



## COUNTRY RISK WEEKLY BULLETIN

### NEWS HEADLINES

#### MENA

##### Quality of life almost unchanged in region

The annual survey on the quality of life in 215 cities around the world by global consultants Mercer Human Resource Consulting showed that the overall quality of life in the region maintained the same level in 2009 from the previous year. The study evaluated the cities on the basis of 39 key quality-of-living determinants grouped in 10 categories that include political, economic and socio-cultural factors, in addition to the environment, housing, recreation, health care, education, transportation, and other public services. The MENA region's average score was 61.6 points, up 0.6% from 2008, while the Arab world's average reached 61.2 points, up 0.9% year-on-year. Both scores came below the global average score of 76.4 points. The scores of 11 cities in the MENA region improved, 7 declined and 3 remained unchanged, while the rankings of 12 cities improved, 5 declined and 4 stayed the same. Dubai has the highest overall quality of life in the region, while Baghdad was considered to be the world's least appealing city. The survey is conducted annually to help multinational companies assess international hardship allowance for their expatriate workers.

Source: Mercer Human Resource Consulting

##### Creditworthiness improves, still below last year's level

Institutional Investor magazine's semi-annual survey on global creditworthiness shows that creditworthiness in the Middle East and North Africa region improved in the past 6 months and regressed on an annual basis. The average rating score of 20 countries in the MENA region reached 49.9 points in September 2009, up 2.2% from 48.8 points in March and down 3.5% from 51.7 points in September 2008. Also, the average score of the Arab countries improved to 49.7 points in September from 48.7 points in March and regressed from 51.4 points in September 2008. The rankings of 7 MENA countries improved, 11 regressed and two were unchanged, while the scores of 14 countries improved, 5 regressed and one was unchanged from March 2009. Iraq registered the biggest rise in the rankings in the region on semi-annual basis, jumping by 13 spots, while Yemen posted the steepest drop with a decline of 8 spots in the rankings to 128th place. Oman posted the steepest decline numerically with a drop of 0.7 points and Mauritania the steepest decline in percentage points with a 2.5% slide, while Iraq posted the highest improvement numerically with a rise of 6 points and its score jumped by 36.5% from March 2009. Qatar is the country with the best creditworthiness in the region while Sudan has the highest probability of default. Globally, the average rating improved to 45.7 points from 45 points last March but regressed from 47 points in September 2008.

Source: Institutional Investor, Byblos Research

#### WORLD

##### Global trade declines by 33% in first half of 2009

Figures released by the World Trade Organization show that global merchandise exports totaled \$5,561bn in the first half of 2009, constituting a decline of 32.3% from \$8,211bn in the same period last year. Further, exports declined by 33% to \$2,883bn in the second quarter of 2009 from the same period last year and by 31% to \$2,678bn in the first quarter relative to the same quarter of 2008. In parallel, worldwide imports reached \$5,730bn during the first half of 2009, contracting by 32.5% from the first half of 2008. Also, imports reached \$2,944bn in the second quarter, down nearly 33% from the same quarter last year, and totaled \$2,786bn in the first quarter of 2009, a drop of 30% from \$3,980bn in the same period last year.

Source: World Trade Organization

#### ANGOLA

##### Luanda to seek \$2bn from IMF

The Ministry of Finance indicated that Angola is seeking \$2bn in loans from the International Monetary Fund in order to support the country's finances. Last month, the IMF said it could lend Angola about \$500m, but authorities indicated that the country needs to borrow about \$2bn to rebuild the infrastructure that was destroyed by the war. The IMF expects to conduct negotiations this month with authorities to pave the way for a program that would help Angola's economy weather the impact of the global slowdown. Last June, Angola received a €500m credit line from Portugal, in addition to an existing €1bn line, to fund public investment in infrastructure.

