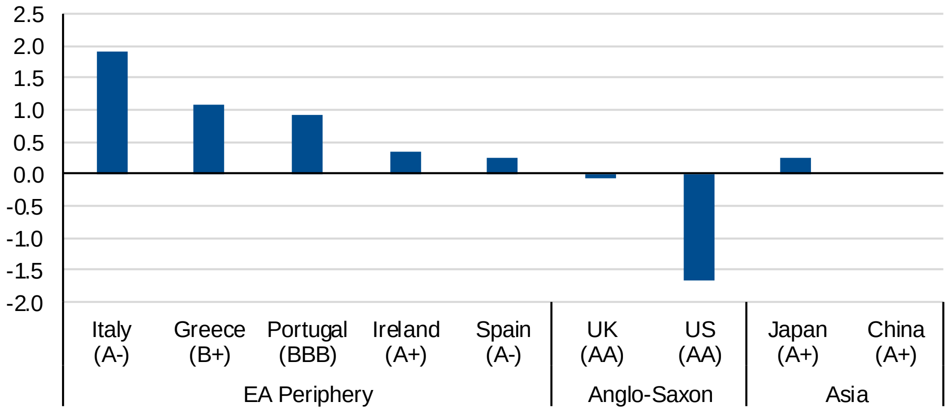
Q3 2018 Sovereign Update: Key Themes, Scope's Views and Rating Actions

Scope's Public Finance Outlook for 2018, released in November 2017, highlighted continued economic recovery in Europe and robust global growth despite increasing global risks – including those attributed to trade protectionism, a return of market volatility, rising rates and China. While there have been signs of moderation in the speed of European growth recently, the outlook for 2018 remains positive overall. This quarterly update speaks to three key themes in the coming quarter: i) the euro area economic outlook as the ECB exits QE, ii) the growing risk from unilateralism, and iii) further steps towards Europe's institutional reforms.

Figure 1: Scope's global long-term sovereign ratings, as of 2 July 2018

Europe						Other Countries	
European Union				European Free Trade Association			
Euro area		*Non-euro area*					
Austria	AAA/Stable	Bulgaria	BBB/Positive	Norway	AAA/Stable	China	A+/Stable
Belgium	AA/Stable	Croatia	BB/Stable	Switzerland	AAA/Stable	Georgia	BB/Stable
Estonia	A+/Stable	Czech Republic	AA/Stable			Japan	A+/Stable
Finland	AA+/Stable	Denmark	AAA/Stable			Russia	BBB-/Stable
France	AA/Stable	Hungary	BBB/Positive			Turkey	BB+/Stable
Germany	AAA/Stable	Poland	A+/Stable			United States	AA/Stable
Greece	B+/Positive	Romania	BBB/Negative				
Ireland	A+/Stable	Sweden	AAA/Stable				
Italy	A-/Negative	UK	AA/Negative				
Latvia	A-/Stable						
Lithuania	A-/Stable						
Netherlands	AAA/Stable						
Portugal	BBB/Stable						
Slovakia	A+/Stable						
Slovenia	A-/Stable						
Spain	A-/Stable						

Figure 2: Scope ratings vs US agencies', as of 2 July 2018 (rating notches)



NB: Calculated based on alpha-numeric conversion on a 21-point scale from AAA (21) to D (1). Positive/negative outlooks are treated with a +/-0.25 adjustment. Credit Watch positive/negative with a +/-0.50 adjustment.

Figure 3: Scope's Q2 2018 rating actions

Date	Sovereign	Rating Action	Rating & Outlook
27-Apr	Bulgaria	Affirmed	BBB/Positive
	Latvia	Affirmed	A-/Stable
18-May	Belgium	Affirmed	AA/Stable
	Spain	Affirmed	A-/Stable
	Greece	Upgrade/Outlook change	B+/Positive
08-Jun	Italy	Outlook change	A-/Negative
	Portugal	Affirmed	BBB/Stable
	Georgia	Affirmed	BB/Stable

Source: Scope Ratings GmbH.

