


**CIFE** Centre international de formation européenne  
100 BERLIN BRUSSELS OTTAWA

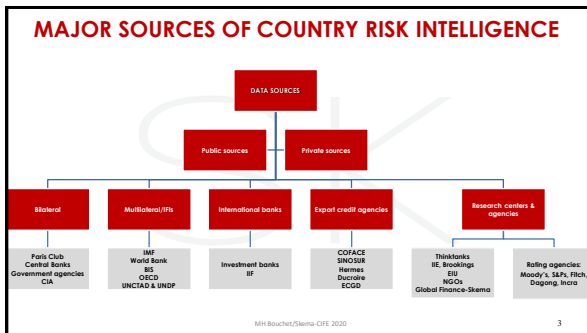
## COUNTRY RISK ECONOMIC INTELLIGENCE AND INFORMATION SOURCES



CIFE SEMINAR NICE MAY 6-8, 2020  
MICHEL-HENRY BOUCHET

## COUNTRY RISK ASSESSMENT

Reliable and updated information  
= Economic intelligence  
→ **Robust risk analysis**

### ANALYSIS AND INFORMATION

IMF, World Bank, IFC & MIGA  
UNCTAD & UNDP  
Fed Reserve Bk of St Louis  
BIS, OECD, EBRD, EIB  
Coface, Euler-Hermes  
Moody's, S&P, Fitch, Dagong  
Euromoney, Institutional Investor  
CIA & US State Dept, ICRG  
Transparency International  
Hiscox, AON, Control Group  
DEFI [www.developingfinance.org](http://www.developingfinance.org)



DEFI DEVELOPING FINANCE  
OXFORD ECONOMICS  
La globalisation  
Introduction à l'économie du nouveau monde  
Country Risk  
Political Risk  
MANAGING COUNTRY RISK  
IN AN AGE OF GLOBALIZATION  
Control Risks  
EULER HERMES  
COFACE  
AON  
The World Bank

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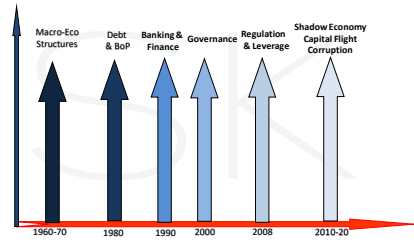
## ECONOMIC INTELLIGENCE = THE KEY OF RELIABLE RISK ANALYSIS AND MITIGATION!

- [www.developingfinance.org](http://www.developingfinance.org)
- [https://www.theglobaleconomy.com/rankings/Nonperforming\\_loans/](https://www.theglobaleconomy.com/rankings/Nonperforming_loans/)
- <https://www.coface.com/fr/Etudes-economiques-et-risque-pays>
- <https://www.theglobaleconomy.com/>
- <https://www.bis.org/statistics/consstats.htm>
- <https://www.etudes-economiques.credit-agricole.com/>
- <https://www.fitchratings.com/site/sovereigns/political>
- <https://www.imf.org/en/Publications>
- <https://www.heritage.org/index/>
- <https://www.doingbusiness.org/en/rankings>
- <https://www.weforum.org/reports/how-to-end-a-decade-of-lost-productivity-growth>
- <https://www.transparency.org/cpi2019>
- <http://etudes-economiques.credit-agricole.com/>
- <http://clb.natixis.com/research/economic/publications.aspx?lang=fr>
- <http://economic-research.bnpparibas.com/>
- <http://www.societegenerale.com/fr/s-informer-et-nous-suivre/econews/>
- MarketAxess Daily [btdata@marketaxess.com](mailto:btdata@marketaxess.com)
- Fed St Louis, The Economist, US Treasury, World Bank
- S&P's GlobalRatings, Fitch Rating [https://www.spratings.com/en\\_US/home](https://www.spratings.com/en_US/home)
- OCDE: <https://stats.oecd.org/>
- BCE: <https://www.ecb.europa.eu/home/languagelpolicy/html/index.fr.html>
- FMI: <https://www.imf.org/external/french/index.htm>

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## ECONOMIC INTELLIGENCE = TRANSFORMING INFORMATION INTO RISK STRATEGY



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## FINANCIAL, MACROECONOMIC AND SOCIO-POLITICAL INFORMATION AND INTELLIGENCE SOURCES

### Official sources

#### 1. Multilateral sources

- ▶ IMF
- ▶ World Bank
- ▶ BIS, OECD
- ▶ RDBs

#### 2. Official bilateral sources

- ▶ Country governments (CBs, CIA)
- ▶ ECAs (Coface, Hermes, Eximbank, ECGD, SACE, CESCE)
- ▶ Paris Club

