

Political Risk 2013

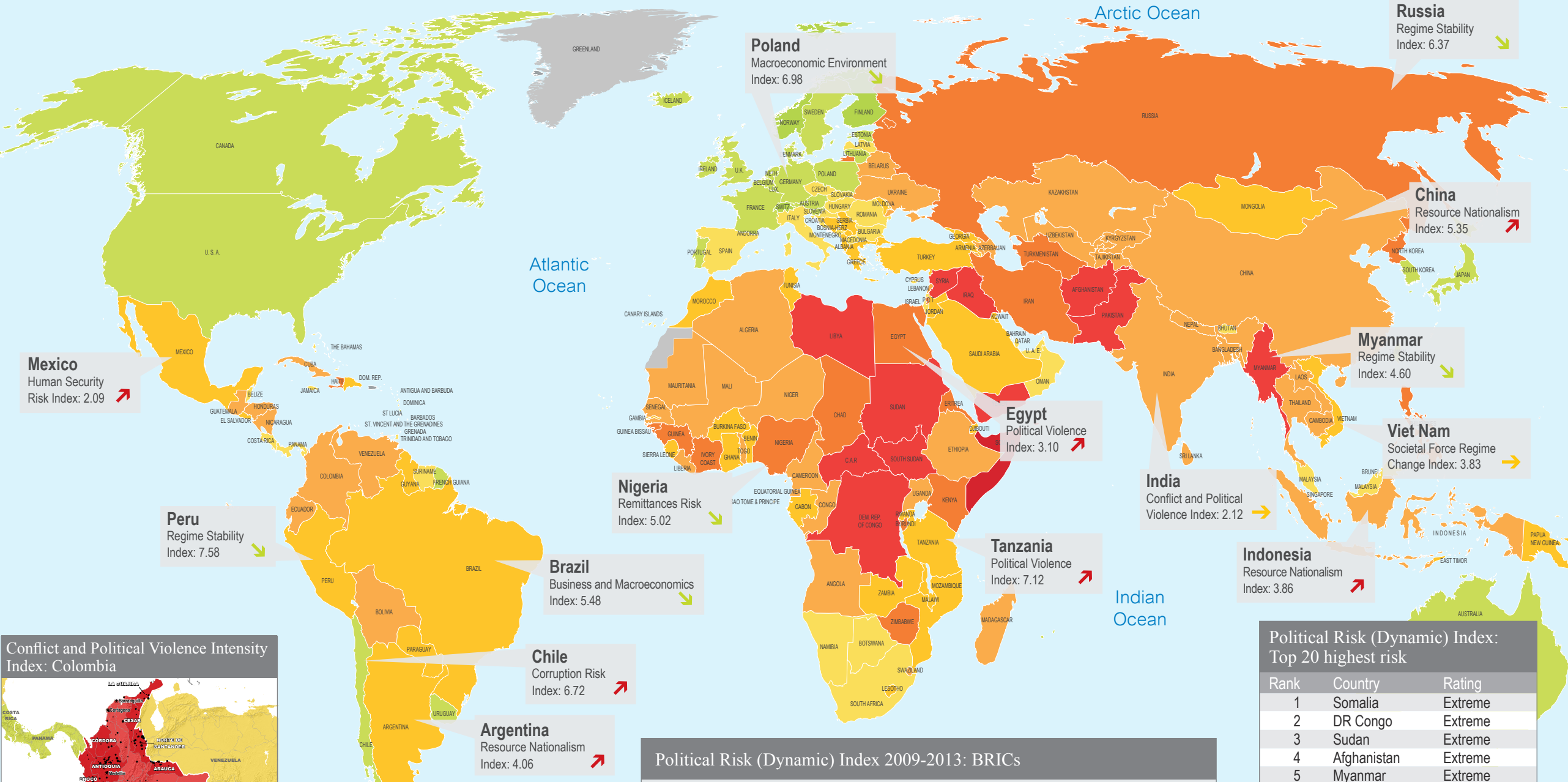
Risk and opportunity hotspots in key growth markets



The Political Risk (Dynamic) Index assesses risks that have the potential to undergo change, and in particular to deteriorate, rapidly due to direct government action, business activities or due to action by sub-state or other politically-motivated groups. It is comprised of 29 political risk indices under the four themes of governance framework, political violence, business and macroeconomic risk and societal forced regime change risk. The Political Risk (Dynamic) Index is part of Maplecroft's Political Risk Atlas (PRA) 2013.

