



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Deterioration in Eastern Europe raises risks for West European banks

Moody's Investors Service indicated that, after years of strong economic growth, East European countries, including Central & Eastern Europe, South-Eastern Europe and the Commonwealth of Independent States have entered a deep and long economic downturn, therefore exposing West European banks' claims on East European institutions. It said that while East European countries differ in terms of vulnerability, the investment grade countries exhibiting the highest external vulnerability tend to be those displaying sizeable fiscal deficits such as Baltic countries, Hungary, Croatia, Romania and Bulgaria. Also, several countries in the region, including Ukraine, Kazakhstan and Russia, are under pressure even though their public sectors have relatively little external debt. It noted that West European parent banks of East European subsidiaries are primarily located in Austria, Italy, France, Belgium, Germany and Sweden, which account for 84% of total West European banks' claims on Eastern Europe. It considered that the Austrian banking system is most exposed as Eastern Europe accounts for nearly half of that country's global bank claims, Italy's claims account for 27% of the total, while Scandinavian banks claim the vast majority of the Baltic States' banking systems. The agency noted that the activity of West European banks in Eastern Europe is concentrated in very few banking groups, with Raiffeisen, Erste Bank, Société Générale, UniCredit and KBC representing the strongest and most widely present Western players in the region, and this concentration, in turn, increases risk implications.

Source: Moody's Investors Service

MENA

Region's piracy losses decrease in 2008

In its annual survey on piracy losses around the world, the International Intellectual Property Alliance indicated that piracy losses in the Arab world reached \$292m in 2008, constituting a decline of 10% from \$325.8m in 2007. They also accounted for 1.58% of global piracy losses in 2008 compared to 1.62% in 2007. Saudi Arabia had the highest level of piracy losses with \$126m, followed by Egypt with \$81m, Kuwait with \$43m, Lebanon with \$31m, and Jordan with \$11m. Egypt's piracy losses dropped by \$38m and those of Kuwait by \$4m, while the level of losses in Lebanon and Saudi Arabia increased by \$4.2m and \$4m respectively, and Jordan's piracy losses were unchanged year-on-year. The study focused on business software piracy, records & music piracy, motion pictures piracy, entertainment software piracy and book piracy. The IIPA indicated that China posted the highest level of piracy losses in the world at \$3.5bn and Brunei the lowest level of losses at \$2.4m in 2008.

Source: International Intellectual Property Alliance

MENA's branding perception relatively low

The Nation Brand Index for 2008 indicated that the international branding perception for the MENA region is worse than the global branding perception. The index ranks countries based on the tone, whether positive or negative, and frequency of mentions in the international media. It said the number of times a country is mentioned reflects the strength of the brand, but not necessarily its quality. The MENA region's average score was 45.4 points, below the global average of 49.8 points, as well as below Europe's average of 53.5 points, Oceania (53.1), Central Asia (53), South America (52), the Caribbean (50), and the Commonwealth of Independent States (49). Also, the number of mentions of the MENA region represented 10.8% of global mentions. The index shows that the UAE has the best nation brand perception in the region with a score of 67.4 points, followed by Qatar with 67 points, while the worst nation brands in the region were Iran with 26.3 points, Palestine with 26 points and Iraq with 24.8 points. The top 5 countries most mentioned in the media were Iraq with 19.6% of the region's overall mentions, followed by Iran with 11.2%, Palestine with 10.4%, Lebanon with 8.5% and Egypt with 6.1%. Oman was the least mentioned country in the region in 2008.

Source: East West Communication

ALGERIA

Plans to build nuclear power stations from 2020

The Ministry of Energy & Mines declared that Algeria aims to build its first commercial nuclear power station around 2020 and build another once every five years afterwards. Algeria has atomic energy agreements with Argentina, China, France and the United States and has also been in talks with Russia and South Africa. It said Parliament would soon debate a law for the creation of an atomic safety agency and a company to develop nuclear energy. An OPEC member, Algeria has large oil and gas reserves but wants to develop other energy sources to free up more hydrocarbons for lucrative exports or to make petrochemicals. The government intends to give more importance to solar energy and aims to generate 15% of Algeria's electricity from renewable sources including solar and wind by 2025-2030.

