

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Losses from sub-prime crisis to exceed \$4,000bn

The International Monetary Fund revised upwards the aggregate potential write-downs and losses from the U.S. sub-prime crisis to approximately \$4,054bn as of April 2009 compared to \$2,200bn in January 2009, \$1,400bn last October and \$945bn in April 2008. It said most of this deterioration has occurred in the mark-to-market securities portion of the estimates, especially in corporate and commercial real estate securities. It added that degradation is also occurring in the loan books of banks, reflecting the credit deterioration from the worsening economic outlook. The Fund said loans losses total \$2,087bn, accounting for 51.5% of total potential write-downs, and securities for the remaining \$1,966bn, or 48.5% of the total. The United States accounts for 67% of overall write-downs, of which \$1,644bn in securities and \$1,068bn in loans. It added that Europe accounts for 29.4% of total potential losses, of which \$888bn in loans and \$305bn in securities write-downs. Further, Japan accounts for 3.7% of total write-downs, of which \$131bn in loans and \$17bn in securities. The Fund noted that banks' potential write-downs total \$2,470bn, or 61% of the total, followed by insurance firms with \$301bn, while write-downs of government entities, hedge funds, pension funds and other non-bank financial institutions could reach \$1,283bn. The IMF added that the \$4,054bn in global losses represent 7% of the overall outstanding market for loans and securities.

Source: *International Monetary Fund*

EMERGING MARKETS

Sovereign credit quality deteriorating

Standard & Poor's said the credit fundamentals of emerging market sovereigns deteriorated markedly in the last six months, adding that it downgraded 10 out of 43 sovereigns during this period, including one default, and revised the outlook to 'negative' on another 10 sovereigns. It noted that nearly half the group now has a 'negative' outlook, up from less than 20% before. It said that 18 of the 43 emerging market sovereigns had a 'negative' outlook as of March 31, 2009, 23 had a 'stable' outlook, and none had a 'positive' outlook. The agency considered that investment-grade sovereigns with stable outlooks should be able to weather the current global recession due to their previous actions to build international reserves, reduce government debt burden, improve economic competitiveness, keep inflation low, and preserve the solvency of their financial systems. It added that policy responses will be key for sovereigns with 'negative' outlooks, with any lowering of ratings likely to be modest in scope, as has been the case historically.

Source: *Standard & Poor's*

MENA

Council established to coordinate fiscal policies

Arab Finance Ministers announced the creation of a new body aimed at mitigating the negative effects of the global financial crisis. The ministers approved the establishment of an Arab Financial Policies Coordination Council to coordinate fiscal policies between the Arab states in order to face the repercussions of the global financial crisis and its consequences. The ministers stressed the importance of coordination between Arab countries in fiscal policies in light of the repercussions and various ramifications of the crisis on the region. The establishment of the Council was first discussed at the joint meeting of Finance Ministers and Central Bank Governors that was held in Kuwait at the beginning of the year on the sidelines of the Arab economic summit. Jordan's Finance Minister will be the first president of the Council.

Source: *KUNA*

Region's share of global hedge funds at \$194bn by 2013

The Bank of New York Mellon estimated that Middle Eastern investors will account for about \$194bn in hedge fund assets by year-end 2013, or about 7.5% of total global hedge fund assets. This would constitute a 30% increase from 2007, when the region accounted for about \$109bn, or a 5.8% share. It said the majority of flows from the Middle East during the 2010-13 period will come from high-net-worth investors, primarily family offices. It noted that both institutional and individual investors in the Middle East are highly susceptible to oil prices, and therefore future hedge fund investments may vary widely. It expected total hedge fund assets in a "Bull" market scenario to be more than 65% larger than under a "Bear" market scenario. It added that Middle Eastern investors have preferred to invest directly rather than by using funds of hedge funds, adding that the concentration of institutional assets among a few large sovereign funds, and high-net-worth assets among a select group of large family offices, facilitates direct investments.

