



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Global downgrade potential declines slightly

Standard & Poor's said the number of issuers poised for downgrades declined slightly to 992 issuers in June from 1,004 issuers in May due to materialized downgrades. The agency said the reduction comes after record highs were reached in nearly every month since January 2008, with the all-time peak of 1,028 issuers reached last April. It added that the June figures are 243 issuers more than levels seen a year ago and 95 more than the trailing 12-month average of potential downgrades. S&P defines potential downgrades as entities that have either a 'negative' outlook or ratings on CreditWatch with negative implications across rating categories 'AAA' to 'B-'. It said the global ratio of potential downgrades to potential upgrades increased to 7 to 1 at the end of first-quarter 2009 from 2 to 1 in the first quarter of 2008, with banks display the highest downgrade propensity. S&P said that 31% of issuers it rates had either a 'negative' outlook or ratings on CreditWatch negative as of mid-June 2009, up from 26% at the end of 2008 and 14% at the end of 2007. In parallel, S&P said that 149 entities are poised to benefit from upgrades across the rating designations 'AA+' to 'B-', the fourth lowest count on record, with the lowest at 136 issuers last March. It said the number of upgrade potentials has been on a continuous decline, with much of the drop attributed to credit deterioration across the globe.

Source: Standard & Poor's

EMERGING MARKETS

United States commits \$100bn to IMF to help face crisis

The United States has committed to increase its credit line to the International Monetary Fund by up to an additional \$100bn as part of a package of measures related to the IMF that was approved by the U.S. Congress. The Fund said this clears the way for a big increase in its funding to combat the global economic crisis. At its April 2 summit in London, the Group of Twenty industrial and emerging market countries called for a tripling of the Fund's pre-crisis lending resources to \$750bn. The Fund said Japan has already contributed a \$100bn credit line, and agreements with Norway and Canada in the amount of \$4.5bn billion and \$10bn, respectively, are expected to be effective shortly. It added that a number of other governments have made commitments, including the European Union members pledging €75bn and Switzerland about \$10bn. Further, several countries, including Brazil, China, and Russia, have expressed their intention to invest in notes issued by the IMF that would enable them to contribute to an increase in the Fund's resources, with their combined interest currently totaling up to \$70bn.

Source: International Monetary Fund

GCC

Business confidence improves

The HSBC Gulf Business Confidence Index for the second quarter of 2009 showed that confidence increased to 79.4 points from 74.8 points in the previous quarter, representing the largest increase in the index since confidence collapsed in the fourth quarter of 2008 and the index dropped by 22 points. It said 34% of businesspeople surveyed considered that the current economic difficulties would last for at least two years, down from 68% in the previous quarter. However, 17% of respondents are pessimistic about their firm's revenues while 28% see an increase in profits in 2009, reflecting the level of uncertainty that exists in the market. Also, 48% of respondents expect their company to perform better in the next quarter compared to 42% in the first quarter. In parallel, 34% of respondents consider that oil prices are having a positive effect on their business compared to 26% in the first quarter. Further, 57% confirmed that the Middle East is their principal trading region but 33% predict this market will slow in 2009. In parallel, 33% of respondents believe that cross-border trade will slow down. In parallel, 30% of businesses intend to hire new employees this year while 20% predict further cuts in their workforce. Business confidence increased in all GCC countries except for Bahrain.

Source: HSBC Bank

SUDAN

EU funds could be blocked under Cotonou Agreement

The Sudanese government formally notified the European Union that it will not ratify the amendments of the Africa, the Caribbean and the Pacific (ACP)-European Union Cotonou Partnership Agreement signed in 2005. The Cotonou treaty in its original format is aimed at the reduction and eventual eradication of poverty, while contributing to sustainable development and to the gradual integration of ACP countries into the world economy. However, the revised agreement incorporates the fight against impunity and promotion of criminal justice through the International Criminal Court, which Khartoum has refused to ratify. As a result, Sudan may be immediately denied access to approximately €300m in EU funding for its refusal to ratify the new version. A large portion of the funds is allocated to support the semi-autonomous Government of South Sudan and the Comprehensive Peace Agreement. The South Sudan government is currently under financial stress due to the sharp drop in oil prices and has reportedly asked the United States to cover part of the revenue shortfall. The withholding of the funds will likely add to the South's financial difficulties.

