

A.C.I.C. SECTOR GRADE

BRINGING LIGHT TO THE DARKNESS

for 17 sectors in 25 countries

Issue Q1 2022



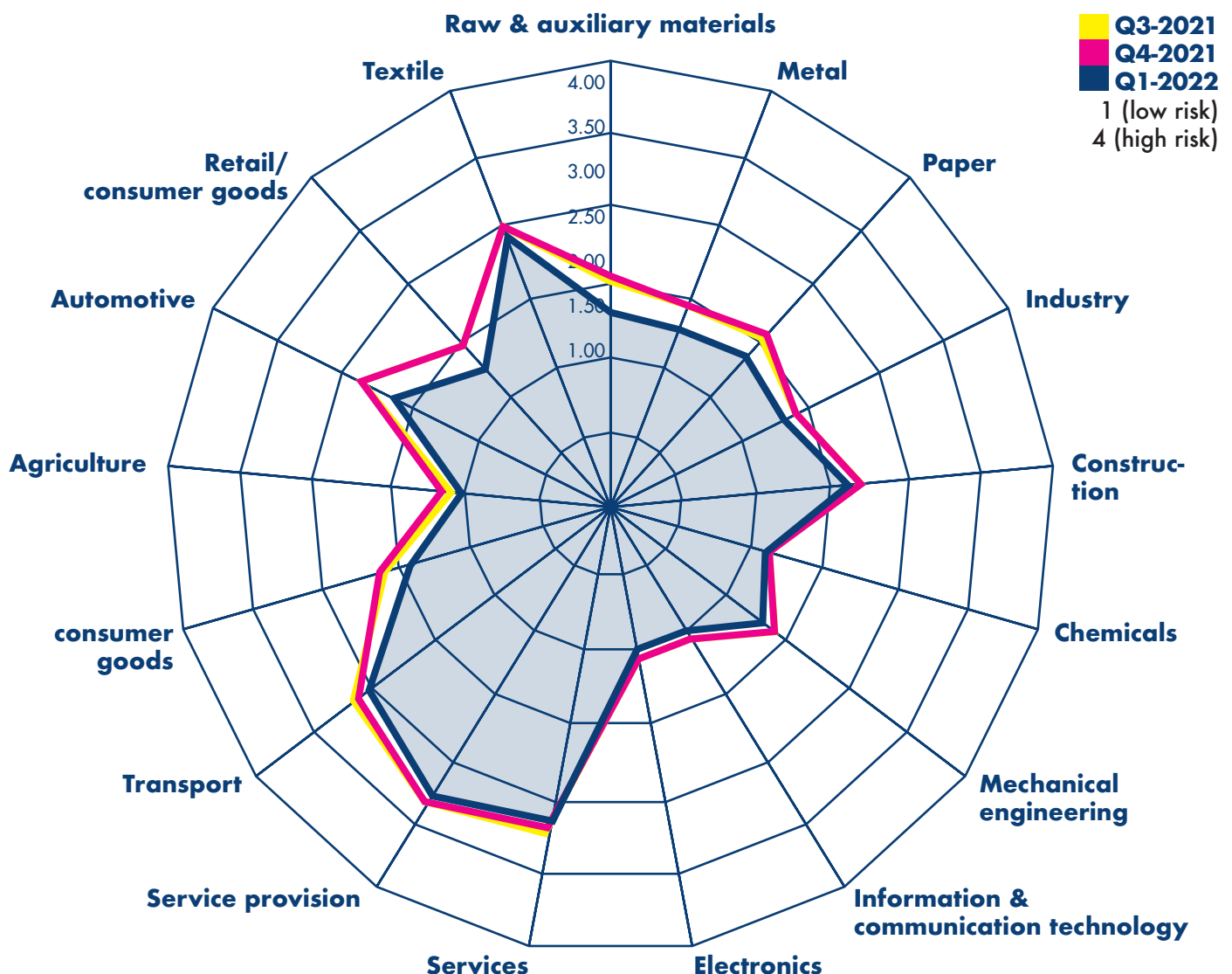
HOW LONG WILL THE UPSWING REMAIN STABLE?