Source: Reuters

KUWAIT

Iraqi compensation payments total \$13.3bn

The Public Authority for Compensation stated that Kuwait has received a total of \$13.3bn from Iraq in compensation for the 1990 invasion and occupation of the emirate by Iraqi forces. It said the figure represents the total amount received up to the end of last year and that Kuwait was pursuing tens of billions more. Iraq is required to pay 5% of its oil revenues into a fund established by the UN Security Council to pay reparations for war damage during the seven-month occupation of its neighbor. The fund has received claims of \$368bn, but has so far approved the payment of just over \$52bn, including around \$39bn for Kuwait. The fund has paid out almost \$27bn to claimants.

Source: KUNA

OUTLOOK

GCC

No growth in 2009, decline in oil prices is key risk

Merrill Lynch revised downward its economic growth forecast for the Gulf Cooperation Council to zero percent in 2009 from 3.5% last November due to the increasing impact of the global financial crisis on the region. It expected the GCC budget balance to post a deficit of 4.9% of GDP in 2009 from a surplus of 29.7% of GDP in 2008, and for the region's current account surplus to drop to 1.5% of GDP in 2009 from 29.4% of GDP in 2008. It forecast the fiscal balance to remain in deficit at 3.9% of GDP and for the current account to slightly improve to 4% of GDP in 2010. It noted that GCC economies are still predominantly dependent on oil, as hydrocarbons account for 32% of GDP, 74% of total exports and 84% of budget revenues. It said OPEC's decision last December to reduce oil output by 4.2 million barrels per day (bbl/d) from last September's level to support falling oil prices is likely to result in at least a 10% contraction in the oil sectors of these countries. It estimated that every 100,000 bbl/d cut in oil production reduces GDP growth by about 0.3% for Saudi Arabia, 1.5% for Kuwait and 1% for the UAE.

Merrill Lynch said a further decline in oil prices remains the main risk, as almost 85% of budget revenues come from oil, making oil prices a constraint on fiscal spending. It added that despite the surpluses slipping into deficits, the region should be able to sustain the current level of spending and imports with oil prices at \$45/bbl in the short term. It noted that a further slide in oil prices is likely to push the fiscal and current account balance into double-digit deficits, which will call for faster consolidation with more project delays and cancellations, lower non-oil growth and higher default rates in non-strategic private sector businesses. It considered that Saudi Arabia and Qatar are better positioned to cope with these challenges, while the UAE and Kuwait seem more vulnerable, and the service-based economies of Oman and Bahrain have little savings and oil as well as limited policy options. It expected crude oil prices to move towards an average of \$56/bbl in the second half of 2009 after stabilizing at about \$44/bbl in the first half of the year. It warned that a drop in oil prices to \$35/bbl would lead to a fiscal deficit of 12.5% of GDP and a current account deficit of 8.2% of GDP in 2009.

Source: Merrill Lynch

QATAR

Negative outlook for banking system

Moody's Investors Service indicated that the outlook for the Qatari banking system is negative due to expectations of a weakening in operating conditions following many years of strong economic growth that has fuelled the franchise development of local banks. The agency said the direct impact of the international financial crisis on Qatari banks has been limited so far, but considered that the global recession will start to have an adverse effect on economic activity and the private sector's performance, including retail consumers. It said the negative outlook expresses concerns about deterioration in the banks' asset quality from decreasing demand in the property market, leading to a fall in real estate prices, among other factors. Also, the direct and indirect exposure of Qatari banks to the increasingly

volatile local stock market has worsened the sector's risk profile. It expected Qatari banks' profits to decline, mostly due to reduced growth in business volumes, squeezed interest rate margins from increased domestic competition for customer deposits and higher credit spreads in the wholesale market, and potentially increased credit costs. It noted that the sovereign wealth fund, the Qatar Investment Authority, plans to inject a total of \$5.3bn into the local banking system by buying stakes of up to 20% in some Qatari banks, which should strengthen the banking system's capitalization.

