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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

IMF urges governments to clean up bank balance sheets

The International Monetary Fund called on governments around the world to act urgently and decisively to reverse a slump in global trade and industrial activity by cleaning up the banking system, restructuring the financial sector, and reviving the global economy in a coordinated manner. It said the loss of confidence by investors, employers and consumers is now the central problem, which means that governments and central banks need to act decisively to address the underlying lack of confidence in the solvency of the financial system. It highlighted the need to take financial market measures in order to get credit flowing again, monetary and fiscal policy measures to offset the abrupt fall in private demand, and liquidity support for some emerging markets to reduce the risk of recession if key financing needs are not met. It added that governments must push the bank restructuring process forward with an emphasis on cleansing balance sheets through re-examining bank balance sheets on a worst-case basis, determining the viability of various institutions, and restructuring them if required. Also, authorities need to provide public support to banks that can be rehabilitated in the form of capital, bad asset carve outs, and guarantees; sell or wind-up insolvent banks quickly; and establish new public resolution agencies to manage bad assets to maturity or sale.
Source: International Monetary Fund

Speculative-grade default rate to peak in fourth quarter

Moody's Investors Service indicated that the global speculative-grade default rate increased to 4.8% in January from 4.1% at the end of 2008, and compared to a much lower 1.1% at end-January 2008. The agency expected that the global default rate will rise sharply for most of 2009, reaching a peak of 16.4% in November and then falling slightly to 15.5% by January 2010. It said rapidly deteriorating global economic conditions and the ongoing banking crisis signal a flood of corporate defaults in 2009, adding that about 300 rated corporate issuers will default this year compared with 104 issuers in 2008 and only 18 in 2007. On a dollar volume basis, the global speculative-grade bond default rate was at 6% in January, up from 5.8% in December and 0.9% a year earlier. Also, Moody's speculative-grade corporate distress index, which measures the percentage of rated issuers that have debt trading at distressed levels, ended January at 52.6%, slightly lower than the 54.7% level recorded a month earlier but significantly higher than the 29.7% posted in September 2008.
Source: Moody's Investors Service

EMERGING MARKETS

Launch of $500m facility to support microfinance industry

The World Bank and Germany launched a $500m facility to support microfinance institutions facing refinancing difficulties due to the global financial crisis, and to ensure that low-income borrowers in developing countries continue to have access to finance. The Microfinance Enhancement Facility (MEF), created by the International Finance Corporation and German development bank KfW, is expected to provide refinancing to more than 100 microfinance institutions in up to 40 countries. It will also support lending to as many as 60 million low-income borrowers in many of the world's poorest countries. The MEF is a short-to-medium term facility with initial contributions of $150m from the IFC and $130m from KfW. The World Bank said the microfinance industry continues to perform well with microfinance institutions maintaining healthy portfolios. But some microfinance institutions are facing problems refinancing debt as a result of the global financial crisis.
Source: International Finance Corporation

AFRICA

Global crisis to impact Sub-Saharan Africa

The International Monetary Fund indicated that the global financial crisis will have a significant impact on Sub-Saharan Africa this year. It said countries in the region will have to deal with slower global growth, large falls in commodity prices, and reduced financial inflows, adding that the international community must maintain its assistance to Africa. It noted that the uncertainty surrounding the outlook is unusually large, and risks remain mainly on the downside. The IMF projected growth in Sub-Saharan Africa at 3.3% in 2009, down from a 6.3% forecast in April 2008. It expected fiscal balances for the region to deteriorate significantly, especially among oil exporters. It considered that the challenge for policy makers is to maintain stability so as not to jeopardize hard-won gains of recent years such as the reduction of Africa's debt burden.
Source: International Monetary Fund

SUDAN

South Sudan launches project to develop private sector

The Southern Sudan Ministry of Commerce & Industry launched a $20.2m project to stimulate the growth of the private sector in Southern Sudan. The Private Sector Development project is jointly financed by the Southern Sudan government and the Multi-Donor Trust Fund for Southern Sudan. The project aims to establish an enabling policy, legal and regulatory environment for trade and investment. The other objective is to create a viable microfinance sector that provides banking services to the currently unbanked but economically active poor.
Source: Sudan Tribune

