



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Developing economies account for 45% of trade dispute cases

The World Trade Organization (WTO) announced that it has reached the milestone of having the 400th trade dispute brought to the body's dispute settlement mechanism since the organization body was established in January 1995. It said developing countries have been complainants in more than 45% of all cases, and have been respondents in more than 42% of the cases during the 1995-2009 period. It noted that the WTO's 153 members initiated an average of approximately 27 disputes per year under the provisions of the Dispute Settlement Understanding, which is the WTO treaty governing the settlement of all disputes among the organization's members. It said that about half of the 400 cases filed so far have been settled directly between the parties without going to litigation. Also, 169 cases have been the subject of panel and, where appealed, 17 are currently in adjudication, and 12 are still the subject of active consultation between the parties.

Source: World Trade Organization

EMERGING MARKETS

Sovereign wealth funds to reach \$8,000bn by 2015

Ernst & Young indicated that funds managed by sovereign wealth funds (SWFs) globally may reach to \$8,000bn by 2015, based of assets growth of 12-15% per year, and driven by a substantial increase in the price of oil and other commodities. It said funds managed by SWFs may have declined in value in the last 12 months to about \$3,500bn. It noted that commodity-based funds account for 65% of total SWF-managed funds, while those in Asia and the Middle East account for 80% of the total.

Source: Ernst & Young

MENA

Economic freedom in Arab world stagnates

The Fraser Institute's annual Index of Economic Freedom in the Arab World shows that overall economic freedom in the region was nearly unchanged in 2009 compared to the previous year, as the region's average numerical score for overall economic freedom reached 7.1 points in 2009 compared to 7 points in 2008. The index evaluates individual economies on the basis 18 variables that are divided into five broad factors of economic freedom that measure the size of government; legal structure and security of property rights, access to sound money, freedom to trade internationally, and the regulation of credit, labor and business. The rankings of three Arab countries improved, eight were unchanged and four regressed, while the scores of eight countries improved, three were unchanged and four regressed. Bahrain had the highest level of economic freedom in the Arab world, while Algeria had the least free economy in the region.

Source: Fraser Institute, Byblos Research

Corruption perception unchanged in Arab countries

Global non-governmental organization Transparency International included 20 Arab countries in its 2009 Corruption Perceptions Index (CPI), which reflects perceptions of the degree of corruption as seen by business people and country analysts. The rankings are based on scores that range between 10, representing highly clean countries, and zero, reflecting highly corrupt economies. The Arab countries received an average score of 3.5 points in 2009, unchanged from 2008 and below the global average of 4 points. The rankings of 7 countries improved, 12 regressed and one was unchanged, while the scores of 6 countries improved, 2 were unchanged and 12 declined from the previous year. Syria's rank improved the most in the region and rose by 21 spots, while its score increased by 23.8% year-on-year, the highest rise in the region. Qatar was perceived as the least corrupt in the region and ranked in 22nd place globally, while Somalia was perceived as the most corrupt Arab country and ranked last among 180 countries worldwide.

Source: Transparency International, Byblos Research

SAUDI ARABIA

Mixed optimism for fourth quarter

The D&B Business Optimism Index for Saudi Arabia covering the fourth quarter of 2009 shows modest signs of optimism in the non-hydrocarbon sector, as the indices for expected sales rose to 54 from 49 in the third quarter, and the profits index improved to 51 from 42 quarter-on-quarter. However, non-hydrocarbon firms expect new orders to decline and inventory levels to increase, as the index for new orders regressed to 52 from 55 and the inventory index rose to 27 from 22, while they still don't plan to increase their workforce. Further, 45% of firms do not plan to expand their business compared to 40% who have such plans, while 43% of respondents expect borrowing conditions to improve relative to just 1% who anticipate deterioration. However, firms in the non-hydrocarbon sector expect selling prices to increase in the fourth quarter.

The manufacturing sector is the most optimistic about sales and new orders, as over 70% of companies in the sector expect an increase in both categories, while 53% of respondents expect a rise in selling prices. Also, 64% of firms in transport & communications expect sales and profits to rise, while 51% of respondents do not plan to change the level of their workforce in the fourth quarter. In parallel, the price of raw materials was the main concern of 51% of businesses, with the manufacturing and trade sectors citing this issue as a major factor affecting their operations. The availability of finance continues to be the main concern of of finance, insurance & real estate firms, while the availability of skilled labor is the top concern for transport & communication firms. The main concern of hydrocarbon firms is related to project delays, with 55% of respondents highlighting such delays as their main issue.

