



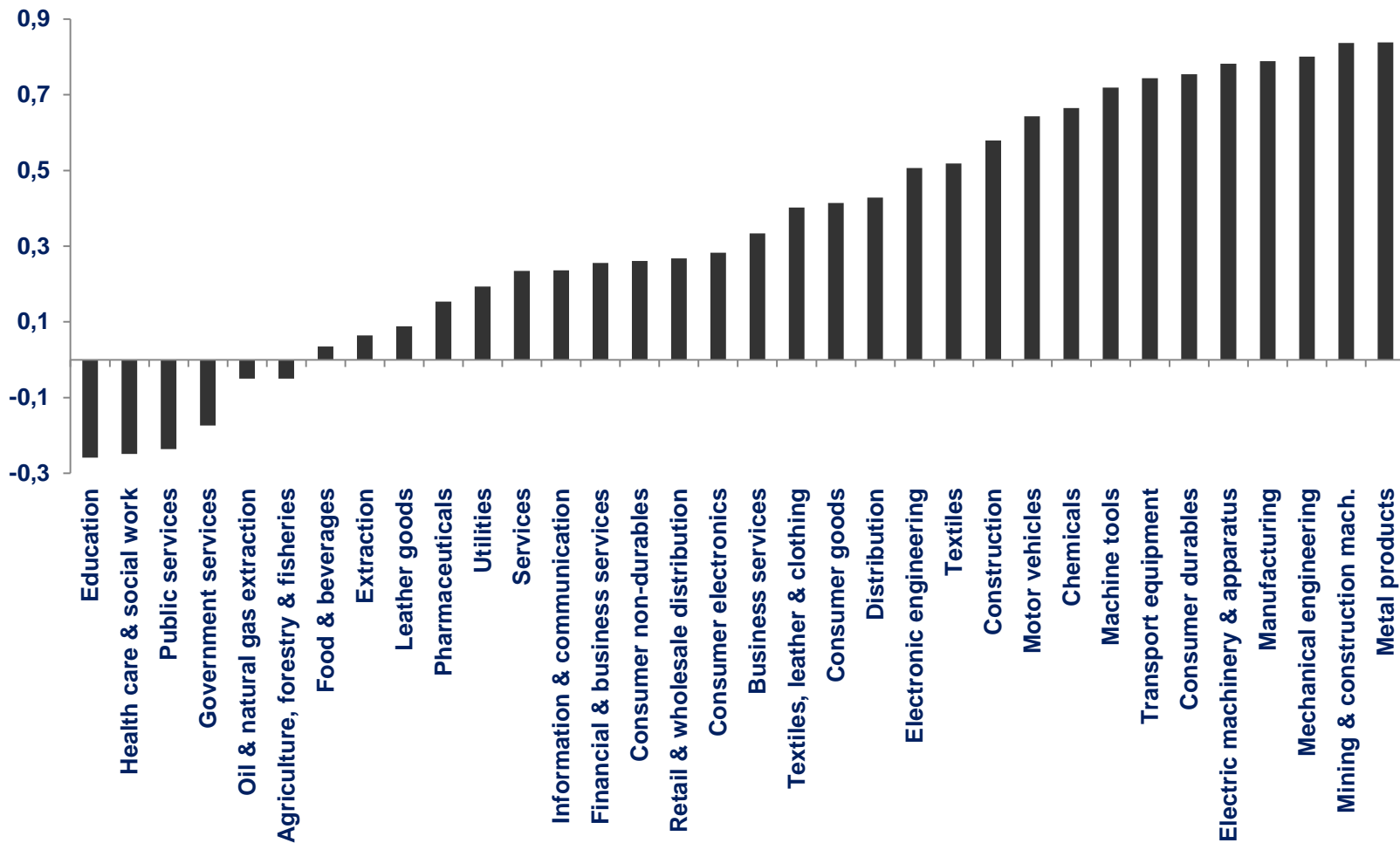
Recovery in global growth: More than a flash in the pan?

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coface
FOR SAFER TRADE

Global growth recovery: and the winning sectors are...

