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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate debt defaults top $280bn in 2008

Moody's Investors Service stated that rated corporate issuers defaulted on a total of $238.6bn of bonds and $42.7bn of loans in 2008. The agency said the global speculative-grade default rate ended 2008 at 4.1%, more than quadrupling 2007's year-end level of 0.9%, with the default rate for all rated corporate issuers rising to 1.9% at the end of 2008 from 0.3% at year-end 2007. It added that, for the first time since 2003, rating downgrades in 2008 surpassed rating upgrades, as the upgrade-to-downgrade ratio fell significantly from 2-to-1 in 2007 to 0.3-to-1 in 2008. Measured on a dollar volume basis, the global speculative-grade bond default rate ended 2008 at 5.8%, up from 2007's level of 0.6%. Moody's added that the volume-weighted default rate increased from 0.1% in 2007 to 2.2% in 2008. It said the financial industry was the most affected sector in 2008 as measured by default volume. The agency expected the number of defaulters to triple to roughly 300 companies from 101 companies in 2008. It also expected recovery rates on defaulted debt to decline in 2009 as default rates continue to increase, and because recovery rates are negatively correlated with default rates.

Source: Moody's Investors Service

Amendments to accounting rules to improve disclosure about fair value accounting

The International Accounting Standards Board issued amendments that improve the disclosure requirements about fair value accounting and reinforce existing principles for disclosures about the liquidity risk associated with financial instruments. The amendments to International Financial Reporting Standard (IFRS) 7 introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value accounting. The disclosures aim to improve comparisons between entities about the effects of fair value measurements. In addition, the amendments clarify and enhance the existing requirements for the disclosure of liquidity risk. This is aimed at ensuring that the information disclosed enables users of an entity's financial statements to evaluate the nature and extent of liquidity risk from financial instruments and how the entity manages this risk. The amendments to IFRS 7 apply for annual periods beginning on or after January 1, 2009. But an entity will not be required to provide comparative disclosures in the first year of application.

Source: International Accounting Standards Board

MENA

Region's sovereign wealth funds not most transparent

The Linaburg-Maduell Transparency Index of 49 sovereign wealth funds (SWFs) included 15 such funds from the Middle East & North Africa region. The index rates SWFs on a scale of 1 to 10, with 10 being the most transparent and 8 being an adequate level of transparency. The Abu Dhabi Mubadala Development Company and the Bahrain Mumtalakat Holding Company ranked in 12th place with a score of 7 points each. The Kuwait Investment Authority ranked in 16th place with 6 points, followed by the Qatar Investment Authority in 21st place with 5 points, the Investment Corporation of Dubai in 25th place with 4 points, Saudi Arabia's Public Investment Fund, the Abu Dhabi Investment Authority and Ras Al Khaimah's Investment Authority in 29th place with 3 points each, Saudi Arabia's SAMA Foreign Holdings, the Emirates Investment Authority and the Libyan Investment Authority in 32nd place with 2 points each, and Iran's Oil Stabilization Fund, Oman's State General Reserve Fund, Algeria's Revenue Regulation Fund and Mauritania's National Fund for Hydrocarbon Reserves in 37th place with one point each.

Source: Sovereign Wealth Fund Institute

SUDAN

List of 'high offenders' includes 26 firms

The Sudan Divestment Task Force's quarterly update on publicly-traded firms that warrant extra scrutiny by investors due to their business operations in Sudan included 26 firms on its list of 'highest offenders', up from 23 companies in its previous report. The list included 7 firms from each of China and Malaysia, 3 from India, 2 from each of France and Kuwait, and one from each of Finland, Sweden, Switzerland, Thailand and Morocco. The firms are in the oil, power and automotive sectors. They include China's SINOPEC Group and the China National Petroleum Corporation (CNPC), Malaysia's PETRONAS, Switzerland's ABB, France's ASLTOM and Morocco's ONA. It said companies on the list of 'high offenders' have proven to be largely unresponsive to engagement by shareholders or unwilling to alter problematic practices in Sudan. It also included under the category of 'ongoing engagement' 22 other publicly-traded firms whose operations are of concern, but that do not currently meet the criteria for divestment. Further, it listed 32 privately-held firms that currently demonstrate 'highest offender' or 'ongoing engagement' behavior.

