

BAROMETER COUNTRY AND SECTOR RISK BAROMETER Q1 2017

Recovery in global growth: more than a flash in the pan?

2 COMPANIES MORE CONFIDENT at the start of this year, the effects of political risks are not materialising (yet).

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8 CHANGES IN SECTOR RISK assessments.

Signs of a recovery in global growth are multiplying at the start of 2017. Companies are more confident. If the uptrend in inflation in developed economies and in China takes shape in coming months and does not only concern energy prices, it would testify to a distancing of deflation risk.

Two negative points nevertheless cloud this scenario. Firstly, the recovery remains under threat from political risk which could materialise this year: elections in western Europe and more specifically in France (GDP growth could be halved to 0.7% instead of 1.3% given increased uncertainty), as well as still high risk of eventual protectionist measures by the US. In addition, signs of a rally are often too hesitant at this stage to enable a reclassification of many countries and sectors in the Coface risk scales. While this stronger growth is good news for companies, their activity is indeed set to remain restricted by high and rising debt (especially in emerging countries).

In all, the only assessments revised upwards are those of the Czech Republic (to A2), Latvia (to A3), Israel (to A2) and Armenia (to D). Meanwhile Mozambique has been downgraded to E.

In sector terms, the recent rebound in global prices has benefited the metallurgy sectors in China and Brazil, even if risk levels remain high. Still in Brazil, the trend is the same for the agrifood, construction, automotive and energy sectors. However, in a sign that this recovery is somewhat dispersed, risk has deteriorated in other sectors such as ICTs¹ in Turkey and Mexico.



In case of political shock in France, GDP growth could be halved this year, on the back of higher uncertainties.



1/ ICT: Information and Communication Technologies



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1 COMPANIES MORE CONFIDENT AT THE START OF THIS YEAR, THE EFFECTS OF POLITICAL RISKS ARE NOT MATERIALISING (YET)

The clear rise in company confidence indicators is without doubt the main economic surprise at the start of 2017. In Europe firstly, where businesses seem to be increasingly confident despite still high political risks, PMI indices² have risen sharply to levels unseen for the past six years. This is also the case in the US and the trend is the same in a large number of major emerging economies, especially in China, Brazil (see *Chart 1*) and Russia.

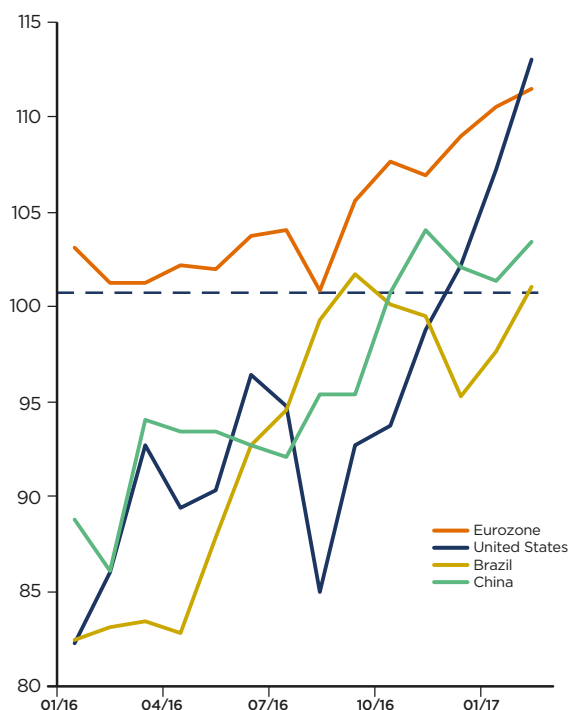
This renewed confidence is all the more surprising on the surface in that it comes in a context of persistently high political risks: uncertainty on the US administration's economic, trade and foreign policies, elections with uncertain outcomes in Europe etc.

Indeed, in theory, political uncertainty ought to affect company activity. Economic growth and political risk are indeed interconnected: a deterioration in economic conditions is likely to generate an increase in political risk. In turn, increased political risk can affect the economic environment. The effect of this political uncertainty on growth primarily involves two transmission channels that are likely to back each other mutually: 1) a decline on equities markets and a rise in bonds rates which penalises financing conditions for economic agents (governments, companies and households) and hence, their investment and spending prospects; 2) a lower degree of company and household confidence which prompts them to delay or cancel investment and spending decisions³.

