



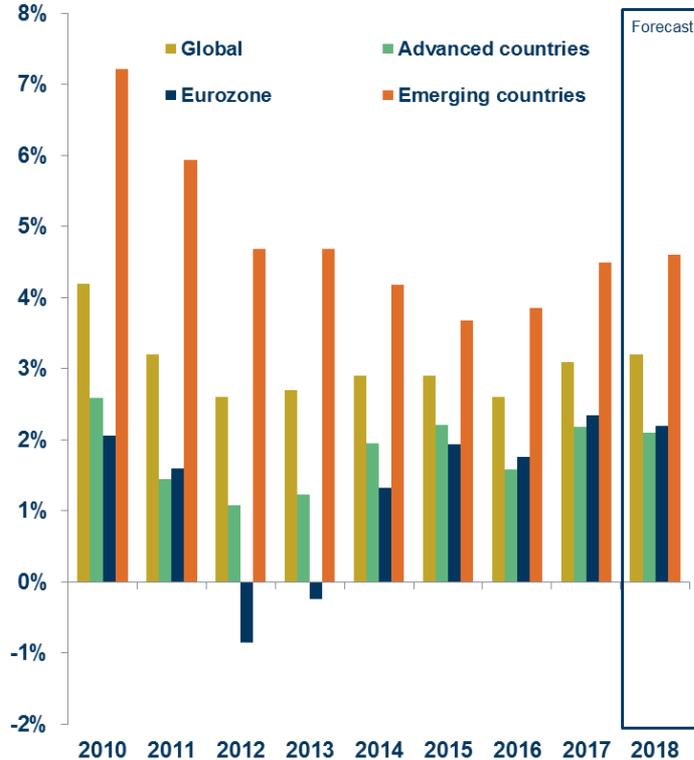
COUNTRY RISK PANORAMA

—
GRZEGORZ SIELEWICZ
Economist Central & Eastern Europe

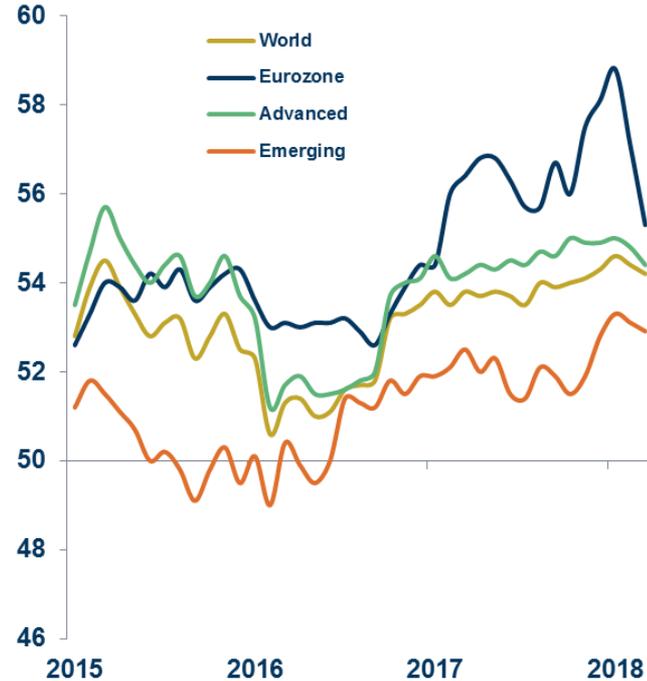
6th Coface Country Risk Conference
Sofia, 12th April 2018

