



QUARTERLY FRONTIER MARKETS RECAP

FISCAL CHALLENGES AND GEO(POLITICAL) RISKS ARE MOUNTING

In 3Q24, upgrades outnumbered downgrades by a ratio of 4:3 for frontier markets (FMs) included in JP Morgan's NEXGEM Index. Stronger external finances were the main rating driver for the four upgrades recorded in 3Q24, while deteriorating public finances drove two of the three downgrades during that period. The balance of Positive to Negative Rating Outlooks remains Positive, but there are several risks to the downside, with geopolitics, trade protectionism, US elections and slowing consumption, and socio-political challenges being complicating factors.

IMPROVING EXTERNAL FINANCES DRIVE UPGRADES

Half of the upgrades in 3Q24 took place in Asia, with Pakistan's external funding risks easing after securing a new EFF IMF staff-level agreement in September, and Mongolia recording stronger FX reserves and a more manageable external debt burden. In the Middle East & Africa (MEA), Tunisia's continued support from external bilateral partners has led to a stronger external position that has allowed it to meet external payments despite the absence of an IMF programme. In FM Europe, Azerbaijan's sovereign FC assets are approaching 98% of GDP – significantly above the 55% recorded in 2010. The country's net sovereign asset position, projected at 71% of GDP in 2024, will be the highest among 'BBB' and 'A'-rated sovereigns. With its upgrade in late July, Azerbaijan is now the only FM that holds an investment-grade rating.

By contrast, most of the downgrades occurred in MEA, where risks to Kenya's public finances heightened after the government reversed revenue measures in response to violent social protests, and Gabon's rising risk to its debt repayment capacity, due to limited financing flexibility and worsening fiscal balances, landed it in the 'CCC' category. The third downgrade took place in Asia, where the Maldives was downgraded in August for the second time in 2024 as FX reserves plunged to their lowest level since December 2016. This, combined with rising external debt service obligations, makes a default more likely within the rating horizon. However, it should be noted that India extended a USD50 million interest-free loan to the Maldives in September, helping to stave off a potential default on its USD500 million in Sukuk bonds.

There are now two Positive Outlooks after Barbados' upgrade to 'B+' / Stable on 15 October – Jamaica and Nigeria – and zero Negative Outlooks among Fitch-rated FMs as defined by JP Morgan's NEXGEM Index¹. However, the positive tilt masks the fact that the number of FMs rated below 'B-', where no Outlooks are assigned, has continued to creep up with Gabon's downgrade to 'CCC+' in July and now reaches eleven – by far the highest in recent history.

1. In this article we refer to JP Morgan's NEXGEM Index for our analysis, but we will also mention other FMs where it would help provide a more complete picture of regional trends. FMs included in the index will be underlined for easier visual identification.



KEY SOVEREIGN RATING ACTIONS

Mongolia Upgraded to 'B+'; Outlook Stable

Tunisia Upgraded to 'CCC+'

Maldives Downgraded to 'CC'

Kenya Downgraded to 'B-'; Outlook Stable

Pakistan Upgraded to 'CCC+'

Gabon Downgraded to 'CCC+'

Azerbaijan Upgraded to 'BBB-'; Outlook Stable



WEBINARS / VIDEOS / SUSTAINABLE FITCH

SuF: Eco-Finance Insights: Delving into Sri Lanka's ESG Bond Market

Video: APAC Emerging Market NBFIs Face Modest Refinancing Risks

M&A In the Mining Industry: Help or Hindrance Spotlight on Copper, Nickel and Lithium - On Demand

PREVIOUS REPORT

Frontier Markets Recap – 2Q24



FISCAL CONSOLIDATION MORE DIFFICULT BUT STILL TAKING PLACE IN SOME FMs

The strong post-pandemic fiscal recovery, aided by high nominal GDP growth, is fading as increases in salaries and social spending are catching up with high past inflation. While revenues have grown in many cases due to administrative improvements and tax reforms, social spending pressures and indexation, as well as the need to support growth amid continued political challenges, has made reducing expenditures more difficult. Spending pressures are especially high in countries holding elections. However, fiscal performance has been uneven, with some countries faring better than others.