Source: Dun & Bradstreet

OUTLOOK

WORLD

Construction market to stabilize in 2010, growth at 4.2% in 2009-14

IHS Global Insight indicated that the downturn in the global construction market is slowing and is likely to stabilize. It predicted that the market will grow by a low 0.01% in 2010, after contractions in 2008 and 2009, as strong upturns in Asia coincide with slowing declines in the United States and Western Europe. It considered that the very modest recovery of global construction in 2010 positions the industry for stronger gains in 2011, as it lags the expected bounce in economic growth around the world next year. It projected the global construction market to grow by a compound annual growth rate of 4.1% during the 2009-14 period and by 4.2% in 2009-19. It forecast the residential market to post a CAGR of 4.4% in 2009-14, and for the commercial and office segments to grow by 3.5% and 2.8%, respectively during the same period. It noted that construction in energy and public health will grow by 6.3% and 6%, respectively, posting the highest growth rates among all segments of the construction market. It added that chemicals and food processing will show significant growth of 5.3% and 4.6%, respectively, over the 2009-14 period. IHS Global Insight considered that the Asian construction market will lead the sector's global growth with a CAGR of 7.1% over the 2008-13 period for non-Japan Asia. It expected the Middle East & Africa to be the second fastest region in terms of construction growth at 3.5%, followed by South America with 3.2%, Eastern Europe with 2.5% and North America with 2%, while Western Europe will contract by 0.5%.

Source: IHS Global Insight

MENA

Unequal enforcement of rules, low transparency and inconsistent policies are key challenges to private sector

The World Bank indicated that the private sector in the Middle East & North Africa region is not sustaining higher growth rates or generating enough jobs. It said that, in order to encourage more entrepreneurs to invest, countries must commit to ensure a more equal enforcement of the rules and to increase transparency and strengthen institutions that enforce the rules. It noted that reforms implemented over the past 20 years allowed private enterprises to become the principal source of wealth generated in MENA economies outside hydrocarbons and mining. It added, however, that the private sector has not been able to transform them into diversified economies with sustainable high growth rates.

The Bank estimated that reform-driven private investment in the MENA region increased by a modest 2% of GDP compared to 5% to 10% in Asia, Eastern Europe and Latin America. It considered that the limited impact of reforms in the region is due to the unequal and unpredictable way in which policies are implemented, resulting in a lack of reform credibility in the eyes of many investors. It said that close to 60% of business managers surveyed do not think that the rules and regulations are applied consistently and predictably, while policy uncertainty, unfair

competition and corruption are major concerns for investors. As a result new generations of entrepreneurs have been slow to emerge and compete with incumbents.

The World Bank encouraged governments to remove formal and informal barriers to competition, as well as reduce conflicts of interests between public servants and private investors. It also called for supporting policy reforms by strengthening the institutions that regulate markets and interact with firms to reduce interference in the enforcement of rules and regulations. It said transparency, accountability and quality of service in public agencies should be at the core of the reform agenda in order to significantly improve the region's business environment. Further, it stressed that the private sector must be a stronger agent of change and needs to be more inclusive and better organized to demand reforms that benefit all firms. It noted that the private sector's voice has been dominated by proponents of the status quo in order to maintain their privileges.

Source: World Bank

GCC

Population to rise by 33% to 53.4 million by 2020, nationals to remain the majority

The Economist Intelligence Unit indicated that the GCC's robust population growth, along with the region's affluence and its abundant natural resources, point to continued strong market demand, which in turn helps to make the GCC countries attractive prospects for foreign investors. It noted that the GCC population will remain very young over the foreseeable future, despite the proportion of the population under 15 years of age dropping from 29% in 2008 to 24% in 2020. The EIU's core scenario expected the total population of the six GCC states to rise by an average rate of 2.6% per year between 2009 and 2020, with the rate of growth gradually declining further in the 2009-20 period. It said the GCC's population would grow from an estimated 39.6 million in 2008 to 53.4 million in 2020, constituting a 33% increase over 12 years with nationals likely to remain the majority.

