**The Components of**

**GUIDES**

**G: GDP & Growth**

**U: Unemployment & Utilization**

**I: Inflation & Interest Rates**

**D: Debt & Deficits**

**E: External Balances & Exchange Rates**

**S: Savings & Investment**

The purpose of the **GUIDES** **Indicators Worksheet** is to help the business leader collect macroeconomic data with confidence and accuracy.

NOTE: This worksheet is an adaptation of a macroeconomic analysis framework presented in: Weinzierl, Matthew, Shlefer, Jonathan, and Cullen, Ann. “GUIDES: Insight through indicators.” Harvard Business School 9-710-044. December 19, 2011 (2011): 1-9

“GUIDES Worksheet”

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JWI 515: Managerial Economics

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**G = GDP & Growth Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Indicator** | **Meaning** | **Country: Saudi Arabia** | | | **Country: Turkey** | | |
| **Latest Entry &**  **Frequency** | **Trend – with an explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry &**  **Frequency** | **Trend – with an explanation** | **Healthy Trend (Y/N) & Why?** |
| **GDP** | Measures national income and output. GDP is equal to the total expenditure for all final goods and services produced within the country. | 833.5 billion USD  (2021) | There was an annual increase of 3.2% in GDP which reached 833.5 billion. | Yes- because GDP is the measure of the size of an economy and the increasing GDP means that the economy of the country is flourishing. | 815.3 billion USD  (2021) | There was an annual increase of 11.0% in GDP which reached 720 billion USD to 815.3 billion. | Yes- because GDP is the measure of the size of an economy and the increasing GDP means that the economy of the country is flourishing. |
| **GDP Constant Prices** | GDP adjusted for inflation. Measures the GDP value in base year dollars. | 723609.00  SAR MILLION | Saudi Arabia's GDP Constant Prices rose from 683086 SAR Million in 2q of 2022 to 723609 SAR Million in 3q. | Yes- it is a healthy trend since GDP constant prices are rising, which is an indication that the economy is doing well. | 561000276.10 TRY THO (2022) | Turkey's GDP Constant Prices grew in the 2020’s second quarter from 507223844.30 TRY THO to third quarter’s561000276.10 TRY THO. | Yes- it is a healthy trend since GDP constant prices are rising, which is an indication that the economy is doing well. |
| **GDP**  **Annual Growth Rate** | Percentage change in Real GDP. | 8.80%  (2022) | Saudi Arabia's GDP increased by 8.8% year over year in the third quarter of 2022, 12.2% year over year in the second, and 9.9% year over year in the first. | No- it indicates a decline in the economic performance of Saudi Arabia | 3.90%  (2022) | Following a previously reported 7.7% increase in the prior quarter, the Turkish economy grew by 3.9% year over year in the q3 of 2022. | No- as it represents a weak growth rate and a decline in the economic performance of Turkey |
| **GDP per capita PPP** | Real GDP value divided by total population. | 44339.31 USD  (2021) | 44339.31 USD  (2021)  42891.69 USD (2020)  44954.99 USD (2019) | Yes- it represents an increase in GDP per capita PPP. The size of the economy as a whole increase with faster GDP growth, which also improves financial conditions. | 31466.56  USD  (2021) | The most recent estimate of Turkey's GDP per capita was 31466.56 US dollars in 2021. In 2020, it was 28473.21 USD and in 2019 it was 28150.06 USD | Yes- it represents an increase in GDP per capita PPP. The size of the economy as a whole increase with faster GDP growth, which also improves financial conditions. |
| **Ease of Doing Business** | Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights. | The country had a total rating of 71.6 out of 100, placing it 62nd out of 190 countries | Among 190 countries, the nation ranked 62nd overall (up from 92nd) for ease of doing business. | Yes, as it suggests improved corporate regulations and robust property rights protection. | Considering the ease of doing business, Turkey is placed 33rd out of 190 economies. | Turkey's ranking increased from 43 in 2018 to 33 in 2019. | Yes- as it suggests better business regulations and stronger protections of property rights |