### Private sources

1. Insurance agencies (Coface, AON, OPIC)
2. Research institutes (IIE, IIF, Brookings, Transparency Int.)
3. Thinktanks (Cato, Heritage, Freedom House, Heritage F.)
4. Magazines (Euromoney, Institutional Investor...)
5. Academic centers (CforGD, Global Finance...)
6. Rating agencies (S&P's, Dagong, Incra)

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## OFFICIAL INFORMATION SOURCES

- 4 IFIs = IMF + World Bank + BIS + OECD
- 4 RDBs = AsDB, AfDB, EBRD, IADB
- 2 UNs = UNCTAD + UNDP
- Export credit agencies (Coface, EFIC, Hermes...)
- Paris Club
- Central Banks
- Governments and Intelligence agencies  
([https://www.cia.gov/library/publications/the-world-factbook/wfbExt/region\\_eur.html](https://www.cia.gov/library/publications/the-world-factbook/wfbExt/region_eur.html))

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## IMF AS SOURCE OF RISK INFORMATION

International Financial  
Statistics (monthly)

Global tables:

IMF Credits

Official reserves and MS

Exchange rates (nominal  
and real effective rates)

CPI and interest rates

Trade Flows (M/X)

Commodity prices

Country data

Balance of payments

Government budget

National accounts

(GDP/GNP)

International liquidity

Monetary survey (bank  
credit, money and quasi-  
money)

Interest rates

Debt ratios

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## IMF AS SOURCE OF MACRO- ECONOMIC INFORMATION

Table 5. Ecuador: Balance of Payments, 2008–21  
(Millions of U.S. dollars, unless otherwise indicated)

	Est.										Proj.				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Current account	1,766	389	-1,586	-483	-586	-567	-2,247	-2,289	-870	-478	-549	-549	-536	-434	
Trade account	1,549	346	-1,504	-380	59	-489	-2,120	-2,121	-878	-35	-78	-1,300	-1,206	-726	
Exports, f.o.b.	10,402	14,612	18,137	20,302	20,909	20,886	20,804	20,908	20,325	19,247	18,960	19,139	19,036	20,855	
Imports, f.o.b.	11,733	14,246	19,723	20,682	20,498	21,393	22,910	22,116	21,103	19,204	19,019	20,149	20,102	21,581	
Non-GO	1,740	340	-1,494	-469	-567	-2,247	-2,247	-870	-478	-549	-549	-536	-537	-437	
Imports (f.o.b.)	-2,012	-2,428	-2,844	-3,258	-3,672	-4,086	-4,500	-4,914	-5,328	-5,742	-6,156	-6,570	-6,984	-7,398	
GO	-3,258	-3,776	-4,290	-4,704	-5,118	-5,532	-5,946	-6,360	-6,774	-7,188	-7,602	-8,016	-8,430	-8,844	
Services (net)	-480	-339	-256	-202	-286	-278	-278	-278	-278	-278	-278	-278	-278	-278	
Transfers (net)	3,033	2,722	2,461	2,272	2,489	2,289	2,284	2,078	2,150	1,946	2,395	2,405	2,270	2,733	

China: Selected Economic Indicators

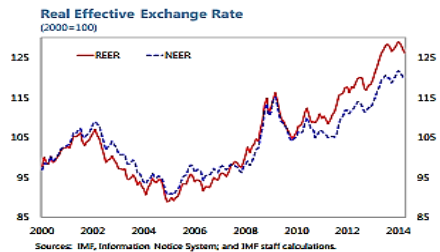
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projections											
NATIONAL ACCOUNTS											
Real GDP (base=2015)	7.9	7.8	7.3	6.9	6.7	6.7	6.4	6.4	6.3	6.0	5.8
Total domestic demand	7.9	8.1	7.2	7.2	7.4	7.8	8.0	8.8	8.8	8.6	8.2
Consumption	6.7	7.2	7.2	6.3	6.4	6.6	6.6	7.4	7.3	6.6	6.2
Investment	1.1	0.9	0.0	0.6	1.0	1.2	1.2	1.4	1.5	1.6	1.6
Fixed	0.9	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Investment (contribution)	0.8	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net exports (contribution)	1.2	0.9	1.1	0.6	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Total capital formation (percent of GDP)	47.2	47.3	46.8	44.7	44.2	43.7	42.9	42.4	42.0	41.7	41.8
Gross national saving (percent of GDP)	45.7	46.8	46.0	47.5	45.9	45.1	44.3	43.8	43.9	42.3	42.9

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## THE IMF AS SOURCE OF EXCHANGE RATE AND MONETARY DATA:

### CHINA



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## THE IMF'S WEO

### World Economic Outlook UPDATE

FOR RELEASE

Washington, DC: July 16, 2018, 10:00 a.m. EST

UNTIL RELEASED

#### Less Even Expansion, Rising Trade Tensions

- Global growth is projected to reach 1.9 percent in 2018 and 2019, in line with the forecast of the April 2018 World Economic Outlook (WEO), but the expansion is becoming less even, and risks to the outlook are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized. In the United States, near-term momentum is strengthening in line with the April WEO forecast, and the U.S. dollar has appreciated by around 5 percent in recent weeks. Growth projections have been revised down for the euro area, Japan, and the United Kingdom, reflecting negative surprises to activity in early 2018. Among emerging market and developing economies, growth prospects are also becoming more uneven, and rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals. Growth projections have been revised down for Argentina, Brazil, and India, while the outlook for some oil exporters has strengthened.