Under the EIU's first alternative scenario, the GCC's population would rise by a total of 58% between 2008 and 2020, reaching 62.4 million people by the end of the period. Under this scenario, the national population would grow by an annual average rate of 2.6%, while the expatriate population expands by 5.5% per year. So by 2020, nationals would make up 50% of the population, becoming a minority by 2021 if the same trends continued. The EIU's second alternative scenario sees the expatriate population contracting from 2014, declining by 0.5% or 83,000 persons per year in 2015-20, and leading to a total population of 47.3 million by 2020. It noted that this population total would still be 19.2% higher than the 2008 figure due to a still-robust rate of growth among the national population. It said that, under this scenario, nationals would comprise about two-thirds of the population by 2020. The EIU considered that the likelihood of each scenario taking place will depend critically on government policies such as each government's approach to immigration versus nationalization of the workforce.

Source: Economist Intelligence Unit



ECONOMY & TRADE

QATAR

Doha sells \$7bn in sovereign bonds

The government of Qatar announced it has sold \$7bn in bonds, marking the region's largest sovereign debt issuance this year. The bond was split in three tranches, with a \$3.5bn tranche maturing in 2015 at a 4% fixed rate, a \$2.5bn tranche at 5.25% maturing in 2020, and a \$1bn tranche at 6.4% maturing in 2040. The government stated that proceeds from the bonds will be used for general funding purposes such as contingency funding for entities that the state owns or controls, infrastructure projects, and in the hydrocarbon sector. Standard & Poor's assigned a senior unsecured debt rating of 'AA-' and Moody's Investors Service ratings of 'Aa2' with a 'stable' outlook to the global bond issue. S&P said the ratings are supported by the country's solid fiscal and external balance sheets, its prosperous economy and its prudent long-term policies, but they remain constrained by limited disclosure on government assets. Moody's noted that credit concerns for Qatar include a multi-year trend of soaring government expenditures that could erode fiscal flexibility, a volatile regional geopolitical environment, weaker institutions than higher-rated countries, a relatively undiversified economy, and the government's substantial domestic contingent liabilities. Qatar received \$27bn in orders for the bonds.

Source: Standard & Poor's, Moody's Investors Service

GHANA

IMF to establish regional technical assistance center in Ghana

The International Monetary Fund selected Ghana as the site of its second Regional Technical Assistance Center in West Africa to serve Cape Verde, The Gambia, Ghana, Nigeria, Liberia, and Sierra Leone. It said that these countries face broadly similar macroeconomic policy challenges and capacity building needs. It noted that commodities, minerals and agriculture are key components of economic output, exports and fiscal revenues of most of them, making sustainable management of resources a key priority. It said technical assistance could focus on tax and customs policy and administration, public financial management, financial sector regulation and supervision, public debt markets, and macroeconomic statistics, while taking into account a country's specific needs. The IMF established seven regional technical assistance centers in developing economies, including three in Africa.

Source: International Monetary Fund

THE GAMBIA

Economic performance better than expected

The International Monetary Fund considered that the Gambian economy has performed better in 2009 than previously expected, mainly because of a second consecutive year of strong growth in agriculture. It noted, however, that tourism has been hard hit by the global economic crisis, while a sharp decline in remittances from the Diaspora has weakened residential construction. It expected real GDP growth at about 4.5%-5% in 2009, up from its earlier projection of about 3.5%, and for growth to rise slightly in 2010 due to a partial recovery in tourism and remittances. It noted downside risks to the outlook for 2010, given the uncertainty of weather conditions for agri-

culture and the prevailing weakness in some countries with economic linkages to The Gambia. It noted that inflation has already fallen considerably in 2009 and is expected to remain low. The Fund added that the government faces a heavy debt burden, as interest on the debt is expected to consume nearly 20% of its revenues in 2009, mostly in interest on domestic debt. It noted that spending increases led to more debt and increased pressure on interest rates, in contrast to the planned reduction in domestic debt included in the 2009 budget.

Source: International Monetary Fund

ARMENIA

Remittance inflows at \$743m in 2009

The World Bank estimated remittance inflows to Armenia at \$743m in 2009, constituting a decrease of 30% from \$1,062m in 2008 and compared to \$846m in 2007. Remittances to Armenia account for 4.6% of total remittances to the Commonwealth of Independent States (CIS) in 2009, down from 5.2% in 2008 and 5.3% in 2007. They account for 0.4% of remittance inflows to lower-middle-income countries in 2009, unchanged from 2008 and 2007. Further, the World Bank estimated expatriates' remittances to Armenia to be equivalent to 8.9% of GDP in 2008, down from 13.5% of GDP in 2007 and compared to 2.5% of GDP for lower-middle-income countries and 9.7% of GDP for the CIS economies. Also, the country's remittances per capita are estimated at \$247 in 2009 relative to \$353 in 2008. Armenia is the 59th largest recipient of remittances in emerging markets in 2009, ranking ahead of Argentina and behind Nicaragua. It is the 6th largest recipient among 10 CIS countries included in the survey.

