

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Losses from sub-prime crisis at \$2,200bn

The International Monetary Fund revised upwards the aggregate potential write-downs and losses from the U.S. sub-prime crisis to approximately \$2,200bn as of January 2009 compared to \$1,400bn last October and \$945bn in April 2008. It said most of this deterioration has occurred in the mark-to-market securities portion of the estimates, especially in corporate and commercial real estate securities. It added that degradation is also occurring in the loan books of banks, reflecting the weakening outlook for the economy. The Fund noted that banks' write-downs have already reached \$792bn, adding that banks have raised so far \$826bn in capital, including \$380bn from governments, but that they will need even more capital as losses continue to increase. It expected write-downs during 2009 and 2010 to be partly offset by anticipated revenues over the same period, resulting in a net capital shortfall of at least \$500bn. It considered that new capital in this amount is necessary just to prevent the capital position of U.S. and European banks from deteriorating further. It called for forceful measures to clean up banks' balance sheets of troubled assets to raise the level of confidence in the banking system.

Source: *International Monetary Fund*

EMERGING MARKETS

IIF launches advisory council

The Institute of International Finance (IIF) announced the launch of its Emerging Markets Advisory Council. It said the establishment of the Council highlights the growing role that financial institutions headquartered in emerging markets are playing in global finance and the need for their voice to be heard even more strongly in the global financial community. It added that the new Council will help guide the IIF's work in stabilizing the environment for emerging markets and encouraging the necessary changes in public policies to support this stabilization. It noted that the Council, which will comprise more than 20 senior bankers from around the world, will ensure that the views of emerging market financial institutions will contribute more significantly to the overall policies and priorities of the IIF. It will also play a role in the discussions on international economic policies and financial regulatory reforms. The IIF is the leading global association of financial institutions with over 380 members, including 200 member financial institutions headquartered in emerging markets.

Source: *Institute of International Finance*

MENA

Private equity returns to decrease in 2009

Deloitte & Touche's survey of private equity activity in the MENA region indicated that about 60% of respondents expect private equity investment activity to increase or at least maintain existing levels in the next 12 months, with consumer,

power, and healthcare projected to be the most active sectors. However, 73% of respondents expect a decrease in exit activity and a further 83% expect entry multiples to decrease as a result of the global financial and economic turmoil. The survey noted that the MENA region continues to attract investors, as 75% of respondents expect an increase in investor appetite for MENA funds as a result of the continued underlying economic growth of the region, the significant existing financial resources and the untapped opportunities. Further, 53% expect returns to decrease, reflecting reduced valuations of existing investments, while 60% noted that development capital will remain the most popular type of transaction in 2009.

Source: *Deloitte & Touche*

Investment banking revenues down 44% in 2008

Figures released by Dealogic show that investment banking revenues in the MENA region reached \$837m in 2008, constituting a decline of 44% from \$1.48bn in 2007. Syndicated lending accounted for 41% of the total, followed by income from mergers & acquisitions with 31%, equity capital markets with 22% and debt capital markets with 6.7%. Also, revenues from debt and equity capital markets fell by 62% and 56% respectively, posting the biggest decline year-on-year. The top 5 sectors for investment banking revenues were finance with \$375m or 45% of the total, through 122 deals, followed by real estate & property with \$71m and 30 deals, telecoms with \$65m and 14 deals, holding firms with \$45m and 13 deals, and utility & energy with \$43m and 13 deals. Further, HSBC was the top dealmaker in the region with revenues of \$56m from 52 deals last year. It was followed by National Bank of Kuwait with \$44m from 3 deals Morgan Stanley with \$37m from 12 deals, JP Morgan with \$33m from 20 deals and Citigroup with \$33m from 31 deals.

Source: *Dealogic*

QATAR

Sovereign wealth fund acquires stakes in local banks

The Qatar Investment Authority (QIA), the country's sovereign wealth fund, announced that it bought 5% of the shares of Qatar Islamic Bank, Qatar International Islamic Bank, Commercial Bank, Doha Bank and Ahli Bank. This based on the banks' shares closing prices at the end of trading on October 12, 2008. The QIA said it will not receive any dividend distribution on the results of 2008 or 2009. Earlier this month, the extraordinary general assembly of Al Rayan Bank approved the allocation of 150 million shares, or 20% of the bank's capital to the QIA. Last October, the QIA announced that it will buy up to 20% of listed banks' capital to boost confidence in the market, and that the transactions would take place through private placements.