Source: Sudan Divestment Task Force

OUTLOOK

EMERGING MARKETS

Developing countries face a financing gap of up to $700bn, rollover of maturing debt is key risk

The World Bank considered that the global financial crisis will have long-term implications for developing countries, adding that financial conditions facing these economies have deteriorated sharply. It estimated that developing countries face a financing gap of $270bn-$700bn depending on the severity of the economic and financial crisis and the strength and timing of policy responses. It warned that existing resources of international financial institutions are inadequate to meet the financing needs this year of these countries, which include public and private debt and trade deficits. It added that 94 out of 116 developing countries have experienced a slowdown in economic growth, while only 25% of vulnerable developing countries have the ability to finance measures to reduce the economic downturn, such as job-creation or safety net programs.

The World Bank indicated that sovereign debt issuance by high-income countries is set to increase dramatically, crowding out many private and public developing country issuers, and many institutions that have provided financial intermediation for developing country clients have virtually disappeared. It said developing countries are likely to face higher spreads and lower capital flows than over the past 7-8 years, leading to weaker investment and slower growth in the future. It added that the rollover of maturing debt constitutes a key risk to emerging markets, especially banks and corporates, as their lack of access to capital markets will put additional financial pressure on governments. It estimated that well over $1,000bn in EM corporate debt and up to $3,000bn in total EM debt matures in 2009, most of which reflects claims of major international banks extended through their affiliates and branches located in emerging markets.

Source: World Bank

NIGERIA

Growth to slow to 3.4% in 2009, political stability and oil prices are main risks

The Institute of International Finance projected real GDP growth in Nigeria to slow from 5.5% in 2008 to 3.4% in 2009, as low oil prices and a tightening of global credit reduce capital inflows. It said low oil prices will reduce government spending, which is likely to reduce domestic demand for goods and services and add to the impact of the global recession on the local economy. It noted that non-oil GDP grew by 9.5% in 2007 and 8.8% in 2008, adding that the non-oil economy will remain the driver of economic growth and will post a growth rate of 3.5% in 2009, as agriculture and services continue to expand. However, after four years of contraction, it expected the oil economy to outpace the non-oil sector with growth of 4% this year.

The IIF indicated that a decline in fiscal revenues and a projected increase in government spending will shift the fiscal balance sharply into a deficit of 5.4% of GDP in 2009 from a surplus of 1% of GDP in 2008. It said inflationary pressures will likely persist despite relatively weak private consumption, as the recent weakening of the naira is likely to increase imported inflation. It expected average inflation to reach 6.3% in 2009 and 8.8% in 2010. It also noted that political pressure will prevent the Central Bank from raising interest rates enough to moderate the effect of monetary expansion.

The IIF considered that low oil prices and constrained oil production will lead to a current account deficit of 4.4% of GDP in 2009 compared to a surplus of 2% of GDP in 2008. It also expected capital inflows to remain weak this year and next, as there is little appetite to support major inflows in the short term. The IIF considered that uncertainties about political stability and oil prices constitute the main risks to the outlook, as a significant adverse turn would affect the financing prospects of the projected current account and fiscal deficits this year. It estimated that foreign exchange reserves will fall moderately to $53.9bn in 2009 but that they will rise from 8 months to over 10 months of import cover.

Source: Institute of International Finance

IRAQ

Economic growth to average 6% in 2009-10

The Economist Intelligence Unit projected real GDP growth in Iraq to remain relatively strong at an average of 6% in 2009-10, as the improved security situation is expected to allow private-sector activity to revive. It forecast exports to grow in 2009-10 due to the increase in oil production, led by the start of exports from two fields in the Kurdistan area. The EIU also anticipated import growth to increase markedly, as Iraq relies heavily on imports for both consumer goods and capital inputs. It indicated that growth will be uneven, as recovery is likely in some of Iraq's more ethnically and religiously homogenous southern and western provinces, leading to increased investment and greater wholesale and retail activity. It also expected the robust economic growth already witnessed in the more stable Kurdistan areas to continue, but anticipated growth in some mixed areas in central and eastern Iraq to continue to stagnate.