Correlation between added value by sector and global GDP
(correlation coefficient of annual growth rates between 1980 and 2017)



Coface 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	High risk (The risk has improved)	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	High risk (The risk has improved)	Very high risk	High risk	High risk	High risk	High risk
Metals	High risk (The risk has improved)	High risk	High risk	High risk	High risk (The risk has improved)	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

Coface sector risk assessments: Western Europe

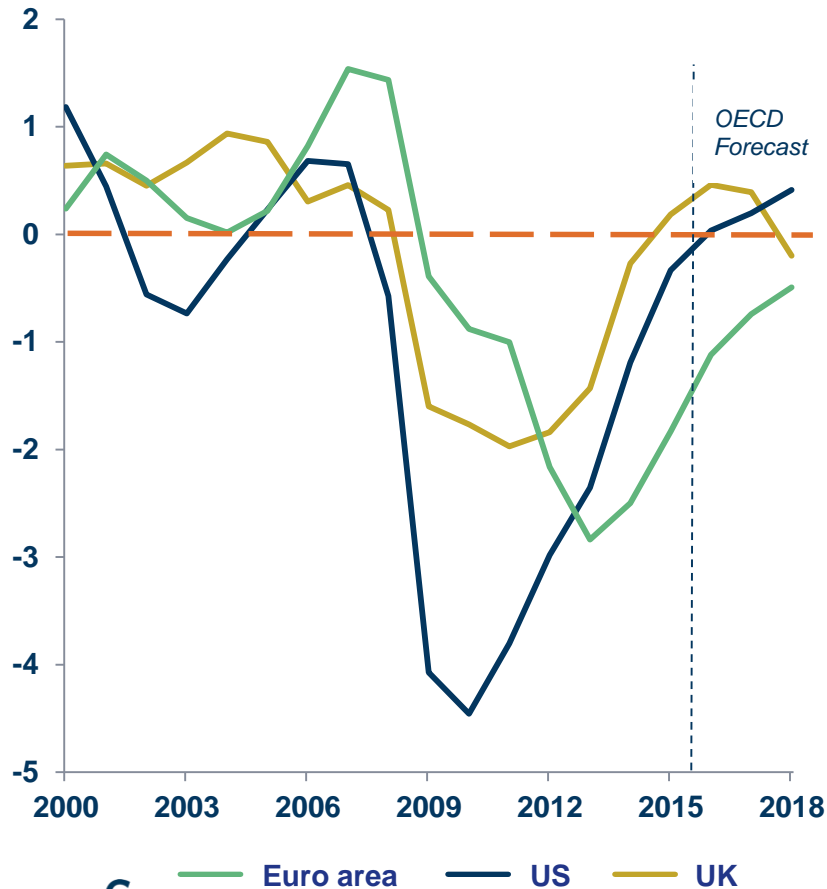
	Western Europe	Germany	France	United Kingdom	Italy	Spain
Automotive	Low risk	Low risk	Low risk	Medium risk	Medium risk	Low risk
Agrofood	High risk	High risk	High risk	Medium risk	Medium risk	Medium risk
Chemical	Medium risk	Low risk	Medium risk	Medium risk	Medium risk	Medium risk
Construction	Medium risk	Low risk	The risk has improved	High risk	High risk	Medium risk
ICT*	Low risk	Low risk	Medium risk	Medium risk	Medium risk	Medium risk
Energy	High risk	High risk	High risk	High risk	High risk	High risk
Metals	High risk	High risk	High risk	Very high risk	Very high risk	High risk
Paper	High risk	High risk	High risk	High risk	High risk	High risk
Pharmacy	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk
Retail	Medium risk	Medium risk	Low risk	The risk has deteriorated	Medium risk	Medium risk
Textile	High risk	High risk	High risk	High risk	High risk	Medium risk
Transport	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk	Low risk