Moody's noted that relatively high gas export receipts will continue to be a strength to the Qatari economy and will offset to a certain extent potential weaknesses in other sectors. It added that, while government expenditures will continue to create business opportunities for the large Qatari banks, a prolonged period of global recession could result in revisions to the budgets of government investments, particularly for projects aiming to diversify local economic activity into sectors more vulnerable to adverse global economic conditions such as the hotel and tourism industry. The agency anticipated a contraction in the country's nominal GDP in 2009, even though Qatar's GDP per capita remains among the highest in the world.

Source: Moody's Investors Service

KUWAIT

Banks to face difficult 2009

Fitch Ratings indicated that Kuwaiti banks are likely to face a difficult period in 2009 due to the sharp slowdown in global economic activity and a large decline in oil prices, which will have a negative impact on the local economy. It expected profitability to decline as a result of slower loan growth, rising impairment charges for lending and investments, and the possibility of further negative mark-to-market valuations. It said Kuwaiti banks' indirect exposure to the stock market is significant, in the form of loans to investment companies and lending for the purchase of shares, which exposes them to potential asset quality problems. It added that a slowdown in the real estate and construction sectors in Kuwait has the potential to undermine asset quality.

The agency expressed concern about the exposure of Kuwaiti banks to troubled investment companies, as the outlook for this sector deteriorated rapidly in the second half of 2008, with the sharp fall in local equity prices, exposure to illiquid asset classes and reliance on short-term borrowing. Fitch noted that the deteriorating financial condition of investment companies may expose the local banking sector to potential asset quality problems, rising impairment charges and declining profitability. Fitch said that all Kuwaiti banks that have reported earnings to date suffered declines in net income in the fourth quarter of 2008 compared to the same period of the previous year as a result of increased impairments and reductions in fair values in their investment portfolios. It added that, in response to these problems, the Kuwaiti authorities announced a KWD1.5bn economic stimulus package in February 2009, which includes guarantees for new loans made by banks to investment companies. The package, which is due to be debated in parliament, could potentially improve the health of the country's financial system.

Source: Fitch Ratings



ECONOMY & TRADE

SYRIA

Current account deficit to widen in 2009-10

The Economist Intelligence Unit expected Syria's current account deficit to widen to \$1.5bn or 2.7% of GDP in 2009 before narrowing to \$1.3bn or 2.2% of GDP in 2010. It said the falling oil and agricultural prices will reduce the value of exports earnings by around 34% in 2009. It anticipated export earnings to grow again by 12% in 2010 as oil prices increase and as cotton and some other export prices strengthen slightly. It also projected oil production to remain relatively flat, averaging 376,000 barrels per day in 2009-10. It added that the net impact of oil prices on the trade balance is limited because Syria's imports of refined products are about equal in value terms to its exports of crude oil. The EIU also expected tourism to decline due to the global economic slowdown. It anticipated remittances from expatriate workers to continue to support the current account, although they will fall due to job losses in the Gulf and elsewhere.

Source: *Economist Intelligence Unit*

UAE

Federal government bails out Dubai

The Dubai government announced plans to issue \$20bn in unsecured 5-year sovereign bonds at a fixed interest rate of 4%. In parallel, the UAE Central Bank committed to subscribe to \$10bn and Dubai stated that it will not issue the second tranche of \$10bn before two or three years. Dubai will utilize the proceeds from the bond issue to help government-linked entities, mostly real estate firms, meet their various financial obligations and pay-off debt. Merrill Lynch said the deal should significantly reduce concerns about Dubai's high external debt repayment estimated at \$15bn in 2009, as the worst case scenario for Dubai seems to be averted. In parallel, Fitch Ratings said the resulting liquidity improvement from the bond program will be positive for government-linked corporates facing the need to refinance maturing debt at a time when the impact of regional economic conditions, especially in the construction and property sector, are becoming increasingly negative. It said Dubai is experiencing a property market slowdown with property demand and prices declining, increasing customer delinquencies and population growth slowing. Also, Moody's Investors Service noted that the Dubai government's requiring such a large amount of financial support reflects the serious challenges that its economy faces.