The EIU expected inflation to remain low in 2009-10, with the stable dinar helping to reduce import costs and supplies through Iraq's southern ports improving. It forecast average inflation to reach 5.4% in 2009 as international non-oil commodity prices fall sharply, and for inflation to increase slightly to 7% in 2010 as domestic demand increases and global food prices rise. The EIU projected government revenues to decrease by 42% in 2009 before rising again by 23.7% in 2010 due to the partial recovery in oil prices. It said the government has twice reduced its 2009 budget twice, although rising expenses on public-sector wages and on the expanding security forces, together with improved capital project implementation, will prevent a contraction in overall expenditure in 2009-10. As a result, it forecast the fiscal account to move from an estimated surplus of $12bn, or 14% of GDP, in 2008 to a deficit of $21bn, or 29% of GDP in 2009 and a deficit of $11bn, or 13% of GDP, in 2010. It considered that economic policy-making will be constrained by the weakness of central government control, adding that the government's primary aim will be to improve project implementation, in part by encouraging greater local participation and cutting bureaucratic constraints.

Source: Economist Intelligence Unit

ECONOMY & TRADE

MENA

Arab travel and tourism competitiveness relatively low

The World Economic Forum Travel and Tourism Competitiveness report for 2009 indicated that the Arab world's travel and tourism sector is less competitive than most other regions around the world. The report ranked countries on the factors and policies that make the development of the travel and tourism sector attractive such as the regulatory framework, the business environment & infrastructure, and the human, cultural & natural resources. The Arab world's average score was 4 points, below the global average of 4.08 points, as well as below Europe's average of 4.60 points, Asia Pacific (4.08), the Americas (4.01), but higher than the overall Middle East & Africa region's average of 3.58 points. The UAE is the most competitive Arab country in terms of travel and tourism with a score of 4.57 points, followed by Qatar (4.49), Bahrain (4.42), Tunisia (4.37), Jordan (4.25), Egypt (4.09), Oman (4.01), Saudi Arabia (3.89), Morocco (3.86), Syria (3.73), Kuwait (3.63), Libya (3.38) and Algeria (3.31). Tunisia has the regulatory framework that promotes best the development of the travel & tourism sector. The UAE has the best business environment & infrastructure in the Arab world and Libya the worst, while Qatar has the highest level of human, cultural, & natural resources and Libya the lowest.

Source: World Economic Forum, Byblos Research

SYRIA

Stock market officially opens

The Damascus Securities Exchange (DSE) officially started trading on March 10, 2009 after three weeks of experimental trading. Trading will take place two days a week initially in order to give investors more confidence and transparency in the conduct of operations. Banque BEMO Saudi Fransi, Arab Bank-Syria, Bank of Syria & Overseas, Bank Audi Syria, Al Ahliah Transport Co., and the United Group for Publishing, Advertising & Marketing received final approval to list on the bourse and are listed on either the formal or parallel markets. International Bank for Trade & Finance, the Agricultural Engineering Investment Company, al-Ahlya Company for Vegetable Oils, as well as the Syrian Arab Company for Tourism Construction have preliminary approval to list on the exchange. The DSE said the share price will be allowed to increase by a limit of 2% and that a share couldn't be bought and sold in the same day.

