coface FOR TRADE

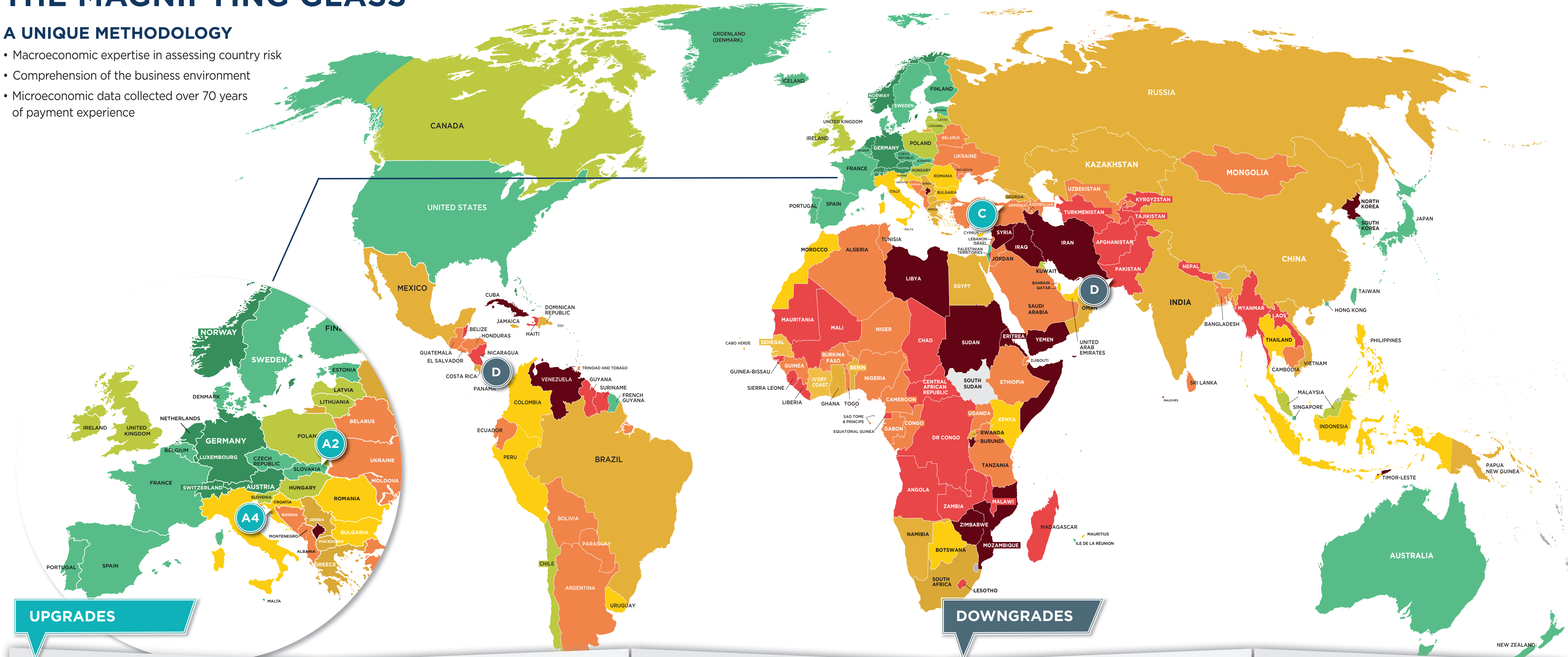
COUNTRY RISK ASSESSMENT MAP - 3rd quarter 2018

BUSINESS DEFAULTING RISK	A1	A2	A3	A4	B	C	D	E
	VERY LOW	LOW	SATISFACTORY	REASONABLE	FAIRLY HIGH	HIGH	VERY HIGH	EXTREME

160 COUNTRIES UNDER THE MAGNIFYING GLASS

A UNIQUE METHODOLOGY

- Macroeconomic expertise in assessing country risk
- Comprehension of the business environment
- Microeconomic data collected over 70 years of payment experience



UPGRADES

DOWNGRADES

ARMENIA — C

- Clear recovery in growth: 7.5% in 2017 and 3.8% in 2018;
- Comfortable foreign exchange reserves;
- Financial support from the Diaspora;
- Rise in ore prices, which has contributed to recovery in industrial activity.

CROATIA — A4

- Tourism (25% of GDP) is booming (growth forecast of 3% in 2018);
- Household consumption is boosted by dynamic employment, real disposable income growth, credit recovery and remittances from a growing number of expatriates;
- The orderly resolution of the Agrokor food conglomerate case has contributed to renewed confidence among companies;
- The country is now out of EU procedures for excessive deficit.

SLOVAKIA — A2

- Accelerating GDP growth expected in 2018 (3.9%) and 2019(4.2%) driven by household consumption which is supported by solid real wage growth and historically low unemployment;
- Accelerating investments thanks to projects in the automotive industry;
- The general government deficit narrowed to 1.0% in 2017, i.e. its lowest level in history;
- Company insolvencies decreased by 27% in 2017 with further contraction expected.

NICARAGUA — D

- Intensification of the sociopolitical crisis that has taken hold since April 2018 limits firms' activity. Investments have dried up;
- Further US sanctions can be expected;
- Contraction of the economy in 2018 (-0.9% vs 4.9% initially) and a forecast 3% growth in 2019, mainly thanks to base effects;
- A depreciated currency and lower FDIs, in a context of higher oil prices, could further weaken the external accounts of the country.

PAKISTAN — D

- Taking into account its elevated and widening fiscal and current account deficits, low foreign exchange reserves and debt maturities coming up this year, Pakistan is at risk of defaulting;
- The rupee depreciated by 12% against the US dollar in the first half of 2018, leading to a steeper import bill and higher inflation;
- Pakistan will also have to navigate an uncertain political landscape.