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BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Global crisis is increasing risk of sovereign defaults

Moody's Investors Service indicated that, as the financial crisis spread to emerging markets and global economic growth slowed, sovereign credit trends were reversed as rating downgrades exceeded upgrades in 2008 for the first time in several years. It said two sovereigns defaulted, as Ecuador and the Seychelles both missed interest payments on their global bonds in the second half of the year. Also, seven countries were downgraded, mostly during the second half of the year, as the global financial crises spread first to Iceland, then to emerging European markets such as Hungary and Latvia, and then to emerging market countries as geographically diverse as Egypt, Pakistan, and Ecuador. Further, three countries have been downgraded so far in 2009, 10 countries currently have 'negative' outlooks and five sovereigns are on review for downgrade out of 109 rated countries. The agency noted that the rating actions are an indication of the challenges that the synchronized financial crisis brings for sovereigns in 2009. It noted that sovereign ratings have historically proven to be accurate predictors of relative default risk, as all sovereign defaulters have had ratings of 'Ba2' or less within one year prior to default. Moody's also said that, historically, sovereign ratings have been more stable at higher rating levels and modestly more stable than their corporate counterparts.

Source: Moody's Investors Service

MENA

Creditworthiness deteriorates in region

Institutional Investor magazine's semi-annual survey on global creditworthiness shows that creditworthiness in the Middle East and North Africa region regressed in the past 6 months as well as on an annual basis. The average rating score of 20 countries in the MENA region reached 48.8 points in March 2009, down 5.6% from 51.7 points in September and 3.4% from 50.5 points in March 2008. Also, the average score of the Arab countries regressed to 48.7 points in March from 51.38 points in September and from 50.27 points in March 2008. The rankings of 9 MENA countries improved, 10 regressed and one was unchanged, while the scores of all 20 countries declined from September 2008. Qatar, Morocco, Algeria and Libya registered the biggest rise in the rankings in the region, jumping by 4 spots each, while Iraq posted the steepest drop with a decline of 19 spots in the rankings to 157th place. Also, the scores of 15 countries in the region decreased by one or more points, the amount considered a significant change for an individual country. The UAE posted the steepest decline numerically with a drop of 11.7 points and Iraq registered the biggest drop in percentage terms with a 26.4% fall. Qatar replaced the UAE as the country with the best creditworthiness in the region while Sudan had the highest probability of default. Globally, the average rating declined to 45 points from 47 points last September and from 46.6 points in March 2008.

Source: Institutional Investor, Byblos Research

Region is the most water scarce in the world

The UNESCO's third World Water Development report stated that the MENA region is the most water-limited region in the world, holding only 1% of global runoff. It expected water scarcity in the region to worsen due to lower rainfalls and to the high rates of population growth, as the region's population in 2080 could reach 5.4 times its level in 2000. It added that these demographic and climate factors are increasing the number of areas where water has become a limiting factor for irrigated agriculture and are tightening food production in the region as it can no longer satisfy its food requirements. The UNESCO also added that environmental degradation from water pollution and excessive withdrawals have negative economic impacts, as the cost of environmental degradation in the region is estimated at $9bn a year, accounting for between 2.1% to 7.4% of the region's GDP. Latin America is the most water-rich region in the world accounting alone for one third of the global runoff, followed by North America and Western Europe with 20%, Asia with 25%, Sub-Saharan Africa with 11%, and Eastern Europe, the Caucasus & Central Asia with 10%.

Source: UNESCO, Byblos Research

KUWAIT

Sovereign ratings placed on review for possible downgrade

Moody's Investors Service placed Kuwait's 'Aa2' local and foreign currency government bond ratings and the 'Aa2' country ceiling for foreign currency bank deposits on review for possible downgrade. It attributed the rating action to the recent resignation of Kuwait's government and the dissolution of parliament, which reflect an erosion of institutional strength. It said this is of particular concern given the current challenges that the country faces from the global economic and financial crisis. The agency said the erratic and tumultuous policy environment in Kuwait, with both the executive and legislative branches of government affected, is weighing on its opinion of Kuwait's sovereign creditworthiness, as institutional strength and policy predictability are particularly important for inclusion in the highest rating categories. Moody's said its ratings review will focus on the degree to which Kuwait's governance and institutional capacity are being undermined and the effect this is having on the country's macro-policy framework. The review will also investigate the fiscal impact of the government's plans to support the private sector and the potential challenge of mounting contingent liabilities.