Source: Syria News, Dow Jones Newswires

UAE

More than 50% of Dubai projects on hold or cancelled

Real estate consulting firm Jones Lang LaSalle indicated that more than 50% of the announced residential and commercial projects due for completion in Dubai between 2009 and 2012 have been either put on hold or cancelled. It said the turmoil in the global economy is continuing to cause volatility and uncertainty in the Dubai real estate market with significant slowing of economic activity, falling employment levels, declining population growth and a severe tightening of credit. It said vacancies in the Dubai office market have doubled to around 16% over the past six months, the highest rate ever recorded, while the hospitality market is reporting the lowest occupancy rate in five years. It noted that projects announced as recently as October 2008 have already been scaled back, delayed or phased over a much longer period in view of the prevailing market conditions. Also, work on many developments already under construction has been placed on hold and few projects where construction is not already underway are unlikely to start in the current environment. Jones Lang LaSalle stated that the global financial crisis has deeply impacted demand dynamics and expected activity in the residential sector to slow further in the first half of 2009.

Source: Jones Lang LaSalle

ARMENIA

IMF program to support ratings

Fitch Ratings indicated that the IMF loan facility of $540m would help the adjustment of Armenia's economy to the global and regional economic shock, and support the outlook for its sovereign ratings. Armenia has foreign and local currency Issuer Default Ratings (IDRs) of 'BB' with 'stable' outlooks, a Country Ceiling of 'BB+' and Short-term rating of 'B'. The agency said Armenia's decision to seek a precautionary IMF program and allow a freer float for the currency signal the authorities' cautious approach to managing current difficulties. It noted, however, that the decline in reserves till end-January indicates the scale of the shock and suggests there is little room for policy missteps. Fitch said the IMF program will help Armenia's banks absorb the impact of dram depreciation for the 38% of loans in the system denominated in foreign currency. It said the banking sector is still relatively well-capitalized and credit to the private sector is only at 17% of GDP, which should make any potential problems more manageable than for most of Armenia's regional peers. It stressed that the ratings would be supported through the successful implementation of the IMF program and sustained domestic policy discipline. It considered that public finances remain a rating strength, with government debt projected at around only 14% of GDP by end-2008.

Source: Fitch Ratings

Grant of $35m to face financial crisis

The World Bank extended to Armenia a $35m grant to be drawn from a $2bn fund created by the Bank last December to speed assistance to developing countries trying to cope with the financial crisis. The Bank said the fast-track grant will provide immediate employment opportunities and will also help upgrade the infrastructure needed to foster medium-term growth. The funding will help upgrade 100 km of rural roads and other infrastructure, and support community-focused economic development, particularly in hard-hit rural areas. Part of the funding will go to the Armenian Social Investment Fund, which has financed more than 600 micro-infrastructure projects and help raise living standards in rural areas. Armenia is one of the first two countries to benefit from the Bank's initiative.

Source: World Bank

BANKING

SAUDI ARABIA

Sector well-positioned to weather crisis

Merrill Lynch considered that the Saudi banking sector is exposed to the key risks facing the GCC region such as funding constraints, capital markets exposure, and asset quality deterioration. It noted, however, that it remains in better shape than other banking sectors in Gulf countries due to its tighter regulation and broader local market. It said the market remains underpenetrated, with private-sector credit equivalent to only 43% of GDP at end-2008 compared with over 70% in the UAE. Also, real estate loans and mortgages have been negligible at 1.1% of GDP and 0.6% of GDP, respectively, at end-2007. It added that retail lending has been low, partly due to the restrictions imposed following the 2006 stock market crash, such as the 30% ceiling on consumer loans by banks. By contrast, corporate lending has been rising due to numerous infrastructure projects. Merrill Lynch said banks are expected to reduce their loan growth due to efforts to reduce loan-to-deposit ratios and from some uncertainty over asset quality. It expected corporate lending growth rates to decline in 2009, as falling oil prices and distressed capital markets would reduce access to credit of Saudi corporates.

Source: Merrill Lynch

QATAR

Government to buy banks' investment portfolios

The government announced plans to buy all or part of the investment portfolios of the local banks at a price reflecting the cost of the portfolio as at February 28, 2009 minus allocations accumulated by the end of December 31, 2008, so the price would reflect the book value of the stakes as at year-end 2008. The purchasing process is expected to be completed by the end of March and will be coordinated with the Central Bank of Qatar. The decision would lead to a direct transfer of value, reflecting full compensation for any losses or negative revaluations since year-end; a direct transfer of risk from the banks to the government, and reduces pressure on banks to sell down their portfolios. The action reflects the reduction in risk and the commitment of the government towards the financial sector. Last October, the Qatari Investment Authority announced a $5.3bn injection into the local banking system as a measure to strengthen the capitalization of banks.