Source: *Merrill Lynch, Fitch Ratings, Moody's Investors Service*

ARMENIA

Russia extends \$500m loan for economic support

Russia signed a preliminary agreement to extend a \$500m credit line to Armenia that would help stabilize the economy amid the global financial and economic crisis. The Ministry of Finance announced that the loan is for 15 years and has a four-year grace period, adding that other aspects of the loan are still under negotiation. The Minister of Economy said the loan will help Armenia develop its infrastructure projects and that the deal does not tie the country to any non-financial obligations.

Russia is Armenia's biggest trading and investment partner, as it is the biggest investor in the Armenian economy, is the largest source of remittances to the country and is its main energy partner. Russia already dominates major sectors of the Armenian economy such as energy, communications and railroads. As such, concerns have been expressed that Armenia's economic dependence on Russia may become stronger after loan payouts begin. In parallel, Armenia announced it will receive a \$500m loan from the World Bank that will be used for rural infrastructure projects and channelled into small and medium-sized businesses through commercial banks.

Source: *ARKA*

UKRAINE

Key ratings on review for possible downgrade

Moody's Investors Service put Ukraine's 'B1' foreign and local currency government bond ratings, the 'Ba3' foreign currency country ceilings for bonds and the 'B2' bank deposits rating on review for possible downgrade. It said the action reflects concerns that persistent political uncertainty clouds the prospects for an orderly resolution of banking problems amid a severe economic downturn. The agency noted that, while there have been signs of support by parent European banks to Ukrainian banks and as the bank recapitalization scheme seems to imply lower-than-expected costs, the stabilization of the banking system remains key to the sovereign credit outlook. It added that weaknesses in the financial system and local currency have required various interventions by the National Bank of Ukraine, suggesting a trend towards regulatory interventions that might have consequences for sovereign credit ratings.

Source: *Moody's Investors Service*

KAZAKHSTAN

Sovereign ratings placed on Rating Watch Negative

Fitch Ratings placed Kazakhstan's Long-term foreign currency Issuer Default Rating (IDR) of 'BBB-' and its Long-term local currency IDR of 'BBB' on Rating Watch Negative. It said the rating action reflects concerns that the authorities' efforts to manage worsening problems in the economy and banking system are likely to have an adverse impact on the sovereign's finances in the near-term. It also placed the country's Short-term rating of 'F3' and Country Ceiling of 'BBB' on Rating Watch Negative. Fitch indicated that financial stress on Kazakhstan's banking system is intensifying and expected the sovereign to have to deploy more of its fiscal capacity soon to alleviate the strain, potentially weakening its own finances. It noted that Kazakhstan moved towards taking public ownership of two of the country's four biggest banks earlier this month, reflecting the scale of problems in the banking system. It noted that GDP growth slowed abruptly to 3.2% in 2008 from the 10% average annual rate seen during 2003-2007, impaired loans rose to 8%, while the 25% devaluation of the country's currency will have an adverse impact on the relatively high share of foreign currency denominated loans.

Source: *Fitch Ratings*



BANKING

WORLD

Banks likely to become less risky but less profitable

Standard & Poor's believes banks around the world face a new era of risk, reward, and regulation as the global credit crisis deepens. It said U.S. and European financial institutions, already affected by recessions, must cope with fundamental changes to their business, such as government ownership and high funding costs, and others undefined, such as financial rescue and economic stimulus plans. The agency said low liquidity and shaky confidence that plague the industry could significantly worsen with further asset-quality deterioration, straining both profitability and capital levels. It added that the banking system's recovery will be slow and painful, particularly because investors' already diminished expectations for banks' financial performance may still be too high. It expected that banks may never be as profitable as they were just five years ago, adding that it is not likely to see 23% or 25% returns on equity again. It noted that banks may become a lot more heavily regulated and a lot more heavily capitalized, leading to lower return on capital.