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**IMF Managing Director Kristalina Georgieva's Statement Following a G20 Ministerial Call on the Coronavirus Emergency**  
March 23, 2020

"The human costs of the Coronavirus pandemic are already immeasurable and all countries need to work together to protect people and limit the economic damage. This is a moment for solidarity—which was a major theme of the meeting today of the G20 Finance Ministers and Central Bank Governors." I emphasized three points in particular:

**"First, the outlook for global growth:** for 2020 it is negative—a recession at least as bad as during the global financial crisis or worse. But we expect recovery in 2021. To get there, it is paramount to prioritize containment and strengthen health systems—everywhere. The economic impact is and will be severe, but the faster the virus stops, the quicker and stronger the recovery will be. "We strongly support the extraordinary fiscal actions many countries have already taken to boost health systems and protect affected workers and firms. We welcome the moves of major central banks to ease monetary policy.

**"Second, advanced economies are generally in a better position to respond to the crisis,** but many emerging markets and low-income countries face significant challenges. They are badly affected by outward capital flows, and domestic activity will be severely impacted as countries respond to the epidemic. Investors have already removed US\$83 billion from emerging markets since the beginning of the crisis, the largest capital outflow ever recorded. We are particularly concerned about low-income countries in debt distress—an issue on which we are working closely with the World Bank.

**"Third, what can we, the IMF, do to support our members?** We are concentrating bilateral and multilateral surveillance on this crisis and policy actions to temper its impact. We will massively step up emergency finance—nearly 80 countries are requesting our help—and we are working closely with the other international financial institutions to provide a strong coordinated response. We are replenishing the Catastrophe Containment and Relief Trust to help the poorest countries. We welcome the pledges already made and call on others to join. We stand ready to deploy all our US\$1 trillion lending capacity.

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**WORLD BANK AS SOURCE OF RISK INFORMATION**

**Global Development Finance (annual)**

► Vol. 1 = Global tables

Total debt stock and flows of EMCs broken down by creditors & maturities

► Vol.2 = country tables

Total debt and debt servicing payments

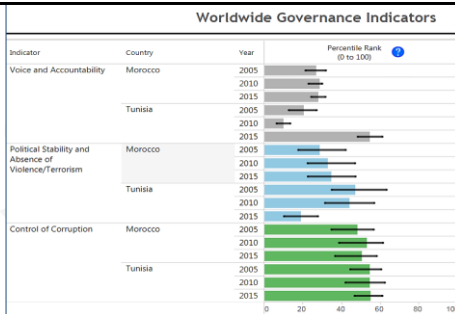
**Country economic reports**

- Structural indicators
- Economic policy issues
- WB project lending
- Debt sustainability analysis
- Governance analysis

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**WORLD BANK:  
CROSS-COUNTRY  
COMPARISON OF  
GOVERNANCE  
INDICATORS:  
TUNISIA VS  
MOROCCO**



<http://info.worldbank.org/governance/wgi/#reportsindicators>: Tunisia vs Morocco

**BIS =  
KEY SOURCE OF  
FINANCIAL RISK  
INFORMATION**

**Global tables**

- International Banking statistics (quarterly)
- + Annual BIS report
- International banking market
- International debt securities market
- Derivatives market

**Country Tables**

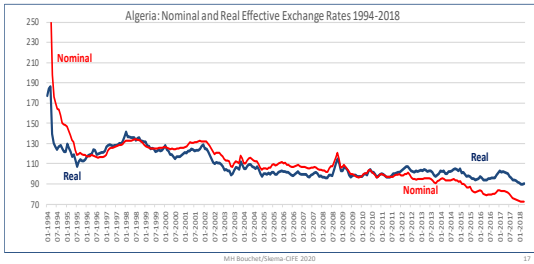
- External positions of BIS reporting banks: assets (claims) and liabilities (deposits) vis à vis all sectors and the non-bank private sector
- Breakdown by creditor banks and by maturities
- Real effective exchange rates

