



Africa

Algeria	Security risk remains high as a suicide bombing by an Al-Qaeda affiliate group kills ten soldiers.
Angola	In a move to shore up a peace deal with separatists in Cabinda, President Dos Santos promises to promote regional development in the province.
Botswana	Confidence is robust in the domestic economy despite growing inflation environment risk.
Cameroon	Incumbent President Biya's party comfortably wins July's parliamentary election, ensuring policy continuity.
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 trade deficit widens, putting pressure on the current account.
Gabon	D&B downgrades Gabon's country risk rating amid increasing government intolerance of press criticism over allegations of corruption.
Ghana	The government implements a prudent strategy to tackle energy shortages, while economic growth looks set to remain robust.
Kenya	The central bank tightens monetary policy by raising the benchmark lending rate.
Libya	Relations with the West are set to improve after the release of six foreign medical workers accused of infecting Libyan children with HIV.
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 moderate Islamic party looks to make gains in September's parliamentary election, but real power resides with the king.
Mozambique	The government must meet its targets under donor-funded programmes to ensure that vital inflows continue.
Namibia	Strong inflationary pressures continue to subdue domestic demand, while tensions rise in the political arena.
Nigeria	Figures show that economic growth faltered last year as a result of falling oil output.
Senegal	The development of new sectors sustains the country's economic outlook despite rising political tension and structural inefficiencies.
Sierra Leone	The presidential and parliamentary elections are declared free and fair, but improved social conditions will be the key to future political stability.
South Africa	Despite the politically contentious race to succeed President Mbeki, the broader environment should remain relatively stable.
Sudan	The mandate for a UN-dominated peacekeeping force for Darfur is agreed as peace unravels elsewhere in the country.
Tanzania	Substantial uranium deposits are discovered, boosting the outlook for the country's mining sector.
Tunisia	Economic growth prospects are boosted by the country's largest-ever inward investment deal and a real estate project with a Dubai company.
Uganda	Domestic revenue grows but the government may miss its fiscal consolidation goals due to energy-related expenditure.
Zambia	The government increases efforts to implement policies conducive to private sector growth.
Zimbabwe	An end to the country's problems remains distant as the government rebuffs South African proposals to resolve the economic crisis.

America

Argentina	President Kirchner appoints a new minister of economy, guaranteeing policy continuity ahead of the presidential election.
Bolivia	The possible adoption of a more radical policy agenda threatens to further worsen the political environment.
Brazil	Volatile global credit conditions affect domestic financial markets, but positive economic fundamentals should cushion the shock.
Canada	Prime Minister Harper again reshuffles his cabinet to reinvigorate the administration, but his policy agenda remains unchanged.
Chile	Government finances and external accounts continue to benefit from record levels of copper export revenues.
Colombia	The external outlook is set to worsen as the trade accounts fall into deficit and risk aversion deters capital inflows.
Costa Rica	Strong domestic demand and rising global energy and grain prices heighten short-term inflation risks.
Cuba	D&B upgrades the country's risk rating due to an increasing openness to foreign investment that will bolster economic growth.
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 country's deepening political turmoil brings real economic growth to a halt.
El Salvador	Despite being burdened by competitiveness problems, the country's external accounts remain stable.
Guatemala	Healthy economic activity and robust credit growth support an improved short-term risk outlook.
Honduras	President Zelaya's heavy-handed approach to media criticism is damaging the country's political environment.
Jamaica	The general election is postponed after Hurricane Dean inflicts widespread damage on the nation's economy.
Mexico	The government's tax reforms are likely to move ahead in Congress despite delaying tactics by an opposition party.
Nicaragua	President Ortega's popularity falls sharply following a series of controversial policy decisions.
Panama	The economic outlook worsens amid the prospect of slower global trade and tighter liquidity.
Paraguay	D&B upgrades Paraguay's country risk rating on the basis of improving macroeconomic fundamentals.
Peru	The recent earthquake and widespread public disturbances could threaten macroeconomic stability.
Trinidad & Tobago	The political environment becomes increasingly fraught in the run up to the general election.
USA	The recent deterioration in financial market conditions increases downside risks to US economic growth.
Uruguay	D&B upgrades Uruguay's country risk rating based on the outlook for continued improvements in government finances and public debt levels.
Venezuela	President Chavez' constitutional reform proposals further diminish the country's risk profile.