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Key themes…

- **Constructive 2018 European outlook despite recent economic slowdown; ECB's announced QE exit**

  In Scope's view, there are still multiple factors supporting a constructive outlook in 2018 despite recent moderating economic signs. The euro area's aggregate fiscal policy stance, measured in the change in the cyclically-adjusted fiscal balance, is roughly neutral, and regional monetary conditions remain highly accommodative. The European Central Bank (ECB)'s announcement to reinvest its sovereign debt holdings for the foreseeable future even though net bond purchases are now scheduled to end in December 2018 highlights a return towards more conventional monetary policy.

  In Scope's view, an end to net asset purchases should be interpreted as a vote of confidence that the euro area economy is now sufficiently robust and fears of deflation distant enough such that such a broad programme is no longer necessary. While less active market support might be credit negative in isolation, and possibly lead to higher market turbulence, Scope notes that the withdrawal of monetary stimulus could also reduce the degree of complacency on the European and national reform agendas in an era of ultra-low rates. Still, in Scope's view, the ECB's monetary policy stance is expected to remain accommodative with the earliest possible point for an ECB rate hike in the fall of 2019, ahead of the end of Draghi's ECB presidency in November 2019. Finally, while Scope anticipates that the overall impact on euro area sovereign yields of the ECB's QE withdrawal will remain modest, the collective impact of global central bank normalisation has brought higher global risk aversion, tighter financial conditions and capital outflows from emerging markets.

  ECB's carefully timed QE exit puts focus back on need for euro-area reforms, June 18

- **Growing threat of unilateralism**

  Led by the US administration, there is an increasing risk that governments focus on a political agenda which prioritises national interests and bilateral agreements over a multilateral approach. The US adoption of tariffs on specific goods from its traditional allies and partners, and unilateral withdrawals from reciprocal agreements (eg. JCPOA with Iran, Paris Climate Change Agreement) and international institutions (UN Human Rights Council) may lead to more significant counter-measures. Specifically, the growing escalation of a "trade war" between the United States and the EU and/ or China poses severe risks to global growth, financial conditions, expectations and confidence, and could reduce long-run potential output. In addition, the loss of trust among governments makes for a more unstable international order.

- **Some momentum on Europe's institutional reforms**

  Scope's 2018 outlook highlighted the upside potential for euro area sovereign ratings in the scenario of a new German government supporting French President Emmanuel Macron's European reform agenda. This progress may now be gaining some momentum, despite several challenges, including a fragile German administration, the ongoing Brexit negotiations, Italy's Eurosceptic and anti-establishment government, and the fact that Europe's order of policy priorities is increasingly dictated by the migration crisis as opposed to the euro area reform agenda. In fact, recent Eurogroup and European Councils point towards some convergence in the policy agenda that would contribute to a more stable euro area.

  EU & EA reform: United under external pressures and internal distress, June 19

  Can sovereign bond-backed securities be the safe asset the euro area wants?, June 7

  A euro area 'rainy-day' fund could support Europe's institutional architecture and resilience, May 17

… and Scope's Major Calls and Views on:

- **Brexit**

  Scope outlined early on (in a summer 2017 special comment) that the most likely outcome is either an eventual soft Brexit (Scope's baseline) or a no-Brexit scenario, rather than hard Brexit. This owes to the inherent complexity of the exit negotiations hindering a successful 'hard' Brexit under any near- to medium-term horizon, as well as meaningful pressures stemming from parliament, the devolved administrations, the EU and UK civil society that compel a softer Brexit approach. Scope has an AA/Negative Outlook on the UK. Scope has held the view for a further modest slowdown in the UK economy in 2018 due to less favourable tailwinds and the costs of Brexit uncertainty, accentuated by the weak Q1 GDP report.