<http://stats.bis.org/statx/srs/table/b4>

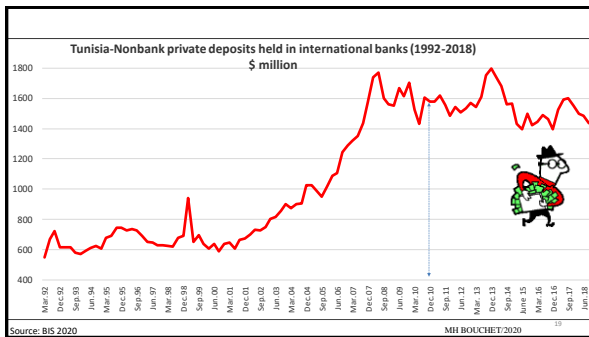
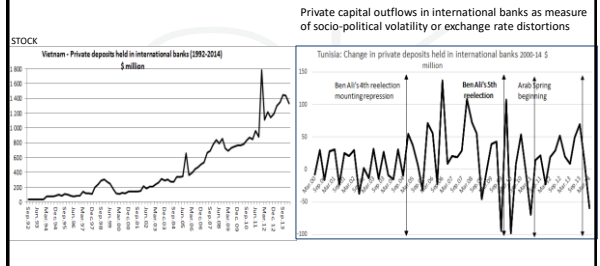
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### THE BIS: NOMINAL AND REAL EFFECTIVE EXCHANGE RATES



### BIS: A SOURCE OF CAPITAL FLIGHT DATA



### OECD, CENTRAL BANKS AND TREASURIES

► Ex. FFIEC: US Federal Financial Institution Examination Council

► US banks' claims on CHILE = US\$ 3.22 billion o/w

1. On banks= \$ 903 million
2. On public sector= \$320 million
3. On private sector= \$1970 million
4. Total ST debt < 1 year loans= 51%



Source: BIS 2020

### PARIS CLUB = SOURCE OF DEBT-RELATED INFORMATION

- There are no established institutionalized mechanisms for dealing with **private** sector cross-border debt in arrears! This is not the case of **official-source** debt that is renegotiated under the auspices of the Paris Club since 1956! Cf. Argentina's debt crisis
- The Paris Club: A confidential ad-hoc forum of debt negotiations between OECD country creditors and sovereign debtors.
- It only deals with official or officially-guaranteed credits (Coface, Hermes, ECGD, US Eximbank...).
- Consensus-based agreements.



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### THE PARIS CLUB

- The first meeting with a debtor country was in 1956 when Argentina agreed to meet its public creditors in Paris. Since then, the Paris Club has reached >430 agreements concerning 90 debtor countries. The total amount of debt covered in these agreements has been \$583 billion.
- The Paris Club has remained strictly informal. It is the voluntary gathering of creditor countries willing to treat in a co-ordinated way the debt due to them by the developing countries.
- It can be described as a "non institution".

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### THE PARIS CLUB'S KEY NUMBERS

#### KEY NUMBERS

Total amount of agreements	433
Total amount of debtor countries	90
Total amount of debt	583 Billion \$
Total amount of countries in "Classic Terms"	60
Total amount of countries in "Houston Terms"	21
Total amount of countries in "Naples Terms"	36
Total amount of countries in "Cologne Terms"	33

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#### TOTAL CLAIMS OF PARIS CLUB MEMBERS ON EMERGING MARKET COUNTRIES

Créances du Club de Paris au 31 décembre 2016, hors intérêts de retard (en millions de dollars)

APD : Aide Publique au Développement  
NAPD : non consenties aux conditions de l'APD

Pays débiteurs	Créances APD	Créances NAPD	TOTAL
Afghanistan	1	1 250	1 251
Afrique du Sud	765	173	938
Albanie	495	23	517
Algérie	520	2	522
Angola	451	863	1 304
Antigua-et-Barbuda	3	118	121
Arabie Saoudite	-	2 925	2 925
Argentine	661	5 288	5 949
Arménie	452	16	467
Azerbaïdjan	756	34	791
Bangladesh	3 121	431	3 552
Barbade	2	-	2
Belize	-	-	-
Bénin	5	14	19
Bélarussie	26	6 359	6 385
Bolivie	105	2	106
Bosnie-Herzégovine	250	374	624
Botswana	19	-	19
Bulgarie	186	74	260
Burkina Faso	140	0	140
Burundi	-	-	-
Caméroune	915	1 399	2 314
Cap Vert	537	24	562
Chili	111	47	158
Chine	90	90	180
Colombie	14 710	1 030	15 740

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## PARIS CLUB DEBT RESTRUCTURING TERMS