* Information and Communication Technologies

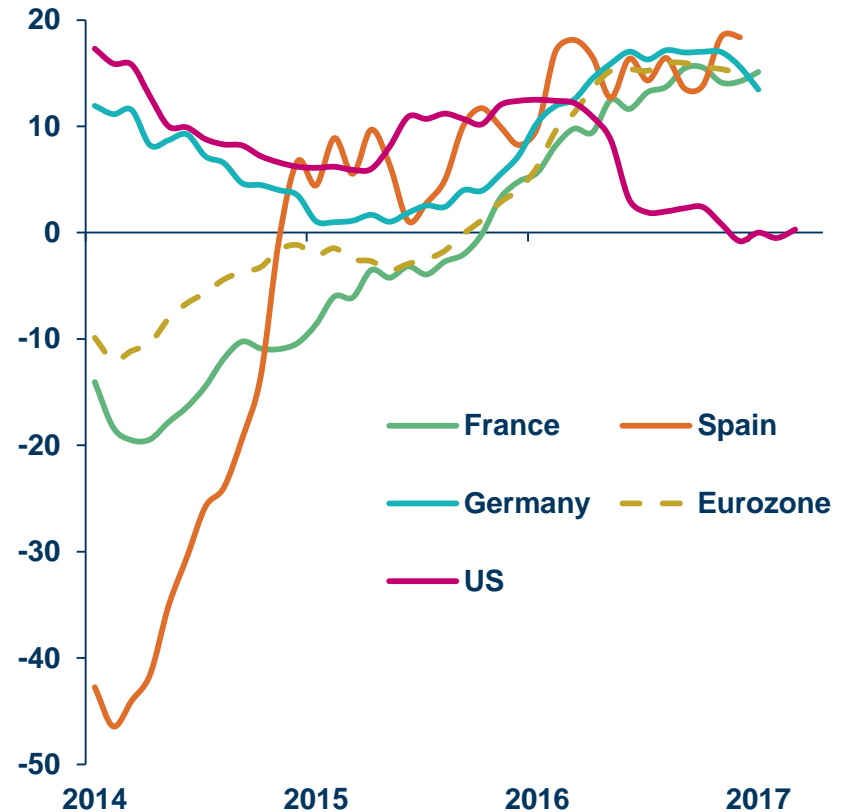
Source: Coface

The peak has been passed in the US, but not in the Eurozone yet

Gap between structural unemployment rate and unemployment rate (%)

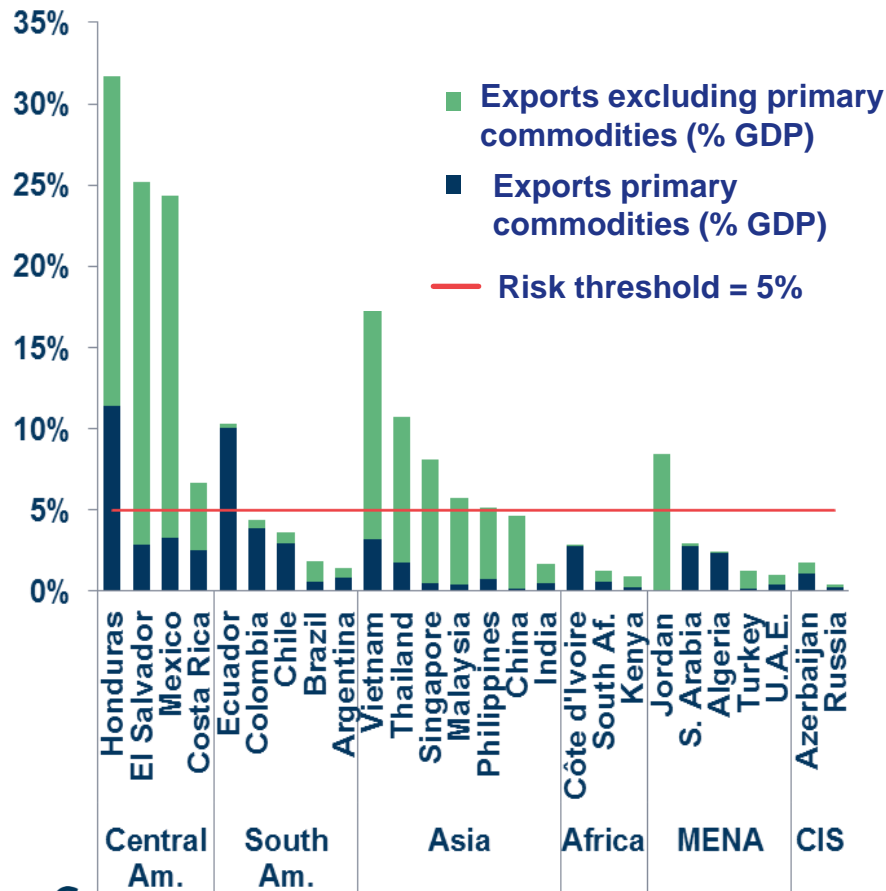


Building permits (% year on year growth)

