



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Sovereign wealth fund's AUMs at \$3.6 trillion in 2010

The Prequin Sovereign Wealth Fund Review indicated that sovereign wealth funds (SWF) had \$3.59 trillion in assets under management (AUM) in early 2011, constituting an increase of 11%, from \$3.22 trillion in 2009 and compared to \$3.1 trillion in 2008. It added that AUM reached \$3.98 trillion in early 2011. It said 79% of SWFs invested in the public equities and debt instruments in 2010; while 55% invested in private equity; 51% in real estate; 47% in infrastructure and 37% in hedge funds. In comparison, 85% of SWF invested in public equities in early 2011, 76% placed funds in debt instruments, 61% invested in infrastructure, 59% in private equity, 56% in real estate and 36% in hedge funds. The survey said half of the SWFs that invest in real estate make their investment directly and indirectly through private real estate funds, 31% invest only directly and 19% invest only indirectly. Further, 40% of SWFs that only invest directly in real estate are located in the MENA region and 40% in Asia.

Source: Prequin Sovereign Wealth Fund Review

Bond inflows at \$2.7bn, equity outflows at \$19bn in first quarter of 2011, AUM at \$959bn

Capital outflows from emerging market equity and bonds totaled \$16bn in the first quarter of 2011, with bond inflows at \$2.7bn and equity outflows at \$18.9bn. Emerging Asia accounted for \$962m or 35% of bond inflows, followed by Emerging Europe, the Middle East & Africa (EMEA) with \$960m (35%) and Latin America with \$814m (29%). Further, Emerging Asia posted \$14.2bn of equity outflows year-to-March, followed by Latin America with \$4.6bn and the EMEA with \$53m. Brazil was the biggest recipient of bond inflows with \$450m, or 16.4% of total inflows into emerging market bonds, while China was the largest source of equity outflows with \$5bn, or 26% of overall outflows of emerging market equities. In parallel, Assets under management (AUM) in emerging markets totaled \$959bn towards the end of March 2011, with bonds accounting for \$171bn and equities for \$788bn. The EMEA region had \$70bn in AUM in bonds, followed by Latin America with \$57.85bn and Emerging Asia with \$43bn. Further, Emerging Asia accounted for \$492bn in equity related AUM, followed by Latin America with \$153bn and EMEA with \$143bn. Mexico had \$18.4bn in bonds related AUM, or 10% of the total, while China had \$160.6bn in equity-related AUM, accounting for 20% of overall equities under management in emerging markets.

Source: Barclays Capital, Byblos Research

MENA

OPIC to provide \$2bn for private sector investment in the region

The Overseas Private Investment Corporation (OPIC) announced that it will provide up to \$2bn in financial support for private sector investment in the Middle East & North Africa. The initiative will give priority to investment in small- and medium-sized enterprises (SMEs), infrastructure and other key sectors, especially the promotion of renewable resources. OPIC's financial support will include direct loans, guarantees and political risk insurance for investors, as well as financing support for private equity investment funds. OPIC will also expand its existing risk insurance product, which protects investors from losses sustained due to currency inconvertibility, expropriation, breach of contract, as well as political violence and terrorism, to specifically protect investments in private equity funds investing throughout the MENA region. Further, it will support 'fast-track' approval for OPIC-supported projects to ensure rapid deployment of capital; and plans to develop partnerships with banks, investment funds, Diaspora entrepreneurs, and others interested in investing in MENA projects. OPIC is currently providing nearly \$2.6bn in support to projects in MENA countries.

Source: Overseas Private Investment Corporation

GCC

Business confidence deteriorates on regional turmoil

The HSBC Business Confidence Index reached 85.5 points in the first quarter of 2011 compared to 88.7 points at end-December 2010, posting the lowest level since April last year. It said that the majority of regional businesses remain positive, as 63% of respondents expect better overall performance in the second quarter of the year. It added that 54% of the region's businesses expect revenue growth over the coming six months, while 27% are neutral and 9% are pessimistic. Further, it noted that 44% of businesses are optimistic about growth or maintenance of profit margins, compared to 32% that are neutral and 10% that are pessimistic. It said that 36% of businesses are optimistic about their ability to defend against competitive threats relative to 33% that are neutral and 13% that are pessimistic. It estimated that 35% of businesses are optimistic about keeping up with their staff requirements relative to 35% that are neutral and 17% pessimistic. It stated that business confidence in Bahrain was the lowest in the region, while business sentiment fell in Saudi Arabia, Kuwait, Qatar and Oman.