Source: World Bank, Byblos Research

UKRAINE

Sovereign ratings downgraded on lack of fiscal discipline

Fitch Ratings downgraded Ukraine's Long-term foreign and local currency Issuer Default Ratings (IDRs) to 'B-' from 'B' with 'negative' outlooks. It also downgraded the Country Ceiling to 'B-' from 'B' and affirmed the short-term foreign currency IDR at 'B'. It attributed the downgrades to the recent adoption by Parliament of an unaffordable minimum wage and pension law which could add 7% of GDP to the budget deficit in 2010, and that has effectively forced Ukraine's IMF program off-track and materially increased risks to fiscal financing, macroeconomic stability and creditworthiness. It said the government has submitted to parliament a draft 2010 budget with a deficit of 8% of GDP compared to a commitment in the IMF program of 4% of GDP, and has effectively abandoned the policy commitment to hike retail gas tariffs made at the time of the second IMF review in July 2009. As a result Fitch projects the 2009 deficit to reach about 8.5% of GDP, or 11% of GDP when including the deficit of Naftogaz, compared an earlier target of 6% of GDP. The agency said it will be difficult and costly for Ukraine to cover the deficit through borrowing on the domestic or international markets, and saw an elevated risk that Ukraine could resort more heavily to monetary financing, effectively printing money. In turn, this would risk undermining fragile confidence in the currency and the banking system, and a rapid loss of foreign exchange reserves.

Source: Fitch Ratings



BANKING

SYRIA

QNB-Syria launches operations

Qatar National Bank Syria announced it has formally started its operations in Syria, making it the 13th private sector bank and the 11th conventional bank to operate in the country, as well as the second local bank with Qatari investors as a strategic partner. QNB-Syria has floated one third of its shares in an initial public offering that took place last August and that raised \$34m. It has an authorized capital of \$100m with Qatar National Bank, the largest bank in Qatar holding a 49% stake in the bank, the maximum allowed for foreign institutions. The local partners of QNB include the state-owned Popular Credit Bank, the Savings Bank and the Social Security Organization. QNB-Syria plans to expand its network to 15 branches by the end of 2010.

Source: *Qatar News Agency, Syria Report*

UAE

Exposure to Saudi groups at \$2.9bn, Central Bank orders provisioning

The UAE Central Bank said 20 banks in the UAE must take provisions by the end of December for their exposure to Saudi conglomerates Ahmad Hamad Al Gosaibi Bros. & Co. (AHAB) and Saad Group. It said that 13 local banks and seven foreign banks operating in the UAE have combined exposure of \$2.9bn to the two financially-troubled Saudi groups. It added that banks must provision for 50% of their exposure to Saad Group and AHAB, and for their full exposure to The International Banking Corp. and Awal Bank, owned by AHAB and Saad, respectively. The two Bahrain-based banks have been under administration of law firms since the Central Bank of Bahrain assumed control of both lenders in August. The UAE Central Bank noted that more provisions may be required of UAE banks in 2010. S&P estimated that the two groups borrowed \$9.6bn from banks in the GCC, while their total exposure to global lenders is estimated at up to \$20bn.

Source: *Down Jones Newswires*

Central Bank to start implementing Basel II

The UAE Central Bank declared it is ready to start the implementation of Basel II standards following a trial run of the new capital adequacy standards system. It said it has adopted a phased introduction of Basel II, with the standardized approach to be implemented immediately. This allows banks to calculate capital requirements on a risk weighted basis as determined by asset classes and the ratings of public rating agencies. The Central Bank added that it will be discussing migration plans for the larger, internationally active banks to migrate to the internal ratings-based approach of Basel II. It noted that the adoption of this approach requires a higher standard of risk measurement capability, allowing banks to use their own rating tools to determine risk weightings instead of relying on rating agencies. Basel II is expected to enable more transparency in the risk profile of banks and lead to a more efficient financial sector.

Source: *Dow Jones Newswires*

NIGERIA

Central Bank sets deadline for IFRS implementation

The Central Bank of Nigeria (CBN) declared that it has given banks until December 2010 to adopt the International Financial Reporting Standards (IFRS) in their accounting system, adding that the current accounting system of most banks is not transparent. It said that adoption of the IFRS and International Standard on Auditing (IAS) would satisfy international benchmarks for financial system transparency and boost confidence of foreign investors in the banking sector and in the country, adding that it is currently addressing the issue of transparency and disclosure. The CBN added that it will work on maintaining public confidence in the sector through the enforcement of appropriate disclosures and by implementing a policy of zero tolerance on all unprofessional and unethical banking practices.

