

The Outlook: Nov. 22, 2019

Lithuania and Macedonia show how it's done.

On a Friday evening—especially after yesterday’s massive “Outlook” on Conoco—it’s a great time to be brief. Three pictures . . . just a few words.

Sometimes big governmental organizations do some good work. Every year the World Bank studies, and ranks, the “ease of doing business” around the world. The Bank’s 2020 rankings came out recently. Our first chart lists the 12 factors which matter most, when it comes to starting up and then running a business. We promised to be brief . . . so we can skip reading them, unless interested, and sum them up as “sensible and understandable” list of hurdles faced by business people everywhere.

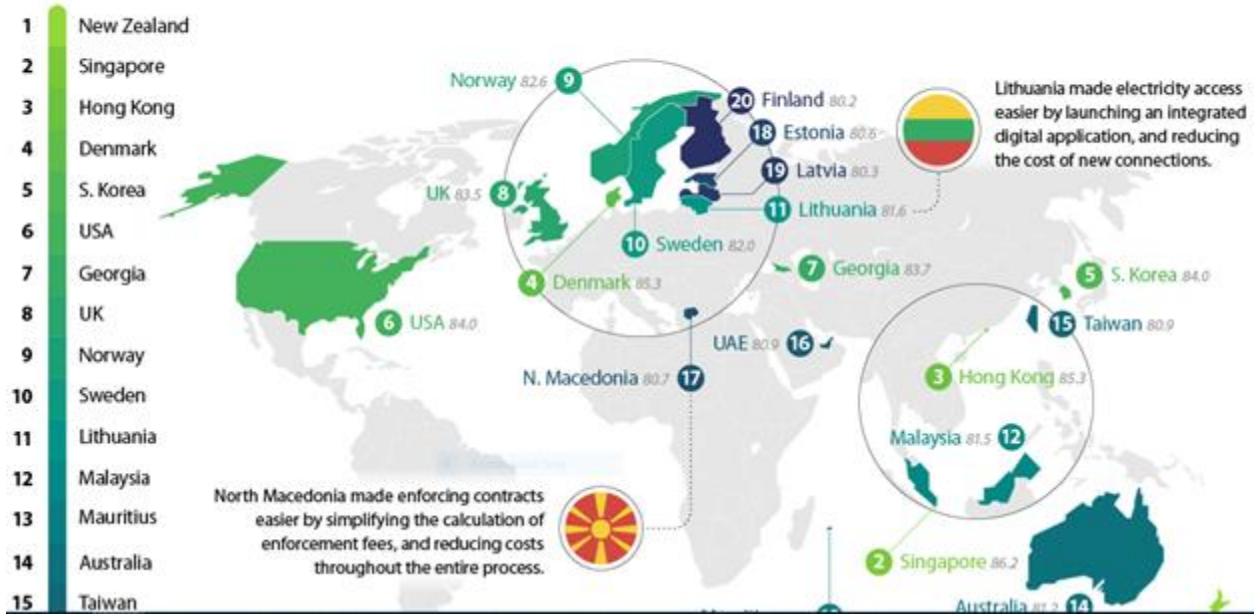
The 20 Easiest Countries to Conduct Business