However, it is clear that recent events only partly confirm this theory. Chart 2 also illustrates the recent disconnection between political uncertainty and volatility on global equities markets. Two recent examples confirm this. The Spanish economy did not suffer from the governmental absence in 2016. The same was noted for Belgium in 2013-2014. In the UK, the economic consequences of uncertainty caused by the Brexit vote on 23 June are admittedly visible, but far less pronounced than expected.

Two explanations are possible. Firstly, the significant liquidities provided by the major central banks (Fed, ECB, Bank of Japan, Bank of England in particular) can "anaesthetise" the markets somewhat. In other words, excessive demand for financial assets stemming from an over-abundance in available liquidity causes upward pressure on prices of financial assets and downward pressure on risk premiums. And the second explanation possible is that of lassitude: after the numerous episodes of crises in Greece and other southern eurozone countries, the UK referendum, companies, households and investors on the financial markets are now used to "living with" political risk, and are no longer delaying their investment and consumption decisions when a shock arises.

Graph n° 1
Business confidence indices (average 2010-2016 = 100)



Sources: Datastream, Coface

2/ PMI : Purchasing Manager Index.

3/ If these last over time, a third channel can also come into play: that of budget policies. In the event of an extensive government vacancy, the freeze on public spending causes a negative impact on activity.

2 GLOBAL SCENARIO: GROWTH IN GDP, TRADE AND PRICES UP SLIGHTLY

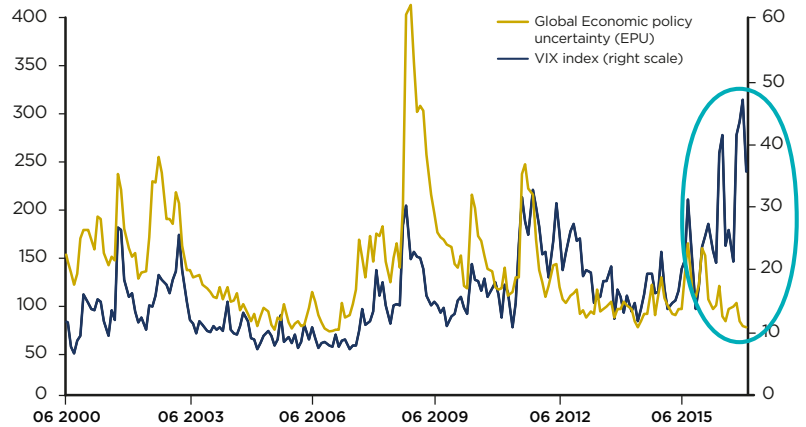
How can we explain this renewed company confidence? Firstly, by the recent rise in inflation which is distancing deflation risks in the US (+2.5% over one year in January), the UK (+1.8% in January) and above all Japan (+0.4% in January), in the eurozone (+2.0% in February) and even China (+2.5% in January). At this stage, the trend can mostly be explained by the rebound in energy prices and the low second round effects on underlying inflation. However, while deflation risks have not entirely disappeared, they have declined. This growth in consumer prices is also the sign that companies are restoring room for manoeuvre in terms of pricing power.

In the eurozone, companies are also benefiting from still very advantageous financing conditions: loans to companies and households increased by respectively 2.3% and 2.2% between January 2016 and January 2017, vs. 1% and 1.4% previously. Portugal and Greece are an exception: loans to companies and households are still falling. At the other end of the scale, France is the country where the increase has been the highest (respectively +5% and +4.8%). Faster growth in credit, low interest rates and falling unemployment are all good news for the construction sector, which we have reclassified under “average risk” vs. “high risk” in France (see Sector Assessments). The only black spot concerning the rise in inflation: household purchasing power in the eurozone is set to increase more slowly this year than in 2016 (and even stand at zero in the UK). Indeed, retail sales in the eurozone have dropped in the past three months (to January). Fortunately, the ongoing decline in the unemployment rate should underpin household consumption. This clear upturn in corporate confidence is one of the factors that prompted us to upgrade our forecast for global growth (to +2.8% vs. +2.7% initially forecast for this year, after 2.5% in 2016). However, in detail, the surplus growth is mainly set to stem from emerging economies (see chart 4) where monetary policies remain generally more expansionist than before the crisis (see Chart 3).

In particular, early indicators suggest growth in positive territory this year in Russia (+1.0%) and Brazil (+0.4%) after two years of recession. In Brazil, although household consumption remains depressed, the faster than expected easing in monetary policy and inflation (5.3% in February) should contribute to limiting interest expenses for Brazilian households and favour their purchasing power. Combined with more beneficial weather conditions than at the same time last year, these changes prompt us to reclass the agri-food, construction, automotive and energy sectors under “high risk” vs. “very high risk” previously (see Sector Assessments).