Source: Moody's Investors Service

OUTLOOK

EMERGING MARKETS

Syndicated lending to remain at all time low, borrowing to shift to local markets

Deutsche Bank indicated that syndicated bank lending to emerging markets (EM) has collapsed and is unlikely to recover soon, given the dramatically decreased appetite of Western banks for EM risk due to the ongoing need to deleverage as well as to political pressure to focus their lending domestically. It said EM companies are finding it increasingly difficult to secure financing from developed market banks, as firms that clearly need the credit to re-finance existing loans are the least likely to be able to secure it, while the less needy are more likely to secure funding but are unwilling to pay the higher costs. Deutsche Bank noted that the total amount of lending in January and February was $22.2bn, constituting the lowest gross amount for the first two months of the year since 1995. It projected total EM syndicated lending at $181bn for 2009, which is 65% lower than the average of the past three years and is only 53% of the amount that is coming due, implying a net repayment for EM borrowers of $158bn.

Deutsche Bank identified new patterns in lending to EMs, such as banks within EMs providing a significant proportion of lending, usually within the same country as in the case of Russia and the UAE earlier this year. It added that unsecured lending is becoming much less common, with pre-export finance increasingly becoming one of the few forms of lending that Western banks are prepared to offer to EM borrowers. It said creditors are increasingly seeking to accelerate repayment, adding to the pressure on borrowers, and are increasingly taking advantage of opportunities to accelerate repayment rather than agree to requests for waivers from borrowers. It noted that such action is most evident in areas under stress such as Ukraine and Kazakhstan, but still highlights a wider risk for borrowers. It considered that these trends will force banks and corporates within EMs to deleverage and find alternative sources of financing. In some countries, governments have the resources to step in and provide financing. In addition, multilateral lending organizations will play an increasing role in plugging the gap.
Source: Deutsche Bank

SAUDI ARABIA

Economic growth at 0.1% in 2009, country has the means to absorb lower oil prices

Credit Suisse projected real GDP growth in Saudi Arabia to slow to just 0.1% this year after six years of an oil-fuelled boom, when the economy expanded at an average pace of 5% per year. It assumed Saudi Arabia’s crude oil output to contract by 9% to 7.4 million bpd in 2009, adding that concerns about weakening oil demand leave the door open for additional production cuts by OPEC, which would further limit the Kingdom's overall economic performance. It forecast activity in the non-oil sector to also decelerate, with non-oil GDP slowing modestly to 3.5% in 2009 from 3.7% in 2008. It noted that concerns that the economic downturn and credit squeeze could lead to retrenchment in the business sector have contributed to the government's decision to increase public expenditures in the 2009 budget. It said the sizable revenue windfalls amassed during the recent oil boom should allow the government to continue with key industrial and infrastructure projects, as well as provide additional social spending. Capital spending is budgeted to increase 36% to $60bn under the plan, and should help to underpin activity in the non-oil sectors of the economy Moreover, the economy is likely to avoid a steep correction in property prices because speculative demand was not nearly as pronounced as in Dubai and there remains a shortage in housing supply.

Credit Suisse indicated that falling oil income will push the fiscal balance into a deficit in 2009 for the first time since 2002. It forecast the government’s oil revenues to plunge 46% to 28.4% of GDP, and overall government revenues to fall 42% to 34.4% of GDP. Given the combination of strong spending and lower revenues, the fiscal balance is set to posting a deficit of 7.3% of GDP in 2009 compared to a surplus of 16.5% of GDP in 2008. It warned of downside risks to fiscal performance given the possibility of lower oil prices that could drag overall revenues down and lead to a larger fiscal deficit equivalent to up to 13.9% of GDP. But it considered that the country has the financial means to absorb the lower oil prices and manage through the near-term weakness in its fiscal balance without too much difficulty. It also projected the current account to remain in surplus but to narrow sharply to $28bn or 7% of GDP in 2009 from $121bn or 26% of GDP in 2008.
Source: Credit Suisse

JORDAN

Banking sector vulnerable to credit and concentration risks

The International Monetary Fund indicated that the weaker global environment poses significant risks to the Jordanian banking sector, even though profitability and soundness indicators are generally favorable. It said stress tests indicate limited exposure to interest rate, liquidity, interbank contagion and other market risks, but identify vulnerability to credit and concentration risks. It highlighted the real estate, construction, and foreign trade sectors are vulnerable to weaker activity, adding that banks with substantial exposures abroad will also be adversely affected by the slowdown in advanced economies. It said strong trade links with the region and rest of the world imply that the global economic downturn will affect the domestic economy, and identified managing the prospective slowdown as the key near-term challenge. It noted that banks have been re-pricing credits, closely monitoring exposures, and building capital buffers to reflect the heightened risks in their portfolios.