Source: *ThisDay*

ROMANIA

Parent banks reaffirm commitment to local market

The parent banks of the nine largest banks operating in Romania reaffirmed their commitment to maintain their exposure to the country and ensure adequate capital levels of over 10% for their affiliates, and in line with the results of stress tests conducted by the National Bank of Romania (NBR). The nine banks are Erste Group Bank, Raiffeisen International, Eurobank EFG, National Bank of Greece, UniCredit Group, Société Générale, Alpha Bank, Volksbank, and Piraeus Bank. The banks initially committed last March to maintain their positions in Romania. The IMF said that the exposure of parent banks to Romania was broadly maintained as of end-October compared to the benchmark date of March 2009. It noted that exposure temporarily fell below the agreed level in a few cases, but added that these banks have reaffirmed their intention to act to meet their commitments. It noted that all parent banks also complied with their commitments to provide additional capital needs for 2009 as of end-September 2009, therefore ensuring the capital-adequacy ratio of their affiliates to remain above 10% throughout the program period.

Source: *International Monetary Fund*

UKRAINE

Nine banks downgraded on deteriorating sovereign position

Fitch Ratings downgraded the foreign currency Long-term Issuer Default of UkrSibbank, UkrSotsbank, Bank Forum, ProCredit Bank, Pravex Bank, VTB Bank, Oschadbank, Ukreximbank and PrivatBank to 'B-' from 'B'. The agency said the rating actions followed the downgrade of Ukraine's Country Ceiling to 'B-' from 'B' which reflects higher transfer and convertibility risks, as well as the potential for further deterioration in the sovereign's financial position with negative implications for the banking sector. It said the downgrades also reflect the reduced ability of the government to provide support in case of need.

Source: *Fitch Ratings*



ENERGY / COMMODITIES

Oil slips towards \$79 on dollar, demand concern

U.S. crude futures floated under the key \$80 a barrel mark on November 19 as gains in the dollar weighed on prices and doubts about the pace of demand recovery in the United States increased. U.S. crude prices for December delivery fell 46 cents to \$79.12 a barrel, after settling up 44 cents on November 18th. Brent crude for January delivery fell 42 cents to \$79.05 a barrel. U.S. oil prices rose above the key \$80 a barrel level in the previous session after government data showed a drop in both crude and product inventories in the U.S. crude stocks fell by a more-than-expected 900,000 barrels while distillate stocks including diesel and heating oil fell by only 300,000 barrels. But analysts said mild weather in the United States and high global oil products stocks held in storage on land and on floating vessels were set to limit potential upside on oil. On the supply side, the Organization of the Petroleum Exporting Countries is expected to hold oil output steady when it meets in December as current prices do not suggest the need to change supply.

Source: Thomson Reuters

Tatneft to set-up joint venture with SPC

The Russian oil company Tatneft is planning to start production of some 5,000 barrels of oil per day from its fields located in eastern Syria. Tatneft and the Syrian Petroleum Company (SPC) will form a 50-50 joint venture. Tatneft signed a Production Sharing Agreement with the Syrian Government in March 2005 on Block 27 which is located on the border with Iraq and east of the large Deir el-Zor fields.

Source: Syria Report

Syria opens Hayyan plant

Syria inaugurated its new Hayyan oil and gas processing station near the city of Palmyra. The €30m station will process the oil and gas produced by the Hayyan Company fields with a capacity of 600 oil barrels per day and 650,000 cubic meters of clean gas that is ready for use.

Source: SANA

Brazil Petrobras discovers oil offshore in Angola

The Brazilian state-run energy company Petrobras said it discovered oil in a deepwater region off the coast of Angola. The Cabaca Norte-1 well is about 350 kilometers off the coast north of Luanda. It produced 6,500 barrels of oil per day during production tests and was drilled in 500 meters of water to a total depth of 2,830 meters. Petrobras plans to invest \$900 million in Angola from 2008 to 2012.

Source: Dow Jones Newswires

Nigeria to get \$300m loan for power sector

Nigeria will receive a \$300m loan from the World Bank's International Development Association to help develop its deteriorating power sector. The credit will be used for the funding of critical investments in the power sector, particularly to strengthen electricity transmission and distribution. The country has spent billions of dollars over the past decade to resolve its power crisis, but little improvement has been made and most residents go without main electricity for weeks.