Source: Thomson Reuters, International Monetary Fund

#### MOROCCO

##### Sovereign ratings affirmed

Fitch Ratings affirmed Morocco's Long-term foreign and local currency ratings at 'BBB-' and 'BBB' respectively, with 'stable' outlooks. It also affirmed the short-term foreign currency rating at 'F3' and the Country Ceiling at 'BBB'. It attributed its decision to the relative resilience of Morocco's economy to the global crisis, the continuing improvement of its public finances, and the stability of the political system. It noted that external finances have suffered from the recession in Europe, which has offset the benefits of lower oil prices. Fitch said that Moroccan banks were not impacted by the global financial crisis due to their limited integration in the global financial system and stringent regulation by the Central Bank. However, export-oriented industries have been hit by the drop in demand from Europe. In addition, a number of investments planned by foreign investors have been delayed or cancelled. Also, the European recession has adversely affected worker remittances and tourism income, leading to an increased current account deficit and lower reserves.

Source: Fitch Ratings

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# OUTLOOK

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## EMERGING MARKETS

### Expansion of financial infrastructure to increase access to finance

The World Bank Group estimated that more than half of the population in emerging markets, or 4.75 billion inhabitants, could have access to financial services within 10 years, while the cost of financial transactions could decline by nearly 80%, if the financial infrastructure of developing economies is reformed and expanded. It said that the underlying systems of financial infrastructure currently affect at least 20% of emerging markets' population, adding that credit bureaus cover 390 million people, remittances reach over 700 million persons, and payment systems affect about one billion people. It noted that the payment infrastructure, which refers to retail transactions, supports flows of more than \$64,000bn annually, nearly 6 times the combined GDP of emerging markets, while credit bureaus support nearly \$800bn worth of credit and expatriates' remittances reached \$328bn in 2008. It said formal financial transactions rely on a foundation of institutions, information, technologies, and rules and standards, which constitute the infrastructure of financial intermediation. It indicated that financial infrastructure is underdeveloped in many emerging markets and non-existent in others, adding that a properly functioning financial infrastructure is critical for efficient and increased access to financial services.

The Group projected that the size of the payment infrastructure could more than double to reach \$154,000bn over the coming 5 to 10 years, while credit bureaus could see an increase of \$1.25bn to \$2.1bn, and remittance inflows could rise by \$99bn to \$384bn over the same period with the proper reforms and expansion of financial infrastructure. In population terms, it estimated that developed payment systems could potentially affect 2.97 billion persons, up from 1.9 billion currently, while credit bureaus could positively impact an additional 610 million individuals to more than one billion, while remittances could reach 770 million persons from 710 million currently.

The Group called for reforms at the global level to develop various standards and guidelines for the different areas of financial infrastructure that do not currently have any specific standards, and for the consistent application of existing standards. It also encouraged policy makers and regulators at the country level to reform individual components of financial infrastructure, such as credit reporting, remittances, and payment systems.

*Source: World Bank Group*

## ARMENIA

### Economy to contract by 16% in 2009

The International Monetary Fund expected the Armenian economy to contract by 15.6% in 2009 and to resume growth by 1.2% in 2010, adding that the very challenging year for Armenia and the very difficult global environment have led to some weakening in the balance of payments and public finances, and posed additional hardships on the population. It noted that the authorities have implemented a broad range of policies to address these challenges, with fiscal policy continuing to be appropriately expansionary in light of the ongoing deep eco-

nomical contraction. It said the government has been able to keep expenditures close to the original 2009 budget while increasing spending on high-priority infrastructure projects, due to financial support from the international community. It projected a fiscal deficit of 7.5% of GDP this year given the large drop in tax revenues, and a deficit of 5.9% of GDP in 2010. Further, it encouraged the government to implement a gradual fiscal consolidation once the economy recovers to preserve medium-term fiscal and debt sustainability, while continuing to support needed public spending and investment. It noted that progress in tax administration reforms will be critical to ensuring sound public finances, as well as a fair and equitable tax burden. The Fund indicated that monetary policy has eased further, and the Central Bank of Armenia (CBA) has expanded its instruments to provide liquidity to the banking system in order to resume credit to the private sector. It expected inflation to average 3% in 2009 and 3.2% in 2010, on track to meet the CBA's target. It said the CBA should be ready to adjust its monetary policy stance in response to a worsening of the crisis or stronger-than-expected inflationary pressures.