Source: EFG Hermes, Shuaa Capital

UAE

Draft law authorizes credit bureau

The Federal National Council approved a new draft law that will require credit checks on every person applying for a loan in the UAE. The law aims to reduce the amount of defaults and unpaid loans. The law allows for the creation of an independent credit bureau that will keep credit data on every Emirati and expatriate and will provide banks and financing firms with credit information about clients applying for loans or credit cards. Currently, only the Central Bank provides data on credit history and will only do so for loans exceeding AED500,000. The federal government will hold 45% of the credit company, with the rest owned by local governments and the private sector.

Source: Arabian Business, Thomson Reuters

YEMEN

Low level of financial intermediation slows economic growth

The International Monetary Fund supported the Central Bank of Yemen's current policy of maintaining a stable exchange rate to help achieve the authorities' inflation objective and maintain price stability, as inflation reached 15% at end-2008. However, it stressed the need for greater exchange rate flexibility allowing for a real effective depreciation of the currency in the medium term to preserve external sustainability. It said foreign reserves reached totaled $7bn at end-2008, equivalent to 13.3 months of import cover. The Fund noted that the low level of financial intermediation remains a constraint on economic growth, with credit to the private sector at 23% of GDP, and called for continued financial sector reforms. It welcomed the strengthening of minimum capital requirements and the establishment of a deposit insurance scheme, and highlighted the need to strengthen bank regulation and supervision. It supported ongoing progress in introducing a microfinance law, as well as in developing a framework for combating money laundering and terrorism financing.

Source: International Monetary Fund

TURKEY

Banks better prepared to face challenges

Fitch Ratings indicated that the Turkish banking sector's resilience has improved significantly, supported by an enhanced regulatory environment, but the challenging economic and financial conditions threaten to exacerbate asset quality problems. It said loans denominated in foreign currency account for 29% of total lending and are mostly extended to corporates with foreign currency earnings, while retail loans are almost all in Turkish Lira. The agency noted that this mitigates an immediate asset quality risk in case of a sharp deterioration of the currency. Also, total capital adequacy ratio was at 17.4% at end-September 2008, providing a comfortable buffer for a potential asset quality deterioration and drop in profitability. Fitch noted that the sector's funding profile remains largely reliant on the stable retail deposit base, which accounted for around 70% of non-equity liabilities at end-2008, while wholesale funding average less than 15% of non-equity liabilities. It said the loan-to-deposits ratio remained at a comfortable 81% in 2008, reflecting the funding flexibility the sector has at a time of tight global liquidity.

Source: Fitch Ratings

JORDAN

Central Bank lowers policy rates, reduces reserve requirements

The Central Bank of Jordan (CBJ) lowered the policy rate by 50 bps, citing a downward trend in inflation and expectations of further decline. The rate cut is the second since November and will lower the repurchase price by 50bps to 5.5% and the discount rate by 25bps to 5.75%. The CBJ also reduced the reserve requirements on bank deposits in local and foreign currencies by 100 bps to 8% starting at the end of May.

Source: PETRA, Jordan Times

Oil declines under $45 after 9% jump

Oil rose above $43 a barrel on March 12 after falling more than $3 in the previous two sessions on the back of U.S. data showing a further build in fuel stocks. Ministers of the Organization of the Petroleum Exporting Countries meet in Vienna on March 15 where the focus could be on enforcing current supply cuts rather than agreeing to new output targets. U.S. light crude for April delivery rose 82 cents to $43.15 a barrel after falling more than 7% on March 11, when a bigger than expected U.S. crude oil build and a fall in Chinese imports generated a wave of selling. London Brent crude gained 87 cents to $42.27. The latest figures from China showed industrial output growth ground almost to a standstill at the start of the year, but data showing a continued surge in bank lending in February gave optimism that activity could soon rebound. Showing similarly mixed signals, China's daily refinery output fell 2.3% in February from a year ago, but production improved after January's sharp 9.4% drop, and hit a four-month high.
Source: Thomson Reuters

