

AU GROUP

G-Grade

Country Risk Global Grading

2021 - SECOND QUARTER
GLOBAL OVERVIEW



INSURANCE, FINANCING, MANAGEMENT OF
TRADE RECEIVABLES - POLITICAL RISKS

INTRODUCTION



NEW TRENDS Q2 / 2021

Whilst for some countries (China, United States, UAE, United Kingdom) there is light at the end of the tunnel, others are struggling due to the pandemic. But overall, the trend is gradually improving as vaccines are deployed around the world. During the first quarter (01/01 to 31/03/2021), the G-Grade noted 4 significant changes in country risk.

NOTICE OF EXPLANATION

The G-Grade displays a grade between 1 and 10 measuring the perceived level of political risk in this country.

Grade 1 corresponds to the lowest perceived level of political risk.



On each country snapshot, you will notice:
- on the left side is the previous grade,
- on the centre is the current G-Grade,
- on the right side is the highest and the lowest risk assessment provided by the insurers.

All macro economic graphics have been prepared based on IMF (International Monetary Fund) statistics department information (World Economic Outlook Database).

In case of questions please address your request to : forni@au-group.com

HIGHEST DOWNGRADES

- Downgrade in Laos (G-Grade changes from 8.50 to 9.00): foreign exchange reserves are relatively low and the country's debt situation is worsening. As of today, there is no IMF support policy in place and the possible risk of sovereign default rises.

HIGHEST UPGRADES

- Improvement in Azerbaijan (the G-Grade goes from 7.50 to 6.75): The tense political situation of late 2020 due to the armed conflict in the Nagorno-Karabakh region, seems to have improved since the ceasefire last November.

- Improvement in the UK (G-Grade goes from 2.50 to 2.00): After a -9.9% recession in 2020 (according to the IMF), a rebound in growth is expected for 2021 (+5.3%) and 2022 (+5.1%), as the health situation gradually improves. Household consumption will be the driving force behind this recovery, as the purchasing power of the British public has not been badly affected by the pandemic thanks to the measures taken to support the economy. However, all these measures have a cost, and the country will have to face the significant increase in its public debt, which has risen from 85.2% of GDP in 2019 to 107.1% in 2021 (IMF estimate).

- Improvement in the United Arab Emirates (G-Grade moves from 3.75 to 3.25): The collapse of oil prices during 2020 has badly impacted the country's economy. In 2021, the combined effect of the rise in barrel prices and the recovery in volumes promises better prospects (+3.1% in 2021 and +2.6 in 2020). Even if the pandemic will reduce the scope of the Dubai World Expo, (October 2021), such an event will still have a positive impact on the region (employment, consumer spending).

ENABLING BETTER VISIBILITY ON WORLDWIDE RISKS

«The "AU G-Grade" is a condensed overview based on the country risk assessments of the major credit insurers (EULER HERMES, ATRADIUS, COFACE & CREDENDO...). In addition, in order to provide you a complete picture of each country, we have selected 7 relevant KPIs issued by the IMF statistics department.

The AU G-Grade is displayed country by country, providing a rating evolution on a quarterly basis and also including the lowest and highest grade spreads from the insurers. Developed by AU Group, this complementary tool gives a solid trend analysis and indication of a country's risk, based on the valuable grading of the most experienced insurers.»