SECTOR GRADE Q4 2021 TO Q1 2022: A BRIEF SUMMARY OF ALL THE CHANGES

The Sector Grade combines the sector assessments of credit insurance companies and currently comprises the assessments of 17 sectors in 25 countries. The tables on the following pages summarize the changes in individual sectors or countries between the fourth quarter of 2021 and the first quarter of 2022. The sector comparison summarizes the assessments of all countries, and the country comparison the assessments of all sectors.

The editorial deadline for the Q1-2022 issue of our Sector Grade was March 15, 2022. Until this date there were not new sector risk assessments from credit insurers available, who would have taken the Ukraine war into account.

However, in order to summarize the assessments without this terrible event, we decided to stick to our publication date. All assessments and statements contained in this report refer to the period before the attack on Ukraine.



SECTOR COMPARISON	Q3-2021	Q4-2021	Q1-2021	CHANGE Q3 VS Q4-2021	CHANGE Q4 VS Q1-2022
Raw & auxiliary materials	2.51	2.50	2.36	0.01	0.15
Metal	2.47	2.47	2.33	0.00	0.14
Paper	2.55	2.53	2.38	0.01	0.15
Industriy	2.43	2.43	2.36	0.00	0.08
Construction	2.72	2.72	2.62	0.00	0.10
Chemicals	2.14	2.14	2.13	0.00	0.01
Mechanical engineering	2.44	2.44	2.32	0.00	0.12
Information & communication technology	2.09	2.09	2.00	0.00	0.09
Electronics	2.09	2.09	2.00	0.00	0.09
Services	3.26	3.27	3.15	-0.01	0.12
Service provision	3.36	3.36	3.26	0.00	0.10
Transport	3.17	3.18	3.05	-0.01	0.13
consumer goods	2.59	2.59	2.45	0.01	0.13
Agriculture	2.05	2.03	2.03	0.02	0.00
Automotive	2.84	2.84	2.61	0.00	0.23
Retail/consumer goods	2.45	2.45	2.28	0.00	0.17
Textile	3.01	3.01	2.89	0.00	0.12
Industries total	2.61	2.61	2.49	0.00	0.11

The Sector Grade indicates the sector risk on a scale of 1 (low risk) to 4 (high risk). The changes to the Sector Grade values in the individual sectors or countries indicate a sector recovery or a worsening of the sector assessment. You can find more information on the methodology on page 12.

COUNTRY COMPARISON	Q4-2021	Q1-2022	CHANGE
Romania	2.88	2.33	0.54
Canada	2.67	2.29	0.38
USA	2.53	2.21	0.32
Turkey	2.44	2.17	0.28
Czech Republic	2.79	2.53	0.26
Spain	2.67	2.43	0.24
Switzerland	2.88	2.67	0.21
Saudi Arabia	2.42	2.25	0.17
Russia	2.99	2.85	0.14
Poland	2.50	2.38	0.13
Austria	2.96	2.83	0.13
Netherlands	2.24	2.11	0.13
Mexico	2.40	2.29	0.11
Japan	3.00	2.90	0.10
Italy	3.38	3.29	0.08
Israel	2.51	2.43	0.08
India	2.79	2.71	0.08
France	2.39	2.36	0.03
Germany	2.39	2.36	0.03
China	2.47	2.46	0.01
Chile	2.17	2.17	0.00
Brazil	2.67	2.71	-0.04
Argentina	2.29	2.33	-0.04
United Arab Emirates	2.26	2.49	-0.22
United Kingdom	2.49	2.75	-0.26
Total for all countries	2.61	2.49	0.11

The Sector Grade indicates the sector risk on a scale of 1 (low risk) to 4 (high risk). The changes to the Sector Grade values in the individual sectors or countries indicate a sector recovery or a worsening of the sector assessment. You can find more information on the methodology on page 12.



THE CURRENT RISK ASSESSMENT – 17 SECTORS IN 25 COUNTRIES IN DETAIL

Methodology for Sector Grade:

- The A.C.I.C. Sector Grade is based on data from Atradius, Coface, and Euler Hermes.
- Each of the aforementioned credit insurers publishes its own sector analysis with different assessment grades and sector definitions. A sector assessment is not available for each country or for each sector.
- A.C.I.C. collects and collates these data. To arrive at an averaged statement, A.C.I.C. summarizes the different risk classifications on a standardized risk scale from 1 (low risk) to 4 (high risk). Since the insurers also use different sector definitions, the summary may result in a certain amount of vagueness.
- A.C.I.C. calculates the average of all provided data and data standardized to the risk scale of A.C.I.C., and expresses this average value as a Sector Grade.

