



D&B Country RiskLine Reports

Unmatched insight into overseas business environments

When exporting or investing abroad it is vitally important to have the most up-to-date information available to help you evaluate your risk exposure. D&B Country RiskLine Reports provide the essential analysis to keep you informed of business trading conditions in overseas markets.

D&B Country RiskLine Reports are the quick, easy and cost-effective way to research developments in your chosen markets. Whether you are monitoring fluctuations in exchange rates, changes in payment terms or assessing political upheaval, D&B Country RiskLine Reports allow you to focus on the forces at work from the comfort of your own office.

Updated monthly, these seven-page reports on a single country typically provide a summary of the more detailed information contained in the D&B Country Reports and are ideal when you need information one time, on just one country.

D&B Country RiskLine Reports:

- Provide concise analysis on a single country chosen from the range of over 130 countries available.
- Include a quick reference guide to the improving, stable or deteriorating business risk environment.
- Sketch an outline of the country's economic, social and political structure by highlighting key facts.
- Identify factors currently affecting the trade and commercial environments.

- Are a vital tool to assessing and setting trading terms and credit periods.

D&B Country RiskLine Reports are compiled by a team of highly skilled analysts using exclusive data from D&B's global network of reporting offices and worldwide database. This information is supplemented by primary data from national and international sources, and secondary data from the International Monetary Fund, World Bank and other multilateral organizations.

Presented in an easy-to-follow format, the data and analysis allows the comparison of cross-border trading conditions around the globe. Each country assessment includes a two-year forecast, which facilitates the management of ongoing business risk.





Information on each country includes:

- **D&B Country Risk Indicator** - a unique and comparative cross-border assessment of the risk of doing business in a country.
- **Rating Indicator** - a short textual indicator of the overall level of business risk associated with this country.
- **Rating Trend** - a quick reference guide as to whether the country's overall risk environment is stable, improving or deteriorating.
- **Country Overview** - a concise overview of a country's geographical position and economic and political structures.
- **Key Facts** - a collection of important economic, social or commercial data on the country.
- **Trade Terms** - a guide to recommended and minimum credit terms and usual credit periods.
- **Transfer Situation** - a brief analysis of current payment delays with regard to transactions in local and foreign currency and foreign exchange reserves.
- **Trade & Commercial Environment** - a succinct assessment of developments affecting a country's trade and commercial environments, including information on payments performance, trade and investment agreements and foreign exchange reserves.
- **Currency Information** - information showing the spot price of a local currency against major world currencies and time series currency data.
- **Economic Indicators** - an index of key economic statistics (GDP growth, inflation, exchange rates, debt-service ratio, etc.) covering three years of historical data and a two-year forecast.
- **Export Credit** - a listing of currently available export credit insurance.
- **Risk Factor** - focused analysis of a country's current political and economic conditions, including socio-political and economic forecasts.

Delivery options:

- Internet
- E-mail

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Decide with Confidence

D&B Country RiskLine Report

POLAND

Region : Eastern Europe
Edition : April 2008

D&B Country Risk Indicator

DB3b

This "DB" Rating Indicates: Slight risk

Trend: Stable

Enough uncertainty over expected returns to warrant close monitoring of country risk. Customers should actively manage their risk exposures.

The country's overall risk profile has not changed appreciably, even though some minor changes to its political, commercial, economic and/or external risk environment may have occurred.

The DB risk indicator provides a comparative, cross-border assessment of the risk of doing business in a country. Essentially, the indicator seeks to encapsulate the risk that country-wide factors pose to the predictability of export payments and investment returns over a time horizon of two years. The 'DB' risk indicator comprises a composite index of four overarching country risk categories:

- Political risk** - internal and external security situation, policy competency and consistency, and other such factors that determine whether a country fosters an enabling business environment.
- Commercial risk** - the sanctity of contract, judicial competence, regulatory transparency, degree of systemic corruption, and other such factors that determine whether the business environment facilitates the conduct of commercial transactions.
- External risk** - the current account balance, capital flows, foreign exchange reserves, size of external debt and all such factors that determine whether a country can generate enough foreign exchange to meet its trade and foreign investment liabilities.
- Macroeconomic risk** - the inflation rate, government balance, money supply growth and all such macroeconomic factors that determine whether a country is able to deliver sustainable economic growth and a commensurate expansion in business opportunities.

The DB risk indicator is divided into seven bands, ranging from DB1 through DB7. Each band is subdivided into quartiles (a-d), with an 'a' designation representing slightly less risk than a 'b' designation and so on. Only the DB7 indicator is not divided into quartiles.