ACCELERATING GLOBAL GROWTH

GDP growth

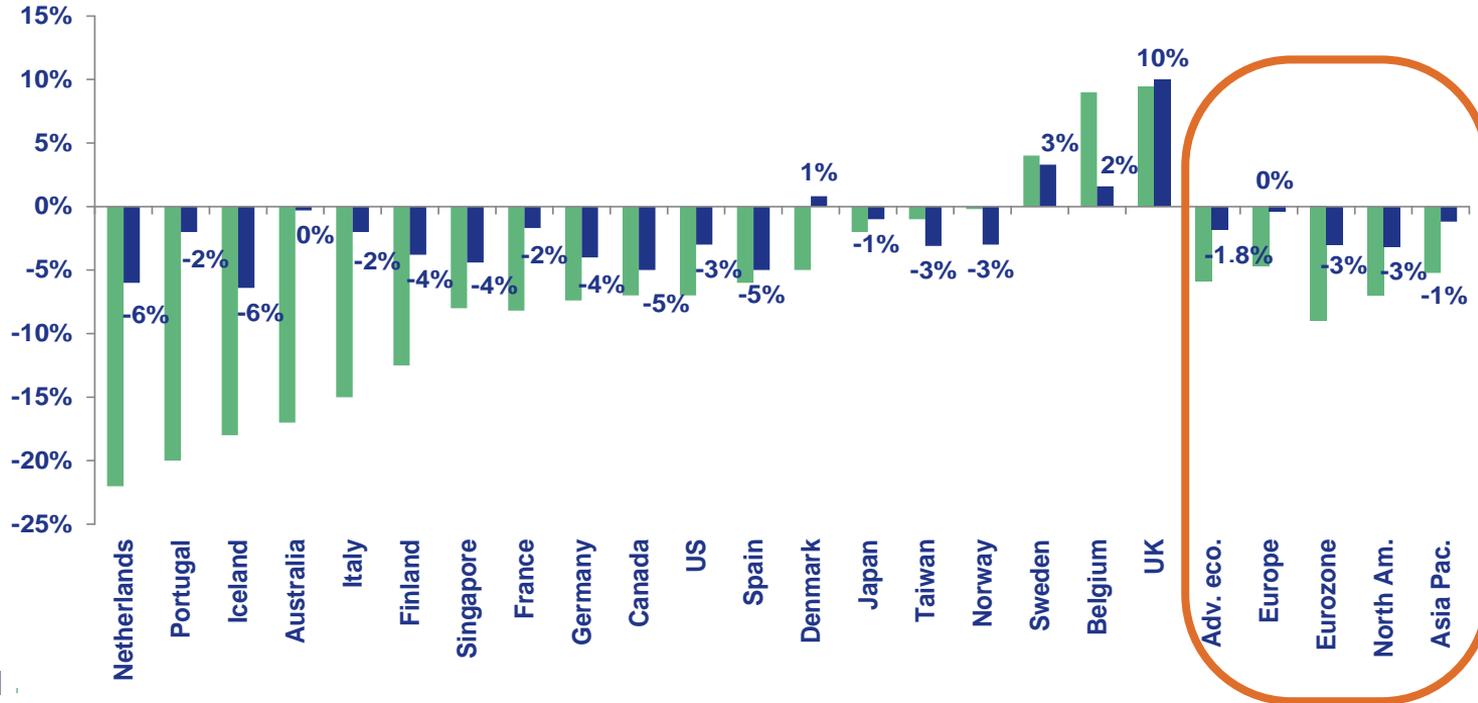


Composite PMI index



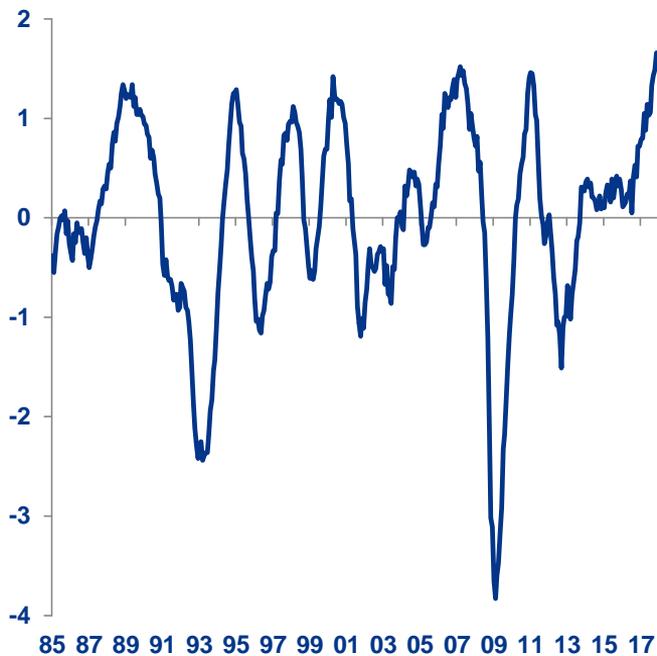
EVEN FEWER INSOLVENCIES WITHIN ADVANCED ECONOMIES IN 2018, BUT THE MOVEMENT IS DRYING UP

Corporate insolvencies in advanced economies:
Coface growth forecasts

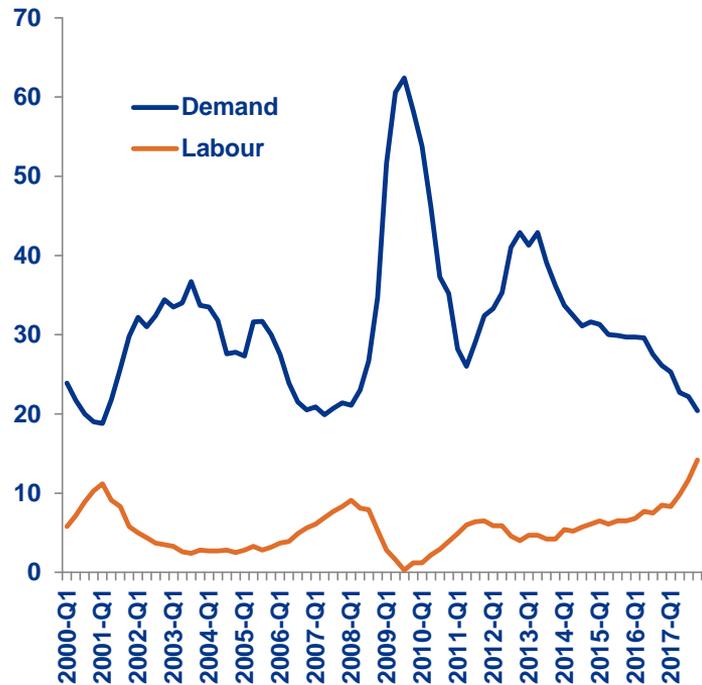


EUROZONE: BUSINESSES STILL HAVE WORRIES, BUT NOT THE SAME...

Eurozone: Business climate index

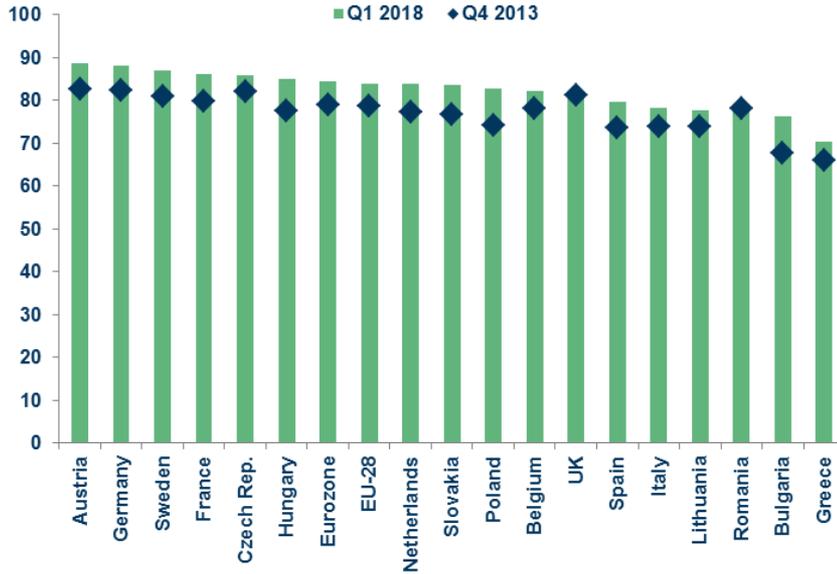


Businesses in the Eurozone: Factors limiting production (%)