OUTLOOK

EMERGING MARKETS

Global financial turmoil poses increased risks to negative trend in bank ratings

Fitch Ratings indicated that banks in emerging markets have been affected to differing degrees by the global liquidity squeeze and worsening global economic outlook, with Emerging Europe the most affected region, adding that the persistently difficult environment is likely to negatively impact rating actions in the foreseeable future. It said there were 10 positive rating actions for emerging market banks compared to 140 negative rating actions in the fourth quarter of 2008. The positive rating actions in the fourth quarter constitute a decline from 23 in the third quarter, 22 in the second quarter and 28 in the first quarter of the year. In parallel, negative ratings actions increased from 34 such actions in the third quarter, 19 in the second quarter and 11 in the first quarter of 2008. The agency said the 'negative' outlooks on emerging markets bank ratings also increased, as there were 120 'negative' outlooks in the fourth quarter of 2008, up from 52 in the third quarter, 32 in the second quarter, and 27 in the first quarter. In parallel, the number of 'positive' outlooks regressed to 8 in the fourth quarter from 27 in the third quarter, 38 in the second quarter and 52 in the first quarter of 2008.

Fitch said that the ratio of 'positive' to 'negative' outlooks in emerging markets was -14 as at end December 2008 down from -1.5 at the end of September 2008, 1.2 at the end of June 2008, and 2.5 at end-March 2008. Still, Fitch noted that 65% of bank outlooks in emerging markets remain at 'stable'. In Emerging Europe, 47% of outlooks are 'stable', 46% are 'negative' and none are 'positive', while in the Middle East & Africa 90% of outlooks are 'stable', 7% are 'negative' and none are 'positive'. In Emerging Asia, 67% of outlooks are 'stable', 28% are 'negative' and 2% are 'positive'. It added that there were 47 downgrades in emerging markets in the fourth quarter compared to 5 in the third quarter, none in the second quarter and 3 in the first quarter.

Source: Fitch Rating

MENA

Longer global recession to increase risks and worsen outlook for the region

The International Monetary Fund estimated real GDP growth of oil exporters at 3.6% in 2009 relative to 5.6% in 2008, and forecast growth in emerging markets and developing countries of the region at 3.6%, down from 6.3% in 2008. It said the decline in oil prices and OPEC production cuts are expected to reduce oil export receipts by 50%, implying a loss of government revenues of $300bn this year compared to 2008. It expected the current account of oil exporters to post a deficit of $30bn in 2009, or 1.7% of GDP, compared to a surplus of about $400bn, or 21% of GDP in 2008. It noted that most oil producers in the region plan to maintain their spending and investment plans, which is containing the impact of the global financial crisis on the entire region and is contributing to supporting global demand. It added that oil exporters will post a fiscal deficit of 4% of GDP this year relative to a surplus of 12% of GDP last year.

In parallel, the IMF said the global slowdown will clearly have a significant impact on growth in non-oil producing countries of the region through lower exports, tourism, remittances, and higher cost of credit. It projected their current account to post a deficit of 3.1% of GDP in 2009 compared to a deficit of 4.1% o GDP in 2008, and for their fiscal deficit to reach 5.4% of GDP this year relative to 6% of GDP last year. It noted, however, spending by oil exporters will soften this impact on countries that have strong trade and investment links with them. It added that the scope for counter-cyclical policies is limited for most non-oil producers due to their relatively high public debt ratios and the much more difficult financing outlook.

The Fund considered that risks to the outlook are tilted to the downside. It noted that if oil exporters cut their spending, growth prospects would be weaker for the entire region. Also, a more prolonged global recession would imply even weaker exports, tourism, and remittances for most MENA emerging markets and developing countries. Finally, it warned that some financial institutions in the region may be under stress if the decline in asset prices deepens and the impact of this decline is transmitted to corporate and bank balance sheets.