Source: Thomson Reuters

Basic Metals: Copper fundamentals remain strong, demand to gradually increase in 2010

Copper price recovery through 2009 was driven by Chinese demand. In turn, the strong consumption in China was due to a rebound in the domestic economy. However, China did not use all of the metal it imported and stocks built for all the base metals in 2009. Given the high inventory levels at present, stock builds are expected to be less of a price driver in 2010, mainly because China's metal imports should ease. Therefore, a strengthening of metal demand in the world excluding China will be essential to tighten industrial metals balances. Copper prices are expected to average \$7,125 a ton in 2010 and \$8,000 a ton in 2011. A confirmation of the economic recovery could provide an incentive for metal market consumers to restart capacities or even restock. However, metal demand is projected to emerge only gradually in 2010.

Source: Merrill Lynch

Precious Metals: Gold demand falls 34% in the third quarter of 2009

Gold demand fell by 34% in the third quarter of 2009 as high prices weighed on investment flows and led to a fall in jewelry buying in key markets like India and the Middle East. But speculation in gold futures and expectations for more official sector gold buying are keeping prices high despite a shortage of physical demand. A 200-ton gold purchase by India's central bank pushed gold prices sharply higher in early November and prices hit a record above \$1,150 an ounce on November 18th. But high prices have pressured physical offtake this year as consumers demand for the metal decreased, even as large investors and central banks bought gold as a portfolio diversifier. Indian jewelry demand fell 42% to 111.6 tons in the third quarter from a year earlier. In the Middle East, jewelry buying was down 34% at 69 tons. China, Hong Kong and Taiwan however, saw a 10% rise in overall demand to 128.6 tons, while jewelry demand rose by 7%. Chinese consumers have seen less of an impact on local gold prices from currency fluctuations, and their economy has been relatively resilient.

Source: Bloomberg

| Commodities price developments | level | 6m ave | 12m ave | mom% | yoy% |
|---------------------------------|---------|---------|---------|-------|------|
| Economist commodity price index | 199.1 | 189.6 | 174.5 | 5.4 | 22.1 |
| LME metals price index | 2989.6 | 2690.4 | 2279.7 | 0.8 | 49.9 |
| Oil prices USD | 76.7 | 69.7 | 57.8 | 4.9 | 32.8 |
| Oil prices SDRs | 48.1 | 44.6 | 37.8 | 4.4 | 22.7 |
| Gold \$/troy oz | 1117.9 | 979.5 | 929.0 | 6.5 | 55.7 |
| Silver cents/troy oz | 1751.0 | 1525.2 | 1361.1 | -2.1 | 81.5 |
| Platinum \$/troy oz | 1365.0 | 1244.1 | 1124.6 | 1.9 | 65.7 |
| Copper \$/MT | 6472.5 | 5698.7 | 4667.9 | 3.8 | 80.2 |
| Nickel \$/MT | 16327.5 | 16837.5 | 13720.3 | -13.2 | 54.8 |
| Aluminium \$/MT | 1917.8 | 1749.1 | 1597.6 | 0.2 | 3.1 |
| Zinc \$/MT | 2130.8 | 1774.5 | 1498.6 | 3.4 | 94.5 |

