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Welcome to the February edition of 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	
Algeria	A series of violent riots highlight rising security risks.
Angola	The country's growth prospects remain positive, but sovereign risks are still high.
Botswana	The economy will continue to expand in 2011, but a number of clear risks remain.
Cameroon	The 2011 presidential election does not look likely to presage a change in leadership.
Congo, D.R.	Sanctions are maintained in the wake of heavy criticism of the national army by UN report.
Cote d'Ivoire	Mounting pressure on the president raises concerns over another civil war.
Ethiopia	D&B upgrades Ethiopia's country risk rating due to positive indicators in the government's new five-year plan.
Gabon	Recent developments in the oil sector improve the risk outlook.
Ghana	The recovery trajectory remains positive, but inflation and domestic financing present downside risks.
Kenya	Official data show a better-than-expected economic performance, but downside risks to growth remain.
Libya	A wave of unrest underlines the risks related to political instability and difficult economic conditions.
Malawi	Import cover remains low but is forecast to improve in 2011 and 2012.
Mauritius	The 2011 budget aims to boost the economy and contain the deficit.
Morocco	Growth prospects moderate due to an easing in foreign demand.
Mozambique	Economic growth will continue over 2011, but high fiscal spending could create financing risks.
Namibia	Growth indicators point to continuing strength despite the possibility of weakened export markets.
Nigeria	Incumbent President Jonathan is elected as his party's candidate for the next election, but major challenges lie ahead.
Senegal	Rising food prices could stoke internal tensions and trigger public protests.
Sierra Leone	Security risks are elevated in the wake of violence in neighbouring Guinea.
South Africa	The economic outlook is positive, but the strong rand is a key source of risk for the business environment.
Sudan	The risk of conflict rises as the independence referendum approaches.
Tanzania	Protests continue in the wake of disputed presidential elections.
Tunisia	D&B downgrades Tunisia's country risk rating in the wake of the downfall of the authoritarian regime.
Uganda	Business operating risks remain elevated in view of upcoming elections.
Zambia	Social instability increases ahead of the 2011 elections.

Zimbabwe	The government struggles with the electricity supply problems that are constraining growth potential.
Asia Pacific	
Afghanistan	Uncertainty over the new parliament risks triggering a constitutional crisis.
Australia	The Queensland floods are likely to have a significant economic impact.
Bangladesh	D&B upgrades Bangladesh's country risk rating in recognition of the continued strong performance of its key garments sector.
Cambodia	D&B upgrades Cambodia's country risk rating due to a marked recovery in the country's key sectors.
China	Recent figures reinforce the extent of China's economic prominence, but the size of the inflation threat in 2011 remains uncertain.
Fiji	Downside risks prevail as debt problems escalate and the government responds by raising VAT.
Hong Kong	Prospects for the services sectors are still bright despite inflation and wage cost concerns on the mainland.
India	Business optimism continues to improve but inflationary pressures remain a downside risk.
Indonesia	Food price inflation and infrastructure deficits will constrain economic growth in 2010.
Japan	Deteriorating public finances and weakened prospects in most of the country's regions overshadow the outlook for 2011.
Korea (South)	Elevated tensions with North Korea remain a serious risk to the economic and business environment.
Malaysia	The government may call an early election in order to capitalise on resilient support levels and a benign short-term economic outlook.
Myanmar	The country's new system of government does little to loosen the junta's hold on power.
Nepal	The political outlook remains uncertain, with no consensus on a new prime minister or government.
New Zealand	The economic outlook improves but the government's budget operations and external debt will remain major sources of risk.
Pakistan	Political chaos and economic stagnation continue to undermine the risk outlook.
Papua New Guinea	D&B downgrades Papua New Guinea's country risk rating due to worsening political risk after allegations of financial misconduct and a constitutional crisis.
Philippines	The outlook remains positive with inflationary pressures lower than several of its regional peers.
