



Welcome to the latest World Watch. This update of global country risk developments is brought to you by the regional specialists of the Country Risk Services Group. World Watch's useful pointers to risk management issues are explored in more detail in D&B's unique journal, International Risk & Payment Review, which covers over 130 countries, and also on an individual basis in D&B Country RiskLine reports, both of which are updated on a monthly basis.

AFRICA

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Algeria	The commercial risk environment deteriorates despite the improving economic outlook.
Angola	The economy is set to return to strong growth in 2010, but credit risk will remain high.
Botswana	Despite signs of an economic recovery, the deterioration in the fiscal account is a key concern.
Cameroon	Operating risks remain high despite an improvement in the economy.
Congo, D.R.	Debt cancellation and rising commodity prices boost the country's prospects.
Cote d'Ivoire	Continued uncertainty over the long-overdue presidential election weighs negatively on the risk profile.
Ethiopia	Tensions rise ahead of the parliamentary elections scheduled for late May.
Gabon	The short-term economic outlook improves as oil prices recover further.
Ghana	The risk outlook improves amid positive signs of economic recovery, but some downside risks remain.
Kenya	D&B upgrades Kenya's country risk rating in response to the improving outlook.
Libya	D&B downgrades Libya's country risk rating due to the weak economic recovery and high levels of political and commercial risk.
Malawi	A new three-year IMF programme supports the risk outlook.
Mauritius	The government's re-election promises stability and a positive business environment.
Morocco	Downside risks cloud the positive economic outlook and threaten short-term growth prospects.
Mozambique	D&B upgrades Mozambique's country risk rating amid positive political and economic developments.
Namibia	A strike by customs officials is set to inconvenience traders.
Nigeria	Goodluck Jonathan formally assumes the presidency, but the crisis within the ruling party deepens.
Senegal	Economic conditions are improving but the sustainability of the global recovery is a key downside risk.
Sierra Leone	The business outlook improves but inflation remains a concern.
South Africa	Despite improving signs of a recovery, a number of downside risks remain.
Sudan	The electoral victory of the incumbent president and his party amid widely reported vote-rigging increases political instability.

Tanzania	D&B upgrades Tanzania's country risk rating amid improving economic fundamentals.
Tunisia	The risk of an economic slowdown in Europe threatens the pace of recovery.
Uganda	Political tensions look set to increase in the run-up to the 2011 presidential election.
Zambia	Economic growth should accelerate despite a recent dip in copper production.
Zimbabwe	Uncertainty continues over President Mugabe's proposal to make all firms operating in the country majority-owned by its citizens.
ASIA PACIFIC	
Afghanistan	Despite robust economic growth, political and security risks remain severe.
Australia	A controversial tax on the mining and resources sector reflects both political factors and the need to stabilise public finances.
Bangladesh	Rising inflation could undermine firms' margins and trigger payment delays.
Cambodia	The weak import-export and tourism sectors remain potential sources of payment delays.
China	The country's strong economic recovery poses dilemmas for policymakers.
Fiji	The near-term economic outlook remains challenging as the country seeks to recover from recession.
Hong Kong	The conditions for a modest recovery have arrived, although export growth may remain depressed.
India	Price pressures, rising interest rates and the euro-zone debt crisis pose challenges for firms in the months ahead.
Indonesia	D&B upgrades Indonesia's country risk rating as both short- and medium-term prospects continue to improve.
Japan	The risk outlook remains stable amid signs of a strengthening recovery.
Korea (South)	The economy continues to grow robustly but the euro-zone debt crisis poses downside risks.
Malaysia	D&B upgrades Malaysia's country risk rating in light of the rapidly improving outlook.
Myanmar	The economy improves slowly as the junta finesses its grip on power.
Nepal	Political uncertainty escalates amid Maoist demands for the prime minister's resignation.
New Zealand	D&B upgrades New Zealand's country risk rating amid improving economic prospects.
Pakistan	Firms remain constrained by energy shortages, high interest rates and chronic inflation.
Papua Guinea New	Suppressed reports of high-level corruption overshadow a positive economic growth outlook.
Philippines	D&B upgrades the Philippines' country risk rating amid an improving economic outlook and the completion of elections.
Singapore	Trade terms improve as payments performance takes a turn for the better.
Sri Lanka	The outlook for political stability improves as the president's party wins a majority in the parliamentary election.
Taiwan	Strong export growth continues to benefit the economy, but an interest rate rise could risk an asset-price bubble.