Source: International Monetary Fund

GCC

Corporates face decline in credit quality in 2009

Moody's Investors Service warned that 2009 will be challenging for corporate issuers throughout the GCC economies, as companies face weaker global demand and scale back their investment plans to match lower cash flows, and as reflected by weaker financial performance in the last quarter of 2008. As such, Gulf-based corporate issuers, most of which are government-owned, are likely to face a further decline in credit quality. The agency warned that rated GCC corporations are not immune from the global financial and economic crisis, particularly where they rely on external demand for their goods and services, or on fresh liquidity to support their operations. It expected substantial changes to most companies' business plans as they respond to the new environment. Moody's cautioned that the GCC has never before been financially tested on such a large scale, adding that actions taken so far by Gulf governments in support of their respective flagship corporates have been encouraging. It noted, however, that Abu Dhabi's recent decision to inject AED16bn into its banks has raised concerns that Abu Dhabi is becoming more reluctant to support banks and other systemically important entities in other emirates.

In parallel, EFG Hermes noted that 2009 will be a very difficult year for the GCC and expected investment markets to remain volatile and risk aversion to remain high. It considered that Western institutional interest in the GCC is unlikely to recover this year, but expected an improvement in volumes from regional dedicated funds. It cautioned that a recovery accompanied by improving investor sentiment appears unlikely before the fourth quarter of this year. It noted that Dubai stands out as being particularly risky due to the collapse in the real estate sector, coupled with the impact of a global recession on ports and tourism, as trickle-down effects into the real economy have yet to be fully felt.

Source: Moody's Investors Service, EFG Hermes

ECONOMY & TRADE

SYRIA

Export promotion body to be established

The Syrian President has issued a decree establishing the Export Development and Promotion Agency, the first export promotion body of its kind in Syria (EDPA). The agency will be in charge of the regular tasks of export promotion agencies such as conducting market studies, providing leads, building databases, and match-making with foreign distributors, among others. The head of the EDPA will be the Prime Minister, a decision meant to give the agency additional weight. The agency will replace the Foreign Trade Center at the Ministry of Economy. The government has taken a series of measures recently to help local manufacturers face tough competition from imports and support their exports in view of the regional and global economic slowdown.

Source: Syria Report

KUWAIT

Sovereign wealth fund loses $31bn in downturn

The Kuwait Investment Authority (KIA), the country's sovereign wealth fund, has reportedly lost KWD9bn, or nearly $31bn, due to the global financial crisis. KIA's foreign investments dropped from around KWD58bn on March 31 to around KW49bn at end-2008. The figure means that Kuwaiti foreign investments dropped by about 15% only last year, contrary to reports which claimed that the assets of sovereign wealth funds have fallen by around 40%. Also, the $5bn that KIA injected into Citigroup and Merrill Lynch & Co last year dropped by around $2.2bn, or 40%, and is currently worth $2.8bn.

Source: Kuwait Times

ALGERIA

Foreign importers required to partner with local firms

The Ministry of Commerce announced that the government plans to require foreign import companies operating in Algeria to open 30% of their capital to Algerian importers. It said the measures will apply to all foreign companies in Algeria that are active in the import of raw materials, finished products and other merchandise. Foreign firms already operating in Algeria will have till the last quarter of 2009 to abide by this new requirement. According to the ministry, there are 1,600 foreign importing firms in Algeria out of 23,500 importers of finished products. It said the measure is meant to better regulate trade activity.

Source: APS

EGYPT

Government doubles size of stimulus package to $5.4bn

The Egyptian government announced plans to double its economic stimulus package to EGP30bn, or $5.4bn, to support economic growth in the face of sharply declining external demand. The Finance Ministry said the funds will be spent mainly on new infrastructure projects, with EGP15bn to be spent in the second half of fiscal year 2008/09 and EGP15bn in FY2009/10. Last December, the government announced a EGP15bn stimulus package consisting of EGP10.5bn in investment expenditures, EGP2.8bn in export subsidies and EGP1.2bn in one-year tariff exemptions for capital and intermediary goods to be spent over FY2008/09. Egypt's economy is expected to be hit hard by the global economic slowdown, which will reduce tourism, exports and remittances, lower FDI inflows and reduce domestic demand. The increased EGP15bn in spending, equivalent to 1.4% of estimated GDP, will be funded through loans.