In this context of renewed business confidence and higher commodities prices, especially oil prices relative to 2016 (Coface is still forecasting an average Brent crude price of \$55/b on average this year), growth in global trade should restore some colour.

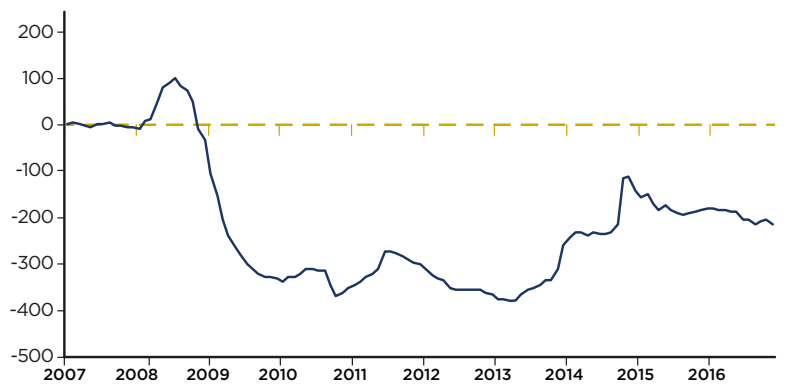
Graph n° 2
Political uncertainty and equity markets volatility



Source: Chicago Board Options Exchange

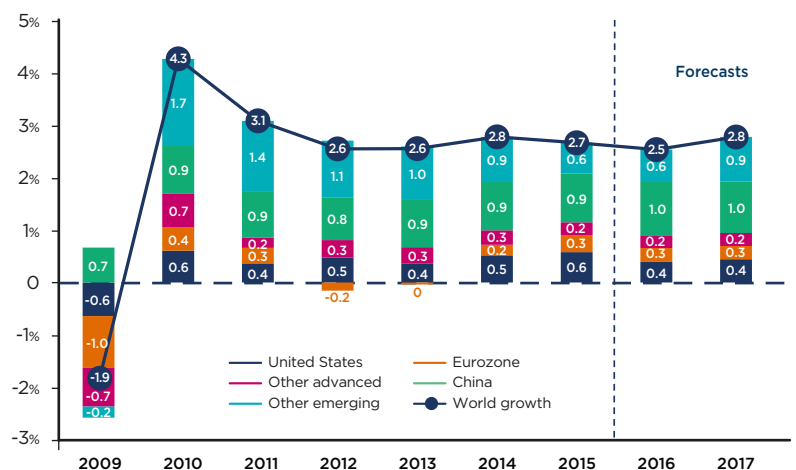
Graph n° 3
Change in key rates in main emerging markets* relative to key rates in 2007 (basis points)

*South Africa, Brazil, China, India, Indonesia, Mexico, Russia, Turkey.



Sources: Datastream, Reuters

Graph n° 4
Contributions to global growth



Sources: IMF, national statistics and Coface forecast





According to the Coface forecast using oil prices, business confidence in the US and the Baltic index of transport prices, global exports ought to rise by 2.4% in volumes this year. This is higher than the pace noted in 2016 (+1.0% only over one year in Q3), but unsurprisingly still far below the pre-crisis standard (7% a year on average between 2002 and 2007).

However, once again, increased political risk is set to be the main risk factor in 2017. The World Bank estimates⁴ that these were indeed at the root of a 0.6-point decline in global trade growth last year, or around 75% of the difference between the growth noted in 2016 and that in 2015.

3 US: SLOWDOWN IN GROWTH AND IN THE PACE OF REFORMS

In the US, the situation is less idyllic than business confidence indicators would suggest. Admittedly, the employment market remains robust (lower unemployment rate at 4.7% in February), but household consumption is showing signs of running out of steam due to the rise in inflation as well as stricter credit conditions stemming from the Fed's tougher monetary policy. In January, growth in loans to households reached its lowest level for four years. In this context, Coface is forecasting a decline in automotive sales this year in the US, as well as a slowdown in growth in building permits (around +5% on average this year, vs. double-digit growth just a year ago). Growth should therefore remain modest this year in the US, at +1.8%, or a level fairly clearly lower than the consensus (between 2 and 2.5%), especially since Donald Trump's first weeks at the White House have confirmed that the pace

of reforms will be slow. The new president has set the reform of Obamacare as his first priority and this should keep Congress busy in Q2. Thereafter should come the corporate tax reform (probably with a lower than initially expected cut in order to respect the budget balance), and the trade policy (see below).