Restructuring Terms	Eligibility	Rescheduling term (T/Grace)	Debt Reduction Terms		Debt Conversion
			ODA	Non ODA	
Houston 09/90	GDP per capita <\$2995 and debt/GDP>50%	ODA: 20/10 Non ODA: 15/2-3	Rescheduled at an interest rate at least as favourable as the original concessional interest rate applying to these loans	Repayment periods are lengthened	ODA: no limit Non ODA: up to 20% of the outstanding amount or 15-30 million SDR
Toronto 10/88	Poorest countries	ODA: 25/14 Non ODA: 14/8		33,33%	
London, 12/91	23 countries	ODA: 30/12 Non ODA: 23/6		50%	
Naples 12/94	Poorest countries	ODA: 25/14 Non ODA: 14/8		67%	
Lyon 11/96	Poorest countries	ODA: 40/16 Non ODA: 23/6		80%	
Cologne 11/99	41 HIPC	ODA: 40/16 Non ODA: 23/6		90%	

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## NIGERIA: 10/2005 PARIS CLUB DEBT RESTRUCTURING

► Total stock of public sector debt= US\$ 36.2 billion, o/w US\$ 30 billion due to the Paris Club

- Debt agreement follows the IMF's Policy Support Instrument (PSI) on 17 October 2005, including a debt reduction under Naples terms on eligible debts and a buy back at a market-related discount on the remaining eligible debts after reduction. Two conditional phases:
- 1. Nigeria undertakes to pay arrears due on all categories of debts and Paris Club creditors grant a 33% cancellation of eligible debts;
- 2. After the first review of the PSI, planned for March 2006, Nigeria will pay amounts due under post-cut off date debt, and Paris Club creditors will grant a further tranche of cancellation of 34%, and Nigeria will buy back the remaining eligible debts.
- Total debt cancellation of **US\$ 18 billion** (including moratorium interest) representing an overall cancellation of about 60% of Paris Club debt. Paris Club creditors will be paid an amount of US\$ 12.4 billion, representing regularization of arrears.

## UNDP AND UNCTAD

## UNDP

- HDI
- Social and development indicators

## UNCTAD

- Trade, FDI and development indicators
- Role of MNCs in EMCs

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UNDP  
HUMAN DEVELOPMENT INDEX

Often rich countries with poor people!

1	Norway	171	Côte d'Ivoire
2	Australia	172	Djibouti
2	Switzerland	173	Gambia
4	Germany	174	Ethiopia
5	Denmark	175	Mali
5	Singapore	176	Congo (Dem R)
7	Netherlands	177	Liberia
8	Ireland	178	Guinea-Bissau
9	Iceland	179	Eritrea
10	Canada	179	Sierra Leone
10	United States	181	Mozambique
12	Hong Kong	181	South Sudan
13	New Zealand	183	Guinea
14	Sweden	184	Burundi
15	Liechtenstein	185	Burkina Faso
16	United Kingdom	186	Chad
17	Japan	187	Niger
18	Korea	188	Central Af Rep

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**CIA**

► The World FactBook  
► [https://www.cia.gov/library/publications/the-world-factbook/wfbExt/regi-on\\_eur.html](https://www.cia.gov/library/publications/the-world-factbook/wfbExt/regi-on_eur.html)

**COUNTRY COMPARISON: GDP (PURCHASING POWER PARITY)**  
GDP (purchasing power parity) compares the gross domestic product (GDP) or value of all final goods and services produced within a nation in a given year. A nation's GDP at purchasing power parity (PPP) exchange rates is the sum value of all goods and services produced in the country valued at prices prevailing in the United States.

RANK	COUNTRY	GDP (PURCHASING POWER PARITY)	DATE OF INFORMATION
1	CHINA	\$21,140,000,000,000	2016 EST.
2	EUROPEAN UNION	\$19,970,000,000,000	2016 EST.
3	UNITED STATES	\$18,560,000,000,000	2016 EST.
4	INDIA	\$6,721,000,000,000	2016 EST.
5	JAPAN	\$4,932,000,000,000	2016 EST.
6	GERMANY	\$3,979,000,000,000	2016 EST.
7	RUSSIA	\$3,745,000,000,000	2016 EST.
8	BRAZIL	\$3,681,000,000,000	2016 EST.
9	INDONESIA	\$3,638,000,000,000	2016 EST.
10	UNITED KINGDOM	\$2,788,000,000,000	2016 EST.

**SPECIALIZED COUNTRY RISK ANALYSIS INSTITUTIONS**

- IIF (Washington) The Institute for International Finance
- IIE (Washington), EIU (London), Brookings (D.C.)
- Bond rating agencies: Dun and Bradstreet, Moody's, S&P, FITCH IBCA, Dagong
- BERI (Business Environment Risk Index)
- Institutional Investor, Euromoney
- Frost & Sullivan
- INCRA (Bertelsmann Foundation)
- Transparency International
- Heritage Foundation, Davos-WEF, Cato Institute, IMD, AT Kearney, Global Finance-SKEMA
- ICRG, PRS
- Insurance companies: AON

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**RATING AGENCIES**

- Bond rating: Moody's, Fitch, S&Ps
- DAGONG
- Risk rating: COFACE
- INCRA (non-profit credit-rating agency for sovereign risk)
- Country risk rating: BERI, Euromoney, Institutional Investor
- CountryRisk.io

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**CountryRisk.io** A COMMUNITY-BASED COUNTRY RISK RATING PLATFORM

Toward a transparent and independent country and sovereign risk rating models!?