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 | -11.5 | 7.8 | 1.9 | 3.4 | 1.7 | 1.9 | -3.0 | 0.8 |
| | - | - | - | - | Stable | | | | | | | | |
| Angola | - | - | - | - | B | 4.6 | 19.1 | 17.4 | 25.4 | 9.4 | - | 7.6 | 7.2 |
| | - | - | - | - | Stable | | | | | | | | |
| Egypt | BB+ | Ba1 | BB+ | BBB- | BB | -7.9 | 73.8 | 17.0 | 47.0 | 5.8 | 100.6 | -2.9 | 3.2 |
| | Stable | Stable | Stable | Stable | Stable | | | | | | | | |
| Ethiopia | - | - | - | - | CCC | -2.3 | - | 14.1 | 263.0 | - | - | -7.2 | - |
| | - | - | - | - | Stable | | | | | | | | |
| Ghana | B+ | - | B+ | - | CCC | -10.1 | - | 35.6 | -101.7 | - | - | -17.0 | - |
| | Stable | - | Negative | - | Stable | | | | | | | | |
| Ivory Coast | - | - | - | - | CC | -1.4 | - | 55.7 | 134.4 | - | 556.0 | 0.3 | - |
| | - | - | - | - | Stable | | | | | | | | |
| Libya | A- | - | BBB+ | - | BB | -2.0 | 6.5 | 15.5 | 20.0 | 3.3 | - | 15.5 | 2.8 |
| | Stable | - | Stable | - | Stable | | | | | | | | |
| Mauritania | - | - | - | - | - | -3.1 | - | 47.6 | 92.7 | - | - | -4.7 | - |
| | - | - | - | - | - | | | | | | | | |
| Morocco | BB+ | Ba1 | BBB- | BBB- | BB | -3.6 | 52.8 | 24.2 | 79.5 | 0.5 | 95.6 | -2.1 | 3.3 |
| | Stable | - | Stable | Stable | Stable | | | | | | | | |
| Nigeria | B+ | - | BB- | - | B | -3.0 | 12.3 | 5.0 | 16.5 | 0.3 | - | -5.6 | 1.6 |
| | Stable | - | Stable | - | Stable | | | | | | | | |
| Sudan | - | - | - | - | C | -3.3 | 104.5 | 67.2 | 428.5 | 3.2 | - | -5.1 | 2.4 |
| | - | - | - | - | Stable | | | | | | | | |
| Tunisia | BBB | Baa2 | BBB | BBB | BB | -4.0 | 51.0 | 53.0 | 114.6 | 9.7 | 232.0 | -2.6 | 3.8 |
| | Stable | - | Stable | Stable | Stable | | | | | | | | |
| Middle East | | | | | | | | | | | | | |
| Bahrain | A | A2 | A | A | BBB | -6.4 | 22.7 | 178.0 | 220.3 | 15.9 | 934.9 | -2.9 | 0.9 |
| | Stable | - | Stable | Stable | Stable | | | | | | | | |
| Iran | - | - | B+ | BB- | B | -4.8 | 19.3 | 5.2 | 20.1 | 2.8 | 23.1 | 0.6 | 0.2 |
| | - | - | Stable | Stable | Stable | | | | | | | | |
| Iraq | - | - | - | - | CC | -12.7 | - | 67.3 | 128.4 | 2.3 | 112.8 | -0.1 | 0.9 |
| | - | - | - | - | Stable | | | | | | | | |
| Jordan | BB | Ba2 | - | BB | CCC | -1.2 | 59.0 | 65.4 | 131.2 | 8.1 | 183.0 | -10.7 | 6.9 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Kuwait | AA- | Aa2 | AA | AA- | A | 12.9 | 7.5 | 31.7 | 57.7 | 2.8 | 221.2 | 25.8 | -2.0 |
| | Stable | Negative | Stable | Stable | Stable | | | | | | | | |
| Lebanon | B- | B2 | B- | B | CCC | -12.6 | 154.3 | 96.3 | 631.1 | 15.0 | 168.6 | -10.4 | 5.5 |
| | Stable | - | Stable | Stable | Stable | | | | | | | | |
| Oman | A | A2 | - | A | A | -5.1 | 6.0 | 30.9 | 45.9 | 5.4 | 117.1 | -0.3 | 2.0 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Qatar | AA- | Aa2 | - | AA- | A | 4.2 | 10.4 | 72.8 | 157.3 | 8.4 | 603.4 | 8.7 | 7.9 |
| | Stable | Stable | - | Stable | Stable | | | | | | | | |
| Saudi Arabia | AA- | A1 | AA- | AA- | BBB | -4.7 | 11.3 | 9.7 | 18.8 | 2.0 | 89.1 | -6.1 | 0.3 |
| | Stable | - | Stable | Stable | Stable | | | | | | | | |
| Syria | - | - | - | - | CCC | -7.9 | 32.3 | 14.6 | 75.3 | 1.0 | 151.1 | -2.9 | 1.4 |
| | - | - | - | - | Stable | | | | | | | | |
| UAE | - | Aa2 | - | AA- | BB | 0.7 | 12.7 | 63.8 | 74.1 | 3.9 | 420.3 | -5.3 | 0.7 |
| | - | - | - | Stable | Stable | | | | | | | | |
