

15 July 2021
EM Sovereign Credit

EM Sovereign Credit

External vulnerability heatmaps

This PDF file contains two external vulnerability heatmaps grouped by sovereign ratings (at end-2020) on pages 2 and 3, with the latter including the expected IMF Special Drawing Rights (SDR) allocation based on an [illustrative breakdown by the IMF](#).

Notes: In our external debt risk analysis, we focus on external financing needs based on external debt service projections from the [World Bank's International Debt Statistics \(IDS\)](#) with data for low- and middle-income countries. For comparability, we also calculate external financing needs based on short-term external debt (from the [World Bank's Quarterly External Debt Service \(QEDS\)](#) which has better data availability for higher income EMs but lacks data for many frontier economies. The asterisk (*) indicates staff level approved [IMF commitments](#) which are subject to executive board approval. For ECB/Fed swap lines, see [ECB](#) and [Fed](#). BCEAO and BEAC indicate countries that benefit from a currency convertibility guarantee by the French Treasury. On page 3, we add the expected SDR allocation (based on an [illustrative breakdown by the IMF](#), pages 40-45) to FX reserves with follow-on implications for our calculations on external financing needs as a percentage of FX reserves and FX reserve import coverage in number of months.

Acronyms:

BCEAO: Banque Centrale des Etats de l'Afrique de l'Ouest / Central Bank of West African States

