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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

MENA

Investments in hydrocarbon and power generation reduced by $200bn

The Arab Petroleum Investment Corporation (Apicorp) indicated that projected investments in the Arab hydrocarbon and power generation sector during 2009-2013 have been massively revised downward from around $650bn to $520bn by the end of 2008, and a further revision at the end of March slashed the investments to only $450bn in the coming five years. It said Saudi Arabia, the largest investor during that period, shelved projects worth $21bn, a decline of 13% from its original investment plans. Also, Qatar has shelved and postponed projects worth $24.5bn, constituting a 37% drop of potential investment; while the UAE, the fourth largest investor in the MENA region during the covered period, is estimated to suspend $5bn in investments. Apicorp also expected Egypt, Oman and Libya to postpone parts of announced projects. It estimated the value of projects put on hold in the gas downstream sector at around $60bn, and those in the oil downstream sector at nearly $40bn. It said other projects have also been shelved in the upstream and midstream oil and gas sector as well as in power generation, but to a lesser extent.
Source: Arab Petroleum Investment Corporation

Piracy losses increase by 33% in 2008

Software piracy losses in the Arab world reached $1.28bn in 2008, constituting an increase of 33% from $960m in 2007. They accounted for 2.4% of global piracy losses in 2008 compared to 2% in 2007. Saudi Arabia had the highest piracy losses among Arab countries at $272m, followed by Iraq with $205m, the UAE with $170m, Egypt with $158m, Algeria with $96m, Morocco with $70m, Kuwait with $69m, Lebanon with $49m, Tunisia with $48m, Bahrain with $27m, Oman and Qatar with $26m each, Jordan and Libya with $22m each, and Yemen with $14m. Saudi Arabia posted the highest increase in piracy losses year-on-year of $102m, while Tunisia was the only country posting a decrease in piracy losses over the covered period. Also, the region tied with Central & Eastern Europe for the highest average piracy rate in the world at 66% in 2008, slightly down from 67% in 2007. The region's average piracy rate was higher than the global piracy rate of 41%. Yemen had the highest piracy rate at 89%, followed by Libya with 87%, while the UAE had the lowest piracy rate of 36%. In addition, Qatar and Tunisia posted the highest decline in their piracy rates by 3% each, while Lebanon, Oman, Saudi Arabia and UAE posted a deterioration of 1% each.
Source: Business Software Alliance, Byblos Research

Region is expected to make progress in innovation performance

The Economist Intelligence Unit's Innovation Index shows that innovation in Arab countries reached 4.7 points in the 2004-08 period, below the world's average of 6.28 points. The index tracks the innovation capacity in countries through measuring their "innovation output" or performance and their "innovation inputs" or enablers. Kuwait had the highest innovation performance in the Arab world ranking in 37th place globally, followed by UAE in 40th place, Saudi Arabia (42nd), Qatar (51st), Jordan (59th), Bahrain (60th), Tunisia (63rd), Egypt (72nd), Morocco (73rd), Algeria (76th) and Libya (81st). The EIU expected the region's innovation performance to increase in the next five years by 4.3% to 4.9 points in the 2009-13 period. It expected Egypt to be the biggest gainer among Arab economies, with its innovation performance improving by 10% and its rank rising from 72nd place to 68th place by 2013.
Source: Economist Intelligence Unit, Byblos Research

AFRICA

Financial and development institutions pledge additional $15bn to face financial crisis