Source: *Dow Jones Newswires*

OUTLOOK

WORLD

Global growth revised downward to 0.5% due to financial crisis

The International Monetary Fund revised downward its forecast for global economic growth to 0.5% for 2009, its lowest rate since World War II, compared to projections of 2.2% last November and 3% in October. The Fund said prospects for global growth have deteriorated sharply with the continuation of the financial crisis, causing asset values to fall across advanced and emerging economies, decreasing household wealth and putting downward pressure on consumer demand. It added that widespread disruptions in credit are constraining household and corporate spending, therefore curtailing production and trade. It considered that a sustained economic recovery will only be possible when the financial sector's functionality is restored and credit markets are unclogged.

The Fund expected activity in advanced economies to contract by 2% in 2009, down from a growth forecast of 0.3% in November and 0.5% in October, making it the first annual contraction during the post-war period. It also revised downward its GDP growth forecast for emerging and developing economies to 3.25% in 2009, down from last November's projection of 5.1% and October's forecast of 6.1%. It also projected growth in the Middle East at 3.9% in 2009, down from a 5.4% forecast in November and from 6.1% in 2008. It expected inflation in advanced economies to decline from 3.5% in 2008 to a record low 0.25% in 2009, before edging up to 0.75% in 2010. It forecast inflation to subside to 5.75% in 2009 in emerging economies, and 5% in 2010, down from 9.5% in 2008.

The IMF expected downside risks to continue to dominate, as the scale and scope of the current financial crisis have taken the global economy into uncharted territory. It considered the main risk to be the increased linkage between real activity and financial markets, which would lead to even more negative effects on global growth unless stronger financial strains and uncertainties are forcefully addressed. It noted that the risks of deflation are rising in a number of advanced economies, while emerging economies' corporate sectors could be badly damaged by continued limited access to external financing.

Source: International Monetary Fund

EMERGING MARKETS

Net private capital inflows at \$165bn in 2009, bank lending to drop drastically

The Institute of International Finance estimated total net private capital flows to emerging markets at \$466bn in 2008, down from previous estimates of \$681bn, and down 82% from the peak of \$929bn in 2007. It also expected such inflows to decline by \$300bn to \$165bn in 2009, significantly down from an earlier estimate last October of \$562bn. It attributed the sharp downward revision for 2009 to a very tough environment for capital flows that became increasingly evident in the fourth quarter of last year. It added that it is also consistent with the much weaker global growth outlook for 2009, which both reduces the supply of external finance, as lenders and investors turn more risk averse, as well as the demand for external finance for both consumption and investment spending. The IIF expected the trend

to linger as least through the first half of 2009, as significant vulnerabilities remain, especially for large emerging market corporate borrowers with sizeable roll over needs. It noted that private sector borrowers have at least \$100bn of debt service for market-based borrowing due in the first half of 2009, adding that borrowers may not be able to issue more than half this amount.

The IIF forecast net direct investment to decline to \$263.4bn in 2008 from \$296bn in 2007, and to further regress to \$195bn in 2009. It estimated net portfolio equity investment in emerging markets to be negative with outflows of \$89bn in 2008 significantly up from outflows of \$9bn in 2007, and expected net outflows of \$2.7bn in 2009. Also, it expected net commercial bank lending to shift from a net inflow of \$167bn in 2008 to a net outflow of \$61bn in 2009, constituting a \$277bn negative swing and a major reversal from the peak year of banking sector net flows of \$410bn in 2007. It forecast net non-bank private lending to drop to \$31bn in 2009 from \$125bn in 2008 and \$222bn in 2007. It also projected net lending by official creditors to reach \$29bn this year compared to \$41bn last year.