Source: Bloomberg, EFG Hermes

TURKEY

Current account deficit at 5.6% of GDP in 2008

Figures released by the Central Bank of Turkey show that the current account deficit reached $41.4bn in 2008, constituting an increase of 8% from $38.2bn in 2007. The deficit was equivalent to 5.6% of GDP last year compared to nearly 6% of GDP in 2007. The current account deficit widened by 35% year-on-year in the first 9 months of 2008, but contracted by 52% in the fourth quarter due to a slowdown in growth and a weaker lira. The non-energy current account deficit declined to $0.7bn last year from $9.5bn in 2007, reflecting an improvement in the merchandise trade balance from lower commodity prices and slower growth, as well as stronger growth of export services due to a 20% rise in tourism revenues. In parallel, the CBT's reserves dropped by $1.1bn in 2008 compared to a rise of $8bn in 2007, FDI inflows totaled $15.1bn compared to $20bn in the previous year, and net portfolio investment contracted by $0.6bn compared to a rise of $3.1bn in 2007. Also, the debt rollover ratio was 178% at end-2008 from 224.4% at end-2007. The current account deficit is expected to shrink to between $19bn and $21bn in 2009.

Source: Citigroup, Merrill Lynch

UKRAINE

Budget dynamics highlight economic risks

Ukraine is seeking official bilateral funding to cover this year's targeted budget shortfall, which is about $4bn, or 3% of GDP. The government has approached the U.S., Russia, China, Japan and the European Union for assistance, with Russia apparently ready to engage in a loan agreement reported to be worth as much as $5bn. A targeted budget deficit would leave Ukraine in breach of the current IMF Stand-By Arrangement, especially in view of the ongoing disagreement between the two sides over the budget stance. In parallel, the IMF stated that the sharper-than-expected contraction in Ukraine's economic activity requires a recalibration of economic policies. The Fund said it discussed with authorities potential revisions to the program's balanced budget target for 2009, taking into account the availability of financing, with a focus on appropriate fiscal measures, monetary and exchange rate policies, as well as measures to strengthen confidence in the banking system.

Source: Citigroup, International Monetary Fund

BANKING

SYRIA

Private sector accounts for 40% of credits, private banks extend 12% of lending

Figures released by the Central Bank of Syria indicate that total credits extended by commercial banks reached SYP 946.3bn at end-September 2008, or about $20.1bn, constituting an increase of 28% from SYP 739bn at end-2007. Credits in Syrian pounds accounted for 98% of the total and foreign currency loans accounted for the remaining 2%. Loans to non-financial public enterprises accounted for 49% of total lending, followed by resident private sector lending with 40%, and the central government with 12%. Households accounted for 80.2% of resident private sector lending, followed by businesses with 19.6% and other financial institutions with 0.2%, as these shares were almost unchanged from end-2007. Further, the sectoral distribution of credit shows that wholesale & retail trade accounted for 56% of the total, up from 49% at end-2007; followed by building & construction with 13%; agriculture with 11%, down from 16% at end-2007; mining, manufacturing & utilities with 5%, while other activities accounted for the remaining 14% of lending. Also, public commercial banks accounted for 86% of total lending at end-September 2008, down from 89% at end-2007, while private commercial banks accounted for 12% and private Islamic banks for the remaining 2%. Loans & advances accounted for 44.8% of private banks' lending, followed by personally secured credits & overdrafts with 30.8%, and discounts with 23.5%. Loans & advances accounted for 48.7% of public banks' lending, followed by personally secured credits & overdrafts with 45.8% and discounts with 0.2%.

