08	147 Mozambique	52.49
148 Vanuatu	50.70	148 Nepal	48.08	148 Madagascar	52.34
149 Tonga	50.52	149 Syrian Arab Republic	47.80	149 Gabon	52.32
150 Monaco	50.39	150 Madagascar	47.72	150 Benin	52.21
151 Maldives	50.19	151 Solomon Islands	47.63	151 Turkmenistan	51.69
152 Madagascar	50.03	152 Micronesia, Fed. Sts.	47.62	152 Zimbabwe	51.59
153 Malawi	49.77	153 St. Vincent and the Grenadines	47.52	153 Cameroon	50.96
154 Yemen, Rep.	49.71	154 Botswana	47.34	154 Sudan	50.82
155 Lesotho	49.39	155 Liberia	47.30	155 Macao, China	50.66
156 Nepal	49.09	156 Faeroe Islands	47.11	156 Lao PDR	50.56
157 Mali	48.85	157 Tanzania	46.99	157 Fiji	50.23
158 Swaziland	48.69	158 Niger	46.95	158 Nepal	50.07
159 Guinea	48.41	159 Tonga	46.93	159 Vanuatu	49.90
160 Liberia	47.96	160 Bangladesh	46.88	160 Mali	49.62
161 Micronesia, Fed. Sts.	47.73	161 Marshall Islands	46.72	161 Mauritania	48.95
162 Timor-Leste	47.50	162 Equatorial Guinea	46.24	162 Liberia	48.57
163 Uzbekistan	47.04	163 San Marino	46.15	163 Congo, Rep.	48.55
164 Niger	46.97	164 Venezuela, RB	45.93	164 Maldives	48.51
165 Andorra	46.90	165 Monaco	45.54	165 Samoa	48.41
166 Aruba	46.70	166 Kiribati	45.30	166 Kiribati	48.21
167 Kiribati	46.57	167 Papua New Guinea	45.08	167 Togo	48.20
168 Palau	46.35	168 Guyana	45.08	168 Guinea	48.13
169 Haiti	46.24	169 Ethiopia	45.05	169 Comoros	48.07
170 Tajikistan	46.23	170 Bhutan	45.03	170 Micronesia, Fed. Sts.	47.86
171 Bermuda	46.11	171 Myanmar	44.32	171 Congo, Dem. Rep.	47.27

172 Iraq	45.60	172 Lesotho	44.24	172 Afghanistan	47.24
173 Marshall Islands	45.53	173 Swaziland	44.22	173 Sierra Leone	47.17
174 Lao PDR	45.44	174 Malawi	44.07	174 Niger	46.99
175 Sierra Leone	45.33	175 Sierra Leone	43.48	175 Sao Tome and Principe	45.69
176 Congo, Dem. Rep.	44.91	176 Cayman Islands	42.88	176 TimorLeste	45.61
177 Equatorial Guinea	44.66	177 Congo, Dem. Rep.	42.47	177 Marshall Islands	44.19
178 Solomon Islands	44.60	178 Chad	41.85	178 GuineaBissau	44.04
179 Ethiopia	44.11	179 Angola	41.67	179 Myanmar	43.60
180 Myanmar	43.95	180 Central African Republic	41.22	180 Ethiopia	43.18
181 Sudan	43.00	181 Yemen, Rep.	40.97	181 Equatorial Guinea	43.02
182 Faeroe Islands	42.73	182 Lao PDR	40.17	182 Palau	41.35
183 Bhutan	42.61	183 Uzbekistan	39.53	183 Solomon Islands	40.70
184 Sao Tome and Principe	41.99	184 Burundi	39.51	184 Burundi	40.66
185 Cayman Islands	41.39	185 New Caledonia	39.08	185 Bhutan	40.14
186 GuineaBissau	41.36	186 Sao Tome and Principe	38.98	186 Angola	40.07
187 Turkmenistan	41.15	187 GuineaBissau	38.70	187 Cayman Islands	39.66
188 Angola	40.85	188 Puerto Rico	38.29	188 Chad	39.52
189 Chad	40.67	189 Iraq	37.78	189 Andorra	39.46
190 Burundi	40.09	190 Tajikistan	36.48	190 West Bank and Gaza	39.04
191 Central African Republic	38.85	191 Sudan	35.63	191 Bermuda	37.67
192 Afghanistan	38.03	192 Haiti	34.52	192 Korea, Dem. Rep.	37.53
193 Comoros	36.91	193 West Bank and Gaza	34.20	193 Faeroe Islands	37.11
194 West Bank and Gaza	36.26	194 French Polynesia	33.53	194 Central African Republic	36.64
195 Puerto Rico	34.40	195 Turkmenistan	31.35	195 Aruba	35.78
196 Somalia	31.29	196 Eritrea	30.37	196 Somalia	32.63
197 Eritrea	30.15	197 Afghanistan	29.74	197 Virgin Islands (U.S.)	31.36
198 French Polynesia	.	198 Somalia	29.62	198 Puerto Rico	31.34
199 Greenland	.	199 Comoros	27.94	199 Eritrea	29.88
200 Guam	.	200 Greenland	26.72	200 French Polynesia	.
201 Korea, Dem. Rep.	.	201 Guam	.	201 Greenland	.
202 New Caledonia	.	202 Korea, Dem. Rep.	.	202 Guam	.
203 Virgin Islands (U.S.)	.	203 Virgin Islands (U.S.)	.	203 New Caledonia	.