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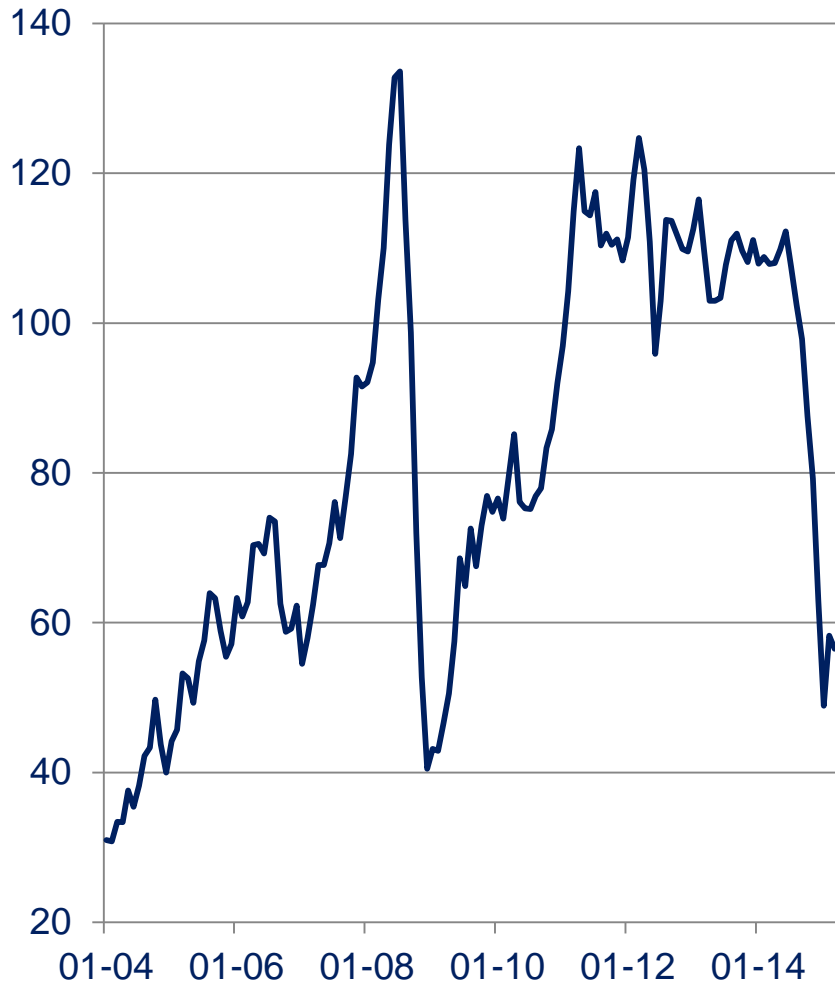
# 2015 Economic Overview

April 2015

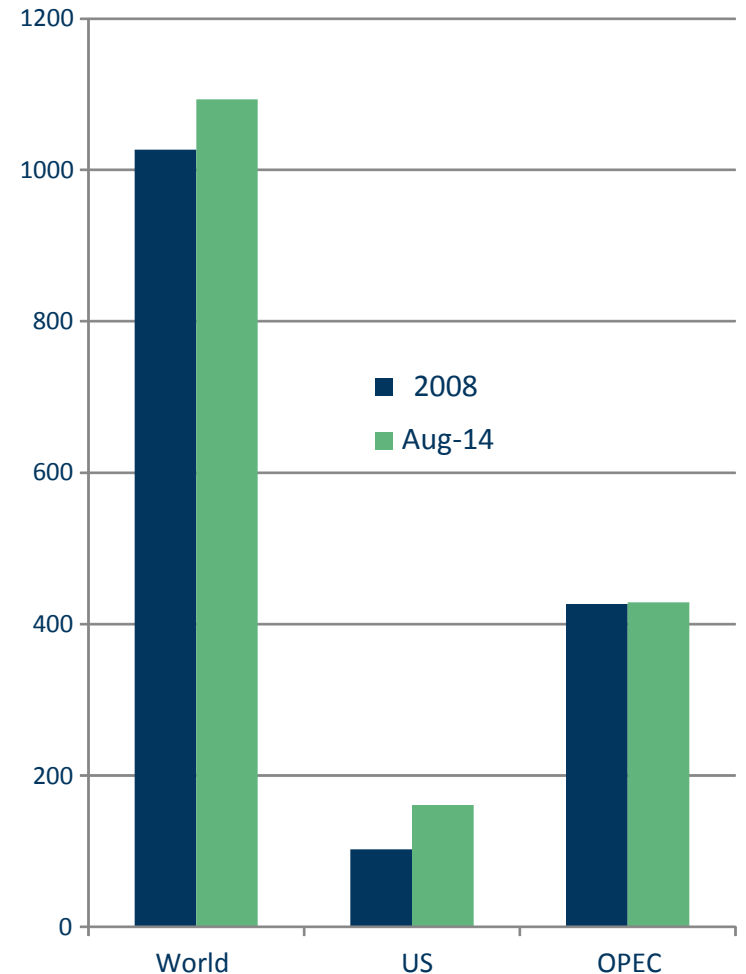
Bart A. Pattyn  
President & CEO  
Coface Latin America

# Oil prices: Lower for longer

Oil price (Brent, source: OPEC)

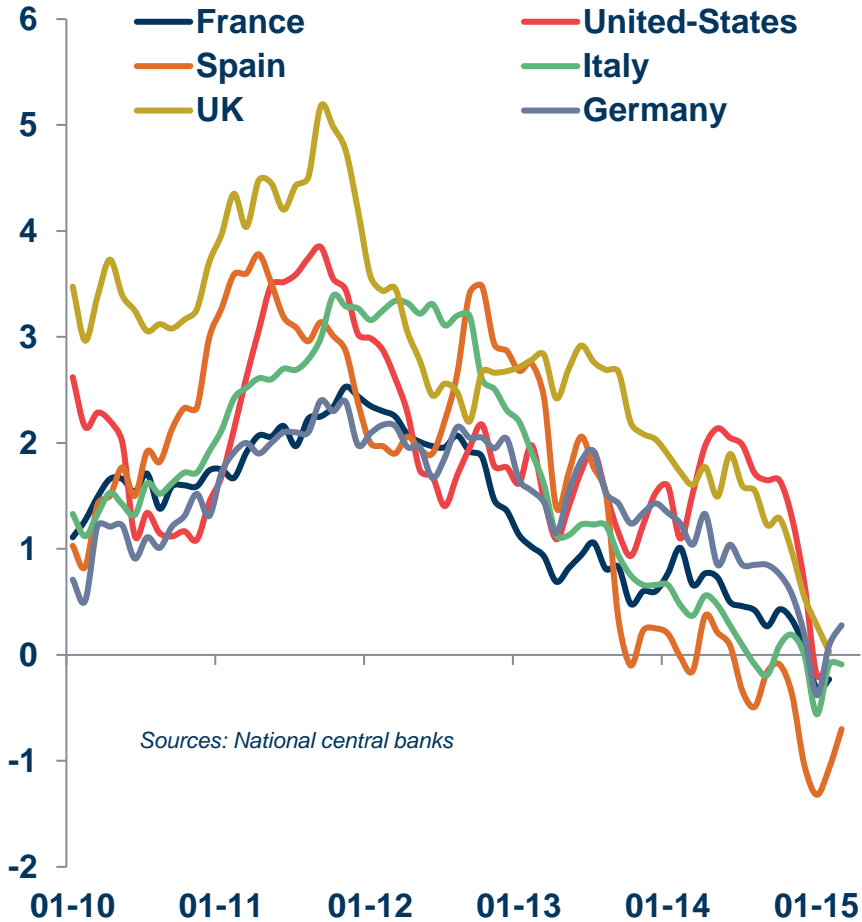


Oil exports (million of barrels per day, source: OPEC)

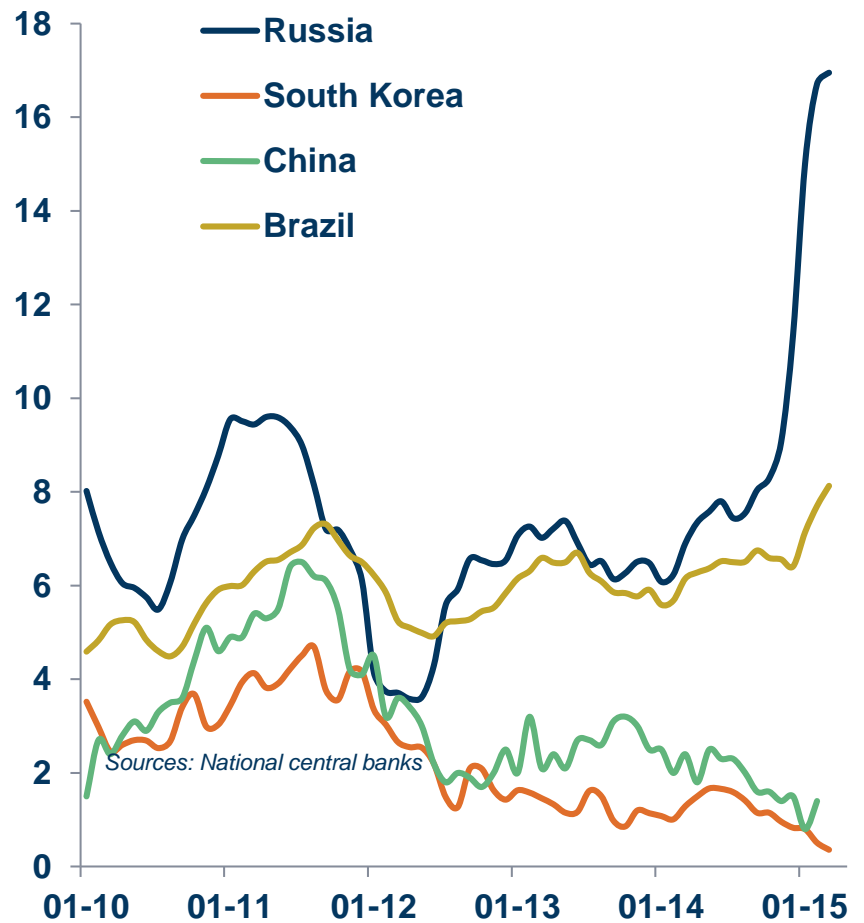


# Global disinflation and loose monetary policies

 Inflation rate (yoy, %)