Source: Institute of International Finance

UAE

Growth to slow to 1% in 2009, downside risks to increase

Capital Intelligence expected the UAE's real GDP growth to slow to around 1% in 2009 from an estimated 5% in 2008, adding that risks to sovereign creditworthiness from the banking and corporate sectors have increased. It said the sharp decline in international oil prices and ongoing dislocation in global credit markets are likely to have a significant impact on the economy, which still derives the bulk of its fiscal and export revenues from hydrocarbon-based activities and has become more reliant on external borrowing to finance investment and fund domestic credit growth. Also, non-oil growth is likely to decelerate in response to tighter domestic financial conditions, declining asset values, weaker external demand and a reduction in foreign investment and financing.

The agency indicated that banking sector risks stem from the rapid growth in real estate credit and from a decrease in liquidity and funding sources. It said the banking sector will be tested by the economic slowdown and decline in asset prices, as banks with significant exposure to Dubai's overvalued real estate market likely to be among the worst affected. Also, profitability will be challenged by rising non-performing loans and slower credit growth and some banks may ultimately need direct support from authorities. Capital Intelligence said indebtedness in the corporate sector has increased substantially over the past few years and at least \$15bn of foreign currency debt is due for repayment in 2009, with the bulk of due debt incurred by entities owned by or linked to the governments of Dubai and Abu Dhabi. The agency noted that the direct impact of the impending downturn on sovereign creditworthiness should be small in the short term. However, it warned that the UAE's ratings could come under downward pressure if the downturn proves to be deeper and more protracted than currently envisaged, or if the general government balance sheet is significantly weakened by the absorption of a large amount of contingent liabilities and a prolonged period of low oil prices. *Source: Capital Intelligence*



ECONOMY & TRADE

SYRIA

Tourism activity up 15% in 2008

Figures released by the Ministry of Tourism show that the number of tourists visiting Syria reached 3.67 million in 2008, an increase of 15% from 3.19 million in 2007, and up from 3.06 million in 2006. The figures exclude one-day visitors from neighboring countries, Iraqi arrivals and Syrian expatriates. The distribution of visitors by destination shows that Arab tourists increased by 13% to 2.51 million and accounted for 68.4% of total arrivals. Visitors from other parts of the world totalled 1.16 million, up by 20.8% from the previous year. The number of Syrian expatriates visiting their home country remained stable, reaching 958,738 compared to 960,000 in 2007 and 900,000 in 2006. Tourist spending is estimated to have reached SYP174bn or \$3.7bn in 2008.

Source: Syria Report

JORDAN

Insurance premiums at JD337m in 2008

Figures issued by the Insurance Commission of Jordan show that gross premiums generated in the local market reached JD331.6m in 2008, constituting an increase of 14% from JD291.7m in the previous year. General insurance premiums rose by 8.2% to JD296.7m, from JD262.5m in 2007, while life premiums increased by 20% to JD35m from JD29.2m in the previous year.

Source: Al-Ghad Daily

QATAR

Economic growth at 16% in 2008

The International Monetary Fund estimated economic growth in Qatar at 16.4% in 2008, with non-oil growth at 30.6% driven by a strong performance in manufacturing, construction and financial services. It noted that the key challenges facing the authorities are to lower Qatar's high rate of inflation, which averaged 15% in 2008, continue to shield the economy from the global financial crisis, ensure that rapid credit growth does not undermine bank soundness, and diversify the economy to reduce the dependence on hydrocarbon production and exports. The Fund said inflationary pressures should ease gradually because of lower food and raw material prices and an increase in the supply of residential and commercial properties. It encouraged the authorities to avoid the distortionary effects of price and rent controls, noting that these measures should at best be temporary.

Source: International Monetary Fund

ALGERIA

Privatization receipts at €1.4bn since 2003

The Minister of Industry and Investment Promotion indicated that 447 enterprises have been privatized in Algeria since 2003, and have generated about €1.4bn in privatization receipts to the Treasury, preserved 40,000 jobs and created 19,000 new ones. It added that the Algerian government is committed to continuing the privatization of state-owned enterprises, with the exception of oil company Sonatrach, electricity and gas company Sonelgaz and the railways.

Source: Ennahar

IRAN

Inflation rate at 26.4% in 2008

Figures released by the Central Bank of Iran show that the inflation rate for the 12 months ending December 2008 reached 26.4%, down from the October peak of 29.5% and constituting the first decline since the end of 2005. The inflation rate in December stood at 1.3%. The government's injection of oil revenues in the economy over the past few years had caused significant excess liquidity and was the main reason for the high inflation rate. However, inflation receded due to the Central Bank's measures to curb inflation over the past year, a slow-down in the real estate market and the meltdown in the prices of most commodities. Inflation is expected to continue to fall, reaching 22% by the end of the Iranian year that ending on March 20, 2009.