Source: *Bank of New York Mellon, Casey, Quirk & Associates*

AFRICA

Pan-African government proposed

Libyan leader and African Union Chairman Moammar Kadhafi called for the implementation of his project to transform the African Union into a pan-African government. Under the proposal submitted to the AU Council of Ministers, the new authority would replace all other institutions. The AU executive committee would take over all foreign policy, the AU Peace and Security Council would become the African Ministry of Defence and Security, and the New Partnership for Africa's Development (NEPAD) would be in charge of foreign trade and international co-operation.

Source: *Magharebia News*

OUTLOOK

EMERGING MARKETS

Credit to contract by 15% in coming years, corporate refinancing needs to reach \$2,000bn by 2010

The International Monetary Fund projected a contraction in credit by as much as 15% a year over the next two years in emerging markets that have been relying on foreign inflows to finance credit booms. It added that this contraction would be similar to the magnitude seen in previous episodes of “sudden stops” in emerging markets. It noted that the global policy response under way, with increased resources to international financial institutions, will help mitigate the drop in credit growth in emerging economies. However, it still expected large credit contractions in some countries in Emerging Europe, as well as a considerable slowdown in credit growth in Asia and Latin America over the coming years, as banks in these regions are increasingly reluctant to lend with deteriorating economic conditions and rising loan write-downs.

In parallel, the IMF indicated that due to the rapid increase in emerging market corporate external debt in recent years, a slowdown in financing will impair the ability of these corporations to meet their debt refinancing needs. The Fund estimated emerging markets’ refinancing needs to grow from an estimated \$1,800bn in 2008 and 2009 to \$2,000bn by 2012. It said the requirements of Emerging Europe are large both in absolute terms and in relation to official reserves, highlighting the region’s vulnerability to a continued tightening of capital flows to emerging markets. It estimated refinancing needs in 2009 at 23% of GDP in Emerging Europe, 9% of GDP in Asia and 8% of GDP in Latin America. It noted that corporate refinancing needs in 2009 amount to \$124b in Russia, \$83bn in Poland and \$62bn in Turkey. It added that corporate refinancing needs are less alarming relative to official reserves and GDP in Asia and Latin America, and that corporate debt spreads have not increased as dramatically as in Emerging Europe.

Source: International Monetary Fund

MENA

Growth down to 2.5% in 2009, extended global recession and drop in asset prices are key risks

The International Monetary Fund projected economic growth in the Middle East at 2.5% in 2009, down from 5.9% in 2008 and from 3.4% it forecast earlier this year. It expected the slowdown in growth to be broadly similar in oil-producing and non-oil-producing countries, with oil exporters growing by 2.2% and non-oil exporters by 3.4% this year. It said the global crisis has not spared the Middle East, with the steep fall in oil prices hitting the region hard. It added that local property and equity markets have come under intense pressure across the region, domestic liquidity conditions deteriorated, financial system strains emerged in a number of countries, and sovereign wealth funds suffered losses from investments in global markets. Further, the substantial decline in external demand is dampening export growth, workers’ remittances, and tourism revenues. The Fund noted that these adverse shocks are expected to have severe negative effects on economic activity despite expansionary policies.

The IMF expected inflation pressures to subside due to lower commodity prices, rents, and economic activity. It projected inflation at 11% in the region, down from 15.6% in 2008, with inflation in oil exporters at 10.3% and in non-oil exporting economies at 13.4%. It also forecast the region’s current account balance to post a deficit of 0.6% of GDP in 2009 compared to a surplus of 18.8% of GDP last year, with oil exporters’ posting a current account surplus of 0.2% of GDP and non-oil exporters registering a deficit of 4.4% of GDP for the year.

The IMF said the downside risks to the outlook are considerable. It noted that an extended period of global economic turmoil could prompt oil exporters to reassess their long term oil price expectations and reduce their infrastructure spending plans and oil-production investment, which would affect growth prospects for the entire region. Second, deepening asset price corrections would feed through to corporate and bank balance sheets, placing even greater stress on financial institutions in the region. Third, a more protracted global recession would imply even weaker exports, tourism, and remittances for countries in the region.

