161 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 FOR TRADE

COUNTRY RISK ASSESSMENT MAP - 2ND QUARTER 2019

1. KYRGYZSTAN
   - Recent exchange rate flexibility is enabling inflation-targeted monetary policy.
   - Benefits from sound remittances and transfers from expatriates (37% of GDP).
   - Launch of structural reforms to fight poverty (USD 3726 per capita, PPP), corruption, and underground economy (31% of GDP).

2. UZBEKISTAN
   - Continued economic opening since 2017.
   - Progress towards greater sophistication of the economic structure.
   - Continued reforms of agriculture modernisation and agro-processing.
   - Continued development of gold production and export (number one export).
   - Increased spending on social programs, is expected to have a positive knock-on effect.

3. AUSTRIA
   - Strongly linked to German economy; vulnerable to its weaker economic activity.
   - Weakening industrial production dynamics, deteriorated PMI.
   - Period of political uncertainty.

4. CZECHIA
   - Open economy closely linked to Germany - slower global trade and weaker economic activity in Germany will limit Czech growth.
   - Deterioration of the automotive sector is a concern for the whole economy.
   - Growth of industrial production in 2019 has so far been weak; strong deterioration of manufacturing PMI indicators.

5. GERMANY
   - Coface’s estimate for German GDP growth for this year is currently 0.8%, down from 1.5% last year.
   - Indicators show increasingly pessimistic business expectations.
   - The German automotive industry is the main driver behind this slowdown - car production has significantly decreased this spring 2019 from 2017.
   - The ruling coalition has been weakened following the latest elections, in a context of political landscape transformation; leading to an increase in political uncertainty.

6. ICELAND
   - Fishing quotas for capelin (a key export product) will reduce overall marine product exports.
   - Coface expects the global economic downturn to impact tourism in Iceland in 2019.
   - Business confidence has decreased.
   - Companies supported by the very good growth dynamic will now face serious solvency problems.
   - Recent data indicates that the Icelandic economy could grow only slightly, or even deteriorate in 2019.

7. SLOVAKIA
   - With the exports of goods and services to GDP ratio reaching 97% in 2018, the economy is highly open.
   - However, given its high dependence on the German market, the slower global trade dynamics and weaker economic activity in Germany will limit the growth of the Slovakian economy.
   - As with Czechia, the struggles of the automotive sector are worrying for Slovakia’s economy: automotive production accounts for nearly 5% of gross value added and 13% of the country’s output.