Source: Iran Investment Monthly

SUDAN

Exports of livestock to GCC resumes

The United Arab Emirates announced it has lifted a ban on Sudanese livestock as of January 2009. The decision comes after similar moves by other Gulf countries. Sudan exported over one million heads of sheep a month to Saudi Arabia and other Gulf states before the ban, which exporters say caused them losses worth millions of dollars. The ban on Sudanese livestock was imposed by GCC countries because of the spread of Rift Valley Fever (RVF) in Sudan and other countries of the Horn of Africa, like Ethiopia and Eritrea. The resumption of exports to the UAE and other GCC markets would benefit producers and exporters, and would increase the contribution of animal resources sector to the national economy. Saudi Arabia, Kuwait, the UAE, Kuwait and Qatar are major importers of Sudanese live sheep, goats, meat and meat products.

Source: Sudan Tribune

ARMENIA

Economy is "moderately free", ranks 31st globally on Index of Economic Freedom

The Heritage Foundation/Wall Street Journal Index of Economic Freedom for 2009, a broad indicator of economic freedom in 183 countries, ranked Armenia in 31st place globally, ahead of Georgia and El Salvador and behind Lithuania and Spain. The index evaluates individual economies on the basis of 10 broad factors of economic freedom. Armenia ranked in 15th place in Trade Freedom, in 20th place in Fiscal Freedom, in 21st place in Financial Freedom, in 22nd place in Investment Freedom, in 24th place in the Size of Government, in 25th place in Business Freedom, in 35th place in Property Rights, in 67th place in Monetary Freedom, in 68th place in Labor Freedom, and in 100th place in Freedom from Corruption. Armenia came in the "moderately free" category with a 69.9% level of economic freedom, unchanged from 2008, and above the global average of 59.5%.

Source: Heritage Foundation/Wall Street Journal



BANKING

SYRIA

Private commercial banks' assets at \$6.7bn at end-September 2008

Figures released by the Central Bank of Syria show that the total assets of private commercial banks reached SYP317bn, or \$6.7bn, at the end of September 2008, constituting an increase of 5.2% from SYP 289bn at end-2007. Claims on the resident private sector totaled SYP99.8bn, up 48% from SYP67.4bn at end-2007. Reserves reached SYP75.9bn, of which SYP68.3bn were in deposits at the Central Bank of Syria. Resident private sector demand deposits reached SYP67.8bn relative to SYP51.5bn at end-2007, while time deposits totaled SYP73.2bn from SYP58.5bn at end-2007. Also, savings deposits totaled SYP11.12bn compared to SYP12bn at the end of the previous year. In parallel, resident private sector foreign currency deposits reached SYP110.4bn, constituting an increase of 9.1% from SYP101.2bn at end-2007. The banks' aggregate capital account reached SYP21.6bn, down from SYP29.2bn at end 2007. Assets of private commercial banks account for 19% of the sector's total assets, with state-owned banks still accounting for 78% and Islamic banks representing about 3% of total assets.

Source: Central Bank of Syria

SAUDI ARABIA

S&P and SIMAH to launch credit data consortium

Standard & Poor's and SIMAH, the Saudi Arabian credit information bureau, announced an alliance to develop the first industry-wide commercial and corporate credit information service for Saudi banks. The initiative involves collecting and assessing default and recovery data from 12 local banks and is a key step in the process of strengthening risk management standards in the Saudi banking industry. S&P said there is a scarcity of data in some commercial lending asset classes in the kingdom, which has been a significant challenge to overcome for many banks. The initiative will address this challenge by building a robust dataset reflecting the underlying factors that drive credit risk. Under the initiative, the participating member banks will provide information on their mid-market and large corporate defaults, both historically and on an ongoing basis. In addition, information on a significant sample of performing commercial loans will be assembled and will enable S&P to develop a probability of default model for Saudi corporate debt, as well as provide industry-wide statistics on historic recovery and default trends in the kingdom.