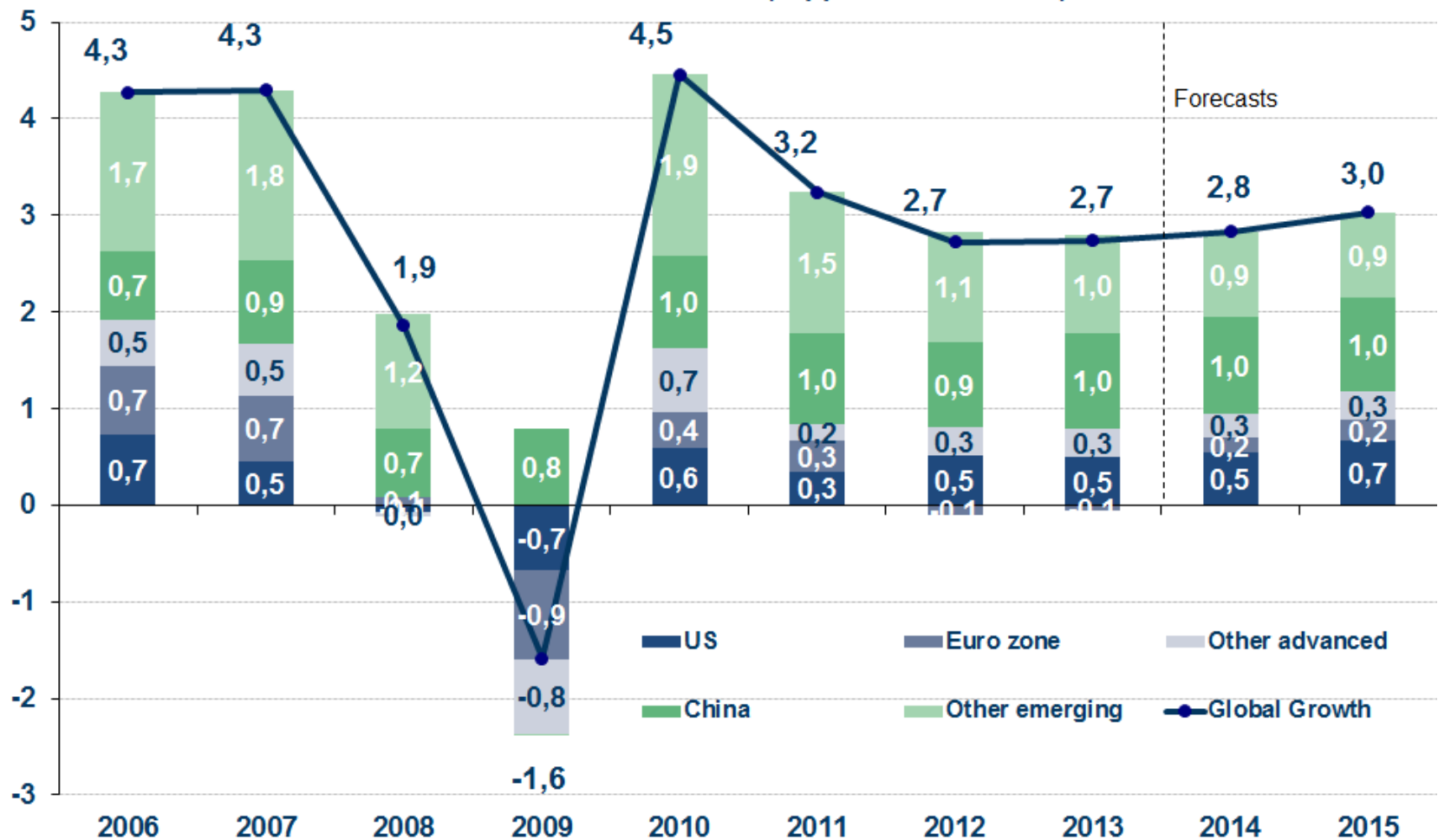
Sources: National central banks



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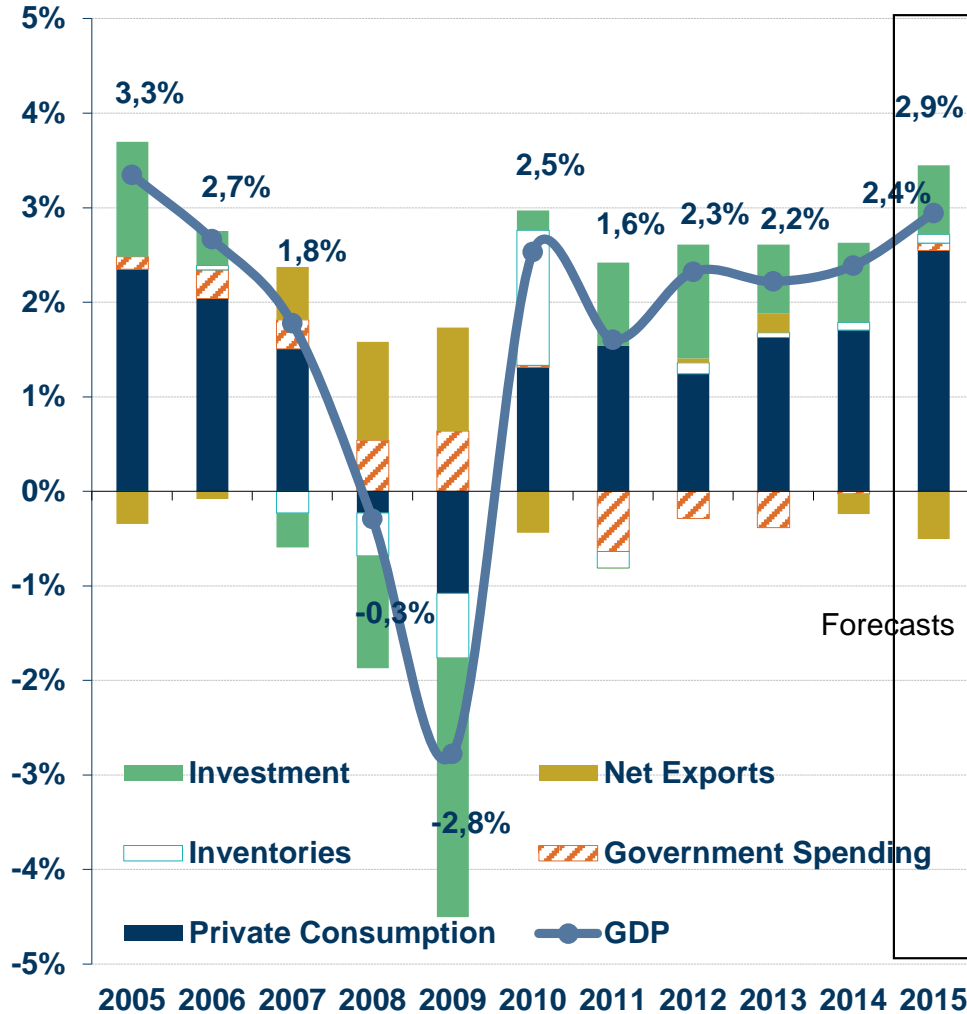
# Global growth: A tiny winy pickup this year, but several risks to be monitored

Global Growth Breakdown (in pp, source: Coface)

