



Africa

Algeria	Security risk remains high after two Al-Qaeda bombings kill more than 50 people.
Angola	The government intensifies efforts to improve the investment climate, but the legal framework still threatens to overburden potential investors.
Botswana	Botswana credit ratings are unchanged signalling favourable economic prospects, but inflationary pressures and waning business confidence remain concerns.
Cameroon	The constitutional court orders the rerun of parliamentary polls in five states in the wake of electoral irregularities.
Cote d'Ivoire	Despite moves to restart the peace process, a lasting settlement remains elusive.
Congo, D.R.	Insecurity and atrocities in the east of the country darken the political risk outlook.
Ethiopia	The humanitarian crisis developing in Ogaden province tests the country's international relations.
Gabon	D&B upgrades Gabon's risk profile owing to increased optimism over the short-term macroeconomic outlook.
Ghana	Economic growth should remain robust in the short term but structural weaknesses could destabilise the economy in the longer term.
Kenya	President Kibaki launches his bid for re-election by appealing to strong tribal allegiances.
Libya	Colonel Qaddafi's son, Saif al-Islam, appears to be taking on an increasingly public role, fuelling speculation that he is being groomed to succeed his father.
Malawi	A parliamentary standoff between the ruling party and the opposition prevents a deal on development policies, undermining the country's fragile political foundations.
Mauritius	The central bank raises interest rates amid increased threats to the inflation environment.
Morocco	The poor turnout at the parliamentary election highlights growing disenchantment with the political system.
Mozambique	Ongoing reforms support the positive short-term economic outlook.
Namibia	Tensions rise in the political arena as the ruling party's leadership candidates prepare for the party congress in November.
Nigeria	D&B upgrades Nigeria's country risk indicator in response to the country's improving macroeconomic outlook and robust external position.
Senegal	The government and the IMF move towards an agreement on a framework for economic and financial reforms.
Sierra Leone	Former opposition leader Ernest Bai Koroma wins the presidential election, but reducing corruption and delivering basic services will be crucial to sustain peace.
South Africa	D&B downgrades South Africa's risk rating despite positive short-term economic prospects.
Sudan	The mandate for a UN-dominated peacekeeping force for Darfur is agreed as peace unravels elsewhere in the country.
Tanzania	According to its neighbours, the country threatens regional economic integration by hindering a crucial trade deal.
Tunisia	Strong economic growth is underpinning the broadly positive country risk outlook, despite ongoing concerns about the poor protection of human rights.
Uganda	The macroeconomic outlook is broadly positive, but downside risks remain.
Zambia	Robust export earnings strengthen the currency, but moderating metal prices, higher imports and global uncertainty will weaken the currency going forward.
Zimbabwe	The government devalues its currency as inflationary pressures mount.

America

Argentina	The leading presidential candidate will need to change the current policy agenda to avoid an abrupt slowing of the economy.
Bolivia	Political tensions mount amid temporary strikes by several regional governments against the federal government.
Brazil	Despite the economy's rapid growth, a corruption case against the government may lead to the legislative environment deteriorating significantly.
Canada	The potential for regional tension rises as several governments press competing claims to the Arctic region.
Chile	The central bank hikes interest rates in an effort to suppress an upturn in inflationary pressures.
Colombia	Political risk rises as the paramilitary links of presidential allies scandal rumbles on, but the likelihood of economic overheating falls as economic growth slows.
Costa Rica	Strong domestic demand and rising global energy and grain prices heighten short-term inflation risks.
Cuba	Acting President Raul Castro's intention to liberalise the economy may be frustrated by his brother Fidel's political legacy.
Dominican Republic	D&B upgrades the Dominican Republic's country risk rating owing to robust economic activity and advances in the government's market-friendly reform programme.
Ecuador	The risk outlook remains poor as the government presents its fiscal plans ahead of the constituent assembly election.
El Salvador	Sharp partisan divisions and a corruption scandal lead the already weak political outlook to deteriorate.
Guatemala	The presidential electoral contest goes to a run-off vote between the centre-left and right-wing candidates.
Honduras	Hurricane Felix weakens over Honduras, causing less damage than expected and leaving essential production unharmed.
Jamaica	The closely-fought election creates a challenging environment for the new government's policy agenda.
Mexico	The onset of the tropical storm season threatens further damage to infrastructure, oil production and the tourism industry.
Nicaragua	The devastation wrought by Hurricane Felix is likely to have only a minimal impact on the economy.
Panama	The country's economy experiences robust output growth, but a slowdown in short-term business activity looms.
Paraguay	The early release from prison of opposition figurehead Lino Oviedo splits the opposition coalition and leaves the result of the presidential election in doubt.
Peru	The economy remains on course for robust growth this year, and an imminent free-trade agreement with the US should boost growth further in the short term.
Trinidad & Tobago	Declining gas reserves jeopardise long-term economic growth.
USA	The recent deterioration in financial market conditions increases downside risks to US economic growth.
Uruguay	Prudent policies and healthy economic prospects bode well for the country's risk outlook.
Venezuela	Plans to devalue the bolivar could negatively affect payments performance for exporters to the country.