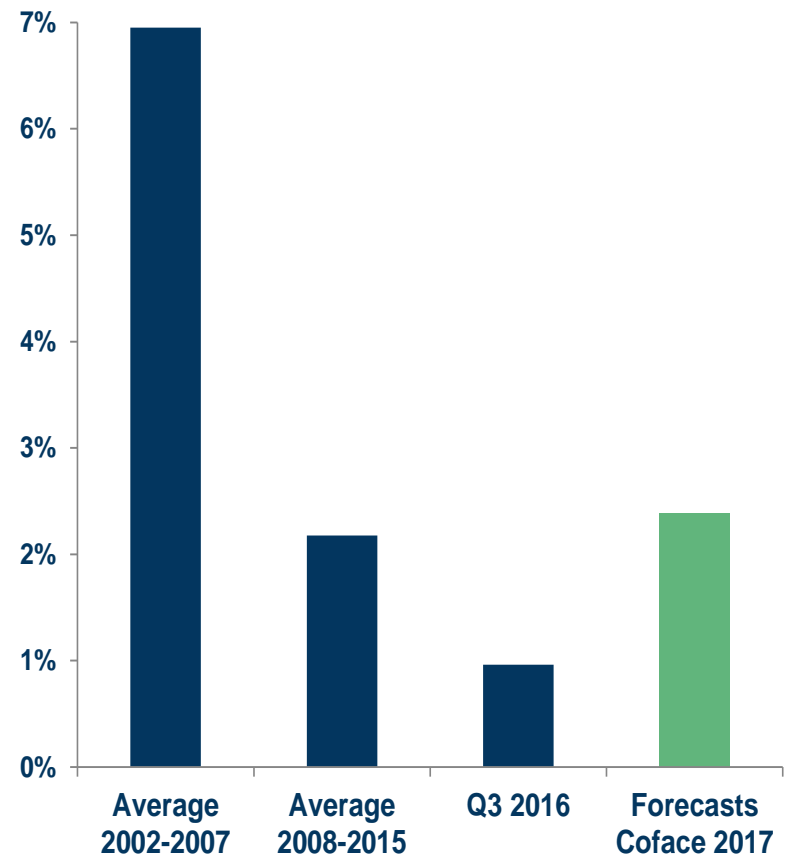


Global trade: better outlook in 2017, but watch out for protectionism risk

Emerging countries: Exports to the US (% of GDP)

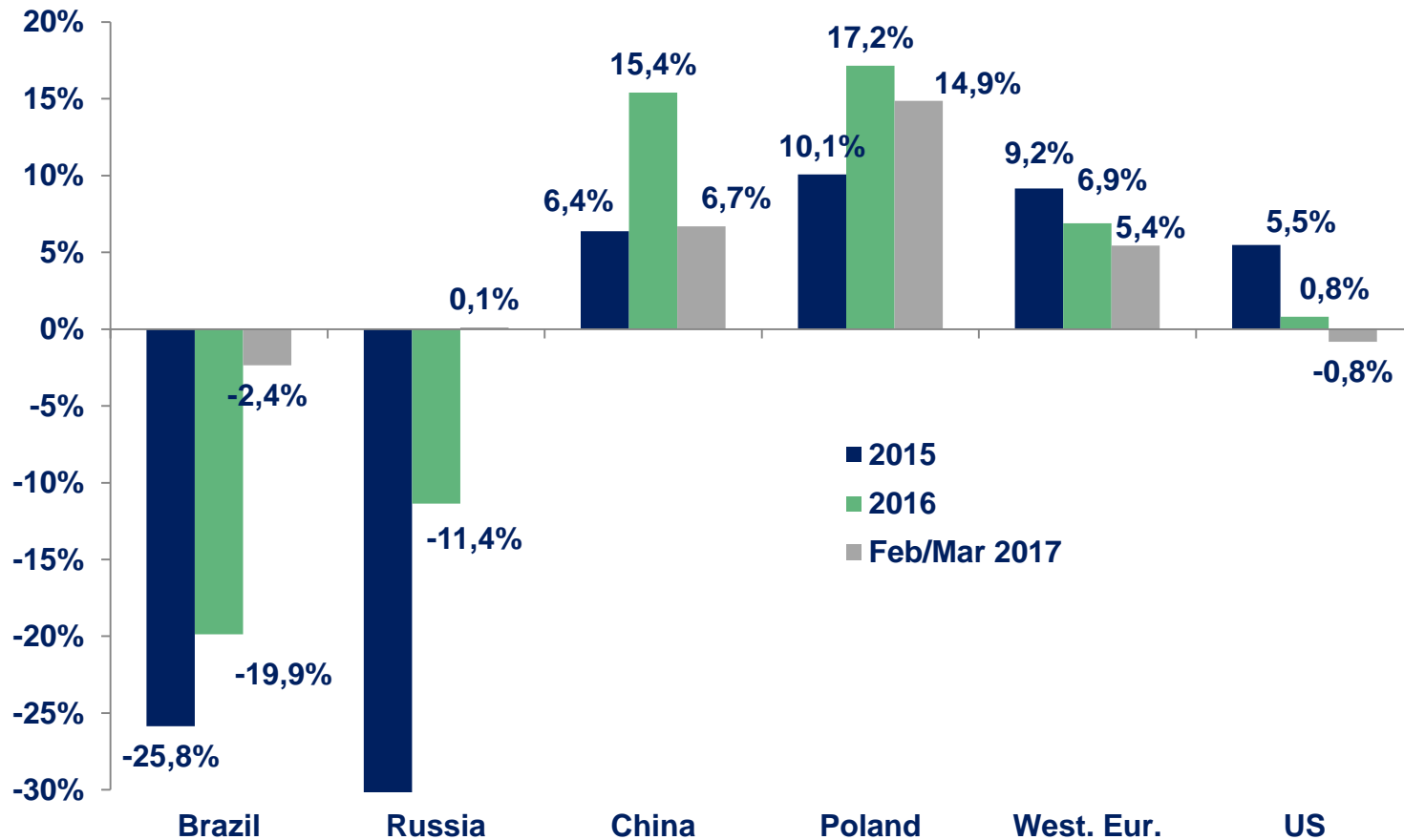


Global trade (exports, annual growth)