Finally, while the infrastructure investment programme promised by Donald Trump remains on the agenda, it is not among his first priorities and a draft law in this domain has little chance of planning direct public spending on a federal level since it is unlikely that the Republican-majority Congress would approve it. In other words, a reform including tax incentives for private-public projects launched in H2 2016 at the earliest would only have a marginal effect on growth in 2018.

4 DONALD TRUMP AND PROTECTIONIST RISK: WHAT COUNTRY AND BUSINESS SECTORS ARE THE MOST AT RISK?

In contrast, President Trump has testified to a remarkable regularity in his protectionist focus. Putting up trade barriers in order to protect US industry and jobs would nevertheless have damaging economic consequences for the US. Adopting customs barriers would be synonymous with an increase in consumer prices, which would above all take a toll on the purchasing power of US households and economic activity. Retaliatory measures by the trade partners targeted by Mr Trump would amplify inflationary pressure and weigh on US exports.

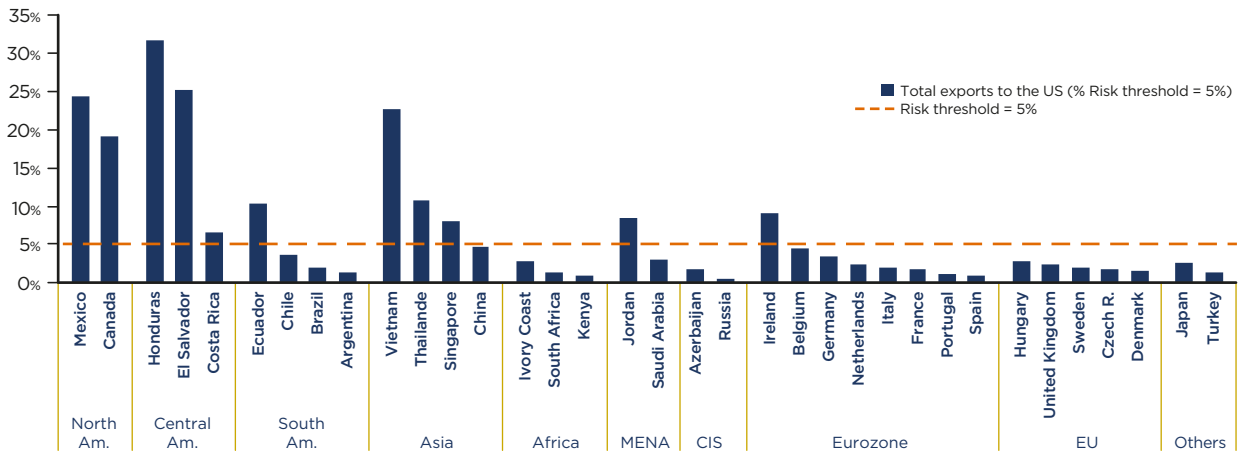
In addition, the main objective of the president's protectionist trade policy, namely to stimulate manufacturing employment is unlikely to be reached. In sharp decline since the start of the millennium, the number of manufacturing jobs has been on a slippery slope since the peak of 19.7 million in manufacturing jobs in 1979.

The recovery since the low point in early 2010 (11.3 million) has hit a ceiling over the past two years, whereas the US even seems to be reaching the peak of the cycle. Furthermore, and even more worrying for the president's aims, manufacturing employment represents an increasingly lower share of overall employment in the US, independently of the cycle. Indeed, manufacturing employment represents less than 10% of employment in the US vs. more than 30% in 1950 and still 25% in the early 1970s.

Beyond the US borders, trade exposure to US protectionism helps identify the main victims. The countries mostly exposed to protectionist risk are emerging markets. Unsurprisingly, Canada and Mexico, the two partners in the North American free-trade agreement (NAFTA), whose exports represent almost

4/ "Trade developments in 2016: Policy uncertainties weighs on global trade", Global trade watch, World Bank, February 2017.

Graph n° 5
Total exports to the US (2015, as a % of GDP)



Sources: UN Comtrade, Coface

20% and 25% of their respective GDP, would be harshly affected by the creation of customs barriers. While the US president insisted in conjunction with his meeting with Canadian peer Justin Trudeau, on the difference in the trade relations the US has with Canada and those with Mexico, a renegotiation of NAFTA as Mr Trump would like, would be a high risk for both neighbours.