Source: SUNA

OUTLOOK

EMERGING MARKETS

Net private capital inflows to drop by 49% to \$363bn in 2009

The World Bank expected net private capital flows to developing economies to reach \$363bn in 2009, constituting a decline of 48.6% from \$707bn in 2008 and reversing the strong increase that began in 2003 and reached a peak of \$1,200bn in 2007. It forecast capital inflows to be equivalent to 2.5% of developing countries' GDP this year, down from 4.4% of GDP in 2008 and 8.6% of GDP in 2007. It noted that the magnitude of the decline is troubling for its macroeconomic consequences and for vulnerability to further shocks, particularly in countries where banks and firms have high levels of external debt.

The Bank indicated that the severe global downturn will continue to depress lenders' interest in developing countries and reduce investment flows. It expected net capital inflows to recover 2010 along with the recovery in global economic growth. But it warned that developing economies may face sharp competition for funds as the governments of advanced economies begin to issue the securities necessary to finance their fiscal stimulus and bank rescue plans. Further, the shift among foreign investors from private to public risk in emerging markets could be particularly costly for emerging market corporations.

The World Bank expected foreign direct investment, the largest component of international capital flows to the developing world, to decline by 30% in 2009. It noted that many factors that had led to the expansion of cross-border mergers and acquisitions such as high economic growth, favorable financing conditions, high corporate profits, booming stock markets, and increased involvement by private equity firms, hedge funds, and sovereign wealth funds are now absent.

Source: World Bank

MENA

Growth to slow to 1.6% in 2009, risks to recovery significant

The World Bank revised downward its GDP growth forecast for the Middle East & North Africa region to 1.6% for 2009 from 2.9% at the end of last year and from 5.6% in 2008. It said the biggest direct effect of the crisis on the region has been the sharp drop of oil prices, which has radically reduced government revenues among oil exporters. It expected aggregate oil and gas revenues for the GCC to drop from \$670bn in 2008 to about \$280bn in 2009, a decline equivalent to 38% of the GCC's GDP. Further, it expected revenues of non-GCC oil exporters in the region to decline from \$320bn last year to \$140bn this year, equivalent to 28% of their GDP. It noted that such severe revenue declines, against continuous spending at a fairly rapid pace, has caused fiscal balances in a number of oil exporters to post deficits. As a result, the public sector's capacity to mitigate some of the adverse consequences of the crisis through targeted stimulus packages and other measures has been reduced.

The Bank expected the extent of the slowdown to vary depending on trade links to Europe, reliance on oil revenues, and initial fiscal and external account positions. It considered that prospects for several of the non-oil economies of the region are dependent on remittances, FDI flows, tourism, and foreign aid, and therefore their prospects will depend on those of the GCC states and to a lesser extent on the international donor community. It projected growth for this group of countries to decline from 5.6% in 2008 to 3.9% in 2009.

The World Bank expected overall growth in the MENA region to improve to 3.5% in 2010 and 4.4% in 2010, but warned that recovery prospects will depend on the strength of the eventual revival of growth in Europe and in the GCC countries. It added that continued weakness in oil prices, the persistent drag of global finance, weak remittance flows, a longer global recession, weak global energy demand, and strong negative wealth effects from falling real-estate and equity prices in the region are all expected to restrain the recovery.

Source: World Bank

LIBYA

Non-oil growth to average 5.3% in 2009-10

The Institute of International Finance expected the Libyan economy to grow by 3% in 2009 and 5.5% in 2010 compared to 5.4% in 2008, adding that the outlook for 2009 and 2010 remains reasonably good despite the global recession and internal inefficiencies. It forecast oil activity, which accounts for 23.4% of GDP, to contract by 4% in 2009 and projected growth in the non-oil sector at 5.2% this year and 5.4% in 2010 from 6.3% in 2008. It said non-oil growth will remain strong, mainly 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. It added that Libya's medium-term growth prospects depend mainly on the country's ability to accelerate the pace of structural reforms.

