



# GLOBAL ECONOMIC DIVERSIFICATION INDEX

## Introduction & Key Findings

## Why the Global Economic Diversification Index (EDI)?

The Economic Diversification Index provides a basis for Governments on:

- **Measurement:** How to measure their diversification progress over time?
- **Global Competitiveness:** How do we compare internationally & regionally + with peers?
- **Policy Analysis and Impact Assessment:** What factors lead to **success** and **failure** in economic diversification?

The Economic Diversification Index can be utilized for:

- **Policy Formulation:** Develop & re-orient diversification policies
- **Development:** Foster development of high value-added sectors & industries integrated into Global Value Chains
- **Economic Growth:** Encourage diversification-related entrepreneurship & innovation through improved access to data, ICT & finance

Measures diversification across 3 dimensions (covering a total of 25 sub-indicators & 3 digital indicators):

- (1) **Output**, (2) **Trade** (3) **Government Revenue**

## Performance by Sub-Index and Overall Performance (Top 10 nations in 2024)

Output Sub-index	Trade Sub-index	Revenue Sub-index	EDI (Avg of the 3 sub-indices)
USA	USA	Denmark	USA
Ireland	China	Sweden	China
Switzerland	Germany	Finland	Germany
Singapore	UK	Norway	UK
Japan	France	Iceland	UK
Germany	China	Croatia	Singapore
Denmark	Italy	Belgium	Denmark
China	South Korea	Austria	Ireland
Italy	Luxembourg	South Africa	France
South Korea	Croatia	Hungary	United Kingdom
Luxembourg	Iceland	Belgium	Japan
Croatia	Belgium	India	China
Hungary			
Belgium			

United States	Denmark
Ireland	France
Switzerland	United Kingdom
Singapore	Netherlands
Japan	Norway
Germany	Sweden
China	Austria
Italy	South Africa
South Korea	Luxembourg
Luxembourg	Croatia
Finland	Hungary
Croatia	Belgium
Iceland	
Belgium	

## EDI Scores by Region

2000 – 2024

**2000-2004 2005-2009 2010-2014 2015-2019 2020-2024**

North America	120.9	125.0	129.0	132.4	135.9
Western Europe	110.1	112.0	112.6	113.9	115.7
East Asia & Pacific	101.4	102.3	104.3	106.3	107.7
Eastern Europe & Central Asia	97.3	98.6	99.5	100.6	101.3
South Asia	94.7	95.7	96.3	97.5	98.3
Middle East & North Africa	93.2	93.3	94.4	97.5	98.0
Latin America & the Caribbean	96.2	96.2	96.6	97.8	97.6
Sub-Saharan Africa	89.1	89.5	90.0	90.8	90.0

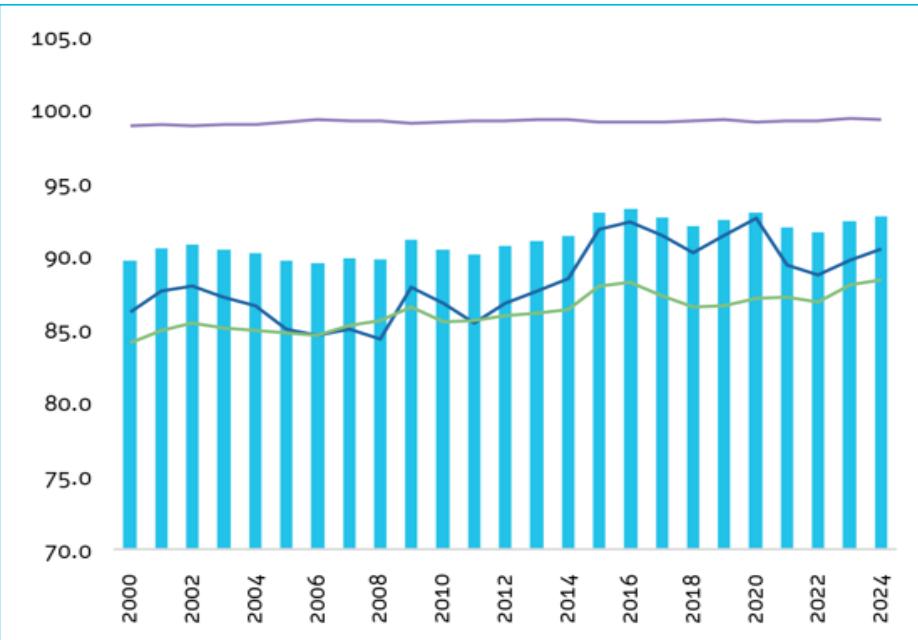
Least Improvement  Most Improvement

- In the current geopolitical environment characterized by intensifying **economic fragmentation and the “weaponization” of trade**, it is in the best interests of commodity dependent nations to diversify its export base, exports and trade partners.
- The **Herfindahl-Hirschman index** (HHI) measures the dispersion of trade value across an exporter's partners
- Addressing market concentration demands a **fundamental restructuring of trade patterns**.
  - ✓ The most effective way is to **alter the structure of exports & move up the value chain** i.e. quality upgrading within already produced goods and services.
  - ✓ Move from single-market dependence to **a diversified portfolio of trading partners**. **Greater regional integration** also reduces partner concentration.