Further south, central American countries, whose flow of goods is mostly headed to the US would also be harshly affected. Apart from the closest neighbours to the US, Asian countries (Vietnam, Thailand, Malaysia, Singapore etc.) would also pay the cost of Trump's protectionist agenda. These countries are all the more exposed in that the share of commodities exports to the US, which are difficult to substitute, is low. The adoption of protectionist measures would strike another blow to US-Asian trade relations after the Trans-Pacific Partnership (TPP) was abandoned in the first few days of Donald Trump's mandate. Regularly named and shamed (alongside Mexico) by the US president, China seems to be less vulnerable. The consequences would nevertheless be significant, especially via the impact on supply chains in South-East Asia.

Globally less exposed, Japan and European countries, especially northern ones, would nevertheless not be spared from a rise in trade protectionism. The consequences would probably be lesser than in emerging markets but would remain non-negligible. Indeed, exports of goods to the US represent a significant share of overall exports in Ireland (24%), Japan (18%), the UK (15%), the Netherlands (12%) and even Germany (10%), which are among the leading trade partners to the US.

From a sector stance, promises to stimulate manufacturing employment in the US have placed industrial sectors in the eye of the storm. One sector in particular has regularly attracted the wrath of president Trump: the automotive sector.

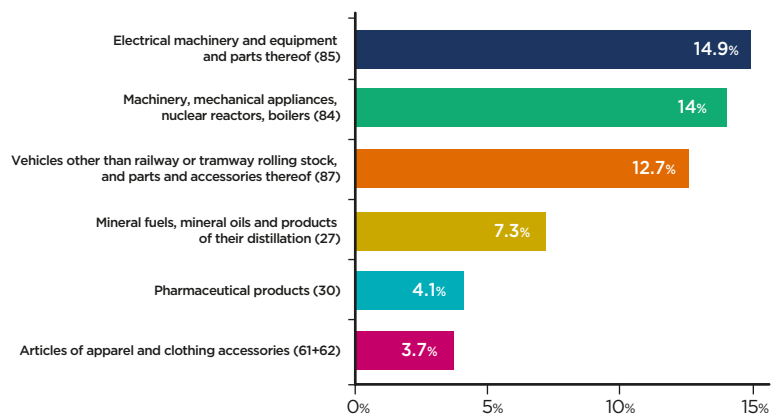
Indeed, US carmakers (General Motors, Ford, Fiat Chrysler) have been directly targeted by threats to implement a punitive customs duty if they do not repatriate their production from Mexico. Foreign carmakers have not been spared, with the president having invited German carmakers (Volkswagen, BMW) and Japanese manufacturers (Nissan, Toyota) to relocate their car production destined for US consumers to within the US borders.

In addition to carmakers, the ICT sector is also in the firing line of the 45th president of the US. With their global production lines, consumer electronics products are therefore a choice target, as shown by the president's attacks on Apple and United Technologies. These risks therefore lead Coface to downgrade sector assessments for the ICT and automotive sectors in Mexico (see next section).



Graph n° 6
Breakdown of US imports by product (2015)

*HS classification



Source: UN Comtrade



Finally, Donald Trump deplores the fact that the US is “one of the world’s largest buyers of medicines”, but that these are not produced in the US and has also attacked the pharma industry. This sector could also suffer from the repeal of the Affordable Care Act, known as Obamacare. Attacked by the democratic candidate Hillary Clinton, for the prices practiced by the major pharma industries, the sector

was previously considered as one of the major winners of Donald Trump’s election. The example of the pharma sector illustrates the uncertainty surrounding the US president’s policies. Other sectors could be affected, especially since the breakdown of US imports by product shows that in addition to commodities, that are difficult to substitute, and the sectors mentioned, machines and capital goods are thought to be particularly vulnerable to a rise in protectionism (see *Chart 6*).