**U = Unemployment & Utilization Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Indicator** | | **Meaning** | | **Country: Saudi Arabia** | | | | | | **Country: Turkey** | | | | | |
| **Latest Entry &**  **Frequency** | | **Trend – with explanation** | | **Healthy Trend (Y/N) & Why?** | | **Latest Entry & Frequency** | | **Trend – with explanation** | | **Healthy Trend (Y/N) & Why?** | |
| **Unemploy-**  **ment**  **Rate %** | | Percentage of unemployed workers in the total labor force. It is low during good economic times and high during recessions. | | In the q3 of 2022, Saudi Arabia's unemployment rate marginally increased to 9.9 percent from 9.7% in the q2. | | In 2021, the unemployment rate in Saudi Arabia was 7.36 percent, down 0.09 percent from 2020 and 7.45 percent from 2020, up 1.78 percent from 2019.  The rate of unemployment was 5.67 percent in 2019, a decrease of 0.37 percent from 2018. The percentage rose by 0.15 percent to 6.04 percent in 2018. | | Yes, it is a healthy trend since the unemployment rate has declined 0.09% from the previous year | | From 2005 through 2022, Turkey's average unemployment rate was 10.60 percent, hitting an all-time peak of 14.20 percent in July 2020. | | Turkey's unemployment rate increased by 0.28 percent from the previous year to 13.39 percent in 2021. It decreased by 0.56 percent from 2019 to 13.11 percent in 2020. It was 13.67% in 2019, a 2.78 percent increase from the previous year. was 10.89% in 2018, an increase of 0.07% from the previous year. | | No- An increase in unemployment is a sign of a struggling economy. People will inevitably become a burden to the economy if they cannot be employed as resources. | |
| **Labor Force Participation** | | Number of people who are either employed or are actively looking for work. | | LFP rate averaged 54.86% from the year 1999 to 2022, with a peak of 61.50% in q4 of 2021 and a low of 47.80% in q2 of 2002 | | In 2021, the labor force participation rate was 23.33%, down 1.78% from 2020. In 2020, it was 25.11%, up 4.28% from 2019, in 2019 it was 20.83%, up 1.56% from 2018, and in 2018 it was 19.27%, up 1.27% from 2017. | | No- because the decline indicates less employed ratio is in job hunt actively which threatens the long-term growth of Saudi Arabia’s economy | | Turkey's labor force participation rate averaged 48.89% from 2005 to 2022, with a peak of 53.60% in March 2019. | | A 2.26% rise from 2020, the labor participation rate for 2021 was 41.48%.  A 5.27% decrease from 2019's rate, for 2020 it was 39.22%.  In 2019, the labor or force participation rate increased by 0.47% from the previous year to 44.49%.  In 2018, it increased by 0.61% from the preceding year to 44.02%. | | Yes, it does. It shows the proportion of labor resources that are accessible for use in producing products and services.. | |

**I = Inflation & Interest Rates Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Interest Rate %** | The price for holding money – time value of money or cost of money. | It is reported at 5.59 % pa in Nov 2022, compared with 4.97 % pa in the previous month.  Monthly | Jan 2018 (2%)  Jan 2019 (3%)  Jan 2020 (2.25%)  Dec 2022 (5%) | Yes- Individuals will receive a larger return on investments if interest rates go up. | From 1990 to 2022, Turkey's interest rate averaged 57.91 percent, with record highs of 500.00 percent in March 1994 and 4.50 percent in May 2013 respectively. | 2018 (23.3%)  2019 (25.4%)  2020 (13.4%)  2021 (20.7%) | Increasing interest rates limit investment, stock market valuations, and consumption. |
| **Inflation Rate %** | Represents the long run inflation rate; transitionary price changes are excluded. | The average annual inflation rate from 1964 to 2021, the period under consideration, was 3.5%. | March 2022 (2%)  July 2022 (2.7%)  Sept 2022 (3.1%)  Nov 2022 (2.9%) | No- Low inflation may be an indication of a poor economy as it is frequently linked to an economic crisis. | CPI inflation rate in Turkey 2016-2022 | Jan 2021 (14.97%)  Dec 2021 (36.08%)  March 2022 (61.14%)  Oct 2022 (85.51%) | No-Reduced purchasing power, can harm the economy. |