Key multilateral finance and development institutions and lenders pledged to raise their support to Africa by least $15bn to promote trade, strengthen the financial sector, and increase lending for infrastructure, agribusiness and small and medium enterprises. The increased support is part of a coordinated response to contain the impact of the crisis on the African continent. The African Development Bank will use $1.5bn to provide financial support to eligible countries and operations that are suffering from a lack of liquidity and introduce a new $500m trade finance line of credit. France's AFD Group will contribute to investments and programs totaling up to $3.1bn to focus on SMEs and infrastructure projects, the Development Bank of Southern Africa will inject over $4bn for priority infrastructure projects, while the European Investment Bank expects to commit more than €2bn in loans, equity and guarantees in Sub-Saharan Africa, and Germany's Ministry for Economic Development pledged over $1.4bn to support the financial sector, the private sector and infrastructure. Further, the Islamic Development Bank Group will contribute $250m to investments and programs, the International Finance Corporation will contribute at least $1bn to facilitate trade and strengthen the capital base of banks, and the Multilateral Investment Guarantee Agency will provide up to $2bn of investment guarantees.
Source: International Finance Corporation

WORLD

Real credit growth to drop to 3% in 2009

Fitch Ratings expected that median real credit growth around the world to reach 3% in 2009, continuing to fall rapidly from 7% in 2008 and from its record peak of 15% in 2007. The agency said the global credit slowdown is widespread, but is especially pronounced in Eastern Europe, where median real credit growth will turn negative this year after reaching almost 30% in 2007.
Source: Fitch Ratings

OUTLOOK

SYRIA

Growth at 3%, inflation at 7.5% in 2009

The International Monetary Fund projected Syria's real GDP growth at 3% in 2009, down from 5.2% in 2008, and compared to growth of 3.2% in the oil importing economies of the Middle East, and to growth of 2.6% in the region in 2009. It expected the country's real non-oil GDP to grow by 3.7% in 2009, down from 6% in 2008. The IMF forecast Syria's annual average inflation rate at 7.5% in 2009 down from 14.5% in 2008 and compared to inflation of 9.7% in 2009 for oil importing economies. Also, it expected the growth of broad money at 11.7% this year compared to 19.1% last year. The Fund projected the central government's fiscal balance to post a deficit of 4.4% of GDP in 2009, up from 3.2% of GDP in 2008, and compared to a deficit of 5.5% of GDP in oil importing peers and of 4% of GDP in the region for 2009. It estimated public revenues at 21.9% of GDP and total expenditures at 26.4% of GDP in 2009.

The IMF expected Syria's public debt to reach 32.6% of GDP at end-2009 up from 30.8% at end-2008 and compared to a public debt of 63.9% of GDP in oil importing countries and of 32.7% of GDP in the region. It also forecast total external debt at 12% of GDP this year up from 10.5% of GDP last year and compared to external debt of 32.3% of GDP in oil importing countries and of 30.5% of GDP in the region. Further, the Fund estimated exports of goods & services from Syria at $16.7bn in 2009 down from $19bn in 2008 and imports of goods & services at $19.5bn in 2009 relative to $21.7bn in 2008. It forecast the country's current account deficit at $1.6bn or 3.1% of GDP in 2009, down from $2.2bn or 4% of GDP in 2008, and compared to a deficit of 4.5% of GDP for oil importing countries in the region.

Source: International Monetary Fund

ALGERIA

Non-oil growth at 5.2% in 2009, key risks are extended global recession and low hydrocarbon prices

The Institute of International Finance expected the Algerian economy to grow by 2.9% in 2009 compared to 3.4% in 2008 and 3.9% in 2007, adding that the outlook for 2009 remains reasonably good despite major deteriorations in the external current account and fiscal balances from lower oil and gas prices. It forecast growth in the non-hydrocarbon sector, which accounts for 71% of GDP, at 5.2% this year relative to 6% in 2008 and 6.3% in 2007, and forecast hydrocarbon activity to contract by 4% in 2009 from -2.3% in 2008. It said non-hyrdocarbon growth will remain strong, driven by sustained activity in the construction and services sectors, with activity in services supported by growing demand for transportation, telecommunications and commercial services. It also considered that growth in domestic demand will be supported by continued increase in real terms of government capital spending through its 2005-09 $155bn public investment program. It expected slow progress on structural and macroeconomic reforms, which would weaken Algeria's medium-term growth prospects.