5 METALS SECTOR: RISE IN GLOBAL PRICES, BUT REDUCTION IN CHINESE CAPACITY AN ILLUSION

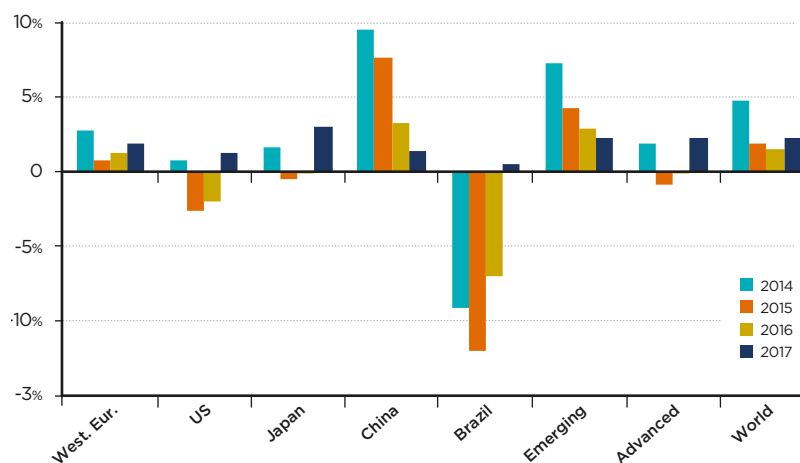
The numerous protectionist measures decided since 2015 against Chinese metal exports confirm that the protectionist risk did not emerge with Donald Trump’s election. In the past three years, the sector has symbolised the excesses and imbalances of the Chinese economy and its consequences on the rest of the world, to the extent that the levels of assessment of sector risk are among the highest on the Coface scale, whatever the region (see section “Assessment of Sector Risk”). However, a few signs of improvement emerged in H2 2016. Growth in metals production has clearly slowed in China over the past two years for example (see *Chart 7*).

As such, the main iron and steel product index SteelHome SHCPI gained 81% at end-December 2016 over one year. Apart from steel, prices of other metals also increased. Aluminium saw its price rise by 17.1%⁵ over one year between January and December 2016. Nickel, zinc and copper prices have followed the same trend, with rises of 32.9%, 73.2% and 16.6% respectively⁶.

Maintaining high levels of activity in the US in the construction and automotive sector, the main outlets for iron and steel players, partly explains this trend, as does the acceleration in growth in these sectors in western Europe as well, and the reduction in Chinese steel exports. These indeed fell in 2016 (-3.5% for iron and steel finished products). This stems primarily from the fairly good state of internal demand, stimulated by access to credit facilitated by the Chinese central state. The impact of imposing customs duties on Chinese iron and steel products has also enabled global iron and steel players to observe a temporary respite. In this context, Coface has improved its risk assessment for this sector in China and Brazil, moving from “very high risk” to “high risk”.

Beyond this short-term price momentum, credit risk for companies in the sector is primarily set to depend on the reduction in production overcapacity in China, which is both the leading producer and the leading consumer of metals in the world. In February 2016, the Chinese authorities set as an objective a reduction in metals production capacity of 150m tonnes by 2020, in order to limit exports, placing the country under the threat of anti-dumping commercial measures. A year later, going by official figures, the target has been reached. More surprisingly, the authorities even seem to be ahead on the planned schedule, although they announced last July that they were behind schedule: production capacity cuts apparently reached 65-85m tonnes in 2016 (50m was the target). Assuming that the 2017 target is reached (50m again), this would mean that more than 75% of the target set at end-2020 would be reached in December 2017. However, recent combined estimates from the Chinese iron and metals association and Greenpeace underscore the fact that a large portion of this capacity reduction concerned plants that had already stopped their output. And above all that the official figures on capacity reduction do not take account of capacity “creations”. In other words, new companies entering the market are not taken into account in the calculation. In all, while the rise in global prices is offering a temporary breath of fresh air to many companies in the sector, medium-term imbalances are far from being resolved.

Graph n° 7
Growth in metals production (in volume, sources: Oxford Economics and Coface)



Sources: Oxford Economics et Coface

5/ Average LME spot price per tonne
6/ Average LME spot price per tonne

Changes in country risk assessments

Czech Republic

(upgraded from A3 to A2):

- Fair growth of 2.6% expected for 2017 after 2.4% recorded in 2016.
- Strong household demand thanks to low unemployment (one of the lowest in the EU) and growing wages.
- Exports are benefiting from the German demand with integration in its productive chain. The automotive sector remains an important part of economy and benefits from solid sales dynamics in the EU.
- A rebound of public investments is anticipated in line with a faster start of new EU budget expected this year.
- Solid banking system.

Israel

(upgrade from A3 to A2)

- The country's growth performance remains higher-than-expected. Real GDP growth came in at 5.0% y-o-y in Q316, considerably above expectations.
- The country has returned annual current account surpluses each year since 2003, and in 2015 posted a record surplus of 4.6% of GDP, despite the appreciation of the shekel
- Low level of unemployment (3.4%) and inflation (0.1% yoy in January 2017) supports higher wages and increasing purchasing power of households. This situation brightens the outlook for domestic oriented sector such as consumer electronics, construction and retail.

