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BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Global trade to grow by 9.5% in 2010

The World Trade Organization estimated that world exports in volume terms will grow by 9.5% in 2010, with exports from developed economies expanding by 7.5% and exports from developing economies and the Commonwealth of Independent States expanding by 11%. It said the projections assume a resumption of global GDP growth of 2.9%, as well as stability in oil prices and exchange rates. It added that the projected growth rate for global trade is insufficient to bring about a return to pre-crisis levels this year, but added that two years of growth at this pace would result in trade levels surpassing the peaks of 2008. It noted that developed economies would require three years of growth to surpass 2008 volumes. It added that global merchandise exports in real volume terms dropped by 12.2% in 2009, while imports fell by 13% in 2009. Also, the value of global merchandise exports fell by 23% to $12,150bn, while world commercial services exports contracted by 13% to $3,312bn in 2009, marking the first time since 1983 that trade in such services decline year-on-year. Transportation services posted a 13% drop, followed by travel with an 11% decline and other commercial services with a 10% decrease.

Source: World Trade Organization

EMERGING MARKETS

Fund launched to help companies recover from crisis

The European Bank for Reconstruction and Development (EBRD), the International Finance Corporation, and the Netherlands Development Finance Company (FMO) established a regional fund to invest in midsize companies facing financing difficulties as a result of the financial crisis. The ADM CEECAT Recovery Fund will target Central & Eastern Europe, Central Asia, and Turkey, and is a response to the growing number and volume of distressed assets and non-performing loans that cannot be addressed by local institutions alone in these economies. The EBRD will invest €60m, IFC €35m and FMO €15m in the targeted €300m fund. International finance institutions, pension funds, endowments and private wealth offices have so far committed a total of over €170m, which has played a key role in securing additional funding from the private sector. The fund's investments will focus on rehabilitating operationally strong but financially distressed companies via restructuring, rescheduling, refinancing, debt-equity swaps, and liquidity management. It will also fund growth opportunities where alternative sources of capital are not available. The fund will initially target companies in Turkey, Romania, Ukraine and Kazakhstan, with loans and equity investments of between €10mand -€30m.

Source: International Finance Corporation

Development banks sign anti-corruption agreement

The World Bank announced that five leading multilateral development banks (MDBs) signed an agreement to cross debar firms and individuals found to have engaged in wrongdoing in MDB-financed development projects. Debarment is declaring a company or individual ineligible to participate in any future activities the banks finance, either for a period of time or permanently, and carries with it both financial and reputational risks, The new accord was signed the World Bank Group, the European Bank for Reconstruction and Development, the African Development Bank Group, the Asian Development Bank, and the Inter-American Development Bank Group. The World Bank said MDBs will continue to manage their independent strategies to deter and prevent fraud and corruption in projects. However, the new agreement offers a channel to deepen cooperation between participating MDBs on fraud and corruption risk management. It added that the initiative gives MDBs a strong new tool to hold accountable firms that are engaging in fraudulent and corrupt practices in development projects, as well as a powerful incentive to companies to clean up their operations.

Source: World Bank

MENA

Investment banking activity improves in first quarter

Figures issued by Thomson Reuters show that the volume of mergers and acquisitions (M&A) in the Middle East reached $10.7bn in the first quarter of 2010, constituting an increase of 328% from $2.3bn in the same period last year, while investment banking and advisory fees rose by 11% to $175.9m in the first quarter. Also, debt issuance in the region reached $4.5bn in the first quarter compared to $0.6bn in the same period last year, equity issuance rose 67% to $3.7bn, while loan activity doubled to $7.4bn year-on-year. Further, M&A fees generated 49% of investment banking activity, while equity capital markets fees accounted for 28%, and syndicated loans for 12% of total fees. It said Deutsche Bank ranked first in fees in the Middle Eastern debt capital markets, the Central Bank of Libya topped the equity capital markets rankings, JP Morgan led the M&A fee rankings, and Standard Chartered topped the fee rankings for syndicated loans. It added that the first quarter of 2010 was the busiest for Middle Eastern M&A since the fourth quarter of 2007, and that the main areas for deals were in the real estate and industrial sectors, with the UAE driving most of the M&A activity overall. Also, Bahrain raised $1.2bn in March, the top bond issued during the first quarter. In parallel, the financial sector was the most active in issuing equity, followed by telecoms and real estate. The financial sector was also the most active in syndicated loans in the region, followed by telecommunications.