Asia/Pacific

Afghanistan	Recent militant activity in the bordering Pakistani tribal regions threatens to worsen the security situation.
Australia	Interest rates rise amid stronger inflation and signs of robust domestic demand.
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	Provincial governments apply emergency price controls as food price inflation mounts.
Fiji	The state of emergency has been lifted but the authorities remain nervous of dissent.
Hong Kong	The territory's status as a regional financial centre makes it susceptible to global investors' increased risk aversion.
India	Economic conditions remain favourable, but inflationary pressures are likely to lead to further monetary tightening.
Indonesia	Despite better prospects for investment, the country remains vulnerable to changes in global investor sentiment.
Japan	The yen strengthens sharply in August, which is likely to induce greater caution among domestic economic actors.
Malaysia	The country's export performance is unlikely to rebound significantly in the short term after the recent volatility in US financial markets.
Myanmar	Beyond the state-monopolised natural resource sector, the economy is struggling.
Nepal	Distrust and hidden agendas could sabotage the peace deal as the country prepares to elect a constitutional assembly.
New Zealand	The New Zealand dollar falls sharply as investors exit amid global financial market jitters and signs that interest rates have peaked.
Pakistan	The expected upsurge in terrorist attacks materialises following the storming of a pro-Taliban mosque in Islamabad.
Papua New Guinea	Concerns persist about high levels of poverty, crime and corruption as Prime Minister Somare wins re-election.
Philippines	The stronger exchange rate reduces the competitiveness of the country's exports.
Singapore	The recent financial market turbulence briefly hits the country but the engineering and banking sectors are strongly positioned.
South Korea	Exports support strong economic growth amid softer private consumption.
Sri Lanka	The security forces' territorial gains in the east put the rebel Tamil Tigers under pressure.
Taiwan	Export growth is buoyant but is likely to slow somewhat in the second half of the year.
Thailand	The proposed new constitution wins majority support in the referendum, but endorsement appears to be far from complete.
Vietnam	The leadership fears spiralling inflation driven by food and energy prices, construction goods and rising liquidity.

Eastern Europe

Albania	D&B upgrades Albania's country risk rating as a new president is elected and the prospect of an early parliamentary election recedes.
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	The economic outlook deteriorates further as the EU excludes Belarus from its preferential tariff system.
Bosnia & Herzegovina	The budget deficit grows as politicians' populist pre-election spending makes an impact.
Bulgaria	The government revives its reformist policies ahead of local elections in October.
Croatia	Further reforms to the business environment are needed to reduce red tape and improve contract enforcement.
Czech Republic	Despite the positive economic outlook, the lack of political stability constrains the country's risk rating.
Estonia	The economy is heading for a soft landing as economic growth continues to slow in early 2007.
Georgia	While economic performance remains strong, territorial disputes and troubled relations with Russia continue to cloud the political outlook.
Hungary	A crackdown on the informal economy will aid short-term fiscal consolidation.
Kazakhstan	Parliamentary election results raise further questions about the strength of the country's democracy.
Kyrgyz Republic	The alleged poisoning of Prime Minister Atambayev highlights the volatile and unpredictable nature of the country's political environment.
Latvia	The economic outlook deteriorates as economic growth fails to slow and inflation rates increase.
Lithuania	The economy is overheating, raising risks of a sharp downturn in 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	After the breakdown of the ruling coalition, early elections are likely. An opposition victory could bring a significant improvement in the political risk outlook.
Romania	An early election looms, damaging prospects for a fiscal policy that aims to rein in inflation further.
Russian Federation	The ongoing fiscal loosening threatens to aggravate imbalances in the economy.
Serbia	An end to the impact on Kosovo's status remains a distant prospect as the opposing sides restate their positions on sovereignty.
Slovak Republic	Real economic growth remains robust, underpinned by booming exports, investment and household consumption.
Slovenia	A non-partisan independent is the current front runner as the presidential election is set for October.
Tajikistan	The president tightens his grip on power as he tries to impose a cultural transformation on the country.
Turkmenistan	The president sends mixed signals as he announces education and agriculture reform but continues his predecessor's cult of personality.
Ukraine	The early election scheduled for September is unlikely to improve the political outlook.
Uzbekistan	The risk environment improves as a result of encouraging developments in the economic sphere.