Latvia

(upgrade from A4 to A3)

- The economy is expected to expand by 2.8% this year after a subdued growth of 1.6% in 2016.
- Rebound of investments after their drop recorded last year due to delays in the use of EU investment funds.
- Good situation on the labour market will keep domestic demand as the main growth driver.
- Strengthened integration into the Eurozone.
- The financial system dominated by solid and stable Swedish banks.

Armenia

(upgraded from E to D)

- Russia's recovering economy will improve activity and business sentiment in Armenia. Even modest, Russian growth will provide Armenia with tailwinds for growth thanks to, among others, a positive outlook on workers' remittances.
- Industrial Production increased 12.2% yoy and retail Sales 9.4% in January of 2017.
- Armenia's exchange-rate stable : outlook for the Russian rouble and modest recovery in growth reduces one of the major channels for potential currency volatility.

Mozambique

(downgraded from D to E)

- The IMF suspended its aid program in April 2016 following the revelation of previously undisclosed public borrowing which pushed the country into debt distress. Mozambique's access to international credit is severely curtailed.
- The government defaulted on interest payment to bondholders on January 18.
- Mozambique's political stability will remain under threat. Fierce rivalries within the ruling party (Frelimo) when the next presidential, legislative and provincial elections are due in 2019.
- Despite some moves to maintain the cease fire agreed on January 4, uncertainties remain on the evolution of the political situation, due to long lasting rivalries between Frelimo and the opposition rebels from Renamo.

BUSINESS
DEFAULT
RISK

A1

Very low

A2

Low

A3

Satisfactory

A4

Reasonable

B

Fairly high

C

High

D

Very high

E

Extreme





Changes in sector risk assessments

	Latin America	North America	Central Europe	Western Europe	Emerging Asia	Middle East + Turkey
Automotive	High risk	Medium risk	Low risk	Low risk	Medium risk	High risk
Agrofood	High risk	Medium risk	Medium risk	High risk	Medium risk	High risk
Chemical	High risk	Low risk	Medium risk	Medium risk	High risk	High risk
Construction	Very high risk	Medium risk	High risk	Medium risk	Very high risk	High risk
ICT*	Medium risk	Medium risk	Medium risk	Low risk	High risk	High risk
Energy	Very high risk	Very high risk	High risk	High risk	High risk	High risk
Metals	Very high risk	High risk	High risk	High risk	Very high risk	High risk
Paper	Medium risk	High risk	Medium risk	High risk	Medium risk	Very high risk
Pharmacy	Medium risk	Low risk	Medium risk	Medium risk	Low risk	Low risk
Retail	High risk	High risk	Medium risk	Medium risk	Medium risk	High risk
Textile	High risk	High risk	Medium risk	High risk	High risk	High risk
Transport	High risk	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk

* Information and Communication Technologies

Source: Coface

BUSINESS DEFAULT RISK



The risk has improved

The risk has deteriorated

Latin America

Upgraded from very high risk to high risk: Construction, Energy, Metallurgy.

BRAZIL

Upgraded from very high risk to high risk:

Agri-food:

Rise in commodities prices that ought to be beneficial to Brazilian producers.

Automotive:

- A still delicate market, but which seems to have bottomed out.
- In addition, exports to other countries in the region are positive (Argentina).

Construction:

- Rapid decline in central bank interest rates making credit conditions less difficult and reducing interest expenses for indebted households.

Energy

(upgraded from very high risk to high risk):

- Improvement in oil prices and margins, but uncertainty on investment projects and extent of hike in prices.

Metallurgy

(upgraded from very high risk to high risk):

- Rise in commodities prices (steel, zinc, copper, nickel) over several months offering respite.
- But uncertainty on efficiency of measures to reduce production capacity in China.

MEXICO

Automotive

(downgraded from average risk to high risk):

- Uncertainty on protectionist measures in the US that could deregulate Mexican efforts to build a complementary automotive industry to its northern neighbour.
- Lower growth expected in the US automotive market (stricter credit conditions, very high activity levels having reached a peak).
- Decline in domestic sales of new vehicles.

ICT

(downgraded from low risk to average risk):

- Decline in household consumption
- Uncertainty on protectionist effects in the US.