| Yemen | - | - | - | B | CC | -11.2 | - | 22.5 | 112.7 | - | - | -9.7 | |
| | - | - | - | 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 | | | | | | | | |
| Central & Eastern Europe | | | | | | | | | | | | | |
| Armenia | - | Ba2 | BB- | - | - | -3.1 | 23.6 | 42.5 | 579.3 | 1.5 | 344.9 | -0.8 | 0.9 |
| | - | - | Stable | - | - | | | | | | | | |
| Bulgaria | BBB | Baa3 | BBB- | - | BB | -2.7 | 17.5 | 102.0 | 200.0 | 35.3 | 283.9 | -8.0 | 8.2 |
| | Stable | - | Stable | - | Stable | | | | | | | | |
| Kazakhstan | BBB- | Baa2 | BBB- | - | BB | -3.5 | 6.6 | 95.9 | 231.5 | 48.0 | 426.6 | -7.6 | 9.2 |
| | Negative | - | Negative | - | Stable | | | | | | | | |
| Romania | BB+ | Baa3 | BB+ | BBB- | BB | -5.1 | 20.8 | 61.5 | 202.5 | 15.9 | 348.0 | -7.1 | 3.3 |
| | - | - | Negative | Negative | Stable | | | | | | | | |
| Russia | BBB | Baa1 | BBB | - | BBB | -6.5 | 7.0 | 38.0 | 133.6 | 33.7 | 139.1 | 1.3 | 0.4 |
| | - | Positive | Negative | - | Negative | | | | | | | | |
| Turkey | BB- | Ba3 | BB- | BB- | B | -6.0 | 47.6 | 47.3 | 198.3 | 31.2 | 434.4 | -1.3 | 1.4 |
| | Stable | - | Stable | Stable | Stable | | | | | | | | |
| Ukraine | CCC+ | B1 | B- | - | CCC | -4.0 | 22.1 | 86.6 | 223.7 | 20.1 | 407.1 | -0.1 | 4.5 |
| | Stable | 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 | 04-Nov-09 | No change | 16-Dec-09 |
| Eurozone | Refi Rate | 1.00 | 05-Nov-09 | No change | 03-Dec-09 |
| UK | Base Rate | 0.50 | 05-Nov-09 | No change | 10-Dec-09 |
| Japan | O/N Call Rate | 0.10 | 30-Oct-09 | No change | 20-Nov-09 |
| Australia | Cash Rate | 3.50 | 03-Nov-09 | Raise 25bps | 01-Dec-09 |
| New Zealand | Cash Rate | 2.50 | 29-Oct-09 | No change | 10-Dec-09 |
| Switzerland | 3 month Libor target | 0.25 | 17-Sep-09 | No change | 10-Dec-09 |
| Canada | Overnight rate | 0.25 | 20-Oct-09 | No change | 08-Dec-09 |
| Emerging Markets | | | | | |
| China | One-year lending rate | 5.31 | 23-Dec-08 | Cut 27bps | N/A |
| Hong Kong | Base Rate | 0.50 | 04-Nov-09 | No change | 16-Dec-09 |
| Taiwan | Discount Rate | 1.25 | 24-Sep-09 | No change | Dec-09 |
| South Korea | Target Rate | 2.00 | 12-Nov-09 | No change | 10-Dec-09 |
| Malaysia | O/N Policy Rate | 2.00 | 28-Oct-09 | No change | 24-Nov-09 |
| Thailand | 1D Repo | 1.25 | 21-Oct-09 | No change | 02-Dec-09 |
| India | Reverse repo rate | 3.25 | 27-Oct-09 | No change | 29-Jan-10 |
| 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 | 05-Nov-09 | No change | N/A |
| Turkey | Base Rate | 6.75 | 15-Oct-09 | Cut 50bps | Jan-09 |
| South Africa | Repo rate | 7.00 | 17-Nov-09 | No change | 17-Nov-09 |
| Kenya | Central Bank Rate | 7.75 | 23-Sep-09 | No change | Nov-09 |
| Nigeria | Monetary Policy Rate | 6.00 | 03-Nov-09 | No change | Jan-10 |
| Ghana | Prime Rate | 18.50 | 23-Sep-09 | No change | Nov-09 |
| Mexico | Target Rate | 4.50 | 16-Oct-09 | No change | 27-Nov-09 |
| Brazil | Selic Rate | 8.75 | 21-Oct-09 | No change | 09-Dec-09 |
| Armenia | Refi Rate | 5.00 | 10-Nov-09 | No change | N/A |
| Romania | Policy Rate | 8.00 | 29-Sep-09 | Cut 50bps | N/A |
| Bulgaria | Base Interest | 1.46 | 01-Oct-09 | Cut 11bps | 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 | 10.00 | 30-Sep-09 | Cut 50bps | N/A |



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