

# Training course on Country Risk Analysis

## THE MODULE'S HIGHLIGHTS

**MULTIDIMENSIONAL APPROACH TO COUNTRY RISK**

**EARLY WARNING INDICATORS**

**SACE'S EXPERIENCE IN COUNTRY RISK**

**FOCUS ON POLITICAL RISK INSURANCE**

# Country Risk Analysis

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## OVERVIEW

Country risk refers to the risk arising from investing/lending in a foreign country, which may affect the value of the investment, in terms of operating profits or value of assets, or the ability of the borrower to repay the debt. This training course is designed for professionals seeking to build and enhance their skills in analyzing country risk in their everyday work. Country risk is neither easy to define nor gauge as its measurement is the combination of complex financial, economic, social and political variables. Course participants will be introduced to SACE's multi-dimensional approach to country risk evaluation – also summarized in the Country Risk Map – as well as key factors in assessing risks in emerging markets. Specific focus will be placed on Political Risks Insurance (PRI), a tool for managing risks arising from adverse actions – or inaction – of governments or from political events that may lead to physical damage and/or financial losses.

## COURSE OBJECTIVES

To provide participants with an analytical methodology and tools for country risk assessment in emerging markets, the course will focus on the SACE country risk assessment methodology in its different dimensions and diverse perspectives. Case studies, real-life examples and exercises will ensure highly interactive and practical coursework.

Participants will learn to:

- Better understand how risks are assessed
- Apply a structured approach to country risk assessment
- Calculate and interpret key economic and financial ratios used in risk assessment
- Understand the key drivers of country risk in emerging markets
- Identify qualitative and quantitative market indicators of vulnerability

- Understand the basic elements of political risks (expropriation risk, transfer risk, political violence risk and breach of contract) and PRI.

## TUITION

Tuition will be provided by highly qualified professionals and executives with proven expertise based on work experience and comprehensive knowledge of the relevant fields.

## LOCATION

Upon request, at client's premises or in SACE's Rome office. In special circumstances, this course can be held virtually, by means of videoconferencing software.

## TOPICS

### **Country Risk: a multi-dimensional approach**

- Risk vs. Uncertainty
- Fat Tail Risks and the importance of geopolitics
- Definition of country risk
- Country risk, political risk and sovereign risk
- Sources of information

### **Country Risk Analysis: early warning indicators**

- Macroeconomic fundamentals of country risk analysis
- Key economic indicators for country risk analysis
- Qualitative variables
- Financial/banking system analysis

## **SACE Approach to Country Risk Analysis**

- OECD Country Risk Classification: methodology and criteria
- Better than sovereign
- Pricing implications
- SACE's approach
- SACE Country Risk Map
- Terms of cover
- Impact of country risk analysis in the due diligence process
- Case study: Application of SACE methodology to concrete examples

## **Special Focus on Political Risk Insurance (PRI)**

- What is PRI?
- Covered Risks
- Compensation and Recovery
- Risk Assessment: Country level vs. Project level
- Practical examples from SACE's experience
- Case study: How to assess political risks affecting equity investments abroad

# We are

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SACE is a leading provider of financial solutions, supported by a range of trade finance, political and credit risk insurance as well as financial guarantees. With over € 54 billion of deployed resources, we serve more than 37,000 business customers, facilitating access to commercial & bank financing in 198 countries worldwide. Since 2004 we have been providing advisory services, consultancy and training on topics relevant to ECA's activities, financial and multilateral institutions and sharing best practices and know-how to enhance mutual understanding and cooperation.

## Beyond traditional advisory services

We believe that sharing best practices and know-how enhances mutual understanding and facilitates cooperation amongst players active in trade finance. Our training services cover a variety of areas and topics and are provided by highly qualified professionals and executives at client premises or in SACE's Rome office. Advisory services are offered through various modalities in order to meet the respective needs of the counterparties, namely:



standardised formulas of workshops on specific topics



tailor-made advisory and assistance for new business/product/activity development



consultancy on the set-up of ECAs, including assistance to governments and supervisory authorities

## Other training modules you could be interested in

- Corporate and Bank Risk Assessment
- Country Risk Analysis
- Risk Management and Monitoring
- International Regulation for Export Credit
- Project Finance
- Export Credit & Credit Insurance
- Environmental Impact Assessment
- Governance, Corporate Strategy, CSR and Internal Auditing
- Factoring and Trade Finance
- Customer Relationship Management

# Our Credentials

## Capacity Building Projects

## Set-up & Modernizations



Qatar Development Bank  
2023, 2018  
Qatar



SAUDI EXIM BANK  
2023, 2022  
Saudi Arabia



Export Bahrain  
2022  
Bahrain



EKA Ukraine  
2023, 2021  
Ukraine



DHAMAN  
2021 - 2014  
Kuwait



ECIO  
2021 - 2020  
Greece



EGG  
2023-2022-2021  
2020,  
Greece



Saudi EximBank  
2019-2018  
Saudi Arabia



ABGF  
2019  
Brazil



2019 - 2018 - 2015  
- 2012 - 2008  
Croatia



ECIC  
2019, 2015  
South Africa



KazakhExport  
2019, 2015, 2006  
Kazakhstan



Indonesia Eximbank  
2018  
Indonesia



ALTUM  
2018  
Latvia



Fund  
2015  
Georgia



EXIAR  
2011 - 2012 - 2013  
Russia



Ukreximbank  
2018  
Ukraine



Turk Eximbank  
2017 - 2015  
Turkey



Bancomext  
2015  
Mexico



Beleximgarant  
2014  
Belarus



ICIEC  
2014, 2013, 2009  
Saudi Arabia



2014 - 2009 -  
2008 - 2006  
Romania



SMECA  
2004-2005  
Serbia and  
Montenegro

# CONTACT US

For further inquiries about our advisory services and a tailored offer please visit **[www.sace.it](http://www.sace.it)** or contact us

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