The IIF expected the current account surplus to narrow from 47% of GDP in 2008 to 15% in 2009 due to the fall in oil prices, and then to widen again to 21% in 2010. It forecast official reserves to continue to grow, covering 3.5 years of imports in 2010 and expected external debt to remain negligible. The IIF also forecast the overall fiscal surplus to reach 6.2% of GDP in 2009 and 22.8% in 2010. It noted, however, that the structure of the budget needs to be rationalized through the restructuring of non-priority expenditures and improving the efficiency of the tax system.

The IIF considered that aside from the heavy oil dependency of the economy, Libya's major risks remain the current state-directed socialist model that needs to be restructured, the resistance to change in much of the bureaucracy, and the institutional and human capital deficits. It added that there remain fundamental uncertainties about how much of a role to grant the private sector and foreign investment in the Libyan economy.

Source: Institute of International Finance



ECONOMY & TRADE

GCC

Free trade deal signed with EFTA countries

The Gulf Cooperation Council states signed a free trade agreement with Iceland, Liechtenstein, Norway and Switzerland to establish a free trade zone with the four nations of the European Free Trade Association (EFTA). The new accord covers a broad range of areas including the liberalization of trade in goods and services, promoting competition, protecting intellectual property rights, mutually enhancing investment opportunities, liberalizing government procurement markets, and dispute settlement. The deal also establishes an EFTA-GCC Joint Committee to supervise the application of the agreement. In addition, bilateral arrangements on agricultural products between three EFTA states and the GCC form part of the instruments establishing the free trade area between both sides. Trade between the GCC and EFTA doubled in the past 10 years, increasing from \$1.6bn in 1999 to \$7.2bn in 2008. It is the eighth agreement the EFTA states have concluded with a non-EU state in the Mediterranean basin. The EFTA group was set up in 1960 and has concluded several free trade agreements with non-European countries and is trying to expand its free trade agreement to the Mediterranean basin. It already has free trade accords with Lebanon, Jordan, Israel, the Palestinian Authority, Morocco, Tunisia, and Turkey.

Source: EFTA

SYRIA

Tourism activity up 10% in first 5 months of 2009

Figures release by the Ministry of Tourism show that the number of visitors to Syria reached 1.9 million in the first 5 months of 2009, an increase of 10% from 1.73 million visitors in the same period last year. The figures include Syrian expatriates but it is not clear if they include one-day visitors from neighboring countries and Iraqi arrivals. The distribution of tourists by source shows that the number of Arab visitors increased by 11.4% to 1.13 million and accounted for 60% of total arrivals. Visitors from other parts of the world totaled 0.43 million, up 5.3% from the same period last year, with European tourists accounting for 27.8% of non-Arab visitors and rising by 25.5% year-on-year. The number of Syrian expatriates visiting their home country rose by 9% to 0.34 million. Spending by visitors totaled \$1.43bn in the first 5 months of the year, with 31% spent on hotels, furnished apartments and other residential expenses, 31% on shopping, and 18% of food and beverages.

Source: SANA, Syria Report

JORDAN

Insurance premiums up 10% year-to-May

Figures issued by the Insurance Commission of Jordan show that gross premiums generated in the local market reached JD152.8m in the first 5 months of 2009, constituting an increase of 9.8% from JD139.2m in the same period last year. General insurance premiums rose by about 10% to JD137.1m, while life premiums increased by around 14.3% to JD15.7m from JD14.6m in the same period. Total premiums rose by 14% to JD331.6m in 2008.

Source: Al-Rai Daily

EGYPT

New regulatory authority for non-bank financial markets

The government established a new regulatory authority to oversee all non-banking financial markets as part of a long-term process to reform and develop the nation's financial sector. Law 10/ 2009, which established the General Authority for Financial Supervision (GAFS), incorporates various oversight committees under a single umbrella organization. GAFS will supervise the Egyptian stock market, the insurance sector as well as the mortgage finance and financial leasing activities. GAFS will officially begin its functions at the start of July 2009.