OPEC to cut its 2009 oil demand forecast

The Organization of the Petroleum Exporting Countries will cut its 2009 oil demand forecast, a move that may lend support to calls from some members for further supply curbs at a meeting on March 15th. OPEC expects the slowing global economy to burn a million barrels per day (bpd) less oil than the producer group forecast just a month ago.
Source: Thomson Reuters

KPC to spend $80bn over 5 years

Kuwait Petroleum Corporation said it will spend $80bn in the next five years, with about 45% going into upstream operations in Kuwait, another 45% allocated into downstream, with the remaining 10% going to market opportunities. KPC will increase production to 4 million bpd, with 3 million bpd to be reached by end of next year. KPC also intends to expand its refining capacity to 1.4 million bpd from the current 900,000 bpd.
Source: Dow Jones Newswires

Morocco to invest $10bn in energy projects

The Ministry of Energy said Morocco is planning to invest $10.3bn in projects across the energy sector. This will include building new power plants, expanding oil storage capacity and increasing the search for hydrocarbons until 2015. The plans bring together the government and private sector to implement a strategy aimed at securing energy supply and diversifying energy sources. The scheme also includes soft loans for transport firms and renewing taxi fleets in an effort to decrease oil consumption and reduce pollution in big cities.
Source: Thomson Reuters

Base metals: Tighter copper market in China lifts sentiment

Copper prices traded in a large sideways trend through February, with the market regaining some strength late in the month due to a modest improvement in sentiment. However, the latest demand indicators show continued weakness. China is an exception and is holding up relatively well. The latest trade statistics show that China's imports of refined copper remained high at 180ktons in January. The Shanghai market has been trading at a premium of $90 per ton to the LME, suggesting a better physical market in the country. However, supply is globally outpacing demand, and LME stocks reached 548ktons in February.

While copper has rallied in recent days, the near term trend will be downwards. An important development is that copper inventories on the LME have moved from very low to more comfortable levels. This suggests that if copper breaks out of its recent range, the next move is more likely to be lower than higher. The market is expected to turn lower once more in the months ahead due to weak demand before finally finding a floor. Heading into the end of the year, copper is expected to rally again as demand improves and the US dollar weakens.
Source: Standard Chartered

Precious metals: Gold ETF flows hit record levels

There has been a strong surge in gold prices in the past few weeks, with the market hitting an 11-month high above $ 1,000 an ounce before retreating on profit-taking. Falling equity markets and renewed fears about the banking sector resulted in investors across the world rushing into safe-haven assets. This showed up most visibly in the main gold exchange-traded fund (ETF) that reached a fresh record high of 1,028 tons in late February. The increase in February to date has been 185 tons, equivalent to an inflow of around $5.7bn. This is the largest inflow since the contract was established in 2005.

Gold's outlook remains positive. Strong investor interest across the world remains the key driver, both into ETF and other physical forms of gold, with demand from the jewellery sector notably absent. This does make the market more vulnerable to a change in sentiment, and a pull-back is anticipated in the short term before the market moves higher once more. A decisive break through the $1,000 an ounce is forecast in the second half of 2009.
Source: Standard Chartered

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	150.6	171.5	214.5	-4.4	-44.6
LME metals price index	1816.6	2117.1	3027.9	1.8	-57.7
Oil prices USD	45.2	58.3	90.3	12.0	-54.8
Oil prices SDRs	31.0	38.7	57.8	14.8	-49.9
Gold $/troy oz	913.2	838.5	870.4	0.8	-5.4
Silver cents/troy oz	1287.0	1122.9	1419.6	3.8	-36.7
Platinum $/troy oz	1039.0	954.1	1431.1	8.0	-54.3
Copper $/MT	3542.5	4099.9	6206.8	6.8	-59.2
Nickel $/MT	9757.5	11738.6	18049.4	-15.9	-70.6
Aluminium $/MT	1301.5	1757.3	2349.6	-5.9	-58.2
Zinc $/MT	1145.8	1248.1	1651.2	-1.3	-59.2