Source: Thomson Reuters

MENA

Maghreb economies to post 4% average growth in 2010-11, regional integration to support growth

The Institute of International Finance projected real GDP growth in the Maghreb countries of Algeria, Libya, Morocco and Tunisia at 3.9% in 2010 and 4.2% in 2011, relative to 3.6% in 2009. It estimated non-hydrocarbon growth at 5.2% in Algeria and 3.1% in Libya in 2010, and non-agricultural growth at 3.5% in Morocco and 4.9% in Tunisia this year. It noted that the region's economic outlook is favorable, as the external environment is gradually improving and average oil prices are expected to rise from $62 per barrel in 2009 to $75 per barrel in 2010, supporting the economies of Algeria and Libya. It added that the gradual recovery in the EU will support export growth, a rebound in remittances, and various services receipts for Morocco and Tunisia; while improvement in business expectations will also help revive capital spending in the two countries. It also expected the Maghreb countries to maintain the countercyclical fiscal policies pursued in response to the financial crisis, with a focus on large public investment projects. Further, it expected the small decline in agriculture production in Morocco and Tunisia to be a drag on growth in 2010, adding that non-agricultural growth would pick up in these countries in 2010 and 2011.

It considered that one of the major challenges facing the Maghreb countries is to reduce high unemployment rates, and called for the creation of a more conducive environment to private sector investment and growth, particularly for small and medium-sized enterprises. It added that deeper regional integration could boost growth prospects, as only modest progress has been made in regional cooperation including trade facilitation, financial integration, enhancement of the role of the private sector, or capital flows. It noted that political differences between Algeria and Morocco, which together represent 75% of the region's total population and 70% of its GDP, appear to stand in the way of expanding intra-regional trade and economic cooperation, as intra-regional trade among the four Maghreb countries was only 2% of their total merchandise trade in 2007-08.
Source: Institute of International Finance

EGYPT

Key challenges are reducing fiscal deficit, continuing reforms

The International Monetary Fund projected Egypt's real GDP growth at 5% in Fiscal Year 2009/10, compared to about 4% in FY2008/09, as it expected resilient domestic consumption demand and activity in the construction, communications and trade sectors to help sustain growth. It said Egypt weathered the global financial crisis relatively well, as the government reacted quickly to the crisis by providing a sizable fiscal stimulus in the second half of FY2008/09 based mainly on accelerating investment projects. It warned, however, that continuing reforms and reducing fiscal vulnerabilities remain the economy's key medium-term challenges. It noted that the FY2009/10 budget continues to support economic activity and targets a wider deficit of 8.4% of GDP, largely reflecting a substantial projected fall in revenues as well as higher post-crisis debt service costs. The Fund encouraged the authorities to substantially reduce the fiscal deficit in order to reduce vulnerability, boost confidence in the fiscal adjustment strategy, and stimulate private investment. It encouraged authorities to reduce the deficit by of 1.5%-2% of GDP in 2010/11, which would provide a positive signal to investors that progress towards the medium term objective is under way. It expected the country's public debt to remain high at around 62% of GDP in FY2009/10. It urged the authorities to strengthen public debt management through lengthening debt maturities and diversifying the debt structure to reduce risks associated with the large rollover requirements.

The IMF expected inflation to fall to an average of 12% in FY2009/10 from 16.2% in FY2008/09 but encouraged the Central Bank of Egypt to consider tightening monetary conditions to prevent a buildup of inflationary momentum. It warned that continued short-term capital inflows could challenge monetary policy-making and encouraged the authorities to continue increasing exchange rate flexibility. It forecast the current account to remain in deficit of 2.6% of GDP in 2009/10 and 2.2% of GDP in the following year.
Source: International Monetary Fund

SUDAN

Economy to grow by 4.1% over 2010-11, currency to weaken

The Economist Intelligence Unit projected real GDP in Sudan to grow by 4.6% in 2010 relative to 3.8% in 2009, supported by growth in services and utilities, before easing to 3.7% in 2011, as political uncertainty hampers investment. It expected private consumption to continue to expand steadily but government investment on infrastructure to slow in 2010-11. It noted that Sudan will continue to feel the lingering effects of the global recession through reduced FDI and tighter credit, as well as lower oil prices than in 2008. It forecast government revenues to increase by 33% to an average of $12.2bn in 2010-11 due to higher international oil prices, depreciation in the Sudanese currency and lower discounts on Sudanese crude oil. It also projected a rise in tax receipts from higher taxes on telecommunications as well as from widening the tax base and reducing exemptions. It forecast spending to rise by an average of 35% in 2010-11 to $14.2bn, and for the fiscal deficit to widen from 2.6% of GDP in 2009 to 3% of GDP in 2010-11.