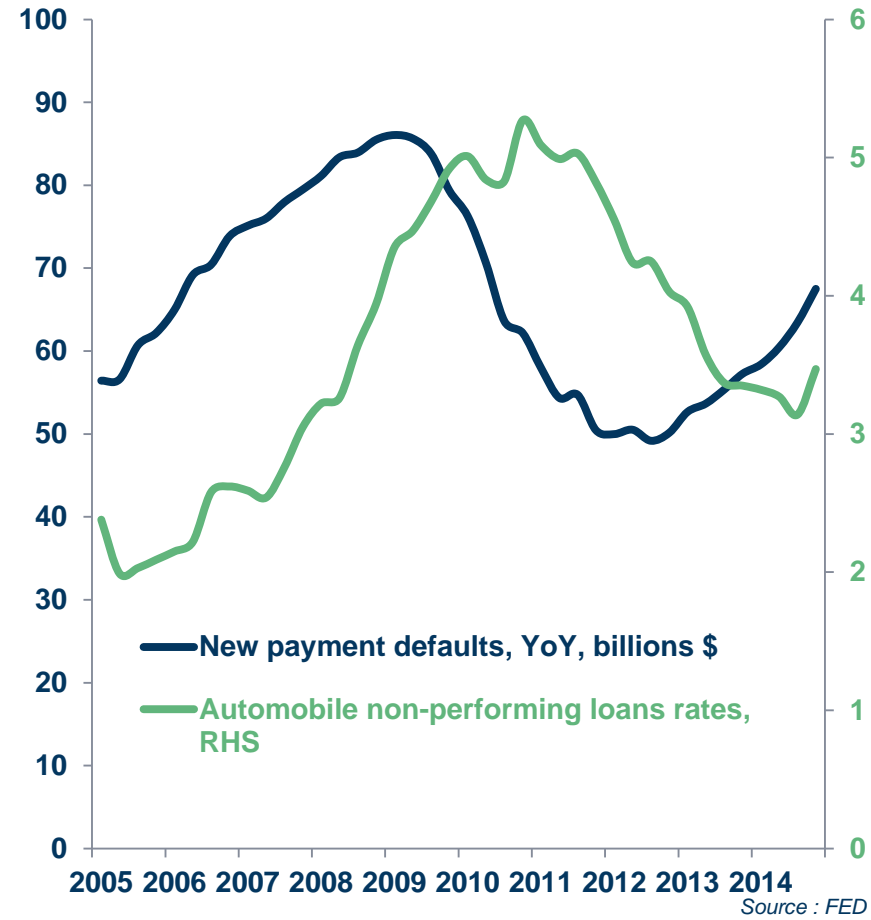


# The US: Fine weather, but some cloud is coming

## The US: GDP Growth



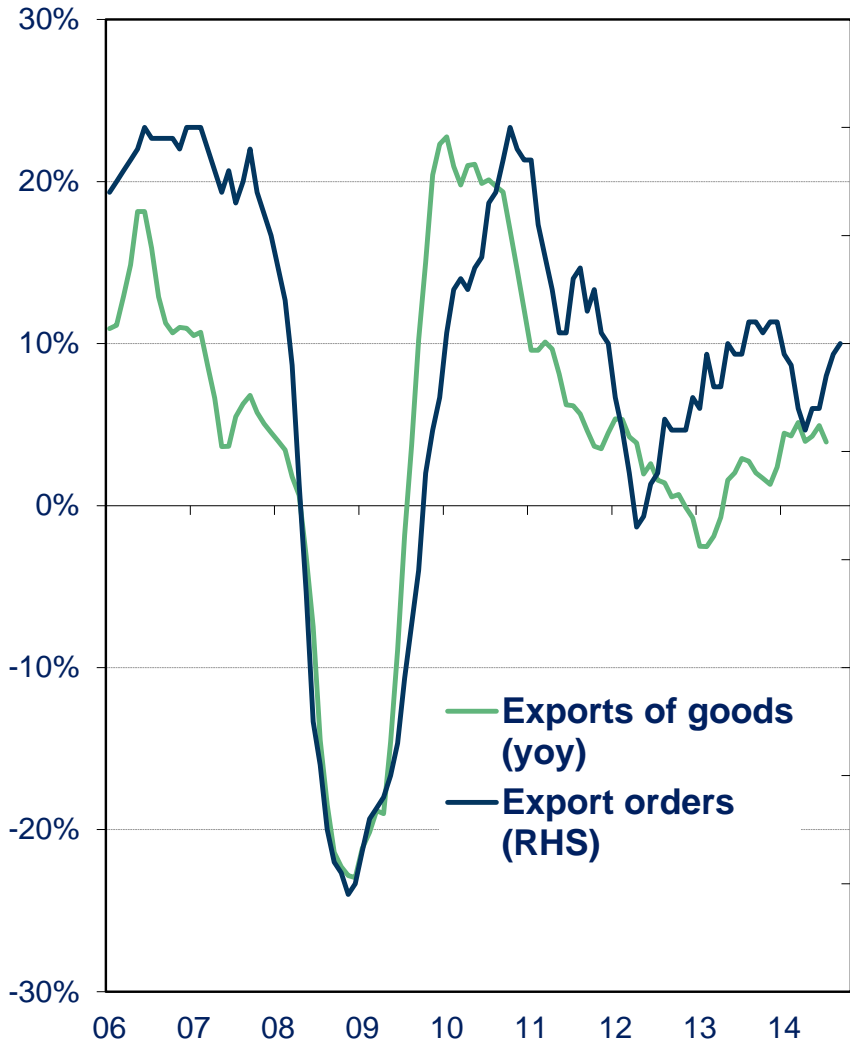
## US car sector



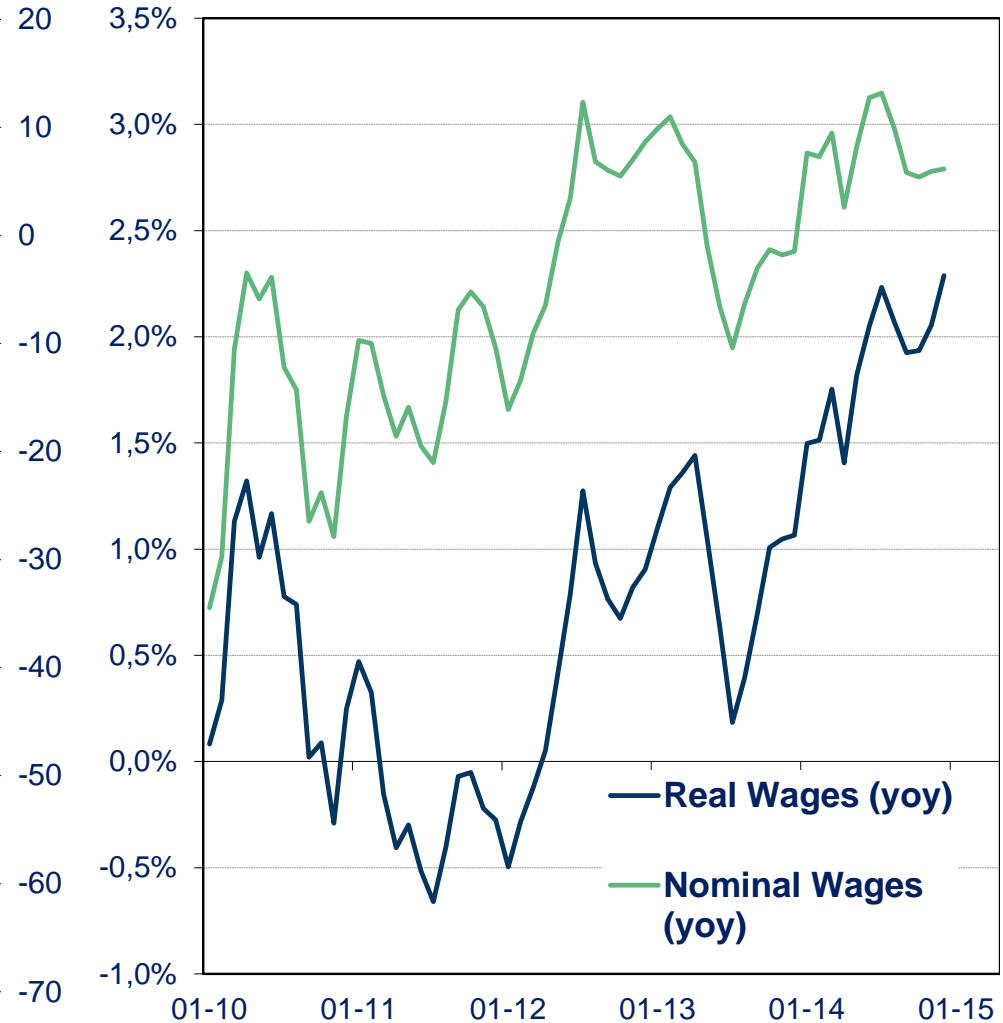
Source : FED

# Germany: The H2 2014 slowdown was temporary

## Germany: Export growth and orders



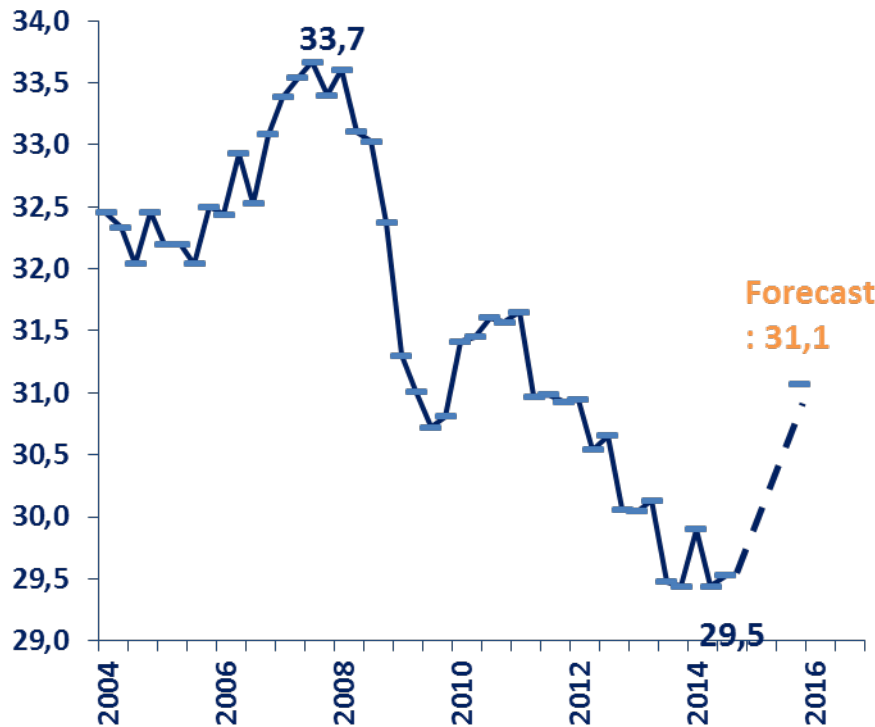
## Germany: Wages



# France still lags behind



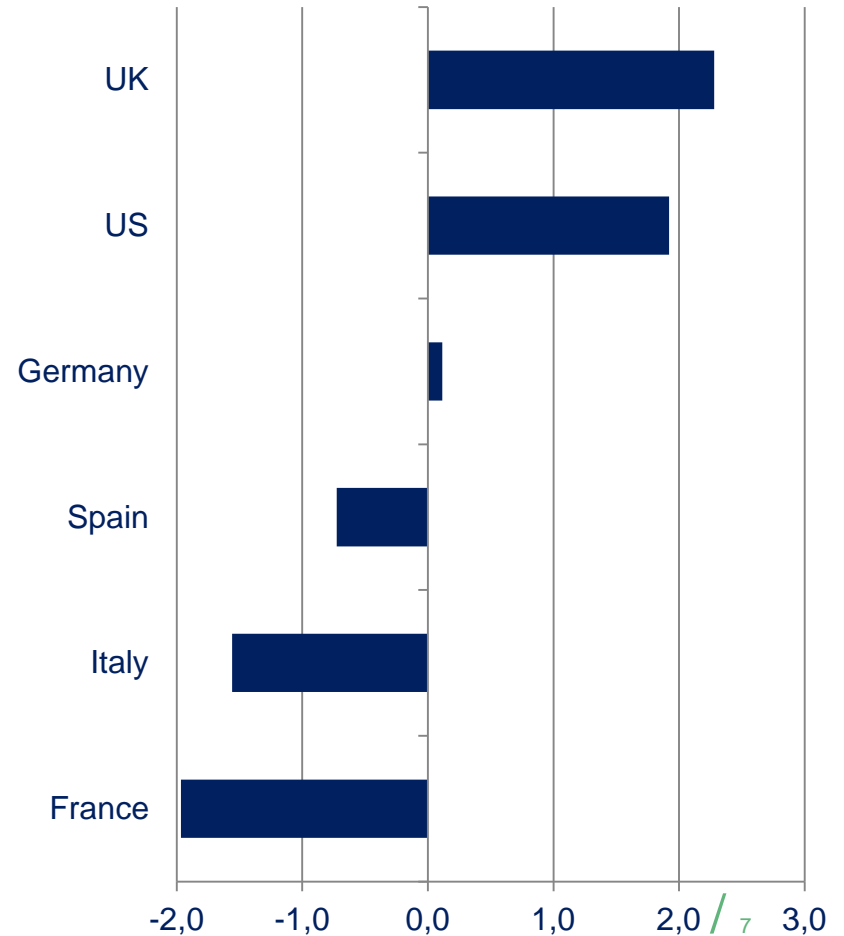
France: corporate gross profit margin (EBITDA / VA, %)