- **Italian anti-establishment government and rating outlook**

  On 8 June, Scope affirmed Italy's rating at A- but revised the Outlook to Negative on (1) progressive shifts in Italy's political landscape in favour of anti-establishment groups, raising political uncertainty and instability – developments which may persist beyond a single new administration, and (2) the policy programme of the new Italian government, although many programme elements are unlikely to be implemented in current forms. While Scope commented before the election on risks of a 'meaningful repricing' in Italian markets, 'Ital-exit' risks are limited given Italy's systemic economic and political importance which support the ratings, making regional intervention highly probable in an adverse scenario.

  Italy's public debt: Fragile growth, new government's programme raise questions on sustainability, June 13

  Italian political and market uncertainty unlikely to end soon, says Scope Ratings, May 30

  Formation of Italy's new government raises questions on sovereign outlook, euro area reform, May 22

- **Greece**

On 18 May, Scope upgraded Greece by two notches to B+/Positive, reflecting (1) Scope's expectation that Greece will successfully conclude the third adjustment programme, driven by Greece's stabilising macroeconomic environment along with the government's strong reform progress addressing underlying weaknesses in its tax and public administration; (2) structurally improving budgetary performance with fiscal results exceeding targets, backed by a robust public debt profile and ongoing build-up of a large cash buffer which should support Greece's sustainable return to market funding; and (3) reduced policy uncertainties given the demonstrated support and commitments of official euro area creditors to provide Greece with additional debt relief measures if needed. The Positive Outlook reflects Scope's expectations of further credit-positive developments given the programme exit, with continued European oversight, and contingent additional debt relief measures.

Eurogroup & Greece: A dynamic, implicit continuum of sovereign debt seniority, April 30

- **Euro area periphery**

National and European reforms since the euro area crisis have bolstered the EU's resilience and continue to support the outlook in the euro area periphery. While periphery ratings remain constrained by high levels of public- and private-sector debt, political uncertainties and fragmentation, large negative international investment positions, and banking system fragilities, Scope upgraded periphery ratings before rating agency competitors, including on Spain (affirmed on 18 May at A-/Stable), Ireland (A+/Stable), Greece (upgraded on 18 May to B+/Positive) and Portugal (affirmed on 8 June at BBB/Stable).

Sovereign risks from euro area periphery housing are contained as recoveries take hold, June 28

- **France**

Scope views positively a series of broad-based structural reforms initiated by French President Emmanuel Macron, and sees gross government debt at near 90% of GDP over the medium-term.

Reforming France: Supply-side "Macronomics" strengthen growth potential, June 26

- **Russia and Turkey**

Scope upgraded Russia (BBB-/Stable) to investment-grade in 2017, ahead of some of the US agencies, and highlights the sovereign's macroeconomic stability due to the government's prudent fiscal policy and the central bank's effective inflation targeting policy as key strengths. External vulnerabilities, political risks and a weakening institutional framework constrain Turkey's ratings (BB+/Stable). Since Q2 2018, tightening global liquidity conditions coupled with political risks ahead of early elections raised concerns on Turkey's ability to meet its external financing needs. In Scope's view, a credible economic policy framework is essential not only to stabilise the lira and control high inflation, but also sustain the current rating level.

Mind the external gap: currency and inflation risks challenge Turkey's foreign debt roll-over, June 22

- **Central & Eastern Europe**

The relationship of several CEE countries, including Poland and Hungary, with the EU has worsened in recent years. Scope notes that the concentration of political power, at the expense of independent institutions, could affect sovereign ratings if investment flows – including EU structural funds and private FDI inflows – were to be reduced, adversely impacting the region's economic and fiscal outlook. The EU's next multiannual budgetary framework is thus a key credit-relevant factor.