It forecast the current account deficit to reach 13.7% of GDP in each of 2009 and 2010, and for the external debt to increase from 31% of GDP at end-2009 to 38.7% of GDP at end-2010.

*Source: International Monetary Fund*

## AFRICA

### Impact of financial crisis less severe than expected, risks remain from limited fiscal tools

Standard & Poor's indicated that the economies of Sub-Saharan Africa have not been immune to the global crisis, and will face a fall in real GDP growth to below 2% in 2009 from an average of 6% between 2004 and 2008 and a rise in the current account deficit to about 7% of GDP. It noted, however, that the crisis impact, mainly in the form of lower growth, wider budget and current account deficits and currency weakness, has so far been managed fairly well. It warned that risks remain given the often limited fiscal and monetary policy space in low- and middle-income countries. The agency added that the region has performed relatively better during the current global crisis than in past crises, and has not displayed the trademarks of past economic downturns such as social unrest, faltering governments, loss of macroeconomic stability, and debt defaults. It considered that years of economic and institutional reforms, wide-ranging debt relief for low-income countries, and better-entrenched political stability have left a positive overall legacy. Also, donors and multilateral organizations launched new initiatives at the outset of the crisis to cushion budget shortfalls and balance of payments and currency vulnerabilities.

S&P noted that that capital inflows are returning compared to substantial net outflows last year, adding that it will likely take some time for sub-Saharan Africa's lower-rated sovereigns to see sufficient risk appetite that would allow them to tap international bond markets. It said the region's domestic debt markets showed a surprising level of liquidity over the past year, reflecting the importance of developing local credit and debt markets in the region.

*Source: Standard & Poor's*



# ECONOMY & TRADE

## SYRIA

### Business environment deteriorates

The World Bank/International Finance Corporation Doing Business 2010 report ranked Syria in 143rd place among 183 countries worldwide and 17th among 19 countries in the Middle East & North Africa region in terms of ease of doing business. Syria ranked ahead of the Philippines, Cambodia and Cape Verde and came behind Ukraine, Honduras and Gambia. It ranked in 138th place globally in the 2009 survey. Regionally, it ranked ahead of only Yemen and Iraq. Syria ranked in 133rd place on the Starting a Business indicator, down 8 spots from the previous survey, and in 132nd in terms of dealing with construction permits, down one position from the 2009 report. It came in 91st place in terms of difficulties that employers face in hiring and firing workers, down 2 spots from 2009, and declined by 10 positions to the 82nd place on the Registering Property indicator. Also, Syria ranked 181st in the ease of getting credit, down one spot from 2009; 119th in term of protecting investors, down 5 spots year-on-year; and 105th in terms of paying taxes, down 4 spots from the previous survey. Further, it dropped 4 positions on the Trading Across Borders category and one spot on the Enforcing Contracts category, ranking in 118th place and 176th place, respectively. Finally its rank remained unchanged in terms of closing a business, ranking in 87th place.

Source: World Bank Group

## JORDAN

### Remittance inflows down 4% year-to-July

Figures released by the Central Bank of Jordan show that remittance inflows totaled \$2.1bn in the first 7 months of 2009, down 3.7% from the same period last year. Remittance inflows reached \$712m in the first quarter of the year, down 1.8% from the same period last year, and \$818.5m in the second quarter of 2009, down 2% from the second quarter of 2008. Jordan was the 21st largest recipient of remittances among developing economies in 2008 and the 4th largest recipient in the MENA region. Remittances to Jordan totaled \$3.7bn and were equivalent to 18.5% of GDP in 2008.

Source: Central Bank of Jordan, World Bank, Byblos Research

## IRAQ

### Consumer prices down 1.5% annually in July, core inflation up 8%

Figures released by the Central Bank of Iraq show that the Consumer Price Index decreased by 1.5% in July 2009 from July 2008 and by 0.4% compared to June 2009. In parallel, core inflation increased to 7.9% in July year-on-year and decreased by 0.4% month-on-month. Inflation has regressed significantly in Iraq recently, as the CPI rose by 21.6% in 2005 and by 65% in 2006 before easing to 3.7% in 2007 and 6.8% in 2008. Further, core inflation rose by 29% in 2005 and 32% in 2007, but slowed down to 12.3% in 2007 and 11.7% in 2008.

