

WorldWatch Headlines: September 2020

Welcome to our latest compilation of WorldWatch Headlines, taken from the most recently published Country Insight Snapshot reports. These headlines highlight the key development our analysts identified for each country when they updated the report.

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Africa

Algeria	The new finance minister rules out foreign borrowing.
Angola	The country reels from external shocks and a financial squeeze.
Botswana	The recession will be deeper than presumed in 2020 with real GDP falling by 6.0%.
Cameroon	Cameroon secures new finance from the IMF and multilateral development banks.
Congo, D.R.	The Congolese franc's exchange rate slips to a new low: domestic price pressures will remain high.
Cote d'Ivoire	The government is gradually lifting Covid-19 lockdown restrictions.
Ethiopia	Consumer price inflation surges as the economy struggles.
Gabon	Additional domestic measures and external support strengthen the government's efforts to mitigate twin shocks.
Ghana	GDP growth will fall drastically in 2020 and economic headwinds mean that the fiscal deficit is likely to widen considerably; debt levels may increase in the coming years.
Kenya	Kenya faces high debt servicing costs.
Libya	We have upgraded our rating outlook for Libya as the oil blockade ends in the east of the country.
Malawi	An opposition alliance wins the presidential election rerun, prompting upgrades to Malawi's political risk and overall country risk outlooks.
Mauritius	The outlook is bleak for the travel, tourism and hospitality sectors.
Morocco	The central bank is more pessimistic about growth than we are.
Mozambique	Mozambique secures financing for a major liquefied natural gas project, in a boost to long-term economic potential.
Namibia	Namibia seeks external financial support from the IMF to help tackle the effects of the Covid-19 pandemic.
Nigeria	FX reserves could be run down as the economy struggles.
Senegal	The risk rating worsens on the back of lower growth and heightened credit risks.
Sierra Leone	The economy will contract in 2020 amid the coronavirus pandemic.
South Africa	Covid-19 containment measures are reimposed to tackle the escalating outbreak.
Sudan	The economy will contract by as much as 8.0% in 2020, and will remain highly unstable.
Tanzania	The country faces a drastic reduction in tourism receipts, as well as budget pressures and a larger current account deficit.
Tunisia	President Saied appoints Hichem Mechichi as the next prime minister - but he is unlikely to be able to form a stable government.
Uganda	Negative developments for travel, trade, and investment trigger a rating downgrade.
Zambia	Zambia requests debt relief from China as the economy struggles and public finances deteriorate: tax revenues, export earnings, and FDI are set to disappoint into 2021.
Zimbabwe	The country faces a second consecutive year of deep recession.

Asia Pacific

Afghanistan	The future of peace talks hinges on completing prisoner swaps.
Australia	Government stimulus leads to a 'positive shock' for consumption, helping to accelerate the recovery.
Bangladesh	The central bank cuts rates in a bid to stimulate slowing domestic lending growth.

Cambodia	Cambodia's risk rating is downgraded as declining construction, tourism and exports weigh on the outlook.
China	Jobs and investment stagnated as construction and stocks leapt ahead in Q2.
Fiji	Restrictions on international travel devastate the local tourist industry, leading to a humanitarian crisis in the Western Division.
Hong Kong (S.A.R)	A sharp jump in coronavirus cases will hold back the economic recovery.
India	Due to supply disruptions inflation has risen, despite the collapse in demand.
Indonesia	A sharp GDP contraction is expected for Q2 - but it should be less severe than elsewhere in the region.
Japan	Domestic demand fell by 'only' 7% y/y in Q2 as export declines outpaced imports, and private consumption will contract faster than investment in the rest of the year.
Korea (South)	Data for Q2 suggests that the economy will shrink less in 2020 than was previously forecast.
Malaysia	The economic shock will outlast the lockdown that expired in July.
Myanmar	Slumping demand in key export markets restrains growth prospects.
Nepal	Real GDP is now expected to contract by around 2% this year as a result of coronavirus, with worries about a recent rise in infections.
New Zealand	Macroeconomic data rebounds - resulting in a rating outlook upgrade - but risks remain.
Pakistan	Covid-19 cases decline, but economic fundamentals continue to worsen, perpetuating our deteriorating outlook trend for Pakistan.
Papua New Guinea	Dun & Bradstreet downgrades Papua New Guinea's country risk rating due to the coronavirus pandemic.
Philippines	Q2 GDP declines at the fastest pace on record, but a few catalysts may provide a short-term boost to growth.
Singapore	Singapore moves to restore limited travel arrangements with Malaysia, in a move that will strengthen cross-border trade and investment links.
Sri Lanka	Public health measures have affected Covid-19 containment, but the economy will shrink.
Taiwan	The economy could still grow by almost 1% in 2020 despite faltering consumption.
Thailand	The economy is in its deepest recession since 1998.
Vietnam	The recent outbreak of coronavirus in the country is a reminder that the recovery is likely to be long and bumpy.