Source: Central Bank of Syria, Byblos Research

JORDAN

Bank assets reach JD29.8bn at end-2008

The consolidated balance sheet of commercial banks in Jordan indicates that total assets reached JD29.8bn at the end of 2008, constituting an increase of 11.1% from JD26.8bn at end-2007 and a drop of 0.4% from end-September 2008. Resident private sector deposits reached JD14.3bn, up 14.3% from end-2007 and down 0.4% from end-September 2008, while deposits of non-bank financial institutions rose by 84.6% to JD136.4m annually. Resident private sector loans rose by 14.8% in 2008 but regressed by 1.5% in the last quarter to JD12.8bn, while credit facilities to the non-resident private sector rose by 73.2% annually and dropped by 18.6% in the last quarter to JD536m. Resident private-sector lending accounted for 42.3% of total assets. In parallel, central government deposits reached JD561m, up 6.5% year-on-year, while those of public non-financial institutions rose by 52.5% to JD665m. Claims on the public sector rose by 41.5% to JD4.4bn in 2008, with claims on the central government accounting for 85% of lending to the public sector compared to 79.7% at the end of 2007. Claims on the public sector accounted for 14.6% of total assets compared to 11.5% at end-2007. Further, deposits at the Central Bank of Jordan totaled JD4.38bn, up from JD3.9bn a year earlier and accounted for 14.7% of total assets. Capital accounts and allowances rose by 8% annually to JD3.8bn.

Source: Central Bank of Jordan, Byblos Research

KUWAIT

Central Bank to guarantee 50% of loans

The Central Bank of Kuwait declared that the government will guarantee 50% of new loans extended by local banks in 2009 and 2010. It noted that banks will be asked to lend KWD4bn over the two years in order to stimulate the economy and that the credit must be used locally and across economic sectors. It specified that Kuwait will guarantee half of all loans local banks would provide to investment firms to reschedule debt and 25% of those from foreign creditors, putting the total debt of local investment firms at KWD5bn.

Source: Reuters

ARMENIA

Bank assets up 32%, profits rise by 35% in 2008

Figures released by Armenian banks show that total assets of commercial banks reached $3.38bn at the end of 2008, constituting a 32% rise from the end of 2007 and a 9% rise from the third quarter of the year. The top 3 banks accounted for 34.7% of the banking system's assets in 2008. ACBA-Credit Agricole Bank is the leader in total assets with a market share of 12%, followed by HSBC Bank Armenia with 11.7% and Ardshininvestbank with 11%. Loans to the economy grew by 53.7% year-on-year to $2bn at the end of 2008 and by 2.6% over the quarter. ACBA-Credit Agricole Bank had the largest loan portfolio with a market share of 13.2% followed by Ardshininvestbank with 11.6% HSBC Bank Armenia with 11.4% and VTB Bank with 11%. The banks' aggregate capital base stood at $778m at the end of 2008, up 39.7% from the end of 2007 and 11% from the third quarter of the year. ACBA-Credit Agricole Bank had the largest capital, constituting 11% of the total, followed by Ardshininvestbank with 10.9% VTB Bank with 10%, and Ameriabank with 8.5%. The sector's total profits for the year reached $88m, up 35% from 2007.

Source: Banks' financial statements

KAZAKHSTAN

Banks to be hardest hit by currency devaluation

Moody's Investors Service indicated that the devaluation of the country's national currency by 18% on February 4 will increase the already high refinancing risks of the banking sector and will negatively impact the capital of the banks. It said the tenge devaluation has led to a substantial rise in the banks' vulnerability to credit risk as approximately 54% of loans by Kazakh banks and nearly 65% of their liabilities are denominated in foreign currencies. The agency considered that the notable weakening of the tenge will have a considerable impact on Kazakh borrowers' ability to repay their foreign currency loans, consequently leading to a material increase in NPLs and loan loss provisioning charges by Kazakh banks, which will further worsen their asset quality, profitability and capital adequacy indicators in 2009. Moody's noted that the devaluation significantly increases the banks' direct FX debt burden, as most of their foreign currency liabilities are borrowings from international capital markets, of which about $11bn, or 25% of the banks' total foreign debt, are payable in 2009.

