

## MINT COUNTRIES AS POSSIBLE RISING STARS IN THE GLOBAL ECONOMY – BENCHMARKING WITH BRICS COUNTRIES

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### ABSTRACT

The main goal of the paper is to analyze the selected macroeconomic, trade-related and social-related indicators concerning Mexico, Indonesia, Nigeria, and Turkey (collectively named as MINT) from 2000 till 2017, especially in comparison with BRICS countries (Brazil, Russia, India, China and South Africa). The outcomes are to be the confirmation basis, if the MINTs could play more important role in the global economy in the near future. Conducted statistical data and report based research has proved that there is no convincing evidence of such process, especially taking into consideration the resent economic and political issues in Mexico and Turkey.

**Key words:** MINT, BRICS, competitive advantage, international trade

### INTRODUCTION

The acronym MINT that refers to the group of four countries, i.e. Mexico, Indonesia, Nigeria and Turkey, was originally created in 2014 by Fidelity Investments, a Boston-based asset management company. Although this new term has been primarily used in the economic and financial spheres [Wright 2014] as well as in academia [Durotoye 2014, Francesco and Ardita 2015, Kokotovic and Kurecic 2016], according to Fidelity projections these countries are able to display strong growth and provide high returns for investors over the coming decade. The main reasons for this grouping distinction are especially large populations, favorable demographics and emerging economies, but when compared to the BRICS countries the MINTs have noticeably smaller economies. As BRICS growth has noticeably slowed down (with the exception of China), one could ask oneself

whether the MINTs have any potential to become rising stars in more and more unpredictable global economy [Barker 2014]. Therefore, the main goal of this paper is to examine some indicators concerning MINTs in comparison to BRICS with respect to this question. Descriptive analysis has been conducted based on statistical data sourced from international institutions such as UNCTAD, World Bank and WTO. Only four years since MINT term emergence seem to be too short research period, therefore statistical data from 2000 to 2017 have been examined, where applicable.

In the first part there is a general analysis of selected macroeconomic indicators, i.e. GDP shares and GDP per capita, together with foreign direct investment flows per capita. In turn, the second part is dedicated to the comparative analysis of selected trade-related indices, such as world trade shares, merchandise trade values, concentration and diver-

sification indices, and revealed comparative advantage (RCA) index<sup>1</sup>. Finally, the third part concerns the analysis of the competitiveness-related indices published by UNDP and World Economic Forum, i.e. Human Development Index (HDI) and Global Competitiveness Index (GCI), respectively.

### **MINT versus BRICS – comparative analysis of selected economic indicators**

One of the reasons for another prospective country group formation, i.e. MINT, are some similarities to the BRICS countries, especially concerning their geographic and demographic features [Bootle 2014, Matsangou 2015]. First of all, participants of both BRICS and MINT countries are located on four continents, and some of them are also member states of economic unions and trade blocs, like NAFTA (Mexico), MERCOSUR (Brazil), ECOWAS (Nigeria), ASEAN (Indonesia), SAARC (India) and APTA (China and India). Moreover, three BRICS countries are net natural resource exporters (Brazil, Russia and South Africa) and two others are net large natural resource importers (India and China). At the same time, India and especially China are among the largest exporters of industrial products. On the other hand, three MINT countries are net natural resource exporters (Indonesia, Mexico, and especially Nigeria). Turkey is net natural resource importer, at the same time being very important and thriving exporter of industrial products [Elliott 2014]. Demographically, the BRICS countries are comprised of three very young and dynamic populations (South Africa, India, and Brazil), one mature population (China), and one aging, stagnating population (Russia). The emphasized advantage of MINT countries are by contrast very dynamic and young populations, with expected very high population growth in the next couple of decades [Tesserat 2014, Kokotovic and Kurecic 2016].