Source: Al Ahram

ANGOLA

Sovereign wealth fund to be launched this year

The Finance Ministry indicated that Angola plans to launch a sovereign wealth fund in 2009 to invest part of the nation's oil revenues abroad. Plans to create the fund, known as the Fundo Soberano Angolano, were announced last November, but the project has since been delayed due to the global economic downturn. Angola has used state-owned oil firm Sonangol as a type of sovereign wealth fund to buy shares in foreign companies, such as a 10% stake in Portugal's largest listed bank Millennium bcp. Angola is one Africa's biggest oil producer and saw its revenues increase since 2003 from rising oil prices, with such receipts reaching \$41bn last year. But lower oil prices have prompted the government to be more rigorous with future public investments. The IMF expects Angola's real GDP to contract by 3.6% and for the country to post a fiscal deficit of 10.8% of GDP this year.

Source: Thomson Reuters, International Monetary Fund

ARMENIA

IMF increases financial support to \$823m

The International Monetary Fund agreed to increase its Stand-By Agreement (SBA) with the Armenian government by \$283m to \$822.7m and will disburse \$158.3m immediately. The IMF approved last March a 28-month SBA of \$540m to help the country weather the global economic downturn. The Fund stated that the revised arrangement will support the government's economic program amid a sharper-than-expected impact from the global financial crisis. It added that the key objectives of the program are to help Armenia adjust to the external shock, cover the country's growing financing needs, maintain confidence in the currency and the financial system, and protect the poor. The Fund said the sharp contraction in economic activity, the fall in remittances, an increase in unemployment, and difficult conditions in credit markets require an easing of macroeconomic policies and the implementation of several measures to stimulate domestic demand and create new jobs. The program includes the easing of monetary conditions by widening the range of the Central Bank's instruments to provide longer-term dram liquidity to banks, and by increasing targeted lending to small and medium-size enterprises. It also supports the easing of fiscal policy, as the government will aim to maintain its overall expenditures close to the original 2009 budget.

Source: International Monetary Fund



BANKING

MENA

Investment and export credit guarantees increase by 102% to \$1bn in 2008

The Arab Investment & Export Credit Guarantee Corporation (Dhaman) indicated that the total value of guarantee contracts it signed in 2008 reached \$1.02bn, constituting an increase of 102% from \$505.2m in 2007. Dhaman provides insurance coverage to Arab and non-Arab investments in its member countries against non-commercial risks, as well as insurance against commercial and non-commercial risks for inter-Arab and worldwide Arab export credits. It said that export credit insurance accounted for 44.1% of the total insurance contracts signed, followed by investment guarantee contracts with 37.3%, reinsurance with 16.9%, and guarantees for special accounts with 1.7%. Also, the distribution of export credit insurance by type shows that comprehensive insurance accounted for 75.8% of the total, followed by letters of credit confirmation with 22.2%, specific contracts with 1.95% and buyer credit with 0.05%. Further, plastic materials accounted for 23% of goods that received export credit insurance, followed by chemicals with 18% and services with 17%, while other covered products accounted for less than 10% each.

Source: Arab Investment & Export Credit Guarantee Corporation

SYRIA

Central Bank reduces reserve requirements for industrial lending

The Credit and Monetary Council of the Central Bank of Syria reduced the reserve requirements for commercial banks in order to encourage lending to the industrial sector. The decision, taken in May but made public in mid-June, reduces the compulsory reserve levels required from local commercial banks on a gradual scale depending on the volume of lending to the industrial sector. Banks with industrial credits equivalent to between 5% and 10% of their total loan portfolio will see a reduction of one percentage point in their reserve requirements, while the reserve requirements of banks with industrial lending of between 10% and 20% of their loan portfolio will drop by 2%. Further, compulsory reserves will decline by 3% for industrial portfolios equivalent to 21%-30% of total lending, while they will drop by 4% for industrial lending representing a share of 31%-40% of total lending. Finally, banks that lend more than 40% of their portfolio to industry will see reserve requirements drop by 5 percentage points.