In the Americas, Costa Rica's expenditure growth is now largely outstripping revenue growth, making it more likely that Costa Rica will miss its fiscal targets under the 2022 Eurobond law, which is a legislative precondition for issuing further Eurobonds. To address this, the government presented a reform to relax the primary surplus target to 1.3% of GDP from 1.85%. On the other hand, Guatemala's falling deficit reflects spending restraint imposed by the delayed approval of the 2024 budget, which led to the carry-over of the smaller 2023 budget. Strong revenue growth is narrowing the fiscal deficit in Paraguay and widening the surplus in Nicaragua². In El Salvador, Bukele has announced a balanced budget for next year, with the overall general government deficit expected to fall to 3.1% of GDP in 2025, from 3.9% in 2024. Ecuador (previously in the NEXGEM Index) is improving its fiscal balances in line with IMF targets. For Aruba, Jamaica and Barbados, large primary surpluses are driving rapid debt reduction.

In FM Europe, Uzbekistan is also expected to exceed its planned deficit target in 2024, but by a small margin. In recent years it has had to revise up its fiscal targets numerous times, given the pressures of social spending, high inflation, and delayed implementation of reforms. Fitch projects the full-year fiscal deficit to reach 4.2% of GDP this year against a target of 4%. Contributing factors include a larger amount of natural gas subsidies borne by the government, and lower-than-projected revenues. For Azerbaijan, we expect continued, albeit declining, consolidated fiscal surpluses, and that the government will remain committed to reducing the non-oil primary deficit over the medium term. However, reaching the 17.5% of non-oil GDP deficit target by 2027 could prove challenging given expenditure pressures and still limited measures to increase non-oil revenue growth. In Armenia, we expect the general government deficit to widen to 4.5% of GDP in 2024 (2023: 1.9%), as authorities have increased expenditure to meet the needs of the refugee population, as well as on defence and other capex projects. In 2025, the introduction of a universal healthcare system will lead to additional expenditure pressures, causing the deficit to rise to a projected 5.4%.

In FM Asia, we project for Mongolia a balanced budget in 2024, and a fiscal deficit of 3% of GDP in 2025-2026, from a surplus of nearly 3% in 2023, as government spending catches up with strong mining revenue. Pakistan successfully completed its nine-month SBA with the IMF in April. Over the past year, the government raised taxes, cut spending and raised electricity, gas and petrol prices. Assuming partial implementation of the government's consolidation effort under the EFF agreed in September, we expect the overall fiscal deficit to decline to 6.8% in 2024, from 7.8% in 2023, and to decrease further to 5.9% in 2026. Sri Lanka's general government deficit is projected to drop from 8.3% in 2023 to 4.6% in 2026. This trajectory came into question when Anura Kumara Dissanayake won the election in September by promising to reverse steep tax hikes, raise public salaries and renegotiate the IMF deal. However, the Sri Lankan authorities have now confirmed that they endorse the targets set under the country's IMF programme, reducing the risks to the debt restructuring process and fiscal consolidation associated with the outcome of the presidential election.

In MEA, the trends in fiscal balances played a major role in the downgrades of Kenya and Gabon in 3Q24. Kenya's fiscal prospects for the fiscal year ending June 2025 (FY25) have worsened after the government backtracked on revenue measures in response to violent protests. We anticipate a widening of the fiscal deficit to 4.7% of GDP for FY25, 0.5pp higher than the government's new deficit plan, which was revised up by 0.9pp from the original draft. This reflects the withdrawal of planned revenue measures, and higher debt servicing and social spending costs amid civil pressures, notwithstanding efforts to cut spending. Government debt/GDP rose to nearly 72% in FY23, from 67% in FY22, partly due to currency depreciation, but fell to 66.4% in FY24, mainly linked to a stronger shilling in 2H24, as nearly half of Kenya's debt is FX-denominated. In Gabon, the revision of the 2023 budget balance to a 1.8% deficit from a previous surplus reflects the inclusion of supplier arrears and other liabilities under the government's efforts to improve transparency. We project Gabon's fiscal deficit will widen to 3.9% in 2024, as the budget foresees limited revenue-raising measures, except continued improvements in tax administration, including digitalisation. The announced spending is aimed at addressing Gabon's significant social and infrastructure needs. The deficit is expected to further widen to 5.3% in 2025 and 5.8% in 2026. In Tunisia, by contrast, we expect a lower wage bill, as well as reduced capex and subsidies to shrink the fiscal deficit to 6.4% in 2024, 5.3% in 2025 and 4.7% in 2026, from 7.1% in 2023, although high amortisations mean the fiscal financing requirements will remain large. We do not expect subsidy system reform, due to political opposition to raising regulated food and energy product prices.