Some significant differences between those groups have been presented in Table 1. As concerns the country share in global GDP, BRICS countries supremacy

over MINTs is quite noticeable. In 2000 total GDP (PPP) share of MINTs was almost three times lower than in the case of BRICS countries (6.1 and 18% respectively), but in 2016, especially due to China's recent advancements, this distance increased more than fourfold (7 and 31.2% respectively). It is worth mentioning that in the same period high income countries' total GDP (PPP) share decreased from 63 to 47%, according to the World Bank [2018].

If one looks at GDP per capita data, the situation is quite different. Between 2000 and 2016 GDP per capita growth of Indonesia, Nigeria and Turkey was nearly the same, and among BRICS countries only India and China achieved better results. Furthermore, MINT countries' average GDP per capita was significantly higher than one of BRICS, both in 2000 and 2017. The greatest input to this indicator value growth had particularly Turkey and Mexico, and among BRICS – Russia, Brazil and South Africa. In case of the latter this could result from growing production and export of raw materials. On the other hand, almost fourfold increase of Chinese GDP per capita ranked this country only ahead of Indonesia, Nigeria and India, if we consider MINT and BRICS groups as a whole.

As concerns foreign direct investment (FDI) stock per capita, general remark is that both country groups were and still are the net FDI importers, with the exception of China and South Africa. Between 2000 and 2017 FDI inward stock per capita of Mexico was the highest one not only among MINTs, but in comparison with BRICS as well, which could be caused by growing US-based corporations interest in direct investment in that country. It is worth emphasizing that Chinese achievements in this area were similar to Indonesian ones, and much better only than outcomes of India and Nigeria. Taking into consideration the values of FDI outward stock per capita, one can realize that in period under scrutiny there was visible both BRICS and MINTs expansion, which particularly concerns India, China, Russia, and Mexico.

<sup>1</sup> For detailed definitions, explanations and methodology, see e.g. UNCTAD statistical database, <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=120>, the World Bank statistical database, [https://wits.worldbank.org/wits/wits/witshelp/Content/Utilities/e1.trade\\_indicators.htm](https://wits.worldbank.org/wits/wits/witshelp/Content/Utilities/e1.trade_indicators.htm) [accessed: 20.08.2018].

**Table 1.** Selected general economic indicators of MINT and BRICS countries between 2000 and 2017

Itemization	Year	Mexico	Indonesia	Nigeria	Turkey	Brazil	Russia	India	China	South Africa	BRICS
GDP (PPP) as world percentage	2000	2.3	2.0	0.6	1.2	3.3	2.1	4.3	7.6	0.7	18.0
	2016	1.9	2.5	0.9	1.7	2.6	3.0	7.2	17.7	0.6	31.2
GDP per capita (USD at constant prices (2010))	2000	8 997	2 138	1 327	8 237	8 829	6 500	751	1 736	5 839	2 139
	2016	9 872	3 974	2 456	14 117	10 826	11 309	1 855	6 773	7 490	5 185
	2000=100	110	186	185	171	123	174	247	390	128	242
Foreign direct investment inward stock per capita (USD at constant prices (2017))	2000	2219	219	361	552	1273*	377	29	279	1763	208
	2017	3 787	941	512	2 238	3 719	3 102	282	1 058	2 644	1 027
	2000=100	171	430	142	406	292	823	980	378	150	495
Foreign direct investment outward stock per capita (USD at constant prices (2017))	2000	151	61	63	108	519 <sup>a</sup>	243	3	40	1109	56
	2017	1 394	250	75	513	1715	2 655	116	1 051	4 766	839
	2000=100	924	412	119	477	331	1 091	3 799	2 619	430	1503

<sup>a</sup> 2001 data.

Source: Own calculations based on UNCTAD [2018], UNCTAD statistical database, [http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS\\_ChosenLang=en](http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en) [accessed: 20.08.2018], World Bank database, <http://databank.worldbank.org/data/source/world-development-indicators> [accessed: 20.08.2018].

