

# Country Risk Assessment and Management (GEST004\_MZECY)



## En bref

- > **Langues d'enseignement:** Anglais
- > **Méthodes d'enseignement:** En présence
- > **Ouvert aux étudiants en échange:** Oui

## Présentation

### Objectifs

Emerging markets, once primary regarded for cost saving reasons are now strategic consumers markets. Operating successfully in these markets has become a business imperative for most sectors of the global economy.

Aside from “classic risk” (strategic risk; business risk; operational risk...), there are also specific aspects of risks related to emerging markets, often described as “country risk”. Country risk is a broad concept that comprises an underlying combination of economics, finance, geopolitics, sociology... issues. More specifically this broad concept includes a multitude of specific risks (political instability, corruption, lack of transparency, red tape...) which have to be identified, assess and manage. As the new global economy raises the level of uncertainty and complexity for the international firm’s cross-border strategy, country risk analysis has become today an essential component of strategy decisions regarding export, direct investment, partnership and mergers, as well as takeovers.

The objectives of this course are the following:

- Appreciate the changing nature of country risk
- Explain the role of country risk management within a company global risk management strategy
- Provide a basic set of methodological tools in order to evaluate the binomial risks / opportunities associated with business initiatives in emerging economies

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## Heures d'enseignement

CM	Cours Magistral	9h
TD	Travaux Dirigés	9h

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## Plan du cours

The course is divided in three main parts:

1) What is Risk and uncertainty?

- Globalization and country risk

-Risk according to the types of Investment

2) What represent Country risk today?

-Risk Typology: The specificity of sovereign risk and the various types of cross-border risk

3) Country risk management frame works

- Information and Economic intelligence gathering: Public sources: (IFIs & Regional development banks; central banks; Intelligence agencies...). Private sources: Risk rating agencies; Private commercial and investment banks; Specialized agencies, think tanks; NGO...

-Traditional tools of country risk management

-Limits of traditional tools of risk management and the developing an in-house Risk management ability

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## Informations complémentaires

Responsable du cours : Yves LANDRY

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## Compétences visées

- Managerial skills
- Research skills

After completion of the course, students will have a solid understanding of the concepts, historical perspectives, theoretical debates and methodologies surrounding country risk assessment and management. They are expected to be able to assess

country risk situations with regard to cross-border investment, trade and lending purposes, and identify risks and opportunities, especially in emerging market economies.

## Bibliographie

### Books

- Julian Marr, Cherry Reynard. *Investing in Emerging Markets: the Bric and Beyond*, (Securities Institute, 2010).
- [Ruchir Sharma](#), *The Rise and Fall of Nations: Ten Rules of Change in the Post-Crisis World* (Norton and Co.), 2017.
- [Mina Toksoz](#), *The Economist Guide to Country Risk*, (The Economist), 2014.
- [Daniel Wagner](#), *Managing Country Risk: A Practitioner's Guide to Effective Cross-Border Risk Analysis*(CRC Press), 2012.

### Websites

- **Economic indicators: IMF:** <http://www.principalglobalindicators.org>
- **Economic indicators: OECD :** <http://www.oecd.org/statistics>
- **Country information:** <http://eiu.com>; <https://www.cia.gov/library/publications/the-world-factbook/>
- **Corruption: Transparency International's:** <http://transparency.org>
- **Openness: Globalization index:** <http://globalization.kof.ethz.ch>
- **Competitiveness: World Economic Forum: competitiveness ranking:** <http://weforum.org>; *IMD World Competitiveness yearbook:* <http://imd.org>
- **Regulatory framework: World Bank: « Doing Business »:** <http://worldbank.org>
- **Business conditions: World Bank: « Doing Business »:** <http://worldbank.org>
- **Corporate and sovereign governance: World Bank: « Doing Business »:** <http://worldbank.org>
- **Economic freedom: Heritage Foundation: Index of economic freedom:** <http://heritage.org>; *Fraser Institute:* <http://fraserinstitute.org>

### Country Risk related institutions:

- **Atradius:** <http://www.atradius.fr/credmanagementpublications/publications/barometre.html>
- **COFACE:** <http://www.coface.fr/Etudes-economiques-et-risque-pays>
- **EULER HERMES:** <http://www.eulerhermes.fr/etude-economique/Pages/carte-risques-pays.aspx>
- **ODL (Ducroire):** <http://www.ducroire.lu/assurance-credit/risques-pays>
- **BMCE trade:** <http://www.bmcetrade.com/fr/observer-les-pays>

- **Credimundi:** <http://www.credimundi.fr/fr/risques-pays/>

**Libellé court :** GEST004\_MZECY

**Nature :** EC

## Infos pratiques

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### Lieux

- › Chambéry (domaine universitaire de Jacob-Bellecombette - 73)
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### Campus

- › Chambéry / campus de Jacob-Bellecombette