The IIF expected the sharp drop in average oil prices and continued significant increase in imports to shift the current account from a surplus of 20.6% of GDP in 2008 to a deficit of 1.4% of GDP in 2009, and forecast the overall fiscal balance to shift to a large deficit of around 10% of GDP from a surplus of 9% of GDP last year. It noted, however, that the shifts do not pose immediate problems as reserves cover 2.5 years of imports and the public external debt is at a very low 4.1% GDP.

The IIF considered that the major challenge for the government in the neat term remains the implementation of a broad–based structural reform program, including financial sector reform, privatization, opening further the infrastructure sector to private operators and investors, reforming state institutions, and finalizing the negotiations for WTO membership. It added that risks to the outlook are mainly related to the length and depth of the current global recession which will determine oil and gas prices and, therefore, hydrocarbon revenues, adding that non-hyrocarbon growth would be much lower over the medium term if oil and gas prices stay low for an extended period of time.

Source: Institute of International Finance

SUDAN

Economic growth to slow to 4%, current account deficit at 12% of GDP in 2009

The International Monetary Fund projected Sudan's real GDP growth at 4% for 2009, down from 6.8% last year, and compared to growth in Middle Eastern oil exporting countries of 2.3% in 2009. It expected the country's nominal GDP to reach $52.2bn this year, down from $57.9bn in 2008. It forecast Sudan's annual average inflation rate at 9% in 2009, down form 14.3% in 2008 and compared to inflation of 10% in oil exporting countries for 2009. Also, it expected broad money to grow by 16% this year, almost unchanged from 16.3% last year. The Fund projected the central government's fiscal balance to post a deficit of 4% of GDP in 2009, up from 1.4% in 2008 and compared to a 3.2% deficit in oil exporting economies. It estimated public revenues at 12.9% of GDP this year down from 21.4% of GDP last year and total expenditures at 17.6% of GDP this year down from 23.3% of GDP last year.

The IMF expected Sudan's public debt to reach 84.7% of GDP at end-2009, up from 70% at end-2008. It also forecast total gross external debt at 70.3% of GDP this year, up from 58.1% last year and compared to external debt of 29.7% of GDP in oil exporting countries. Further, the Fund estimated Sudan's exports of goods & services at $6.5bn in 2009 down from $12.9bn in 2008 and imports of goods & services at $9bn in 2009 relative to $12.7bn in 2008. It forecast the country's current account deficit at $6.1bn or 11.6% of GDP in 2009, up from $5.4bn or 9.3% of GDP in 2008, and compared to a deficit of 0.6% of GDP for oil exporting countries in the region.

Source: International Monetary Fund

MENA

More than half of Arab insurers downgraded

Insurance rating firm i.e. Muhanna & Co's annual report on the financial strength of insurance firms in the Arab world indicates that the gross premiums of 60 rated insurers increased by 24% to $5.7bn in 2008, while their aggregate shareholders' equity decreased by 1.3% to $6.6bn, therefore raising the risk of underwriting exposure for the companies. Further, the rate of increase in gross premiums last year was not matched with the same percentage increase in technical reserves, reflecting a weakening of reserves. The rating firm downgraded 31 insurers, upgraded 5 firms, and maintained the ratings of 22 insurers, while it rated two new companies this year. Also, it downgraded 17 insurers by one notch, 8 firms by two notches, 3 firms by 3 notches, 2 firms by 4 notches, and one company by 5 notches. It rated 7 firms in the 'A+' category, 13 insurers as 'A', 13 firms in the 'A-' range, 7 insurers as 'BBB+', 7 as 'BBB', 6 companies as 'BBB-', 4 insurers as 'BB+', 2 as 'BB' and one as 'B-'. The 60 firms included 18 insurers from the UAE and 22 from Jordan, with the rest from Bahrain, Egypt, Lebanon, Oman, Qatar, Saudi Arabia and Syria. The firm rates 115 insurers in total, with the ratings of the other 55 firms to be issued in August.
Source: Digest Arab Insurance Rating 2009