Sources: INSEE, Coface

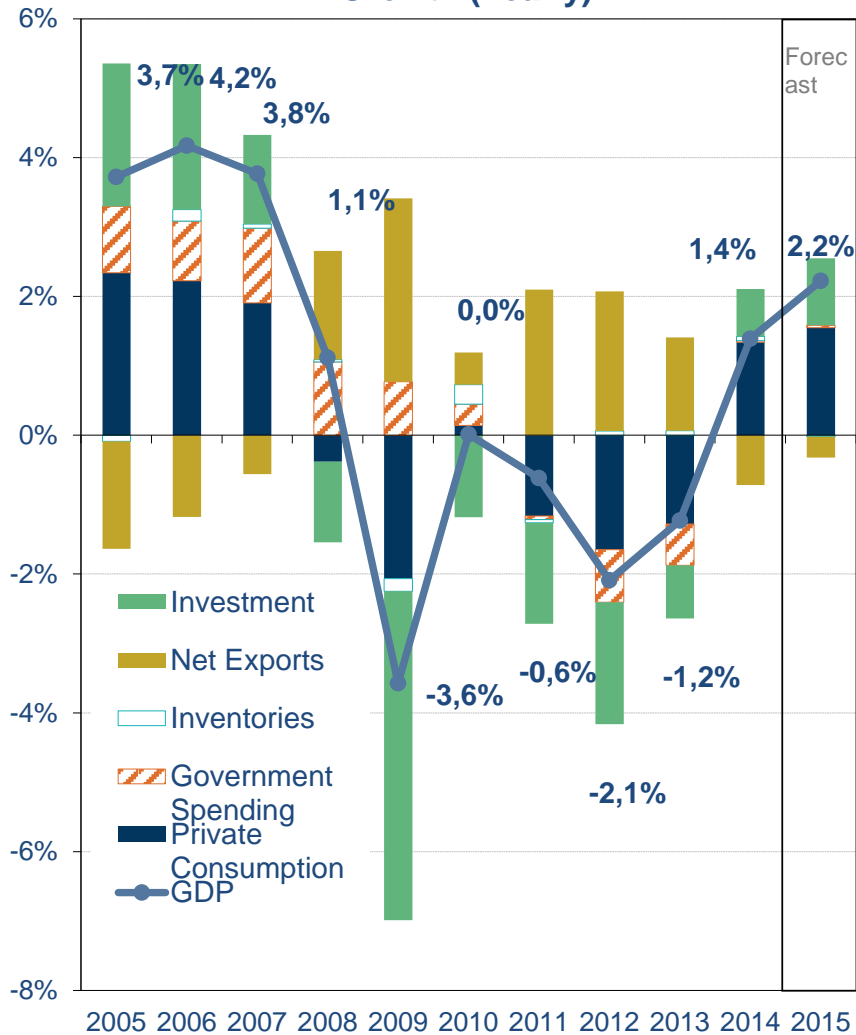


Capacity Utilization Rate: Gap between Q4 2014 and the 2000-2014 average

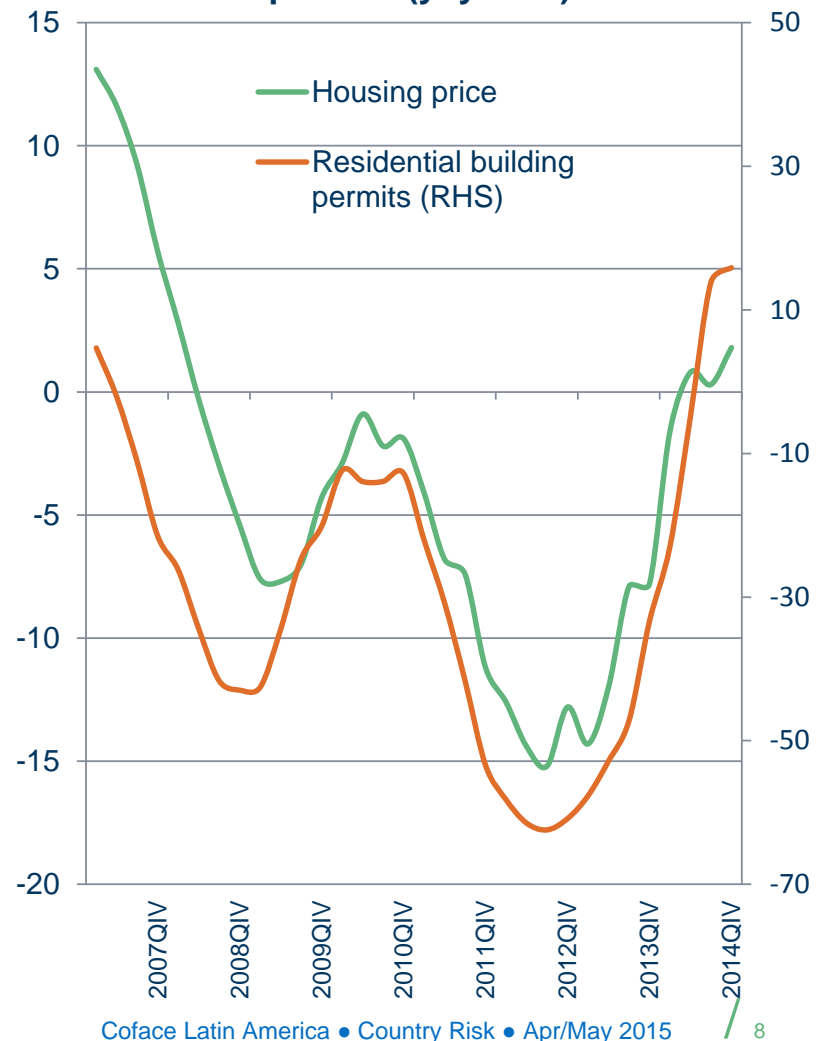


# Spain's recovery: Fast and balanced

## Spain: Contributions to Real GDP Growth (Yearly)



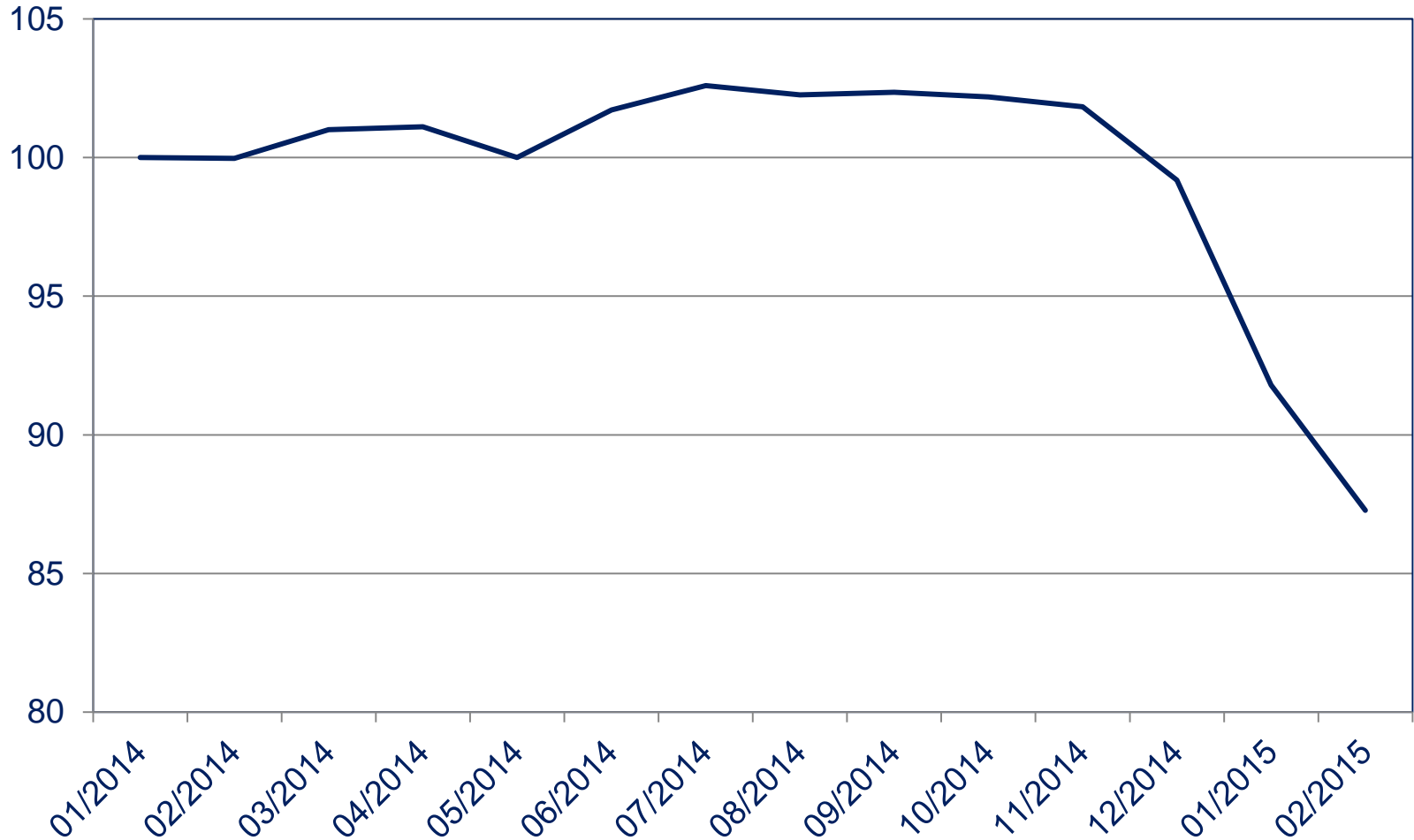
## Spain: Housing price and building permits (yoy in %)



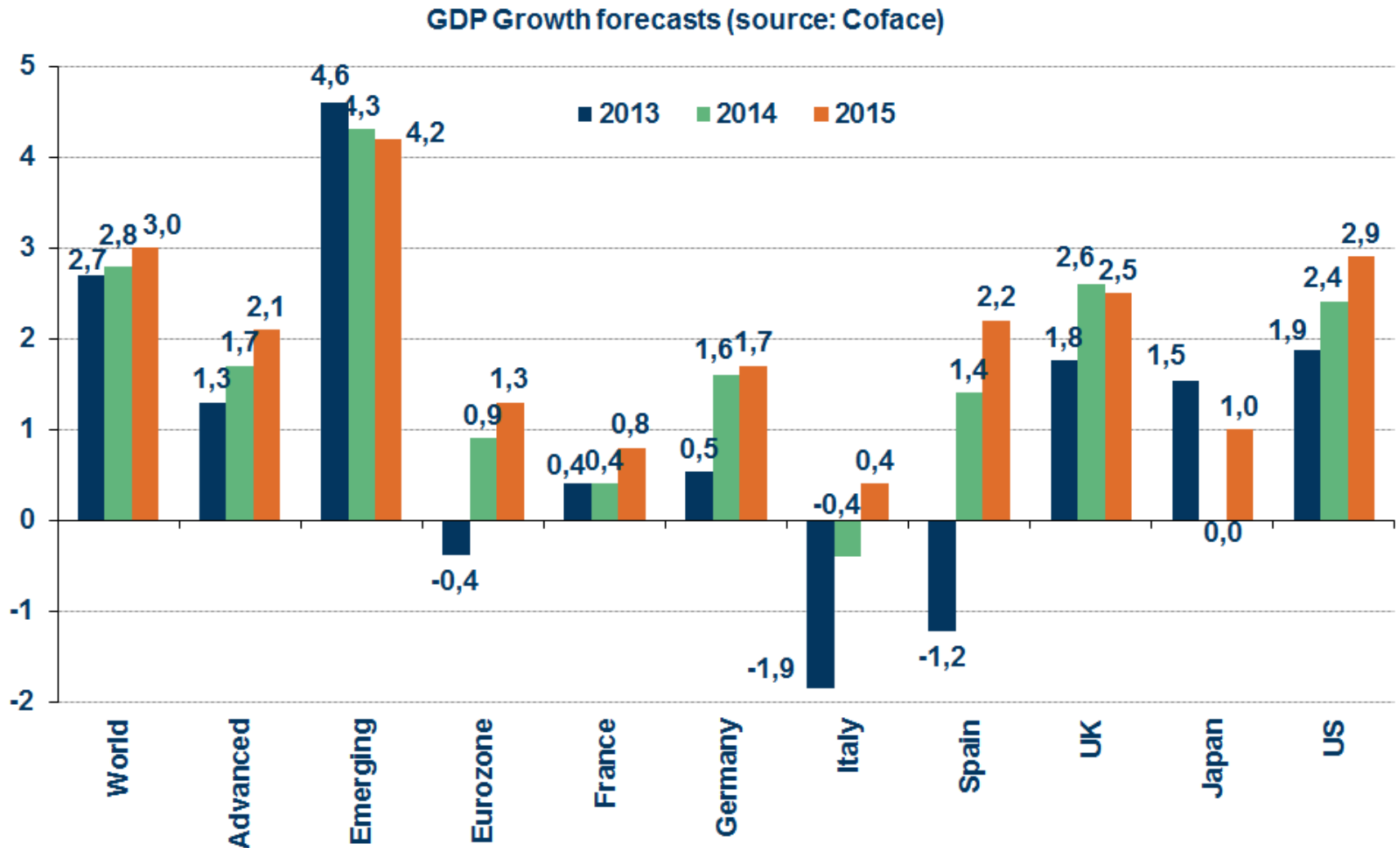


# Greece: Greek Drama or Greek Drachma?

**Greece: Bank Deposits**  
(January 2014 = 100, source: Central bank)



# Global growth is picking up, mainly on the back of the US



# Country risk according to Coface

- **Country assessment**

- Assesses the average risk of payment defaults by companies in a given country
- This evaluation combines economic and political prospects of the country, Coface payment experience and business climate assessment
- This evaluation has 7 grades: A1, A2, A3, A4, B, C, D and can be watch listed

