


dfe Centre international de formation européenne
dfe BERLIN BRUXELLES ROTTERDAM

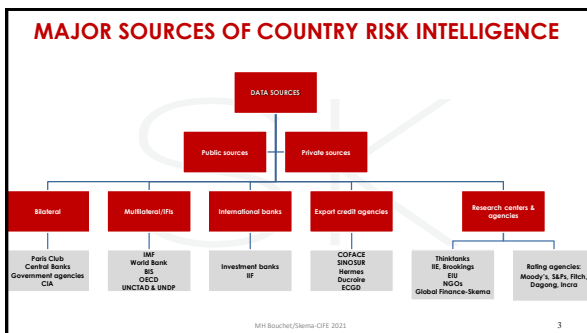
COUNTRY RISK ECONOMIC INTELLIGENCE AND INFORMATION SOURCES



CIFE SEMINAR NICE APRIL 2021
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



DEFI
DEVELOPING FINANCE
OXFORD ECONOMICS

Country ...
Political Risk

La globalisation
Introduction à l'économie
du nouveau monde

Control Risks

MANAGING
COUNTRY RISK
IN AN AGE OF
GLOBALIZATION

EULER HERMES
Our knowledge serving your success

INTERNATIONAL
MONETARY FUND

AON
Euler-Hermes
coface
FOR SAFER TRADE

THE WORLD BANK

MH Bouchet

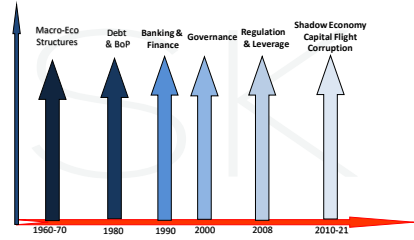
ECONOMIC INTELLIGENCE = THE KEY OF RELIABLE RISK ANALYSIS AND MITIGATION!

- www.developingfinance.org
- 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://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
- Fed St Louis, The Economist, US Treasury, World Bank
- S&P's GlobalRatings, Fitch Rating 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, MACRO-ECONOMIC 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)
7. Private risk assessment firms PRG, TAC...

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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, OPIC, Eximbank, Hermes...)
- Paris Club
- Central Banks
- Governments and Intelligence agencies
(https://www.cia.gov/library/publications/the-world-factbook/wfbExt/region_eur.html)

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IMF AS SOURCE OF RISK INFORMATION

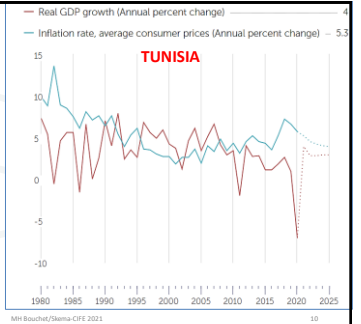
International Financial Statistics (monthly)
Global tables:
 IMF Credits
 Official reserves and MS
 Exchange rates (nominal and real effective rates)
 CPI and interest rates
 Trade Flows (M/X)
 Commodity prices

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



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IMF AS SOURCE OF MACRO-ECONOMIC INFORMATION

Table 1. Tunisia: Selected Economic and Financial Indicators, 2017–25

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.
Production and prices									
Real GDP (at 2010 prices)	19	27	10	-42	-1	38	41	24	20
GDP inflation	48	79	71	54	52	59	56	62	69
CPI inflation (average)	53	73	67	57	52	58	49	63	69
CPI inflation (snap)	62	75	61	55	50	60	48	64	69
Living investment balance									
Gross national savings	91	100	88	10	11	84	55	19	19
of which: central government	-44	10	14	-11	-11	-35	21	-14	-13
Gross investment	184	211	172	78	105	105	145	114	112
of which: central government	16	58	93	61	32	58	40	53	53
Central government operations 1/									
Total revenue and grants	246	260	277	269	264	270	278	272	274
Total expenditure and net lending	306	305	316	375	307	362	351	340	337
of which: wage bill	100	100	100	176	101	172	154	169	167
of which: energy subsidies	16	23	28	13	07	18	05	11	08
of which: transfers (incl. social programs and OMPs)	22	25	28	36	23	29	22	29	29
of which: capital expenditure	56	56	53	61	33	58	45	55	53
Overall balance (incl. grants)	-60	-45	-39	-106	-43	-93	-75	-68	-65