SUDAN

Oil revenues at record low

The Finance & Economy Ministry indicated that oil revenues declined to record lows in February and March, as oil receipts reached $47.5m in February and $90m in March compared to $347.8m last November and $608m in October. It added that the share of the Government of Southern Sudan was $15.2m in February and $35m in March. Oil revenues account for 18% of Sudan's GDP, 50% of revenues and 80% of cash inflows. The Central Bank of Sudan (CBS) estimated that the country's oil receipts have declined by 80%, creating additional burdens, and noted that foreign investments from Arab Gulf states in particular as well as foreign aid were negatively affected by the global credit crunch. The CBS noted that the government must control spending and avoid imposing additional taxes. It also warned about printing money or borrowing, saying it will increase inflationary pressures. Sudan's 2009 budget introduced tax hikes including duties on imported vehicles and indirect taxes on telecom services to make up for falling oil prices. The CBS said that U.S. economic sanctions are affecting exports and noted that international financial institutions refuse to extend loans to Sudan due to the sanctions.
Source: Sudan Tribune

ARMENIA

Budget deficit at 2.9% of GDP in first quarter

Government revenues reached $378.5m in the first quarter of the year, down 9.7% from the same period last year, while total expenditures increased by 10.4% year-on-year to $415.5m over the same period, leading to a budget deficit of $37m in the first quarter of 2009. Revenues were equivalent to 30% of GDP and spending to 32.9% of GDP, resulting in a deficit of 2.9% of GDP for the covered period. Tax revenues were down by 16.7% year-on-year to $277.5m or 22% of GDP at the end of the quarter. Receipts from the value-added tax fell by 20.1% to $138m, revenues from profit tax declined by 20.8% to $43m, while income tax revenues increased by 11.4% to $32m in the first quarter. Social spending reached 12.1% of GDP, defense expenditures reached 4.7% of GDP and educational outlays reached 4.2% of GDP on an annualized basis.
Source: ArmInfo

UKRAINE

Sovereign ratings downgraded

Moody's Investors Service downgraded Ukraine's foreign and local currency government bond ratings to 'B2' from 'B1', and assigned a 'negative' outlook. It also downgraded the foreign currency country ceiling for bonds to 'B1' from 'Ba3', and the ceiling for foreign currency bank deposits to 'B3' from 'B2', both with a 'negative' outlook. The agency said the downgrades reflect the continuing fragility of the economy and its banking system, as well as the uncertainty generated by a series of capital controls implemented by the National Bank of Ukraine (NBU) to limit foreign currency outflows. It noted that such controls increase the possibility of default by Ukrainian corporations and banks on foreign currency debt payments if they remain in place, especially coming on top of existing controls on both domestic and foreign currency term bank deposits. It added that tighter NBU regulatory intervention may have negative consequences for both domestic and foreign investments in future. It said the economic situation has deteriorated and non-performing loans continue to escalate rapidly, posing further risks to the banking system and to currency stability, adding that such risks are complicated by persistent political uncertainties in the run-up to the upcoming presidential election in October.
Source: Moody's Investors Service

KAZAKHSTAN

Outlook revised to stable, ratings affirmed

Standard & Poor's revised its outlook on Kazakhstan to 'stable' from 'negative' and affirmed the country's 'BBB-' foreign currency and 'BBB' local currency long-term sovereign credit ratings. It attributed the outlook revision to the government's emerging policy of limiting potential liabilities arising from banking pressures, while at the same time providing sufficient resources to maintain depositor confidence and to allow the system to support the economy, despite near-term challenges. S&P noted that the government decided to restructure rather than guarantee or repay the debt of BTA Bank, the country's largest bank that it took over in February, and refused to take over Alliance Bank, the country's fourth largest bank, unless creditors agree to debt restructuring. It said these actions reflect the government's unwillingness to sacrifice its financial strength in order to repay the banking sector's external debts that amounted to about 30% of GDP at year-end 2008.
Source: Standard & Poor's