- **Business climate assessment**

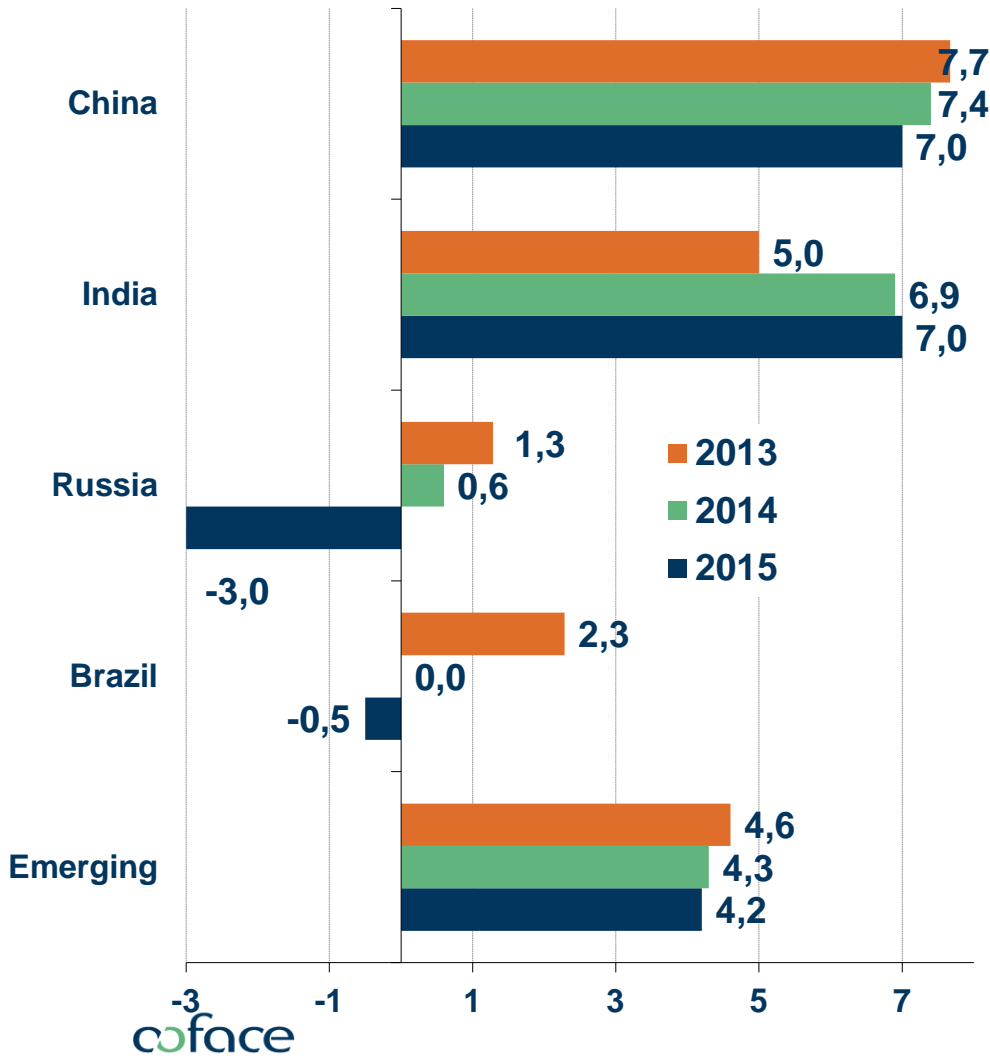
- Assesses overall business environment and more precisely whether corporate information is available and reliable and whether the legal system provides fair and efficient creditor protection.
- This evaluation has 7 grades: A1, A2, A3, A4, B, C, D and can be watch listed.

# Country assessments: Advanced economies

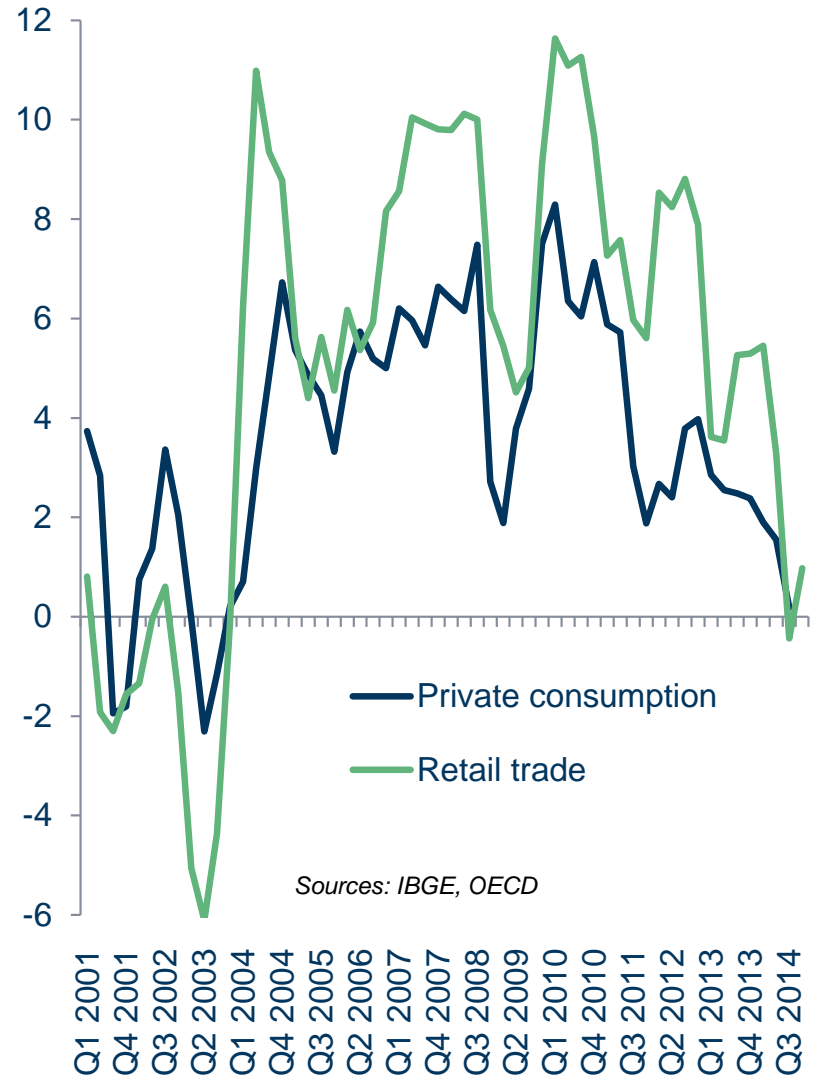
Country Risk Assessment	2011	2012	2013	2014				2015	Business Climate
	January	January	January	March	June	October	December	March	
Germany	A2↗	A2	A2	A2↗	A1	A1	A1	A1	A1
Austria	A2↗	A2	A2	A2↗	A1	A1	A1	A1	A1
Canada	A1	A1	A1	A1	A1	A1	A1	A1	A1
United States	A2↗	A2	A2	A1	A1	A1	A1	A1	A1
Japan	A1	A1↘	A1↘	A1	A1	A1	A1	A1	A1
Switzerland	A1	A1	A1	A1	A1	A1	A1	A1	A1
Australia	A1	A1	A2	A2	A2	A2	A2	A2	A1
United Kingdom	A3↗	A3	A3	A3↗	A2	A2	A2	A2	A1
Belgium	A2↗	A2	A2↘	A3	A3	A3↗	A3↗	A2	A1
Netherlands	A2↗	A2	A2↘	A3	A3	A3↗	A3↗	A2	A1
France	A2↗	A2	A2↘	A3	A3	A3	A3	A3	A1
Ireland	A4	A4	A4	A3	A3	A3	A3	A3	A1
Iceland	A4	A4↗	A4↗	A3	A3	A3	A3	A3	A1
Spain	A3↘	A4	B	B	B↗	A4	A4	A4	A1
Portugal	A3↘	A4↘	B	B	B	B	B↗	B↗	A2
Italy	A3	A4	B	B	B	B	B	B	A2
Greece	A4	C	C	C	C	C	C	C	A3

# Emerging Markets: Diverging trends within the BRIC

GDP Growth forecasts (source: Coface)

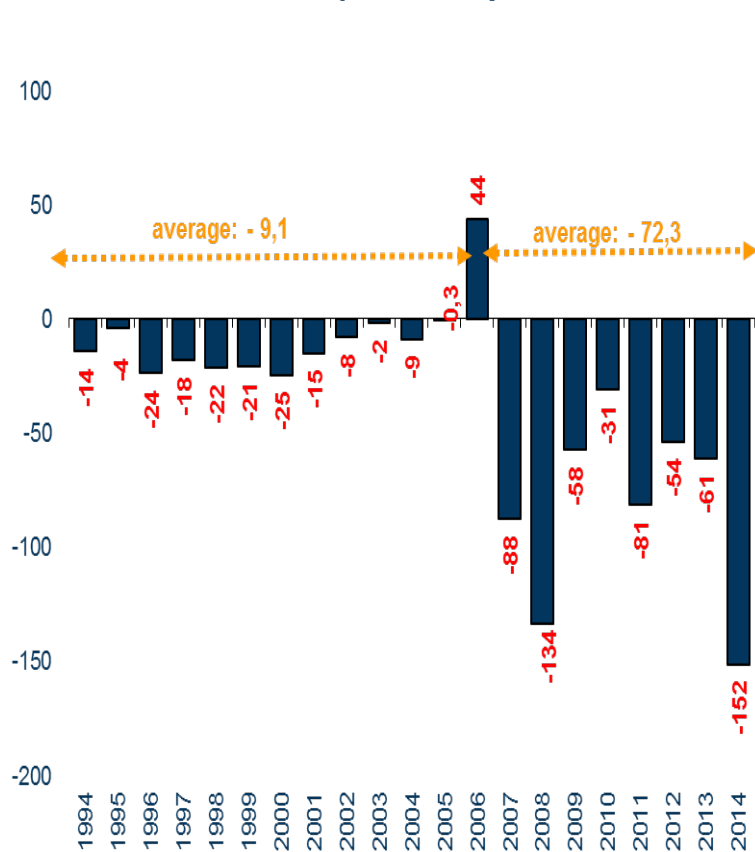


Brazil: Household spending



# Russia: Structural economic weaknesses are exacerbated by the political crisis

Net flows from private sector  
(bn. USD)