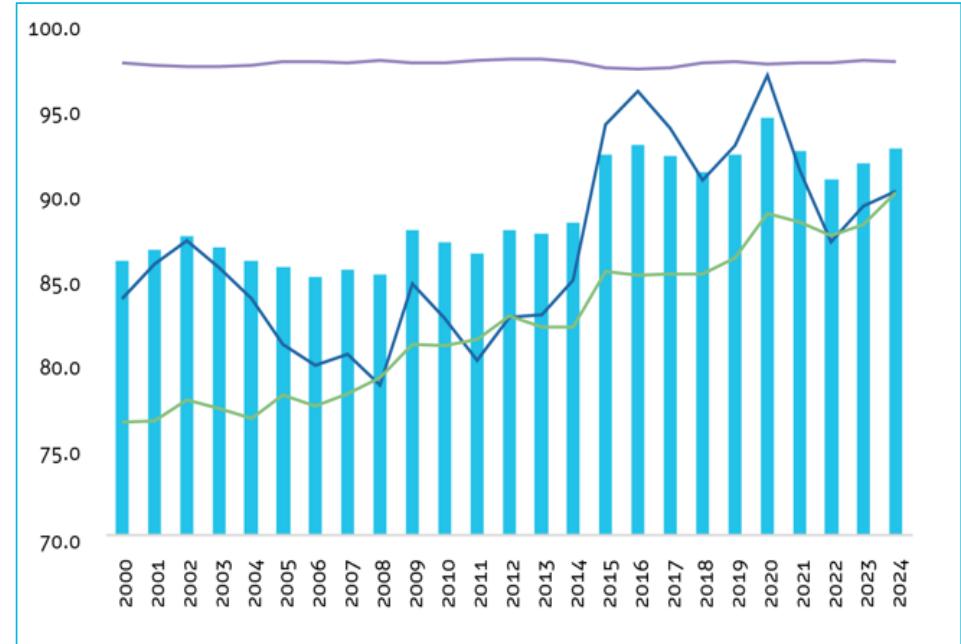
## Highest Market Concentration (HHI) readings, latest