GCC

Retail banking faces low risks in Saudi Arabia, high risks in UAE

Fitch Ratings indicated that the more challenging operating environment in the GCC will negatively affect prospects for retail banking in the region, but with various degrees of severity depending on the market. It considered that Saudi Arabia's banking sector has a 'low' level of risk from retail lending; banks in Bahrain, Kuwait and Qatar face a 'moderate' risk level; while the UAE, especially Dubai, has a 'high' level of risk. The agency said the retail banking market is untested in the region and estimated that retail lending grew by 19% in the first 9 months of 2008 after growing by 18% in 2007 and 13% in 2006, reaching $166bn at end-September 2008. It noted that during such periods of rapid growth, risk management systems may come under stress, lending criteria may not be properly implemented and bad lending decisions are made. Fitch incorporated in its risk assessment the size of the overall retail sector compared with the total banking system, the severity of the impact of the global recession on the local economy, the rate of retail loan growth in recent years, the quality and effectiveness of regulation, levels of leverage available to retail customers, the size of overall and expatriate populations, and the prevalence of retail credit available through non-bank financial institutions.

Source: Fitch Ratings

KUWAIT

Formation of bad bank for toxic assets under discussion

The Central Bank of Kuwait is in discussions to set up a fund, or bad bank, to buy up toxic assets from the balance sheets of the country's investment companies. The "bad bank" is being discussed with the Kuwait Investment Authority, the country's sovereign wealth fund, and with private companies. The government considers that Kuwait's banks are safe, but is concerned about the country's ailing investment firms. A number of local investment firms have defaulted on loans owed to local and foreign banks because of the credit crunch, making Kuwaiti banks reluctant to lend. Also, the CBK said the assets of 99 investment firms dropped by 31%, or $32bn, to $72bn in the six months ending January 209. In parallel, the CBK cut its discount rate by 50bps to 3% to support economic activity and get credit flowing again.

Source: Dow Jones Newswires, KUNA

ALGERIA

New rating system for bank solvency

The Central Bank of Algeria announced plans to impose a rating system to assess the solvency of banks operating in the country. It noted that banks would not be ranked in a hierarchy, but that the rating system would be added to a stress test mechanism established to evaluate how banks would react to potential financial shocks. Also, the system would help the CBA follow the evolution of risks, notably credit risk, to allow healthy credit growth to the economy. The ratings system is expected to go into effect in the second half of the year. Despite the increased presence of foreign private banks in the country in recent years, state-owned banks continue to dominate the sector with about 90% of aggregate assets. In parallel, the CBA declared it permit foreign citizens and companies to open foreign currency accounts at Algerian banks.

Source: APS

ARMENIA

Banks' assets up 10.2% in first quarter of 2009

Figures released by the Central Bank of Armenia show that total assets of commercial banks reached $3.1bn at the end of the first quarter of 2009, constituting a 41% rise year-on-year and a 10.2% rise from the end of 2008. The sector's total deposits grew by 17.1% over the quarter to $1.5bn. Deposits in local currency reached $403m, or 27.1% of the total, while deposits in foreign currency accounted for 72.9% and reached $1.1bn at end-March 2009. Resident deposits represented 77.8% of aggregate deposits, while non-residents accounted for the remaining 22.2%. Loans to the economy, excluding overdue loans, reached $1.74bn at the end of March. The banks' aggregate capital base stood at $649.6m at end March-2009, up 31.3% year-on-year and up 1.5% from the end of 2008. The sector posted losses of $1.1m in the first quarter compared to profits of $15.7m in the same period last year. Interest income reached $71.7m in the first quarter of the year, up 34.5% from the same period last year and constituted 57.6% of total gross income. Non-interest income decreased by 38.2% year-on-year to $11.4m and represented 9% of gross income. Interest expenses more than doubled year-on-year to $32.5m and accounted for 26.4% of total gross expenses, while non-interest expenses decreased by 25.2% year-on-year to $37.6m at the end of the quarter and made up 30.5% of total gross expenses.