Thailand	The risk outlook continues to deteriorate amid intensifying political uncertainty.
Vietnam	The euro-zone crisis and the trade deficit both represent downside risks.
EASTERN EUROPE	
Albania	The government faces higher financing costs in the wake of the Greek debt crisis.
Azerbaijan	An IMF review underlines the need to diversify the economy away from its reliance on depleting hydrocarbons.
Belarus	There is a lingering concern that promised economic reforms will not be forthcoming.
Bosnia & Herzegovina	Rising political uncertainty ahead of the October elections puts the economic recovery at risk.
Bulgaria	Weak growth data indicate that economic conditions are still highly challenging.
Croatia	The government announces its first truly comprehensive economic recovery plan, including some useful short-term measures.
Czech Republic	The centre-left social democrats pull ahead of their rivals in the May election campaign but a hung parliament remains likely.
Estonia	Possible euro-zone membership improves the country's risk outlook.
Georgia	Despite increasing signs of an economic recovery, its sustainability remains doubtful.
Hungary	The euro-zone crisis underscores the country's vulnerability to external factors.
Kazakhstan	The recovery will remain weak over the next two years despite stronger oil prices.
Kyrgyz Republic	Although calm has been restored after the president's ousting, the outlook remains uncertain.
Latvia	Political risk remains high but a parliamentary election is unlikely before October 2010.
Lithuania	The economy again dips into recession, reinforcing the weak outlook.
Macedonia	Recovering demand in partner markets should boost domestic economic growth.
Poland	The political environment begins to recover as a presidential election is set for June.
Romania	The economic outlook weakens after disappointing growth figures for the first quarter of the year.
Russian Federation	The successful launch of Russia's first sovereign bond since 1998 provides a benchmark for companies seeking international funds.
Serbia	A favourable report from the IMF on Serbia's economic progress underlines the current government's reformist agenda.
Slovak Republic	Recent international surveys indicate a worsening of the country's commercial environment.
Slovenia	Domestic economic activity remains weak, while rising international oil prices put pressure on company margins.
Tajikistan	The commercial risk outlook improves as the country inaugurates its first-ever private credit bureau.
Turkmenistan	Robust gas export growth boosts the economic outlook.
Ukraine	Recent budget amendments increase the likelihood of resumed IMF lending.

Uzbekistan	The economic recovery appears to be gaining momentum amid increased industrial production.
WESTERN EUROPE	
Austria	The economic recovery slows and concerns remain over downside risks to growth.
Belgium	Another political crisis looms following the prime minister's resignation.
Cyprus	Prospects for recovery are threatened by the Greek debt crisis and domestic austerity measures.
Denmark	The business outlook improves gradually but the recovery remains fragile.
Finland	The economic outlook improves but the recovery will be only very gradual.
France	The economic outlook remains fragile as the pace of the recovery slows.
Germany	Economic growth data surprise on the upside, but downside risks to the recovery persist.
Greece	Severe economic and socio-political hardship lie ahead as the government implements drastic spending cuts and tax hikes.
Iceland	The release of IMF funds heralds an improving risk outlook but significant downside constraints remain.
Ireland	The risk outlook deteriorates amid the prospect of additional budget cuts.
Italy	The economic outlook is increasingly uncertain due to the euro-zone's sovereign debt risk.
Luxembourg	Economic prospects are improving, but there are longer-term concerns about the financial sector.
Malta	The country's relative price competitiveness enables it to attract rising tourist numbers.
Netherlands	Political and economic uncertainty continues to cloud the risk outlook ahead of the tightly-contested general election.
Norway	The central bank continues to tighten monetary policy amid a still-fragile economic outlook.
Portugal	D&B downgrades Portugal's country risk rating as the need for additional deficit-reduction measures further weakens the economic outlook.
Spain	The financial sector requires structural reform in order to guarantee solvency.
Sweden	The economic outlook improves amid stronger industrial output and improved business confidence.
Switzerland	Downside risks to the export-led rebound persist despite robust economic data.
Turkey	Political tensions continue to undermine the risk outlook.
United Kingdom	No party achieves a majority in the general election, forcing the creation of a potentially unstable coalition.
MIDDLE EAST	
Bahrain	The economy starts to recover but requires diversification in order to reduce vulnerability to shocks.
Egypt	Growth prospects continue to improve, driven by strong foreign demand and the fiscal stimulus package.
Iran	A surprise agreement on the nuclear issue could reduce the threat of increased economic sanctions.

