

World-Check launches country risk ranking tool

24 September, 2008

A new country risk tool assesses the level of political, economic and criminal risk in 243 countries worldwide

World-Check has launched a new online tool to help risk managers assess political, economic and criminal risk in countries around the world.

Country-Check aggregates information from around 150 publicly available sources to come up with risk rankings for 243 countries.

According to the tool, Iraq, Afghanistan and Somalia are the riskiest parts of the world, while Sweden, Finland and Australia are the safest.

All the sources that the system uses are based on some kind of hierarchical score. Country-Check won't come up with its own numeric score based on qualitative data.

The developers say the system is 'highly objective', because it allows the user to aggregate the information of their choice. Different sources can be weighted according to their reliability to remove subjectivity.

And because the level of open source information available varies between country, probability levels give the user a confidence level of the risk rankings.

Three primary risk factors (political, economic and criminal) relate to 42 dimensions including political stability, regulatory quality, GDP, country ratings, corruption, embezzlement, money laundering and the overall crime rate.

“According to the tool, Iraq, Afghanistan and Somalia are the riskiest parts of the world, while Sweden, Finland and Australia are the safest.”

The tool does not yet rank natural catastrophe risks but plans to do so in the future.

Ridzwan Aminuddin, Country-Check project manager, said the system provides an informed and quantitative risk ranking.

Since the system works by scouring the internet for information sources a short time lag exists between changes in the risk climate and the corresponding impact on risk rankings. For that reason, risk managers should supplement the information with other risk assessments including qualitative data.