Singapore	The economy undergoes a powerful rebound in 2010, but could still be braced for an inflationary shock.
Sri Lanka	The economy continues to grow at a brisk pace as all sectors experience a strong upswing.
Taiwan	The economy will continue to expand in 2011, but downside risks remain.
Thailand	Ongoing political uncertainty and rising inflation pose major challenges to the business climate.
Vietnam	Despite continued rapid growth, the economy faces increasingly serious inflationary and currency problems.
Eastern Europe	
Albania	D&B downgrade's Albania's country risk rating amid escalating social unrest.
Azerbaijan	The parliamentary election result increases political stability but also heightens commercial risk.
Belarus	President Lukashenko wins a fourth term following a flawed election.
Bosnia & Herzegovina	Country risk remains elevated due to the continued inability to form a government.
Bulgaria	Economic growth accelerates amid positive developments in the export sector.
Croatia	The risk outlook remains clouded by a very slow economic recovery, deteriorating public finances and political uncertainty.
Czech Republic	The economy has been doing well, driven by strong exports, but there are notable risks ahead.

Estonia	The adoption of the euro improves the risk outlook, but the country's short-term economic recovery remains fragile.
Georgia	Recent constitutional reforms could jeopardise the country's democratic development.
Hungary	D&B downgrades Hungary's country risk rating due to the government's unsustainable and populist economic policy.
Kazakhstan	The economic outlook is supported by strong performance in the oil and mining sectors as well as rising external demand.
Kyrgyz Republic	Political instability increases after the first sessions of the new parliament.
Latvia	Improved economic growth and lower external economic risk indicate a positive outlook.
Lithuania	The short-term economic outlook remains positive but diminishing export demand could threaten a slowdown.
Macedonia	The economic recovery continues, although there are concerns over the country's forecast fiscal deficit.
Poland	The outlook remains solid, but several challenges pose downside risks in 2011.
Romania	External economic risk remains low after the IMF disburses another tranche of funding.
Russian Federation	A shake-up of the bond market aims to help finance the budget deficit.
Serbia	The economic recovery is picking up momentum, but downside risks to economic growth remain.
Slovak Republic	The country's commitment to the euro zone weakens but an imminent pull-out is not an option.
Slovenia	The country's sovereign credit rating remains vulnerable despite government attempts to reform the public finances.
Tajikistan	The strong economic growth forecast could come under threat from falling remittances.
Turkmenistan	A major new gas contract boosts the country's long-term economic potential.
Ukraine	Political risk increases as the administration takes judicial action against former ministers.
Uzbekistan	Foreign investment in the hydrocarbons sector will boost exports and economic growth.
Western Europe	
Austria	Excellent business conditions for the manufacturing sector in Germany boost orders for Austrian firms.
Belgium	Sovereign risk has fallen recently, but concerns over financial contagion remain.
Cyprus	Although the budget for 2011 meets EU-set deficit targets, it does not curtail the inefficient public sector significantly.
Denmark	The outlook for the economic recovery remains uncertain amid slowing industrial output and robust private consumption.
Finland	The recovery remains on track, with solid industrial output and robust domestic demand.
France	The economic recovery slows, but the risk of a serious slump in either domestic or global demand is currently contained.
Germany	The outlook for 2011-12 appears favourable, although the strong pace of economic growth will decelerate.
Greece	D&B downgrades Greece's country risk rating due to deteriorating economic and political conditions.
Iceland	The country has left recession but the outlook is clouded by a deterioration in relations with the EU.
Ireland	Rising political risk adds a significant layer to Ireland's sovereign debt crisis.
Italy	The outlook for business activity remains mixed.
Luxembourg	The coalition government fails to agree on reform of the over-regulated labour market.
Malta	Several downside risks are set to slow the pace of the economic recovery.
Netherlands	The economic recovery is back on track, but several downside risks could endanger the growth

	outlook for 2011-12.