BEAC: Banque des Etats de l'Afrique Centrale / Bank of Central African States

ECB: European Central Bank

ECF: IMF Extended Credit Facility

EFF: IMF Extended Fund Facility

FCL: IMF Flexible Credit Line

PLL: IMF Precautionary and Liquidity Line

SBA: IMF Stand-By Arrangement

SCF: IMF Standby Credit Facility

SDR: IMF Special Drawing Rights

Trieu Pham, CFA
EM Sovereign Debt Strategist
trieu.pham@ing.com

Antoine Bouvet
Senior Rates Strategist
antoine.bouvet@ing.com

External vulnerability heatmap by rating group pre-SDR allocation

Colour scale:		C/A Balance (% of GDP) [1]	Ext Debt Service (% of GDP) [2]	ST Ext Debt (% of GDP) [3]	FX Reserves (% of GDP) [4]	Ext Fin Needs (% of FXR) [(1+2)/4]	Ext Fin Needs (% of FXR) [(1+3)/4]	FX Reserves (import months)	External Debt (% of GDP)	FX Ext Debt (% of GDP)	IMF Loans	Fed/ECB /other	
		2021	2021	2020	Jun-21	2021	2021	Jun-21	2020	2020			
Least vulnerable (10 Pct)													
Most vulnerable (90 Pct)													
AAA/A	Chile	+0.3		6	13		37	8.2	83	75		FCL	
	China	+1.6	1	8	19	-4	30	18.2	16				
	Czech Republic	+0.9		37	59		53	11.4	83	38			
	Israel	+4.1		11	44		13	33.5	33				
	Korea	+4.2		10	25		19	11.2	33	23		Fed swap	
	Kuwait	+8.6			33			51.7					
	Malaysia	+3.8		27	27		72	6.6	70				
	Poland	+2.0		10	23		31	6.7	63	41			
	Qatar	+7.1			22			17.7					
	Saudi Arabia	+2.8		6	53		5	37.2	34				
UAE	+7.1			26			4.7						
BBB	Bulgaria	+1.4	5	16	41	10	32	10.8	70	67		ECB swap	
	Colombia	-3.8	7	5	19	54	45	16.0	57	55		FCL	
	Croatia	-2.3		16	39		42	11.3	88	82		ECB swap	
	Hungary	-0.4		13	17		69	3.2	166	141		ECB repo	
	India	-1.2	2	4	18	16	25	17.6	21	14			
	Indonesia	-1.3	4	4	11	49	47	10.4	39				
	Kazakhstan	-1.0	15	6	6	278	108	3.2	99	87			
	Mexico	+1.8	4	5	16	15	15	5.5	43	34		Fed swap	
	Panama	-3.9		68	13		487	15.1	201			PLL	
	Peru	-0.4	4	5					36	36		FCL	
BB	Philippines	-0.4	2	4	24	12	17	7.6	27	26			
	Romania	-5.0		7	15		76	5.4	63	52		ECB repo	
	Russia	+3.9	4	4	27	0	-2	22.4	32	23			
	Uruguay	-2.2		12	30		47	25.9	86	80			
	Azerbaijan	+1.1	3		15	13		8.4					
	Brazil	-0.6	5	5	23	24	23	23.8	45	36		Fed swap	
	Dominican Rep	-2.1	6		15	52		7.0	39				
	Georgia	-11.5	28	14	24	161	103	6.0	129	119			
	Guatemala	+2.3	5	2	22	12	-1	11.8	33				
	Morocco	-3.8	4	7	26	31	40	8.0	58				
B	Namibia	-3.4		8	20		53	4.1	74				
	North Macedonia	-3.2	12	11	32	46	39	6.0	86	86		ECB repo	
	Oman	-6.4			24			11.3					
	Paraguay	+0.7	4		24	14		10.2	27				
	Serbia	-5.7	8		25	58		5.9				ECB repo	
	South Africa	-0.4	3	9	13	28	66	7.4	57	29			
	Uzbekistan	-6.4	4	4	22	48	47	8.2	63	63			
	Vietnam	+2.4	4		28	5		4.4					
	CCC/lower	Albania	-8.7	7	4	25	62	50	8.6	69			ECB repo
		Armenia	-6.7	12	13	25	73	79	8.3	105			SBA
Bahrain		-4.0			9			5.5					
Belarus		-0.3	10	17	7	146	249	1.5	70	68			
Benin		-4.5	2	6	0				51			BCEAO	
Bolivia		-3.7	3	1	4	162	98	3.4	34				
Cameroon		-4.4	4	0					34			ECF/EFF* BEAC	
Costa Rica		-3.2	9	6	11	113	90	5.5	52	52		EFF	
Côte d'Ivoire		-3.6	3		0				34			BCEAO	
Egypt		-4.0	3	3	9	80	82	6.8	36			SBA	
B	El Salvador	-4.1	9	8	9	144	126	2.6	75				
	Ethiopia	-3.6	2		3	244		1.3				ECF/EFF	
	Ghana	-2.8	4		13	51		10.5					
	Honduras	-2.2	3		30	17		11.1				SBA/SCF	
	Iraq	-0.0			31			19.5					
	Jamaica	-4.1	10		28	53		9.3					
	Jordan	-8.3	7	37					83			EFF	
	Kenya	-5.3	3		7	116		6.4	35			ECF/EFF	
	Mongolia	-11.8	38	8	30	167	65	9.2	245	244			
	Montenegro	-18.7	21		28	144		8.1					
B	Nigeria	-2.2	2		7	60		10.2					
	Pakistan	-1.5	5	3	6	109	64	4.6	44			EFF	
	Senegal	-12.8	5		0							SCF/SBA BCEAO	
	Tunisia	-9.5	10	27	19	102	179	5.5	104				
	Turkey	-3.4	7	19	7	159	306	3.0	63	59			
	Ukraine	-2.5	8	11	16	67	80	5.8	83	80		SBA	
	CCC/lower	Angola	+0.8	17		19	84		14.7				EFF
		Ecuador	+1.9	7		4	124		2.7	58			EFF
		Gabon	-0.3	3									EFF*
		Sri Lanka	-2.3	8	10	5	195	232	3.3	61	61		BEAC
Zambia		+6.5	23		7	252		2.9					

* IMF commitments which are subject to executive board approval

Source: IMF (WEO, IFS), World Bank (IDS, QEDS), ECB, Fed, ING - grouped by ratings as of end-2020