- **United States**

Collective economic, fiscal and political challenges underpin Scope's AA sovereign rating on the United States. In Scope's view, it is unlikely that a new spirit of bipartisanship will emerge post-congressional elections in November to address the country's underlying structural challenges, including a weakening *potential* growth outlook, high and rising public debt also given recent tax cuts and expansionary budgetary legislation, and significant pension- and healthcare-related liabilities.

- **China and Japan**

Scope considers China's debt and economic adjustment to be an important risk in 2018 and beyond, tying to risks to the global economy as China posts slower growth. In Scope's September 2017 downgrade of China to A+, Scope noted that its forward assessment will depend on the extent to which financial/debt risks are redressed. Scope's A+/Stable rating on Japan balances the unsustainable public debt level, weak growth and unfavourable demographics with a broad reform agenda.

- **Nordics**

While Scope identifies imbalances in the housing market as one of the core challenges for Nordic sovereigns, housing risks are contained by favourable macroeconomic conditions, high standards for lending, and macro-prudential measures.

Risks abound for overheated Nordic housing market, but no crisis, April 26

- **ESG & sovereign risk**

Environmental, Social and Governance (ESG) risks play an increasing role in financial markets. Scope's Public Finance team reviewed the distinct nature of ESG factors and sovereign credit risks, their areas of overlap and inter-dependence as well as some of the challenges the financial community faces when integrating both concepts into decision-making processes. Scope views the further exploration of sustainability in sovereign risk as an important area of research.

Annex I: Macro-economic Outlook

In 2018, Scope expects robust and broad-based economic growth in the euro area, but with risks skewed to the downside when compared with 2017's growth level of 2.4%, especially following the relatively soft first quarter. Boosted by tax cuts and fiscal spending, Scope anticipates robust growth in the United States in 2018 (2.5%), but with slightly lower growth in the UK compared with the UK's 1.8% in 2017 given Brexit uncertainty and as earlier export sector momentum tapers. Scope envisions similarly a modest slowdown in China, the world's largest contributor to economic growth, from 2017's 6.9% to around 6.4% for the 2018-20 period, as reforms to address financial risks bite and trade conflicts deepen. Scope outlined in a recent special comment that elevated inflation and tight monetary policy will ensure a dip in Turkish growth to around 5% in 2018, from 7.4% in 2017.

Global growth conditions will be supported by robust consumer and business confidence though downside risks are increasing, including from central bank policy normalisation, asset price risks and global trade protectionism. Inflation increased in the euro area to 2.0% in June 2018, though core inflation remained tepid at 1.0%. Continued improvements in fiscal balances in the euro area are anticipated and, together with robust growth, debt-to-GDP ratios are expected to gradually fall for most European sovereigns. Lastly, the United States' current account deficit is anticipated to increase compared with 2017 levels (despite trade policies intended to reduce deficits), as the US pursues higher growth, with the euro area's current account surplus benefitting consequently. Turkey's wider current account deficit continues to be a source of concern, while China's current account surplus maintains a gradual decline, representing a major structural shift in the global economy.

Macro-economic overview (based on IMF and European Commission Forecasts):

Region	Real GDP growth (%)		Inflation (%)		Fiscal balances (% GDP)		Debt level (% of GDP)		Current account (% of GDP)	
	2015-17	2018-20F	2015-17	2018-20F	2015-17	2018-20F	2017	2020F	2015-17	2018-20F
Euro area*	2.1	2.0	0.6	1.5	-1.5	-0.5	86.6	79.3	3.4	3.2
Germany	2.0	2.0	0.7	1.8	0.9	1.6	64.1	52.2	8.5	8.2
France	1.4	2.0	0.5	1.6	-3.2	-2.5	97.0	95.1	-0.9	-0.9
Italy	1.1	1.2	0.5	1.3	-2.3	-0.9	131.5	124.9	2.4	2.3
Spain	3.3	2.3	0.4	1.7	-4.3	-2.2	98.4	93.9	1.6	1.6
Netherlands	2.5	2.6	0.5	2.1	-0.4	0.7	56.7	49.0	9.0	9.0
United Kingdom	2.0	1.6	1.1	2.3	-3.2	-1.5	87.0	85.2	-5.0	-3.5
Russia	-0.4	1.6	8.8	3.5	-2.8	0.2	17.4	19.9	3.2	3.9
Turkey	5.4	4.0	8.9	10.3	-2.0	-3.0	28.5	27.9	-4.4	-4.9
United States	2.2	2.5	1.2	2.4	-4.1	-5.6	107.8	111.3	-2.4	-3.3
China	6.8	6.4	1.7	2.6	-3.5	-4.2	47.8	57.6	2.0	1.2
Japan	1.3	0.8	0.4	1.3	-3.9	-2.8	236.4	232.3	3.6	3.8