Source: Standard & Poor's

KUWAIT

Financial sector to face difficult year

Capital Intelligence indicated that the creditworthiness of investment firms in Kuwait has become a key concern, as refinancing and liquidity risks are more pronounced than for banks. It said loans from domestic banks and foreign borrowing are among the main sources of financing for Kuwait's 95 investment companies, accounting for about 15% and 20%, respectively, of total balance sheet liabilities of \$66bn, or 43% of

GDP, at end-November. It added that the drive by international banks to reduce leverage and risk is likely to make it more difficult for investment companies to refinance these obligations as they fall due. Also, repayment concerns are exacerbated by price declines and reduced trading liquidity in many markets and, for some companies, relatively large exposure to illiquid asset classes such as real estate and private equity, all of which make it harder to divest assets in a timely fashion in order to meet financial obligations. In parallel, the agency said the strong growth of private sector credit over the past few years, coupled with banks' increasing direct and indirect exposure to the stock and real estate markets has made commercial banks more vulnerable to downturns in economic activity and asset prices. It anticipated the share of non-performing loans of total loans to increase and for profitability and capitalization to deteriorate somewhat.

Source: Capital Intelligence

EGYPT

Central Bank tightens conditions for acquisition finance

The Central bank of Egypt (CBE) has instituted a new set of regulations that tighten the conditions for financing acquisitions. The new regulations, which are effective immediately, stipulate that banks can only lend a maximum 5% of their loan portfolio for financing acquisitions, with credit extended to any one individual and related parties not exceeding 20% of this amount. The new regulation increases the risk weight allocated to acquisition financing to 150% if the borrower represents a strategic investor and to 200% if the borrower is a financial investor such as private equity or venture capital funds. Banks have one month to report to the CBE acquisitions they have already financed and will be given one year to reconcile their current loan portfolios with the new regulation. The CBE defines an acquisition as a transaction which transfers ownership of more than 50% of a target company, granting the acquirer direct or indirect control.

Source: Al-Mal

UKRAINE

Four banks downgraded

Fitch Ratings downgraded the Long-term Issuer Default Ratings (IDRs) of Kreditprombank, Ukgasbank and Vseukrainsky Aksionerny Bank to 'CCC' from 'B-' and Rodovid Bank to 'CC' from 'CCC'. The agency also downgraded the National Long-term rating of Bank Diamant and the Individual rating of Swedbank. At the same time, it affirmed the ratings of Privatbank, First Ukrainian International Bank, Bank Credit Dnepr, Bank Khreschatyk, Industrialbank, Pivdennyi Bank and Bank Forum. The outlook on all banks is 'negative'. Fitch said the downgrades reflect the heightened liquidity and asset quality risks and greater pressure on capital that banks have faced from the sharp depreciation of the hryvna in the fourth quarter of last year, as well as the weaker outlook for the Ukrainian economy. It added that the 'negative' outlook on the ratings of all the domestically-owned banks reflect the potential for further downgrades, as the tough operating environment continues to negatively impact banks' asset quality, capital and liquidity.

Source: Fitch Ratings



ENERGY / COMMODITIES

Oil falls towards \$41 on slowing demand

Oil fell more than \$1 toward \$41 a barrel on January 29, as data showing a further build in crude stocks in the United States heightened expectations of falling demand for oil in the U.S. The market will watch for weekly jobless claims and December durable goods orders, as well as advance fourth-quarter gross domestic product data for further clues on the health of the U.S. economy. U.S. crude fell \$1.08 a barrel to \$41.08, while London Brent crude lost 55 cents to \$44.35. U.S. crude has weakened against Brent again due to the 300,000 barrel stock build in Cushing and the general crude stock build. However, run cuts and OPEC production cuts may offer some support. U.S. crude oil inventories jumped last week for the fifth week in a row amid lower demand from domestic refiners curbing operations for first-quarter maintenance programs or for economic reasons. Remarks by OPEC Secretary General Abdullah al-Badri, at the World Economic Forum in Davos, that OPEC would not hesitate to act again if oil price remains low offered support to crude prices. OPEC's output cuts since the second-half of 2008 have also helped to put a floor under prices. OPEC is expected to have fully delivered on its pledged supply curbs by the end of this month, but a weak economy would continue to erode demand for fuel. OPEC next meets on March 15th.