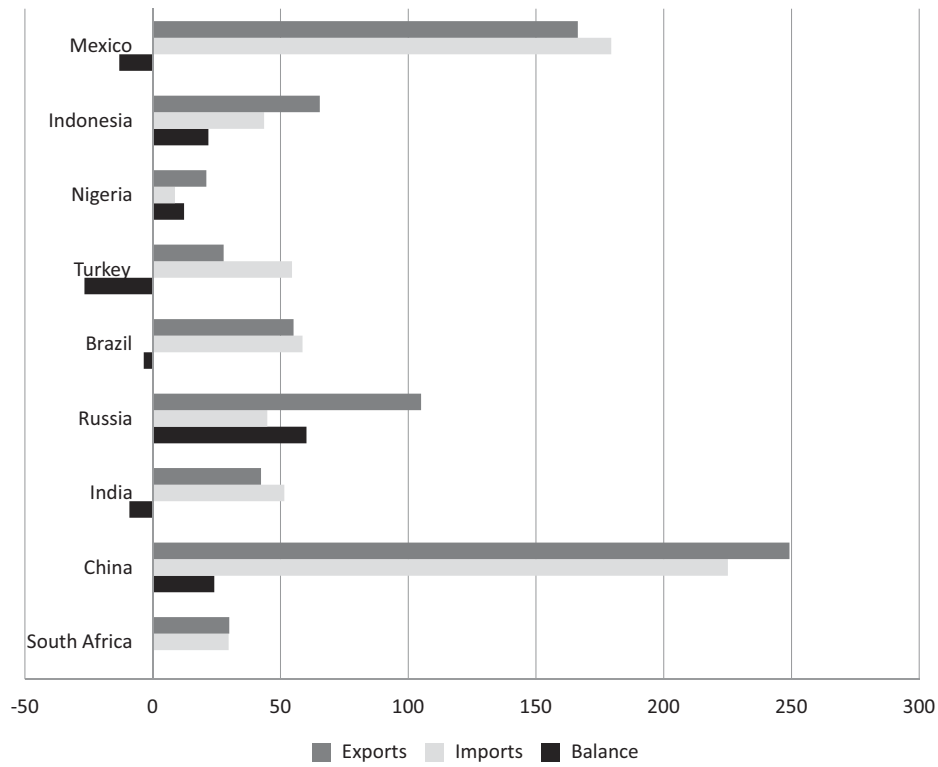
When we take a closer look, we can reach the conclusion that such impressive outcomes have arisen from so-called low base effect, particularly in the case of two former countries.

### Comparison of selected merchandise trade indices

General trends in merchandise trade of BRICS and MINT countries have been presented in Figures 1 and 2. In 2000 almost all of those countries had merchandise trade surplus, the most visible in Russia and Indonesia. On the other hand, Turkey and Mexico recorded quite high trade deficits (USD 27 and 13 billion respectively). Among the countries under scrutiny the unquestionable leaders were China and Mexico, which in case of the latter partially resulted, among others, from NAFTA membership and its related benefits.