Eastern Europe

Albania	The easing of Albania's national lockdown prompts an upgrade in its country risk rating.
Azerbaijan	The economy will contract by 10% in 2020 amid coronavirus and deflated oil prices.
Belarus	Widespread protests pose a major threat to President Lukashenko.
Bosnia & Herzegovina	Political problems still beset the country, despite our risk rating upgrade.
Bulgaria	The government re-introduces some Covid-19 restrictions, threatening substantial economic damage.
Croatia	Improving business sentiment and consumer confidence lead to an upgrade in Croatia's risk rating.
Czech Republic	We have upgraded the Czech Republic's overall risk rating from DB3c to DB3b.
Estonia	The outlook improves as an upturn emerges, but downside risks dominate, with much depending on the trajectory of fragile EU demand.
Georgia	Real GDP will contract by 3.0% this year.
Hungary	Government grants and interest rate cuts position the economy well for Q3, prompting a ratings upgrade.
Kazakhstan	Slumping demand will prompt a GDP contraction in 2020.
Kyrgyz Republic	The impact of Covid-19 on economic growth is worse than expected, with an overall contraction in H1 2020 of 5.3%.
Latvia	A recovery appears to be underway across all sectors, resulting in the rating outlook being upgraded.
Lithuania	The economy is on the mend, triggering an upgrade of the rating outlook.

Macedonia	North Macedonia faces long delays in forming a new government as elections produce a hung parliament.
Poland	Official data suggests that the Polish economy has weathered the first pandemic wave better than expected, and that the economy is on the mend.
Romania	The risk rating is upgraded as Romania emerges from the pandemic, but problems still remain.
Russian Federation	We expect the economy to contract by 4.5% in 2020 and to only recover gradually in 2021.
Serbia	The risk outlook improves as the country emerges from lockdown.
Slovak Republic	Slovakia's risk rating improves as it emerges from the pandemic, but the threat of a second wave remains.
Slovenia	Slovenia's economic outlook continues to improve as businesses resume activity.
Tajikistan	Remittance levels are falling, which will negatively impact short-term growth via unemployment, lower consumption and reduced government revenue.
Turkmenistan	Dun & Bradstreet downgrades Turkmenistan's country risk rating as the coronavirus pandemic makes its presence felt.
Ukraine	The economy is forecast to contract by 4.7% in 2020.
Uzbekistan	Dun & Bradstreet downgrades Uzbekistan's country risk rating due to the Covid-19 crisis.

Middle East

Bahrain	Foreign reserves drop to critical levels, necessitating additional capital-raising.
Egypt	Portfolio investors are returning to the T-bill market.
Iran	Official data confirms that the economy is contracting sharply.
Iraq	A relatively competent and independently-minded government is formed, prompting an upgrade to the outlook.
Israel	The threat of a second wave of coronavirus looms.
Jordan	Political tensions grow as the government cracks down on protests, increasing the risk of radicalising opposition groups.
Kuwait	Political infighting between parliament and government flares up as lockdown eases.
Lebanon	The rating outlook undergoes a further downgrade as the government's resignation exacerbates the country's multiple crises.
Oman	Oman's foreign policy independence is threatened as it is forced to seek financial support from Gulf countries.
Qatar	Qatar's long-term economic potential is boosted as it affirms its commitment to building LNG capacity.
Saudi Arabia	The economy faces multiple headwinds, including weak oil prices and production, along with a lack of domestic and external demand.
Syria	The Syrian pound's sharp depreciation damages economic activity and fuels social discontent.
UAE	Another support package is unveiled as both the oil and non-oil sectors face challenges.
Yemen	Civil war and coronavirus put the outlook under continued strain.