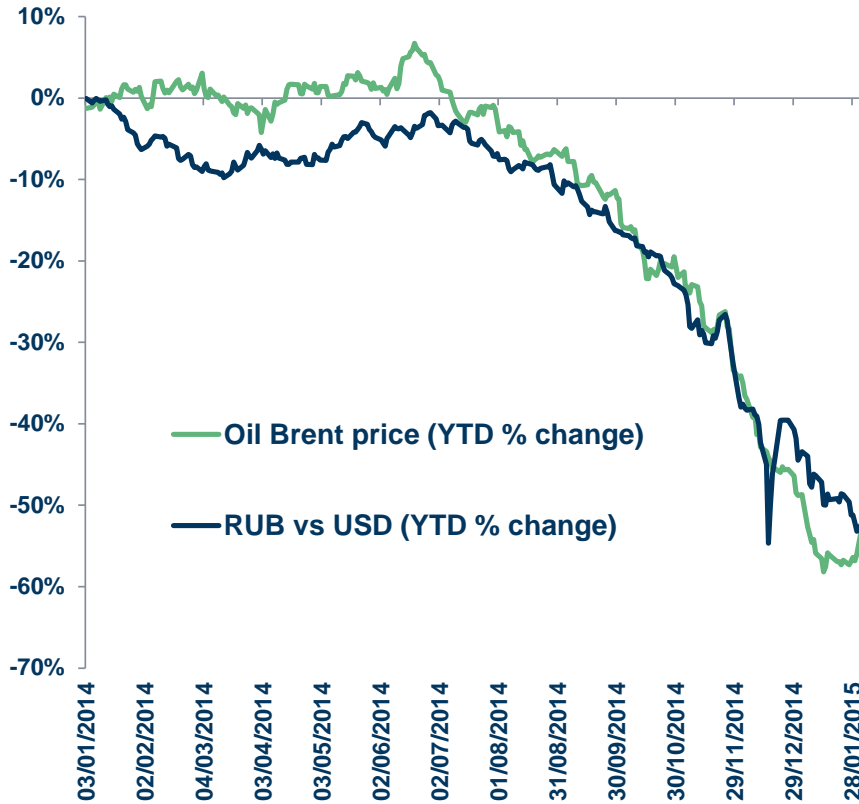


RUB vs USD

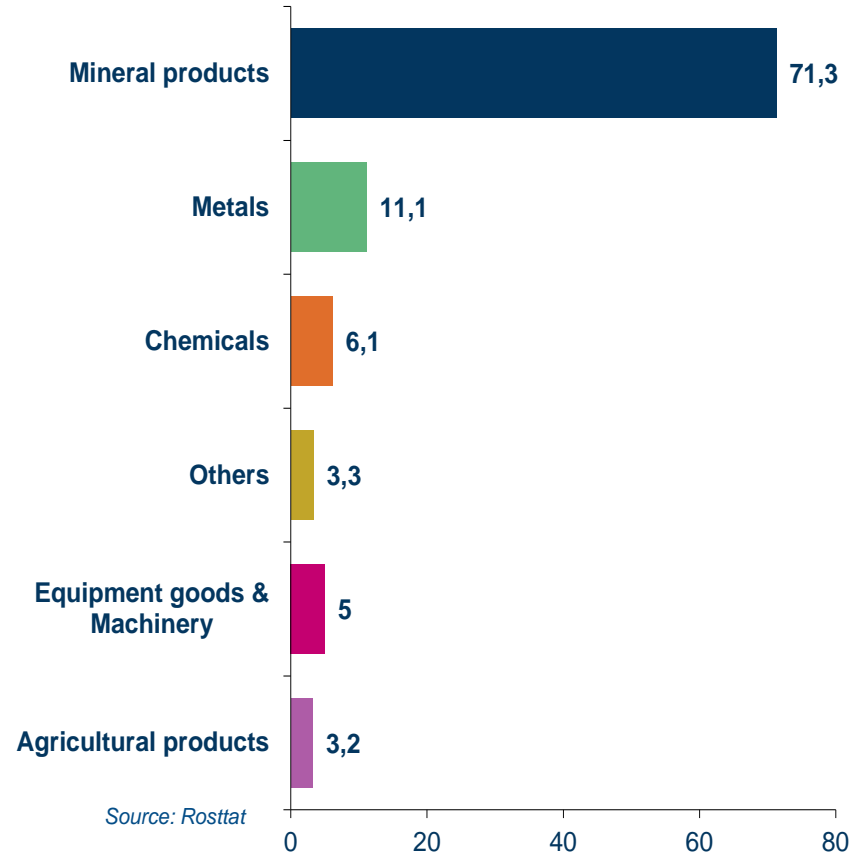


# Russia: ...and by lower oil prices.

**Ruble and oil price  
(YTD % change, 2014)**

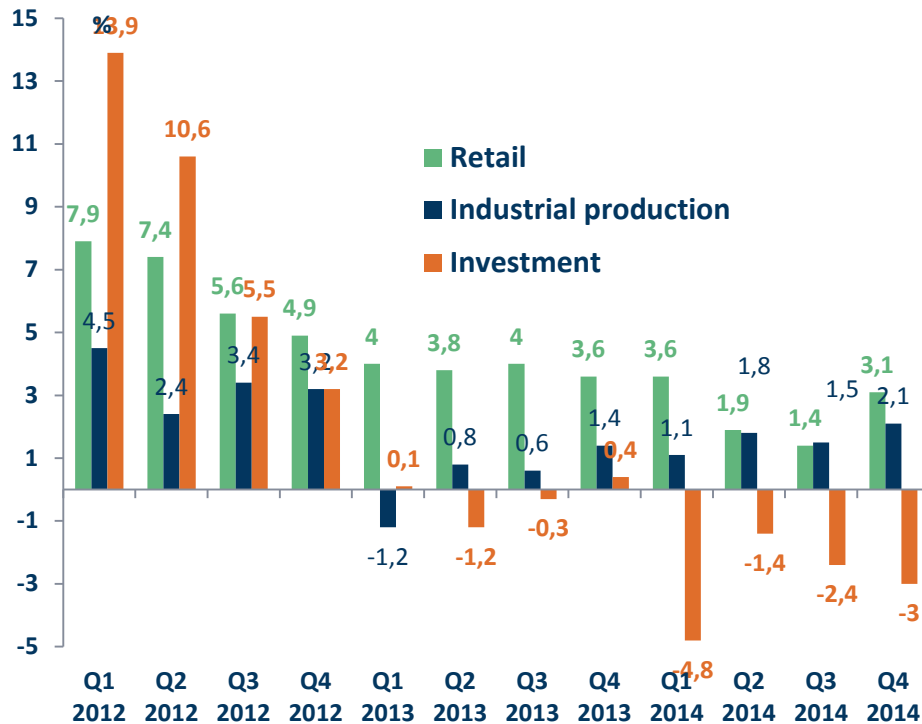


**Export breakdown (% of total)**

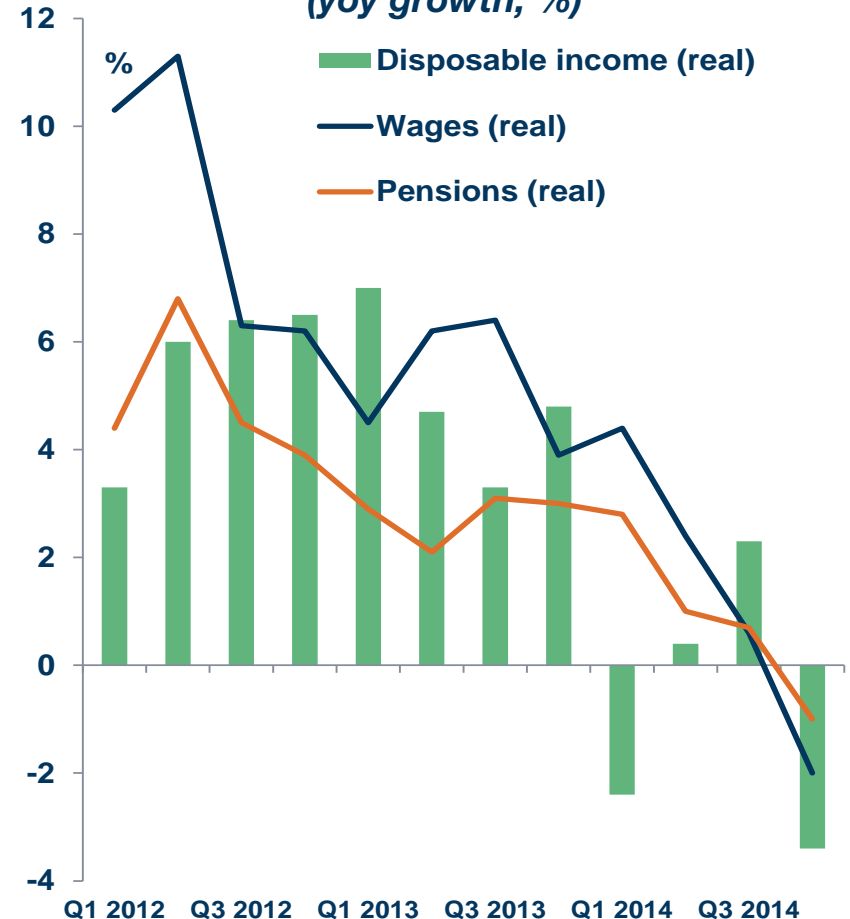


# Russia: Household spending has been resilient in 2014, but won't be this year

**Retail sales, Industrial production and Investment (yoy growth, %)**

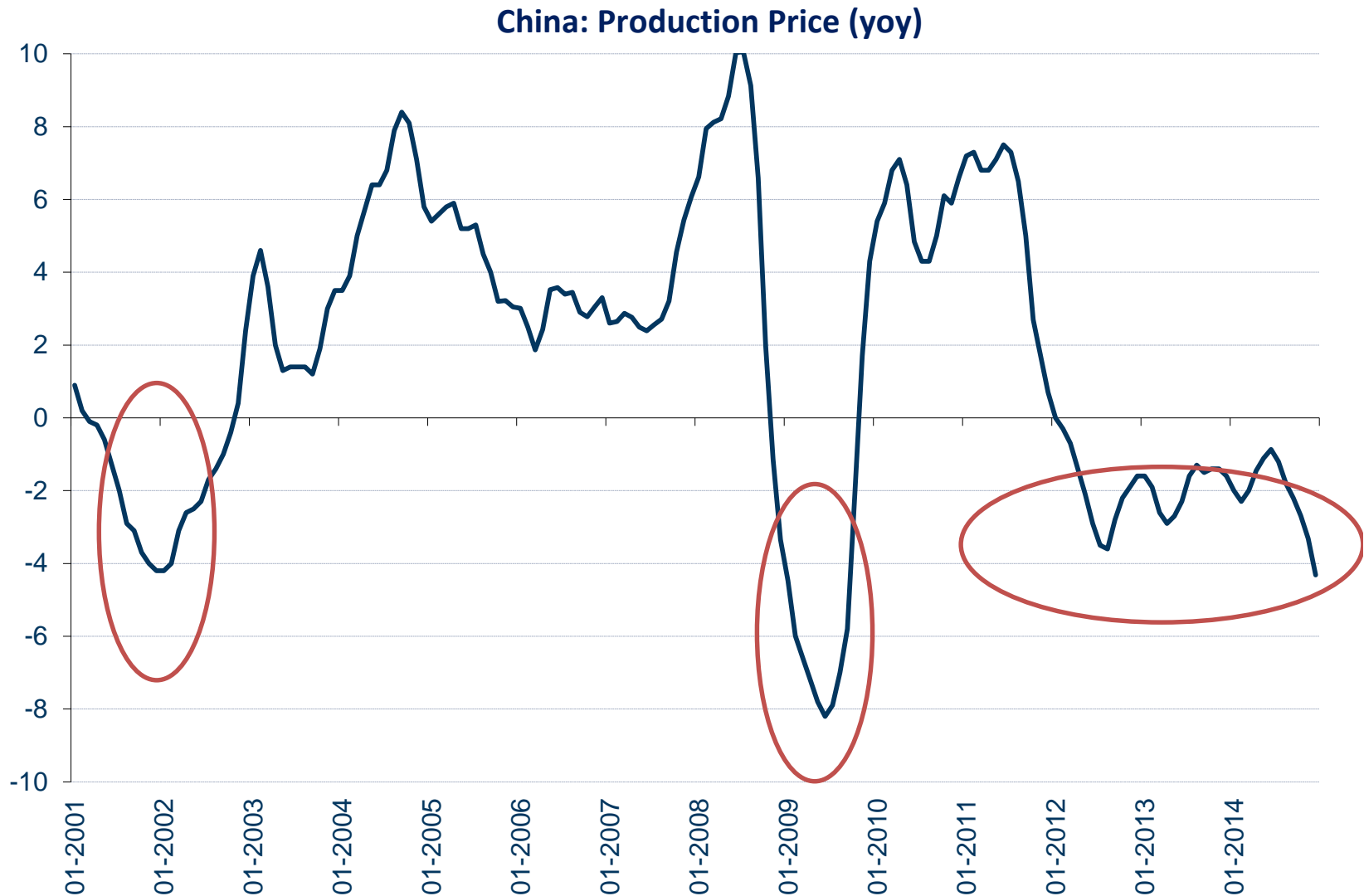


**Wages and pensions (yoy growth, %)**



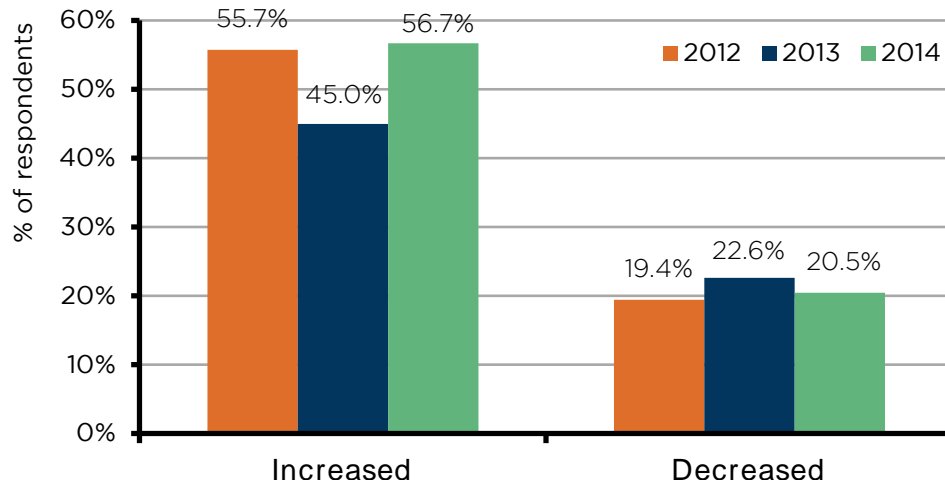


# China: Overcapacities are more and more visible



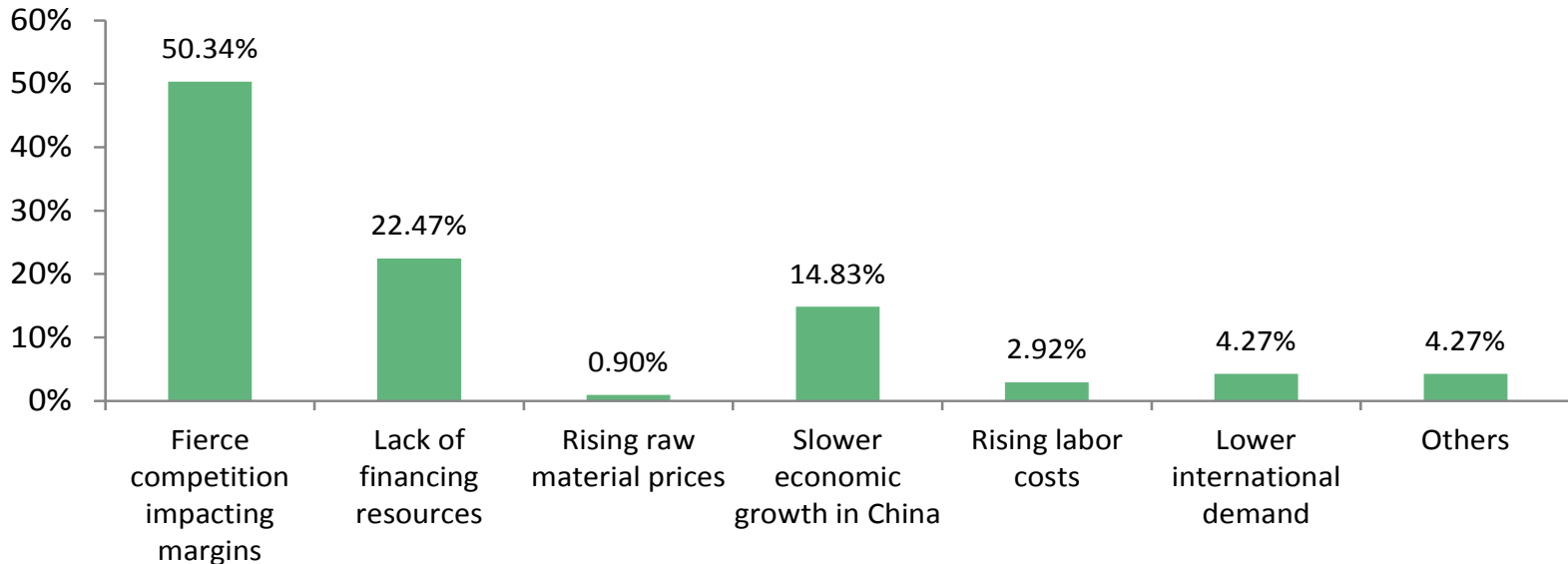