Source: Central Bank of Armenia

UKRAINE

Ratings of 19 banks downgraded

Moody's Investors Service downgraded the global foreign currency deposit ratings of 19 Ukrainian banks to 'B3' from 'B2', including Calyon Bank Ukraine, Forum Bank, ING Bank Ukraine, Raiffeisen Bank Aval, VAB Bank, Pravex Bank, Subsidiary Bank Sberbank of Russia and Swedbank, among others. It also downgraded the foreign currency debt ratings of Forum Bank, Privatbank Commercial Bank, Ukreximbank, Ukrsibbank and Ukrsotsbank to 'B1' from 'Ba3' with 'negative' outlooks. Further, it downgraded the local currency debt ratings of Raiffeisen Bank Aval and Ukrsotsbank. The agency said the rating action was triggered by its earlier downgrade of Ukraine's foreign currency bank deposit ceiling, of the country's foreign currency bond ceiling, and of its local currency bond ceiling.

Source: Moody's Investors Service

Oil falls towards $57 on fresh demand concerns

Oil prices fell toward $57 a barrel on May 14 as equity markets slipped, weighing on optimism for economic recovery and energy demand. Oil fell on May 13 after disappointing U.S. retail sales data prompted a more than 2% drop on Wall Street. U.S. crude fell 54 cents to $57.48 a barrel, and London Brent fell 33 cents to $57.01. Oil prices have been tracking equities markets closely in recent months as traders look to stocks for signs of an economic recovery that could lift weak world fuel demand. A rally in stock markets this year has helped increase crude prices almost 80% from a January low of $32.70. The dollar held near a one-week high versus the euro on May 14, adding pressure on oil prices. A firmer dollar makes oil more expensive to holders of other currencies.

Hopes for a quick rebound in the global economy also decreased following a report of falling European industrial output and a Bank of England forecast saying Britain needed a long period of healing. Crude fell even as Nigeria's main militant group threatened to attack oil companies in the Niger Delta following heavy clashes with security forces. Oil's retreat from a six-month high on May 12 also came despite the U.S. Energy Information Administration's report showing U.S. crude stocks fell 4.7 million barrels. Weak demand for fuel has taken oil prices more than 60% off the record above $147 a barrel hit in July. The International Energy Agency said in April that it expected total demand to fall by 2.4 million barrels per day (bpd) this year, a big cut from the 1.25 million bpd forecast in its previous monthly report.
Source: Thomson Reuters

OPEC oil output up in April

OPEC said in its monthly report that its 11 members raised output in April by 224,300 barrels a day, the first time since July 2008 and despite falling demand. OPEC downgraded its forecast for world oil demand this year by 200,000 barrels a day, with demand expected to fall by 1.6 million barrels a day due to the continued weakness in the world economy.
Source: OPEC

ENI to invest $1.5bn over five years in Egypt

Italy's biggest oil and gas company, Eni, will invest $1.5bn over five years in hydrocarbon exploration and production in Egypt as part of a series of new cooperation activities with Egypt. The new initiatives include the extension of the license for the giant field Belayim in the Gulf of Suez, which Eni operates with a 100% stake, for a further 10 years through the end of 2030.
Source: Thomson Reuters

Sonatrach plans $1.5bn investment in 2009

Algerian state-owned Sonatrach said it plans to spend $1.5bn this year in a bid to increase Algeria's oil reserves above 40 billion barrels. Algeria's investment in the hydrocarbons industry had ranged between $300-$400m annually in previous years.
Source: Al-Khabar