The EIU projected inflation to slightly decline from an average of 11.2% in 2009 to an average of 9.7% in 2010-11 as the domestic economy remains relatively subdued, and added that the government will maintain food and fuel subsidies. It noted that foreign exchange reserves have partly recovered to $956m in January 2010, but that they remain extremely low at barely one month of import cover. It projected the Sudanese pound to weaken against the US dollar, falling to SP2.34:US$1 at end-2010. It expected the pound's recent rally against the dollar to end in the coming months, particularly as increased political risk in the aftermath of contentious elections and in the run up to a referendum on southern independence in 2011 weighs heavily on the pound and causes it to depreciate once more.
Source: Economist Intelligence Unit

SYRIA

Electricity sector faces major challenges, needs $11bn in investments

The World Bank indicated that the power sector in Syria is facing a number of major challenges, as electricity demand has been growing since 2002 at a high rate of about 7% and is expected to continue to grow at an annual rate of 5% or more through 2020. Also, a demand-supply gap has developed and is widening from growth in demand and a lack of investment in new capacity and maintenance. Further, high technical and non-technical losses equal to about 27% of total demand and have caused the distribution companies to lose about $275m in revenues in 2007 alone. Also, the financial performance of the electricity sector is poor and deteriorating due to these losses and the low level of electricity tariffs, especially in the residential sector. The World estimated that the sector needs about $11bn of investments in new generating capacity of 7,000 MW, as well as an expansion of the transmission and distribution networks through 2020. It called for increasing the sector's efficiency by reducing the large technical and commercial losses in the network; encouraging regional energy integration through a series of targeted investments in electric power and natural gas; attracting private sector investment into generation capacity expansion; making the electricity sector financially viable through tariff adjustments; and implementing reforms and associated institutional changes to facilitate the execution of these measures.

Source: World Bank

JORDAN

Remittance inflows at $831 in the first quarter of 2010

The inflow of expatriates' remittances reached $831m in the first quarter of 2010, up 0.9% from $824m in the same period last year. Remittances totaled $292m in March 2010 compared to $293m in March 2009. Jordan received $3.6bn in remittances last year, down 12.2% from 2008 and equivalent to 15.7% of GDP. Remittance inflows to Jordan accounted for 11.3% of total remittances in the MENA region and for 11.5% of such flows to low income countries in 2009. Jordan was the 21st largest recipient of remittances in emerging markets in 2009, ranking ahead of El Salvador and behind Guatemala. It is the fourth largest recipient in the MENA region.

Source: Central Bank of Jordan, World Bank

DEM REP CONGO

World Bank grants $120m to increase agricultural productivity

The World Bank approved a grant of $120m to increase agricultural productivity of small farmers in the Democratic Republic of Congo. The Bank said the project will promote growth in rural agricultural incomes, support institutional capacity building, improve access to basic services for enhancing food security, and provide decentralized support to agriculture and community development. It will also help indirectly to relieve pressure on forest resources in areas contiguous to project sites. It added that the weak performance of agriculture has increased the vulnerability of the population to recent increases in food prices and heightened the pressure on forest resources. It said improvements in agricultural productivity and better links between producing and consuming areas would improve trade balances and reduce poverty.

Source: World Bank

ARMENIA

Trade policies more liberal than WTO commitments

The World Trade Organization's trade policy review for Armenia indicated that the country's accession to the WTO in 2003 consolidated a process of trade liberalization and institutional reforms that started soon after its independence from the Soviet Union in 1991. It said the average applied tariff is 2.7%, which is among the lowest among WTO members. It added that tariff structure is simple with no tariff quotas, 73% of tariff lines are duty free, and almost all the rest are subject to a 10% tariff rate. It noted that Armenia grants MFN and national treatment to foreign investors, which are present in almost every economic sector. It added that in many areas, particularly in services, Armenia's trade policies are more liberal than its WTO accession commitments. Armenia's total trade is equivalent to about 43% of GDP and has a large deficit in trade in both goods and services of 25% of GDP. The WTO said customs procedures improved significantly during the review period, but customs clearance is still perceived by users as relatively slow. Further, the documentation and the time required to export have been reduced, but certification of origin is perceived by exporters as costly and complicated.