Source: Standard & Poor's

SUDAN

Central Bank takes measures to raise foreign currency reserves

The Central Bank of Sudan (CBS) required commercial banks operating in Sudan to post a cash margin of 100% on all imported goods at the start of the related banking operations, and irrespective of the payment mechanism used. It exempted from the above requirements the import of pharmaceuticals, human and animal serums, and raw materials for agriculture and industrial production, adding that banks can determine at their discretion the necessary margin for these products. In parallel, the CBS indicated that commercial banks can deposit foreign currency funds at the Bank for a one-year period, whereby the banks will receive annual returns higher than international market rates, with such returns equivalent to LIBOR + about 4%. The CBS would pay the returns quarterly and readjust them based on end-of-year profits. It added that commercial banks can deposit foreign currency funds at the CBS for one year in exchange for the equivalent in Sudanese pounds that the banks would lend in the market. Upon maturity of the deposits at the CBS, the Bank would conduct a Mubadala, or swap operation, and return the foreign currency deposits in exchange for Sudanese dinars with banks keeping the profits from the lending. The CBS had foreign currency reserves of \$1.6bn at the end of November, down from \$2.3bn at the end of last August, while the country imported about \$7.8bn worth of goods in 2008.

Source: Central Bank of Sudan, Byblos Research

GHANA

Central Bank raises rates sharply

The Monetary Policy Committee of the Bank of Ghana (BoG) raised its prime rate by 150bp to 18.5%. The sharp increase was unexpected as the BoG had steadily raised the prime rate from 13.5% to 17% by the end of July, as inflation rose sharply to

reach 18.4% annually in June from 12.8% in January 2008. However, the rise in the inflation rate slowed during the second half of the year to reach 19.9% in January and is expected to start easing in the second half of 2009 as food price inflation falls. However, the BoG seems concerned about the inflation outlook in case the currency further depreciates and is hoping that such a sharp rise in rates supports to the cedi, which has been under considerable pressure in early 2009. Also, the BoG may also feel that a sharp tightening of monetary policy, in conjunction with the likely tightening of fiscal policy when the 2009 budget is announced, will help to drive a rapid reduction in inflation at some point in 2009.

Source: Citigroup

TURKEY

Central Bank cuts policy rate by 150bps

The Monetary Policy Committee (MPC) of the Central Bank of Turkey (CBT) reduced the overnight borrowing rate by 150bps to 11.5%, following the 200bps cut only four weeks ago. The MPC said in its post-meeting statement that conditions in international markets and in the domestic economy remain challenging. It noted that the recovery is likely to take longer than expected, with a high probability of year-end inflation being significantly below the 7.5% target. In parallel, the MPC noted that despite the policy easing to date, financial conditions remain tight. It also indicated that the timing and the magnitude of possible additional easing will depend on factors affecting the inflation outlook. However, the MPC did not make any reference to the exchange rate that is 5% weaker than at the time of the last meeting or to the slippage in fiscal policy, the two factors that could have constrained the size of the cut.

Source: Citigroup, Deutsche Bank

KAZAKHSTAN

Downgrade of 8 banks

Fitch Ratings downgraded the Long-term Issuer Default Ratings (IDRs) of BTA Bank and Alliance Bank by two notches to 'B+' and 'B'. It also downgraded by one notch the Long-term IDRs of Kazkommertsbank and Halyk Bank to 'BB-', Bank CenterCredit and Temirbank to 'B+', Kaspi Bank to 'B' and Tsesnabank to 'CCC'. It changed the outlooks on Kaspi and Tsesna to 'negative' from 'stable' and placed the other banks on Rating Watch Negative. The agency said the downgrades follow its further review of the ability and willingness of the Kazakh authorities to provide support to the country's financial sector in case of need. It said the scale of support which the banking sector may require is greater than was previously anticipated in light of further recent deterioration in the operating environment and potentially sizeable problems at BTA and Alliance. It considered that the ability of the authorities to provide support to the banking sector has been negatively impacted in a material way, and is likely to be negatively impacted in the future.