The Fund called for intensified banking supervision in the current environment, and identified a number of areas that would strengthen the financial system such as strengthening capital adequacy of banks close to the regulatory minimum, enhancing consolidated supervision, and developing a contingency planning framework. It encouraged the authorities to intensify their contingency planning to deal with worst-case situations, including delineation of responsibilities and coordination between the Central Bank of Jordan, the Ministry of Finance, and the Deposit Insurance Corporation. It also recommended recapitalizing the CBJ over the medium term.
Source: International Monetary Fund

MENA

Private equity funds raise $6.4bn in 2008

The Gulf Venture Capital Association indicated that private equity funds in the Middle East and North Africa raised a record $6.4bn in 2008, constituting an increase of more than 10% from 2007 and more than twice the amount raised in 2005. It said the average fund size was $258m in 2008 compared to $213m in 2007 and $177m in 2006, adding that large-size funds are primarily responsible for this growth trend, which is driven by the need for more flexibility in structuring deals and the past success of large buyout transactions. The GVCA said the region's private equity funds are highly liquid, as $11bn of the $19.6bn raised since 2000 have yet to be deployed and remain available for acquisitions. It added that this liquidity is a result of both an increase in fundraising and a decrease in deals, with the number of private equity investments dropping by 22% and the total investment size falling by 31% between 2007 and 2008. It noted that this liquidity gives private equity a strategic opportunity regarding target companies given the limited scope of other funding sources available in the current environment. The GVCA said Egypt was the largest recipient of private equity funds with 33% of total investments last year, followed by Saudi Arabia with 15% and the UAE with 14%.

Source: Gulf Venture Capital Association

LIBYA

S&P assigns 'A-' sovereign rating

Standard & Poor's assigned to Libya long-term foreign and local currency ratings of 'A-' and short-term foreign and local currency ratings of 'A-2', with a 'stable' outlook. It also assigned a Transfer & Convertibility assessment of 'A-'. It said the ratings are supported primarily by one of the strongest balance sheets among 'A'-rated sovereigns, including substantial public assets and negligible debt, relatively low financial contingent liabilities and the solid medium-term growth prospects of the country's energy sector. It added that the ratings are constrained by the limited transparency of official decision-making in Libya compared to many of its rated-peers, as well as uncertainties surrounding the effectiveness of reforms to promote private sector development. The agency expected the sharp fall in oil prices and OPEC-driven cuts in production to cause a significant contraction of real and nominal GDP in 2009. It considered that Libya's balance sheet gives it ample scope to confront fiscal and current account deficits and to moderate the likely impact on the economy.

Source: Standard & Poor's

SYRIA

Tourism to account for 13% of GDP by 2019

The World Travel & Tourism Council expected the tourism sector to account for 11.2% of Syria's GDP in 2009 and to rise to 13% of GDP in 2019. It forecast the broad tourism and travel economy to generate demand of $4.7bn in 2009, growing to $7.7bn in 2019. It projected the sector's real growth rate at 4% in 2009 and to average 4.9% during the 2010-19 period. The WTTC said personal travel and tourism would generate $1.4bn this year, growing by 4.8% annually to reach $2.3bn in 2019, while business travel should generate $290m in 2009 and grow by a yearly average of 2.9% to $396m in 2019. It estimated capital investment in the travel and tourism economy at $640m in 2009 and at $878.4m within 10 years. Further, it forecast the export of tourism services at $3.6bn this year and at $6.4bn in 2019, posting a real annual growth of 6.3% over the 2010-19 period. It expected travel and tourism exports to generate 23% of Syria's total export revenues, constituting a very important contribution to GDP. It said the travel and tourism economy is providing jobs to 889,000 people, or 11.5% of total employment currently, with the figure rising to 1.5 million jobs or 13.5% of total employment by 2019. Syria ranked 63rd globally in terms of travel and tourism's share of GDP, 65th in tourism annualized real growth, 59th in terms of tourism employment and 58th in visitor exports.