Iraq	Political uncertainty continues to severely weaken the overall risk outlook.
Israel	The economy is recovering amid rebounding exports and private consumption.
Jordan	A stronger economic growth path is established, albeit still below pre-crisis levels.
Kuwait	The country risk outlook improves amid a gradual economic recovery and easing political tensions.
Lebanon	The economy continues to grow strongly but the political and security situations give cause for concern.
Oman	A strong fiscal framework and improving external accounts help to maintain the country's benign risk outlook.
Qatar	The economic growth rate remains among the strongest in the world despite some setbacks in 2009.
Saudi Arabia	Rebounding household consumption and investment spending support the economic outlook amid improving credit conditions.
Syria	Economic prospects are bright as the process of gradual reform continues.
UAE	Unresolved debt issues continue to undermine the risk outlook.
Yemen	Security risks remain high, as a recent halt in hostilities in the north is unlikely to hold.
THE AMERICAS	
Argentina	The euro-zone crisis could affect the country's ability to return to international financial markets.
Bolivia	The commercial environment is further eroded by increased government interference.
Brazil	Mounting inflation and global investors' increased risk aversion could put pressure on the currency.
Canada	Improved job growth and production indicators suggest the recovery is more firmly entrenched.
Chile	The government's post-earthquake reconstruction plans face economic and political challenges.
Colombia	Political uncertainty could lead to a deterioration in the risk outlook.
Costa Rica	The centrist candidate's presidential election victory bodes well for liberal economic policy continuity.
Cuba	The government signals a shift in attitudes to foreign investment.
Dominican Republic	Economic prospects improve and the government is likely to consolidate its majority in May's legislative election.
Ecuador	Fiscal difficulties deepen and the government threatens to nationalise oil companies.
El Salvador	A new free-trade agreement is set to boost trade with the EU.
Guatemala	Concerns persist over the uncertain political environment and severe governability problems.
Honduras	The risk outlook continues to improve as a result of the strengthening political environment.
Jamaica	The fiscal outlook improves as the government attracts more aid and moves to cut public expenditure.
Mexico	Contagion effects from the euro-zone debt crisis seriously affect the currency and domestic asset prices.

Nicaragua	Political violence undermines the overall country risk profile and damages economic growth prospects.
Panama	A new free-trade deal with the EU is set to bring benefits to the country.
Paraguay	Leading indicators suggest that the economy is set to expand.
Peru	The central bank tightens monetary policy despite downside risks to the economic outlook.
Trinidad & Tobago	Corruption allegations lead to parliament being dissolved and a snap election being called for late May.
USA	The economy continues to improve but uncertainty about the sustainability of the recovery persists.
Uruguay	Despite the recent International Court of Justice ruling, the conflict with Argentina will continue to affect trade and tourism.
Venezuela	The parallel exchange rate continues to weaken, exposing flaws in the country's exchange rate mechanism.

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