The Americas

Argentina	A resurgence of coronavirus cases triggers an extension of the mandatory lockdown.
Bolivia	The reopening of the economy prompts an outlook upgrade.
Brazil	An acceleration in industrial production points to a gradual recovery in H2, but uncertainty remains extremely high.
Canada	The recovery continues to gather momentum amid gains in both manufacturing and employment.
Chile	The government comes under fire amid a spike in coronavirus infections.
Colombia	The government's inability to contain the coronavirus outbreak, alongside the dynamics of lockdown, increases the likelihood of a very slow recovery.
Costa Rica	We have revised down our forecast for the economic contraction in 2020, to 5.2%, with risks still weighted on the downside.

Cuba	Tighter restrictions are now in force in Havana due to a resurgence of coronavirus cases in August, delaying a return to business-as-usual in the capital city.
Dominican Republic	The government pushes ahead with easing the lockdown, despite the continued threat of the virus.
Ecuador	Coronavirus is still hitting the economy and putting the government under pressure.
El Salvador	The economy records its weakest expansion rate in four years as spiking coronavirus cases force a temporary pause to economic reopening.
Guatemala	The economy looks to have taken a sharp hit: widespread layoffs and business closures will suppress spending in coming months.
Honduras	The pathway of the Covid-19 pandemic is posing setbacks to the unlocking process and will determine the effectiveness of stimulus initiatives.
Jamaica	Damage to the government finances from stimulus spending triggers a risk-rating downgrade.
Mexico	Growth projections for 2020 have been revised down after Q2's historic contraction and given high uncertainty in H2.
Nicaragua	A sharp fall in domestic demand will lead to a GDP contraction of 6.3% in 2020.
Panama	Reopening continues but the recovery in H2 is clouded as potential surges in coronavirus depress consumption and investment.
Paraguay	The economy is gradually reopening under a four-phase plan.
Peru	The government announces new stimulus measures to fight the deep coronavirus recession.
Trinidad & Tobago	Low energy prices underpin a steep recession in 2020.
USA	The pace of economic recovery is set to slow gradually amid waning momentum in consumer spending and in the labour market.
Uruguay	The country's risk rating is upgraded given the excellent public health response to the coronavirus pandemic.
Venezuela	EU sanctions against government officials intensify foreign pressures to remove President Maduro.

Western Europe

Austria	The growth forecast undergoes another downgrade.
Belgium	Uncertainty weighs on the outlook as consumer confidence wavers.
Cyprus	The country's risk rating improves, but the viability of the public finances looks uncertain.
Denmark	Recovering business confidence leads to a risk rating upgrade.
Finland	The outlook stabilises and a cautious upturn beckons, but substantial risks remain.
France	The economy picks up after H1's shock, but downside risks remain severe.
Germany	There is an improving trend after H1's shock, but risks remain.
Greece	The path to economic recovery remains uncertain despite a pick-up in momentum.
Iceland	The downturn in economic activity this year will be greater than previously expected.
Ireland	Ireland's EUR85bn trade with the UK is at risk as Brexit negotiations stall.
Italy	The rating outlook improves amid the positive impact on Italy of the Recovery Fund negotiation.
Luxembourg	Parts of the economy are beginning to recover.
Malta	The surge in new Covid-19 cases raises business continuity risks.
Netherlands	Early signs of recovery in Q3 following Q2's steep contraction are menaced by a possible coronavirus resurgence.
Norway	The rating outlook improves, lifted by rebounding oil prices and resilient domestic demand.
Portugal	The tourism sector is dealt another blow by the UK's decision to impose a 14-day quarantine for returning travellers.
Spain	We have downgraded Spain's overall rating outlook from 'improving' to 'deteriorating' as coronavirus flares up again, but a new national lockdown is unlikely.
Sweden	We have upgraded our market environment outlook trend for Sweden, as both a revival in construction activity and resilient manufacturing sustain domestic activity.

Switzerland	Swiss authorities have been efficient in getting financial assistance to individuals and companies affected by the coronavirus pandemic, and high-frequency economic indicators point to a recovering economy.
Turkey	Downward currency pressure and rising political risk see Dun & Bradstreet downgrade Turkey's risk rating.
United Kingdom	The economy contracts by 21.7% y/y in Q2 and payments performance is deteriorating.

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