Source: Fitch Ratings



ENERGY / COMMODITIES

Oil rises above \$43 after UAE cuts Asia supply

Oil rose above \$43 a barrel on February 26 after the United Arab Emirates announced deeper cuts in crude supply to Asia for April. U.S. crude for April delivery was up 70 cents at \$43.20 a barrel after hitting an intra-day high of \$43.57. London Brent crude gained 50 cents to \$44.79. U.S. crude futures surged \$2.54, or more than 6% on February 25 after U.S. data showed a larger-than-expected drop in gasoline stocks as demand rose on cheaper prices. The U.S. Energy Information Administration said gasoline stocks fell 3.4 million barrels in the week to February 20, against a forecast for just a 100,000-barrel draw. The data also showed a 1.7% rise in U.S. gasoline demand over the four weeks ending February 20th. Abu Dhabi's move to cut allocations may anticipate a decision by OPEC to cut more when the group meets in Vienna in March. Reports this week have shown high compliance by OPEC members on production cuts agreed last year to stop the slide in oil. Venezuelan Finance Minister said his country expected to propose new output cuts.

Source: Reuters

African Development Bank to lend Egypt \$450m for power plant

The African Development Bank has agreed to lend Egypt \$450m to help finance a 1,300 megawatt electricity project in Ain Sukhna. Earlier this month, the World Bank approved another loan for \$600m for the \$1.9bn project. The Arab Fund for Economic and Social Development and the Kuwait Fund are expected to finance the remainder.

Source: Al-Ahram

Algeria energy income to drop by 60% in 2009

The Ministry of Energy & Mines said Algeria may earn around \$30bn from its hydrocarbon sales in 2009 if energy prices remain at current levels, compared to \$76bn in 2008. Algeria has the world's 15th biggest oil reserves and supplies around 10% of Europe's gas needs. Despite the massive decline in energy prices and export volumes, the government plans to increase spending by 6.3% year-on-year relying on its large financial reserves accumulated over the past years.

Source: Reuters

Moody's revises integrated oil industry outlook to negative

Moody's Investors Service changed its industry sector outlook for the global integrated oil and gas industry to 'negative' from 'stable'. This change in outlook reflects Moody's view that weaker crude oil and refined product demand in the wake of the severe global economic downturn is likely to prevent any meaningful increase in oil prices in the near term despite the significant cuts in production initiated by OPEC in recent months.

Source: Moody's Investors Service

Shell to lend Nigeria \$3bn

Royal Dutch Shell plans to lend Nigeria more than \$3bn to sustain oil production and investment threatened by the lack of government funding. The move reflects Shell's reliance on Nigeria, its largest source of oil and gas after the US. In 2007 Nigeria provided more than one tenth of Shell's global production of about 3.3m barrels of oil equivalent per day.

Source: Financial Times

Base metals: Weak macro economic data continues to weigh on prices

The very weak data of economic and industrial activity in the world generated a further sell-off of base metals. January numbers for U.S. industrial production and building permits are all decreasing while Japanese GDP for the fourth quarter of 2008 showed a considerable contraction. After the sharp losses, base metals have seen a technical rebound. However, the fundamental backdrop remains negative. The demand weakness is also reflected in surging inventories. Aluminum recorded large inventory increases of more than 6% only in one week. As long as inventories continue to increase and production cuts are not implemented at a faster pace, base metals prices are likely to continue falling. Further price declines for all base metals are expected in the weeks ahead.

Source: Credit Suisse

Precious metals: Short-term profit-taking becomes increasingly likely

Precious metals continued to rally on strong investment demand. After a round of weak economic data, safe haven buying is likely to continue to support prices in the days ahead. However, precious metals prices could be affected by profit-taking. The recent rally is largely driven by safe haven flows. Once risk appetite improves, profit-taking on these positions could send prices temporarily lower. On a longer-term fundamental basis, the World Gold Council released supply and demand data for the fourth quarter of 2008. The data show that physical demand is strong but weakening.

In parallel, gold declined for a fourth straight day in London as a rally in European stocks and gains by the dollar lessened the precious metal's investment appeal. Gold fell 6.3% from an 11-month high of \$1,006.29 an ounce on February 20th. Gold for immediate delivery dropped \$11.32, or 1.2%, to \$942.51 an ounce. April futures lost \$22.80, or 2.4%, to \$943.40 an ounce in electronic trading on the Comex division of the New York Mercantile Exchange. Among other metals for spot delivery in London, silver dropped 1.9% to \$13.4438 an ounce. Platinum was little changed, gaining 0.2% to \$1,049.25 an ounce and heading for its first weekly decline in six weeks. Palladium rose 0.4% to \$198.75 an ounce.