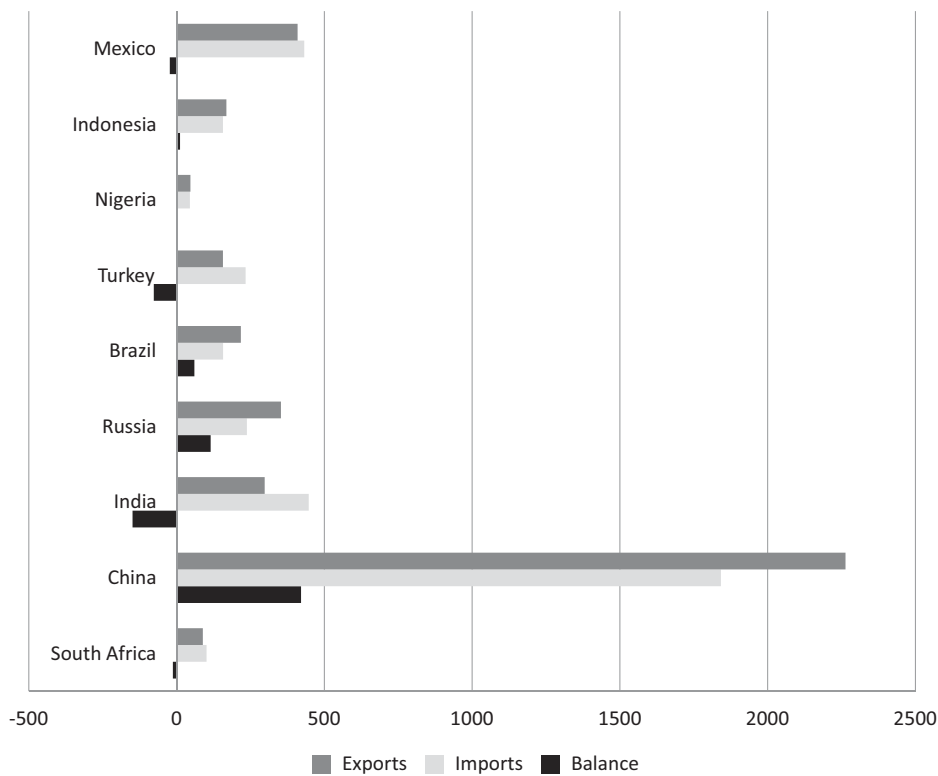
After almost two decades the most visible change in BRICS group is dominant role of China, which for last several years has reinforced its top position in the international merchandise trade, with still growing foreign trade surplus. As regards other BRICS countries, there was both positive trade balance changes (Brazil and Russia) and negative ones (India and South Africa). In MINT group only Mexico had recorded the similar foreign trade results in 2017. The positive change in this group is quite balanced foreign trade of Mexico, Indonesia and Nigeria, of course with much less turnovers of two latter countries. As can be seen, trade deficit of Turkey had increased threefold (from USD 27 to 77 billion), but, to be honest, trade deficits of South Africa and India enlarged significantly more in the same period.

The noticeable and actually unavoidable consequence of those merchandise trade trends are changes



**Fig. 1.** Total merchandise trade of BRICS and MINT countries in 2000 (USD billion)

Source: Own preparation based on WTO statistical database, <http://stat.wto.org/Home/WSDBHome.aspx> [accessed: 21.08.2018].



**Fig. 2.** Total merchandise trade of BRICS and MINT countries in 2017 (USD billion)

Source: Own preparation based on WTO statistical database, <http://stat.wto.org/Home/WSDBHome.aspx> [accessed: 21.08.2018].

of BRICS and MINTs world merchandise trade shares. According to data presented in Table 2, China's world export and import shares increased more than three-fold, reaching 13 and 10% respectively in 2017. Although there was no such impressive progress among other countries under scrutiny, the outcomes of Mexico and especially India are also worthy of attention. As concerns specifically MINT group, Indonesia and Nigeria engagements in global merchandise trade have

remained relatively tiny, and Turkey results seem to be unsatisfactory, taking into consideration its regional ambitions and close economic relationships with the European Union.

Additionally, comparison of concentration and diversification indices has been provided in Table 2. Concentration index value closer to 1 indicates a country's exports or imports are highly concentrated on a few products, and such situation occurred only in Nigeria's

