

11 changes of country risk ratings at the end of Q2 2014

MACROECONOMIC RESEARCH AND COUNTRY RISK TEAM

↑ 11 countries with improved ratings



Low risk Medium risk Sensitive risk High risk
Source: Euler Hermes, as of June 26, 2014

IRELAND BB3 → BB2
Financial independence, growing net exports and strong economic momentum in the UK are pushing GDP growth to +2% in 2014 and +2.3% in 2015. The banking sector is on the mend.

HUNGARY C3 → B2
Lower inflationary pressures support the economic recovery (+2.5% in 2014 and 2015). Macroeconomic imbalances improved with four consecutive years of current account surplus.

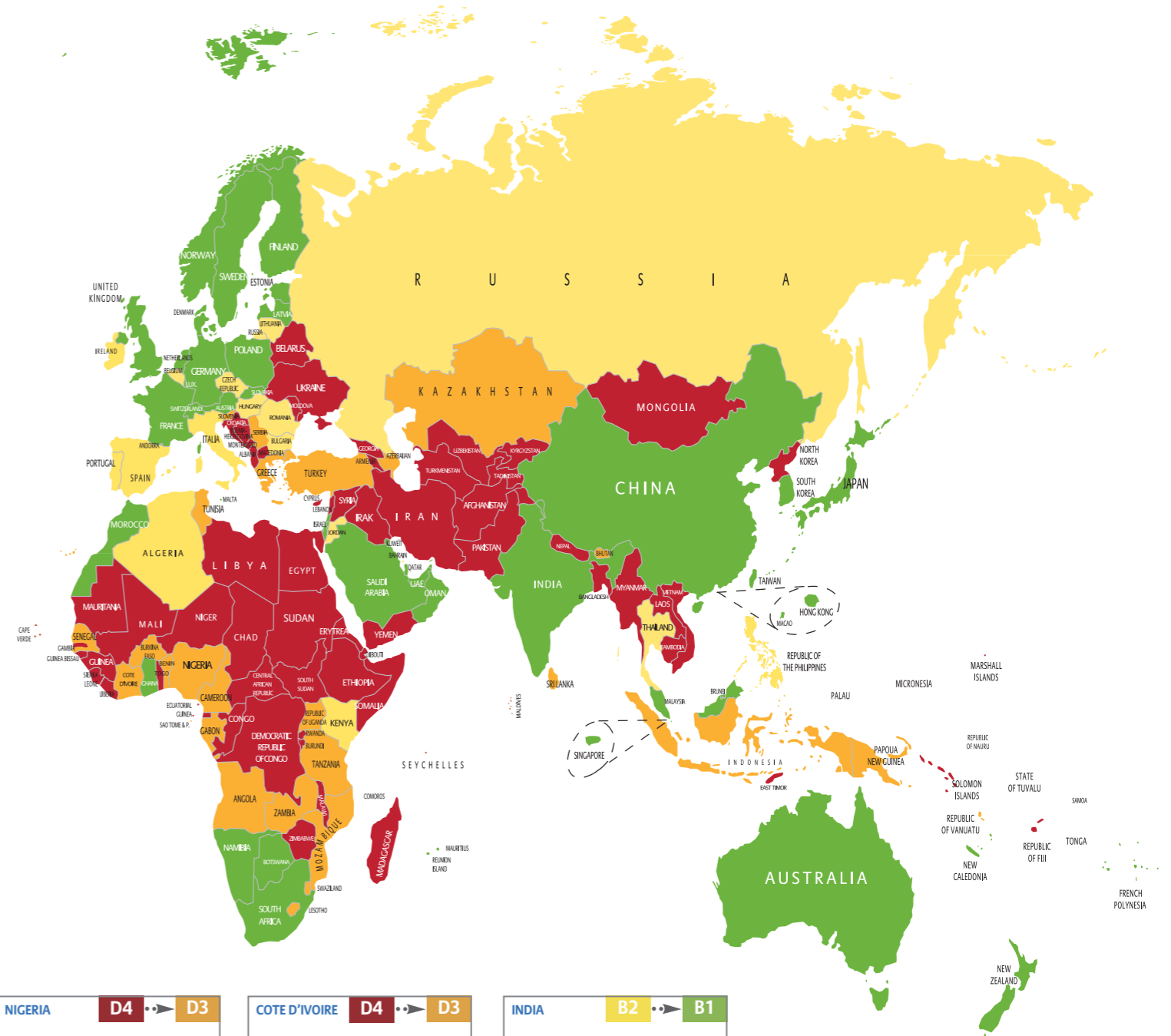
SERBIA D4 → D3
GDP growth is expected to reach +1.0% in 2014 and +1.5% in 2015. The exchange rate has stabilized and inflation will remain low until 2015. Foreign exchange reserves are adequate.

ITALY A3 → A2
Better than expected economic prospects (+0.4% in 2014 and +1.0% in 2015) will gradually benefit the private sector, as credit conditions improve and the risk of non-payment stabilizes.

GREECE B4 → B3
Economic activity is stabilizing after 6 years of recession while financial pressure eased significantly. Uncertainties related to the end of the EU/IMF program this December remain.

SPAIN A3 → A2
Net exports and improved domestic demand will boost GDP growth (+0.8% in 2014 and +1.3% in 2015). Insolvencies are expected to fall by -23% this year, for the first time in six years.

PORTUGAL B3 → B2
Domestic demand is stronger than expected, driven by investment. GDP is expected to expand by +1.0% in 2014 and by +1.3% in 2015. A return in confidence allowed a successful exit from the EU/IMF program.



NIGERIA D4 → D3
External liquidity indicators remain comfortable. GDP growth expected at +6.5% in 2014 and +7% in 2015. However, medium-term challenges prevail.

COTE D'IVOIRE D4 → D3
A relatively more stable political backdrop allowed for economic activity to improve (+8% in 2014 and 2015) while external vulnerability remains subdued.

INDIA B2 → B1
GDP growth expected at +5.6% in FY2014-15 and +6.1% in FY2015-16. The newly elected government is likely to implement business-friendly reforms. The Central Bank credibility will allow less pressure on prices.

Economic Research



Source: Euler Hermes, Supplement to Economic Outlook No. 1208-1209 | June-July 2014 | Macroeconomic, Country Risk and Global Sector Outlook

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