Source: International Monetary Fund

ARMENIA

Economy to contract by 3.3% in 2009, has medium-level vulnerability to crisis

Fitch Ratings projected Armenia’s economy to contract by 3.3% in 2009 compared to growth rates of 6.8% in 2008 and 13.8% in 2007. It expected the economy to resume growth in 2010, with output rising by 1.7% next year. The agency noted that Armenia’s expected economic contraction in 2009 is below the contraction of 3.3% in the peer economies of the Commonwealth of Independent States. The country also tied it with Moldova and ranked second to Azerbaijan in economic performance in the CIS, while it ranked third among the 21 economies of Emerging Europe in growth expectations. It added that Armenia would contract more than the 3.1% contraction forecast in Emerging Europe this year. Further, Fitch said the change in Armenia’s economic growth would be -8.3% between 2008 and 2009, ranking it as the seventh highest negative change in output among Emerging Europe’s economies.

The agency placed Armenia in the ‘medium’ category of economies impacted by trade channel exposure, which reflects trade openness, and dependence on commodities and remittances. It said merchandise exports are at 9% of GDP, the lowest such ratio in Emerging Europe, and remittance inflows account for 13.5% of GDP, fourth highest in the region. It also placed Armenia in the ‘medium’ category of countries affected by de-leveraging and rebalancing, reflecting current account deficits, banking system leverage and credit contraction. It said the loan-to-deposit ratio is at 162%, eighth highest in the region, with credit growth expected at 1.1% of GDP this year, fifth highest in the region.

Source: Fitch Ratings



ECONOMY & TRADE

JORDAN

Plans for tax cuts to spur growth

The Finance Ministry announced plans to reduce corporate and income taxes in order to stimulate foreign direct investment and economic growth. It said the corporate income tax, which ranges from 15% to 35% depending on the sector, will be reduced to 12%. The reduction excludes banks, insurance and mining companies, which will pay a 25% income tax. Also, personal income tax, which ranges between 5% and 25%, will be cut to 12% and customs will be streamlined. It expected the government to submit the new tax law to parliament within the next two months, adding that the government has already granted tax exemptions for construction projects that are underway to avoid delays or cancellations. The ministry expects the budget deficit to widen to \$1.55bn in 2009, representing a 58% increase over last year's deficit. Tax revenues stood at 20% of GDP and constituted 58% of total government revenues in 2008. The ministry noted that the government is trying to attract FDI, which may drop 35% this year, while growth may slow to 4% from 5.6% in 2008.

Source: Bloomberg

ALGERIA

Algeria joins Data Dissemination System

The International Monetary Fund announced that Algeria began participating in the IMF's General Data Dissemination System (GDDS) in order to develop its statistical system. The Central Bank of Algeria said the decision is part of Algeria's recognition of the need and importance to improve transparency in data compilation. It also reflects the country's commitment to building a national statistical system consistent with best international practices. The IMF said Algeria's participation in the GDDS should allow it to enhance its statistical capacity and to issue timely statistics needed for economic policy-making and monitoring developments. The GDDS was established by the IMF in 1997 and provides a framework to help countries develop their statistical systems. Algeria is the 95th country to participate in the GDDS.

Source: International Monetary Fund

EGYPT

Tourism to account for 14.6% of GDP by 2019

The World Travel & Tourism Council expected the tourism sector to account for 15% of Egypt's GDP in 2009 and to decline to 14.6% of GDP in 2019. It forecast the broad tourism and travel economy to generate demand of \$32.3bn in 2009, growing to \$58.9bn in 2019. It projected the sector's real growth rate at 0.2% in 2009 and to average 4.8% during the 2010-19 period. The WTTC said personal travel and tourism would generate \$7.1bn this year, growing by 6.3% annually in real terms to reach \$14.4bn in 2019, while business travel should generate \$4.5bn in 2009 and grow by a yearly average of 4.4% in real terms to \$7.5bn in 2019. It estimated capital investment in the travel and tourism economy at \$5bn in 2009 and at \$9.2bn within 10 years. Further, it forecast the export of tourism services at \$14.4bn this year and at \$25.4bn in 2019, posting a real annual growth of 4.4% over the 2010-19 period. It expected travel and tourism exports to generate 23.4% of Egypt's total export rev-

enues, constituting a very important contribution to GDP. It said the travel and tourism economy is providing jobs to 2,882,000 people, or 12.6% of total employment currently, with the figure rising to 3,611,000 jobs or 12.3% of total employment by 2019.