Source: Credit Suisse

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	EIU	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 (%)
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+ Stable	Ba1 -	BB+ Stable	BBB- Stable	BB 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+ Stable	- -	B+ Negative	- -	B 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+ Stable	Ba1 -	BBB- Stable	BBB- Stable	BB Stable	-2.6	51.8	24.1	73.9	5.7	74.1	-0.1	3.3
Nigeria	BB- Stable	- -	BB- Stable	- -	BB 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 Stable	Baa2 -	BBB Stable	BBB Stable	BB Stable	-3.1	49.8	50.6	105.6	12.3	235.5	-3.3	3.8
Middle East													
Bahrain	A Stable	A2 -	A Stable	A Stable	A Negative	-3.4	18.2	187.7	321.7	4.6	63.8	6.2	0.4
Iran	- -	- -	B+ Stable	BB- Stable	B 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 Stable	Ba2 -	- -	BB Stable	B Stable	1.3	51.4	65.6	122.2	4.8	198.6	-10.0	11.4
Kuwait	AA- Stable	Aa2 -	AA- Stable	AA- Stable	A Stable	22.6	4.9	40.4	134.2	6.2	229.7	23.6	-9.9
Lebanon	B- Stable	B3 -	B- Stable	B- Stable	CCC Stable	-10.8	145.6	97.5	614.9	20.4	199.0	-12.0	9.0
Oman	A Stable	A2 -	- -	A Stable	A Stable	-1.9	3.5	21.4	68.7	-	113.0	-4.0	4.0
Qatar	AA- Stable	Aa2 -	- -	AA- Stable	A Stable	1.7	4.1	52.5	189.8	7.3	359.3	24.3	7.8
Saudi Arabia	AA- Stable	A1 -	AA- Stable	AA- Stable	BBB 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- Stable	A Negative	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
Yemen	- -	- -	- -	B Stable	CCC 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	-	Negative	-	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	Negative	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	CCC+	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 Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	0.25	28-Jan-09	No change	17-Mar-09
Eurozone	Refi Rate	1.50	05-Mar-09	Cut 50bps	02-Apr-09
UK	Base Rate	0.50	05-Mar-09	Cut 50bps	09-Apr-09
Japan	O/N Call Rate	0.10	19-Feb-09	No change	18-Mar-09
Australia	Cash Rate	3.25	03-Mar-09	No change	07-Apr-09
New Zealand	Cash Rate	3.00	12-Mar-09	Cut 50bps	N/A
Switzerland	3 month Libor target	0.25	12-Mar-09	Cut 25bps	N/A
Canada	Overnight rate	0.50	03-Mar-09	Cut 50bps	21-Apr-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	1.25	18-Feb-09	Cut 25bps	Mar-09
South Korea	Target Rate	2.00	12-Mar-09	No change	N/A
Malaysia	O/N Policy Rate	2.00	24-Feb-09	Cut 50bps	29-Apr-09
Thailand	1D Repo	1.50	25-Feb-09	Cut 50bps	08-Apr-09
India	Repo rate	3.50	04-Mar-09	Cut 50bps	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	19-Mar-09
South Africa	Repo rate	10.50	05-Feb-09	Cut 100bps	Mar 09
Kenya	Central Bank Rate	8.50	28-Jan-09	No change	Apr-09
Nigeria	Monetary Policy Rate	9.75	09-Feb-09	No change	Apr-09
Ghana	Prime Rate	18.50	24-Feb-09	Raise 150bps	Apr 09
Mexico	Target Rate	7.50	20-Feb-09	Cut 25bps	20-Mar-09
Brazil	Selic Rate	11.25	11-Mar-09	Cut 150bps	N/A
Armenia	Refi Rate	7.75	04-Mar-09	Raise 100bps	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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