

◆ Project Objective (My Point of View)

The goal of this project is to **analyze and compare the financial health of countries over time** using key economic indicators such as:

- GDP
- Domestic Credit (Private Sector)
- Inflation
- Interest Rate

Since raw economic data is spread across multiple tables and years, I transformed the data, normalized it, created a **financial health score**, and then analyzed **ranking, trends, stability, and volatility** of countries.

◆ Phase 1: Data Cleaning & Transformation (Unpivoting)

◆ Why this phase?

The original tables store years as columns (2015–2024).
For proper analysis and visualization, I converted this into a **long format** (year as rows).

GDP View

```
CREATE VIEW gdp_view AS
SELECT country_name, country_code, 'gdp' AS indicator, 2015 AS year, `2015` AS value FROM gdp
UNION ALL
SELECT country_name, country_code, 'gdp', 2016, `2016` FROM gdp
...
UNION ALL
SELECT country_name, country_code, 'gdp', 2024, `2024` FROM gdp;
```

What I did

- Converted GDP data from wide to long format
 - Added an indicator column to identify GDP
-

Domestic Credit (Private), Inflation & Interest Rate Views

I repeated the same unpivot logic for:

- domestic_credit_private
- inflation
- interest_rate

Why same logic?

Because all indicators follow the same year-based structure.

◆ Phase 2: Creating Master Financial Dataset

Finance Master View

```
CREATE VIEW finance_master AS  
SELECT * FROM gdp_view  
UNION ALL  
SELECT * FROM domestic_credit_private_view  
UNION ALL  
SELECT * FROM inflation_view  
UNION ALL  
SELECT * FROM interest_rate_view;
```

Purpose

- Combine all indicators into **one unified dataset**
 - Makes normalization and scoring easy
-

Basic Analysis (Min & Max)

```
SELECT indicator, MIN(value), MAX(value)  
FROM finance_master  
GROUP BY indicator;
```

⭐ Why this is important

- Needed for **normalization**
 - Each indicator has different units (GDP %, Inflation %, etc.)
-

◆ Phase 3: Normalization & Financial Scoring

✓ Normalized Values

```
CREATE VIEW finance_normalized AS  
SELECT  
    fm.country_name,  
    fm.country_code,  
    fm.indicator,  
    fm.year,  
    fm.value,  
    (fm.value - stats.min_value) /  
    (stats.max_value - stats.min_value) AS normalized_value  
FROM finance_master fm  
JOIN (  
    SELECT indicator, MIN(value) min_value, MAX(value) max_value  
    FROM finance_master  
    GROUP BY indicator  
) stats  
ON fm.indicator = stats.indicator;
```

⭐ Why normalization?

- To bring all indicators into **0–1 range**
 - Makes fair comparison possible
-

Final Score Adjustment

```
CREATE VIEW finance_normalized_final AS
SELECT
    country_name,
    country_code,
    indicator,
    year,
    value,
    normalized_value,
CASE
    WHEN indicator IN ('inflation', 'interest_rate')
        THEN 1 - normalized_value
    ELSE normalized_value
END AS final_score
FROM finance_normalized;
```

Logic

- High inflation & interest rate are **bad**
 - So I reversed them using `1 - normalized_value`
-

◆ Phase 4: Financial Health Score & Interpretation

Financial Health Score

```
CREATE VIEW financial_health_score AS
SELECT
    country_name,
    country_code,
    year,
    SUM(
        CASE
            WHEN indicator = 'gdp' THEN final_score * 0.30
            WHEN indicator = 'domestic_credit_private' THEN final_score * 0.20
            WHEN indicator = 'inflation' THEN final_score * 0.15
            WHEN indicator = 'interest_rate' THEN final_score * 0.15
        END
    ) AS financial_normalized_final,
    GROUP_CONCAT( ... ) AS indicator_status
FROM finance_normalized_final
GROUP BY country_name, country_code, year;
```

📌 What this does

- Combines all indicators into **one final score**
 - Assigns **economic meaning** like:
 - *GDP: Strong Economy*
 - *Inflation: High*
-

◆ Phase 5: Country Ranking

✓ Ranking Countries by Year

```
CREATE VIEW country_financial_rank AS
```

```
SELECT
```

```
    country_name,
```

```
    country_code,
```

```
    indicator_status,
```

```
    year,
```

```
    financial_normalized_final,
```

```
    RANK() OVER (
```

```
        PARTITION BY year
```

```
        ORDER BY financial_normalized_final DESC
```

```
    ) AS financial_rank
```

```
FROM financial_health_score;
```

📌 Why ranking?

- To compare countries **within the same year**
 - Helps identify **top and bottom performers**
-

◆ Phase 6: Trend Analysis (Year-on-Year)

✓ Financial Trend

```
CREATE VIEW country_financial_trend AS
```

```
SELECT
```

```
    country_name,
```

```
    country_code,
```

```
    year,
```

```
    financial_normalized_final,
```

```
    year_change,
```

```
CASE
```

```

WHEN year_change > 0 THEN 'Economy Improved'
WHEN year_change < 0 THEN 'Economy Declined'
WHEN year_change = 0 THEN 'No Change'
ELSE 'First Year (No Previous Data)'

END AS result

FROM (
SELECT
country_name,
country_code,
year,
financial_normalized_final,
financial_normalized_final -
LAG(financial_normalized_final) OVER (
PARTITION BY country_code
ORDER BY year
) AS year_change
FROM financial_health_score
) t;

```

Why this matters

- Shows **economic improvement or decline**
 - Helps identify growth patterns
-

◆ Additional Insights

◆ Country Comparison

```

SELECT country_name, year, financial_normalized_final
FROM financial_health_score
ORDER BY year, financial_normalized_final DESC;

```

📌 Compare countries within the same year

◆ **Long-Term Growth**

```
SELECT country_name, SUM(year_change) AS total_change  
FROM country_financial_trend  
GROUP BY country_name  
ORDER BY total_change DESC;
```

📌 Shows which country improved the most overall

◆ **Stability vs Volatility**

```
SELECT country_name, STDDEV(year_change) AS volatility  
FROM country_financial_trend  
GROUP BY country_name  
ORDER BY volatility DESC;
```

📌 Identifies:

- Stable economies
 - Highly volatile economies
-

✓ **Final Outcome**

Through this project, I:

- Cleaned & transformed raw economic data
- Built a **financial health scoring system**
- Ranked countries
- Analyzed trends, growth, and volatility
- Prepared clean data for **Tableau visualization**