Asia/Pacific

Afghanistan	Foreign citizens could be at greater risk in Afghanistan following the South Korean government's deal with the Taliban to secure the release of its hostages.
Australia	Strong economic growth maintains the possibility of a further interest rate hike before the end of the year.
Bangladesh	Flooding could test the public's faith in the military-backed interim government.
Cambodia	The economy grows rapidly as construction and services drive expansion.
China	It remains doubtful whether recent interest rate hikes will curb investment growth.
Fiji	The military-backed government is concerned about the deteriorating economy and its impact on public support for the regime.
Hong Kong	The territory's recent faster-than-expected economic growth is likely to slow over the remainder of the year.
India	The political situation deteriorates as the government and its communist allies disagree over a proposed civilian nuclear deal with the US.
Indonesia	Mounting food price and other inflationary pressures suggest that the central bank will not be able to cut interest rates further this year.
Japan	Prime Minister Abe abruptly resigns after losing authority within his party and the government, triggering a renewed succession contest.
Malaysia	The country's recent faster-than-expected economic growth is likely to slow over the remainder of the year.
Myanmar	Fuel price rise protests have escalated to present a radical challenge to the junta, and it is likely that they will be forcibly repressed.
Nepal	Security concerns could trigger the postponement of the election scheduled for November 2007.
New Zealand	Interest rates remain on hold amid signs of a slowdown in the domestic economy and heightened external uncertainties.
Pakistan	President Musharraf and exiled former Prime Minister Benazir Bhutto seem likely to agree a power-sharing deal.
Papua New Guinea	Prime Minister Somare distributes his cabinet posts as the coalition government's new term in office gets underway.
Philippines	Stronger-than-expected economic growth in the first half of the year boosts prospects for higher overall annual expansion.
Singapore	Major investment plans and heavy engineering orders appear unaffected by the turmoil in credit markets.
South Korea	Electioneering heats up as parties chose candidates to contest December's presidential election.
Sri Lanka	The security forces' territorial gains in the east put the rebel Tamil Tigers under pressure.
Taiwan	Despite a stronger-than-expected performance in the first half of the year, economic growth is likely to slow in the short term.
Thailand	The country's political risk outlook remains uncertain as the year-old military junta's popularity slowly declines.
Vietnam	Inflation and the volatile domestic money supply cloud the country's promising outlook.

Eastern Europe

Albania	D&B upgrades Albania's country risk rating as the country prepares to offer a eurobond issue and receives a sovereign credit rating.
Azerbaijan	The election of a de facto president in the breakaway enclave of Nagorno-Karabakh underlines the lack of progress towards a negotiated settlement.
Belarus	Administrative purges and late payments for Russian gas indicate mounting economic and financial problems.
Bosnia & Herzegovina	The new high representative flexes his powers as politicians remain absorbed by inter-ethnic rivalries.
Bulgaria	The economic outlook remains favourable as growth accelerates further and becomes more balanced.
Croatia	Political parties start manoeuvring ahead of November's parliamentary election.
Czech Republic	Parliament passes the fiscal reform package, but the government still faces short-term challenges to its stability.
Estonia	The outlook improves as economic growth eventually slows to sustainable levels.
Georgia	The government expands social and military spending ahead of parliamentary and presidential elections despite pledges to the IMF to restrict spending.
Hungary	Disappointing economic growth reflects ongoing fiscal adjustments and declining long-term economic potential.
Kazakhstan	Parliamentary election results raise further questions about the strength of the country's democracy.
Kyrgyz Republic	Strong economic growth is being overshadowed by a large current account deficit and concerns over the size and servicing of the country's foreign debt.
Latvia	The government aims to tighten fiscal policy to cool overheating economic growth but doubts over the measures' effectiveness and the authorities' commitment remain.
Lithuania	The continuing imbalances in the country's growth profile are set to result in a slowdown of economic activity.
Macedonia	D&B upgrades Macedonia's country risk rating amid sustainable economic growth, a more business-friendly commercial environment and a more stable political scene.
Poland	The leading party's populism appeals to voters ahead of the snap election in October, putting a much-needed change of government in doubt.
Romania	Economic growth remains robust but continues to slow as export growth underperforms.
Russian Federation	The change of government sparks new speculation about who will succeed Putin as president but will not lead to policy changes.
Serbia	Strains within the ruling coalition grow as traditionalist-nationalists clash with modernist pan-Europeans.
Slovak Republic	Prime Minister Fico remains the country's most popular politician, strengthening his hand to pursue populist policies.
Slovenia	Booming investment spending underpins continuing robust economic growth.
Tajikistan	Construction starts on a new hydropower plant as Tajikistan seeks to expand its role as a regional electricity exporter.
Turkmenistan	Despite ministerial claims of high economic growth in the first half of the year, the dearth of previous official statistics fuels scepticism about their accuracy.
Ukraine	High inflation rates reflect inadequate fiscal and monetary policies as well as strong rises in food prices.
Uzbekistan	The risk environment improves as a result of encouraging developments in the economic sphere.