Source: Moody's Investors Service

Oil falls below $36 as demand outlook worsens

Oil fell further below $36 a barrel on February 12 as global economic downturn is weighing on oil consumption and supply still appears to be exceeding demand in many parts of the world, despite production cuts by members of the Organization of the Petroleum Exporting Countries. Oil prices continued to weaken despite a deal in the U.S. Congress on $789bn in new spending and tax cuts. U.S. light crude for March delivery was down 54 cents at $35.40. London Brent crude was up 21 cents at $44.49, stretching its premium over U.S. oil to near the record levels above $9 hit last month.

Oil fell around 10% this week on demand worries and fears the U.S. bank rescue plan would not go far enough to revive the financial sector. The U.S. Energy Information Administration said domestic crude stocks had increased 4.7 million barrels to 350.8 million in the week to February 6, against a forecast for a rise of 3.1 million.

Oil's losses were further intensified by a separate report from the International Energy Agency forecasting global demand to contract by nearly a million barrels per day (bpd), the most since 1982, to 84.7 million bpd in 2009. Underlining the damage caused by the global financial crisis, data showed global trade activity in goods and commodities had dropped. The March Brent ICE futures contract expires on February 12 and traders said they expected the premium for Brent over U.S. crude futures, also known as WTI, to stretch further.
Source: Reuters

OPEC postpones 35 oil drilling projects

The Organization of Petroleum Exporting Countries (OPEC) postponed 35 oil drilling projects in various stages of development in OPEC states that were planned for delivery over the next decade. This is a sign that the group's members are starting to feel the financial burden of low crude prices. The delayed projects have been shelved for an indefinite period and it is not clear how much production capacity the 35 projects had been expected to add.
Source: Wall Street Journal

Oil earnings may exceed $4,700bn by 2020

Ernst & Young said that at the OPEC targeted floor price of $50 per barrel, the Gulf Cooperation Council countries will cumulatively earn $4,700bn by 2020. This will be 2.5 times their own earnings over the last 14 years. According to Ernst & Young, Middle East economies are predicted to register high growth rates the next few years, even as the region has not been immune to the effects of the global downturn.
Source: Ernst & Young

OPEC to make further output reductions

OPEC secretary-general said that the price of oil today is roughly half of what the cartel wants it to be. He added that if oil prices did not rise from current levels before OPEC's meeting on March 15, the cartel would not hesitate to take further action by cutting production among member states. Any such move would add to the cumulative cuts of 4.2 million barrels per day that OPEC has instituted in two rounds since September.
Source: Financial Times

Base metals: Near term weakness, recovery in second half of 2009

Base metal prices have remained under downward pressure in the last few weeks, with inventories building sharply on the LME and demand conditions continuing to worsen in most parts of the global economy. Aluminium has been the worst performer, while copper and lead have both been outperformers, largely reflecting recent fundamental developments. Aluminium has suffered because producer cutbacks have not yet been drastic enough to stop the surge of rising inventory, with LME stocks reaching their highest level ever recorded this month. On the other hand, lead demand has been boosted by exceptionally cold weather in Europe and LME stocks remain very low. Copper has also recovered on rumors of restocking by China, despite continued weakness in the physical market. For the base metals complex, prices are generally close to a floor but more weakness is expected in the next few months due to poor demand conditions. In the second half of 2009, the trend is expected to be broadly upwards. Copper, lead and tin should rally significantly, while aluminium and nickel prices will likely remain passive given relatively high stock levels.
Source: Standard Chartered