Source: Syria Report

SAUDI ARABIA

Banks' foreign assets up 15% year-on-year in April

Figures released by the Saudi Arabian Monetary Agency (SAMA) indicate that Saudi banks' foreign assets reached SAR168.4bn, or \$45bn at end-April 2009, constituting an increase of 15.3% year-on-year and the biggest annual increase over the past five years. SAMA said foreign assets continued to grow steadily during the past few months despite the global financial turbulence. The banking sector's aggregate assets

reached SAR 1,340bn, with foreign assets accounting for 12.6% of the total. Foreign assets rose from SAR154bn at end-2008 to SAR157.3bn in January and SAR164.3bn in February but declined to SAR161.8bn in March. Foreign assets rose from SAR91.4bn in 2005 to SAR129.8bn at end-2006, SAR147.7bn at end-2007 and SAR154bn at end-2008.

Source: SAMA

NIGERIA

Central Bank may lift restrictions on foreign bank ownership

The Central Bank of Nigeria (CBN) indicated that it is prepared to lift a ban on foreign ownership of local banks, adding that restricting outside investment in the sector was not a sustainable policy. The CBN currently has to approve the acquisition of more than 5% of a Nigerian bank by a foreign investor, and foreign banks cannot own more than 10% of a Nigerian bank. The CBN's new Governor Lamido Sanusi said these rules were unnecessarily restrictive. Most international banks left Nigeria in the 1970s after military rulers imposed a law that partly nationalized banks. Despite the sector's reforms and liberalization earlier this decade, only two foreign banks, Standard Chartered and Citigroup, have re-established large operations in the country. The CBN said that encouraging outside investment is part of a wider plan to improve confidence in the country's financial system which has suffered losses during the collapse of local stock markets last year. It noted that the financial system needs capital inflows as well as management skills and systems such as risk management, while banks may need to be recapitalized.

Source: Reuters

RUSSIA

Negative action on 11 banks on asset quality and capitalization concerns

Standard & Poor's downgraded the long-term counterparty credit ratings on Raiffeisenbank and UniCredit Bank to 'BBB-' from 'BBB', and revised the outlook to 'stable' from 'negative' on the first and maintained a 'negative' outlook on the second. It also downgraded Bank URALSIB and Promsvyazbank to 'B+' from 'BB-'. Further, it placed on CreditWatch with negative implications the ratings of Alfa-Bank, Gazprombank, Rosbank, Commercial Bank Petrocommerce, Ural Bank for Reconstruction and Development, and Bank Vozrozhdenie. It also revised the outlook on Surgutneftegasbank to 'negative' from 'stable'. The agency said the rating actions reflect growing concerns about the banks' weakening asset quality and their limited ability to absorb rising non-performing loans and related provisioning needs due to the sharp economic downturn in Russia. It considered that the deterioration in the banks' loan portfolios is materially putting pressure on earnings and capitalization. S&P expected the credit and financial standing of Russian banks to deteriorate, as the creditworthiness of the Russian banking system is gravitating toward the 'B' rating category.

Source: Standard & Poor's

ENERGY / COMMODITIES

Oil rises towards \$69 on Nigeria attack

Oil rose toward \$69 a barrel on June 25 after Nigeria's main militant group shut down one of Royal Dutch Shell's pipeline junction points, increasing concerns about supplies from the region. The Movement for the Emancipation of the Niger Delta (MEND), said it had sabotaged the Billie-Krakama pipeline in Rivers State, which supplies one of the country's main export terminals. Attacks from MEND have forced foreign oil companies, including U.S. oil major Chevron and Italy's Agip, to shut at least 133,000 barrels per day of oil production in the last month. U.S. crude futures for August gained 27 cents to \$68.94 a barrel after falling to \$68.11 earlier. London Brent crude rose 35 cents to \$68.68. Analysts said the effect on prices had been restrained with plenty of spare supply capacity available around the world, as the global recession has cut demand for oil.

Falling demand for oil sent oil prices crashing from record highs close to \$150 a barrel last July toward \$30 a barrel at the turn of the year. Since mid-April, however, prices have risen sharply on prospects for an economic recovery. U.S. government data showed stocks of gasoline in the U.S. rose 3.9 million barrels last week, exceeding analysts' predictions. Stocks of distillates, such as diesel and heating oil, have increased to 10-year highs due to the recession. But prices were supported by a large drop in stockpiles of crude oil, which declined by 3.8 million barrels last week. Production cuts from OPEC are expected to slowly drain global stocks of crude oil toward the end of this year.