**Table 2.** Trade shares, concentration and diversification indices for MINT and BRICS countries between 2000 and 2017

Country	Share in world trade (%)		Concentration index		Diversification index	
	2000	2017	2000	2016	2000	2016
Exports						
Mexico	2.6	2.3	0.14	0.12	0.39	0.41
Indonesia	1.0	1.0	0.13	0.13	0.49	0.55
Nigeria	0.3	0.3	0.92	0.73	0.88	0.84
Turkey	0.4	0.9	0.10	0.08	0.58	0.44
Brazil	0.9	1.2	0.09	0.13	0.51	0.56
Russia	1.6	2.0	0.28	0.31	0.65	0.65
India	0.7	1.7	0.15	0.12	0.57	0.44
China	3.9	12.8	0.08	0.11	0.46	0.41
South Africa	0.5	0.5	0.14	0.12	0.54	0.51
BRICS	7.5	18.2	0.06	0.08	0.31	0.27
Imports						
Mexico	2.7	2.4	0.09	0.09	0.28	0.29
Indonesia	0.6	0.9	0.08	0.07	0.36	0.32
Nigeria	0.1	0.2	0.06	0.10	0.46	0.41
Turkey	0.8	1.3	0.08	0.08	0.27	0.28
Brazil	0.9	0.9	0.08	0.07	0.28	0.30
Russia	0.7	1.3	0.05	0.05	0.35	0.28
India	0.8	2.5	0.16	0.16	0.46	0.41
China	3.3	10.2	0.10	0.15	0.37	0.36
South Africa	0.4	0.6	0.13	0.10	0.30	0.24
BRICS	6.1	15.5	0.08	0.11	0.25	0.27

Source: Own preparation and calculation based on UNCTAD statistical database, [http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS\\_ChosenLang=en](http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en) [accessed: 20.08.2018].

export. Moreover, between 2000 and 2016 concentration index values for most of BRICS and MINT countries did not change or even slightly decreased, which can be explained as a transition toward homogeneously distributed trade among a series of products.

The diversification index takes values between 0 and 1, and value closer to 1 indicates greater divergence from the world trade structure. Based on this explanation, the biggest difference in regard to world export pattern can be noticed only in Nigeria and Russia. In other countries diversification index value ranges from 0.40 to 0.60 (exports) and from 0.30 to 0.40 (imports), which implies that their trade structures are similar or getting closer to the world pattern.

In turn, values of revealed comparative advantage (RCA) index for different manufactures categories have been provided in Table 3. As concerns MINT countries, only Turkey retained quite high relative advantage in labor-intensive and resource-intensive manufactures export, increasing at the same time its advantage in medium-skill and technology-intensive manufactures export (similarly to Mexico). Compar-

ative advantage in Indonesian export has been built only in labor-intensive and resource-intensive manufactures, and Nigeria did not exhibit export comparative advantages in any manufactures category.

On the other hand, BRICS comparative advantages were concentrated mainly in low-skill and technology-intensive manufactures, with visible trend of declining RCA values in period under scrutiny (except India). The only meaningful change of RCA concerned China, but even in this country comparative advantages were evident in export of manufactures on lower processing stages than in export of more sophisticated products.

### Comparison of selected competitiveness-related indices

If we searched for any competitiveness related analogies between MINTs and BRICS, one of the commonly quoted one would be Human Development Index (HDI). HDI values for those countries in 2000 and 2017 have been presented in Table 4. In the former group 2017 HDI absolute values were quite similar in Mexico, Indonesia, and Turkey, but the greatest

**Table 3.** Revealed comparative advantage (RCA) index for MINT and BRICS countries between 2000 and 2017

Country	Labor-intensive and resource-intensive manufactures		Low-skill and technology-intensive manufactures		Medium-skill and technology-intensive manufactures		High-skill and technology-intensive manufactures	
	2000	2017	2000	2017	2000	2017	2000	2017
Mexico	0.99	0.55	0.75	0.70	1.59	1.93	0.90	0.84
Indonesia	2.56	1.71	0.45	0.63	0.28	0.43	0.59	0.38
Nigeria	0.04	0.07	0.01	0.04	0.00	0.00	0.00	0.02
Turkey	3.79	2.48	1.63	1.68	0.65	1.28	0.39	0.38
Brazil	1.05	0.50	1.40	1.08	0.73	0.62	0.60	0.29
Russia	0.20	0.23	1.48	1.00	0.18	0.18	0.27	0.24
India	2.82	1.73	1.20	1.37	0.30	0.60	0.51	0.75
China	2.78	2.43	1.62	1.52	0.79	1.03	0.87	1.23
South Africa	0.60	0.36	2.21	1.42	0.59	0.77	0.38	0.34
BRICS	1.91	1.93	1.56	1.42	0.60	0.86	0.65	0.99

Source: Own calculation based on UNCTAD statistical database, [http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS\\_ChosenLang=en](http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en) [accessed: 20.08.2018].

