



Coface downgrades five countries

TNA REPORTER

COFACE, the international trade credit insurance company, has downgraded five countries' business credit rating, with the UK being the highest profile country downgraded from A2 to A3, noting that the UK still has a low credit risk at "quite acceptable".

UK (A3): Quite acceptable credit risk. Coface expects the UK's growth to reach just 0.9% next year. Coface says consumer and investors are postponing decisions in regard to Brexit. Authorities are worried, as highlighted by the decrease in the BoE key rate to 0.25% for the first time since 2009. An extension of the quantitative easing programme is also a concern.

Mongolia (D): Very high credit risk. The country has been greatly impacted by the drop in commodity prices and China's economic slowdown (over 90% of Mongolia's exports are to China). GDP growth fell from 17.3% in 2011 down to



WOES: The drop in commodities prices is weighing on countries.

2.3% in 2015 (with 0.5% expected in 2016).

Nigeria (D): Very high credit risk. Nigeria's GDP is set to shrink on an annual basis in 2016. There was also a decrease in oil production, hindered by

sabotage of oil facilities in Niger Delta. Since June 2016, the naira has lost more than 35% of its value against the dollar and Nigeria has also been affected by a reduction in oil exports which represent 90% of total exports.

Oman (B): Significant credit risk. Oman is heavily dependent on the hydrocarbon sector (35% of GDP). Public spending has increased, generating a significant public deficit in 2016 (around 17% of GDP). The economic slowdown is forecast to continue in 2017. Consumer confidence is weakening and investment growth is expected to be moderate.

Trinidad and Tobago (B): Significant credit risk. The contraction in activity is continuing in 2016. A sharp price decrease has strongly affected the energy sector, the economy's key driver representing over 80% of merchandise exports. Production of natural gas and crude petroleum fell by 11.6% and 9.5% respectively, in January-May 2016 on a year-on-year basis. - 701656