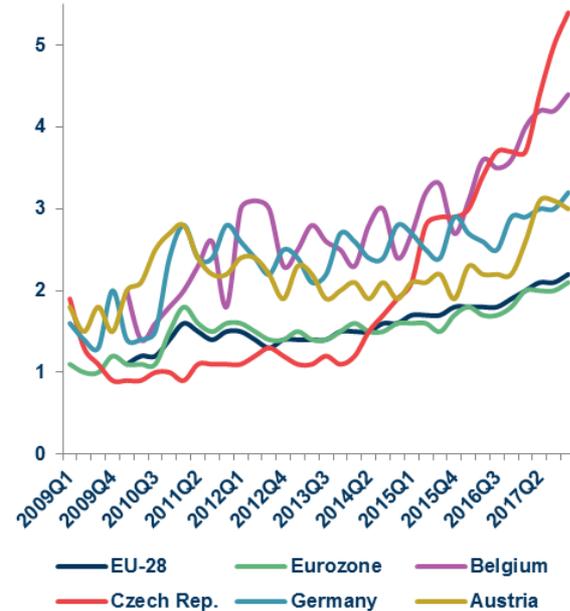


EUROPE: LABOUR MARKET DEVELOPMENTS ARE A CONCERN FOR CORPORATES

Level of capacity utilisation (%)

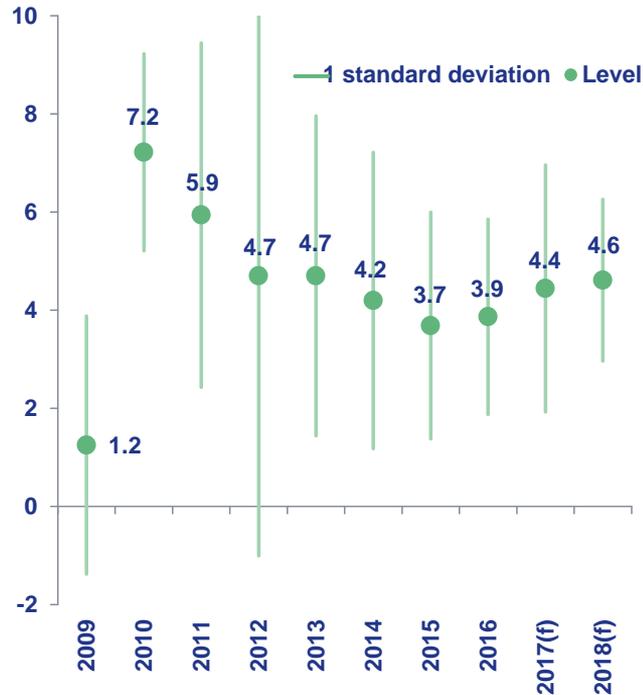


Job vacancy rates (%)

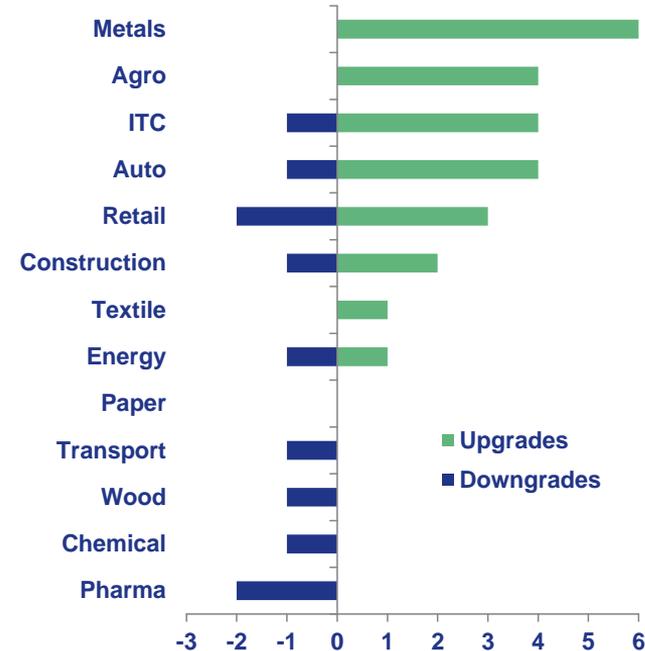


RECOVERY OF EMERGING ECONOMIES: STRONGER AND MORE SYNCHRONISED IN 2018

Growth of emerging countries
(%, Coface forecasts)