Source: Central Bank of Iraq, Byblos Research

## UAE

### Dubai external debt at \$74.3bn, 107% of GDP

Deutsche Bank estimated the UAE's total external debt at \$161bn, equivalent to 71.8% of GDP. It said Dubai accounts for \$74.3bn, or 107% of the emirate's estimated GDP, while Abu Dhabi's debt totals \$80.8bn and represents 60% of its GDP. It said the UAE had \$27.7bn coming due in bonds and syndicated loans for 2009, of which around two thirds have already been repaid. Dubai accounts for \$19bn, Abu Dhabi for \$8.14bn and other emirates for \$0.29bn of these redemptions. It added that Dubai has \$5.5bn in redemptions in the fourth quarter and Abu Dhabi just \$74m. It considered that Dubai's \$3.5bn Nakheel sukuk due in December as the litmus test of sovereign creditworthiness, even though there have been no defaults on any Eurobond or loan repayments so far in the UAE. It expected that Dubai will raise additional financing in the coming months and repay this year's remaining redemptions, but noted that the emirate's medium-term financing requirements remain large. It said Dubai faces an average of \$12.5bn in external redemptions for the 2010-13 period, with \$101bn due in 2010, \$12.1bn in 2011 and \$15.2bn in 2013. In parallel, it said the Dubai government will see the \$10bn domestic bond issued to the Central Bank coming due in 2014 and, if the next \$10bn is also issued locally, it would result in 30% of GDP in additional domestic debt for Dubai by the end of this year.

Source: Deutsche Bank

## ARMENIA

### Economic competitiveness unchanged, key obstacles are corruption and tax regulations

The World Economic Forum's Global Competitiveness Index for 2009-10 ranked Armenia in 97th place among 133 countries included in the survey, unchanged from the previous survey. Globally, it ranked ahead of Kenya and Nigeria and came behind Albania and the Dominican Republic. It received a score of 3.7 points, unchanged from the 2008-09 survey and down from 3.8 points in the 2007-08 survey. Armenia ranked in 81st place on the Basic Requirements Sub-Index, which covers institutions, infrastructure, macroeconomic stability and health & primary education. It also ranked in 99th place on the Efficiency Sub-Index that covers higher education, labor market efficiency, financial market development, and overall market efficiency. It came in 112th place on the Innovation & Sophistication Sub-Index. The survey indicated that corruption was the most problematic factor for doing business in Armenia, followed by tax regulations, an inefficient government bureaucracy, low access to finance, and foreign currency regulations.

Source: World Economic Forum



# BANKING

## SYRIA

### Deposits increase by 5.2% in first half, private sector accounts for 74% of total

Figures released by the Central Bank of Syria indicate that total deposits at commercial banks reached SYP1,125bn at end-June 2009, or about \$24.1bn, constituting an increase of 5.2% from SYP1,069bn at end-2008. Deposits in Syrian pounds accounted for 82.5% of the total, and foreign currency deposits accounted for the remaining 17.5%. Syrian pound deposits rose by 8.8% while foreign currency deposits decreased by 8.6% in the second quarter of the year. Private sector deposits accounted for 74% of total deposits at end-June relative to 73% at end-2008, while public sector deposits accounted for 26%. Also, resident private sector deposits accounted for 73% of aggregate deposits, followed by deposits of non-financial public enterprises with 20%, while the central government accounted for 4% of the total. Households accounted for 86.3% of resident private sector deposits, followed by businesses with 12.6%, and other financial institutions with 1.1%. Households and businesses represented 85.1% and 14%, respectively, of resident private sector deposits at end-2008. Further, demand deposits accounted for 44% of the total, down from 46% at end-2008, time deposits accounted for 34% relative to 32% at end-December, while saving deposits accounted for the remaining 22%.