The long-term Sovereign Risk Score measures a country's economic and financial strength, as well as its ability and willingness to honour its foreign debt obligations

The long-term Sovereign Risk Score is a quantitatively-derived index based on a large set of indicators, and assesses a country's economic and financial strength. Available on an annual frequency, with values ranging between 0 and 100.

Higher values indicate higher sovereign risk and weaker economic and financial fundamentals. >140 countries with five-year forecasts

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**GOVERNMENTS ARE BYPASSED BY MARKET FORCES AND UNDER THE SCRUTINY OF IFIS AND RATING AGENCIES**

Rating Distribution of Sovereign Issuers on Selected Dates

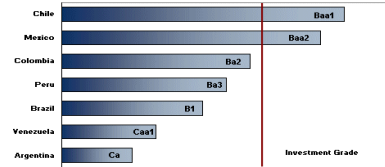
Rating	1983	1990	1995	2000	2005	2010	2011	2012
Aaa	79%	33%	16%	12%	19%	15%	14%	13%
Aa	21%	28%	25%	15%	7%	15%	11%	12%
A	0%	17%	18%	10%	22%	13%	14%	8%
Baa	0%	8%	18%	21%	14%	18%	21%	26%
Ba	0%	8%	16%	19%	15%	16%	15%	16%
B	0%	6%	5%	18%	17%	23%	23%	22%
Caa-C	0%	0%	0%	5%	5%	1%	2%	3%
Investment-grade	100%	86%	78%	59%	63%	61%	59%	59%
Speculative-grade	0%	14%	22%	41%	37%	39%	41%	41%

Moody's Summer 2013

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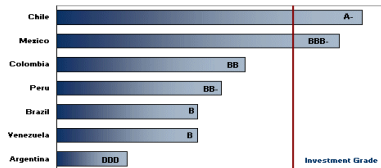
**MOODY'S INVESTORS SERVICE LONG-TERM FOREIGN CURRENCY RATINGS**



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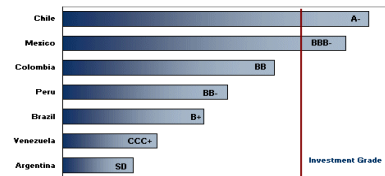
**FITCH IBCA, DUFF AND PHELPS LONG-TERM FOREIGN CURRENCY RATINGS**



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**STANDARD AND POOR'S LONG-TERM FOREIGN CURRENCY RATINGS**



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**COFACE****(COMPAGNIE FRANÇAISE D'ASSURANCE POUR LE COMMERCE EXTÉRIEUR)**

- The Coface Group facilitates and secures trade throughout the world. The Group offers a range of solutions spanning rating, protection and services, including country risk data and analysis.
- Country risk analysis is expressed in a rating/ranking format but based on a qualitative analysis aimed at integrating the socio-political and economic specificities of each country.

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**COFACE**

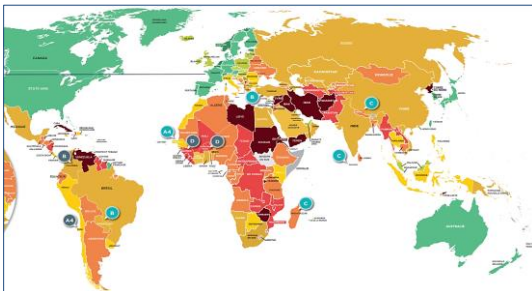
- Coface takes into account several types of country risk around six different analytical modules:

1. political risk;
2. liquidity and non-transfer risk;
3. sovereign risk;
4. market crisis risk;
5. systemic banking crisis;
6. macroeconomic growth risk

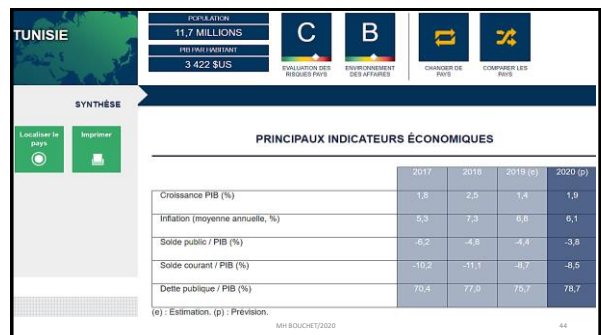
► [www.coface.org](http://www.coface.org)