Precious metals: Strong investment demand keeps trend upward

Precious metals continued their recent upward trend, stimulated by strong investment demand. This upward trend is particularly impressive given that the US dollar made significant gains against the euro. Physically backed gold and silver Exchange Traded Funds (ETFs) continued to record large inflows. Investors continued to seek safe havens, as the impact of the banking crisis spread through the economy. Most of the precious metals are expected to rally through this year on the back of a weaker US dollar and strong investment demand. But large speculative net long positions remain a risk factor over the short term, as they leave precious metals vulnerable to short-term profit-taking. However, the medium- to longer-term outlook remains positive. U.S. inflation expectations seem to have reached a bottom and have been increasing lately. Combined with the current low interest rate environment, this should support gold prices in the coming months.
Source: Standard Chartered, Credit Suisse

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	160.9	186.0	221.8	3.4	-30.7
LME metals price index	1784.5	2423.8	3204.6	-1.8	-51.4
Oil prices USD	40.4	71.1	94.7	-12.6	-55.1
Oil prices SDRs	27.0	46.6	60.2	-10.2	-52.3
Gold $/troy oz	905.7	820.1	869.5	3.2	1.0
Silver cents/troy oz	1240.0	1139.2	1454.5	11.9	-25.8
Platinum $/troy oz	962.0	1027.9	1509.4	3.9	-46.1
Copper $/MT	3317.5	4816.9	6569.6	8.0	-54.5
Nickel $/MT	11602.5	13273.4	19484.3	-8.7	-57.5
Aluminium $/MT	1383.0	1993.5	2466.0	-7.3	-47.4
Zinc $/MT	1160.5	1352.2	1758.0	-4.9	-52.9

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								
	-	-	-	-	Stable	7.0	13.8	1.5	4.1	1.9	1.6	15.4	0.6
Angola	-	-	-	-	BB								
	-	-	-	-	Stable	3.2	8.8	8.4	9.0	12.6	-	-3.0	1.2
Egypt	BB+	Ba1	BB+	BBB-	BB								
	Stable	-	Stable	Stable	Stable	-7.7	74.5	17.8	51.4	5.4	105.9	-1.5	4.1
Ethiopia					B								
	-	-	-	-	Negative	-3.5	-	10.9	250.0	-	-	-6.1	-
Ghana	B+	-	B+	-	B								
	Stable	-	Stable	-	Negative	-10.8	-	39.0	103.6	-	-	-13.7	-
Ivory Coast	-	-	-	-	CCC								
	-	-	-	-	Stable	-1.7	-	57.9	175.9	-	556.0	-1.8	-
Libya	-	-	-	-	BB								
	-	-	-	-	Stable	-17.3	7.8	17.5	31.1	4.9	-	-15.8	3.1
Mauritania	-	-	-	-	-								
	-	-	-	-	-	-5.1	-	73.8	183.3	-	-	-13.4	-
Morocco	BB+	Ba1	BBB-	BBB-	BB								
	Stable	-	Stable	Stable	Stable	-2.6	51.8	24.1	73.9	5.7	74.1	-0.1	3.3
Nigeria	BB-	-	BB-	-	BB								
	Stable	-	Stable	-	Stable	-5.7	23.6	6.1	20.6	0.6	-	-13.2	2.4
Sudan	-	-	-	-	C								
	-	-	-	-	Stable	-6.8	107.5	62.7	532.4	6.3	-	-10.1	2.7
Tunisia	BBB	Baa2	BBB	BBB	BB								
	Stable	-	Stable	Stable	Stable	-3.1	49.8	50.6	105.6	12.3	235.5	-3.3	3.8
Middle East													
Bahrain	A	A2	A	A	A								
	Stable	-	Stable	Stable	Negative	-3.4	18.2	187.7	321.7	4.6	63.8	6.2	0.4
Iran	-	-	B+	BB-	B								
	-	-	Stable	Stable	Stable	-3.7	19.1	5.5	35.1	4.3	22.9	-4.6	0.2
Iraq	-	-	-	-	CC								
	-	-	-	-	Stable	-34.4	-	71.8	214.4	3.8	157.7	-22.4	0.9
Jordan	BB	Ba2	-	BB	B								
	Stable	-	-	Stable	Stable	1.3	51.4	65.6	122.2	4.8	198.6	-10.0	11.4
Kuwait	AA-	Aa2	AA-	AA-	A								
	Stable	-	Stable	Stable	Stable	22.6	4.9	40.4	134.2	6.2	229.7	23.6	-9.9
Lebanon	B-	B3	B-	B-	CCC								
	Stable	-	Stable	Stable	Stable	-10.8	145.6	97.5	614.9	20.4	199.0	-12.0	9.0
Oman	A	A2	-	A	A								
	Stable	-	-	Stable	Stable	-1.9	3.5	21.4	68.7	-	113.0	-4.0	4.0
Qatar	AA-	Aa2	-	AA-	A								
	Stable	-	-	Stable	Stable	1.7	4.1	52.5	189.8	7.3	359.3	24.3	7.8
Saudi Arabia	AA-	A1	AA-	AA-	BBB								
	Stable	-	Stable	Stable	Stable	9.8	9.9	8.5	28.3	4.0	89.1	6.1	0.2
Syria	-	-	-	-	CCC								
	-	-	-	-	Stable	-8.3	38.5	13.0	71.4	1.0	162.7	-5.1	1.9
UAE	-	Aa2	-	AA-	A								
	-	-	-	Stable	Negative	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
Yemen	-	-	-	B-	CCC								
	-	-	-	Stable	Stable	-17.2	-	29.6	161.9	-	-	-16.9	