Source: Central Bank of Syria, Byblos Research

## SUDAN

### IMF adds \$224m in reserves from special program

Sudan received the equivalent of \$224.3m in foreign currency reserves as at September 9 from a new program established by the International Monetary Fund. The IMF injected \$250bn in the global economy on August 28th and another \$33bn on September 9th to bolster countries' reserves as part of measures to combat the world economic crisis. It said about \$110bn in combined allocations will go to emerging markets and developing countries. It added that the funding took place through the allocation of Special Drawing Rights to IMF members that are participants in the SDRs Department in proportion to their existing quotas in the Fund, which are based broadly on their relative size in the global economy. The IMF said SDRs allocated to members will count toward their reserve assets, acting as a low cost liquidity buffer for developing economies. Sudan had SDR 52.2 million in allocations prior to August 28. Following the IMF's decision, Sudan's allocations will increase by a total of SDR 141.9 million, of which SDR 125.8 million in general allocations effective August 28th and SDR 16.1 million in special allocations effective September 9th. Based on the SDR rate as at September 10, Sudan's new cumulative allocations stand at \$306.7m, of which \$224.3m in new allocations that included \$198.8m distributed on August 28 and \$25.5m on September 9th. As a result of the new allocations, Sudan ranked in 89th place among 186 countries in terms of cumulative Special Drawing Rights. Bank of Sudan's foreign exchange reserves reached \$607m at the end of March 2009.

Source: International Monetary Fund, Byblos Research

## NIGERIA

### Central Bank considers three options for troubled banks

The Central Bank of Nigeria (CBN) indicated that it will not sell the country's five troubled banks to foreign investors and that the NGN 420bn it injected in the banks in the form of Tier Two capital have been converted to long-term loans from the Expanded Discount Window to be repaid over time. The CBN added that it is considering three options to recapitalize the five banks. The first option consists of a rights issue, whereby the CBN hopes to convert the Tier Two capital injected to an 80% stake in the banks' shareholding, leaving the other shareholders with 20%. This will mean converting the NGN 420bn injected into the five banks into equity holding. The second option consists of getting the Securities and Exchange Commission and the Nigerian Stock Exchange to do a "Scheme of Arrangement", which will lead to shareholders of the banks agreeing voluntarily to a merger or acquisition arrangement. The third option would see the CBN nominate a bank in the country to acquire any of the five banks and then backing the action with statutory powers. Last month, the CBN took over Intercontinental Bank, Oceanic Bank International, Union Bank of Nigeria, Finbank and Afribank for being severely undercapitalized and posing a risk to the entire banking system after accumulating \$7.6bn in bad debts.

Source: Vanguard

## TURKEY

### Asset quality is key risk for banks

Fitch Ratings indicated that the deterioration in asset quality constitutes a key risk for Turkish banks in 2009 and 2010, and expected the sector's NPL ratio to reach between 6% and 7% by end-2009 and to increase further in 2010. It said the asset quality of corporate and commercial loans has held up relatively well, but the economic contraction continues to represent the main risk for retail and SME lending that has grown rapidly in recent years. It added that indirect asset quality risks exist from a sharp and persistent currency depreciation. The agency noted that the main impact of the global crisis on Turkish banks has been the economic contraction, with GDP shrinking by 6.8% in the fourth quarter of 2008 and by a massive 13.8% in the first quarter of this year, and the economy forecast to contract by 4.5% in 2009. It said that NPLs have started to rise sharply from historical lows in 2008, and will continue to increase due to rising unemployment. It noted that Turkish banks have been able to maintain good levels of internal capital generation and the sector's capital adequacy was a relatively comfortable 17.9% at end-June 2009. Fitch noted that NPLs would need to rise above 20% of total loans before the 12% capital adequacy threshold for the system comes under pressure. But it warned that individual banks could face some capitalization pressures in times of more extreme stress on asset quality.