Source: World Travel & Tourism Council

UAE

Ratings on Dubai government-related entities lowered on worsening economic fundamentals

Standard & Poor's downgraded six Dubai-based government-related entities (GREs) by one notch due to the impact on the GREs of the deterioration in Dubai's economic fundamentals since the last quarter of 2008. It lowered to 'A' the ratings on DIFC Investments, DP World, Jebel Ali Free Zone, and JAFZ Sukuk. It also cut to 'A-/A-2' the ratings on Dubai Multi Commodities Center Authority, and to 'A-' the long-term rating on Dubai Holding Commercial Operations Group. The outlook on all entities remains 'negative'. The agency said the global economic downturn continues to depress some of Dubai's key economic sectors, including trade, tourism and commerce, while the all-important real estate sector is going through a sharp correction along with an associated contraction in development and construction. S&P noted that the deterioration in global liquidity has also presented challenges to the Dubai government and its GREs, but these challenges are being managed effectively by the authorities. It added that the negative outlook on the six GREs indicates the likelihood of downgrades if their flexibility is further impaired by the difficult economic environment.

Source: Standard & Poor's

TURKEY

New stimulus package for distressed sectors

The government unveiled a fourth stimulus package of TRY5.5bn that reduced the special consumption tax on new auto and white good sales for three months, and the VAT on new home sales from 18% to 8% for three months. It raised by TRY75m to TRY575m the size of the fund that aims to increase exporters' competitive advantage; increased the low interest credit line for SMEs by TRY75m to TRY275m; raised Eximbank's equity to TRY500m to allow more companies access to credit; and cut the transaction tax on consumer loans from 15% to 10%.

Source: Deutsche Bank

BANKING

WORLD

Basel Committee recommends steps to strengthen banks' capital

The Basel Committee on Banking Supervision announced that the level of capital in the banking system needs to be strengthened to raise its resilience to future episodes of economic and financial stress. It said this will be achieved by a combination of measures such as introducing standards to promote the build up of capital buffers that can be drawn down in periods of stress, strengthening the quality of bank capital, improving the risk coverage of the capital framework, and introducing a non-risk based supplementary measure. Also, the regulatory minimum level of capital will be reviewed in 2010, taking into account additional relevant factors to reach a total level and quality of capital that is higher than the current Basel II framework. It considered that strengthening the global capital framework in this manner will enhance confidence and lay the foundation for a more resilient banking system. The Committee noted that current reactions in the market about capital levels have been highly pro-cyclical, adding that it will not increase global minimum capital requirements during this period of economic and financial stress.

Source: Bank for International Settlements

UAE

Dubai-based banks placed on CreditWatch negative

Standard & Poor's placed its long-term counterparty credit ratings on Emirates Bank International (EBI), National Bank of Dubai (NBD), Mashreqbank and Dubai Islamic Bank (DIB) on CreditWatch with negative implications. The agency expressed growing concerns about the impact of the economic downturn in Dubai on the banking sector. It said Dubai is a small open economy that can do little to shield its key sectors from the impact of a fall in external demand in the coming months. It expected Dubai's real GDP to contract between 2% and 4% in real terms in 2009, putting pressure on banks' asset quality and profitability. It also expressed concerns that the government may use EBI, NBD and DIB to support the refinancing of the debt of other government-related entities. It said that additional directed lending to these entities would increase credit and concentration risk. S&P also expected the ongoing sharp correction in the real estate sector to result in a decline in asset quality and profitability indicators for the four banks in the coming quarters due to their exposure to the sector.

Source: Standard & Poor's

KUWAIT

Loan guarantee program to cover firms and individuals

The Central Bank of Kuwait declared that guarantees for new loans extends to individuals, institutions and private companies and not just to investment firms. Under the economic stimulus plan, the government plans to inject KWD4bn that will be used by local banks to provide facilities to companies and some individuals across all economic sectors, with the government guaranteeing 50% of these loans. The CBK said that investment companies that are able to continue their activities will have access to funding, as new financing will be restricted to the repayment of financial obligations to local agencies and banks, and only 25% of debts to foreign creditors. The decision is part of plans to reduce wider systemic risks to the economy due to the exposure of banks, corporates and individuals to the investment companies.