² Countries not included in JP Morgan's NEXGEM Index but that can be considered FMs due to their small size and other similarities include Nicaragua, Aruba, Bangladesh and Lesotho.

CF RESTRUCTURING MAKING PROGRESS

Since its inception in 2020, four countries have applied for external debt relief under the G20 Common Framework (CF): Chad³, Zambia, Ghana and Ethiopia. Chad was the first to reach an agreement with both official and private creditors in January 2023, two years after its CF application. Private creditor negotiations were simplified by the fact that 97% of total external claims were held by one specific creditor (Glencore). Ghana reached an agreement with official creditors in January 2024 and an in-principal agreement with some bondholders in June 2024. Ghana successfully concluded a debt exchange for its 15 outstanding Eurobonds on 10 October. The assignment of a 'CCC+' rating to these five bonds reflects our assessment of Ghana's expected credit profile after completion of the whole debt restructuring, including non-bond FC debt. We expect this to happen by end-1Q25. Zambia exchanged its three non-performing Eurobonds in June 2024 for two new bonds after agreeing with official creditors on debt treatment parameters. Non-bond FC commercial claims still need to be restructured, which we expect by end-2024. Ghana and Zambia's LTFC IDRs will both remain on 'RD' until all FC debt has been restructured.

Ethiopia was the second sovereign after Chad to apply for a CF restructuring in February 2021, but negotiations were suspended until end-2022 owing to the Tigray civil war. Despite an agreement on an official debt service suspension in November 2023, a wider debt restructuring had not been reached because of ongoing negotiations with the IMF on parameters. Fitch downgraded Ethiopia's LTFC IDR to 'RD' in December 2023 following a missed coupon payment on its single USD1 billion Eurobond. Now that the IMF Executive Board has finally approved a USD3.4 billion ECF arrangement for Ethiopia, we believe debt treatment discussions could progress relatively quickly compared with other recent restructurings under the G20 CF, although bondholders recently rejected a government offer. The IMF programme follows the government's introduction of macroeconomic reforms, including exchange rate liberalisation and the establishment of a new interest-rate based monetary policy framework.

EXTERNAL AND DOMESTIC RISKS AROUND

Global Financial Market Risks

The external financing outlook has improved for FM's this year, with many sovereigns that had previously been shunned regaining access to the international capital markets, particularly in sub-Saharan Africa (SSA), but yields remain exorbitantly high in some cases. El Salvador managed to go to market using a first-of-its-kind coupon step-up feature, in case it fails to secure an IMF programme or receive a 'B' rating from two out of three rating agencies. Nonetheless, continued access to IMF funding will remain crucial for distressed FM's, such as Pakistan, Sri Lanka and Egypt (formerly in the NEXGEM Index). Interest costs for many FM's continue to rise as debt is refinanced at higher rates, with interest-to-revenue ratios expected to increase by several percentage points in 2024. Exceptions include Sri Lanka, where the interest-to-revenue ratio has fallen, and Pakistan, where the ratio has been broadly flat.

Geopolitical & Trade Risks

Geopolitical risks are likely to persist due to the war in Ukraine and will remain high in the Middle East even if the war ends; more protectionist trade and industrial policies represent additional risks. A second Trump term could add to trade, financing, macro and geopolitical uncertainties. If the strait of Hormuz were to be closed by an escalation of violence in the Middle East, there could be significant effects on oil prices and the global economy.

Climate and Health-related Risks

There are also climate-related risks, such as the La Niña weather phenomenon, which could take place in 2H24 and affect some FM's, particularly in the Americas and SSA. Longer term, the impact of climate change, such as rising sea levels, coastal floods, extreme weather events and coral bleaching is particularly relevant for FM's in the Caribbean and off the coasts of Africa and Asia, whose economies largely depend on nature-based tourism (e.g., the Maldives). The spread of mpox in SSA was a concern during 3Q24 but now appears to have been contained.

Socio-Political Risks

On the domestic side, economic deceleration, a period of high inflation, and increased income inequality and poverty rates following the pandemic underpin continuing risks to social and political stability. Periodic protests in some countries have been common and may remain so, with a recent example being the violent protests in Kenya, which ultimately led to the country's downgrade in August. Similarly, the failed coup that took place in late June in Bolivia highlights deep-rooted polarisation and growing economic distress in that country. In Costa Rica and Guatemala, governability challenges due to fragmented congresses and difficult executive-legislative relationships could delay reforms and fiscal consolidation.