Country	HHI
Mongolia	0.78
Niger	0.57
Mexico	0.57
Canada	0.50
Nepal	0.46

**Commodity-Dependent Nations'  
Overall EDI Score & Sub-Index Scores**

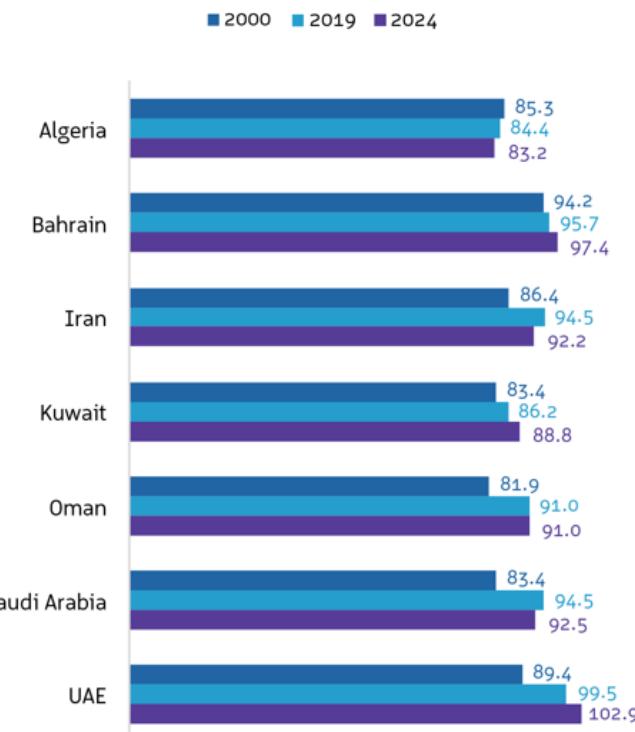


**MENA Commodity-Dependent Nations'  
Overall EDI Score & Sub-Index Scores**

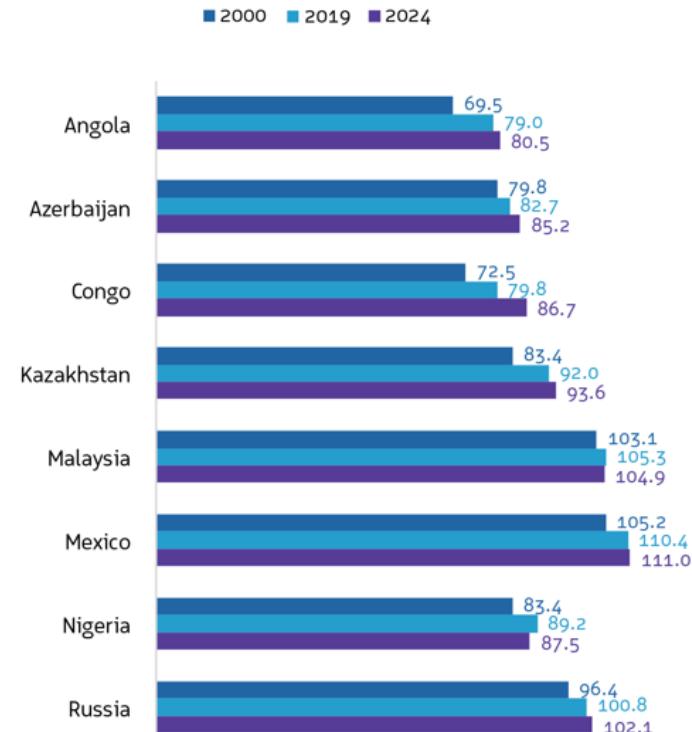


■ Economic Diversification Index	— Output Diversification sub-index
■ Trade Diversification sub-index	— Revenue Diversification sub-index

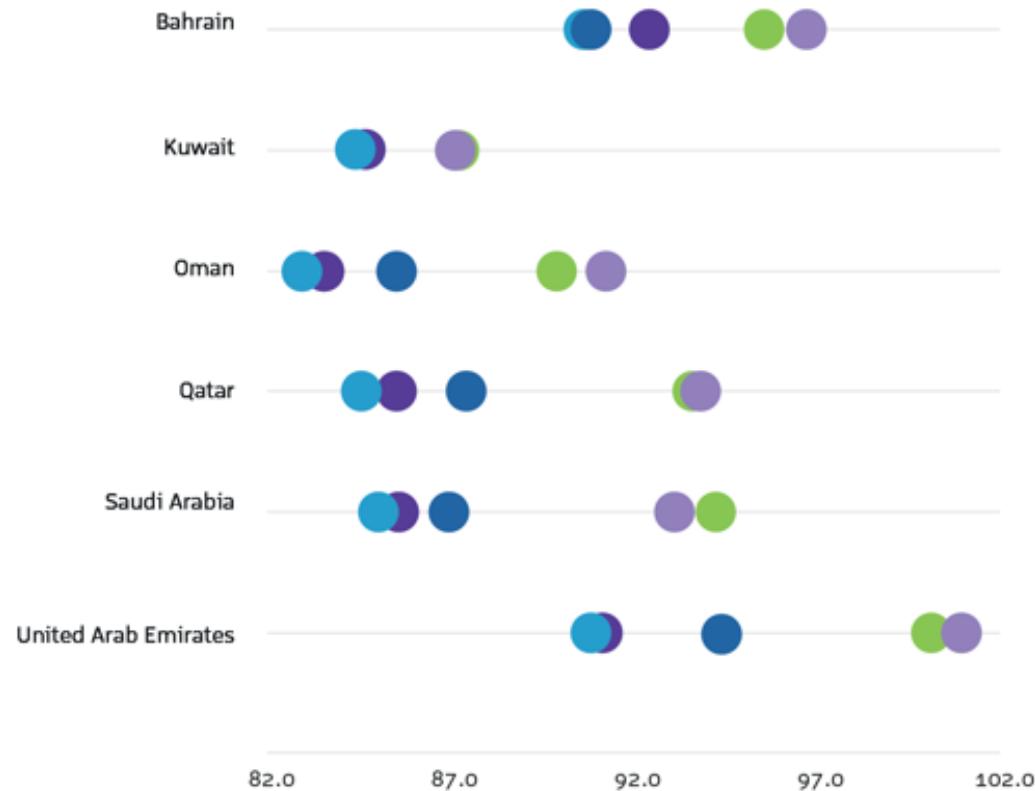
**EDI Scores of OPEC+ Middle East members**