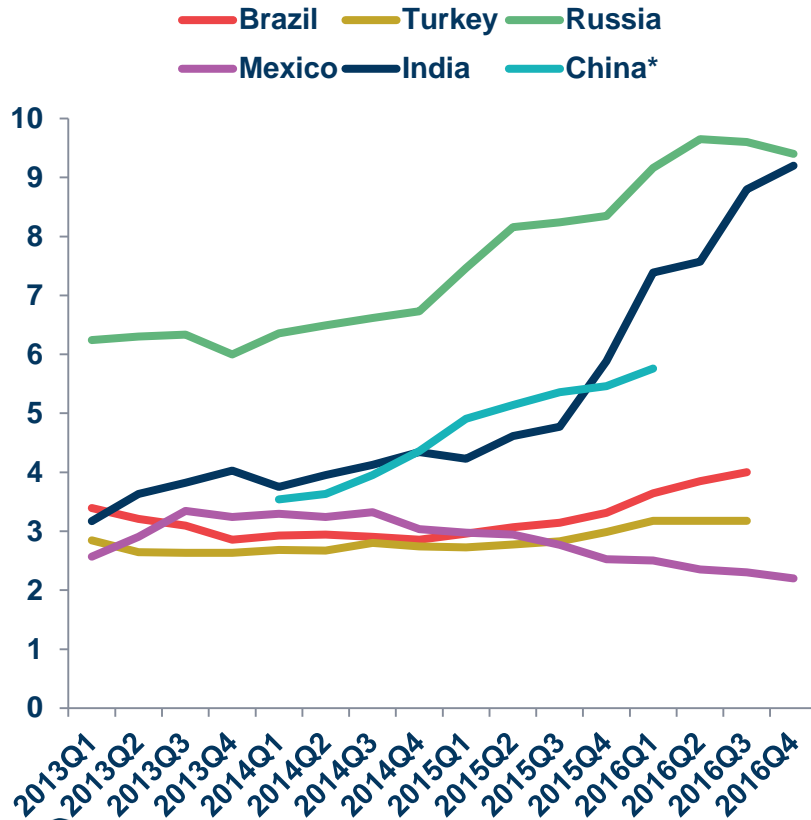
Emerging markets: the recovery is underway

Car sales
(year on year growth)

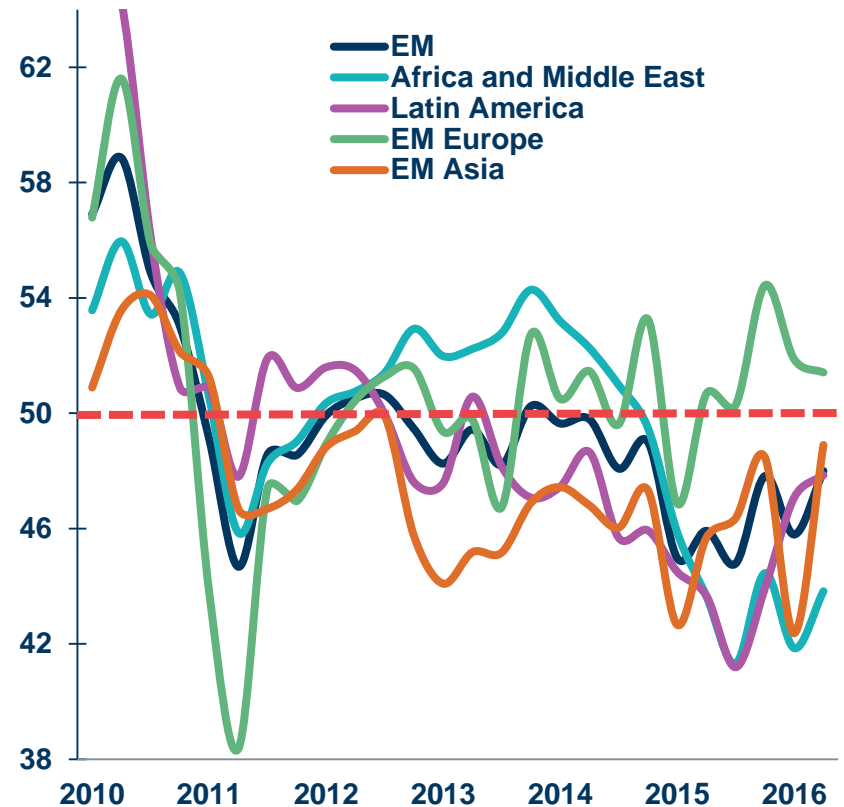


Emerging markets: Corporate debt and banking risk go hand in hand

Non performing loans (as a % of total loans)