Source: Fitch Ratings



# ENERGY / COMMODITIES

## Better than expected reserves lead to drop in oil prices

Oil prices declined to \$72 a barrel on September 17 after rising by more than 5% during the week, as the increase in U.S. distillate stocks offset positive sentiment in other markets. U.S. crude decreased to \$72.37 a barrel and London Brent Futures were down 19 cents at \$71.48 a barrel. U.S. Energy Information Administration data showed distillate stocks rose by 2.2 million barrels last week, far exceeding the projected increase of 1.3 million barrels. In addition, the higher than expected decline in crude stocks last week was attributed to higher refinery utilization rates rather than a real pick-up in demand. Gasoline stocks rose by 500,000 barrels in the same period. Further, weakness in the US dollar helped limit oil losses on September 17, as it hit a new 2009 low against the Euro. Oil prices tend to rise when the dollar falls because a weak dollar can make it cheaper to buy oil and other dollar-denominated commodities. Oil has moved in tandem with equity markets this year, which has helped raise prices from around \$32 a barrel last December. Also, with limited global spare crude productive capacity outside Saudi Arabia among OPEC members, it has been relatively easy to prop up prices into a \$65-\$75/bbl band.

Source: Thomson Reuters, Merrill Lynch

## Libya plans \$10bn in oil investments

OPEC member Libya announced plans to invest \$9.9bn to develop and upgrade 24 oil fields. The state-owned National Oil Corp (NOC) said its subsidiaries and current foreign partners will implement the plan to develop oil fields that are technically, financially and economically productive. It added that no new parties would be allowed to participate in the project, which will be financed through loans from local banks. The plan will include the upgrade the Waha Jalou North field by 100,000 barrels a day and the Nafoura-Oujlaa-Khleej field by 130,000 barrels a day at a combined cost of about \$3bn. The country is also considering 13 other fields to see if they should be included in another planned development project.

Source: Dow Jones Newswires

## Kuwait to expand electricity production

Kuwait's Ministry of Electricity & Water signed a \$2.65bn turnkey contract with General Electric and Hyundai Heavy Industries for the construction of a new 2,000 megawatt (MW) power plant in the country. The project is expected to be completed in two phases with the first phase adding 1,300 MW of capacity to the Kuwait Electricity Grid in 2011 and the second phase adding the remaining 700 MW of capacity in 2012. Under the terms of the agreement, GE will operate and maintain the plant for seven years from the date of the start of operations in addition to supplying equipment and long-term services. Hyundai will be in charge of engineering, procurement and construction of the plant. The ministry said Kuwait's demand for electricity is expected to grow by 8% annually.

Source: Trade Arabia

## Base metals: Copper falls as stockpiles create concern prices climbed too high

Copper prices fell in London on the back of rising inventories and concerns that prices were too high to reflect demand. Stocks tallied by the London Metal Exchange expanded for a 15th day to 324,375 metric tons on September 17th. Inventories have increased 8.5% this month after rising 6.4% in August and 5.6% in July. In Shanghai, stockpiles rose 12% last week to 97,396 tons, the highest level since June 2007. Copper for three-month delivery fell \$76, or 1.2%, to \$6,344 a ton on September 17th. Futures for December delivery decreased 1.5% to \$2.893 a pound in electronic trading on the New York Mercantile Exchange's Comex division. Record first-half imports to China helped copper's surge this year. The State Reserve Bureau, which buys commodities on behalf of the government, is estimated to have purchased 230,000 tons of copper this year, and Chinese traders and producers have bought another 600,000 tons. Consumer and industrial demand in China is expected to support growth in copper demand. Among other LME metals for three-month delivery, zinc was little changed at \$1,935 a ton. Aluminum gained 0.5% to \$1,937 a ton, and nickel advanced 1.6% to \$17,580 a ton. Tin fell 0.7% to \$14,550 a ton, and lead declined 1.7% to \$2,255 a ton.