Source: Credit Suisse, Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	161.3	180.1	218.7	2.7	-33.9
LME metals price index	1659.7	2289.9	3126.1	-6.4	-57.6
Oil prices USD	34.6	65.1	92.6	-4.0	-64.0
Oil prices SDRs	23.5	42.9	59.0	-1.2	-61.3
Gold \$/troy oz	972.4	827.5	870.6	16.5	7.6
Silver cents/troy oz	1405.0	1125.8	1440.5	30.3	-17.4
Platinum \$/troy oz	1087.0	991.4	1475.5	15.3	-48.5
Copper \$/MT	3151.3	4499.8	6407.1	-5.7	-60.3
Nickel \$/MT	9712.5	12709.2	18848.8	-9.7	-64.6
Aluminium \$/MT	1280.3	1885.5	2415.9	-11.4	-54.2
Zinc \$/MT	1070.5	1310.1	1710.5	-14.0	-53.9

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

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	19-Feb-09	No change	18-Mar-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	1.00	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	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	12-Mar-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	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	10.50	Feb-09	Cut 100bps	N/A
Turkey	Base Rate	11.50	19-Feb-09	Cut 200bps	N/A
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	01-Apr-09
Ghana	Prime Rate	18.50	Feb-09	Raise 150bps	N/A
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	6.75	09-Feb-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



Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (961) 338 100
Fax: (961) 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com.lb

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BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605
Riad El Solh - Beirut 1107 2811 - Lebanon
Phone: (+961) 1 335200
Fax: (+961) 1 339436

SYRIA

Byblos Bank Syria S.A
Abu Roummaneh Head Office
Al Chaalan - Amine Loutfi Hafez Str.
P.O.Box: 5424 Damascus - Syria
Phone: (+ 963) 11 9292 - 3348240 / 1 / 2 / 3 / 4
Fax: (+ 963) 11 3348207
E-mail: byblosbanksyria@byblosbank.com

SUDAN

Byblos Bank Africa Ltd.
Khartoum - Sudan
El Amarat -Street 21
P.O.Box: 8121 El Amarat - Khartoum - Sudan
Phone: (+249) 183 566 444
Fax: (+249) 183 566 454
E-mail: byblosbankafrica@byblosbank.com

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60,
Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457 / 9
Fax: (+ 964) 66 2233458
E-mail: iraqbranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street
Yerevan, 37500 - Republic of Armenia
Phone: (+374) 10 530 362
Fax: (+374) 10 535 296

NIGERIA

Byblos Bank Nigeria Representative Office
10-14 Bourdillon Road
Ikoyi, Lagos - Nigeria
Phone: (+ 234) 1 6653633
(+ 234) 1 8990799
E-mail: melamm@byblosbank.com.lb

BELGIUM

Byblos Bank Europe S.A
Bussels Head Office
10, Rue Montoyer
B-1000 Brussels - Belgium
Phone: (+32) 2 551 00 20
Fax: (+32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

ENGLAND

London Branch
Berkeley Square House - Suite 5
Berkeley Sq.
GB - London W1J 6BS - United Kingdom
Phone: (+44) 207 493 35 37
Fax: (+44) 207 493 12 33
E-mail: byblos.europe@byblosbankeur.com

FRANCE

Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

CYPRUS

Limassol Branch
1, Arch. Kyprianou / St. Andrew Street
P.O.Box 50218
3602 Limassol - Cyprus
Phone: (+357) 25 341433 / 4 / 5
Fax: (+357) 25 367139
E-mail: bybloscyprus@byblosbank.com

UNITED ARAB EMIRATES

Byblos Bank Abu Dhabi Representative Office
Intersection of Muroor and Electra Streets
P.O.Box: 73893 Abu Dhabi - UAE
Phone: (+ 971) 2 6336400
Fax: (+971) 2 6338400
E-mail: byblosbankuae@byblosbank.com