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D&B On-line Assistant
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Risk Management Solutions

Country Risk

Investing and trading in overseas markets can be high-risk. Country Risk information from D&B enables you to reduce this risk by keeping you informed of the latest developments in the world's markets.

D&B Country RiskLine Reports - Provide around 7 pages of analysis on political, economic and commercial risk in each of 131 countries. Data includes a Country Risk Indicator, a guide to payment terms and delays, key economic indicators with forecasts and a concise analysis of the latest developments.

D&B Country Reports - Contain around 50 pages of in-depth political, economic and commercial data and analysis, including changes in business risk and a detailed forecast of a country's prospects in the short to medium term.

Please select country for which you require a report:
Hungary

Please select the report type you require:
 D&B Country RiskLine Report (English only)
 D&B Country Report (PDF) only (English only)

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D&B Country Reports

Comprehensive information for evaluating risks and opportunities across the globe

Any firm or individual conducting cross-border transactions is exposed to country risk: the risk associated with a country's overall political, economic and commercial performance. Whether you are involved in foreign trade, direct investment or portfolio management, D&B Country Reports allow you to evaluate that risk.

Our analysts are acutely aware of the demands on the time of today's busy executive. Accordingly, the reports distinguish between the important and the newsworthy, focusing on 'need to know' rather than the 'nice to know'. Unlike time-consuming and ultimately frustrating information searches on the Internet, D&B Country Reports provide a 'one-stop' briefing solution.

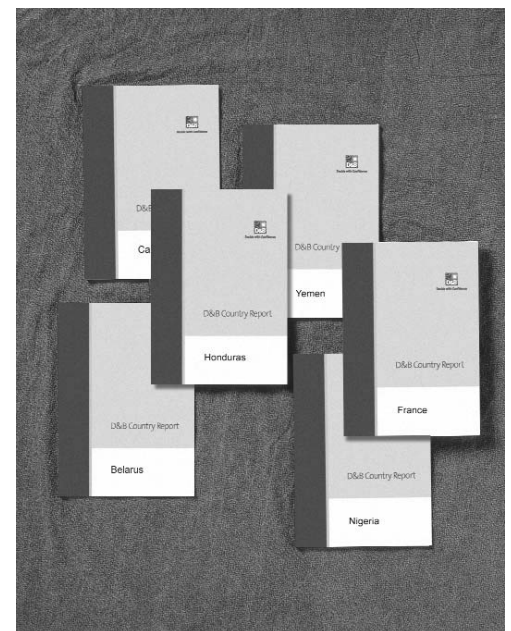
In addition to publicly available information from national sources and multilateral agencies, D&B Country Reports incorporate proprietary data collected from D&B's global network of reporting offices. Drawing on D&B's database of over 130 million companies worldwide, our analysts can track aggregate corporate trends, so providing a unique insight into the relative performance of different countries.

D&B Country Reports:

- Provide essential political, economic and commercial information on over 130 countries worldwide.
- Supply in-depth analysis to assist in monitoring international markets.
- Identify changes in business risk and provide detailed analysis of a country's prospects in the short to medium term.
- Present data in a clear and consistent format, facilitating comparison.

D&B Country Reports are compiled by a team of political and economic experts, all of whom hold postgraduate degrees.

In addition to written analysis, each report ranks the country in question using D&B's proprietary Country Risk Indicator. The reports also contain both short- and long-term economic forecasts and use charts and tables to complement the text.



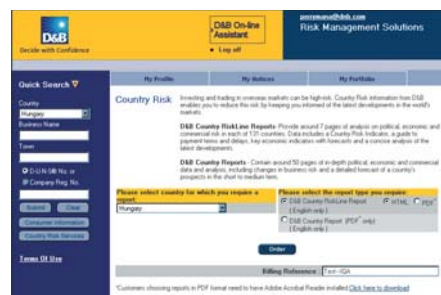


Information available in reports includes:

- **Country Risk Indicator Summary** - explanation of the country's relative risk rating, including positive and negative factors affecting the country's risk profile.
- **Key Information** - key statistics covering GDP, government finances, balance of payments, cross-country development comparisons and non-numerical information.
- **Executive Summary** - two-page briefing on four principal areas of risk: political, macroeconomic, external economy and commercial.
- **Political Risk** - analysis of government stability, policy-making expertise, institutional determinants of good government, socio-political harmony and external relations, plus a two-year forecast.
- **Macroeconomic Risk** - commentary on short-term economic outlook and interest rate movements, together with a study of the country's long-term economic growth potential.
- **External Economic Risk** - elucidation of balance of payments trends, plus default and currency risk evaluations and a two-year forecast.
- **Trade Environment** - current account regulations and barriers, and potential for risk management and control.
- **Commercial Risk** - analysis of aggregate buyer risk, combined with an assessment of financial sector risk and non-traditional risks such as corruption, plus a two-year forecast.
- **Investment Environment** - explanation of capital account regulations and barriers, regulations concerning direct investment flows, portfolio investment (equities & bonds) and a description of general investment conditions.

Delivery options:

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- Entire regions of the world containing all relevant D&B Country Reports and monitoring updates are available on subscription via the Internet.



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International Risk & Payment Review

Essential analysis of 132 countries worldwide

Investing and trading in a foreign market can be a high-risk pursuit. Available via the Internet or as a monthly update journal, the International Risk & Payment Review puts you in the best possible position to reduce that risk by keeping you informed of the latest developments in world markets.

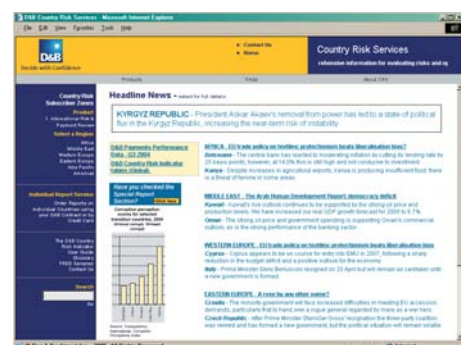
The International Risk & Payment Review provides the critical economic, political and commercial information needed to facilitate decision-making, with monthly updates providing you with the most up-to-date analysis on developments in each market. Presented in an easy-to-follow format, the service is vital for Credit, Sales, Export and Marketing Managers, and all Executives and Directors in organisations planning or currently engaged in international business.

The International Risk & Payment Review:

- Provides reliable, independent and up-to-date analysis of over 130 countries worldwide.
- Is an essential guide to payment terms and delays, and so is crucial for effective negotiating and planning.
- Includes the unique D&B Country Risk Indicator to help monitor changing market conditions.
- Presents vital data on numerous markets in one source, saving hours of research.

The International Risk & Payment Review is compiled by a team of highly skilled analysts using exclusive data from D&B's global network of reporting offices and worldwide database. This information is supplemented by primary data from national and international sources, and secondary data from the International Monetary Fund, World Bank and other multilateral organizations.

Updated monthly, the data and analysis are presented in a standard format that facilitates the comparison of economic, political and commercial conditions across countries around the globe. Each country assessment includes a two-year forecast, which facilitates the management of ongoing business risk.





Information on each individual country includes:

- **D&B Country Risk Indicator** - a unique and comparative cross-border assessment of the risk of doing business in a country.
- **Level of Risk** - a concise textual indicator of the overall level of business risk associated with this country.
- **Rating Trend** - a quick reference guide as to whether the country's overall risk environment is stable, improving or deteriorating.
- **Trade Terms** - a guide to recommended and minimum credit terms and usual credit periods.
- **Transfer Situation** - a brief analysis of current payment delays with regard to transactions in local and foreign currency and foreign exchange reserves.
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Delivery options:

- Book
- Internet

May 2008
HUNGARY

D&B Country Risk Indicator: DB2d
Level of Risk: Low risk
Rating Trend: Stable

<p>Trade Terms Minimum Terms: SD Recommended Terms: SD Usual Terms: 30-60 days</p> <p>Transfer Situation Local Delays: 0-2 months FX/Bank Delays: 0-2 months</p> <p>Key Fact GDP (USD): 110.0bn</p>	<p>Trade & Commercial Environment Total international reserves (excluding gold) rose 14.9% in the year to end-January, reflecting in part a modest improvement in the external accounts (we estimate that the current account deficit fell slightly in 2007). At USD24.1bn, reserves are just below the historical record of USD24.4bn reached in November 2007 and should provide just under 2.6 months of import cover in Q2 2008. Having lost a referendum on fee-charging in the healthcare and education sectors, the government insists it will stick to its planned strict spending controls in 2008-09, providing no new money to offset any shortfalls once fees are abolished in April. This appears to be just about achievable, so the poll loss should not lead to a further government overspend and crowding out of the private sector in the near</p>
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<p>Local Currency (vs. EUR [EUR]: USD)</p>	<p>Exchange Rates (London, 24 Mar 08)</p> <p>EUR 258.400 GBP 332.242 JPY* 169.683 USD 167.613 (* % 100)</p>	<p>Payments Performance (% of payments made 30 or more days over terms)</p>
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<p>Economic Indicators</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> <th>2007e</th> <th>2008f</th> <th>2009f</th> </tr> </thead> <tbody> <tr> <td>Real GDP growth, %</td> <td>4.1</td> <td>3.9</td> <td>1.7</td> <td>2.9</td> <td>3.4</td> </tr> <tr> <td>Inflation, annual ave, %</td> <td>3.6</td> <td>3.9</td> <td>7.9</td> <td>4.5</td> <td>3.1</td> </tr> <tr> <td>Govt balance, % GDP</td> <td>-7.8</td> <td>-9.2</td> <td>-5.8</td> <td>-4.0</td> <td>-3.2</td> </tr> <tr> <td>Unemployment, %</td> <td>7.2</td> <td>7.5</td> <td>7.3</td> <td>7.2</td> <td>7.1</td> </tr> <tr> <td>C/A balance, % GDP</td> <td>-6.8</td> <td>-6.6</td> <td>-4.2</td> <td>-6.3</td> <td>-6.5</td> </tr> </tbody> </table>		2005	2006	2007e	2008f	2009f	Real GDP growth, %	4.1	3.9	1.7	2.9	3.4	Inflation, annual ave, %	3.6	3.9	7.9	4.5	3.1	Govt balance, % GDP	-7.8	-9.2	-5.8	-4.0	-3.2	Unemployment, %	7.2	7.5	7.3	7.2	7.1	C/A balance, % GDP	-6.8	-6.6	-4.2	-6.3	-6.5	<p>Export Credit Agencies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>US Eximbank</td> <td>Full cover available, no discretionary limits</td> </tr> <tr> <td>Atradius</td> <td>Full cover available, no discretionary limits</td> </tr> <tr> <td>ECGD</td> <td>Full cover available</td> </tr> <tr> <td>Euler Hermes UK</td> <td>Full ST cover available</td> </tr> </tbody> </table>	US Eximbank	Full cover available, no discretionary limits	Atradius	Full cover available, no discretionary limits	ECGD	Full cover available	Euler Hermes UK	Full ST cover available
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Risk Factor
Country expectations, thwarted in the March referendum on the government's austerity measures surpassed 50%, more than enough to make the result binding on the authorities. The referendum result was an overwhelming rejection of three key elements of the government's programme to tackle the huge macro-economic imbalances in the economy: tuition fees payable by students in higher education, visitation fees for visiting a doctor or dentist, and visitation fees for hospital visits. More than 80% of voters decided to reject the measures, which will be reversed from 1 April (although the government insists it will not provide additional funding to doctors, hospitals and universities to make up any resultant shortfall).

The referendum result represents a huge victory for the Fidesz-Hungarian Civic Union (Fidesz) opposition party and has weakened the position of Prime Minister Ferenc Gyurcsany of the Hungarian Socialist Party (MSZP). Even without a defeat at the referendum, the prime minister's situation had been precarious, as austerity measures have made the government very unpopular. For now, Gyurcsany is clinging to his position and insisting that the reforms are the right measures for the economy. However, there has been much criticism from within the MSZP that the government has failed adequately to communicate its reform agenda and objectives to the public and business. This has been a significant contributory factor in public resistance to major changes (such as the overhaul of healthcare provision) and helped to embolden Fidesz to consider a second referendum, proposed by trade unions, aimed at preventing a recently approved healthcare bill from entering into effect. The healthcare bill is the boldest government reform so far the state will maintain control over the collection and disbursement of health insurance premiums, but a multi-insurer model will be introduced and private capital allowed into the healthcare system.

The government's referendum defeat will have sent a negative message to investors, and there is a possibility that investment will fall in response, with repercussions for the Hungarian economy in terms of its ability to achieve timely real convergence with the core European economies. There are signs of this already, for example, the success of the partially privatised multi-provider healthcare system envisaged by the new law depends on the participation of insurance companies. However, no insurers have so far expressed an interest in bidding for the stakes on offer. Private investors may be deterred by several factors, including limitations on taking out profits from the new providers, but investors may also be deterred by Fidesz statements that it will reverse the privatisation of healthcare insurers if it gains power in 2010.

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