Source: IMF, ECB, EC, BoE, CNBS, RSSTAT, TRSTAT, FRBSF, BOJ.

Annex II: Scope's 2017-18 rating actions & publications

Country	Rating	Rating action	Strengths	Weaknesses	Publications
Austria	AAA/Stable	Affirmed	1) Wealthy & diversified economy 2) Strong external position 3) Sound public finances	1) Banking sector vulnerability 2) High public debt 3) Ageing population	Rating Report
Belgium	AA/Stable	Affirmed	1) Wealthy & diversified economy 2) Sound external position 3) Reform efforts	1) Slow fiscal consolidation 2) High public debt 3) Labour market rigidities	Rating Report
Estonia	A+/Stable	Upgraded from A to A+	1) Solid eco. fundamentals* 2) Strong public finances* 3) Euro area membership*	1) Small size of the economy 2) External vulnerability 3) Eroding competitiveness	A pan-Baltic capital market: Sign of progress towards a European capital markets union Rating Report
Finland	AA+/Stable	Affirmed	1) Wealthy & diversified economy 2) Strong institutions 3) High debt affordability	1) Growth constraints 2) High and rising household debt	Special Comment: Risks abound for overheated Nordic housing market, but no crisis Rating Report
France	AA/Stable	Affirmed	1) Large & diversified economy + euro area membership 2) Macro-financial stability 3) Favourable debt structure	1) High public debt and deficit 2) Labour market rigidities	Reforming France: Supply-side “Macronomics” strengthen growth potential France: Macron's labour market measures are likely to boost structural reform momentum Rating Report
Germany	AAA/Stable	Affirmed	1) Large and diversified economy 2) Sound public finances 3) Sound external position	1) Ageing population 2) Banking sector fragilities	Merkel IV will be her most fragile government with unclear implications for Europe Merkel's government to push ahead, despite weakened authority German elections: Low risk event but important for reform prospects in Europe Rating Report
Greece	B+/Positive	Upgraded from B- to B+ and changed Outlook to Positive from Stable	1) Compliance adjustment programme* 2) Improving budget performance* 3) More favourable policy environment*	1) High public debt 2) Fragile recovery prospects 3) Banking sector risks	Eurogroup & Greece: A dynamic, implicit continuum of sovereign debt seniority Sovereign risks from euro area periphery housing are contained as recoveries take hold Rating Report
Ireland	A+/Stable	Affirmed	1) Large & diversified economy + euro area membership 2) Declining public debt 3) Strong institutions	1) High public & private debt 2) External vulnerabilities	Sovereign risks from euro area periphery housing are contained as recoveries take hold Rating Report
Italy	A-/Negative	Affirmed; Changed Outlook to Negative	1) Large & diversified economy + euro area membership 2) Primary surpluses & reforms 3) Resilient debt structure	1) High public debt 2) Growth below potential 3) Banking fragilities 4) Political uncertainties	Election Risk to Reforms Clouds Italian Sovereign Outlook Rating Report
Latvia	A-/Stable	Affirmed	1) Strong public finances 2) Commitment to structural reforms 3) Sound economic performance 4) Euro area membership	1) External vulnerabilities, including high non-resident debt in banking sector 2) Unfavourable demographics 3) Weak productivity gains	A pan-Baltic capital market: Sign of progress towards a European capital markets union Rating Report
Lithuania	A-/Stable	Upgraded from BBB+ to A-	1) Continued fiscal consolidation* 2) Euro area membership* 3) Commitment to structural reforms*	1) Unfavourable demographics 2) Low potential growth 3) Vulnerability to external shocks	A pan-Baltic capital market: Sign of progress towards a European capital markets union Rating Report
Netherlands	AAA/Stable	Affirmed	1) Wealthy & diversified economy 2) Solid external position 3) Sound public finances	1) High private debt 2) Vulnerability to external risks 3) Labour market inefficiencies	Rating Report