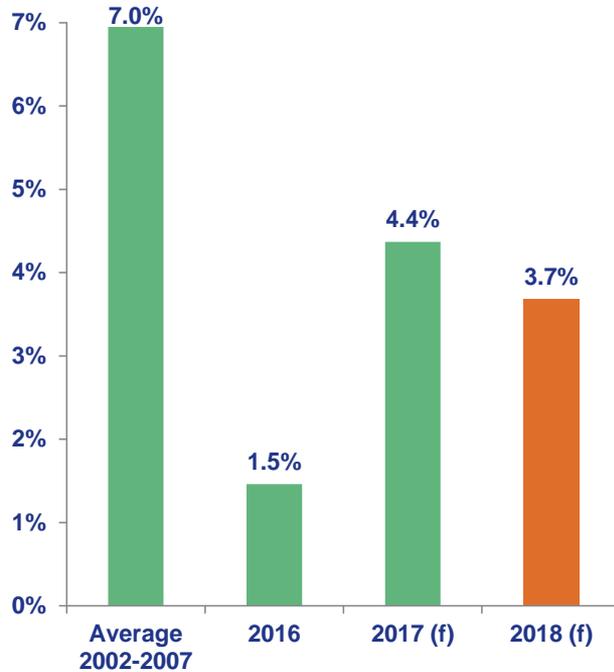


Emerging countries: number of Coface sector
assessment changes in 2017

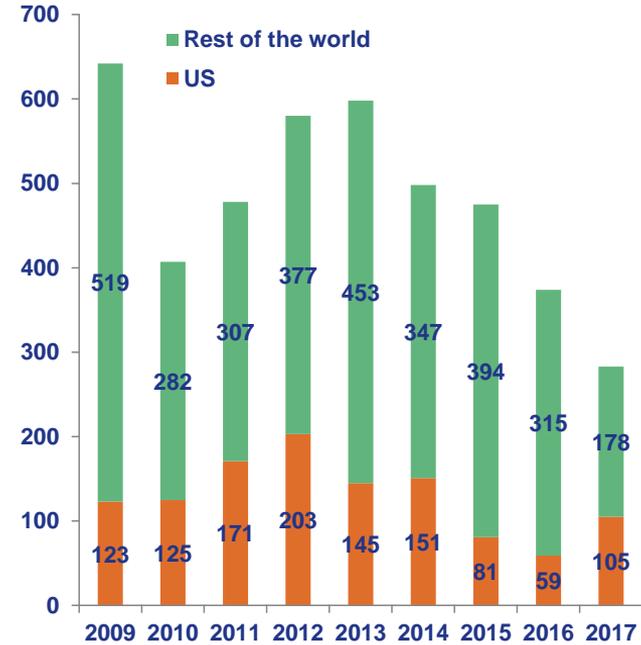


WORLD TRADE: THE PROTECTIONIST RISK IS SLOW TO MATERIALISE

World trade: Coface growth forecasts



Net number of measures negatively affecting international trade worldwide

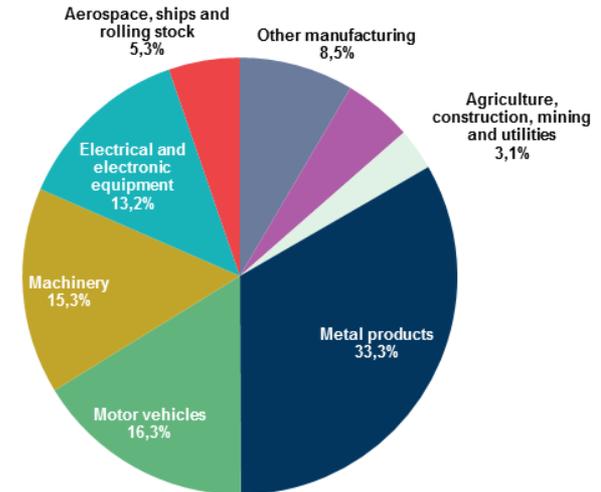


US: STEEL AND ALUMINUM TARIFFS

US: Imports of steel and aluminium (as a % of total)

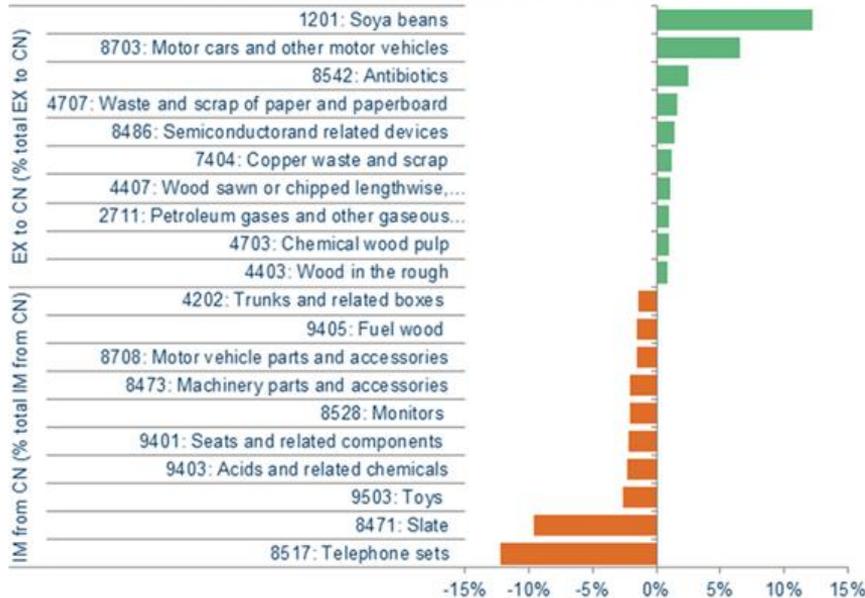
1	<u>Canada</u>	19,9%
2	<u>Brazil</u>	11,3%
3	<u>Russia</u>	9,0%
4	<u>Korea</u>	8,8%
5	<u>Mexico</u>	7,9%
6	<u>Turkey</u>	5,4%
7	<u>Japan</u>	4,4%
8	<u>Germany</u>	3,4%
9	<u>China</u>	3,2%
10	<u>Taiwan</u>	3,0%
11	<u>India</u>	2,4%
12	<u>UAE</u>	2,1%
13	<u>Vietnam</u>	1,7%
14	<u>Netherlands</u>	1,4%
15	<u>Italy</u>	1,2%

US: Direct consumption of primary metals by sector

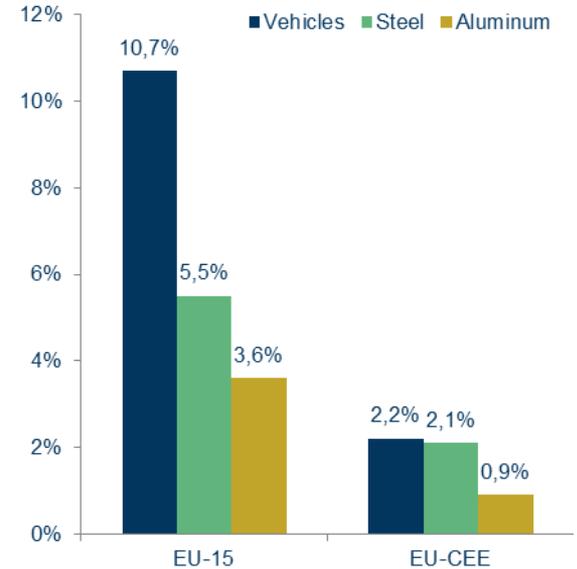


THREAT OF TRADE WAR

US: Products with the largest surplus/deficit with China (Top-10)