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IMF AS SOURCE OF MACRO-ECONOMIC INFORMATION

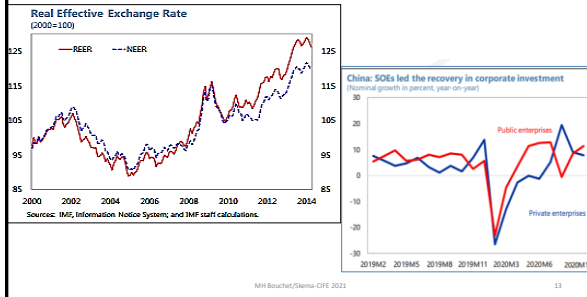
Table 3. Tunisia: Balance of Payments, 2017–25 1/ (In millions of U.S. dollars, unless otherwise indicated)

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.	Pos.
Current account balance	-4,080	-4,443	-3,388	-2,697	-4,210	-4,396	-4,491	-4,608	-4,717
Trade balance	-5,308	-5,950	-5,428	-3,711	-4,312	-4,101	-5,586	-4,243	-4,454
Exports	14,231	15,485	14,545	13,545	13,532	13,528	17,281	18,553	19,168
Imports	846	880	824	774	910	977	1,057	1,364	1,292
of which: non-food	11,384	14,605	14,121	12,872	13,608	13,615	16,784	17,139	17,868
Imports	-18,538	-21,405	-20,373	-17,357	-22,225	-23,028	-23,748	-24,745	-25,984
Energy	-2,515	-3,214	-3,657	-2,624	-3,893	-3,999	-4,738	-4,285	-4,448
Non-energy	-17,023	-18,191	-16,716	-14,733	-18,332	-19,029	-19,010	-20,460	-21,536
of which: non-food	-15,100	-16,195	-14,981	-12,914	-15,748	-16,422	-17,884	-17,881	-18,529
Services and transfers (net)	1,220	1,536	2,140	1,014	2,162	1,790	1,491	1,654	1,717
Services	305	717	1,582	6	1,105	888	789	970	972
of which: tourism exports	1,110	1,365	1,918	740	1,295	1,700	1,887	1,814	2,042
Transfers (net)	915	789	558	1,008	957	902	684	684	745
of which: workers' remittances	1,861	1,875	2,023	2,249	2,322	2,386	2,488	2,461	2,492
of which: interest payments on external debt	-407	-725	-795	-787	-986	-1,236	-1,458	-1,590	-1,590
Capital and financial account	4,279	5,380	5,056	4,255	5,480	4,715	4,284	4,165	4,307
Capital account balance	184	128	137	419	92	72	80	89	98
Financial account balance	3,895	4,940	4,928	3,836	5,388	5,644	4,018	4,076	4,208
Direct investment and portfolio (net)	747	140	633	647	787	930	982	989	1,005
Medium- and long-term loans (net)	2,281	1,143	1,104	-424	1,709	1,035	1,634	2,029	2,249
Disbursements	4,266	2,037	2,231	1,668	4,915	3,645	4,350	5,102	4,673
Amortization	-1,986	-1,487	-2,127	-2,141	-3,205	-2,630	-2,716	-3,072	-2,449
ST debt and other capital flows (net)	868	2,848	3,001	3,662	1,122	1,678	1,451	1,847	934

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THE IMF AS SOURCE OF MONETARY DATA: CHINA



