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Establishment of “Society for Sovereign Risk Analysis”

Japan Credit Rating Agency, Ltd. (JCR) formed the “Society for Sovereign Risk Analysis” together with professionals from institutional investors, financial institutions and government agencies in Japan who are engaged in sovereign risk analysis. This society aims to consolidate the members’ expertise on sovereign risk analysis through exchanging opinions and sharing information on the issues related to sovereign risks such as information sources, database and analytical methodologies.

The analysis of “Sovereign Risk”, i.e., credit risk of sovereign states, may be somewhat unique, quite different from corporate credit analysis. The number of sovereign risk analysts is relatively limited. Meanwhile, under the prolonged low interest rate environment, Japan’s foreign securities investment and foreign loans have been surging, highlighting the importance of sovereign risk analysis.

JCR has an over 30 years’ history of conducting sovereign risk analysis and assigning sovereign ratings since its first rating assignment on Samurai Bond in 1986. In recent years, JCR has been organizing seminars on specific countries’ sovereign risk such as India and Indonesia. Also, it has hosted a training workshop on “Sovereign and Country Risk Analysis” to external participants. The establishment of the society this time is aimed at further enhancing the overall analytical capacity of sovereign risk in Japan through proactive interactions among sovereign risk analysts while capitalizing JCR’s experience and global network.

In order to consolidate the reputation as the most reliable and the most relied rating agency, JCR has been elevating the provision of information on foreign credit risks, making use of its global network with other rating agencies in emerging market economies, including those in which JCR invests, those with which JCR forms strategic alliances with, and those who are the members of the Association of Credit Rating Agencies in Asia (ACRAA) from 13 jurisdictions across Asia. For queries or requests, please feel free to contact JCR.

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