



RESILIENT RATING©

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The Political Economy Rating Instrument, PERI (Version 1.0 edited:10-2-2019)

The PERI is an innovative rating instrument created by Professor Antonino Galloni. Based on 5 parameters offers a new approach to Political Economy by means of the rating.

✓ Parameter 1: The fundamentals related to Import/Export

We talk about the "fundamentals" the relationship between imports according to the demand for foreign currency and the export using the national currency

$$I f(FC) / E f(NC)$$

I = import , E = export

FC = foreign currency

NC = national currency

✓ Parameter 2: The Pro-capita GDP

The 1st level derived before GDP in relation to that of population growth. If more than 0 is acceptable.

$$\sigma GDP - \sigma DT = x$$

$x > 0$ the Pro-capita GDP is acceptable

GDP = gross domestic product

DT = demographic trend

✓ Parameter 3: the debt's impact on tax revenues

the impact of interest on tax revenue expressed using the 1st level derived of both

$$\sigma T / \sigma i(ND)$$

T = tax revenue

i = interest

ND = national debt

✓ Parameter 4: The sustainability

The relation between the average interest on the national debt, (TIM), and the GDP's trend, (TCP)

to be acceptable $TIM < TPC$

✓ Parameter 5: The resiliency

The public debt, the household debt and the corporate debt excluding the financial enterprises in relation to GDP

$$(PD + HD + NFED) / GDP = x$$

$x > 500\%$ = negative

$500\% < x < 400\%$ = neutral

$x < 400\%$ = positive

PD = public debt

HD = household debt

NFED = non financial enterprises debt

GDP = gross domestic product