THE IMF'S WEO

World Economic Outlook **UPDATE**

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

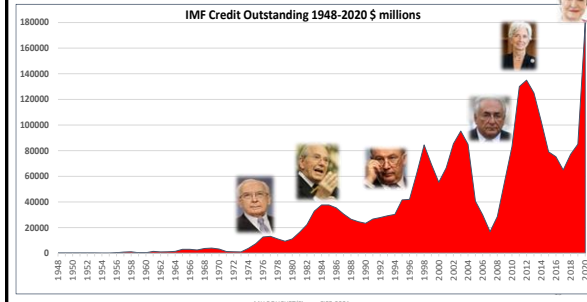
STRICTLY CONFIDENTIAL
UNTIL RELEASED

Less Even Expansion, Rising Trade Tensions

- Global growth is projected to reach 3.9 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 US 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'S FIRE-FIGHTING ROLE IN TIMES OF CRISIS



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," 3 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—in 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

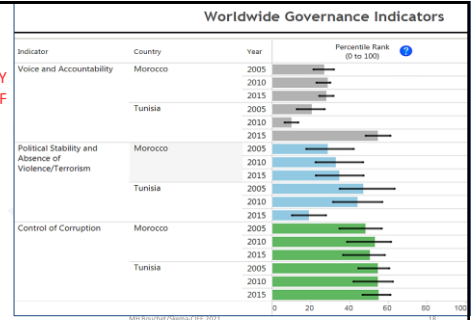
Country economic reports

- 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

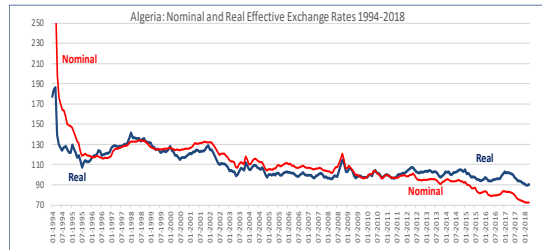
- External positions of BIS reporting banks: assets (claims) and liabilities (deposits) vis à vis all sectors and the non-bank private sector
- Breakdown by creditor banks and by maturities
- Real effective exchange rates

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

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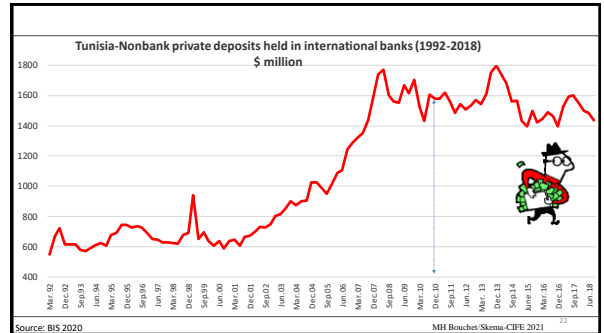
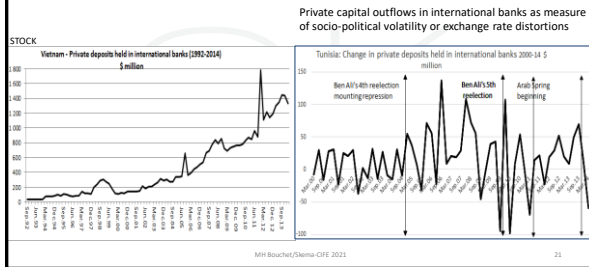
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THE BIS: NOMINAL AND REAL EFFECTIVE EXCHANGE RATES



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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%



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OECD SOURCE OF OBSOLETE DEBT INFORMATION

General government debt Total, % of GDP, 2019

Source: OECD National Accounts Statistics: National Accounts at a Glance



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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 1956-2021

Total number of agreements	473
Total number of debtor countries	100
Total amount of debt	589 Billion \$
Total number of countries in "Classic Terms"	60
Total number of countries in "Houston Terms"	21
Total number of countries in "Naples Terms"	33
Total number of countries in "Cologne Terms"	36



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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	766	173	939
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	-	-	-
Caméroun	915	1 399	2 314
Cap Vert	537	24	562
Chili	111	47	158
Chine	90	90	180
	14 710	1 030	15 740

Adapté de Bouchet/Skema - CFE - 2021

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.