Source: HSBC

OUTLOOK

SAUDI ARABIA

Non-oil growth at 4.8% in 2011, fiscal surplus at 6.7% of GDP

The Institute of International Finance revised upwards its projection of Saudi Arabia's real GDP growth to 5% in 2011 from 3.5% previously. It also raised its forecast for non-oil growth to 4.8% this year from an earlier forecast of 4.1%, with the non-oil private sector growing by 4.6% and non-oil government output by 5.2%. It attributed its upward revisions to the substantial increase in government spending that is largely in the form of new social benefits to Saudi nationals. It estimated the total value of the two spending packages announced on February 24 and March 18 at SR 450bn, equivalent to 27% of 2010 GDP. It estimated that about SR 197bn, or 42% of the spending packages, will be spent this year, with 70% in the form of capital expenditures. This will lead to a total increase of 31% in government spending for 2011 from actual expenditures in 2010.

The IIF expected the fiscal balance to post a surplus of 6.7% of GDP this year based on an average Brent oil price of \$110 per barrel. It said the sharp increase in oil revenues and an anticipated 5% increase in oil export volumes will more than offset the substantial increase in government spending. It noted that an important implication of the two supplementary spending packages is that government outlays will increase substantially in the coming years, and that a significant portion of the rise in spending this year is likely to be permanent and difficult to reverse in the coming years. It expected government spending growth to decelerate from 31% in 2011 to 10% in 2012, assuming that the two-month bonus for all public workers, funding for the Real Estate Development Fund, capital increase for the Saudi Credit Bank, and several other small allocations are one-time items. It estimated that the fiscal balance will post a surplus of 2.5% of GDP in 2012 if Brent oil prices average \$105 per barrel for the year, but that it will shift to a deficit of 2.3% of GDP if oil prices fall to \$85 per barrel next year.

Source: Institute of International Finance

UAE

Dubai GREs financing, excess property supply, Iran sanctions and regional turmoil are main risks to recovery

The International Monetary Fund projected economic growth in the UAE at 3.3% in 2011 and non-oil GDP growth also at 3.3%. It said the fragile recovery is gradually gaining strength, but noted that growth trends differ across Emirates and that several factors make the recovery fragile. First, it indicated that the excess supply of property in Dubai, which will further increase in light of the expected completion of unfinished projects, and uncertainty regarding its size will continue to weigh on property prices, investment, and growth. Second, the absence of a well-defined, coherent, and transparent strategy to address the financing of government-related entities (GREs) will translate into higher borrowing costs for Dubai in an already difficult market. It noted that Dubai continues to face significant rollover risks in the short term with an estimated \$31bn of debt due in 2011-12, of which at least \$5bn in the real estate sector. In addition, the government of Dubai's strategy to use the earnings of

the well-performing GREs to finance the underperforming entities may dampen investment and growth. Third, international sanctions on Iran, one of the UAE's largest trading partners and a traditional source of demand for Dubai real estate, could undermine the recovery. Fourth, the turmoil in the region poses downside risks to the outlook, as the re-pricing of risk in the region would result in more difficult market conditions. It added that the re-pricing of risk could trigger a sudden reversal of the recent deposit inflows to the banking sector.

The IMF said short-term macroeconomic policies should aim at supporting the recovery in 2011 and responding to the economic spillovers from the unfolding events in the region, if needed. It called for the close monitoring of the risks posed by Dubai's GREs, and for strong macroeconomic management given the high dependency on volatile hydrocarbon revenues. It also called for better coordination of policies between the various governments of the federation.

Source: International Monetary Fund

GHANA

Economic growth to double to 13% in 2011, fiscal challenges remain

Barclays Capital projected Ghana's real GDP growth at 12.8% in 2011, almost twice the 6.6% growth rate of 2010. It indicated that the structural change in the country's external accounts should provide a solid platform for overall economic growth in 2011. It expected Ghana to benefit considerably from current high prices for gold, cocoa and oil, as it is the world's second largest cocoa producer and Sub-Saharan Africa's second largest gold exporter, and became an oil producer last December. It said the country's earnings from gold exports could rise by 15% this year, with gold production of about 3 million ounces and average prices well above \$1,400 per ounce. It also forecast strong revenues from cocoa exports due to the upbeat outlook for the commodity's prices, adding that Ghana has the potential to earn in excess of \$3bn in oil revenues in 2011. In parallel, it expected non-oil sector growth to pick up from where it left off in 2010 with strong performances in the agricultural, construction, trade and services sectors. It added that easier credit access in 2011 should be supportive to household demand, which will further sustain growth. It noted that credit extension to both businesses and households continues to improve, with business confidence on the rise.

Barclays anticipated that the stronger external revenues would provide support for the currency. It noted that the cedi fell by 10% against the US dollar since October 2010, but the currency's slide was eventually halted when the Central Bank intervened in early February, with the cedi appreciating 4% against the dollar since then. It indicated, however, that Ghana faces some important challenges, including the inflationary effect of expansionary monetary conditions, upward pressure on food and fuel prices, and high fiscal spending. It forecast the fiscal deficit at 4.2% of GDP this year, down from 5.2% of GDP in 2010. It noted that fiscal problems remain structural, as the government has limited scope to reduce spending due to the large and growing public sector wage bill and pressure to expand infrastructure.