**EDI Scores of OPEC+ non-Middle East members**



**EDI Performance  
Across the GCC**



● 2000-2004   ● 2005-2009   ● 2010-2014   ● 2015-2019   ● 2020-2024

## EDI+ scores, by region & over time

	2010	2015	2020	2024
North America	122.41	125.80	126.36	131.91
Western Europe	111.49	112.67	114.06	115.34
East Asia Pacific	101.77	104.66	106.43	107.91
Eastern Europe & Central Asia	98.28	99.33	100.81	101.65
South Asia	95.19	96.55	97.37	98.56
Middle East & North Africa	93.69	96.33	98.26	97.46
Latin America & Caribbean	95.36	96.43	97.47	96.58
Sub-Saharan Africa	87.30	89.02	88.66	88.16

Least Improvement ■■■■■ Most Improvement

**Three critical digital-specific indicators are added to create the EDI+:** (a) Digitally deliverable services trade; (b) ICT goods exports as percentage of the economy's total merchandise exports and (c) International trade in ICT services as a % of total trade in services (exports flow)

**Regional EDI+ scores broadly mirror overall EDI scores.** But there are **lessons to be learnt:**

- (a) If adoption is delayed, existing digital divides will only worsen performance** (unless specific reforms are undertaken)
- (b) Difficulty in catching up without significant investment in digital infrastructure & related enablers**
- (c) Having the right infrastructure** – both hard and soft - is critical to developing the digital economy

## Key findings from the Global Economic Diversification Index 2026

**Global Economic Diversification Index 2026 arrives at a transformational juncture in the global economy** - a landscape defined by geo-economic fragmentation, trade protectionism, accelerating digitalization and decarbonization transitions.

The report provides an assessment of **three foundational pillars of diversification** - Output, Trade, and Government Revenue - across 117 nations spanning the 2000–2024 period.

**The upper quartile of the Global EDI** presents a remarkably stable hierarchy over time: US, China, & Germany anchor the rankings. **Mid-diversifiers:** evidence that diversification is possible at middle-income levels through strategic industrial policy and integration into regional value chains. **Lowest ranked** are predominantly characterized by high commodity dependence.

The 2024-25 period has not just been about what countries trade, but who they trade with. **It is in the best interests of commodity dependent nations to diversify its export base, exports and trade partners.**

**Performance of the 40+ commodity-dependent nations:** sharp divergence in trajectories with the GCC emerging as a distinct cluster of successful diversifiers while for mineral exporters (e.g. Chile, Mongolia), global energy transition presents a paradox.

**Transformative role of the digital economy via an augmented metric EDI-plus.** The findings reveal a widening diversification gap between advanced economies that have successfully leveraged technology to deepen their resilience to economic and trade shocks and many commodity-dependent nations that remain trapped in cycles of volatility.

**Economic diversification is a marathon, requiring structural change and reforms, not a sprint.**



كلية محمد بن راشد  
للادارة الحكومية  
MOHAMMED BIN RASHID  
SCHOOL OF GOVERNMENT

The **Mohammed bin Rashid School of Government**, a research and teaching institution focusing on public policy in the Arab world, partnered with the **World Government Summit** and key Knowledge Partners to conceptualize, develop and produce the **2026 Global Economic Diversification Index**

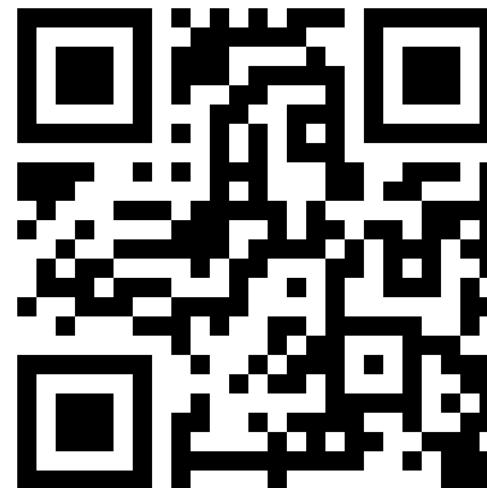
#### For more information:

For interactive visualization of the Global Economic Diversification Index, or to download a copy of the latest edition of the report, please visit: [www.EconomicDiversification.com](http://www.EconomicDiversification.com)

To contact the Global Economic Diversification Index team, email: [EDI@mbrsg.ac.ae](mailto:EDI@mbrsg.ac.ae)

#### Authors:

- **Aathira Prasad**, Director of Macroeconomics at Nasser Saidi & Associates
- **Keertana Subramani**, Research Principal at MBRSG
- **Zeid Qiblawi**, Associate Researcher at MBRSG
- **Dr. Nasser Saidi**, Founder and President of Nasser Saidi & Associates
- **Dr. Fadi Salem**, Director of Policy Research at MBRSG
- **Dr. Ben Shepherd**, Principal of Developing Trade Consultants



[www.EconomicDiversification.com](http://www.EconomicDiversification.com)