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UNDP AND UNCTAD

UNDP	UNCTAD
► HDI ► Social and development indicators	► Trade, FDI and development indicators ► Role of MNCs in EMCs

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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



UNDP
HUMAN DEVELOPMENT INDEX

Often rich countries with poor people!

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Central Intelligence Agency

- The World FactBook
- https://www.cia.gov/library/publications/the-world-factbook/wfbExt/regi-on_eur.html
- <https://www.cia.gov/the-world-factbook/static/4b7b-c51de9901e725e605-be0502e5e1b/CH-summary.pdf>


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GOVERNMENT
 Chief of State
 President Xi Jinping
 Head of Government
 Premier Li Keqiang
 Government Type
 communist party-led state
 Capital
 Beijing
 Legislature
 unicameral National People's Congress at Quanguo Renmin Daxue Dahui (maximum of 3,000 seats)
 Judiciary
 Supreme People's Court (consists of over 340 judges including the chief justice and 13 grand justices)
 Ambassador to US
 Ambassador CIA Tianhai
 US Ambassador
 Ambassador Terry Branstad

GEOGRAPHY
 Area
 Total: 9,596,960 sq km
 Land: 9,326,410 sq km
 Water: 270,550 sq km
 Climate
 extremely diverse; tropical in south to subarctic in north
 Natural Resources
 coal, iron ore, helium, petroleum, natural gas, arsenic, bauxite, cobalt, cadmium, feldspar, gallium, germanium, hafnium, indium, lithium, mercury, niobium, tellurium, tin, titanium, tungsten, antimony, manganese, magnesium, molybdenum, selenium, strontium, vanadium, magnetite, aluminum, lead, zinc, rare earth elements, uranium, hydropower potential (world's largest), arable land
 as of August 2020

ECONOMY
 Economic Overview
 largest economy and exporter in the world, but one that continues to pursue state-directed industrial, trade, and investment policies, including state support of key sectors
 GDP (Purchasing Power Parity)
 \$20.36 trillion (2019 est.)
 GDP per capita (Purchasing Power Parity)
 \$10,260 (2019 est.)
 Exports
 \$2.49 trillion (2019 est.)
 partners: US 19.2%, Hong Kong 12.2%, Japan 5.9%, South Korea 4.4% (2019)
 Imports
 \$2.16 trillion (2019 est.)
 partners: South Korea 9.7%, Japan 8.6%, US 7.3%, Germany 5%, Australia 4.9% (2019)

PEOPLE & SOCIETY
 Population
 1.4 billion (July 2020 est.)
 Population Growth
 0.32% (2020 est.)
 Ethnicity
 Han Chinese 91.6%, Zhuang 1.3%, other (includes Hui, Manchu, Uighur, Miao, Yi, Tujia, Tibetan, Mongol, Dong, Buyi, Yao, Bai, Korean, Hani, Li, Kazakh, Dai) 7.7% (2010 est.)
 Language
 Standard Chinese or Mandarin (official Putunghua, based on the Beijing dialect), Yue (Cantonese), Wu (Shanghaiese), Minbei (Fuzhou), Minnan (Hokkien-Taiwanese), Xiang, Gai, Hakka dialects, minority languages
 Religion
 Buddhist 18.2%, Christian 5.1%, Muslim 1.8%, folk religion 21.9%, Hindu <0.1%, Jewish <0.1%, other 0.7%, unaffiliated 52.2% (2012 est.)
 Urbanization
 urban population: 61.4% of total population (2020)
 rate of urbanization: 2.42% annual rate of change (2015-20 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&P's
- 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

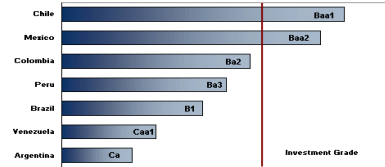
Rating	1983	1990	1995	2000	2005	2010	2011	2012
Aaa	79%	33%	16%	12%	19%	15%	14%	13%
Aa	21%	28%	25%	15%	7%	15%	11%	12%
A	0%	17%	18%	10%	22%	13%	14%	8%
Baa	0%	8%	18%	21%	14%	18%	21%	26%
Ba	0%	8%	16%	19%	15%	16%	15%	16%
B	0%	6%	5%	18%	17%	23%	23%	22%
Caa-C	0%	0%	0%	5%	5%	1%	2%	3%
Investment-grade	100%	86%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