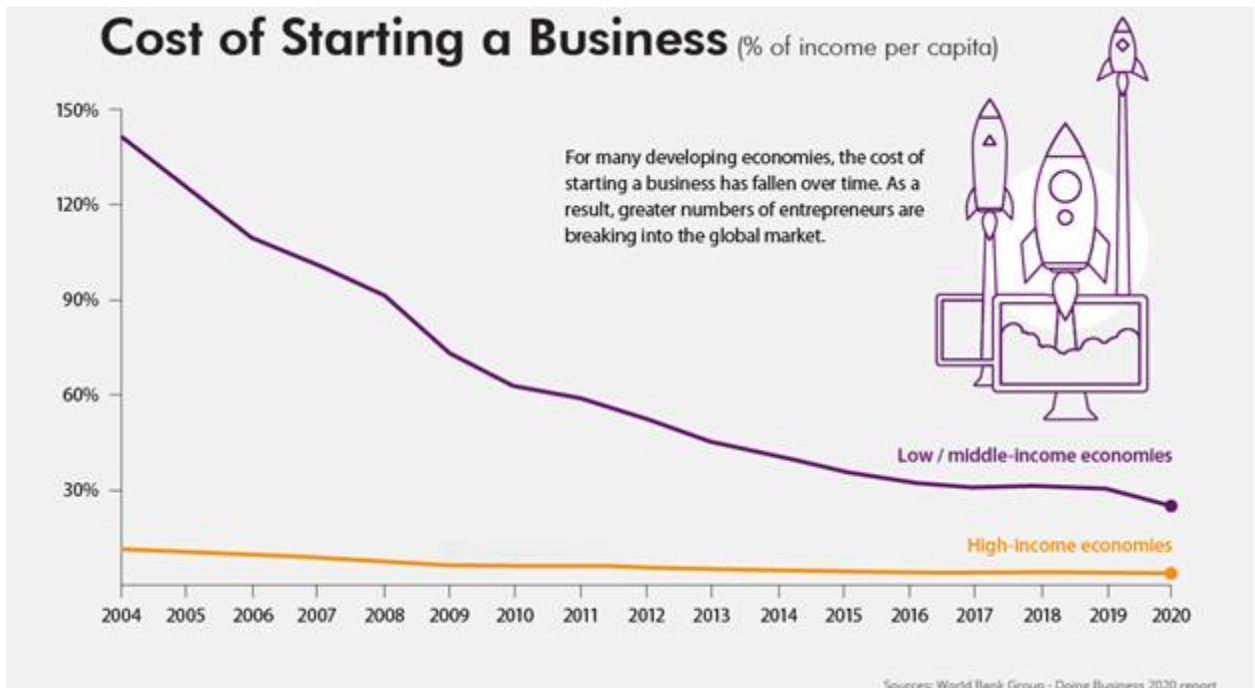
Our second chart lists the winners, so to speak: the easiest countries in the world for starting and running a business. There are a couple of interesting captions there about how Lithuania and North Macedonia took some steps to help out their business people.

Top 20 Countries by DB Score

The **Doing Business (DB) ranking** measures a country's processes and regulations that support freedom and ease of doing business. The DB scores an economy's performance in each of the of factors included, out of a total 100.



And here's the gold medalist among these charts. It shows the 15-year progress of the world's "rich" countries and the world's "poor" countries, when it comes to the possibility of starting up a new business.



The yellow line—rich nations—has improved, but not very much. Starting a business used to cost 12% of a year's income; now it costs about 4%. That's nothing to sneer at . . . but look at the poor countries'

purple line. 15 short years ago it cost 140% of a year's income to attempt to build a dream; now it costs less than 30%. In poor countries, that's the difference between "hopeless" and "hope."

It also helps explain something Outlook highlighted about 6 months ago: the dramatic worldwide growth of the middle class, who earn more than they need to merely survive; and the correspondingly dramatic shrinkage of those in poverty, who spend their lives wondering if they'll make enough to feed, clothe and shelter themselves. Outlook's understanding of, and faith in that continuing trend explains why we're so sure the world's need for industrial equipment, copper and energy will keep rising over time.

The trudging, small, year-by-year actions like those of Lithuania and North Macedonia—spread thinly but significantly around the world—are like water in the desert, nourishing economic life. The headlined and self-trumpeted actions of many of the world's political leaders and famous institutions—like the European Central Bank's endless monkeying with negative interest rates to "save" Europe from recession—are not the water. They're just more sand. Thankfully, quite a few of those political leaders trumpet one thing to grab headlines—usually under the heading of "More Government Stimulus on the Way!"—but quietly do a few much more effective things—Lithuanian and Macedonian things—as Outlook noticed about France's Mr. Macron, recently. When we look at those things, rather than the headlines, we're likely to feel a good deal more hopeful about the future.

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Outlook Capital Management, LLC
125 S. Wilke Road, Suite 200E
Arlington Heights, IL 60005
847-797-0600

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