Source: World Trade Organization

KAZAKHSTAN

Outlook revised to stable

Moody's Investors Service revised the outlook on Kazakhstan's Baa2' sovereign rating to 'stable' from 'negative'. It attributed the move to growing evidence that the economic downturn is proving milder than expected, and that the government's credit metrics will emerge relatively unscathed from the country's serious banking crisis. It said the government has weathered the worst of the crisis in a way consistent with an investment-grade rating by protecting its creditworthiness, but forced credit restructuring in the country's banking system. It noted that the relatively rapid restructuring of external bank debt, where a large proportion of the burden has been borne by creditors, reflects a proactive but highly selective approach by the government to elicit a speedy resolution to bank distress. It added that the limitation of large contingent sovereign liabilities depends on a high degree of credit ring-fencing. It also lowered the country's foreign currency bond by one notch to 'Baa2'. It said the alignment of the country's foreign currency bond ceiling with the government's bond rating suggests that crisis management in Kazakhstan focuses primarily on protecting the government's balance sheet.

Source: Moody's Investors Service

UAE

Dubai World restructuring to be manageable for banks

Moody's Investors Service indicated that the proposed framework for the restructuring of the Dubai World Group (DW) is not likely to cause rating downgrades for UAE banks, adding that rating pressures are more evident among Dubai-based banks than among their Abu-Dhabi-based peers. The agency conservatively estimated at $10bn the UAE banks' loans related to the DW proposed restructuring, and considered that up-front losses could vary between zero to 25% of the loan values. It added that such losses depend on the coupon rates of two new bonds that DW proposed to issue in order to extend loan tenor periods. It said that even a 25% impairment loss represents three to four months of pre-provision earnings for the banks and can be easily replenished. It noted that the impact varies considerably from bank to bank, adding that the maximum loss from DW could amount to 6 to 12 months of pre-provision profits for the most exposed banks. In parallel, it cautioned that the sustained adverse economic conditions are continuing to pressure the country's banking system and its profitability. As such, the restructuring is likely to influence bank lending to other government-related issuers in the UAE, and possibly the wider region.

Source: Moody's Investors Service

SAUDI ARABIA

Banks have limited refinancing needs

Standard Chartered Bank indicated that Saudi banks have little need to tap the debt market in the near future, as their refinancing requirements for both loans and bonds are limited in 2010. As such, they can comfortably meet their funding requirements in the domestic market due to a strong domestic funding base. It added that some banks may still consider issuing term debt in the offshore markets. It said Saudi banks as a group are among the strongest financial institutions in the Middle East and have emerged reasonably unscathed from the recent financial crisis. It stated that the banks' reported asset quality indicators are sound with NPLs not exceeding 5%, despite some deterioration in asset quality indicators from exposures to privately-owned Saudi conglomerates. It noted, however, the relative lack of clarity and timely disclosure on some exposures. Further, banks' loan-to-deposit ratios are below 100%, reflecting their strong funding base unlike banks in other jurisdictions. Also, the Saudi banks are very well capitalized, with equity-to-assets ratios in excess of 10% and Tier One capital ratios in excess of 13% in most cases.

Source: Standard Chartered

EGYPT

IMF calls for improved risk management of banking sector

The International Monetary Fund indicated that Egypt's banking sector needs to improve intermediation and competition, given that it is not well developed compared to other emerging markets, as private sector credit averaged around 40% of GDP in the past 5 years. It said that direct banking sector risks are well contained following Phase I of the banking reforms, as NPLs stood at 14.7% of total loans in September 2009,virtually unchanged from before the crisis, and provisions to NPLs are at 94.5% relative to 92.1% at end-2008. The Fund said that Phase II of the banking reform agenda should focus on a forward-looking approach to assessing the evolution and scope of potential risks. It noted that implementation of a comprehensive Basel II framework is underway, along with prudential measures designed to limit excessive risk build up in the sector. It considered that other priorities should include reducing banking sector concentration through further privatization or significant balance sheet reduction of state-owned banks. Also, it called for increasing the detail, quality and frequency of publishing aggregate performance and soundness indicators, and encouraged additional transparency in banks' reporting of key indicators such as the level and composition of Tier One capital and non-performing assets ratios. Further, it encouraged the increased and systematic coordination, and consistent risk methodologies between the Central Bank of Egypt and the new non-bank Egyptian Financial Supervisory Authority. The IMF further called for the removal of the remaining structural impediments to enhanced financial intermediation, while developing safeguards to limit potential new risks such as divergent risk assessments among banks, and the emerging derivative-like structured products. The sector has 39 banks with 3,462 operational branches.