Moody's Summer 2013

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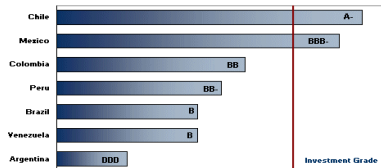
MOODY'S INVESTORS SERVICE LONG-TERM FOREIGN CURRENCY RATINGS



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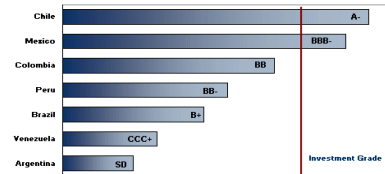
FITCH IBCA, DUFF AND PHELPS LONG-TERM FOREIGN CURRENCY RATINGS



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STANDARD AND POOR'S LONG-TERM FOREIGN CURRENCY RATINGS



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Information sources: Standard & Poor's: Sovereign risk indicators

Sovereign Risk Indicators: Economic Data

LTFC rating		Nominal GDP (\$Bn, LC)	Real GDP (\$Bn, US\$)	GDP per capita (\$K, US\$)	Real GDP growth (%)	Real GDP growth investment (%)	Real GDP growth investment (%)	Savings / GDP (%)	Exports / GDP (%)	Unemployment rate (% of work force)
		2010e	2010e	2010e	2010e	2010e	2010e	2010e	2010e	2010e
Abu Dhabi	AA	789	289	71,607	2.0	(2.8)	N/A	N/A	N/A	69.1
Albania	B+	1,523	12	4,216	3.2	3.4	8.0	27.9	15.6	17.1
Andorra	AAA	3	3	36,541	1.9	0.8	N/A	N/A	N/A	N/A
Angola	B	14,387	95	3,719	1.3	(1.2)	0.4	28.4	16.0	30.9
Argentina	B-	8,809	147	12,550	(1.0)	(2.8)	(0.3)	17.4	14.6	14.1
Austria	BBB+	8	3	14,224	0.4	(0.7)	1.1	23.3	23.8	71.9
Australia	AAA	1,035	1,205	49,054	2.7	1.3	(0.0)	25.7	21.2	10.8
Austria	AA+	380	389	45,115	1.4	0.9	2.0	33.4	29.4	10.2
Azerbaijan	BB+	99	39	3,402	(1.0)	(4.6)	4.5	20.9	10.9	30.1
Bahrain	BBB	9	9	32,754	0.3	(1.1)	(7.1)	36.2	30.5	24.4
Bahrain	BB-	12	31	22,039	2.0	(1.0)	3.0	25.1	19.2	71.9
Bangladesh	BB-	17,206	220	1,355	7.1	6.3	8.0	24.4	31.1	10.3
Barbados	B-	9	4	15,791	1.0	0.7	2.1	12.8	1.9	26.8
Belize	B-	908,942	45	4,772	(2.7)	(2.7)	(2.7)	32.4	28.6	53.8
Belgium	AA	420	407	41,418	1.3	0.7	3.5	23.9	20.6	65.3
Belize	CC	3	2	4,502	(1.0)	(4.1)	(1.4)	20.9	10.3	60.1
Bermuda	A+	6	6	30,609	2.0	2.1	(10.6)	11.9	21.7	60.3
Bolivia	BB	248	38	3,336	4.1	2.5	4.1	19.2	13.8	30.9

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THE INSTITUTE OF INTERNATIONAL FINANCE (IIF)



The Institute of International Finance is the global association of the financial industry, with close to 500 members from 70 countries. Its mission is to support the financial industry in the prudent management of risks; to develop sound industry practices; and to advocate for regulatory, financial and economic policies that are in the broad interests of its members and foster global financial stability and sustainable economic growth. IIF members include commercial and investment banks, asset managers, insurance companies, sovereign wealth funds, hedge funds, central banks and development banks.