Source: Thomson Reuters

Iraq to earn 100 times more than oil companies

Iraq's Oil Ministry said the country stands to earn 100 times more than international companies that would develop some of its largest crude deposits. It added that foreign investment will raise production and profits for the country, while overseas oil companies get paid a fee for developing oil reserves without taking stakes in Iraqi fields.

Source: Bloomberg

UAE, South Korea sign nuclear cooperation pact

The UAE has signed a nuclear cooperation agreement with South Korea, under which the government of South Korea would help the UAE build its peaceful nuclear program over a 20-year period. The UAE plans to build a number of reactors to meet an expected requirement for an extra 40,000 megawatts of electricity by 2017. French firms also plan to compete for the business.

Source: WAM

GE opens water & process technology center in Saudi Arabia

GE Energy has announced the opening of its \$10m GE Saudi Water & Process Technology Center to serve industrial customers in the kingdom and in the wider region. The new center incorporates a blending plant for water treatment chemicals and offers advanced water, water reuse, wastewater and process solutions to local and regional customers. The new center is a joint venture between GE and Al Tamimi Group, the Saudi engineering and construction firm.

Source: Business Intelligence Middle East

Base metals: Copper and zinc prices to trend lower in the second half of the year

Copper prices are expected to remain well-supported over the next few weeks, with lower LME stocks and improving demand keeping prices high. However, there is a risk that prices have now run a little ahead of fundamentals. Demand normally weakens in the third quarter for seasonal reasons, and an improvement in supply from Chile is expected in the months ahead. The softness in China is also a warning that prices are not well-supported at current levels. As a result, prices should peak around the middle of this year and are expected to trend lower in the second half.

While zinc demand appears to have bottomed out in the last couple of months, this will not translate into a sustained recovery in prices in the third quarter of the year. Zinc prices are forecast to be well-supported into late June, but are looking for a pullback in the second half of 2009. Demand is expected to soften over the summer for seasonal reasons, and this should result in a renewed build-up in LME stocks in the third and fourth quarters. Prices should trend modestly lower towards the year-end, before resuming their upward momentum heading into next year.

Source: Standard Chartered

Precious metals: Gold may extend gains on signs U.S. interest rates to stay low

Gold may extend gains of the past two days as the prospect of sustained low U.S. interest rates weakens the outlook for the dollar and supports demand for alternative investments. Gold jumped as much as 1.8% on June 24 before the Federal Reserve disappointed investors by not increasing a \$1.75trn bond-purchase program designed to lower interest rates. The Dollar Index edged lower on June 25 after gaining as much as 1.1% the previous day. Gold typically moves inversely to the dollar. Gold for immediate delivery increased by 0.3% and traded at \$934.42 an ounce. It climbed 0.6% on June 25 having reached a four-day high of \$942.01 before the Fed announcement. Gold for August delivery climbed 0.1% to \$934.90 an ounce on the New York Mercantile Exchange's Comex division, after gaining 1.1% on June 24th. Gold holdings in the SPDR Gold Trust were unchanged at 1,131.24 metric tons on June 24th. Silver for immediate delivery rose 0.4% to \$13.92 an ounce. Silver has outpaced gold this year, with an ounce of gold now buying about 67.27 ounces of silver. Among other precious metals for immediate delivery, platinum climbed 0.7% to \$1,170 an ounce and palladium gained 0.2% at \$236.50 an ounce.

Source: bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	190.9	165.5	189.6	5.1	-28.7
LME metals price index	2378.5	1946.1	2471.2	10.3	-38.6
Oil prices USD	71.0	48.9	72.4	25.4	-47.0
Oil prices SDRs	46.1	32.5	47.4	23.8	-44.4
Gold \$/troy oz	936.5	909.2	873.0	0.5	6.3
Silver cents/troy oz	1402.0	1289.4	1299.6	0.7	-18.6
Platinum \$/troy oz	1201.0	1072.5	1181.2	8.3	-41.3
Copper \$/MT	4902.8	3890.6	5056.5	12.8	-40.1
Nickel \$/MT	14647.5	11287.0	13557.0	19.3	-37.6
Aluminium \$/MT	1562.3	1414.5	1919.5	5.8	-46.7
Zinc \$/MT	1519.8	1290.8	1414.1	4.1	-17.5