Source: International Monetary Fund

MOROCCO

Ratings on leading banks affirmed

Capital Intelligence affirmed the long-term and short-term foreign currency ratings at 'BBB-' and 'A3' respectively, and the Financial Strength rating at 'BBB' of Attijariwafa Bank, Banque Marocaine pour le Commerce et l'Industrie (BMCI), Crédit du Maroc, and Société Générale Marocaine de Banques (SGM). The ratings on the first three banks have a 'stable' outlook, while the outlook on SGM's Financial Strength ratings is 'positive'. The ratings are at the sovereign ceiling for Morocco. The agency said Attijariwafa Bank's ratings reflect its very strong domestic banking franchise, with the bank controlling around 25% of sector assets, loans and deposits. Its asset quality is good with a low level of NPLs and high provision coverage. In parallel, it said BMCI's ratings reflect an overall sound financial profile, while asset quality is acceptable and reflects a manageable level of NPLs and high provision coverage. It noted that the challenge for BMCI is to maintain its loan asset quality in the face of a slightly weaker economic environment in 2010. The bank is 66%-owned by BNP Paribas. Further, it indicated that Crédit du Maroc, which is 77%-owned by France's Crédit Lyonnais, has an adequate liquidity and funding profile, and the base of liquid assets is reasonable. The bank's loan portfolio came under some pressure but the overall level of NPLs is reasonable and it maintains adequate provisioning. Finally, it said SGM's loan asset quality has continued to improve, with declining NPLs and increased provisioning coverage. The bank's liquidity profile is solid, and capital adequacy has also improved due to increases in both Tier 1 and Tier 2 capital. SGM is 59%-owned by France's Société Générale.

Source: Capital Intelligence

ENERGY / COMMODITIES

Oil prices surge threatens economic recovery

The International Energy Agency expected oil prices to increase above the $70 to $80 a barrel level, which is projected to raise concerns about the impact on the global economy. The agency noted that the outlook for supplies of oil was improving. It estimated that oil demand increased by 1.8 million barrels per day and oil supply by 2 million barrels per day in the first quarter of 2010, compared to the same period in 2009. It stated that non-OPEC output increased by 220,000 barrels per day in 2010 to reach 52 million barrels per day. The agency noted that global refining supplies rose by 800,000 barrels per day in the first quarter of 2010 compared to the same period in 2009 to reach 72.5 million barrels per day, as this rise was recorded for the first time since 2008, indicating economic recovery. It forecast global refinery supplies to rise to 72.9 million barrels per day in the second quarter of 2010.
Source: International Energy Agency

OPEC expects oil to trade between $70-$80

OPEC said in its monthly report that oil prices are likely to trade between $70 and $80 a barrel in coming months. It said current conditions in the world economy and the very comfortable outlook for oil market fundamentals are likely to remain supportive for oil prices.
Source: Thomson Reuters

Egypt to eliminate all energy subsidies to industry by end-2011

Egypt plans to eliminate subsidies to all industries by the end of 2011, having already eliminated subsidies to energy-intensive industries such as cement, steel and fertilizer businesses. The government is expected to raise prices of natural gas and electricity in July 2010 for industries that are not energy intensive.
Source: Thomson Reuters, EFG Hermes

Iraq to cut signature bonuses on oilfields

Iraq's Oil Ministry agreed to reduce signature bonuses on two oilfield development deals secured by oil companies, but is turning them into unrecoverable payments rather than soft loans. The signature bonus for the 8.7-billion barrel West Qurna Phase One oilfield to be paid by Exxon Mobil and Royal Dutch Shell will be cut to $100m from $400m, while the bonus for the 4-billion barrel Zubair oilfield to be paid by Italy's Eni and its partners Occidental Petroleum Corp and South Korea's KOGAS will also be cut to $100m compared to $300m previously.
Source: Thomson Reuters