External vulnerability heatmap by rating group post-SDR allocation

Colour scale:		C/A Balance (% of GDP) (1)	Ext Debt Service (% of GDP) (2)	ST Ext Debt (% of GDP) (3)	FX Reserves+SDR (% of GDP) (4)	Ext Fin Needs (% of FXR) [(1+2)/4]	Ext Fin Needs (% of FXR) [(1+3)/4]	FX Reserves+SDR (import months)	External Debt (% of GDP)	FX Ext Debt (% of GDP)	IMF Loans	Fed/ECB /other
		2021	2021	2020	Jun-21	2021	2021	Jun-21	2020	2020		
		Least vulnerable (10 Pct)										
		Most vulnerable (90 Pct)										
AAA/A	Chile	+0.3		6	14		35	8.6	83	75		FCL
	China	+1.6	1	8	20	-3	30	18.4	16			
	Czech Republic	+0.9		37	60		52	11.6	83	38		
	Israel	+4.1		11	45		12	34.0	33			
	Korea	+4.2		10	25		18	11.5	33	23		Fed swap
	Kuwait	+8.6			35			54.9				
	Malaysia	+3.8		27	29		69	6.9	70			
	Poland	+2.0		10	24		30	7.0	63	41		
	Qatar	+7.1			23			18.1				
	Saudi Arabia	+2.8		6	54		4	38.4	34			
	UAE	+7.1			27			4.9				
BBB	Bulgaria	+1.4	5	16	43	10	31	11.2	70	67		ECB swap
	Colombia	-3.8	7	5	20	51	43	16.7	57	55		FCL
	Croatia	-2.3		16	40		40	11.7	88	82		ECB swap
	Hungary	-0.4		13	19		63	3.4	166	141		ECB repo
	India	-1.2	2	4	19	16	24	18.2	21	14		
	Indonesia	-1.3	4	4	12	47	45	10.9	39			
	Kazakhstan	-1.0	15	6	7	243	95	3.6	99	87		
	Mexico	+1.8	4	5	17	14	14	5.9	43	34		Fed swap
	Panama	-3.9		68	14		458	16.1	201			PLL
	Peru	-0.4	4	5					36	36		FCL
	Philippines	-0.4	2	4	24	11	16	7.8	27	26		
	Romania	-5.0		7	16		72	5.7	63	52		ECB repo
	Russia	+3.9	4	4	28	0	-2	23.3	32	23		
	Uruguay	-2.2		12	31		45	26.8	86	80		
BB	Azerbaijan	+1.1	3		16	13		9.0				
	Brazil	-0.6	5	5	24	23	22	24.8	45	36		Fed swap
	Dominican Rep	-2.1	6		16	49		7.3	39			
	Georgia	-11.5	28	14	26	150	96	6.5	129	119		
	Guatemala	+2.3	5	2	23	12	-1	12.2	33			
	Morocco	-3.8	4	7	27	30	39	8.3	58			
	Namibia	-3.4		8	22		47	4.5	74			
	North Macedonia	-3.2	12	11	34	44	38	6.3	86	86		ECB repo
	Oman	-6.4			25			11.8				
	Paraguay	+0.7	4		25	14		10.5	27			
	Serbia	-5.7	8		26	54		6.3				ECB repo
	South Africa	-0.4	3	9	15	25	60	8.1	57	29		
	Uzbekistan	-6.4	4	4	24	46	44	8.6	63	63		
	Vietnam	+2.4	4		29	5		4.5				
B	Albania	-8.7	7	4	26	59	48	9.0	69			ECB repo
	Armenia	-6.7	12	13	27	69	74	8.8	105			SBA
	Bahrain	-4.0			11			6.4				
	Belarus	-0.3	10	17	8	120	204	1.8	70	68		
	Benin	-4.5	2	6	1				51			BCEAO
	Bolivia	-3.7	3	1	5	139	84	4.0	34			
	Cameroon	-4.4	4	0					34			ECF/EFF* BEAC
	Costa Rica	-3.2	9	6	12	105	84	5.9	52	52		EFF
	Côte d'Ivoire	-3.6	3		1				34			BCEAO
	Egypt	-4.0	3	3	9	74	76	7.3	36			SBA
	El Salvador	-4.1	9	8	10	124	108	3.1	75			
	Ethiopia	-3.6	2		3	208		1.5				ECF/EFF
	Ghana	-2.8	4		15	46		11.6				
	Honduras	-2.2	3		32	16		11.6				SBA/SCF
	Iraq	-0.0			32			20.3				
	Jamaica	-4.1	10		31	47		10.5				
	Jordan	-8.3	7	37					83			EFF
	Kenya	-5.3	3		8	106		7.0	35			ECF/EFF
	Mongolia	-11.8	38	8	30	163	64	9.4	245	244		
	Montenegro	-18.7	21		29	137		8.6				
	Nigeria	-2.2	2		7	55		11.2				
	Pakistan	-1.5	5	3	7	94	55	5.3	44			EFF
	Senegal	-12.8	5		2							SCF/SBA BCEAO
	Tunisia	-9.5	10	27	20	93	164	6.0	104			
	Turkey	-3.4	7	19	8	142	274	3.3	63	59		
	Ukraine	-2.5	8	11	18	60	72	6.4	83	80		SBA
CCC/lower	Angola	+0.8	17		20	78		15.8				EFF
	Ecuador	+1.9	7		5	100		3.3	58			EFF
	Gabon	-0.3	3									EFF*
	Sri Lanka	-2.3	8	10	6	165	197	3.9	61	61		BEAC
	Zambia	+6.5	23		14	122		6.0				

* IMF commitments which are subject to executive board approval

Source: IMF (WEO, IFS), World Bank (IDS, QEDS), ECB, Fed, ING - grouped by ratings as of end-2020

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“**ING**”) solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies). The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is deemed authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <https://www.ing.com>.