Base metals: Rallying on China data

The base metals put in another strong performance in April and early May, with nickel, tin, and zinc all increasing at a double-digit pace month-on-month. Aluminium and copper also rose, but at a more moderate pace. The main reason for the general improvement is that China continues to outperform. With manufacturing Purchasing Managers' Index now moving into expansionary territory, there are hopes that demand growth in China will outweigh much of the weakness elsewhere in the world. However, the general rally in base metals has been overdone and a pullback is expected in markets where fundamentals remain poor, such as aluminium and nickel. The rally in zinc also looks vulnerable given how quickly prices have moved up. Copper stands out as having strong underlying fundamentals and is expected to be the best performer in the weeks ahead.
Source: Standard Chartered

Precious metals: Mixed performance

The last few weeks have seen a mixed performance across the precious metals complex. Gold has made some modest gains, while silver has increased strongly on the back of some temporary mine closures in Mexico. These markets were sustained by a general improvement in risk appetite across the commodities complex, which more than offset safe-haven selling as equity markets rallied. The platinum group metals (PMGs), by contrast, have remained depressed, with weakness in the auto sector and concerns about the potential bankruptcy of General Motors and Chrysler weighing on sentiment. Over the next few weeks the US dollar is expected to reassert itself as the major driver of these markets, helping to lift gold and the PGMs in particular, while silver should lag behind.
Source: Standard Chartered

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	164.9	158.7	197.6	-1.4	-35.4
LME metals price index	2255.0	1853.7	2657.2	12.0	-45.5
Oil prices USD	56.2	45.7	79.9	10.2	-53..8
Oil prices SDRs	37.5	30.6	51.9	10.1	-50.0
Gold $/troy oz	908.0	871.7	866.6	4.3	3.2
Silver cents/troy oz	1344.0	1180.9	1327.4	8.3	-19.5
Platinum $/troy oz	1136.0	993.1	1282.7	-1.2	-41.4
Copper $/MT	4590.5	3585.1	5454.3	6.0	-46.8
Nickel $/MT	12002.5	10471.9	14780.5	11.4	-57.6
Aluminium $/MT	1490.8	1455.2	2081.2	3.0	-48.3
Zinc $/MT	1521.0	1202.2	1476.8	13.5	-31.3

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	-	-	-	-	CCC Stable	-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	- -	- -	- -	- -	CC Stable	-1.7	-	57.9	175.9	-	556.0	-1.8	-
Libya	A- Stable	- -	BBB+ Stable	- -	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- Negative	- -	BB- Stable	- -	B 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	BBB Stable	-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	B2 -	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 Stable	- -	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	BBB Stable	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 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-	-	BB								
	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	-	CCC								
	Negative	Positive	Negative	-	Stable	-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	29-Apr-09	No change	24-Jun-09
Eurozone	Refi Rate	1.00	07-May-09	Cut 25bps	04-Jun-09
UK	Base Rate	0.50	07-May-09	No change	04-Jun-09
Japan	O/N Call Rate	0.10	30-Apr-09	No change	22-May-09
Australia	Cash Rate	3.00	05-May-09	No change	02-Jun-09
New Zealand	Cash Rate	2.50	30-Apr-09	Cut 50bps	11-Jun-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	30-Apr-09	No change	24-Jun-09
Taiwan	Discount Rate	1.25	26-Mar-09	No change	June 09
South Korea	Target Rate	2.00	12-May-09	No change	N/A
Malaysia	O/N Policy Rate	2.00	29-Apr-09	No change	26-May-09
Thailand	1D Repo	1.25	08-Apr-09	Cut 25bps	20-May-09
India	Repo rate	3.50	21-Apr-09	No change	24-Jul-09
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 50bps	N/A
Saudi Arabia	Repo rate	0.50	14-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	30-Apr-09	Cut 100bps	28-May-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	June 09
Ghana	Prime Rate	18.50	24-Feb-09	Raise 150bps	May 09
Mexico	Target Rate	6.00	17-Apr-09	Cut 75bps	15-May-09
Brazil	Selic Rate	10.25	29-Apr-09	Cut 100bps	10-Jun-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	9.00	14-May-09	Cut 50bps	N/A

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