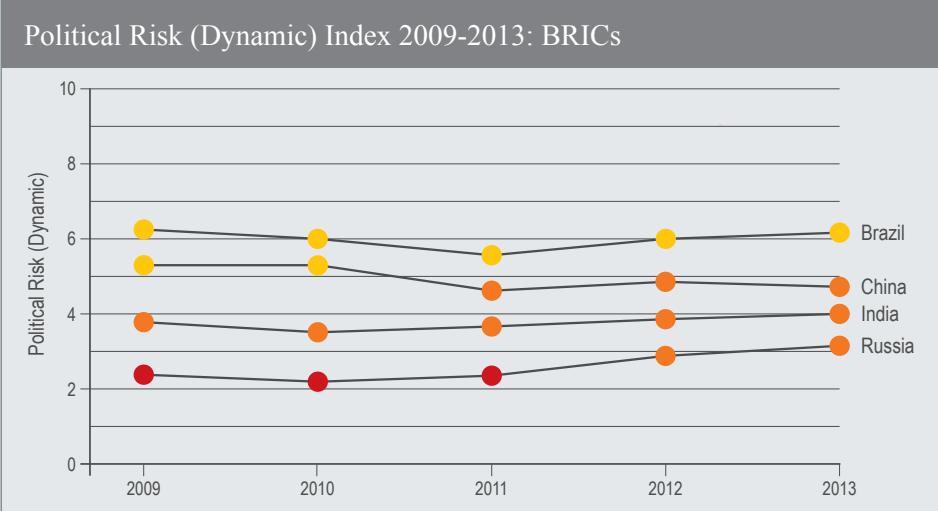
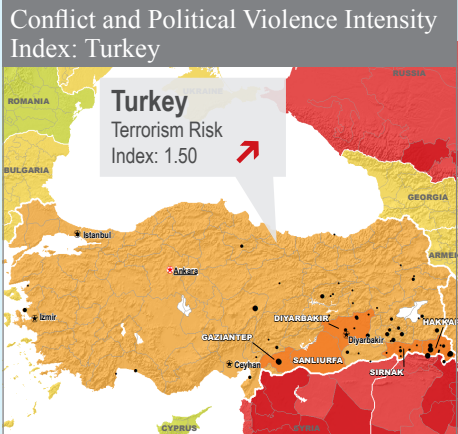
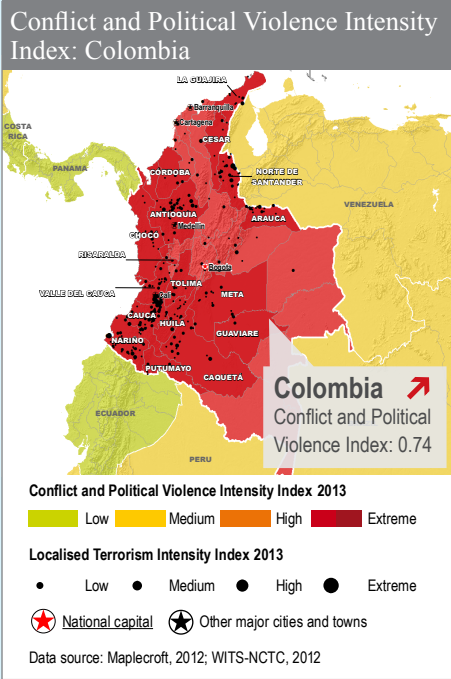
In addition to assessing short term, dynamic risks, the PRA 2013 also incorporates the Political Risk (Structural) Index, which assesses long term political risks, such as infrastructure readiness and societal resilience, which contribute to a country's long term growth environment. By analysing both dynamic and structural risks, the PRA 2013 thus enables businesses and investors to make an assessment of their exposure to a comprehensive range of political risks and take steps to mitigate them.

For more information see www.maplecroft.com or contact info@maplecroft.com



Principal Political Risk Insurance Coverages	
Coverage Type	Protects Against:
Expropriation	Host Government acts interfering with fundamental ownership rights of the investor's interest in a Foreign Enterprise, including confiscation, nationalisation, selective discrimination and "creeping expropriation".
Political Violence	Physical damage loss to assets located overseas caused by political violence (war, civil war, revolution, insurrection, strikes, riots, sabotage and terrorism).
Forced Abandonment	Abandonment of a Foreign Enterprise as a result of advice by the direct investor's home government to evacuate key expat personnel from the Host Country because of Political Violence.
Business Interruption	Loss of business income by the Insured resulting as a consequence from business operations in the Host Country having been interrupted by Political Violence or Expropriation.
Currency Restrictions	Delay or inability of a Foreign Enterprise to exchange local currency into hard currency (inconvertibility) or to repatriate hard currency funds outside the Host Country (Non-transfer).

Political Risk Legend	
Extreme Risk	High Risk
>0.00 – 1.25	>2.50 – 3.75
>1.25 – 2.50	>3.75 – 5.00
Medium Risk	Low Risk
>5.00 – 6.25	>7.50 – 8.75
>6.25 – 7.50	>8.75 – 10.00
No data	Increasing Risk
	No Improvement
	Decreasing Risk



Political Risk (Dynamic) Index: Top 20 highest risk		
Rank	Country	Rating
1	Somalia	Extreme
2	DR Congo	Extreme
3	Sudan	Extreme
4	Afghanistan	Extreme
5	Myanmar	Extreme
6	Libya	Extreme
7	Iraq	Extreme
8	C.A.R	Extreme
9	Syria	Extreme
10	Yemen	Extreme
11	South Sudan	Extreme
12	Pakistan	Extreme
13	North Korea	High
14	Côte d'Ivoire	High
15	Zimbabwe	High
16	Nigeria	High
17	Russia	High
18	Chad	High
19	Burundi	High
20	Iran	High

Political Risk (Dynamic) Index: Top 20 Growth Markets			
Country	Rank	Rating	
1 China	61	High	
2 India	35	High	
3 Indonesia	60	High	
4 Viet Nam	70	Medium	
5 Bangladesh	33	High	
6 Brazil	109	Medium	
7 Philippines	29	High	
8 Nigeria	16	High	
9 South Korea	161	Low	
10 Malaysia	123	Medium	
11 Russia	17	High	
12 Tanzania	83	Medium	
13 Singapore	180	Low	
14 Hong Kong (China)	177	Low	
15 Peru	97	Medium	
16 Thailand	63	High	
17 Egypt	27	High	
18 Colombia	49	High	
19 Turkey	71	Medium	
20 Uzbekistan	43	High	