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	-	-								
	-	-	Stable	-	-	-2.2	13.9	32.5	496.8	1.2	311.3	-9.0	5.9
Bulgaria	BBB+	Baa3	BBB-	-	BBB								
	Stable	-	Stable	-	Stable	-0.4	13.7	101.8	159.2	22.5	250.5	-15.3	9.8
Kazakhstan	BBB-	Baa2	BBB-	-	BB								
	Negative	-	Stable	-	Stable	1.7	6.0	86.4	267.8	56.6	528.0	-3.1	1.5
Romania	BBB-	Baa3	BB+	BBB-	BB								
	Negative	-	Stable	Stable	Stable	-4.9	16.2	61.9	171.7	21.8	319.6	-8.2	5.1
Russia	BBB+	Baa1	BBB	-	BBB								
	Negative	Positive	Negative	-	Negative	1.5	7.4	40.1	155.9	17.4	193.3	-0.7	0.4
Turkey	BB-	Ba3	BB-	BB-	BB								
	Stable	-	Stable	Stable	Stable	-3.9	43.5	56.0	238.4	41.2	587.4	-5.0	2.4
Ukraine	BB-	B1	B+	-	B								
	Negative	Positive	Negative	-	Negative	-1.1	20.7	80.4	202.3	28.5	411.6	-2.8	2.1

Sources: Moody's Investors Service; Economist Intelligence Unit - The above figures are estimated for 2009
** Figures last updated in February 2009*

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	05-Feb-09	No change	05-Mar-09
UK	Base Rate	1.00	05-Feb-09	Cut 50bps	05-Mar-09
Japan	O/N Call Rate	0.10	22-Jan-09	No change	19-Feb-09
Australia	Cash Rate	3.25	03-Feb-09	Cut 100bps	03-Mar-09
New Zealand	Cash Rate	3.50	29-Jan-09	Cut 150bps	12-Mar-09
Switzerland	3 month Libor target	0.50	11-Dec-08	Cut 50bps	12-Mar-09
Canada	Overnight rate	1.50	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	29-Jan-09	No change	18-Mar-09
Taiwan	Discount Rate	1.50	07-Jan-09	Cut 75bps	09-Mar-09
South Korea	Target Rate	2.00	12-Feb-09	Cut 50bps	N/A
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	21-Apr-09
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	10.50	05-Feb-09	Cut 100bps	16-Apr-09
Kenya	Central Bank Rate	8.50	28-Jan-09	No change	01-Apr-09
Nigeria	Monetary Policy Rate	9.75	09-Feb-09	No change	N/A
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	9.50	05-Feb-09	No change	N/A

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