Portugal	BBB/Stable	Affirmed	1) Euro area membership 2) Budgetary performance 3) Ongoing structural reforms 4) Favourable debt profile	1) High public & external debt 2) High private sector debt 3) Elevated implicit liabilities 4) Low potential growth	Sovereign risks from euro area periphery housing are contained as recoveries take hold Rating Report
Slovakia	A+/Stable	Affirmed	1) Euro area membership 2) Robust economic performance 3) Moderate levels of government debt	1) External vulnerabilities 2) Adverse demographics 3) Rising household indebtedness	Rating Report
Slovenia	A-/Stable	Upgraded from BBB to A-	1) Euro area membership* 2) Improved macro & fiscal performance* 3) Improved external position*	1) Reform implementation 2) Ageing population	Rating Report
Spain	A-/Stable	Affirmed	1) Euro area membership 2) Large, diversified economy 3) Resilient economic recovery 4) Reduction of economic, fiscal and external imbalances	1) High public and external debt 2) Elevated structural unemployment 3) Low productivity growth 4) Political fragmentation leading to policy inertia	Spain's evolving fiscal framework: implications for the sovereign and its regions Catalan election will not lead to the region's independence – regardless of the result Catalonia to remain in Spain, but tensions escalate Sovereign risks from euro area periphery housing are contained as recoveries take hold Rating Report
EU non-euro area					
Croatia	BB/Stable	Affirmed	1) EU membership 2) Moderate recovery 3) Reduced fiscal deficits	1) Low growth potential 2) High public & private debt 3) Institutional shortcomings	Rating Report
Bulgaria	BBB/Stable	Affirmed	1) EU membership 2) Low & declining public debt 3) CA surplus & sound reserve coverage	1) Private sector spillover risks 2) No lender of last resort 3) Institutional weaknesses	Strong external position, fiscal discipline underpin Bulgaria's economy, but labour constraints loom Rating Report
Czech Republic	AA/Stable	Affirmed	1) Broad & diversified economy 2) Sound public finances 3) Resilient current account	1) Demographics 2) Household financial vulnerability	Rating Report
Denmark	AAA/Stable	Affirmed	1) Wealthy & diversified economy 2) Robust public finances 3) Sound external position	1) High private debt 2) Labour market constraints 3) Banking sector vulnerabilities	Special Comment: Risks abound for overheated Nordic housing market, but no crisis Rating Report
Hungary	BBB/Positive	Affirmed; changed Outlook to Positive	1) Robust economic performance* 2) High absorption of EU funds* 3) Fiscal consolidation* 4) Improving debt structure*	1) High government debt 2) Low non-price competitiveness 3) Labour shortages 4) Weakening institutional credibility	Rating Report
Poland	A+/Stable	Upgraded from A to A+	1) Improving econ. prospects* 2) Reduced CA vulnerabilities* 3) Increasing external buffers*	1) Reliance on capital inflows 2) Budgetary pressures 3) Political uncertainties	Special Comment: Poland to maintain robust growth, despite threat from Article 7 Rating Report
Romania	BBB/Negative	Affirmed, changed Outlook to Negative	1) EU membership 2) Convergence process 3) High growth rate	1) Pro-cyclical fiscal policies 2) Vulnerabilities to ST shocks 3) Institutional weaknesses	Rating Report
Sweden	AAA/Stable	Affirmed	1) Wealthy & div. economy 2) Solid growth & fiscal performance 3) Low external risk	1) Financial stability risks 2) High private debt levels	Special Comment: Risks abound for overheated Nordic housing market, but no crisis Rating Report
UK	AA/Negative	Affirmed; changed Outlook to Negative	1) Large & diversified economy 2) Monetary & FX flexibility 3) Reserve currency status	1) Brexit-related uncertainty 2) Weaker eco. & fiscal outlook 3) Less predictable policy framework	Brexit presents unique challenges to the UK's economic outlook and debt sustainability Risks to Brexit Trade Talks Pronounced as UK, EU Approach Next Phase Uncertainties around Brexit challenge UK credit outlook Rating Report