Source: KUNA

LIBYA

Banking licenses to be available in 2010

The Central Bank of Libya (CBL) declared it is considering granting private sector banking licenses in 2010 in order to attract foreign banks to the country. It said Libya would set up criteria and advertise for licenses based on an evaluation of the market, adding that it has yet to decide if the new banks would require a Libyan partner. The step would constitute the second phase of Libya's move to open its banking sector to foreign investors after the sale of minority stakes in two of its three state-owned banks in the past two years. In 2007, Libya sold a stake in the state-owned Sahara Bank to France's BNP Paribas, which also acquired management control and the right to increase its share to 51% after three to five years. Last year, the Jordan-based Arab Bank bought 19% of the state-owned Wahda Bank. In parallel, the CBL indicated that the state would sell a 15% stake in Gumhuriya bank, the only bank that is still state-owned in full. The stake would be offered on the country's new stock exchange rather than to a foreign strategic investor, with another 7% to 8% given to the bank's employees. The bank would eventually be completely privatized.

Source: Financial Times

YEMEN

IFC helps banks face global crisis, foreign acquisition of local bank off

The Commercial Bank of Kuwait (CBK) declared it has put on hold plans to buy a 70% stake in the Yemen Gulf Bank due to the global economic slowdown. Last November, the bank and the International Finance Corporation, the private sector arm of the World Bank Group, announced plans to acquire 85% of Yemen Gulf Bank for $30m, with the CBK buying between 70% and 75% of the bank. In parallel, the IFC is helping banks in Yemen cope with the global financial crisis by raising awareness among banks about understanding and managing risk. This covers strengthening risk management practices, including operational models for designing and deploying an effective risk management structure and the types of risk that banks must face on a recurring basis.

The banking sector in Yemen remains underdeveloped, with aggregate assets at $7.7bn at the end of 2008, equivalent to 28% of GDP. The sector's deposits totaled $ 6.2bn at end-2008, or 22.4% of GDP. About 40% of the system's deposits are in foreign currencies. Slow economic growth and low disposable income have limited the opportunities available to banks to expand their portfolios, leading to a low loan-to-deposit ratio of 34.4% at end-2008. Foreign banks account for about 26% of total assets.

Source: Al Eqtisadiah, IFC, Byblos Research

Oil up more than 6% on Fed bond move

Oil jumped more than 6% to above $51 a barrel on March 19 after a move by the Federal Reserve to buy government bonds hit the dollar and revived expectations the U.S. economy could soon begin its recovery. U.S. crude for April was up $3.13 a barrel at $51.27 having earlier traded as high as $51.65, the highest since December 1, 2008. London Brent for May delivery rose $3.11 to $50.77. The dollar eased against a basket of currencies on March 19, after posting its biggest daily fall since 1985. A weak dollar can boost investor demand for oil and other commodities priced in the U.S. currency.

Besides technical resistance, falling demand could also limit oil's gains in the near term. Oil fell on March 18 after data showed U.S. crude inventories increased to the highest in nearly two years and the World Bank cut its 2009 forecast for China's economic growth. In its weekly report, the U.S. Energy Information Administration (EIA) said crude oil stocks rose by 2 million barrels to 353.3 million barrels, double the increase forecast by analysts. Analysts say oil, which sank below $33 in December, has stabilized around $40 to $50 due to OPEC supply curbs of 4.2 million barrels per day, but the negative economic outlook is standing in the way of a further advance. The Organization of the Petroleum Exporting Countries pledged to comply more strictly with its supply curbs at a meeting on March 15th. It meets again to set oil output policy on May 28th.
Source: Thomson Reuters

Syria allows private sector to invest in power projects

Syria's Council of Ministers approved a proposal to allow the private sector to participate in investments in the country's power sector and in renewable energy projects. The proposal was put forward by the Syrian Ministry of Electricity as part of a memorandum that includes the ministry's plans to meet growing energy demand in the country. The plan comprises the construction of new power plants and expanding existing ones.
Source: SANA

Kuwait to drop $15bn oil refinery plan

Kuwait's government will cancel a $15bn oil refinery project, which met opposition in parliament. Kuwait's Cabinet had asked the country's finance watchdog, the Audit Bureau, to look into the oil refinery project after a group of lawmakers raised concerns about the plan and warned the government against signing final contracts. The Audit Bureau's report had concluded the project was not feasible.
Source: Thomson Reuters