Source: World Travel & Tourism Council

UAE

Dubai to issue second tranche of \$10bn bond this year

The Department of Finance stated that Dubai has already distributed more than half of the funds from its \$10bn bond and will be issuing the second \$10bn tranche within this year. It said the bond money has been loaned to several quasi-government companies at a marginal interest rate of 4% plus. It added that it will not wait for the first \$10bn to be fully exhausted before launching the second tranche.

Source: Business 24/7

ARMENIA

GDP contracts by 6.1% in first quarter

Figures released by the National Statistical Service of Armenia show that economic activity contracted by 6.1% in the first quarter of 2009. The GDP index deflator grew by 1.9% at the end of the quarter. Construction activity decreased by 21.9%, reaching \$123m at the end of the first quarter, gross agriculture output fell by 5.1% to \$122m, and industrial output contracted by 9.5% to \$409m at end-March 2009. However, the volume of retail trade turnover increased by 3.9% at the end of the first quarter to \$592m. In parallel, the consumer price index increased by 2% annually in March and by 0.7% from the end of 2008, while the producer's price index for industrial products decreased by 7.4% at the end of the quarter. The external trade turnover reached \$781.9m in the first quarter, with exports falling by 47.3% to \$123.4m and imports decreasing by 22.2% to \$658.5m.

Source: National Statistical Service of Armenia

UKRAINE

IMF reaches deal on reforms, will release funds

The International Monetary Fund declared it has reached an agreement with Ukrainian authorities on outstanding policy issues, including the implementation of fiscal corrective measures and bank recapitalization. As a result, it will disburse \$2.8bn under the Stand-By Arrangement, which is significantly greater than the \$1.8bn disbursement envisaged in the original schedule. Further the IMF would stand ready to disburse the third tranche of \$2.83bn relatively quickly, provided adequate measures are undertaken to restructure and reinforce the country's banking sector. The Fund also agreed to increase the limit for this year's budget deficit to 4% of GDP from 3% stipulated earlier. This was the second easing of the fiscal target since last October when the initial version of the IMF program called for a balanced budget in 2009. The approval by the IMF Board would also allow Ukraine to count on further financial assistance from multilateral lenders, including the World Bank, EBRD and the EU. Further, the agreement notably improves the short-term outlook, including the ability of the sovereign to honor the external debt payment on Eurobonds in August 2009 and avoid defaulting on its debt.

Source: International Monetary Fund



BANKING

GCC

Saudi Arabia and Kuwait cut interest rates

The Saudi Arabian Monetary Agency (SAMA) cut its overnight reverse repo rate by 25bps from 0.75% to 0.5%. SAMA attributed its decision to the easing of inflationary pressure in the Kingdom and to the high level of liquidity in the system, which triggered a realignment of the reverse repo rate with short dated rates. In parallel, the Central Bank of Kuwait (CBK) cut its discount rate by 25 basis points from 3.75 bps to 3.5 bps, taking total rate cuts to 225bps since last October. The CBK said the decision is part of continuous steps to strengthen the local environment to face the challenges of the current global financial crisis. The move mainly aims to boost local economic activity by reducing finance costs.

Source: *Dow Jones Newswires, KUNA*

JORDAN

Central bank reduces reserve requirements and interest rates

The Central Bank of Jordan (CBJ) lowered interest rates by 50 bps and reduced reserve requirement by 100 bps. The discount rate declined to 5.25%, the repurchase rate to 5% and the overnight window rate to 3%, while the reserve requirement was reduced to 7%. The move brings total rate cuts since last November to 150 bps and total reduction in reserve requirements to 300 bps. The CBJ cited the worsening global economic outlook and the decline in inflationary pressures as the reasons for the decision. Consumer prices fell an annual 0.5% in March compared to a 1.5% increase in February on lower fuel, transportation and food prices. Annual inflation reached 2.8% in the first quarter of 2009.

