

## BAROMETER COUNTRY AND SECTOR RISKS BAROMETER Q2 2021

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## A two-speed world

**A** year and a half after the onset of the pandemic, access to vaccination is one of the most crucial factors in our daily lives. The same is true for the global economy: the outlook for regions where a significant proportion of the population has already been vaccinated or is in the process of being so is significantly better than for others. Thus, our expected global GDP growth rate for this year has been revised upwards (+5.6%), mainly due to the positive surprises coming from the United States, whose country rating was upgraded to A2 this quarter.

These improved growth prospects are reflected in world trade: after falling by around 5% in volume last year, our forecasting model indicates an 11% growth this year. Despite the recession in 2020, the volume of international trade in 2021 would therefore be almost 6% higher than its pre-crisis level. In this context of robust growth in international trade, countries exporting

commodities are benefiting from an improvement in their terms of trade. According to Coface's new forecasting models for 13 commodities, prices should remain high for the next six months at least.

Unsurprisingly, several of these countries have had their Country Risk Assessments upgraded this quarter, including Russia, Saudi Arabia, Ecuador, Republic of Congo, Azerbaijan, Botswana, Guinea and Mexico. Outside the emerging world and the United States, Australia and Canada also had their assessment upgraded. In total, 11 countries were upgraded this quarter, with none being downgraded despite rising inflation and continued 'stop-and-go' measures that will hurt domestic demand in several major emerging economies in the coming months.

On the sectoral front, 53 sectoral assessments were upgraded. They mainly concern the metals sector and, to a lesser extent, paper and wood.

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