**D = Debt & Deficits Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Government**  **Debt** | Debt owed by a government. (also known as public interest, national debt and sovereign debt | In September 2022, the government debt of the nation was 25.0% of its nominal GDP.  Monthly | 2018- 19% (increased)  2019- 22.8% (increased)  2020- 32.5% (increased)  2021- 30% (decline) | Yes- this decline could affect inflation, interest rates, and the economic growth of the country | Between 1986 and 2022, Turkey's government debt was 494828.26 TRY million, with a record high of 3907900.00 TRY million in November 2022 and a record low of 15.00 TRY million in January 1986. | The Turkish government's debt rose from 3807800 TRY million in October to 3907900 TRY million in November of 2022. | No- Countries with a lot of debt will have less money to put into their own futures. Having more obligation implies having less work possibilities. Rising obligation deters corporate venture and obstructs financial development. |
| **Government Debt/GDP** | Ratio between a country’s  government debt and gross domestic product. Low ratio indicates the country can sufficiently pay back its debts without incurring debts | In September 2022, Saudi Arabia's government debt was 25.0% of the nation's nominal GDP, down from the previous quarter's ratio of 26.4%. | 2018- 19% (increased)  2019- 22.8% (increased)  2020- 32.5% (increased)  2021- 30% (decline) | Yes- this decline could affect inflation, interest rates, and the economic growth of the country | In 2021, Turkey's government debt reached a level that was equal to 42% of its GDP. | 2018- 30.2 % of GDP  2019- 32.6% of GDP  2020- 39.7% of GDP  2021- 42% of GDP | The likelihood that a country will repay its debt and the chance of default increase with the debt-to-GDP ratio, which might spark a financial meltdown in both domestic and global markets. |
| **Credit Rating** | An estimate of the ability of an entity to fulfill its financial commitments. | A (positive outlook) | April 14, 22 (A)  March 25, 22 (A-)  Nov 5, 21 (A1)  July 15, 21 (A) | Yes- Anything in the A-class is regarded as excellent quality, which indicates that there is a very good chance the debt issuer will be able to pay its debts. | B (stable outlook) | Standard & Poor's has assigned Turkey a B credit rating which reflects a stable outlook. B3 with a stable outlook that Moody's most recently assigned to Turkey. Turkey's credit rating was assigned a B by Fitch which reflects a bad outlook. Turkey's credit rating from DBRS is BB (high) with something like a negative outlook. | No- B' ratings show that there is a considerable default risk, but there is still some room for safety. |
| **Corporate Tax Rate** | Tax rate for Corporations. | From 1999 to 2022, Saudi Arabia's corporate tax rate averaged 23.54%, with peak of 45 percent in 1999 and lows of 20% in year 2006.  Yearly | 20% corporate income tax rate in Saudi Arabia.  (2005 onwards) | Yes- it could help in generating public revenues, and increase investments and provision of services. | Between 1997 and 2022, Turkey's corporate tax rate averaged 24.46 percent, with record highs of 33 percent in 2000 and 20 percent in 2006. | Turkish corporations pay a 23 percent corporate tax rate (2022)  25% (2021)  22% (2018-2020) | No- It will eventually lower national saving and increase interest rates. |