Iran in Kuwait gas export deal

The National Iranian Gas Export Co (NIGEC) said that Kuwait has agreed to import 8.5 million cubic meters of gas from Iran. The two countries will establish a public-private sector company to construct a 577 km pipeline to transfer the gas from Iran's South Pars gas fields to Kuwait. The final price of gas supplies has not yet been decided.
Source: Fars News Agency

Base metals: Most commodities post positive price performance in 2009

Commodity prices performed strongly across the board after reaching their lows nearly one year ago. Base metals were the standout, more than doubling from their lows. Gains for agricultural commodities were limited to only 13%, making them the poorest performers last year. Out of the most frequently traded 25 commodities, 21 posted a positive price performance last year partly due to the exceptionally low level prices reached at the beginning of 2009, which undershot sustainable supply levels. Further, trading activity in commodity futures markets has been recovering and investors injected around $70bn in commodity markets, which is the highest amount on record. Consequently, correlations among the commodities as well as correlations with equities rose considerably above historical averages.

However, this synchronous and comparably smooth movement of prices is not expected to continue. Most commodities have now reached a level at which they appear fairly priced. Therefore, a volatile ride is expected as the global economy slowly recovers. Further, a recovery of demand outside the emerging markets, namely China, still has to take effect, while high global inventories continue to provide a comfortable cushion.
Source: Julius Baer

Precious metals: Gold prices enter consolidation mode

After gold prices increased to an all-time high at more than $1,200 per once, prices entered a consolidation mode with some drivers of the rally losing steam, noticeably a rebound of the US dollar and slowing investor demand. The overall environment still remains supportive for gold with real interest rates remaining at very low levels. Also, gold supply is expected to increase slightly which is also expected for jewelry and industrial demand. Investors are again put in charge to balance the market, needed to absorb more than 1,500 tons of production in 2010. The European sovereign-debt issues recently provided support for gold prices. Palladium & platinum outperformed gold recently exposing them stronger towards a recovery of global economic activity. In the long run, the economic recovery and rising car sales, South African power issues, easing Russian palladium stock sales and investor demand are expected to push gold prices towards an increase. Strong movements are not expected for precious metals into either more positive or negative territory.
Source: Julius Baer

Commodity prices	2010	2011	2012	2013	2014
Oil ($/barrel; Brent)	77	73	80	84.5	83.5
% change	24.5	-5.2	9.6	5.6	-1.2
World non-oil commodity prices	13.3	-1.4	1.5	4.2	6.6
Food, feedstuffs & beverages	2	-3	3.6	7	10
Industrial raw materials	31.5	0.6	0.8	0.9	-0.9