Source: Reuters

Oil inventories continue to rise

After analysts were caught by surprise last week when inventories rose 6.1 million barrels against expectations of a 0.8 million barrel rise, Bloomberg's economists' survey predicted a stock rise of 2.9 million barrels, the highest estimate since February 2008. However, inventories rose again by more than 6 million barrels, exceeding analysts' expectations twofold. This brings the total inventory increase over the past 6 months to 43.5 million barrels. Inventories of crude oil, gasoline and distillates are now above the 5-year range.

Source: Bloomberg

ARAMCO, Total seek \$1.2bn cut in new refinery costs

Saudi ARAMCO and France's Total SA want bidders for a new joint venture refinery to cut at least \$1.2bn from costs due to the global economic downturn. Top oil exporter Saudi ARAMCO has sent bidders back to the drawing table on several mega-projects to expand energy capacity as it looks to take advantage of the slide in prices for commodities and to drive down costs.

Source: Reuters

Egypt signs treaty for International Agency for Renewable Energies

Egypt has signed the founding treaty for the International Agency for Renewable Energies (IRENA), the first international organization to focus exclusively on the issue of renewable energy. Egypt was one of 80 countries participating at the organization's founding conference. Egypt also signed on to act as the agency's representative for Africa. IRENA's main function will be to advise its members on creating frameworks, building capacity, improving financing and transferring technology and know-how for renewable energies.

Source: Al-Alam al-Yom

Base metals: Tin placed favorably relative to other base metals

The LME tin price has been on a steady downward track, after hitting a peak of \$25,300 per ton back in May 2008. It fell as low as \$ 9,775 per ton at the end of 2008 before increasing in the first few weeks of 2009. Similar to many of the base metals, tin prices have been undermined by a substantial weakening of the global economy, which has decreased demand and speculative interest in the sector has been cut back. Still, there are several reasons to be optimistic about the outlook for tin and prices are expected to stabilize around current levels before rallying in the second half of 2009. Prices are expected to average \$11,000 per ton in the first quarter of this year before slowly recovering as the year progresses. The three-month price is forecast to average \$12,500 per ton in 2009 and \$13,500 per ton in 2010. Tin's fundamentals remain supportive and rising energy prices and a weaker US dollar should provide an additional boost over the next couple of years.

From a demand perspective tin is placed favorably relative to the other base metals as it has a low exposure to the automotive and construction markets. Instead, tin is mainly used in markets like solders and tinplate. Sectors like tinplate could benefit easily from the recession as demand for canned food and drink is counter-cyclical and normally rises as consumer spending falls. While demand is clearly weak, the market is being helped by supply cutbacks which are expected to keep the market in a modest deficit in 2009.

Source: Standard Chartered

Precious metals: Gold decoupling from US dollar?

The gold-US dollar link seemed to have weakened somewhat over the past month. The US dollar showed some significant strength at the beginning of the year, which should have been bearish for gold. However, the yellow metal has held steady and the US dollar slightly changed direction over the past week. Analysis shows that the correlation over the past 30 trading days is still at 0.4. Inflows into Exchange-Traded Funds (ETFs) remained strong amid another wave of bank rescue packages. However, the high gold price in emerging market currencies, particularly Indian rupee and Thai bath is somewhat worrying. Recent data show that gold imports to India have dropped 80% amid record prices. Gold is expected to be capped for now as long as the US dollar stays strong and some correction back to fair value on a currency base is expected over the coming days or weeks.

Source: Julius Baer

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	157.0	193.0	224.5	4.3	-32.2
LME metals price index	1761.7	2579.7	3276.4	7.3	-48.9
Oil prices USD	42.8	77.3	96.5	19.3	-51.8
Oil prices SDRs	28.6	50.4	61.3	23.3	-49.1
Gold \$/troy oz	849.6	821.7	869.9	1.3	-3.7
Silver cents/troy oz	1134.0	1181.2	1471.6	6.9	-28.1
Platinum \$/troy oz	927.0	1087.1	1536.7	9.3	-40.1
Copper \$/MT	3210.5	5193.9	6719.1	13.6	-53.5
Nickel \$/MT	11027.5	13839.3	20088.9	14.3	-59.7
Aluminium \$/MT	1325.3	2115.0	2511.8	-7.9	-44.1
Zinc \$/MT	1171.3	1408.5	1803.5	8.4	-48.2