Methodology for G-Grade:

Political risks or country risks play a big role in the risk assessment performed by credit insurers and flow into the decision about the ability to hedge individual customers or businesses. Credit limit decisions not only reflect the assessment of the individual consumer-related risk, but are also a mix of creditworthiness, sector environment, and country assessment. Many credit insurers prepare their own country ratings, which can also frequently differ from each other.

The core and objective of the AU Group G-Grade is an objectification of these different assessment of the credit insurers of 144 countries. The AU Group G-Grade calculates the average of the assessments of Atradius, Coface, Credendo, and Allianz Trade.




























































































	AT		D			UK			FR			
	1.50 4.50%		1.25 4.60%			2.00 5.00%			1.50 3.90%			
Industry												
	2	2	1	2	0.11	2	3	0.56	1	3	0.28	
Construction												
	2	2	-0.33	2	2	0.33	3	3	0.33	2	3	0.33
Chemicals												
	2	2	0.33	1	2		2	3	0.33	1	2	
Mechanical engineering												
	2	2		2	2		2	3	1.00	2	2	0.50
Information & communication technology												
	1	2	-0.67	1	2	-0.33	2	2	0.33	2	2	0.33
Electronics												
	1	2	-0.67	1	2	-0.33	2	2	0.33	2	2	0.33
consumer goods												
	1	4	-0.33	2	4	0.17	2	4	0.08	2	4	-0.42
Agriculture												
	1	2		2	2		2	2	0.33	2	2	-0.33
Automotive												
	2	3	-0.67	2	3		2	4		2	3	-0.67
Retail/consumer goods												
	1	2	-0.67	2	3	0.33	2	4		2	2	-0.33
Textile												
	2	4		2	4	0.33	2	4		2	4	-0.33
Raw & auxiliary materials												
	2	2	-0.33	2	4	0.67	2	3	0.17	2	4	0.17
Metal												
	2	2	-0.33	2	3	0.67	2	3	0.33	2	3	0.33
Paper												
	2	2	-0.33	2	4	0.67	2	3		2	4	
Services												
	2	3	-0.33	3	4	0.33	3	4	0.25	3	4	
Service provision												
	3	3		3	4		3	4	0.50	3	4	
Transport												
	2	3	-0.67	3	3	0.67	3	4		3	3	

























	IT		NL		CH		ES	
	3.25 4.20%		1.25 3.20%		1.00 3.00%		2.25 6.40%	
Industry								
	1	2	1	2	1	2	2	4
		-0.61		-0.39		-0.28		0.11
Construction								
	2	2	1	2	2	2	2	4
		-1.00		-0.33		-0.67		0.33
Chemicals								
	1	2	1	2	1	2	2	2
		-0.33		-0.33		0.33		
Mechanical engineering								
	1	2	2	2	2	2	2	3
		-0.50		-0.50		-0.50		
Information & communication technology								
	1	2	1	2	1	2	2	2
		-0.67				-0.67		
Electronics								
	1	2	1	2	1	2	2	2
		-0.67				-0.67		
consumer goods								
	1	4	2	4	1	4	2	4
		-0.25				-0.25		-0.42
Agriculture								
	1	2	2	2	1	2	2	2
		-0.33						-0.33
Automotive								
	2	4	2	3	2	3	2	3
						-0.67		-0.67
Retail/consumer goods								
	2	2	2	3	2	2	2	3
		-0.33				-0.33		-0.33
Textile								
	2	4	2	4	2	4	2	4
		-0.33						-0.33
Raw & auxiliary materials								
	1	3	2	3	2	3	2	3
		-0.50		-0.17		-0.33		-0.33
Metal								
	1	3	2	3	2	3	2	3
		-0.33				-0.33		-0.33
Paper								
	2	2	2	2	2	3	2	3
		-0.67		-0.33		-0.33		-0.33
Services								
	3	4	3	3	2	3	2	4
				-0.25		-0.33		-0.58
Service provision								
	4	4	3	3	2	3	3	4
				-0.50				-0.50
Transport								
	3	4	3	3	2	3	2	4
						-0.67		-0.67