**E = External Balances & Exchange Rates Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Currency** | A system of money. The value of the money changes over time. | On January 4, the USD SAR traded at 3.7593.  Daily | Sept 30, 2022  (3.75 USD SAR)  Oct 31, 2022  (3.75 USD SAR)  Nov 31, 2022  (3.76 USD SAR)  Dec 31, 2022 (3.75 USD SAR) | Yes, it shows the stability of the currency. It lowers the unpredictability of inflation, which then in turn lowers price changes and interest rates and motivates people to invest. | In October 2022, the Turkish Lira achieved an all-time high of 19.28.  Monthly | | Sept 30, 2022 (18.5 USD/TRY)  Oct 31, 2022 (18.6 USD/TRY)  Nov 30, 2022 (18.6 USD/TRY)  Dec 31, 2022 (18.6 USD/TRY) | Yes, it shows the stability of the currency. It lowers the unpredictability of inflation, which then in turn lowers price changes and interest rates and motivates people to invest. |
| **Imports** | Amount of goods purchased by one country from another. | From 1968 to 2022, Saudi Arabia's imports increased by 74270.85 million SAR on average, with a peak value of 222985.00 million SAR in December 2005 and a lows of 2578.00 million SAR in December 1968. | July 2022 (57596 Million SAR)  August 2022 (63790. 4 Million SAR)  Sept 2022 (61130.5 Million SAR)  Oct 2022 (63890.2 Million SAR) | No. A country's currency can suffer from both the volume of imports and the extent of the trade imbalance. | In December 2022, Turkey's imports increased by 14.6% from the previous year to USD 33.3 billion.  Yearly | | Sept 2022 (32204. 015 USD MILLION)  Oct 2022 (29300 USD MILLION)  Nov 2022 (30700 USD MILLION)  Dec 2022 (33300 USD MILLION) | No- import is severely increased. It can hurt the Turkeys currency value and its economy. |
| **Exports** | Amount of goods purchased by foreigners from a country. | Saudi Arabia's exports rose 13.9% year over year to SAR 120.7 billion in October 2022. | Sept 2022- 125195.10 Million SAR  Oct 2022- 120702.50 Million SAR | No- the export has declined a lot in 2022. It severely effects Gross Domestic Product. | In December 2022, Turkey's exports reached USD 22.9 billion, up 3.1% from the previous year.  Yearly | | Sept 2022 (22612.035 USD MILLION)  Oct 2022 (21300 USD MILLION)  Nov 2022 (21900 USD MILLION)  Dec 2022 (22920 USD MILLION) | Yes. Since the export is increased over months. It would help in market expansion, greater productions and  developments. |

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| **Personal Savings** | When a person rather than a company saves money to spend or invest later. | The gross savings rate for Saudi Arabia rose from 47.2% in the most recent quarter to 47.2% in September 2022.  Quarterly | April 21 (32.51%)  July 21 (31.52%)  Oct 2021 (38.16%)  Jan 2022- (33.62%) | No. A low savings rate implies both increased present spending and decreased future spending. It prevents the nation's development. | Turkey's gross savings rate increased from 31.2% in the past quarter to 31.2% in September 2022.  Quarterly | April 2021- 30.8%  July 2021- 31.5%  Oct 2021- 32.21%  Jan 2022- 31.2% | No. A low savings rate implies both increased present spending and decreased future spending. It prevents the nation's development. |
| **Consumer Confidence** | Based on consumers’ perceptions of current business and employment conditions, as well as their expectations for six months hence regarding business conditions, employment, and income. | Consumer confidence in Saudi Arabia averaged 108.89 points between 2010 and 2021, reaching a record high in the second quarter of 2021 of 130.00 points and a record low of 94.00 points in the fourth quarter of 2016. | July 2020 (104 points)  Jan 21 (114 points)  July 21 (130 points)  Jan 22 (126 points) | No- People begin to cut back on spending as a result of a decrease in consumer confidence in their financial futures; Businesses suffer as sales begin to decline as a result of this. | Consumer confidence in Turkey decreased from 76.6 in November 2022 to 75.6 in December 2022.  Monthly | Sept 2022 (72.4 points)  Oct 2022 (76.2 points)  Nov 2022 (76.6 points)  Dec 2022 (75.6 points) | Yes- its healthy pattern since there is no as such decline. It aids in keeping the economy expanding. |

**Sources:**

1. Trading Economics website (http://www.tradingeconomics.com)
2. FRED (https://fred.stlouisfed.org/)
3. World Factbook (https://www.cia.gov/the-world-factbook/)