**Table 4.** Human Development Index (HDI) change in period 2000–2017

HDI Rank (2017)	Country	2000	2017	2000 = 100
74	Mexico	0.702	0.774	110
116	Indonesia	0.606	0.694	115
157	Nigeria	0.445 <sup>a</sup>	0.532	120
64	Turkey	0.655	0.791	121
79	Brazil	0.684	0.759	111
49	Russia	0.720	0.816	113
130	India	0.493	0.640	130
86	China	0.594	0.752	127
113	South Africa	0.630	0.699	111

<sup>a</sup> 2003.

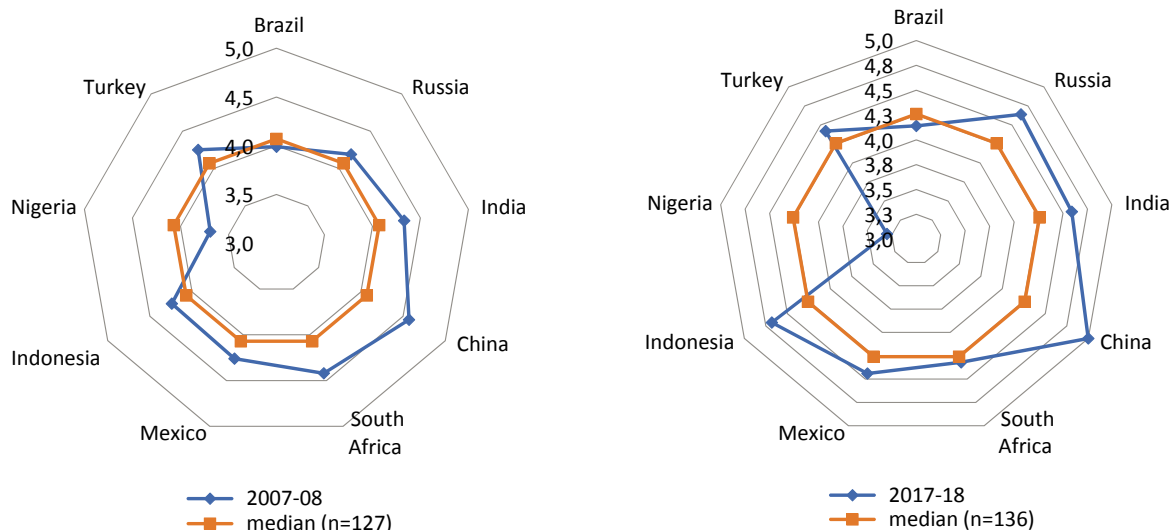
Source: Own preparation based on UNDP database, <http://hdr.undp.org/en/content/human-development-index-hdi> [accessed: 24.08.2018]; UNDP [2016].

relative improvement occurred in Turkey and Nigeria. Nevertheless, MINT countries were still located in 2017 HDI ranking at distant positions.

Human Development Index ranking advancements are much more noticeable in BRICS countries and the biggest leap has been made especially by India and China. On the other hand, despite the least change of

HDI values Brazil and Russia are located at the high-end positions in this group.