LATIN AMERICA

	Latin America	Mexico	Brazil
Automotive	Orange	Light Orange	Light Green
Agrofood	Orange	Orange	Light Green
Chemical	Orange	Orange	Orange
Construction	Light Green	Orange	Light Green
ICT*	Yellow	Light Orange	Orange
Energy	Orange	Dark Orange	Orange
Metals	Orange	Orange	Orange
Paper	Yellow	Yellow	Yellow
Pharmacy	Yellow	Green	Yellow
Retail	Orange	Yellow	Orange
Textile	Orange	Orange	Orange
Transport	Orange	Yellow	Orange

* Information and Communication Technologies

Source: Coface

Western Europe

FRANCE

Construction

(upgraded from high risk to average risk):

- Rebound in construction on new housing in view of low interest rates and tax incentive measures.
- Little improvement in renovation and public works, with election years not favouring investments (including at the utilities level).

UNITED KINGDOM

Distribution

(downgraded from average risk to high risk):

- Although household confidence is robust, it is starting to show signs of fragility.
- Inflation (weak pound and rising energy prices) is affecting disposable income.
- The probable sharp increase in property tax for second homes is set to affect household finances and add to the above-mentioned troubles, eating into retailers' margins.



WESTERN EUROPE

	Western Europe	Germany	France	United Kingdom	Italy	Spain
Automotive	Green	Green	Green	Yellow	Yellow	Green
Agrofood	Orange	Orange	Orange	Yellow	Yellow	Yellow
Chemical	Yellow	Green	Yellow	Yellow	Yellow	Yellow
Construction	Yellow	Green	Light Green	Orange	Orange	Yellow
ICT*	Green	Green	Yellow	Yellow	Yellow	Yellow
Energy	Orange	Orange	Orange	Orange	Orange	Orange
Metals	Orange	Orange	Orange	Dark Orange	Dark Orange	Orange
Paper	Orange	Orange	Orange	Orange	Orange	Orange
Pharmacy	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Retail	Yellow	Yellow	Green	Light Orange	Yellow	Yellow
Textile	Orange	Orange	Orange	Orange	Orange	Yellow
Transport	Yellow	Yellow	Yellow	Yellow	Yellow	Green

* Information and Communication Technologies

Source: Coface



Emerging Asia

Metallurgy upgraded from very high risk to high risk (following change in assessment of China in particular)

CHINA

Metallurgy

(upgraded from very high risk to high risk):

- Improvement in prospects in China in terms of metallurgy.
- The rise in demand for metals and prices in the region associated with infrastructure projects should be the main driver in the region (especially in Thailand, the Philippines, Indonesia and India).

Middle-East and Turkey

TURKEY

ICT

(downgraded from average risk to high risk):

- The economic slowdown, decline in consumer spending and security and political problems have reduced spending on ICT products.
- A large share of inflows in the sector is imported and another depreciation in the lira would reduce already tight profit margins.
- PC spending is threatened by consumers replacing tablets by smartphones.

Energy

(downgraded from average risk to high risk):

- Low profit margins given still fairly low prices.

EMERGING ASIA

	Emerging Asia	India	China
Automotive	High	High	High
Agrofood	High	High	High
Chemical	High	High	High
Construction	High	High	Very High
ICT*	High	High	High
Energy	High	High	High
Metals	High	Very High	High
Paper	High	High	High
Pharmacy	High	Low	Low
Retail	High	High	High
Textile	High	High	High
Transport	High	High	High

* Information and Communication Technologies

Source: Coface

MIDDLE EAST + TURKEY

	Middle East + Turkey	Turkey	UAE	Saudi Arabia
Automotive	High	High	High	High
Agrofood	High	High	High	High
Chemical	High	High	High	High
Construction	High	Very High	High	High
ICT*	High	High	High	High
Energy	High	High	High	High
Metals	Very High	Very High	Very High	Very High
Paper	High	High	High	High
Pharmacy	Low	Low	Low	Low
Retail	High	High	High	High
Textile	High	High	High	High
Transport	High	High	High	High

* Information and Communication Technologies

Source: Coface

NORTH AMERICA

	North America	United States
Automotive		
Agrofood		
Chemical		
Construction		
ICT*		
Energy		
Metals		
Paper		
Pharmacy		
Retail		
Textile		
Transport		

* Information and Communication Technologies Source: Coface

CENTRAL AND EASTERN EUROPE

	Central Europe	Poland
Automotive		
Agrofood		
Chemical		
Construction		
ICT*		
Energy		
Metals		
Paper		
Pharmacy		
Retail		
Textile		
Transport		

* Information and Communication Technologies Source: Coface

OTHERS

	South Africa	Japan	Russia
Automotive			
Agrofood			
Chemical			
Construction			
ICT*			
Energy			
Metals			
Paper			
Pharmacy			
Retail			
Textile			
Transport			

* Information and Communication Technologies Source: Coface

RESERVATION

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