FM's VULNERABLE TO US ELECTIONS AND CONSUMER WEAKNESS

FM's in Central America & the Caribbean are the most vulnerable to potentially stricter immigration policies under a second Trump term, as remittances for these countries represent a significant percentage of GDP⁴. This is particularly the case of Nicaragua, Honduras⁵, El Salvador, Guatemala, and Jamaica, with remittances contributing to some recent positive rating actions in the region, including Nicaragua's in May 2024 and Guatemala's in February 2023. In both countries, remittances fuelled post-pandemic recovery and, along with policy settings, strengthened fiscal and current accounts. Overall, remittances have been crucial for economic stability and growth in many countries.

3. Not rated by Fitch and not included in JP Morgan's NEXGEM Index.

4. While stricter immigration policies may reduce the flow of new immigrants, the stock of immigrants already living in the US – the most important factor influencing the total amount of remittances – will probably not change significantly.

5. Honduras is part of JP Morgan's NEXGEM Index, but Fitch does not rate the sovereign (although it does rate other entities in that country).

Remittances Tend to be Less Elastic...

Remittances could also be hit by a potentially larger-than-expected slowdown in US consumption, which could affect the broader economy, with negative repercussions for the country's labour market and income growth. However, the impact on US labour markets would need to be large to have a significant effect on remittance flows from the US, as remittances tend to be much more resilient and stable than capital flows, mainly due to altruistic motives.

...than Trade, Tourism and Commodity Prices

A stronger impact from a substantial pullback in US consumption would be felt in trade and tourism. The US is the most important export market for many FMs, with Vietnam and Nicaragua's goods exports to the US reaching more than 10% of their GDPs. FMs where exports to the US represent more than 5% of GDP include Costa Rica, El Salvador, Jamaica, Ecuador, Lesotho and Jordan. Slightly lower, but still important exposure with around 3% - 5% of GDP, is recorded by the Dominican Republic (formerly in the NEXGEM Index), Guatemala, Sri Lanka and Iraq.

Vulnerability will also be influenced by export mixes and the capacity to switch to alternative sources of demand. For crude exporters, such as Iraq and Ecuador, export markets are relatively fungible, although global oil prices would be affected by weaker demand (in addition to other factors, such as Saudi Arabia's announced intention to increase production). A decline in commodity prices brought about by weaker US (and Chinese) demand would more severely affect FMs with high commodity dependence, such as Iraq, Gabon, Mongolia, Zambia, Bolivia, Cote d'Ivoire, Paraguay, Ecuador, Azerbaijan, Mozambique, and Nigeria.

Tourism is another important driver of economic activity for many FMs, but those in Central America & the Caribbean would be most affected by a substantial weakening in US consumption. For many Central American & Caribbean sovereigns, such as Aruba, Jamaica, Barbados, El Salvador, Dominican Republic and Costa Rica, tourism receipts represent more than 5% of GDP.

Impact of a Weaker US Dollar Mostly Positive

A faster-than-expected slowdown in US consumption would lead to deeper rate cuts and, as a result, to a weaker USD, which in turn could lead to inflationary pressures via higher import prices. On the positive side, a weaker USD could increase export competitiveness in dollarised FMs, such as El Salvador, Barbados, Bolivia, Jordan, Azerbaijan, the Maldives and Mozambique, and Fed rate cuts could feed into lower local rates. In addition, a drop in US interest rates and a weaker USD would also lower external financing costs and thus reduce external funding challenges for some vulnerable FMs. Countries with a hard currency peg, such as the Maldives, would require less FX reserves to defend such pegs, easing external liquidity strains – the main driver of the Maldives' multiple downgrades this year.

ASIAN FMs VULNERABLE TO CHINA

Tourism Supported by Demand from China

Pandemic-related challenges are receding, and EM APAC is expected to be the fastest growing region this year. However, the performance will be mixed for Asian FMs, with Vietnam, Mongolia and the Maldives forecast to experience above 5% growth between 2024-2026, while in Pakistan and Sri Lanka, growth will be more subdued. The recovery in APAC tourism should continue in 2024 but at a slower pace due to less favourable base effects. Visitation volume for the region is projected to reach 92% of 2019 levels. A surge in Chinese outbound tourism in 2024 has been one of the main drivers behind stronger visitor arrivals in some APAC destinations, including Vietnam. However, a more substantial weakening of China's economy than we forecast could weigh on the near-term outlook and postpone a full tourism recovery in the region beyond 1H25. There are other risks, too, such as higher airfares and energy prices, greater geopolitical tensions, shocks to the global economy and weather-related risks. FMs facing external financing and liquidity strains, such as the Maldives, are more exposed to a scenario where a large exogenous shock leads to lower tourism receipts.