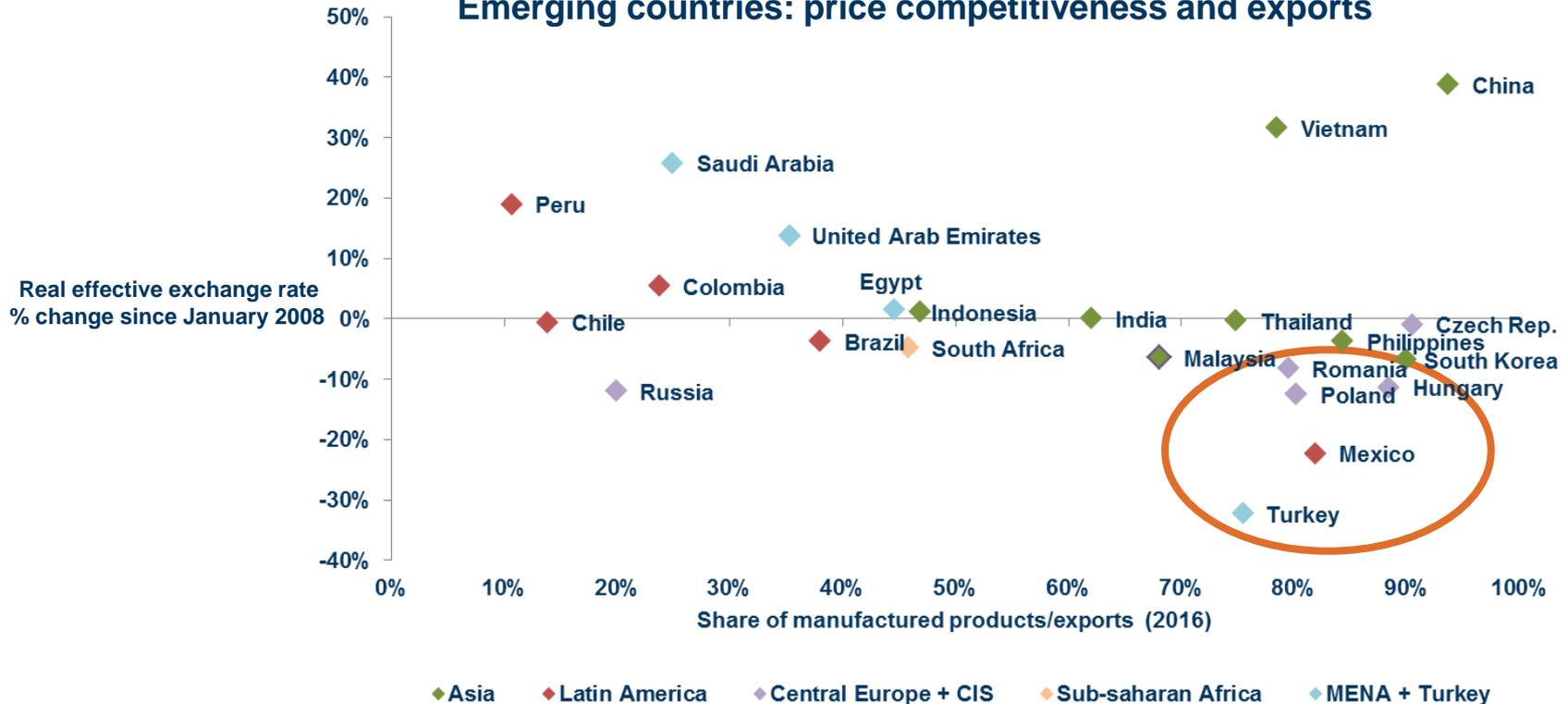


Share of particular product exports to the US

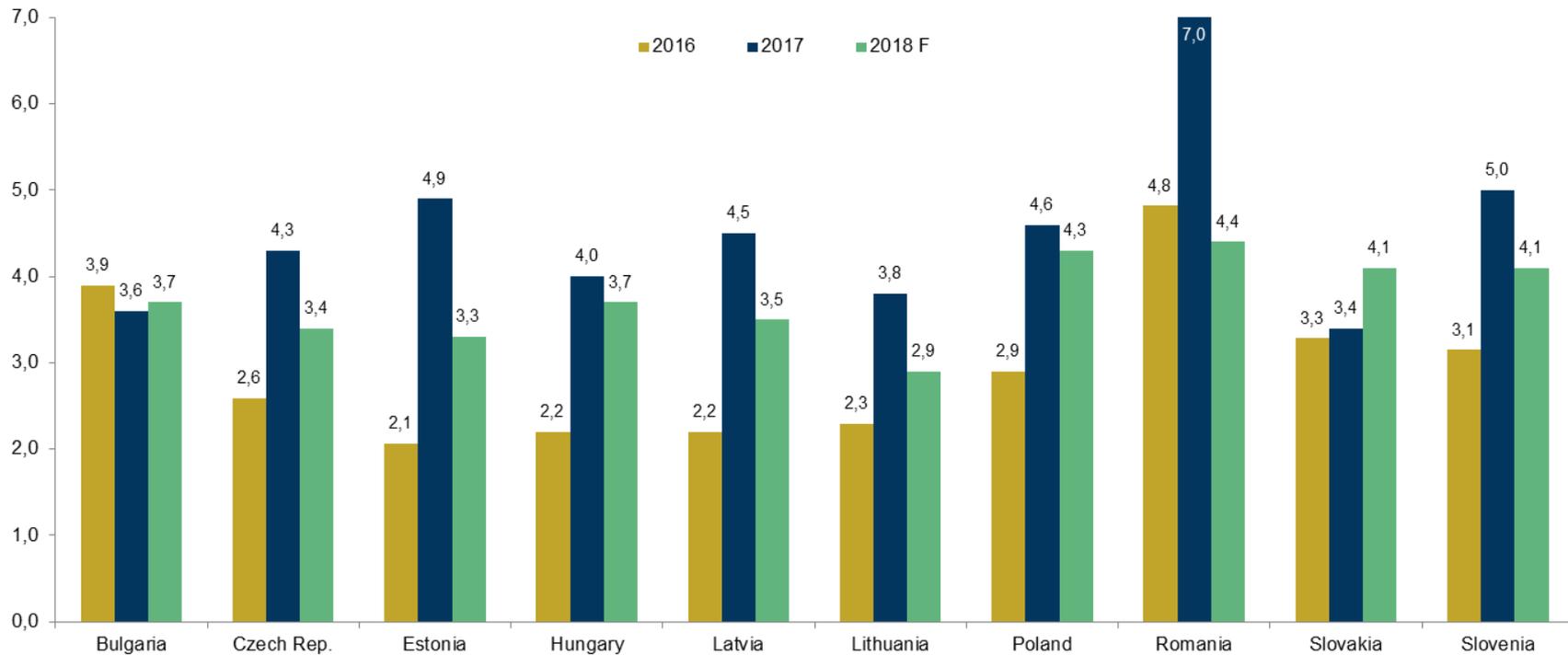


WHO ARE THE WINNERS OF THE REBOUND IN GLOBAL TRADE?