Middle East

Bahrain	Despite political reforms, problems over the protection of human rights remain.
Egypt	The risk outlook improves as the government pledges to phase out expensive oil and gas subsidies.
Iran	Iran's risk outlook continues to deteriorate with increased domestic political tensions and moves by the international community to impose further sanctions.
Iraq	Co-ordination takeovers kill up to 400 people from a Kurdish sect in one of the worst atrocities since the coalition takeover.
Israel	Stormy budget discussions highlight the vulnerability of the deeply unpopular ruling coalition.
Jordan	Strengthening fiscal balances and robust investment growth bolster the stable outlook.
Kuwait	Despite the parliamentary approval of a budget deficit based on conservative oil revenue forecasts, we predict a significant surplus.
Lebanon	The surprising victory of an opposition candidate in a by-election in Beirut will do little to break the political impasse.
Oman	Continuing high oil prices and the expansion of the non-oil economy outweigh any risks.
Qatar	Inflation remains a threat to an otherwise strong economic outlook.
Saudi Arabia	The economic outlook remains robust despite the high risk of further terrorist attacks.
Syria	The crisis in Iraq poses problems for government finances as social services struggle to cope with an influx of immigrants.
UAE	Abu Dhabi launches its first sovereign bond to encourage greater use of the corporate bond market.
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	Strong economic growth eases payment risks but wage levels and unemployment remain problematic.
Belgium	The country is still without a government as coalition talks stall.
Cyprus	Popular support for euro-adoption rises as the EU gives Cyprus the go-ahead for the currency's eventual introduction.
Denmark	Business failures and credit risks rise, while the coming economic slowdown will create a challenging operating environment in some sectors.
Finland	The government postpones tax cuts until 2008 in order to prevent the economy overheating.
France	Financial market uncertainty compounds the downside risk to economic growth posed by the government's ambiguous economic reform agenda.
Germany	Prospects for economic growth dim amid disappointing indicators and emergent new risks.
Greece	Prime Minister Karamanlis calls an early election so as to pursue his reform agenda under the new legislature.
Iceland	The IMF urges the new coalition government to improve macroeconomic stability through measures including tighter fiscal policy.
Ireland	The end of the property boom poses a potential threat to overall economic growth.
Italy	Long-term economic prospects are marred by structural problems, bureaucracy and a skills gap with other Western European countries.
Luxembourg	The economy's heavy reliance on banking exposes it to fallout from the turmoil in international financial markets.
Malta	Despite sustained economic growth, corruption undermines the country's commercial risk environment.
Netherlands	Economic growth disappoints, while financial market upheaval creates fresh downside risks.
Norway	Increasing inflationary pressures indicate the need for a tightening of budgetary spending.
Portugal	Recent economic data and increasing political discontentment cast doubt on the stability of the economic recovery.
Spain	The economy depends on housing market and construction activity, leaving it exposed after the recent turmoil in global financial markets.
Sweden	Economic growth in the first half of the year illustrates the economy's continued strong momentum.
Switzerland	Domestic businesses are set to benefit from a number of new bilateral economic agreements.
Turkey	The ruling party's candidate looks set to win the presidency after moves to block him forced an early election.
United Kingdom	The economy's reliance on the housing market and debt-financed consumer spending exposes it to any fallout from recent financial market jitters.