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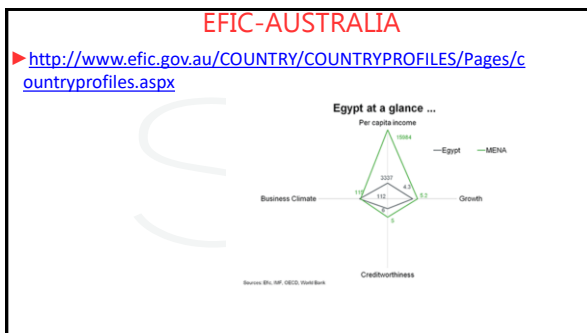
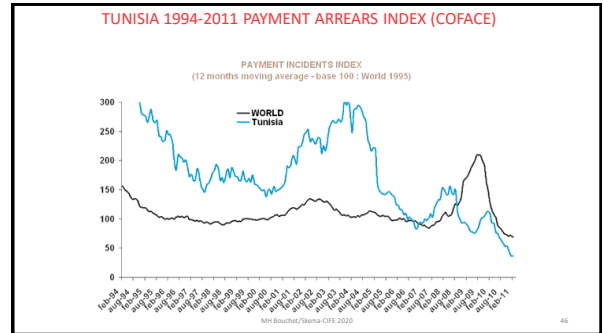
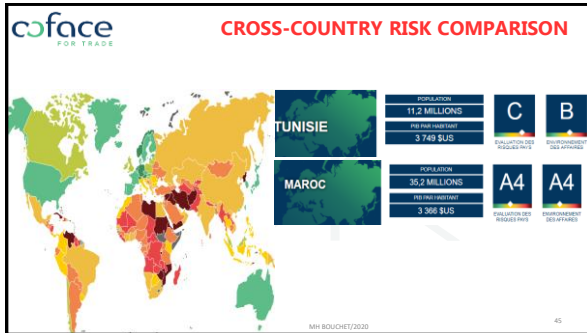
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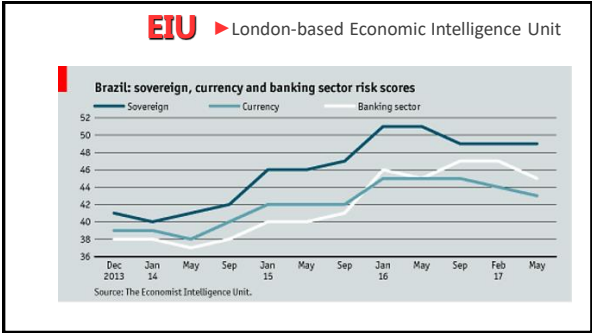
**COFACE 2020 GLOBAL RISK MAP**

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**EIU**  
London-based  
Economic  
Intelligence Unit

July 31st 2017

**Overview**

**Brazil: risk assessment**

	Sovereign risk	Currency risk	Banking sector risk	Political risk	Economic structure risk	Country risk
May 2017	SS	SS	SS	SS	SS	SS

Robert Wood (lead analyst): Fiona Maclellan (analyst). Published 05 May 2017, 2100 GMT.

Three ratings are released from the Ratings Report national ratings, which was produced outside the European Union, and otherwise are not issued by The Economist Intelligence Unit credit rating agency, which is registered in accordance with Regulation (EC) No 1060/2009 of 16 September 2009, on credit rating agencies, as amended. This report and the ratings, therefore, are not issued pursuant to such Regulation and do not fall within its scope.

[Download the numbers in Excel](#)

**Sovereign risk**

The president, Michel Temer, is resisting pressure to resign following corruption allegations made against him in May. Even if he does survive (we now assume that he will), governability will weaken, reducing the likelihood that pension reforms will be approved in Congress. This will set back medium-term fiscal consolidation plans and rekindle lingering concerns about debt sustainability.

**Currency risk**

The latest political crisis caused a sell-off in the Real, but it has since regained ground (to R\$1.15 US\$1 in late July). Narrowing interest-rate differentials will weaken the Brazilian currency as the Banco Central do Brasil (the central bank) continues to ease monetary policy while US policy rates rise. Brazil has a large reserves cushion.