Economies Benefit from Investment and Trade Diversion from China

Trade within APAC is characterized by highly integrated supply chains, and Southeast Asian countries depend on Chinese imports for intermediary goods. This is particularly the case of Vietnam, which sources 30% of value-added in exports from the region. The region also has major exports of primary goods, including minerals, fuels, rubber and metals, with Mongolia being the leading FM in some of these commodities. Mongolia's strong GDP growth of around 6% projected for 2024-2026 is driven by continued expansion of coal and copper mining, with strong coal exports to China. The deterioration of trade relations between the US and China since 2018 has led to a decline in US imports from China. The resulting trade and investment diversion has primarily benefitted Southeast Asia, but also other parts of the region. The Asian FMs Vietnam and Bangladesh appeal mostly to low-cost industries. In Vietnam, foreign direct investment (FDI) rose more than 30% last year, with net FDI inflows amounting to over USD20 billion. As Chinese manufacturers seek to circumvent trade restrictions, Chinese companies targeting the US market and aiming to enhance supply-chain resilience and cut production costs, are relocating operations to neighbouring countries, with Vietnam being a major beneficiary. As a result, Vietnam now comprises about 30% of total Southeast Asian exports to the US.

Newsreel



El Salvador 2025 Budget Shows Consolidation Commitment; Market Access Still Uncertain

El Salvador's 2025 Budget proposal shows a commitment to fiscal consolidation and reducing risks to public debt sustainability. It remains to be seen whether it will help secure additional external funding from the private or official sectors. The 2025 Budget proposal targets a central government deficit of 0.8% of GDP, 1pp lower than Fitch's 1.8% 2024 forecast. It is designed to fund all current expenses through government revenues and restrict the use of borrowing to capital expenditures, via loans from multilateral organizations.



Ethiopia's Reforms Set to Accelerate Debt Restructuring

Ethiopia's debt restructuring process is set to accelerate after the approval of a new IMF program. This followed the government's introduction of macroeconomic reforms, including exchange rate liberalization and the establishment of a new interest-rate based monetary policy framework. We believe debt treatment discussions could progress relatively quickly compared with other recent restructurings under the G20's Common Framework.



Costa Rica Facing Mounting Challenges to Meeting Fiscal Targets

Costa Rica's fiscal outcomes through 1H24 indicate a plateau in positive fiscal momentum with expenditure growth outstripping revenue growth. The trends do not indicate a material risk to the sovereign credit profile, especially as the country continues posting a primary surplus. However, they do suggest tempered positive momentum in the sovereign rating observed over the past two years.



Mongolia's Post-Election Credit Profile Supported by Ongoing Commodity Boom

The Mongolian People's Party (MPP) retained its majority in Mongolia's parliamentary elections, which should support broad continuity in economic policy. The country's credit metrics are benefitting from strong mining sector performance. However, the new government's longer-term fiscal approach will be critical to the durability of these improvements and will remain a key rating driver.

Frontier Vision – 3Q24

FMs recovered further in 2Q24 with some recording their highest rates of GDP growth in several quarters, boosted by gains in exports. Central banks have continued to cut policy rates as inflationary pressures subside. Azerbaijan, Costa Rica, Georgia, Ghana, Honduras and Senegal, among others, recorded some of the strongest annual GDP growth rates in 2Q24, surpassing those of recent quarters. In Vietnam, where more up-to-date data are available, the economy expanded 7.4% yoy in 3Q24, its highest annual rate of expansion since 13.7% in 3Q22.

The economies of El Salvador, the Maldives, Mongolia, Namibia and Zambia grew, although the pace of expansion slowed relative to previous quarters. Zambia recorded growth of 1.2% yoy, the weakest rate since the pandemic-related contraction of -3% yoy in 4Q20.