Source: Bloomberg

## Precious Metals: Gold prices continue to trend higher

The gold market has seen prices continuing to trend higher, but at a modest rate compared to the performance of industrial metals. The under-performance of gold has been driven by a combination of factors. For instance, jewelry demand, which makes up around 60% of identifiable gold off-take, has been weak in many countries influenced by cuts in discretionary spending. More importantly, investment demand has lost steam as the incipient global economic recovery has reduced the immediate attractiveness of gold relative to other assets. The immediate upside for gold jewelry demand may be capped by a host of factors, with demand in many developed countries is set to remain subdued as the economic recovery is just unfolding. But investment demand may pick up in the coming months with a weaker US dollar. Gold prices tend to show a high correlation with increases in liquidity, and central banks around the world have pointed out that they are unlikely to remove monetary stimulus any time soon. A weaker dollar may push gold to \$1050/oz by year-end.

Source: Merrill Lynch

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	192.3	179.6	174.4	-1.9	-15.1
LME metals price index	2965.0	2382.5	2228.1	1.9	-9.8
Oil prices USD	72.0	61.7	59.1	1.7	-30.0
Oil prices SDRs	45.6	40.3	38.9	-0.2	-31.8
Gold \$/troy oz	992.7	933.4	888.4	4.0	29.8
Silver cents/troy oz	1609.0	1381.2	1255.2	11.2	42.8
Platinum \$/troy oz	1279.0	1177.5	1063.2	3.0	5.4
Copper \$/MT	6302.5	5006.4	4507.5	1.7	-8.1
Nickel \$/MT	17402.5	14448.9	12974.1	-15.0	-5.4
Aluminium \$/MT	1829.5	1594.8	1655.2	-8.4	-28.4
Zinc \$/MT	1894.8	1544.6	1390.3	1.2	11.7

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								
<b>Africa</b>													
Algeria	-	-	-	-	BBB	7.0	13.8	1.5	4.1	1.9	1.6	15.4	0.6
	-	-	-	-	Stable								
Angola	-	-	-	-	BB	3.2	8.8	8.4	9.0	12.6	-	-3.0	1.2
	-	-	-	-	Stable								
Egypt	BB+	Ba1	BB+	BBB-	BB	-7.7	74.5	17.8	51.4	5.4	105.9	-1.5	4.1
	Stable	Stable	Stable	Stable	Stable								
Ethiopia	-	-	-	-	CCC	-3.5	-	10.9	250.0	-	-	-6.1	-
	-	-	-	-	Stable								
Ghana	B+	-	B+	-	B	-10.8	-	39.0	103.6	-	-	-13.7	-
	Stable	-	Negative	-	Negative								
Ivory Coast	-	-	-	-	CC	-1.7	-	57.9	175.9	-	556.0	-1.8	-
	-	-	-	-	Stable								
Libya	A-	-	BBB+	-	BB	-17.3	7.8	17.5	31.1	4.9	-	-15.8	3.1
	Stable	-	Stable	-	Stable								
Mauritania	-	-	-	-	-	-5.1	-	73.8	183.3	-	-	-13.4	-
	-	-	-	-	-								
Morocco	BB+	Ba1	BBB-	BBB-	BB	-2.6	51.8	24.1	73.9	5.7	74.1	-0.1	3.3
	Stable	-	Stable	Stable	Stable								
Nigeria	B+	-	BB-	-	B	-5.7	23.6	6.1	20.6	0.6	-	-13.2	2.4
	Stable	-	Stable	-	Stable								
Sudan	-	-	-	-	C	-6.8	107.5	62.7	532.4	6.3	-	-10.1	2.7
	-	-	-	-	Stable								
Tunisia	BBB	Baa2	BBB	BBB	BB	-3.1	49.8	50.6	105.6	12.3	235.5	-3.3	3.8
	Stable	-	Stable	Stable	Stable								
<b>Middle East</b>													
Bahrain	A	A2	A	A	BBB	-3.4	18.2	187.7	321.7	4.6	63.8	6.2	0.4
	Stable	-	Stable	Stable	Stable								
Iran	-	-	B+	BB-	B	-3.7	19.1	5.5	35.1	4.3	22.9	-4.6	0.2
	-	-	Stable	Stable	Stable								
Iraq	-	-	-	-	CC	-34.4	-	71.8	214.4	3.8	157.7	-22.4	0.9
	-	-	-	-	Stable								
Jordan	BB	Ba2	-	BB	B	1.3	51.4	65.6	122.2	4.8	198.6	-10.0	11.4
	Stable	-	-	Stable	Stable								
Kuwait	AA-	Aa2	AA	AA-	A	22.6	4.9	40.4	134.2	6.2	229.7	23.6	-9.9
	Stable	Negative	Stable	Stable	Stable								
Lebanon	B-	B2	B-	B	CCC	-10.8	145.6	97.5	614.9	20.4	199.0	-12.0	9.0
	Stable	-	Stable	Stable	Stable								
Oman	A	A2	-	A	A	-1.9	3.5	21.4	68.7	-	113.0	-4.0	4.0
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	AA-	A	1.7	4.1	52.5	189.8	7.3	359.3	24.3	7.8
	Stable	Stable	-	Stable	Stable								
Saudi Arabia	AA-	A1	AA-	AA-	BBB	9.8	9.9	8.5	28.3	4.0	89.1	6.1	0.2
	Stable	-	Stable	Stable	Stable								
Syria	-	-	-	-	CCC	-8.3	38.5	13.0	71.4	1.0	162.7	-5.1	1.9
	-	-	-	-	Stable								
UAE	-	Aa2	-	AA-	BB	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
	-	-	-	Stable	Stable								
Yemen	-	-	-	B	CC	-17.2	-	29.6	161.9	-	-	-16.9	-
	-	-	-	Stable	Stable								