<b>Business Environment Risk Intelligence (BERI)</b> provides a Political Risk Index, assessing the social and political environment of a country. It is built on the opinions and views provided by a thousand experts, with a qualitative or political science background. Governance quality is included in our political risk analysis along with government effectiveness and social indicators. <a href="http://www.eiu.com">http://www.eiu.com</a>	<b>Political Risk Service (PRS)</b> The PRS analyses cover a hundred countries and are updated on a quarterly basis. <b>International Country Risk Guide</b> measures and tracks corruption perception in government, law and order, corruption risk, as well as the quality of bureaucracy. These measures stem from the subjective assessment of experts around the world. <a href="http://www.jointreport.com">http://www.jointreport.com</a>	Thanks to its unique policy dialogues with more than 180 countries, the <b>World Bank</b> has developed a comprehensive database of composite governance indicators, measuring perceptions of voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and corruption. <a href="http://www.worldbank.org/wbi/governance/">http://www.worldbank.org/wbi/governance/</a>
The London-based <b>Economist Intelligence Unit (EIU)</b> provides a comprehensive 2-year forecasting country risk analysis on some 180 EMCs, on a quarterly basis. The EIU method stems from expert's access to a series of 77 pre-determined qualitative and quantitative questions. <a href="http://www.eiu.com">http://www.eiu.com</a>	To look upon governance and corruption, Moody's takes into consideration the structure of social interaction, social and political dynamics, as well as the economic fundamentals. Moody's relies on the judgment of a group of credit risk professionals to weigh the various risk factors as well as the impact of each of these factors upon business prospects. <a href="http://www.moody.com">http://www.moody.com</a>	<b>Standard and Poor's</b> voting approach is both quantitative and qualitative. It is based on a checklist of 10 categories, including governance and political risk. The political risk factors gauge the impact of politics on economic conditions, as well as the quality of governance and the degree of government support in the population. S&P assigns short term and long-term ratings. <a href="http://standardandpoors.com">http://standardandpoors.com</a>
<b>Euroconomy</b> publishes ratings of some 180 countries since 1982 on a semi-annual basis. The methodology is built from a blend of quantitative criteria and qualitative factors coming from surveys with about 40 political analysts and economists. Political risk receives a 25% weighting, as much as economic performance. Countries are graded on scale from 0 (worst) to 100 (best). <a href="http://www.euroconomy.com">www.euroconomy.com</a>	<b>Institutional Investor's</b> ratings are published twice a year since 1979/80 across the creditworthiness of about 150 countries, based on a survey of some 100 international bankers' perception of creditworthiness, including economic, financial and socio-political stability criteria. The resulting score scales from zero (very high chance of default) to 100 (low chance of default). <a href="http://www.institutionalinvestor.com">www.institutionalinvestor.com</a>	<b>Transparency International</b> , a non-profit non-governmental organization in Berlin, provides an annual survey of corruption practices in nearly 190 countries since 1995. The Corruption Perception Index is based on a wide survey of information sources with local NGOs, domestic and foreign corporations, investors, and business contacts. <a href="http://www.transparency.org">www.transparency.org</a>

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<b>Heritage Foundation</b> established since 1983, in partnership with the WSJ, an economic freedom index for some 160 countries. Both industrialized and developing. The ranking is based on various socio-political and economic criteria, including political stability, state interference, regulatory framework, institutional strength, and corruption scope. <a href="http://www.heritage.org">www.heritage.org</a>	<b>Prismatonehouse Cooper's Opacity Index</b> measures the lack of clear, accurate, formal and widely accepted practices in a country's business environment. As such, it focuses on the relative state of corrupt business practices, the transparency of the legal system and the regulatory framework. It represents a quantitative approach to assessing opacity and is resulting extra risk premium that stems from the additional business and economic costs. <a href="http://www.opacindex.com">www.opacindex.com</a>	The Institute for Management Development's <b>World Competitiveness Report</b> analyses 49 industrialized and emerging economies around the world based on a far-reaching survey since 1989. Its analysis of the institutional framework, addresses issues such as state efficiency, transparency of government policy, public service's independence from political interference, bureaucracy as well as bribery and corruption. <a href="http://www.imd.ch">www.imd.ch</a>
<b>Freedom House</b> focuses since 1972 on corruption levels in a number of developing and transition economies around the world. FIH publishes an annual assessment of state of freedom in various countries on the basis of political rights and civil liberties. Political stability and civil liberties are ranked on a scale of 0 (best) to 7 (worst). <a href="http://www.freedomhouse.org/ratings/index.html">www.freedomhouse.org/ratings/index.html</a>	<b>The Political and Economic Stability Index</b> of Eurasian Business and Eurasia measures relative stability in around 20 EMCs by integrating political science theories with financial markets development. The monthly evaluation uses both quantitative and qualitative criteria, including institutional efficiency, political legitimacy, economic performance, and government effectiveness. <a href="http://www.kapil.com">www.kapil.com</a>	<b>Political and Economic Risk Consultancy (PERC)</b> specializes in strategic business information and analysis in East and Southeast Asia, with emphasis on corruption and business costs. Annual risk reports survey over 1,000 senior executives living in to obtain their perceptions of corruption, labor quality, intellectual property rights risks and other systems, shortcomings. <a href="http://www.asiarisk.com">www.asiarisk.com</a>

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