	PL		RO		RU		CZ					
	3.00 5.10%		4.50 4.80%		5.75 2.90%		2.25 4.50%					
Industry												
	2	3	2	3	2	3	-1.00	2	3	-0.17		
Construction												
	3	3	2	3	2	3	-0.33	2	3			
Chemicals												
	2	3	2	2	2	2	-0.67	2	2			
Mechanical engineering												
	2	3	2	2	2	2	-2.00	2	2	-0.50		
Information & communication technology												
	2	2	-0.33	2	2	2	3	1	2			
Electronics												
	2	2	-0.33	2	2	2	3	1	2			
consumer goods												
	1	4	-0.17	2	4	0.13	2	3	-0.67	2	4	
Agriculture												
	2	2		2	2	0.50	2	2	-0.67	2	3	0.33
Automotive												
	2	3		2	3		2	3	-0.33	2	3	
Retail/consumer goods												
	1	2	-0.33	2	2		2	2	-0.67	2	2	
Textile												
	2	4	-0.33	2	4		2	3	-1.00	2	4	-0.33
Raw & auxiliary materials												
	2	2	-0.67	2	2		2	2		2	2	-0.17
Metal												
	2	2	-0.67	2	2		2	2		2	2	-0.33
Paper												
	2	2	-0.67	2	2		2	2		2	2	
Services												
	2	4	-0.25	3	3		3	3	-0.42	2	3	-0.25
Service provision												
	2	4	-0.50	3	3		3	3	-0.50	2	3	-0.50
Transport												
	3	4		3	3		3	3	-0.33	3	3	

	CA		US		CN		IN	
	1.25 4.90%		1.25 5.20%		4.25 5.60%		5.25 8.50%	
Industry								
	2	3	1	2	-0.28	2	4	-0.11
Construction								
	2	2	1	2	-0.33	2	4	-0.33
Chemicals								
	2	3	2	2		2	2	2
Mechanical engineering								
	2	2	1	2	-0.50	2	2	2
Information & communication technology								
	1	2	1	2	-0.33	1	2	1
Electronics								
	1	2	1	2	-0.33	1	2	1
consumer goods								
	1	4	1	4	-0.08	1	3	1
Agriculture								
	1	2	1	2	-0.33	1	2	1
Automotive								
	2	3	2	3		2	3	1
Retail/consumer goods								
	2	3	2	3		2	3	1
Textile								
	2	4	2	4		2	3	1
Raw & auxiliary materials								
	2	3	-0.17	2	3	2	3	2
Metal								
	2	2	-0.33	2	2	2	3	2
Paper								
	2	3		2	3	2	3	2
Services								
	3	3		2	3	2	3	2
Service provision								
	3	3		2	3	3	3	3
Transport								
	3	3		2	3	2	3	2

	JP		AR		BR		CL	
	2.25 3.20%		9.25 2.50%		5.50 1.50%		3.00 2.50%	
Industry								
	1 2		3 3	-0.17	1 3	0.17	3 3	
Construction								
	2 2		3 3	-0.50	3 3		3 3	
Chemicals								
	1 2		3 3		1 3		3 3	
Mechanical engineering								
	2 2		3 3		3 3	0.50	3 3	
Information & communication technology								
	1 1		3 4	0.50	2 3		2 2	
Electronics								
	1 1		3 4	0.50	2 3		2 2	
consumer goods								
	1 3		3 4		2 4	-0.08	2 3	-0.50
Agriculture								
	1 2		3 3		2 2		2 3	
Automotive								
	1 3		3 4		2 3	-0.33	2 3	-1.00
Retail/consumer goods								
	1 3		3 4		2 3		2 2	-1.00
Textile								
	1 3		3 4		2 4		2 3	
Raw & auxiliary materials								
	2 3		3 3	-0.50	2 3	0.33	2 2	-0.50
Metal								
	2 3		3 3	-0.50	2 3	0.33	2 2	-0.50
Paper								
	2 3		3 3	-0.50	2 3	0.33	2 2	-0.50
Services								
	3 3		3 4		3 4	-0.17	3 4	0.25
Service provision								
	3 3		4 4		3 4		4 4	0.50
Transport								
	3 3		3 4		3 4	-0.33	3 4	