Norway	Currency appreciation reduces the competitiveness of some of the country's export industries.
Portugal	Debt financing risks increase further, with financial sector stability a rising source of concern.
Spain	The restructuring of the financial sector and changes to regional government finances could increase uncertainty.
Sweden	The economic outlook remains solid, supported by robust domestic demand.
Switzerland	The mild slowdown continues, with the key risk stemming from uncertainty over export growth.
Turkey	Turkey's economy slows amid concerns about overheating and external imbalances.
United Kingdom	External pressures will keep inflation above target but domestic pressures will remain muted.
Middle East	
Bahrain	Growth strengthens but certain sectors benefit more than others.
Egypt	The political and security risk outlook deteriorates in the wake of the Alexandria bombing.
Iran	The risk outlook remains poor after recent talks fail to make progress on the nuclear issue.
Iraq	The political risk outlook eases after parliament's approval of a new government.
Israel	Buoyant exports and household consumption boost the strong economic outlook.
Jordan	The risk of political instability increases in the wake of the uprising in Tunisia.
Kuwait	Political risk increases amid deteriorating relations between government and parliament
Lebanon	D&B downgrades Lebanon's country risk rating due to the political crisis following the collapse of the government.
Oman	The government releases a five-year development plan to increase growth and create jobs.
Qatar	The country recapitalises its banks in order to strengthen their base ahead of the 2022 soccer World Cup.
Saudi Arabia	Prospects for economic growth and business activity are strong.
Syria	Rising inflation and the external deficit are dominant risks.
UAE	Debt restructuring continues to be supported by the government in the short term.
Yemen	Terrorist violence remains a key threat to the personnel and capital assets of Western companies.
The Americas	
Argentina	Despite the positive economic outlook the political sphere continues to undermine the business environment.
Bolivia	Government attempts to cut fuel subsidies underscore key conflicts between economic realities and the populist policy agenda.
Brazil	Inflationary pressures and the appreciation of the currency are the main risks facing the economy.
Canada	The economic outlook for 2011 is uncertain, with firms increasingly concerned by moderating demand and strong competition.
Chile	The appreciation of the peso leads the authorities to intervene in the FX market to reduce negative effects on exporters.
Colombia	The appreciation of the currency remains a key policy challenge for the central bank and government.
Costa Rica	Strong upward pressure on the currency proves a challenge for the authorities.
Cuba	A cabinet reshuffle is announced as the country prepares for a landmark expansion of small-scale private sector activity.
Dominican Republic	An uncertain political outlook, endemic corruption and increasing insecurity weigh negatively on the country risk outlook.
Ecuador	The expansionary budget for 2011 underscores the risks posed by an unsustainable fiscal policy.
El Salvador	Political risk increases as relations between the president and his government deteriorate.

Guatemala	In a positive move, Congress approves the 2011 budget draft after two years of failed attempts to set a budget.
Honduras	The political outlook deteriorates as socio-political tensions increase and the government faces mounting opposition.
Jamaica	The pace of the economic recovery remains sluggish.
Mexico	The central bank keeps interest rates on hold in a bid to support the economic recovery.
Nicaragua	The president's autocratic style of government and the erosion of institutions continue to cloud the outlook.
Panama	Robust economic expansion continues to mitigate credit risk, although inflationary pressures are a concern.
Paraguay	Political uncertainty and rising concerns over fiscal sustainability continue to cloud the risk outlook.
Peru	Strong economic growth prompts the central bank to raise interest rates despite benign inflation conditions.
Trinidad & Tobago	D&B downgrades Trinidad & Tobago's country risk rating due to concerns over a rapid increase in inflation.
USA	Although business conditions continue to improve, job growth remains exceedingly slow.
Uruguay	Inflation is rising but the number of business opportunities should continue to increase.
Venezuela	A fresh currency devaluation may not achieve its intended results and could increase payment delays.
