

# S&P Mulls Upgrade for Russia

By [The Moscow Times](#)

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Russia, Ukraine, Poland and "possibly" Hungary may be upgraded after Standard and Poor's decision yesterday to raise the Czech Republic's credit rating, ING Groep said Thursday.

The countries may have assessments of creditworthiness lifted in the next six months, Simon Quijano-Evans, chief economist for the Europe, Middle East and Africa region at ING in London, wrote in a note to clients.

S&P raised the Czech Republic's long-term foreign-currency debt two steps to AA- from A, citing the government's low indebtedness and the "prudently managed and balanced economy." The country now has the fourth-highest grade, on par with euro-region Estonia.

This is "yet another example of the emergingmarket versus G7 ratings convergence that will continue at an apparently accelerating pace," Quijano-Evans wrote. "Look for more upgrades in the region in the next six months."

Standard & Poor's downgraded the United States in the country's first-ever ratings cut this

month as the company said it was less confident Congress would end Bush-era tax cuts or tackle spending on entitlements. S&P also reduced Japan's creditworthiness to AA- in January, putting it on par with China.

Russia may see its rating rise due to its level of public debt, current account and the budget situation, according to ING. Ukraine's budget performance and "impulses from the International Monetary Fund" may also prompt an upgrade. In Poland, the rating companies will wait for the government's decisions on fiscal policy following the general election on Oct. 9, ING said.

Turkey should have its debt assessment raised, "but ratings agencies are clearly placing a lot of emphasis on the current account," ING said. The country's 12-month current-account deficit widened to a record \$72.5 billion in June.

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