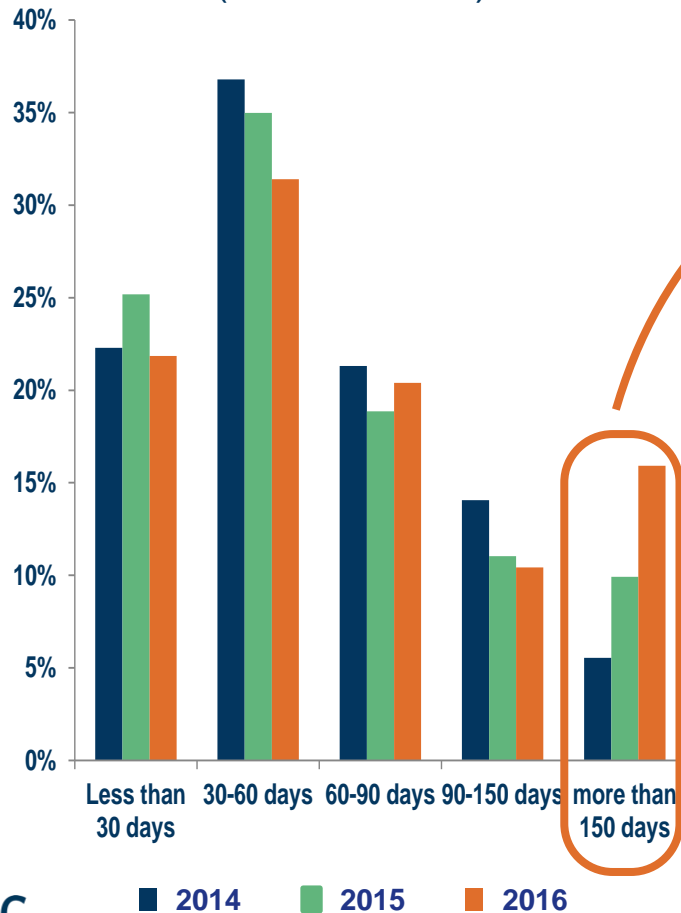


Banking credit condition survey (below 50 = tightening)

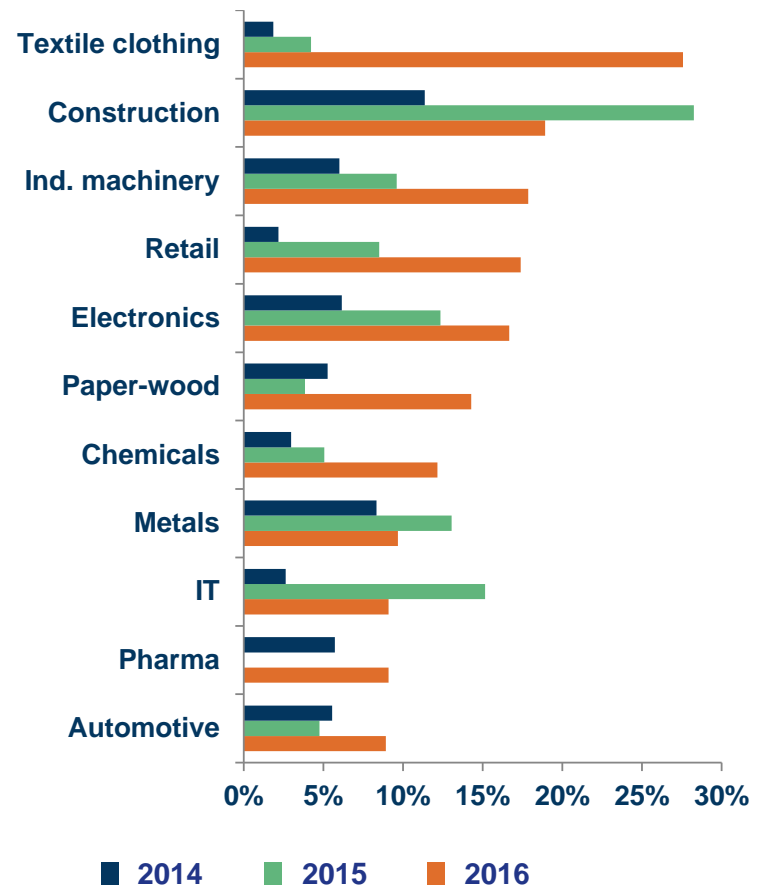


Coface corporate payment survey in China: less overdues, but higher proportion of long ones