Bahrain signs deal with Oxy and Mubadala

In order to increase its oil and gas production levels, Bahrain signed an agreement with Occidental Petroleum Corporation (Oxy) and Abu Dhabi's sovereign wealth fund Mubadala. The agreement will result in significantly increasing the daily oil and gas production levels and add hundreds of millions of oil barrels and trillions of cubic feet of natural gas to the reserves of the Bahrain Field.
Source: Gulf Daily News

Base metals: Copper rises to four-month high on U.S. Fed bond plan

Copper rose to a four-month high in London, leading a rally in industrial metals, on speculation the Federal Reserve's plan to buy $300bn of government bonds will revive the U.S. economy. The U.S. is the second-largest copper and aluminum consumer after China. The Fed's plan also weakened the dollar, making dollar-denominated commodities cheaper for those holding other currencies. Copper for three-month delivery rose $164, or 4.4%, to $3,930 a metric ton. The contract earlier reached $3,961, the highest compared with intraday prices since November 10th. The metal has risen 28% this year, after falling 54% last year. Copper inventories in warehouses monitored by the LME fell 0.3% to 493,450 tons, extending their decline since February 25 to about 10%. Aluminum for three-month delivery gained $49.50, or 3.6%, to $1,428.50 a ton. Earlier it reached $1,440, the highest intraday price since February 10th. LME-monitored stockpiles of the metal climbed to a record 3.45 million tons and have more than tripled in the past year. Nickel rose 2.3% to $10,100 a ton. Lead rose $40, or 3.1%, to $1,330 a ton, taking this year's advance to 33%. Zinc gained 4% to $1,238 a ton and tin rose 3.3% to $10,200.
Source: Bloomberg

Precious metals: Gold rises most in six months as Fed plan increases inflation fear

Gold rose the most in six months in New York after the Federal Reserve committed to buy government bonds to cut borrowing costs, reviving concern that inflation will accelerate. Gold futures for April delivery surged $62.70, or 7.1%, to $951.80 an ounce on the New York Mercantile Exchange's Comex division. A close at that price would mark the biggest gain since September 17th. Gold for immediate delivery in London rose $7.92, or 0.8%, to $949.92 an ounce. Prices jumped about $56 after the Fed announcement before the London market closed on March 18th. Investors are continuing to buy gold in a bid to protect their wealth. Assets in the SPDR Gold Trust, the biggest exchange-traded fund (ETF) backed by gold, expanded 1.4% to a record 1,084.33 metric tons on March 18th. ETF Securities Ltd.'s exchange-traded products backed by gold attracted almost $134m last week.
Source: Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	149.6	168.4	212.2	-7.3	-44.6
LME metals price index	1711.5	2058.1	2979.8	1.0	-57.5
Oil prices USD	42.9	56.1	89.1	18.2	-60.5
Oil prices SDRs	29.2	37.2	57.1	20.3	-56.4
Gold $/troy oz	908.6	843.6	869.2	-3.6	-6.8
Silver cents/troy oz	1262.0	1127.7	1406.1	-5.8	-37.7
Platinum $/troy oz	1048.0	945.3	1411.0	0.8	-49.0
Copper $/MT	3635.5	3971.7	6112.1	7.7	-57.5
Nickel $/MT	9752.5	11397.7	17611.8	-7.5	-69.7
Aluminium $/MT	1300.8	1707.3	2314.4	-4.5	-58.2
Zinc $/MT	1216.3	1228.5	1623.6	8.3	-52.6

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	-	Negative	-	Negative	-10.8	-	39.0	103.6	-	-	-13.7	-
Ivory Coast	-	-	-	-	CCC								
	-	-	-	-	Stable	-1.7	-	57.9	175.9	-	556.0	-1.8	-
Libya	A-	-	-	-	BB								
	Stable	-	-	-	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: 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 (%)
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	17-Mar-09	No change	29-Apr-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	18-Mar-09	No change	07-Apr-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	30-Apr-09
Switzerland	3 month Libor target	0.25	12-Mar-09	Cut 25bps	18-Jun-09
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	26-Mar-09
South Korea	Target Rate	2.00	12-Mar-09	No change	09-Apr-09
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	29-Apr-09
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

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

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