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					CCC								
	-	-	-	-	Stable	-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	-	-	-	-	CC								
	-	-	-	-	Stable	-1.7	-	57.9	175.9	-	556.0	-1.8	-
Libya	A-	-	BBB+	-	BB								
	Stable	-	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-	-	B								
	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	BBB								
	Stable	-	Stable	Stable	Stable	-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	Negative	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-	BBB								
	-	-	-	Stable	Stable	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
Yemen	-	-	-	B	CCC								
	-	-	-	Stable	Stable	-17.2	-	29.6	161.9	-	-	-16.9	-



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	EIU								
Central & Eastern Europe													
Armenia	-	Ba2	BB	-	-	-2.2	13.9	32.5	496.8	1.2	311.3	-9.0	5.9
	-	-	Stable	-	-								
Bulgaria	BBB+	Baa3	BBB-	-	BB	-0.4	13.7	101.8	159.2	22.5	250.5	-15.3	9.8
	Stable	-	Stable	-	Stable								
Kazakhstan	BBB-	Baa2	BBB-	-	BB	1.7	6.0	86.4	267.8	56.6	528.0	-3.1	1.5
	Negative	-	Negative	-	Stable								
Romania	BBB-	Baa3	BB+	BBB-	BB	-4.9	16.2	61.9	171.7	21.8	319.6	-8.2	5.1
	Negative	-	Negative	Negative	Stable								
Russia	BBB+	Baa1	BBB	-	BBB	1.5	7.4	40.1	155.9	17.4	193.3	-0.7	0.4
	Negative	Positive	Negative	-	Negative								
Turkey	BB-	Ba3	BB-	BB-	BB	-3.9	43.5	56.0	238.4	41.2	587.4	-5.0	2.4
	Stable	-	Stable	Stable	Stable								
Ukraine	CCC+	B1	B	-	CCC	-1.1	20.7	80.4	202.3	28.5	411.6	-2.8	2.1
	Negative	Positive	Negative	-	Stable								

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	24-Jun-09	No change	12-Aug-09
Eurozone	Refi Rate	1.00	04-Jun-09	No change	02-Jul-09
UK	Base Rate	0.50	04-Jun-09	No change	09-Jul-09
Japan	O/N Call Rate	0.10	16-Jun-09	No change	15-Jul-09
Australia	Cash Rate	3.00	02-Jun-09	No change	07-Jul-09
New Zealand	Cash Rate	2.50	11-Jun-09	No change	30-Jul-09
Switzerland	3 month Libor target	0.25	18-Jun-09	No change	30-Sep-09
Canada	Overnight rate	0.25	04-Jun-09	No change	21-Jul-09
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	24-Jun-09	No change	N/A
Taiwan	Discount Rate	1.25	25-Jun-09	No change	N/A
South Korea	Target Rate	2.00	11-Jun-09	No change	09-Jul-09
Malaysia	O/N Policy Rate	2.00	26-May-09	No change	29-Jul-09
Thailand	1D Repo	1.25	20-May-09	No change	15-Jul-09
India	Repo rate	3.25	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	0.25	16-Jun-09	Cut 25bps	N/A
Egypt	Overnight Deposit	9.00	19-Jun-09	Cut 50bps	N/A
Turkey	Base Rate	8.75	16-Jun-09	Cut 50bps	16-Jul-09
South Africa	Repo rate	7.50	25-Jun-09	No change	N/A
Kenya	Central Bank Rate	8.00	21-May-09	Cut 25bps	July 09
Nigeria	Monetary Policy Rate	8.00	08-Apr-09	Cut 175bps	June 09
Ghana	Prime Rate	18.50	12-May-09	No change	July 09
Mexico	Target Rate	4.75	19-Jun-09	Cut 50bps	N/A
Brazil	Selic Rate	9.25	10-Jun-09	Cut 100bps	22-Jul-09
Armenia	Refi Rate	6.00	09-Jun-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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