Middle East

Bahrain	Although the economy underpins a generally positive country risk environment, democratic reforms would promote a more balanced outlook.
Egypt	Although the latest IMF report is broadly supportive of economic policy, a number of challenges remain for the government.
Iran	The country's risk outlook deteriorates as international pressure continues to build through additional sanctions and the threat of military action.
Iraq	The failure to resolve the political impasse and the continuing violence ensure that Iraq retains its weak risk outlook.
Israel	The Israeli 'raid' on Syria in early September is unlikely to provoke any regional military response.
Jordan	The government will retain a comfortable parliamentary majority despite the Islamic Action Front's likely gains in the November parliamentary election.
Kuwait	Tensions between government and parliament continue to damage the risk outlook.
Lebanon	Moves to break the political impasse improve the risk outlook but key issues remain unresolved.
Oman	Investment risks remain prominent in the face of strong growth and currency depreciation, stemming from the rial's fixed exchange rate to the US dollar.
Qatar	The authorities are likely to alter exchange rate policy as inflation remains a major problem.
Saudi Arabia	Record inward investment improves economic growth prospects, but significant barriers still curtail potential.
Syria	The country's political risk is heightened after Israeli jets attack a possible nuclear-related target inside Syria.
UAE	Exchange rate policy faces revision amid continuing inflation risk.
Yemen	The short term outlook is weakened by a fatal terrorist attack on Spanish tourists, declining oil revenues and a locust plague.

Western Europe

Austria	The robust economy and strong position of companies permit higher wage and pension increases, which should support private consumption.
Belgium	Political divisions along linguistic lines have been put in stark relief as coalition talks were abandoned, with no clear prospect of a new government emerging.
Cyprus	Popular support for euro-adoption rises as the EU gives Cyprus the go-ahead for the currency's eventual introduction.
Denmark	The governing coalition's agreement to reduce personal income tax reduces the likelihood of an early election.
Finland	Amid the global turmoil, the Finnish economy is expected to enjoy a soft landing toward a more sustainable growth rates.
France	The government launches its second round of economic reforms, focusing on the labour market and public sector pensions.
Germany	Although two small banks have failed amid the global financial turmoil, the economy is relatively well-placed to withstand the crisis without a slowdown in activity.
Greece	Prime Minister Costas Karamanlis wins the September general election ensuring the continuity of the pro-business reforming agenda.
Iceland	The prospect of joining the single currency without joining the EU is being raised as the krona fluctuates and the stock market offers equity registration in euros.
Ireland	UK banking sector problems dent confidence in Irish banks, but strong underlying economic fundamentals will stop contagion to the wider economy.
Italy	Business associations respond to recent Mafia action by threatening to expel members that pay extortion money.
Luxembourg	The economy's heavy reliance on banking exposes it to fallout from the turmoil in international financial markets.
Malta	Economic progress continues ahead of euro-adoption despite concerns over the country's ability to compete within the euro-zone.
Netherlands	The economy slows, potentially reducing inflationary pressures.
Norway	The central bank remains committed to tightening interest rates in the short to medium term to guarantee low inflation amid strong economic growth.
Portugal	Uncertainty over the economic performance of the country's main trade partners increases the risk of slowdown over the medium term.
Spain	The ruling Socialist party may be damaged by increased terrorist activity by Basque separatists.
Sweden	Increasing inflationary risks have led to the Riksbank to continue its tightening cycle despite the global financial turmoil.
Switzerland	The outlook remains favourable as strong economic growth continues.
Turkey	D&B upgrades Turkey's country risk rating amid positive economic and reform prospects following the incumbent AK Party's victory in a snap parliamentary poll.
United Kingdom	Risks of public panic spreading within the financial system have led the Bank of England and the Treasury to intervene in the financial market in recent weeks.