Source: Economist Intelligence Unit

COUNTRY RISK METRICS

Countries	LT Foreign currency rating: S&P	Moody's	Fitch	CI	EIU	Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa													
Algeria	-	-	-	-	BBB								
	-	-	-	-	Stable	-11.5	7.8	1.9	3.4	1.7	1.9	-3.0	0.8
Angola	-	-	-	-	B								
	-	-	-	-	Stable	4.6	19.1	17.4	25.4	9.4	-	7.6	7.2
Egypt	BB+	Ba1	BB+	BBB-	BB								
	Stable	Stable	Stable	Stable	Stable	-7.9	73.8	17.0	47.0	5.8	100.6	-2.9	3.2
Ethiopia					CCC								
	-	-	-	-	Stable	-2.3	-	14.1	263.0	-	-	-7.2	-
Ghana	B+	-	B+	-	CCC								
	Negative	-	Negative	-	Stable	-10.1	-	35.6	-101.7	-	-	-17.0	
Ivory Coast	-	-	-	-	CC								
	-	-	-	-	Stable	-1.4	-	55.7	134.4	-	556.0	0.3	-
Libya	A-	-	BBB+	-	BB								
	Stable	-	Stable	-	Stable	-2.0	6.5	15.5	20.0	3.3	-	15.5	2.8
Mauritania	-	-	-	-	-								
	-	-	-	-	-	-3.1	-	47.6	92.7	-	-	-4.7	-
Morocco	BBB-	Ba1	BBB-	BBB-	BB								
	Stable	-	Stable	Stable	Stable	-3.6	52.8	24.2	79.5	0.5	95.6	-2.1	3.3
Nigeria	B+	-	BB-	-	B								
	Stable	-	Stable	-	Stable	-3.0	12.3	5.0	16.5	0.3	-	-5.6	1.6
Sudan	-	-	-	-	C								
	-	-	-	-	Stable	-3.3	104.5	67.2	428.5	3.2	-	-5.1	2.4
Tunisia	BBB	Baa2	BBB	BBB	BB								
	Stable	-	Stable	Stable	Stable	-4.0	51.0	53.0	114.6	9.7	232.0	-2.6	3.8
Middle East													
Bahrain	A	A2	A	A	BBB								
	Stable	-	Stable	Stable	Stable	-6.4	22.7	178.0	220.3	15.9	934.9	-2.9	0.9
Iran	-	-	B+	BB-	B								
	-	-	Stable	Stable	Stable	-4.8	19.3	5.2	20.1	2.8	23.1	0.6	0.2
Iraq	-	-	-	-	CC								
	-	-	-	-	Stable	-12.7	-	67.3	128.4	2.3	112.8	-0.1	0.9
Jordan	BB	Ba2	-	BB	B								
	Stable	-	-	Stable	Stable	-1.2	59.0	65.4	131.2	8.1	183.0	-10.7	6.9
Kuwait	AA-	Aa2	AA	AA-	A								
	Stable	Negative	Stable	Stable	Stable	12.9	7.5	31.7	57.7	2.8	221.2	25.8	-2.0
Lebanon	B	B1	B	B	CCC								
	Positive		Stable	Stable	Stable	-12.6	154.3	96.3	631.1	15.0	168.6	-10.4	5.5
Oman	A	A2	-	A	A								
	Stable	-	-	Stable	Stable	-5.1	6.0	30.9	45.9	5.4	117.1	-0.3	2.0
Qatar	AA-	Aa2	-	AA-	A								
	Stable	Stable	-	Stable	Stable	4.2	10.4	72.8	157.3	8.4	603.4	8.7	7.9
Saudi Arabia	AA-	Aa3	AA-	AA-	BBB								
	Stable	Stable	Stable	Stable	Stable	-4.7	11.3	9.7	18.8	2.0	89.1	-6.1	0.3
Syria	-	-	-	-	CCC								
	-	-	-	-	Stable	-7.9	32.3	14.6	75.3	1.0	151.1	-2.9	1.4
UAE	-	Aa2	-	AA-	BB								
	-	-	-	Stable	Stable	0.7	12.7	63.8	74.1	3.9	420.3	-5.3	0.7
Yemen	-	-	-	B	CC								
	-	-	-	Stable	Stable	-11.2	-	22.5	112.7	-	-	-9.7	

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-	-	-								
	-	-	Stable	-	-	-3.1	23.6	42.5	579.3	1.5	344.9	-0.8	0.9
Bulgaria	BBB	Baa3	BBB-	-	BB								
	Stable	Stable	Stable	-	Stable	-2.7	17.5	102.0	200.0	35.3	283.9	-8.0	8.2
Kazakhstan	BBB-	Baa2	BBB-	-	BB								
	Stable	-	Negative	-	Stable	-3.5	6.6	95.9	231.5	48.0	426.6	-7.6	9.2
Romania	BB+	Baa3	BB+	BBB-	BB								
	Negative	-	Stable	Negative	Stable	-5.1	20.8	61.5	202.5	15.9	348.0	-7.1	3.3
Russia	BBB	Baa1	BBB	-	BBB								
	Stable	Positive	Stable	-	Negative	-6.5	7.0	38.0	133.6	33.7	139.1	1.3	0.4
Turkey	BB	Ba2	BB+	BB-	B								
	Positive	Stable	Stable	Stable	Stable	-6.0	47.6	47.3	198.3	31.2	434.4	-1.3	1.4
Ukraine	B-	B1	B	-	CCC								
	Positive	Positive	Negative	-	Stable	-4.0	22.1	86.6	223.7	20.1	407.1	-0.1	4.5