Source: Credit Suisse



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	EIU								
Africa													
Algeria	-	-	-	-	BBB	13.9	15.1	2.3	4.0	2.3	2.7	14.4	0.7
	-	-	-	-	Stable								
Angola	-	-	-	-	BB	10.7	8.6	13.9	14.8	4.0	41.2	47.5	3.1
	-	-	-	-	Stable								
Egypt	BB+	Ba1	BB+	BBB-	BB	-7.0	84.5	20.9	53.4	4.0	98.9	1.3	6.0
	Stable	-	Stable	Stable	Stable								
Ethiopia	-	-	-	-	B	-4.4	-	13.6	217.5	2.9	458.7	-6.6	2.2
	-	-	-	-	Stable								
Ghana	B+	-	B+	-	B	-10.5	-	38.0	1.0	3.3	219.3	-12.7	-
	Stable	-	Stable	-	Stable								
Ivory Coast	-	-	-	-	CCC	-3.4	-	47.6	97.4	4.2	339.0	6.9	-
	-	-	-	-	Stable								
Libya	-	-	-	-	BBB	34.9	3.3	6.6	7.9	1.6	5.6	55.5	2.4
	-	-	-	-	Stable								
Mauritania	-	-	-	-	-	-2.3	105.9	78.9	123.4	4.5	-	-5.6	-
	-	-	-	-	-								
Morocco	BB+	Ba1	BBB-	BBB-	BB	-2.9	54.3	23.9	74.7	7.6	77.4	-1.2	3.4
	Stable	-	Stable	Stable	Stable								
Nigeria	BB-	-	BB-	-	BB	-0.6	11.3	4.6	7.3	0.5	-	10.7	0.9
	Stable	-	Stable	-	Stable								
Sudan	-	-	-	-	C	-0.8	84.2	49.6	183.9	2.5	-	-3.7	3.1
	-	-	-	-	Stable								
Tunisia	BBB	Baa2	BBB	BBB	BBB	-3.4	53.3	53.6	95.9	11.1	261.8	-2.7	3.5
	Stable	-	Stable	Stable	Stable								
Middle East													
Bahrain	A	A2	A	A	A	8.6	17.3	150.1	151.4	3.4	635.0	20.1	0.4
	Stable	-	Stable	Stable	Stable								
Iran	-	-	B+	BB-	B	-4.2	24.7	6.3	24.0	2.3	19.2	13.4	0.3
	-	-	Stable	Stable	Stable								
Iraq	-	-	-	-	CC	26.0	-	80.9	94.4	1.3	194.7	29.6	-
	-	-	-	-	Stable								
Jordan	BB	Ba2	-	BB	B	-6.5	70.9	86.2	143.0	16.2	295.6	-19.9	16.7
	Stable	-	-	Stable	Stable								
Kuwait	AA-	Aa2	AA-	AA-	A	28.0	5.5	27.8	39.8	2.4	227.3	48.6	-4.9
	Stable	-	Stable	Stable	Stable								
Lebanon	B-	B3	B-	B-	CCC	-9.4	154.6	103.8	545.1	18.6	283.8	-9.9	10.0
	Stable	-	Stable	Stable	Stable								
Oman	A	A2	-	A	A	21.3	4.7	22.4	28.9	5.9	91.7	14.5	2.1
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	AA-	A	8.3	8.3	57.0	77.0	5.2	450.6	38.7	6.6
	Stable	-	-	Stable	Stable								
Saudi Arabia	AA-	A1	AA-	AA-	A	25.7	8.8	7.6	10.9	1.8	96.3	33.0	0.2
	Stable	-	Stable	Stable	Stable								
Syria	-	-	-	-	CCC	-1.3	30.4	24.8	52.6	2.2	85.0	-0.4	4.2
	-	-	-	-	Stable								
UAE	-	Aa2	-	AA-	A	32.1	10.4	65.4	71.4	1.8	167.0	25.6	1.6
	-	-	-	Stable	Stable								
Yemen	-	-	-	B-	B	-1.9	30.4	24.8	66.3	2.2	84.5	-0.9	
	-	-	-	Stable	Stable								