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IIF'S ANALYSIS OF CAPITAL FLOWS

Emerging Market Economies: Capital Flows

	2012	2013	2014	2015
Capital Inflows				
Total Inflows, Net:	1,262	1,168	1,072	1,164
Private Inflows, Net:	1,232	1,156	1,032	1,112
Equity Investment, Net:	648	626	657	675
Direct Investment, Net:	545	548	540	560
Portfolio Investment, Net:	124	78	117	114
Private Creditors, Net:	564	530	375	437
Commercial Banks, Net:	110	193	124	151
Nonbanks, Net:	446	338	251	287
Official Inflows, Net:	37	32	47	53
International Financial Institutions:	5	-3	19	27
Bilateral Creditors:	31	35	28	25
Capital Outflows				
Total Outflows, Net:	-1,222	-1,360	-1,348	-1,332
Private Outflows, Net:	-946	-825	-981	-950
Equity Investment Abroad, Net:	-332	-403	-368	-381
Resident Lending/Other, Net:	-422	-422	-613	-570
Reserves (= Increase)	-352	-534	-367	-388
Net Error and Omissions	-246	-65	0	0
Current Account Balance	276	236	262	124

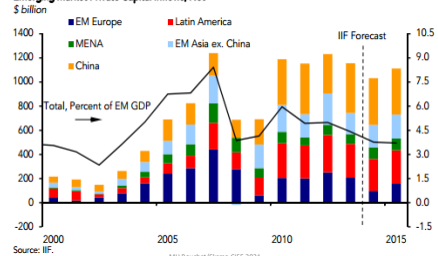
Source: IIF

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IIF MACRO RESEARCH ON CAPITAL FLOWS

Emerging Market Private Capital Inflows, Net



Source: IIF.

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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

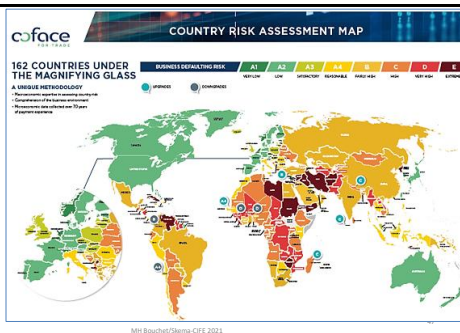
- Coface takes into account several types of country risk around six different analytical modules:

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

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COFACE 2021
GLOBAL RISK
MAPCOFACE
COUNTRY RISK
DATA AND
ANALYSIS

COFACE				
11.8 MILLION	C	B	A	A
7,200 EMPLOYEES	FRANCE	FRANCE	FRANCE	FRANCE

MAJOR MACRO ECONOMIC INDICATORS				
	2018	2019	2020 (E)	2021 (E)
GDP growth (%)	2.7	1.9	0.0	4.0
Inflation (yearly average, %)	2.3	0.7	0.0	0.0
Budget balance (% GDP)	-4.4	-5.0	-10.0	-6.0
Current account balance (% GDP)	-11.7	-10.0	-7.0	-7.5
Public debt (% GDP)	77.0	79.0	90.0	91.0

by Emissions by Financial

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Fully democratic system with freedom of expression, integration of women in political and economic • Governance positions • Support from international multilateral, European and trade donors • Economy in the process of diversification • Member in the European market and association agreement with the EU • Stable political • Natural resources (petroleum and hydrocarbons in particular) 	<ul style="list-style-type: none"> • High social and geographical inequalities, low development, especially among young people • Structural dependence on the public account • Structural dependence on the public account • High unemployment rate, average 10% to 15% • Economy strongly impacted by the COVID-19 crisis • Fragmentation of political representation • Reducing the role of society and sharing with the state • Increasing foreign competition, lack of investment and high dependence on foreign aid and loans • Political system with close control of the state

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