# China: Increased Amount of Overdue

Trend of overdue amount



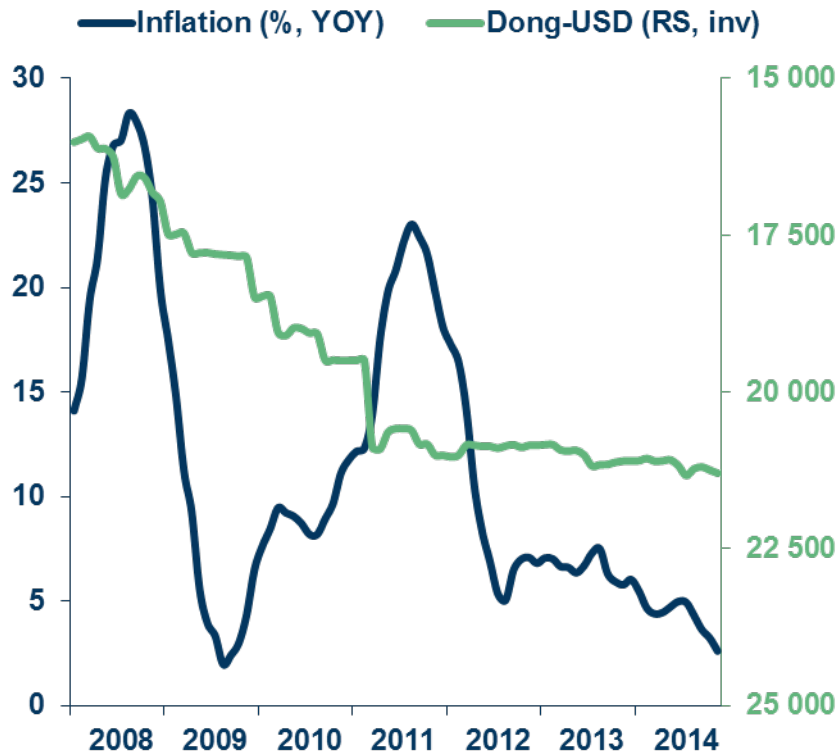
**19.6%** of the respondents shared that the average overdue period exceeds 90-days in 2014 (vs only **17.8%** in 2013)

Main reason under financial difficulties



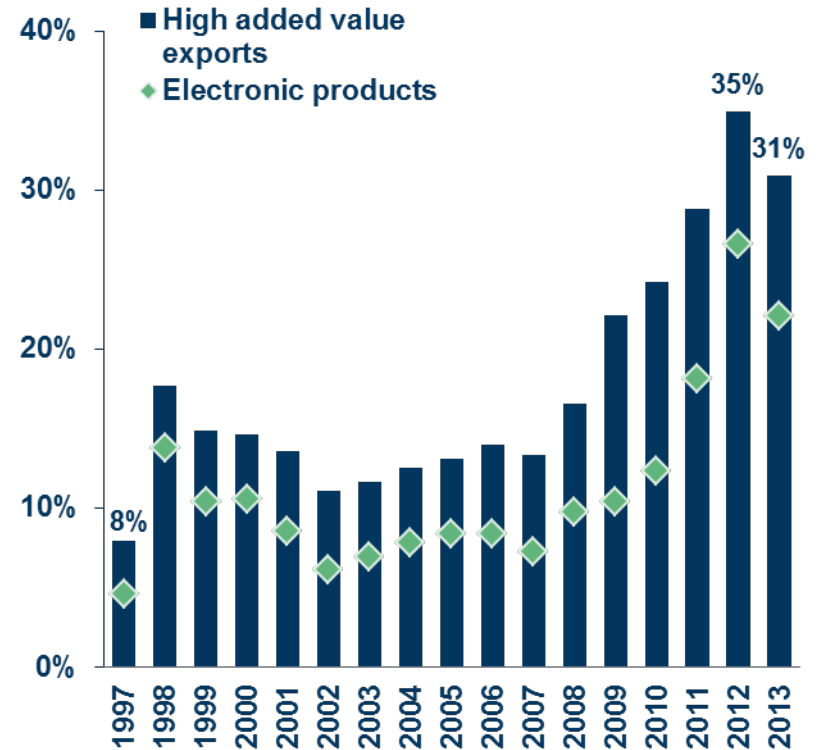
# Asia: Well-performing emerging economies are benefiting from China's growth rebalancing

## 🔄 Vietnam: inflation and exchange rate (% and level)



Sources: General Statistics Office of Vietnam

## 🔄 Vietnam: high value-added and electronic exports (% tot. exports)



Source : UNCTAD

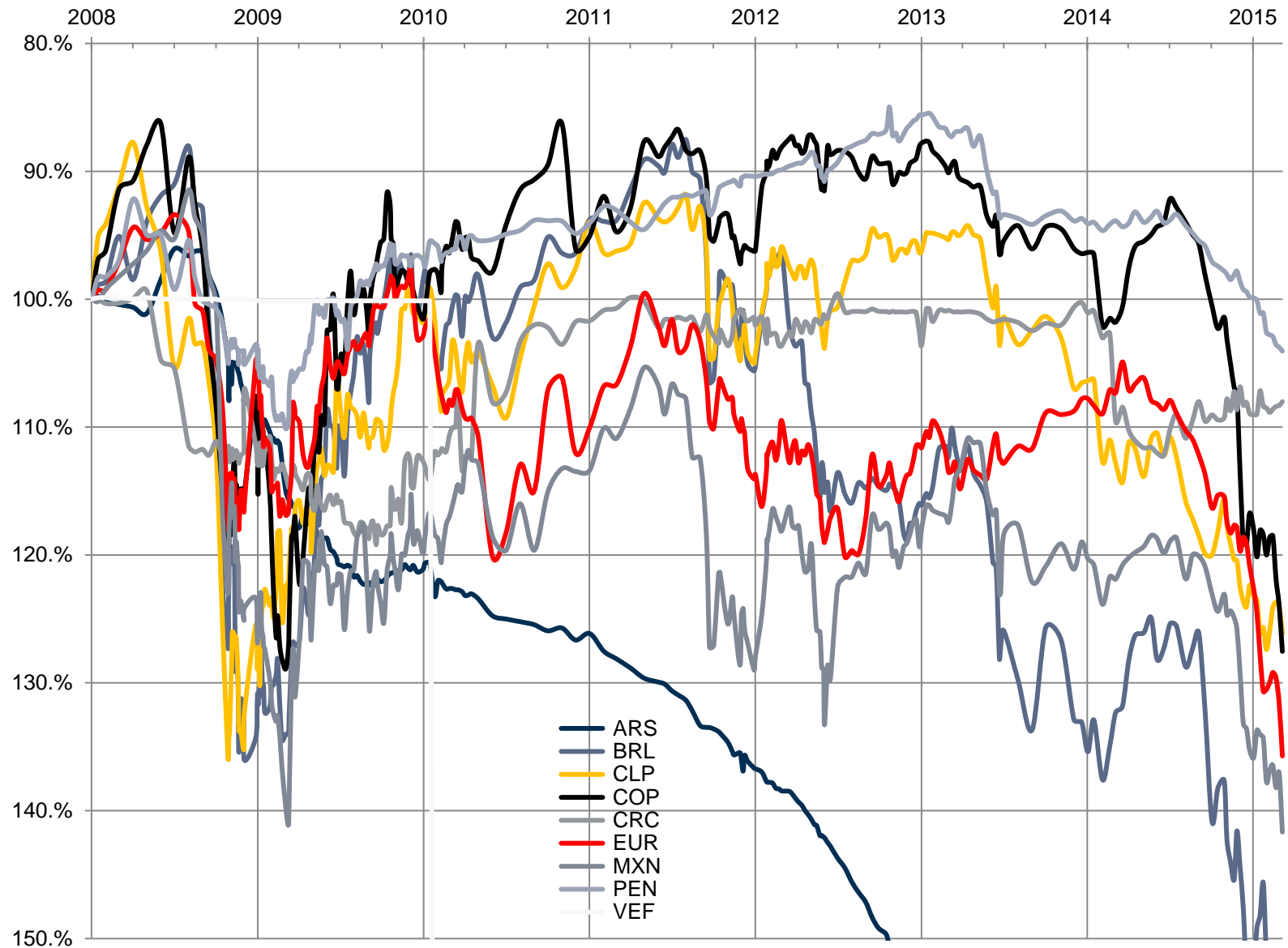
# Country assessments: Emerging Markets (2)