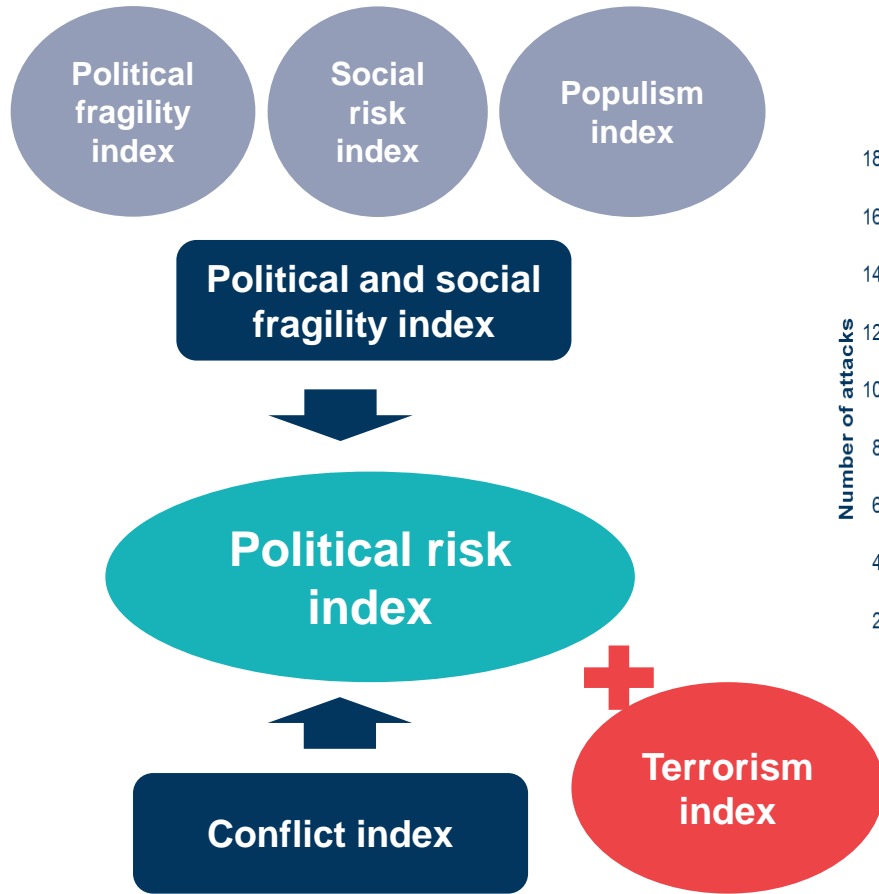
Average overdue days (share of total)



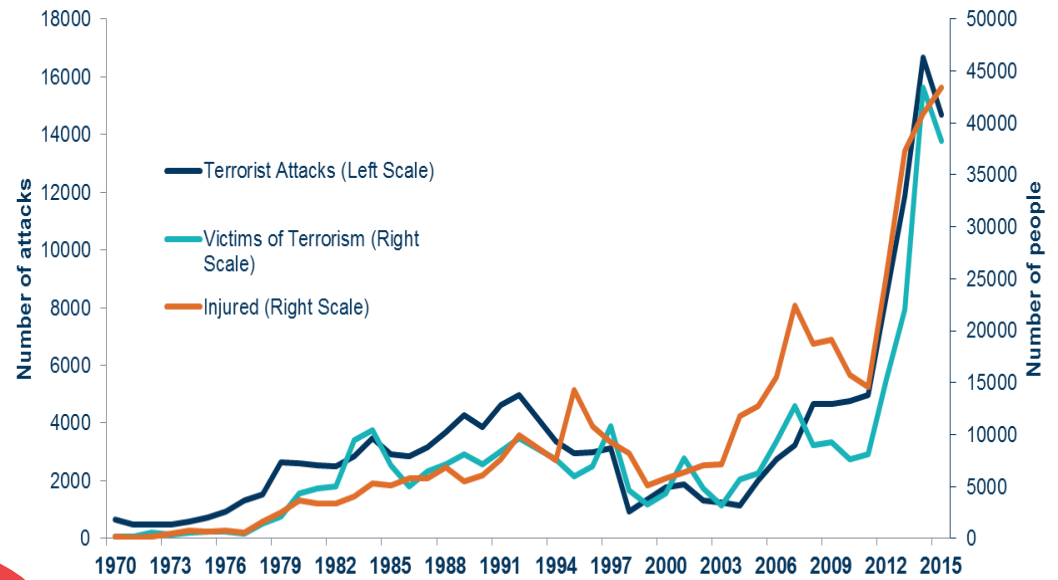
Overdues by sector (longer than 150 days, share of total)



Political risk: New Coface methodology



Terrorism index (1970-2015)