Source: *Bloomberg, Petra*

TURKEY

Central Bank cuts policy rate by 75bps

The Monetary Policy Committee (MPC) of the Central Bank of Turkey (CBT) reduced the overnight borrowing rate by 75bps to 9.75%, following the 100bps cut only four weeks before. The MPC said in its post-meeting statement that conditions in international markets and in the domestic economy remain challenging. It noted that inflation is likely to decline in the near-term at an accelerated pace due to lower oil and commodity prices. In parallel, the MPC noted that the probability of inflation falling below the year-end target of 7.5% has declined due to the policy easing to date. It also indicated that the next rate cut could be "measured" and that monetary policy will need to maintain an easing bias for a long period. The CBT has lowered policy rates by 700bps since November 2008.

Source: *Citigroup, Deutsche Bank*

LIBYA

State-owned bank to get \$9bn capital injection

The state-owned Libyan Foreign Bank announced it is expecting a \$9bn capital injection from the Central Bank of Libya within the next two to three years in order to fund organic growth and overseas acquisitions overseas. The bank has \$1bn in capital currently and is hoping to raise it to \$10bn from an

injection from the CBL. The bank is looking to expand its operations in East and South Africa as well as in Europe. It plans to increase its stake in the London-based British Arab Commercial Bank to around 70% from its current 26% stake.

Source: *Down Jones Newswires*

UKRAINE

Recapitalization of 6 banks potentially positive

Moody's Investors Service indicated that the recapitalization of Bank Finance & Credit, Bank Nadra, Imexbank, Rodovid Bank, Ukrgasbank and Ukrprombank, announced by the Ukrainian government, is potentially positive given the banks' increased ability to withstand the deteriorating operating environment in Ukraine and turbulence on the global markets. It said the new capital injection will support the banks' capital adequacy and ability to absorb potential losses arising from deteriorating asset quality as well as strengthen their liquidity profile, while it can help to restore depositors' confidence in the banking system as a whole. Earlier this month, the Ukrainian government announced its intention to inject \$2.6bn in the banks' capital as part of the \$5bn budgeted for the recapitalization of the banking system in 2009. The state will take a 92% controlling stake in Bank Nadra, 99% in Rodovid Bank and Ukrprombank, and 75% plus one share in Imexbank and Ukrgasbank. The volume of recapitalization of Bank Finance & Credit has yet to be decided. Bank Nadra, Rodovid Bank and Ukrprombank are currently operating under temporary administration and have effectively frozen payments under the Central Bank's obligations. Bank Finance & Credit, Imexbank and Ukrgasbank are currently supervised by National Bank of Ukraine's representatives and continue normal operations.

Source: *Moody's Investors Service*

RUSSIA

Ratings of state-owned banks affirmed

Fitch Ratings affirmed the Long-term Issuer Default Ratings (IDRs) of Sberbank, Bank VTB, VTB24, VTB North West and Russian Agricultural Bank (RAB) at 'BBB'. It maintained a 'negative' outlook on all the entities' Long-term IDRs. Fitch also downgraded Sberbank's Individual Rating to 'C/D' from 'C' and VTB's Individual rating to 'D' from 'C/D', and separately placed the 'C/D' Individual Ratings of VTB's three European banking subsidiaries on Rating Watch Negative. The agency said the affirmation of the ratings of Sberbank, Bank VTB and RAB reflects the high probability of support available from the Russian government, in case of need. The Russian state owns 60.3% of Sberbank's ordinary shares and a 77.5% stake in VTB, while RAB is fully-owned by the government and to a large degree performs policy roles. Fitch added that the downgrades of Sberbank and VTB's Individual Ratings reflect ongoing and potential future asset quality deterioration in the currently difficult Russian operating environment. The downgrades also take into account the banks' moderate loss absorption capacity and the fact that they may require recapitalization from the state in case of substantial loan losses.