EFTA					
Norway	AAA/Stable	Affirmed	1) Fiscal & CA surpluses 2) Sovereign wealth fund 3) Strong macro governance	1) Macroeconomic imbalances 2) High household debt 3) Low productivity growth	Special Comment: Risks abound for overheated Nordic housing market, but no crisis Rating Report
Switzerland	AAA/Stable	Affirmed	1) Wealthy & diversified economy 2) Prudent fiscal management 3) Strong external position 4) Deep capital markets	1) Adverse demographics 2) Large and concentrated banking sector 3) Exposure to real estate risks	Rating Report
Non-Europe					
China	A+/Stable	Downgraded from AA- to A+	1) Large and diversified economy 2) High external resilience 3) Scope for reforms	1) High and rising economy-wide debt* 2) Worsening public finances* 2) Weaker external position*	China's National People's Congress holds meaningful credit implications China's sovereign ratings hinge on deleveraging initiatives Rating Report
Georgia	BB/Stable	Affirmed	1) Sustained economic performance 2) Commitment to structural reform 3) Fiscal consolidation	1) Reliance on external financing 2) Low per-capita income 3) Elevated dollarization level	Georgia's liberal trade policy will help to mitigate its external vulnerabilities Rating Report
Japan	A+/Stable	Affirmed	1) Diversified economy 2) Great funding flexibility 3) Strong external position	1) High debt levels 2) Growth below trend 3) Weak public finances	Unfavourable demographics and structural bottlenecks limit fiscal consolidation efforts in Japan Rating Report
Russia	BBB-/Stable	Upgraded from BB- to BBB-	1) Strengthening macro stability* 2) Improving external position* 3) Sound public finances* 4) Declining financial risks*	1) Low growth potential 2) Geopolitical risks 3) Weak governance	A Putin victory may spur some structural reforms, but not enough to boost Russia's subdued growth Four Reasons Why Russia Is Investment Grade and Turkey Is Not Rating Report
Turkey	BB+/Stable	Upgraded from BB to BB+	1) Growing & resilient economy* 2) Improving public finances* 3) Effective economic policy response*	1) High external financing needs 2) Political uncertainties 3) Worsening business environment	Mind the external gap: currency and inflation risks challenge Turkey's foreign debt roll-over Four Reasons Why Russia Is Investment Grade and Turkey Is Not Rating Report
USA	AA/Stable	Affirmed	1) Wealthy & competitive economy 2) Accountable institutions 3) USD reserve currency	1) Weakening potential growth 2) High public debt 3) Significant contingent liabilities 4) Political polarisation	US Fiscal Outlook: Politically polarising tax cuts boosts short-term growth, raises deficits US government obligations & contingent liabilities: a high and rising fiscal risk The unparalleled status of the US dollar in an evolving global environment Polarisation in US politics is leading to policy inaction and uncertainty Why the United States is no longer AAA Rating Report

* Refers to rating drivers.

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