Emerging countries: price competitiveness and exports

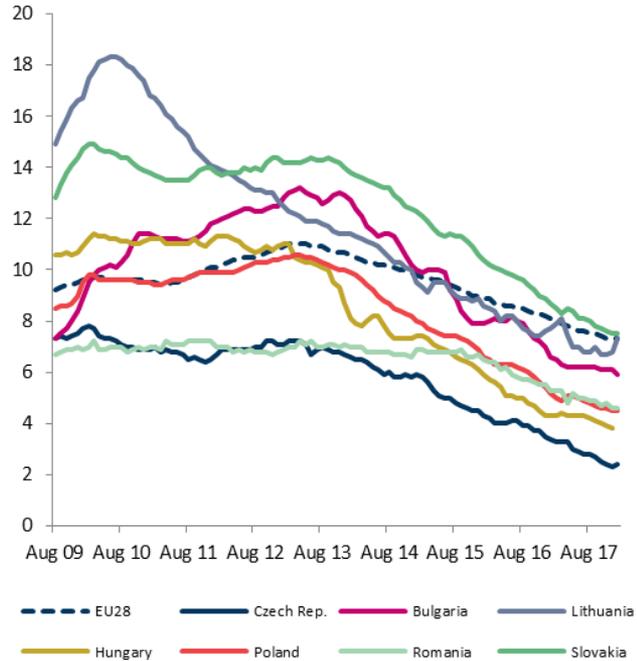


CEE: SOLID GROWTH STILL ON CARDS



CEE: ONGOING IMPROVEMENT OF THE LABOUR MARKET AMID MODERATE INFLATION

Unemployment rate (%)

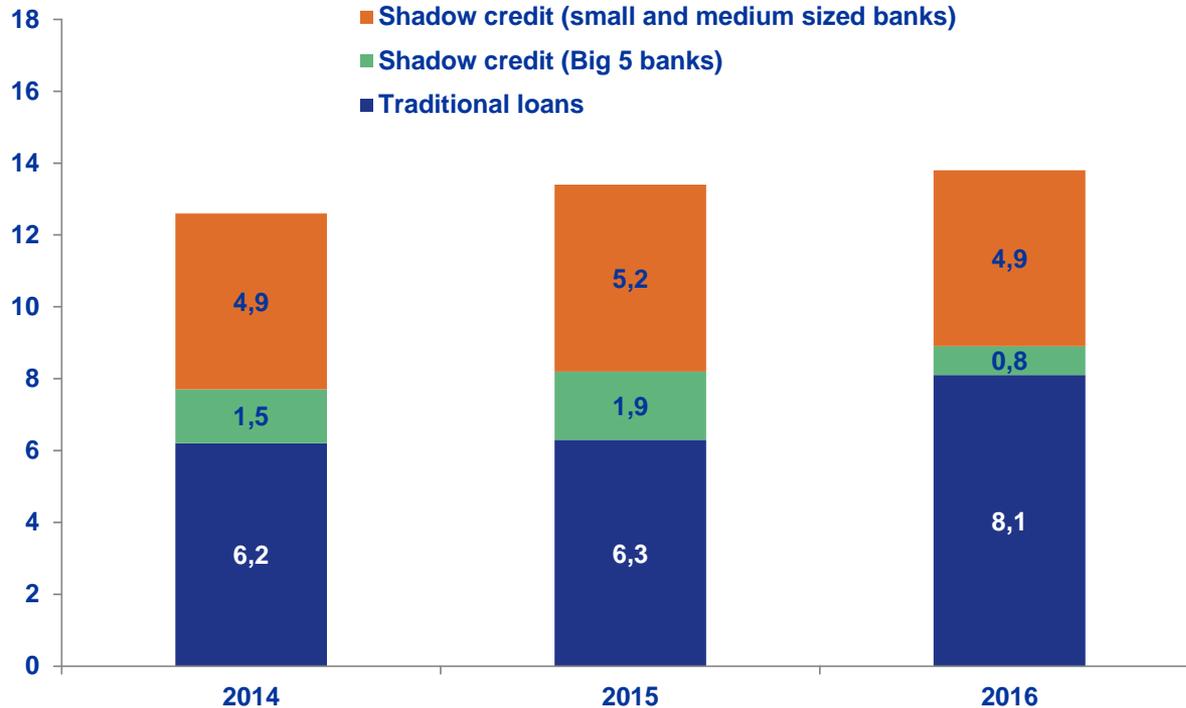


Inflation (% HICP, y/y)



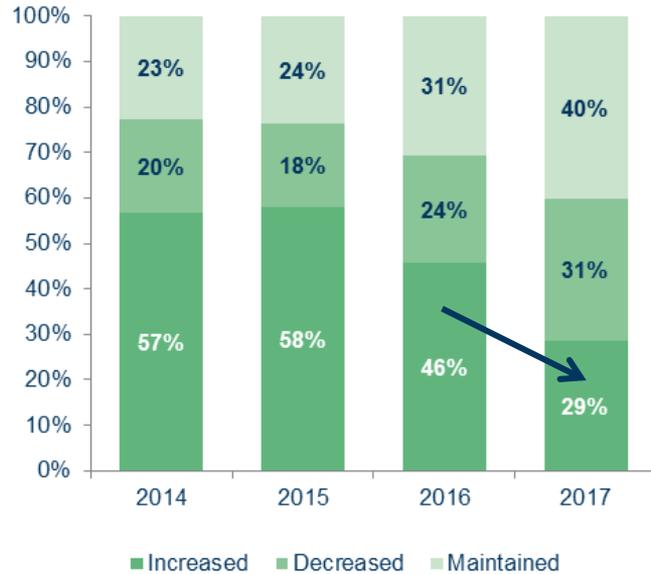
CHINA: SMALL-SIZED BANKS ARE ON THE FRONT LINE

China: New credits
(in trillion RMB)