Most frontier-market central banks cut policy rates, including in Armenia, Costa Rica, Ghana, Guatemala, Jamaica, Jordan, Kenya, Mongolia, Mozambique, Namibia, Pakistan, Rwanda, Sri Lanka, Tajikistan and Uzbekistan. In contrast, central banks in Honduras, Papua New Guinea and Nigeria have raised policy rates in recent months due to ongoing inflationary pressures. Nigeria has increased its main policy rate five times this year, most recently to 27.25% in September.

Fitch's quarterly 'Frontier Vision' chart pack tracks high-frequency macroeconomic data for the countries included in the J.P. Morgan's Next Generation Markets (NEXGEM) Index. The charts cover five years of historical data, and the choice of data series has been harmonised as far as possible across all countries to facilitate comparisons. The index comprises countries representing sub-Saharan Africa, Latin America & the Caribbean, the Middle East & North Africa, Europe, Asia and Oceania.

Regional Commentary

EUROPE

Uzbekistan Affirmed at 'BB-'; Outlook Stable

Armenia Affirmed at 'BB-'; Outlook Stable

MIDDLE EAST & AFRICA

Ghana's New USD Bonds Assigned 'CCC+' Rating; LTLC IDR Upgraded to 'CCC+'

Rwanda Affirmed at 'B+'; Outlook Stable

Fitch Recalibrates Kenya's National Rating Scale

Mpox Emergency May Add to Economic, Fiscal Challenges in Some African Sovereigns

Mozambique Affirmed at 'CCC+'

Ghana Affirmed at 'RD'

WAEMU Banks' Weak Asset Quality and Capital Outweigh Profitability, Growth

WAEMU Region Growth Aids Bank Profitability, But Asset Quality and Capital Risks Remain

LATIN AMERICA & THE CARIBBEAN

Barbados Upgraded to 'B+'; Outlook Stable

El Salvador Funding Sources Limited but IMF Program More Likely

Sovereigns Dashboard: Remittances Support Central American External Positions

Guatemala's 2031 and 2037 USD Bonds Rated 'BB'

ASIA PACIFIC

Political Risks to Sri Lanka's Debt Restructuring Agreement Recede

Sri Lanka Affirmed at 'RD'

Fitch Unable to Rate Macro-Linked Bonds Expected to Be Issued by Sri Lanka



Regional Commentary

Country	Current Ratings	Last Rating Action	Outlook/Rating Watch	Rating Action Type
Middle East & Africa				
Angola	B-	14-Jun-2024	►	Affirmation
Cote D'Ivoire	BB-	02-Aug-2024	►	Affirmation
Ethiopia	RD	27-Dec-2023	–	Downgrade
Gabon	CCC+	26-Jul-2024	–	Downgrade
Ghana	RD	10-Oct-2024	–	Affirmation
Iraq	B-	04-Dec-2023	►	Affirmation
Jordan	BB-	10-May-2024	►	Affirmation
Kenya	B-	02-Aug-2024	►	Downgrade
Mozambique	CCC+	09-Aug-2024	–	Affirmation
Namibia	BB-	29-May-2024	►	Affirmation
Nigeria	B-	03-May-2024	▲	Outlook Revision
Rwanda	B+	04-Oct-2024	►	Affirmation
Tunisia	CCC+	16-Sep-2024	–	Upgrade
Zambia	RD	10-Jun-2024	–	Affirmation
Latin America & The Caribbean				
Barbados	B+	15-Oct-2024	►	Upgrade
Bolivia	CCC	06-Feb-2024	–	Downgrade
Costa Rica	BB	28-Feb-2024	►	Upgrade
El Salvador	CCC+	30-Apr-2024	–	Affirmation
Guatemala	BB	13-Feb-2024	►	Affirmation
Jamaica	BB-	05-Mar-2024	▲	Upgrade
Paraguay	BB+	01-Nov-2023	►	Affirmation
Asia				
Maldives	CC	29-Aug-2024	–	Downgrade
Mongolia	B+	18-Sep-2024	►	Upgrade
Pakistan	CCC+	29-Jul-2024	–	Upgrade
Sri Lanka	RD	25-Sep-2024	–	Affirmation
Vietnam	BB+	28-Jun-2024	►	Affirmation
Europe				
Armenia	BB-	26-Jul-2024	►	Affirmation
Azerbaijan	BBB-	26-Jul-2024	►	Upgrade
Georgia	BB	21-Jun-2024	►	Outlook Revision
Uzbekistan	BB-	23-Aug-2024	►	Affirmation

Legend

▲ (positive), ► (stable), or ▼ (negative)

Source: Fitch Ratings

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