# 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								
<b>Central &amp; Eastern Europe</b>													
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
	Positive	Positive	Negative	-	Stable								

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



## SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	12-Aug-09	No change	23-Sep-09
Eurozone	Refi Rate	1.00	03-Sep-09	No change	08-Oct-09
UK	Base Rate	0.50	10-Sep-09	No change	08-Oct-09
Japan	O/N Call Rate	0.10	17-Sep-09	No change	N/A
Australia	Cash Rate	3.00	01-Sep-09	No change	06-Oct-09
New Zealand	Cash Rate	2.50	10-Sep-09	No change	N/A
Switzerland	3 month Libor target	0.25	18-Jun-09	No change	30-Sep-09
Canada	Overnight rate	0.25	10-Sep-09	No change	20-Oct-09
<b>Emerging Markets</b>					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	12-Aug-09	No change	23-Sep-09
Taiwan	Discount Rate	1.25	25-Jun-09	No change	24-Sep-09
South Korea	Target Rate	2.00	10-Sep-09	No change	09-Oct-09
Malaysia	O/N Policy Rate	2.00	25-Aug-09	No change	28-Oct-09
Thailand	1D Repo	1.25	26-Aug-09	No change	21-Oct-09
India	Reverse repo rate	3.25	28-Jul-09	No change	27-Oct-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	8.25	17-Sep-09	Cut 25bps	N/A
Turkey	Base Rate	7.75	18-Aug-09	Cut 50bps	17-Sep-09
South Africa	Repo rate	7.00	13-Aug-09	No change	22-Sep-09
Kenya	Central Bank Rate	7.75	22-July-09	Cut 25bps	Sep-09
Nigeria	Monetary Policy Rate	6.00	02-Sep-09	No change	Nov-09
Ghana	Prime Rate	18.50	21-July 09	No change	Sep-09
Mexico	Target Rate	4.50	21-Aug-09	No change	18-Sep-09
Brazil	Selic Rate	8.75	02-Sep-09	Cut 50bps	21-Oct-09
Armenia	Refi Rate	5.00	08-Sep-09	Cut 25bps	N/A
Romania	Policy Rate	8.50	04-Aug-09	Cut 50bps	29-Sep-09
Bulgaria	Base Interest	1.57	01-Sep-09	Cut 14bps	N/A
Kazakhstan	Refi Rate	7.00	04-Sep-09	Cut 50bps	N/A
Ukraine	Discount Rate	10.25	11-Aug-09	Cut 75bps	N/A
Russia	Refi Rate	10.50	14-Sep-09	Cut 25bps	N/A



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