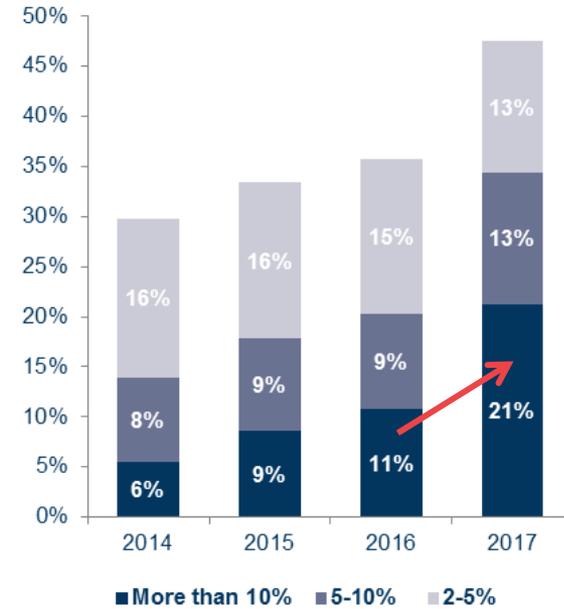


CHINA PAYMENT SURVEY: IMPROVEMENT HIDES TAIL RISKS

China: Evolution of payment delays relative to 12 months ago

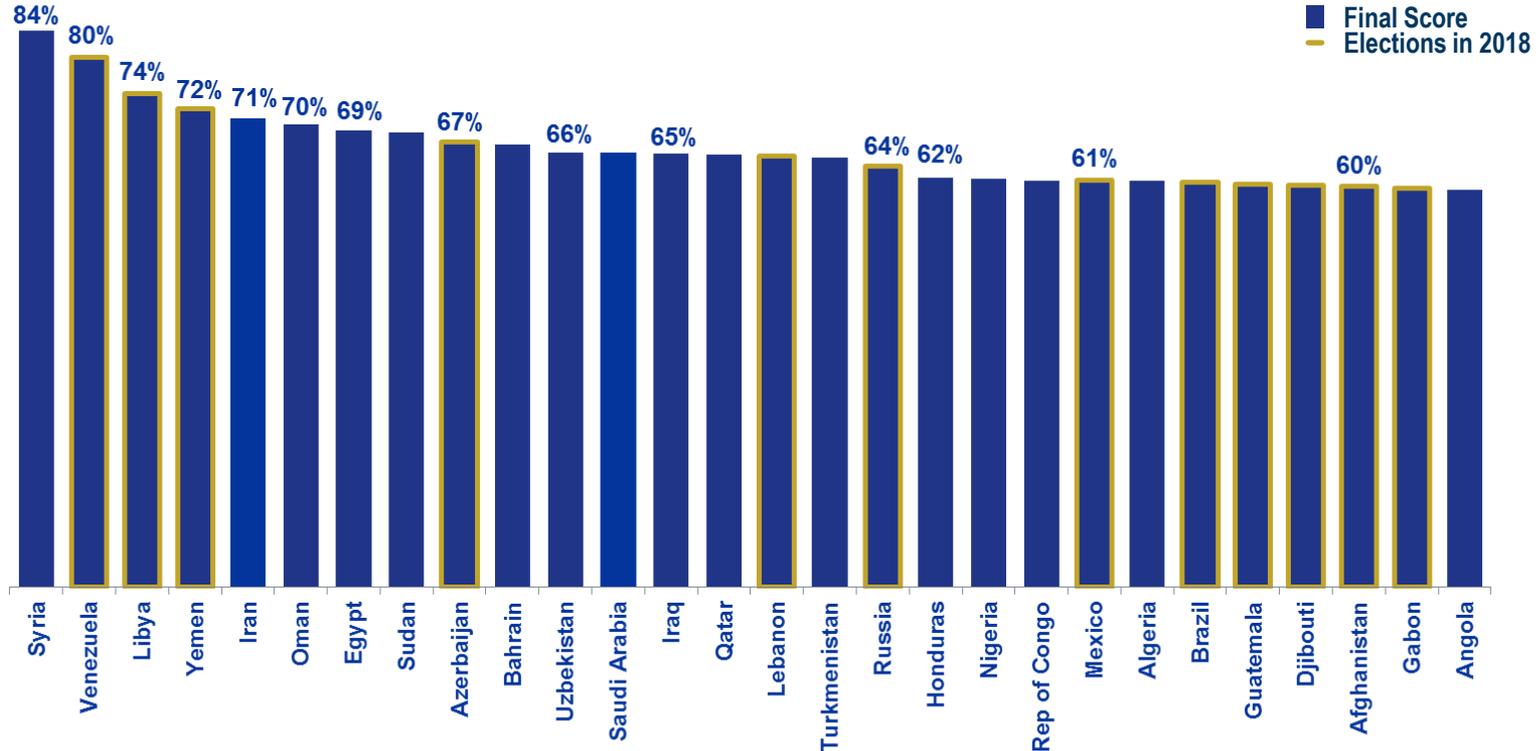


China: Ratio of ultra-long payment delays as a % of turnover



EMERGING COUNTRIES: RECOVERY NIPPED IN THE BUD BY POLITICAL RISKS?