Figure 3 illustrates Global Competitiveness Index (GCI) values for BRICS and MINTs in respect to medians for all countries included in the research conducted by World Economic Forum. In absolute terms all BRICS and MINT countries have improved, but if



**Fig. 3.** Global Competitiveness Index for BRICS and MINT countries in period 2007–2017

Source: Own preparation based on World Bank statistical database, [https://tcdata360.worldbank.org/indicators/gci?country=BRA&indicator=632&viz=line\\_chart&years=2007,2017](https://tcdata360.worldbank.org/indicators/gci?country=BRA&indicator=632&viz=line_chart&years=2007,2017) [accessed: 23.08.2018]; WEF [2018].

one looks at the distance from the median, some important issues can be perceived. In the first edition of GCI from 2007–2008 most of BRICS countries exceeded the median, especially China. MINTs distance from the median was almost identical, except Nigeria, which was far behind. In the latest GCI edition a noticeable improvements of China, India and Russia are visible, with the slight downturn of Brazil and South Africa. Among MINTs impressive progress of Indonesia deserves the recognition. In case of Nigeria GCI value decreased most of all (from 3.7 to 3.3), which was the worst result among all the countries included in this research.

## CONCLUSIONS

Both gathered data and conducted analysis do not reate any solid basis for the statement of growing importance of the MINTs in the world economy, especially in comparison with BRICS. Therefore, the main conclusions are as follows:

1. Between 2000 and 2017 there was a noticeable improvement of most MINTs macroeconomic, trade-related and social-related indicators scrutinized in this paper, but there is also no indisputable evidence of any probable leadership of MINTs among developing countries, not mentioning newly industrialized economies (such the Four Asian Tigers or China).
2. Despite the growing foreign direct investment flows and moderate HDI improvement, Mexico's shares in global GDP and merchandise trade have decreased. Persisting problems with corruption, crime and inefficient government bureaucracy, as well as proclaimed by President of United States Donald Trump the attitude change towards bilateral USA–Mexico relations and uncertain future of NAFTA can be the serious barriers for further Mexican success.
3. According to the latest edition of the Global Competitiveness Report, Indonesia is inching its way up the competitiveness ladder, and its current position is driven mainly by its large market size and a relatively robust macroeconomic environment [WEF 2018]. Moreover, thanks to the innovation and business sophistication achievements Indone-

sia is one of the top innovators among the emerging economies. On the other hand, this country has still visible problems with corruption and inefficient government bureaucracy, and its relatively tiny trade is based mainly on the least manufactured goods.

4. Outcomes of Nigeria in period 2000–2017 could not be recognized as satisfactory ones, which has been primarily connected to its natural resource exploitation oriented economy. Despite its recent success in reducing corruption and strengthening institutions, Nigeria needs reforms on transport and power infrastructure, the business environment, and education investment, which can possibly result in its international competitiveness improvement.
5. Although Turkish economic and trade achievements were quite impressive in period under scrutiny, its international competitiveness declined, especially due to policy instability and unpredictability, inadequately educated workforce and complicated geopolitical situation. Serious macroeconomic mistakes made recently by Turkish government, which have led to the current internal crisis, will be for sure the long-term growth disincentive.

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## **KRAJE MINT JAKO POTENCJALNE WSCHODZĄCE GWIAZDY W GOSPODARCE ŚWIATOWEJ – ANALIZA PORÓWNAWCZA Z KRAJAMI BRICS**

### **STRESZCZENIE**

Głównymi celami artykułu są przeanalizowanie wybranych wskaźników makroekonomicznych, handlowych i społecznych dotyczących Meksyku, Indonezji, Nigerii i Turcji (określanych wspólnie mianem MINT) w latach 2000–2017, a także porównanie ich z odpowiednimi wskaźnikami krajów BRICS (Brazylia, Rosja, Indie, Chiny i RPA). Rezultaty analiz mają umożliwić zweryfikowanie tezy, czy kraje MINT mogłyby odgrywać istotniejszą rolę w gospodarce światowej w najbliższej przyszłości. Badania przeprowadzone na podstawie danych statystycznych oraz raportów międzynarodowych umożliwiają sformułowanie wniosku, że aktualnie brak przekonujących dowodów na występowanie takiego procesu, zwłaszcza po uwzględnieniu niedawnych problemów polityczno-gospodarczych Meksyku i Turcji.

**Słowa kluczowe:** MINT, BRICS, przewaga konkurencyjna, handel międzynarodowy