BAUDOUIIN DE THORÉ, Chief Executive Officer



OVERVIEW



CLICK ON A COUNTRY
TO REACH ITS SHEET

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FRANCE

65.1

Population

in Millions of people, 2020

-8.2

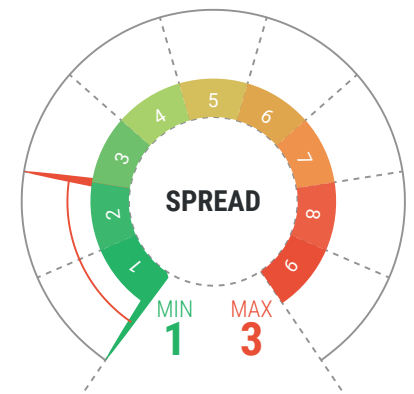
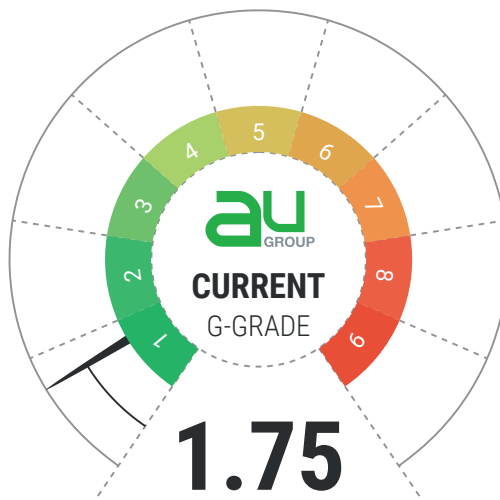
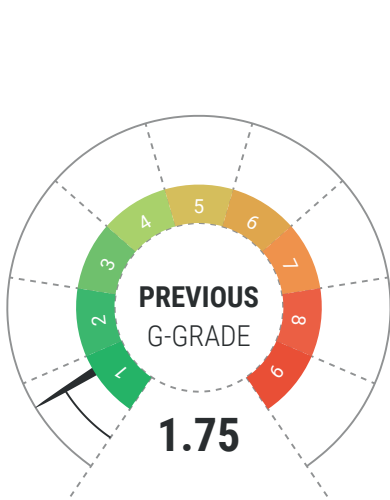
Gross Domestic Product

in % of change, 2020

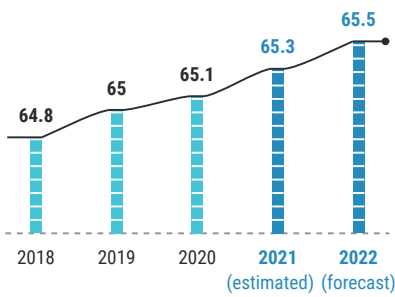
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Gross Domestic Product Per Capita

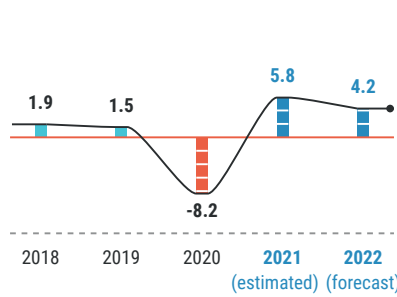
in USD, 2020



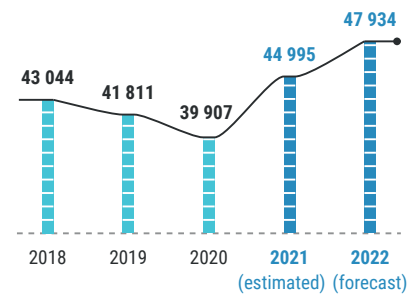
POPULATION
(Persons)



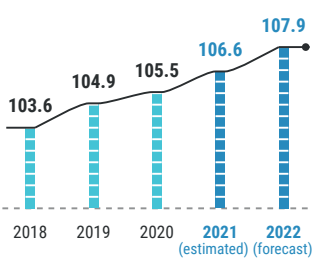
GROSS DOMESTIC PRODUCT
(% change)



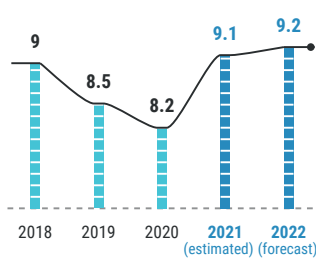
GROSS DOMESTIC PRODUCT PER CAPITA
(USD)



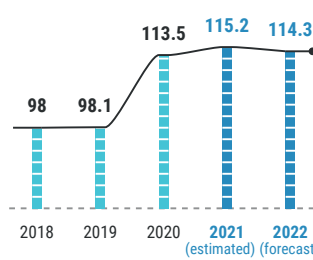
INFLATION
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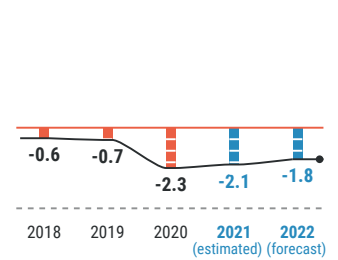
UNEMPLOYMENT RATE
(% of total labor force)



GENERAL GOVERNMENT GROSS DEBT
(% of GDP)



CURRENT ACCOUNT BALANCE
(% of GDP)



Source: International Monetary Fund

AU GROUP

Supports its clients in structuring, negotiating and implementing solutions for the:

PROTECTION AGAINST CUSTOMER'S PAYMENT DEFAULT

by transferring the risk to the most suitable market

MANAGEMENT OF TRADE RECEIVABLES

by optimising credit management tools & techniques with the use of IT solutions

FINANCING AND WORKING CAPITAL SECURITIZATION

by pledging trade receivables to appropriate finance companies

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