

# BAROMETER

NOV 2024

## AMERICAN ELECTIONS

Whether with Harris or Trump, the economic programs are likely to worsen a record federal budget deficit.

## EMERGING MARKETS

Despite the slowdown in China, the contribution of emerging economies to global growth will remain unchanged in 2025.

FULL REPORT



# COUNTRY RISK MAP

## LAST UPDATES

We have (slightly) revised down our global growth forecast for 2025 to 2.6%, i.e., the same level as for this year. While we maintain our forecasts for a continued slowdown in the US and China, the slight tweak is mainly due to the Euro area, whose recovery in Germany looks increasingly uncertain.

**B** **A4**  
COSTA RICA

**C** **B**  
ALBANIA

**B** **A4**  
CYPRUS

**B** **A4**  
RWANDA

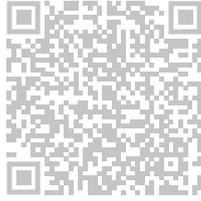
## FROM MONETARY PIVOT TO FISCAL TURNAROUND?

### WORLD ECONOMY

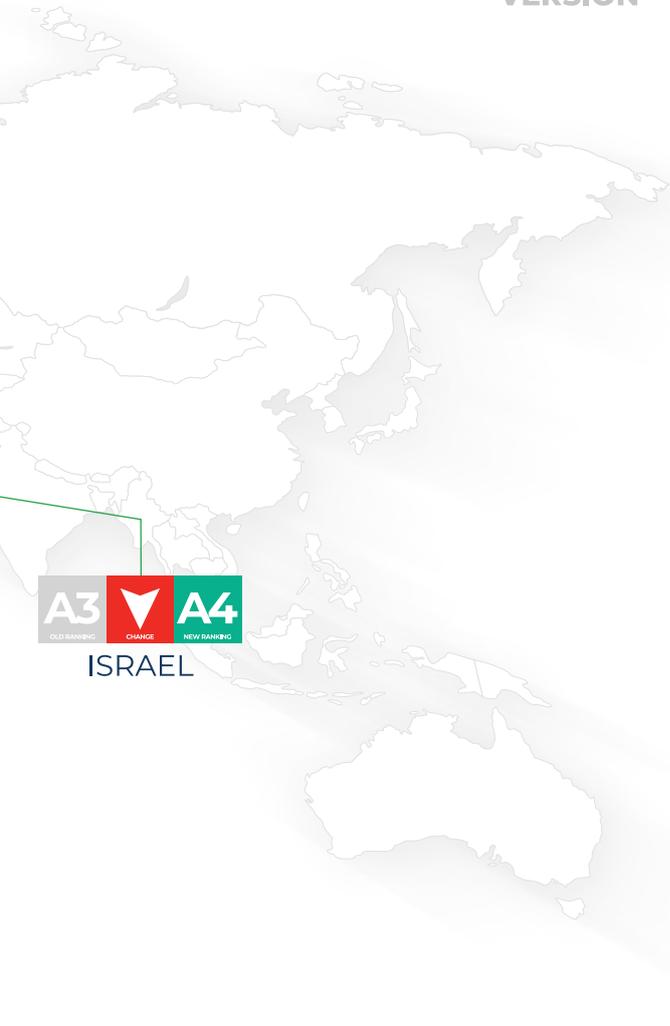
The soft landing of the global economy is continuing fairly smoothly in the main, albeit very patchily or not at the same pace everywhere. While the US is finally slowing down, albeit in small doses, Europe is undergoing a limited and uncertain recovery. China, for its part, continues to be mired in its structural problems and is struggling to get back on its feet.

### INFLATION

The inflationary hydra seems on its way to being vanquished, at least temporarily, allowing central banks to loosen their grip, again at least for the time being. Whatever the reasons, disinflation appears well under way and the targets set by the major central banks should be reached during 2025.



ONLINE  
VERSION



# COFACE POLITICAL RISK INDEX

COUNTRY	SCORE 2024	2024 VS. 2023
WEST BANK AND GAZA STRIP	66%	+5,5%
SUDAN	83%	+3,9%
TUNISIA	44%	+3,1%
EL SALVADOR	53%	+2,4%
MYANMAR	74%	+2,0%
IRAQ	75%	+1,9%
MALAWI	53%	+1,7%
PAKISTAN	67%	+1,6%
NIGER	54%	+1,4%
BURUNDI	58%	+1,2%

## BUDGET

A new era looks to be dawning, one of fiscal consolidation, which is both regrettable and necessary, and marks a return to permanently tighter or less permissive financial conditions despite monetary easing. This is already the case in Europe and in many emerging economies, whose public finances have been bled dry by a succession of crises.

For the 2024 edition, we expected that disinflation would mechanically lead to a decrease in our political risk index compared to 2023. However, although the global score has fallen, the decline is almost imperceptible. Coming in at 40.2%, 2024's score is only marginally lower than that for 2023 (40.4%).

In addition, nearly half of the countries covered by our index (71 out of 166) have seen their risk levels increase, which casts doubt on any notion of a significant reduction in political and social risks.

# SWITZERLAND AND ITS EUROPEAN PARTNERS

If the trend in the eurozone is negative, Switzerland has clearly distinguished itself from its European partners. The GDP growth was 0.5% in the first quarter of 2024. This figure is adjusted for price and seasonal effects. In the second quarter, the growth rate was 0.7%. These growth rates are similar to those seen before the pandemic.

This strong performance is linked to two factors. On one hand, inflation levels in Switzerland have never been as high as in the rest of Europe. On the other hand, Switzerland has always managed to keep its public finances under control.



Swiss National Bank

## INTEREST RATES AND INFLATION

The Swiss National Bank has so far reduced interest rates by 75 basis points to 1%. This level is relatively low compared to the eurozone, where it was around 3.5% at the beginning of October. The neutral level is expected to be around 0.5%.

## GROWTH OUTLOOK

In this context, Coface forecasts growth of 1.5% in 2024 and 1.8% in 2025. Budgetary stability, very low political risk, and a high level of economic development explain Switzerland's unchanged rating of A1.

## CONCERNS ABOUT BUSINESS BANKRUPTCIES

A significant increase has been observed during the first nine months of 2024. The figures are up 13% compared to the same period in 2023. In September 2024, around 1,100 bankruptcies were recorded. This is an exceptional figure.

## CHECK THE FINANCIAL HEALTH OF YOUR SUPPLIERS

Coface helps you identify business partners that could endanger your supply chain. We have over 2 million detailed reports.

