

2016 KOF Index of Globalization

Indices and Variables	Weights
A. Economic Globalization	[36%]
i) Actual Flows	(50%)
Trade (percent of GDP)	(22%)
Foreign Direct Investment, stocks (percent of GDP)	(27%)
Portfolio Investment (percent of GDP)	(24%)
Income Payments to Foreign Nationals (percent of GDP)	(27%)
ii) Restrictions	(50%)
Hidden Import Barriers	(23%)
Mean Tariff Rate	(28%)
Taxes on International Trade (percent of current revenue)	(26%)
Capital Account Restrictions	(23%)
B. Social Globalization	[37%]
i) Data on Personal Contact	(33%)
Telephone Traffic	(26%)
Transfers (percent of GDP)	(2%)
International Tourism	(26%)
Foreign Population (percent of total population)	(21%)
International letters (per capita)	(25%)
ii) Data on Information Flows	(35%)
Internet Users (per 1000 people)	(36%)
Television (per 1000 people)	(38%)
Trade in Newspapers (percent of GDP)	(26%)
iii) Data on Cultural Proximity	(32%)
Number of McDonald's Restaurants (per capita)	(46%)
Number of Ikea (per capita)	(46%)
Trade in books (percent of GDP)	(7%)
C. Political Globalization	[27%]
Embassies in Country	(25%)
Membership in International Organizations	(27%)
Participation in U.N. Security Council Missions	(22%)
International Treaties	(26%)

Source:

Dreher, Axel, 2006, Does Globalization Affect Growth?
Empirical Evidence from a new Index, *Applied Economics* 38, 10: 1091-1110.

Updated in:

Dreher, Axel; Noel Gaston and Pim Martens, 2008, *Measuring Globalization
- Gauging its Consequence*, New York: Springer.