Coface Index: Risk of Social Turmoil



COFACE COUNTRY RISK ASSESSMENTS

BUSINESS DEFAULTING RISK

A1

A2

A3

A4

B

C

D

E

VERY LOW

LOW

SATISFACTORY

REASONABLE

FAIRLY HIGH

HIGH

VERY HIGH

EXTREME



UPGRADES

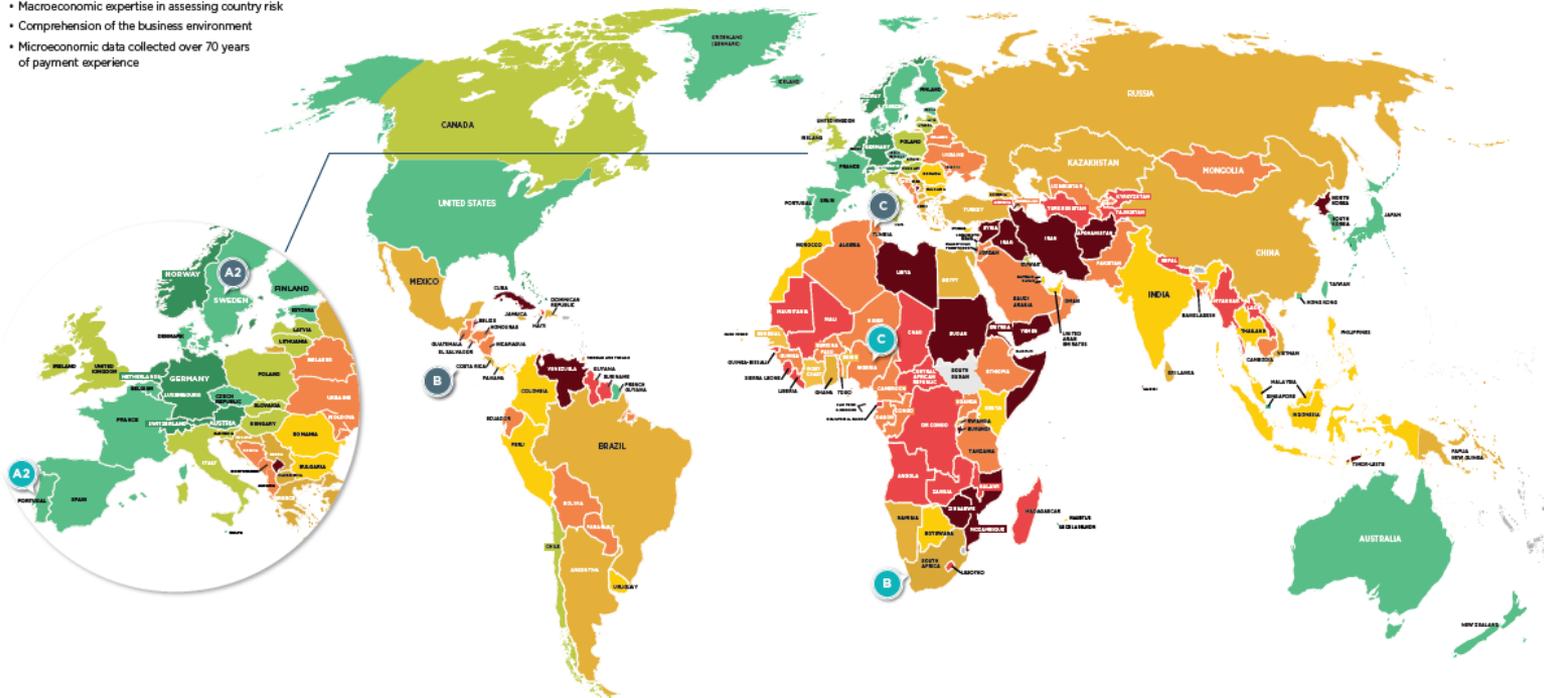


DOWNGRADES

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



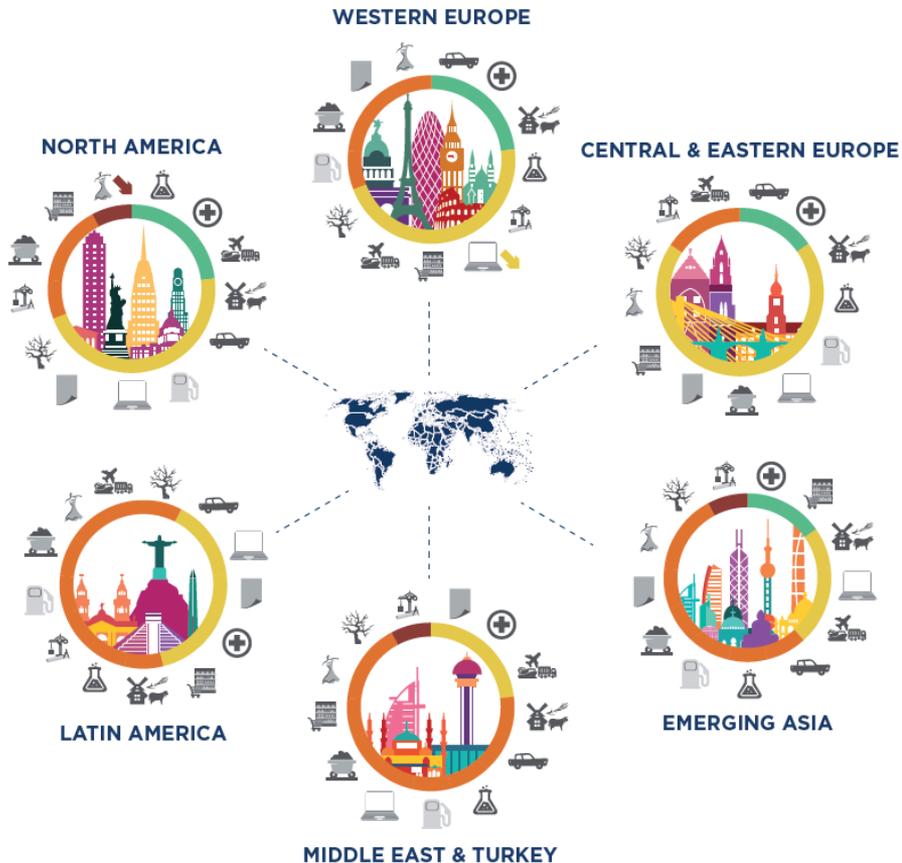
COFACE SECTOR RISK ASSESSMENTS

13 MAJOR SECTORS ASSESSED WORLDWIDE

Coface assessments are based on 70 years of Coface expertise

Financial data published by listed companies from 6 geographical regions

5 financial indicators taken into account: turnover, profitability, the net debt ratio, cashflow, and claims observed by our risk managers



- agri-food
 - automotive
 - chemical
 - construction
 - energy
 - ICT*
 - metals
 - paper
 - pharmaceutical
 - retail
 - textile-clothing
 - transport
 - wood
-
- Upgrade
 - Downgrade

* ICT, Information and Communication Technologies