Source: Global Terrorism Database

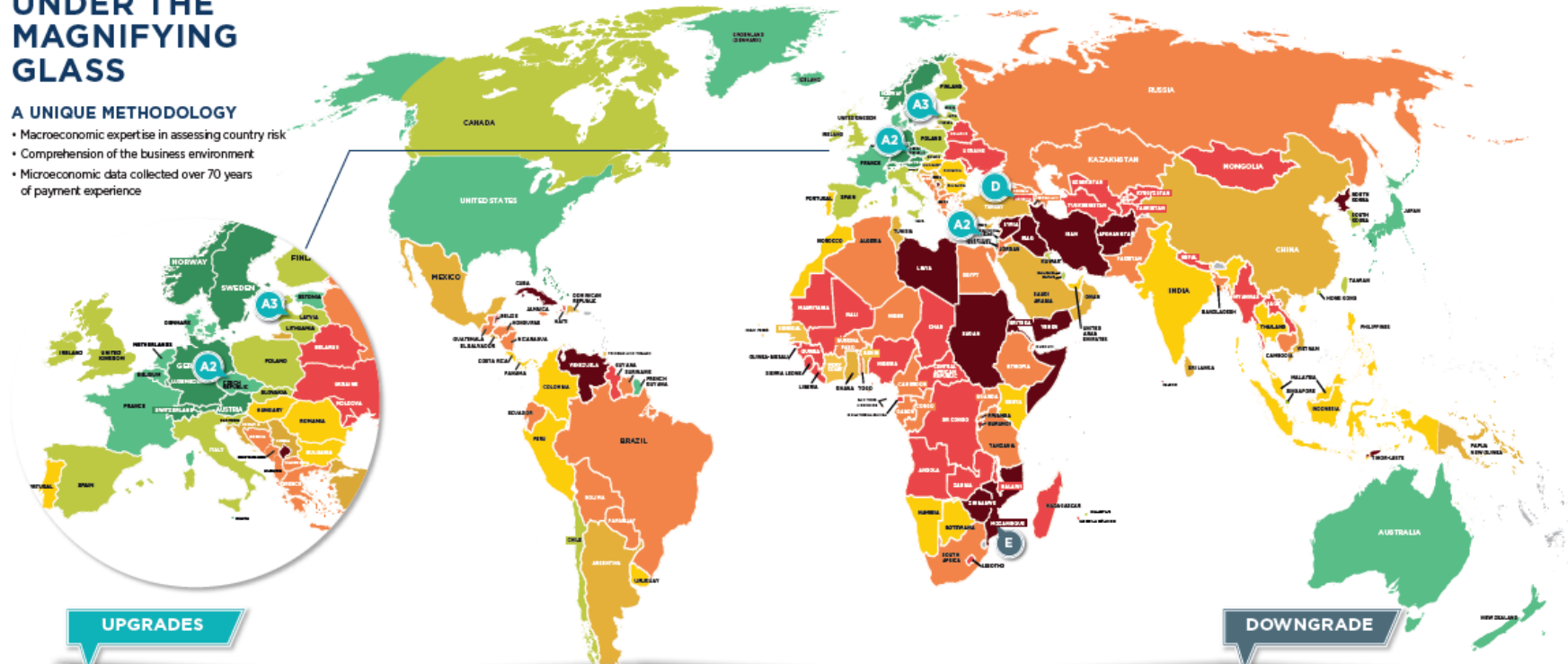
Coface country risk assessments



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



UPGRADES

ARMENIA

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- Russia's recovering economy will boost activity and improve business confidence
- Growth in industrial production and retail sales
- Outlook for the Russian rouble, along with a modest recovery in growth, are reducing currency volatility

CZECH REPUBLIC

A2

- Fair growth of 2.6% expected for 2017, up from 2.4% in 2016
- Strong household demand, thanks to low unemployment and growth in wages
- Exports are boosted by German demand
- The automotive sector is benefiting from solid sales dynamics in the EU
- Possible rebound in public investments
- Solid banking system

ISRAEL

A2

- Real GDP growth came in at 5% in 2016 - considerably above expectations
- Annual current account surpluses since 2003
- Low level of unemployment (3.4%) and inflation are supporting household purchasing power and brightening the outlook for domestic-oriented sectors, such as consumer electronics, construction and retail

LATVIA

A3

- Upturn in the economy expected in 2017, with 2.8% growth
- Rebound in investments following their fall last year, due to delays in the use of EU investment funds
- Good situation on the labour market will support domestic demand as the main growth driver
- A financial system dominated by solid and stable Swedish banks

MOZAMBIQUE

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
- The government defaulted on interest payments to bondholders on January 18 2017
- Political stability will remain under threat, with fierce rivalries within the ruling party (Frelimo) at the next elections