

## **FTSE 2011 Country Classification Review**

FTSE Group today announces the results of its 2011 Country Classification Annual Review.

The FTSE Country Classification Annual Review, carried out every September, is the process by which global equity markets are classified as Developed, Advanced Emerging, Secondary Emerging or Frontier within the FTSE Global Equity Index Series.

The Review has assumed particular importance this year in the light of speculation about the possibility of a sovereign default within the Eurozone. If such a default were to occur, FTSE will immediately review the affected country's ranking against the country classification criteria, and determine whether any further classification changes are warranted.

### **2011 Country Classification Changes**

As a result of the 2011 annual review, the FTSE Policy Group has approved the following changes:

- **Thailand** will move from Secondary to Advanced Emerging
- **Ghana** will be included as a Frontier market

The change to Thailand's market status will be implemented in the FTSE Global Equity Index Series in March 2012. The inclusion of Ghana as a Frontier market will take effect from June 2012.

### **FTSE 2011 Watch List**

FTSE also maintains a Watch List of countries that are being considered for promotion or demotion between the various market classifications.

The FTSE Policy Group gave careful consideration to the continued status of Greece on the Watch List. The progress made by the Hellenic authorities against certain

criteria was noted, but improvement in other areas was considered to have been slow and Greece fails to meet the criteria in four areas. The Policy Group has therefore determined to review the status of Greece against the remaining outstanding criteria again in March 2012. Greece will remain on the Watch List for possible demotion to Advanced Emerging status.

Other changes made following this year's review were as follows. Poland will join the Watch List for possible promotion to Developed, and the Ukraine for possible inclusion as a Frontier market. Colombia will be removed from the Watch List, and China 'A' Shares, Greece, Kazakhstan, Kuwait and Taiwan will remain on the Watch List.

- **China 'A' Share:** Possible inclusion as Secondary Emerging
- **Greece:** Possible demotion from Developed to Advanced Emerging
- **Kazakhstan:** Possible inclusion as Frontier
- **Kuwait:** Possible inclusion as Secondary Emerging
- **Poland:** Possible promotion from Advanced Emerging to Developed
- **Taiwan:** Possible promotion from Advanced Emerging to Developed
- **Ukraine:** Possible inclusion as Frontier

FTSE remains cognisant of difficult market conditions, and will continue to closely monitor Watch List countries' progress against the quality of markets criteria. FTSE will provide the market with a formal update in March 2012, and the next review of the FTSE Watch List markets will take place in September 2012. Full details of the countries on the Watch List are available at [www.ftse.com/country](http://www.ftse.com/country).

For full information about FTSE's country classification process, including details of all criteria for Developed, Emerging and Frontier status and an assessment of each of the markets classified in FTSE equity indices, please visit [www.ftse.com/country](http://www.ftse.com/country)