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	16-Mar-10	No change	28-Apr-10
Eurozone	Refi Rate	1.00	08-Apr-10	No change	06-May-10
UK	Bank Rate	0.50	08-Apr-10	No change	06-May-10
Japan	O/N Call Rate	0.10	07-Apr-10	No change	30-Apr-10
Australia	Cash Rate	4.25	06-Apr-10	Raise 25bps	04-May-10
New Zealand	Cash Rate	2.50	11-Mar-10	No change	29-Apr-10
Switzerland	3 month Libor target	0.25	11-Mar-10	No change	17-Jun-10
Canada	Overnight rate	0.25	02-Mar-10	No change	20-Apr-10
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	16-Mar-10	No change	28-Apr-10
Taiwan	Discount Rate	1.25	25-Mar-10	No change	24-Jun-10
South Korea	Base Rate	2.00	09-Apr-10	No change	N/A
Malaysia	O/N Policy Rate	2.25	04-Mar-10	Raise 25bps	13-May-10
Thailand	1D Repo	1.25	10-Mar-10	No change	21-Apr-10
India	Reverse repo rate	3.50	29-Jan-10	No change	20-Apr-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	24-Dec-09	No change	N/A
Turkey	Base Rate	6.50	13-Apr-10	No change	N/A
South Africa	Repo rate	7.00	25-Mar-10	Cut 50bps	13-May-10
Kenya	Central Bank Rate	6.75	23-Mar-10	Cut 25bps	May-10
Nigeria	Monetary Policy Rate	6.00	02-Mar-10	No change	02-May-10
Ghana	Prime Rate	16.00	19-Feb-09	Cut 200bps	Apr-10
Angola	Rediscount rate	30.00	01-Oct-09	Raise 500bps	N/A
Mexico	Target Rate	4.50	19-Mar-10	No change	16-Apr-10
Brazil	Selic Rate	8.75	17-Mar-10	No change	28-Apr-10
Armenia	Refi Rate	7.00	13-Apr-10	Raise 50bps	N/A
Romania	Policy Rate	6.50	03-Feb-10	Cut 50bps	N/A
Bulgaria	Base Interest	0.17	01-Apr-10	Cut 1 bps	01-May-10
Kazakhstan	Refi Rate	7.00	01-Jan-10	No change	N/A
Ukraine	Discount Rate	10.25	11-Aug-09	Cut 75bps	N/A
Russia	Refi Rate	8.25	24-Feb-10	Cut 25 bps	N/A

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (961) 338 100
Fax: (961) 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com.lb

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BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605
Riad El Solh - Beirut 1107 2811 - Lebanon
Phone: (+961) 1 335200
Fax: (+961) 1 339436

SYRIA

Byblos Bank Syria S.A
Abu Roummaneh Head Office
Al Chaalan - Amine Loutfi Hafez Str.
P.O.Box: 5424 Damascus - Syria
Phone: (+ 963) 11 9292 - 3348240 / 1 / 2 / 3 / 4
Fax: (+ 963) 11 3348207
E-mail: byblosbanksyria@byblosbank.com

SUDAN

Byblos Bank Africa Ltd.
Khartoum - Sudan
El Amarat -Street 21
P.O.Box: 8121 El Amarat - Khartoum - Sudan
Phone: (+249) 183 566 444
Fax: (+249) 183 566 454
E-mail: byblosbankafrica@byblosbank.com

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60,
Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457 / 9
Fax: (+ 964) 66 2233458
E-mail: iraqbranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street
Yerevan, 37500 - Republic of Armenia
Phone: (+374) 10 530 362
Fax: (+374) 10 535 296

NIGERIA

Byblos Bank Nigeria Representative Office
10-14 Bourdillon Road
Ikoyi, Lagos - Nigeria
Phone: (+ 234) 1 6653633
(+ 234) 1 8990799
E-mail: melamm@byblosbank.com.lb

BELGIUM

Byblos Bank Europe S.A
Bussels Head Office
10, Rue Montoyer
B-1000 Brussels - Belgium
Phone: (+32) 2 551 00 20
Fax: (+32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

ENGLAND

London Branch
Berkeley Square House - Suite 5
Berkeley Sq.
GB - London W1J 6BS - United Kingdom
Phone: (+44) 207 493 35 37
Fax: (+44) 207 493 12 33
E-mail: byblos.europe@byblosbankeur.com

FRANCE

Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

CYPRUS

Limassol Branch
1, Arch. Kyprianou / St. Andrew Street
P.O.Box 50218
3602 Limassol - Cyprus
Phone: (+357) 25 341433 / 4 / 5
Fax: (+357) 25 367139
E-mail: bybloscyprus@byblosbank.com

UNITED ARAB EMIRATES

Byblos Bank Abu Dhabi Representative Office
Intersection of Muroor and Electra Streets
P.O.Box: 73893 Abu Dhabi - UAE
Phone: (+ 971) 2 6336400
Fax: (+971) 2 6338400
E-mail: byblosbankuae@byblosbank.com