Source: *Fitch Ratings*



ENERGY / COMMODITIES

Oil rises towards \$49, Credit Suisse helps

Oil rose toward \$49 a barrel on April 23 after better-than-expected results from Credit Suisse brightened the outlook for the financial sector despite further signs of weakening oil demand and high inventories. But general sentiment on the wider economy and oil demand remained pessimistic, especially after the International Monetary Fund projected that the global economy will contract this year and official data showed another jump in U.S. crude inventories. U.S. crude rose 10 cents to \$48.95 a barrel. London Brent crude rose 6 cents to \$49.75. Crude stockpiles in the U.S. jumped to a 19-year high last week, despite a 3% rise in refinery utilization rates. The weak economy has cut demand and pulled oil back from its record high above \$147 per barrel hit in July last year, with expectations for growth continuing to be low. Brent prices have averaged \$46.87 so far this year.

Source: Thomson Reuters

Shell partners with Chinese in Iraq oil bid

Royal Dutch Shell has teamed up with Chinese state oil firms to bid for oil projects in Iraq. By joining Shell, China would make its second major foray into Iraq after state oil group CNPC's \$3bn project to develop the al-Ahdab field, Iraq's first major oil deal with a foreign firm since the fall of Saddam Hussein. The Anglo-Dutch oil major said it wants to expand its presence in the vast fuel retail and refining businesses in China, currently dominated by state-run Chinese giants that are keen to boost oil reserves overseas.

Source: Thomson Reuters

Kuwait Energy finds oil in Egypt

Kuwait Energy Company announced a new oil discovery in the East Ras Qattara Field, located in Egypt's Western Desert with an estimated daily production capacity of 5,285 barrels of oil and unproven reserves of 3.460 million barrels. This discovery is the first in Egypt for Kuwait Energy since 2006.

Source: KUNA

Iraq to drill in field partly owned by Kuwait

Iraq plans to start drilling for oil at a field shared with Kuwait despite the lack of an agreement between the two countries on jointly owned fields. Just prior to Iraq's invasion of Kuwait in 1990, Baghdad accused the country of stealing oil from its fields through horizontal drilling, but Kuwait denied. Iraq's Oil ministry said it will start drilling in the border field of Safwan in a few days.

Source: Thomson Reuters

Qatar, Saudi GCC North Grid powers up

The Doha South-Salwa 400kV to provide electricity between the Qatari and Saudi Arabian borders has been activated for the first time. Known as the GCC North Grid, it marks the completion of the first phase of the three-phased Interconnection Grid Project, which will connect Kuwait, Saudi Arabia, Bahrain and Qatar. Phase II, known as GCC South Grid, will cover the interconnection of the independent systems in the UAE as well as Oman, while Phase III will connect the GCC South and North Grids, which is expected to be completed by 2010.

Source: The Peninsula

Base metals: Copper drops on oversupply, global recession concerns

Copper dropped to a two-week low as supply outpaced demand and as some investors speculated the global recession will cut raw-materials demand. Production exceeded consumption by 112,000 metric tons in January and February, compared with a shortfall of 109,000 tons a year earlier. The global copper production surplus is expected to widen to 345,000 tons this year and to 400,000 tons in 2010, from 250,000 tons last year. Copper for three-month delivery on the London Metal Exchange fell as much as 4% to \$4,360 a ton, the lowest since April 9, and was down 2.5% at \$4,425. August-delivery copper on the Shanghai Futures Exchange lost as much as 2.3% to \$5,181 a ton. China's refined copper imports climbed 10% from the previous month to 296,843 tons in March, an increase of 138% from a year earlier. Copper stockpiles monitored by the Shanghai Futures Exchange rose for the first time in six weeks to 22,705 tons. Inventories are 60% lower than a year ago. Among other LME-traded metals, zinc slid 3.1% to \$1,425 a ton, lead fell 1% to \$1,445 a ton, nickel lost 1.5% to \$11,350 a ton and Aluminum was little changed at \$1,466 a ton.