	MX		AE		IL		SA	
	4.50 4.00%		3.25 3.00%		3.00 4.10%		4.50 4.80%	
Industry								
	2 4	-0.11	2 4		2 3		2 4	
Construction								
	3 4	-0.33	3 4		2 3		3 4	
Chemicals								
	2 4		2 3		2 2		2 3	
Mechanical engineering								
	3 4		3 3		2 2		3 3	
Information & communication technology								
	2 3		2 3		2 2		2 3	
Electronics								
	2 3		2 3		2 2		2 3	
consumer goods								
	2 4	-0.08	2 3		2 3		2 3	
Agriculture								
	2 3		2 2	0.33	2 3		2 3	0.50
Automotive								
	2 4	-0.33	2 3	-0.33	2 3		2 3	-0.50
Retail/consumer goods								
	2 3		2 3		2 2		2 3	
Textile								
	2 3		2 3		2 3		2 3	
Raw & auxiliary materials								
	3 3	-0.33	2 3	-0.50	2 3		2 3	-0.50
Metal								
	3 3	-0.33	2 3	-0.67	2 3		2 3	-0.50
Paper								
	3 3	-0.33	2 3	-0.33	2 2		2 3	-0.50
Services								
	2 3	-0.17	3 4		3 3	-0.75	3 4	-0.25
Service provision								
	3 3		3 4		3 3	-1.00	4 4	
Transport								
	2 3	-0.33	3 4		3 3	-0.50	3 4	-0.50

	G-Grade GDP forecast	TR		
		7.00 3.30%		
Industry				
		2	4	-0.06
Construction				
		3	4	0.33
Chemicals				
		2	3	
Mechanical engineering				
		2	3	-0.50
Information & communication technology				
		3	3	
Electronics				
		3	3	
consumer goods				
		2	3	-0.25
Agriculture				
		2	3	
Automotive				
		2	3	-0.33
Retail/consumer goods				
		2	3	-0.33
Textile				
		2	3	-0.33
Raw & auxiliary materials				
		2	4	
Metal				
		2	4	
Paper				
		2	3	
Services				
		3	4	
Service provision				
		4	4	
Transport				
		3	4	



DEFINITION OF TERMS & READER'S GUIDE:

G-Grade: Country risk assessment on a scale from 1 (low risk) to 10 (very high risk).

GDP forecast: For 2022



Sector Grade scale: Average sector assessment of the credit insurers Atradius, Coface, and Euler Hermes as smileys (for the ranges 1.00 - 1.50 😊, 1.51 - 2.50 😄, 2.51 - 3.50 😞, 3.51 - 4.00 😡) and among them the best and worst sector assessment of an individual credit insurer.

Sector Grade quarterly change: The green arrows show a positive change and the red ones a negative change. A significant change that leads to a change of smiley is detectable from a value of ≥ 0.5 .  

Country codes:

AT ... Austria
 DE ... Germany
 UK ... United Kingdom
 FR ... France
 IT ... Italy
 NL ... Netherlands
 CH ... Switzerland
 ES ... Spain
 PL ... Poland
 RO ... Romania
 RU ... Russia
 CZ ... Czech Republic
 CA ... Canada
 US ... USA
 CN ... China
 IN ... India
 JP ... Japan
 AR ... Argentina
 BR ... Brazil
 CL ... Chile
 MX ... Mexico
 AE ... United Arab Emirates
 IL ... Israel
 SA ... Saudi Arabia
 TR ... Turkey

LIST OF SOURCES:

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<https://www.coface.com/News-Publications/Publications/Country-Sector-Risk-Barometer-Q4-2021>

(Released: 10.03.2022)

Atradius: Industries performance forecast per market

https://atradius.be/nl/documenten/atradius_worldwide_industries_performance_forecast_nov_2021.pdf

(Released: 13.03.2022)

Euler Hermes: Online Tools – Trade Match

https://www.eulerhermes.com/en_global/economic-research/online-tools.html (Released: 15.03.2022)

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