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	EIU								
Central & Eastern Europe													
Armenia	-	Ba2	BB	-	-	-1.6	14.1	26.8	288.7	2.6	220.4	-6.8	5.4
	-	-	Stable	-	-								
Bulgaria	BBB+	Baa3	BBB-	-	BBB	3.2	14.1	100.2	141.2	15.7	278.5	-21.1	16.2
	Stable	-	Stable	-	Stable								
Kazakhstan	BBB-	Baa2	BBB-	-	BB	3.3	4.9	84.4	149.5	33.8	578.4	-5.0	5.3
	Negative	-	Stable	-	Stable								
Romania	BBB-	Baa3	BB+	BBB-	BB	-2.9	13.6	60.2	158.4	17.9	251.2	-16.1	5.4
	Negative	-	Stable	Stable	Stable								
Russia	BBB+	Baa1	BBB+	-	BBB	2.8	6.2	33.3	97.4	13.1	92.1	3.0	0.4
	Negative	Positive	Negative	-	Stable								
Turkey	BB-	Ba3	BB-	BB-	BB	-1.9	39.1	35.8	144.6	36.8	408.7	-5.7	2.0
	Stable	-	Stable	Stable	Stable								
Ukraine	BB-	B1	B+	-	BB	-2.5	13.2	60.1	98.2	26.0	263.0	-5.8	5.1
	Negative	Positive	Negative	-	Stable								

Sources: Moody's Investors Service; Economist Intelligence Unit - The above figures are estimated for 2008

* Figures last updated in September 2008



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	28-Jan-09	No change	17-Mar-09
Eurozone	Refi Rate	2.00	15-Jan-09	Cut 50bps	05-Feb-09
UK	Base Rate	1.50	09-Jan-09	Cut 50bps	05-Feb-09
Japan	O/N Call Rate	0.10	19-Dec-08	Cut 20bps	19-Feb-09
Australia	Cash Rate	4.25	02-Dec-08	Cut 100bps	03-Feb-09
New Zealand	Cash Rate	5.00	04-Dec-08	Cut 150bps	29-Jan-09
Switzerland	3 month Libor target	0.50	11-Dec-08	Cut 50bps	12-Mar-09
Canada	Overnight rate	1.00	20-Jan-09	Cut 50bps	03-Mar-09
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	28-Jan-09	No change	N/A
Taiwan	Discount Rate	1.50	07-Jan-09	Cut 75bps	01-Mar-09
South Korea	Target Rate	2.50	09-Jan-09	Cut 50bps	12-Feb-09
Malaysia	O/N Policy Rate	2.50	21-Jan-09	Cut 75bps	24-Feb-09
Thailand	1D Repo	2.00	14-Jan-09	Cut 75bps	25-Feb-09
India	Repo rate	4.00	27-Jan-09	No change	N/A
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 50bps	N/A
Saudi Arabia	Repo rate	0.75	19-Jan-09	Cut 25bps	N/A
Egypt	Overnight Deposit	11.50	22-Sep-08	Raise 50bps	N/A
Turkey	Base Rate	13.00	15-Jan-09	Cut 200bps	19-Feb-09
South Africa	Repo rate	11.50	11-Dec-08	Cut 50bps	05-Feb-09
Kenya	Central Bank Rate	8.50	01-Dec-08	Cut 50bps	Feb-09
Nigeria	Monetary Policy Rate	9.75	11-Dec-08	No change	Feb-09
Ghana	Prime Rate	17.00	28-Oct-08	No change	Feb-09
Mexico	Target Rate	7.75	16-Jan-09	Cut 50bps	20-Feb-09
Brazil	Selic Rate	12.75	21-Jan-09	Cut 100bps	11-Mar-09
Armenia	Refi Rate	7.00	Jan-09	Cut 25bps	N/A
Romania	Policy Rate	10.25	06-Jan-09	No change	N/A
Bulgaria	Base Interest	5.25	01-Sep-08	No change	N/A
Kazakhstan	Refi Rate	10.50	01-Oct-08	No change	N/A



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