Country Risk Assessment	2011	2012	2013	2014				2015	Business Climate
	January	January	January	March	June	October	December	March	
<b>Emerging Europe</b>									
Poland	A3	A3	A3↓	A3	A3	A3	A3	A3	A2
Slovakia	A3	A3↓	A3	A3	A3	A3	A3	A3	A2
Slovenia	A2	A2↓	A3↓	A4	A4	A4	A4	A4	A2
Rep. Czech	A2	A2↓	A3↓	A4	A4	A4	A4↗	A4↗	A2
Latvia	B	B	B	B↗	B	B	B	B	A3
Hungary	A4	B	B	B	B	B	B	B	A2
Romania	B	B	B	B	B	B	B	B	A4
Turkey	A4	A4	A4	A4↓	A4↓	B	B	B	A4
<b>CIS</b>									
Kazakhstan	B	B	B	B	B	B	B	B	B
Russia	B	B	B	B↓	B↓	C	C	C	C
Ukraine	D↗	D↗	D	D	D	D	D	D	C
<b>Subsaharan Africa</b>									
South Africa	A3↓	A3↓	A3↓	A4	A4	A4	A4	A4	A4
Kenya	C	C	C	C↗	B	B	B	B	C
Senegal	B	B	B	B	B	B	B	B	B
Ivory Coast	D	D	D	C	C	C	C	C	C
Ethiopia	C	C	C	C	C	C	C	C	D
Ghana	C	C↗	B	B↓	B↓	C	C	C	B
Mozambique	B↓	B↓	C	C	C	C	C	C	C
Nigeria	D↗	D	D	D↗	C	C	C	C	D
Zaire (DRC)	D	D	D	D	D	D	D	D	D

# Country assessments: Emerging Markets

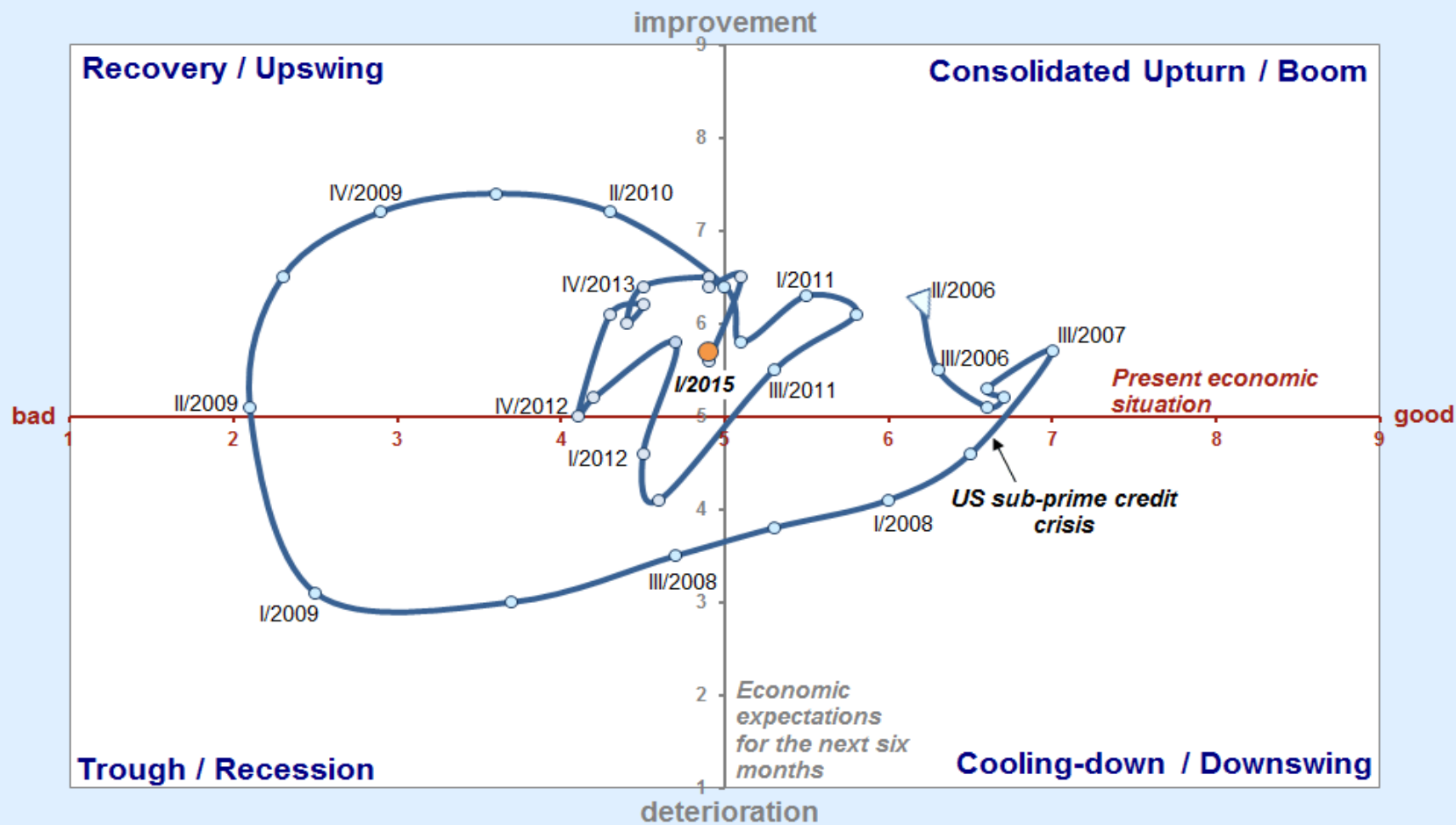
Country Risk Assessment	2011	2012	2013	2014				2015	Business Climate
	January	January	January	March	June	October	December	March	
Emerging asia									
China	A3	A3	A3	A3	A3	A3	A3↓	A3↓	B
India	A3	A3	A4	A4	A4	A4	A4	A4	B
Indonesia	B	B	A4	A4	A4	A4	A4	A4	B
Philippines	B	B	B↗	A4	A4	A4	A4	A4	B
Thailand	A3↓	A3	A3	A4	A4	A4	A4	A4	A3
Sri Lanka	C	C	C	C	C↗	C↗	B	B	B
Vietnam	B↓	C	C	C	C	C	C↗	C↗	C
Cambodia	D	D	D	D	D	D↗	D↗	C	D
Latin america									
Brazil	A3	A3	A3	A4	A4	A4	A4	A4↓	A4
Colombia	A4	A4	A4	A4	A4	A4	A4	A4	A4
Mexico	A4	A4	A4	A4	A4	A4	A4	A4	A4
Argentina	C↗	C↗	C	C	C	C	C	C	C
Venezuela	C↓	C↓	C	C↓	C↓	D	D	D	D
Middle East - North africa									
Saudi Arabia	A4	A4	A4	A4	A4	A4	A4	A4	B
Egypt	B	C	C	C	C	C	C	C	B
Iran	D	D	D	D	D	D	D	D	C
Algeria	A4	A4	A4	A4	A4	A4	A4	A4	B
Morocco	A4	A4	A4	A4	A4	A4	A4	A4	A4
Tunisia	A4	A4↓	A4	B	B	B	B	B↗	B

# Economic situation



# Economic situation

## Ifo Business Cycle Clock: World Economy

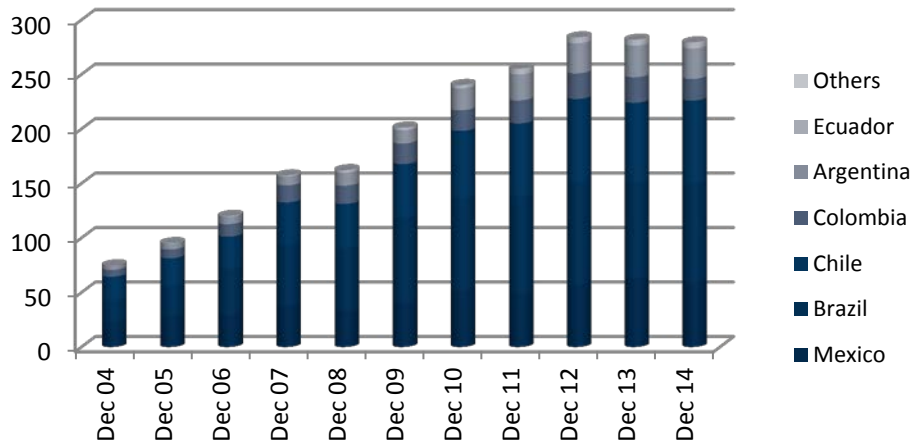


Source: Ifo World Economic Survey (WES) I/2015.

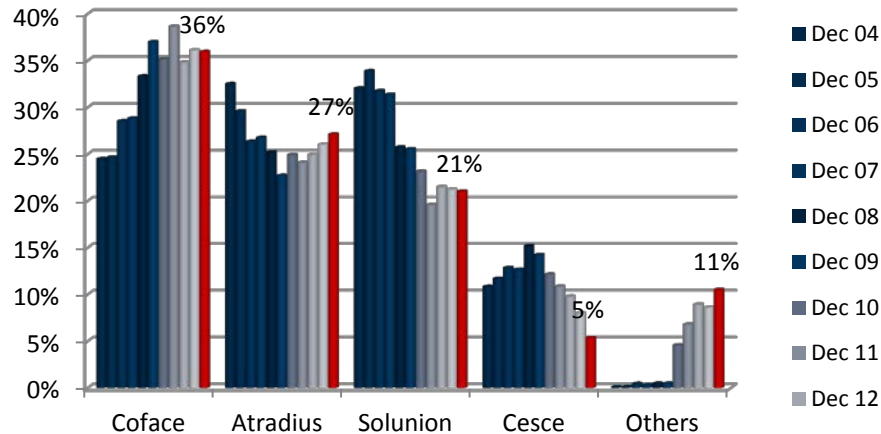
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# Credit Insurance in Latin America

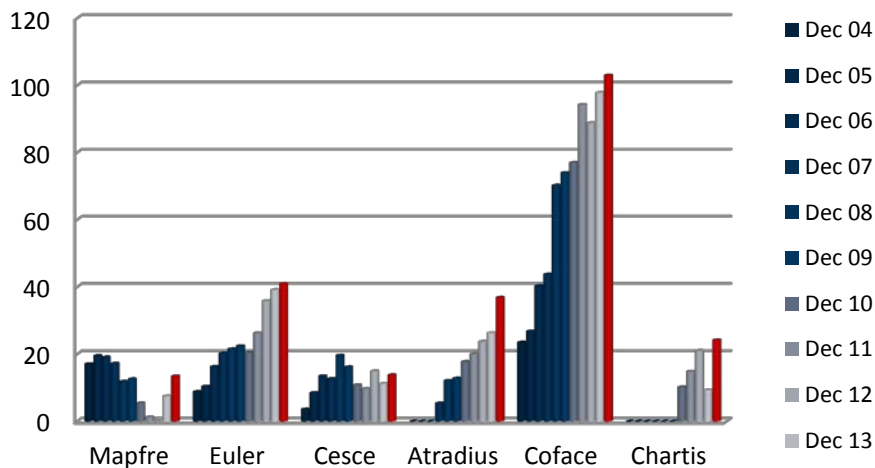
## Credit Insurance Latam



## Market Shares by Insurer Company



## Brazil BLR



## Mexico MXN