Source: Standard Chartered

Precious metals: Gold gains for a second day after IMF forecasts contraction

Gold gained for a second day as investors wanted to preserve their wealth after the International Monetary Fund projected that the global economy will contract this year. Gold for immediate delivery increased 0.3% to \$891.95 an ounce. Gold is expected to trade back above \$900 if uncertainties around the global economy persist. Silver rose 0.7% to \$12.39 an ounce. Investment in the SPDR Gold Trust, the biggest exchange-traded fund backed by gold, stood unchanged for a third day at 1,105.98 metric tons on April 22nd. Gains in gold were curbed as Asian stocks rose for the first time in three days on takeover speculation in the beverage industry and a "buy" recommendation on Japanese automakers from Goldman Sachs Group Inc. Gold has declined 3% this month as the benchmark MSCI Asia Pacific Index rose 10%. Platinum dropped 0.5% to \$1,167.50 an ounce and palladium was unchanged at \$232.50 an ounce amid concern that demand for the metals in vehicle catalytic converters will decline.

Source: Bloomberg



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								
	Negative	-	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-	B2	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	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
Bulgaria	BBB+ Stable	Baa3	BBB- Stable	-	BBB Stable	-0.4	13.7	101.8	159.2	22.5	250.5	-15.3	9.8
Kazakhstan	BBB- Negative	Baa2	BBB- Negative	-	BB Stable	1.7	6.0	86.4	267.8	56.6	528.0	-3.1	1.5
Romania	BBB- Negative	Baa3	BB+ Stable	BBB- Negative	BB Stable	-4.9	16.2	61.9	171.7	21.8	319.6	-8.2	5.1
Russia	BBB+ Negative	Baa1 Positive	BBB Negative	-	BBB Negative	1.5	7.4	40.1	155.9	17.4	193.3	-0.7	0.4
Turkey	BB- Stable	Ba3	BB- Stable	BB- Stable	BB Stable	-3.9	43.5	56.0	238.4	41.2	587.4	-5.0	2.4
Ukraine	CCC+ Negative	B1 Positive	B Negative	-	B Negative	-1.1	20.7	80.4	202.3	28.5	411.6	-2.8	2.1

Sources: Moody's Investors Service; Economist Intelligence Unit - The above figures are estimated for 2009

* Figures last updated in February 2009



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	18-Mar-09	No change	29-Apr-09
Eurozone	Refi Rate	1.25	02-Apr-09	Cut 50bps	07-May-09
UK	Base Rate	0.50	09-Apr-09	No change	07-May-09
Japan	O/N Call Rate	0.10	07-Apr-09	No change	30-Apr-09
Australia	Cash Rate	3.00	07-Apr-09	No change	05-May-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	0.25	21-Apr-09	Cut 25bps	04-Jun-09
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	18-Mar-09	No change	29-Apr-09
Taiwan	Discount Rate	1.25	26-Mar-09	No change	June 09
South Korea	Target Rate	2.00	09-Apr-09	No change	12-May-09
Malaysia	O/N Policy Rate	2.00	24-Feb-09	Cut 50bps	29-Apr-09
Thailand	1D Repo	1.25	08-Apr-09	Cut 25bps	20-May-09
India	Repo rate	3.25	21-Apr-09	Cut 25bps	N/A
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 50bps	N/A
Saudi Arabia	Repo rate	0.50	Apr-09	Cut 25bps	N/A
Egypt	Overnight Deposit	10.00	27-Mar-09	Cut 50bps	N/A
Turkey	Base Rate	9.75	16-Apr-09	Cut 75bps	14-May-09
South Africa	Repo rate	9.50	24-Mar-09	Cut 100bps	30-Apr-09
Kenya	Central Bank Rate	8.25	20-Mar-09	Cut 25bps	June 09
Nigeria	Monetary Policy Rate	8.00	08-Apr-09	Cut 175bps	2-Jun-09
Ghana	Prime Rate	18.50	24-Feb-09	Raise 150bps	Apr 09
Mexico	Target Rate	6.00	17-Apr-09	Cut 75bps	N/A
Brazil	Selic Rate	11.25	11-Mar-09	Cut 150bps	30-Apr-09
Armenia	Refi Rate	7.50	07-Apr-09	Cut 25bps	N/A
Romania	Policy Rate	10.25	06-Jan-09	No change	N/A
Bulgaria	Base Interest	5.25	01-Sep-08	No change	N/A
Kazakhstan	Refi Rate	9.50	05-Feb-09	No change	N/A



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