Source: Barclays Capital

ECONOMY & TRADE

MENA

Construction sector to grow annually by 5.7% in 2010-15 and 6.3% in 2015-2020

Oxford Economics projected the construction sector in the Middle East & North Africa to grow at an average annual rate of 5.7% between 2010 and 2015 and 6.3% in the 2015-2020 period, down from 9.1% during the 2005-10 period. It expected the MENA region to have the slowest growth rate among all regions in emerging markets during the 2010-2015 period, but the second fastest growth rate after Asia Pacific during the 2015-2020 period. It estimated total construction spending in the region at \$4.8 trillion in the coming 10 years, posting a 6% average growth rate per year. Further, it expected construction in the MENA region to account for only 5% of global construction by 2020. It said that Saudi Arabia will contribute \$36bn to growth in global construction output between 2010 and 2020, followed by Qatar with \$33bn, the UAE with \$24bn, Egypt with \$20bn, Algeria with \$19bn, Morocco with \$10bn, Libya with \$3bn and Kuwait with \$2bn. It also expected Qatar to be the fastest growing market in the region.

Source: Oxford Economics

GCC

Aggregate corporate profits up 25% to \$43bn in 2010

Corporate earnings in the GCC totaled \$43.1bn in 2010, constituting a 25% increase from 2009 and relative to a 4% annual growth in 2009. Saudi Arabia led the region's corporate earnings with \$20.76bn in 2010, accounting for 48.2% of the total. It was followed by Qatar with \$7.6bn or 17.6% of the total, Kuwait with \$7.1bn (16.5%), the UAE with \$4.85bn, or 11.25% of the total, Oman with \$1.6bn (3.7%) and Bahrain with \$1.2bn (2.8%). Corporate earnings in Saudi Arabia rose by 34% in 2010, Kuwait companies' earnings jumped by 1,722% after posting losses in 2009, the income of Oman-based firms increased by 15% and corporate earnings in Bahrain increased by 288% in 2010 after posting losses in 2009. In parallel, the profits of Qatar-based corporates regressed by 20% and the income of UAE firms decreased by 47% year-on-year, the commodities sector boosted profits in Saudi Arabia, banks & financial services and the telecom sector drove income in Kuwait and Bahrain; while banking and real estate stimulated corporate earnings in Oman.

Source: Kuwait Financial Center

SAUDI ARABIA

Mortgage law approved

The Shura Council approved a mortgage law on real estate subject to final modifications on loan-related articles. The draft law is comprised of five legislations that include laws on mortgage registration, enforcement, financial leasing, real estate finance, and control of finance companies. The proposed bill was previously approved by the council in 2008 but the Cabinet returned it to the Council for review. Following final amendments by the Council, the package will be subject to ratification by the king. The approval comes on top of a recent announcement of an establishment of a specific ministry for housing and

increased funding for development of real estate sector. Once fully adopted and implemented the law will facilitate bank ownership and repossession of properties, and endorse the establishment of specialized mortgage companies. As a result mortgage funding availability will eventually increase and lead more of the potential demand for real estate in Saudi Arabia to convert into actual transactions, especially in the low-to-mid income housing segment. Besides being the largest potential beneficiary from the mortgage law, the low-to-mid income segment of the Saudi population also gains from the government's housing program and the 500,000 units recently announced by the king.

Source: Deutsche Bank, EFG Hermes, Shuaa Capital

ARMENIA

Travel and tourism industry is fifth most competitive in CIS

The World Economic Forum ranked Armenia in 90th place among 139 countries on its Travel & Tourism Competitiveness Index (TTCI), up from 91st place in 2009. Armenia also came in fifth place among nine Commonwealth of Independent States (CIS) included in the survey, unchanged from the previous survey. The TTCI measures the competitiveness of the travel and tourism (T&T) industry in countries around the world by assessing the corresponding regulatory framework; the sector's business environment and infrastructure; and the industry's human, cultural, and natural resources. Globally, Armenia ranked ahead of Botswana and The Gambia and came behind Cape Verde and Honduras. It also ranked ahead of Kazakhstan and Moldova and behind Ukraine and Azerbaijan among CIS. Armenia received a score of 3.77 points, below the global average of 4.1 points and similar to the CIS average of 3.75 points. Globally, Armenia ranked in 58th place on the T&T Regulatory Framework sub-index, which covers policy-related elements under the purview of the government, while it ranked second to Georgia among CIS. It also ranked in 100th place globally and in seventh place among CIS on the T&T Business Environment & Infrastructure sub-index, which captures elements of the business environment and the hard infrastructure of an economy. Also, Armenia came in 107th place worldwide and in fifth place regionally on the T&T Human, Cultural, and Natural Resources sub-index.

Source: World Economic Forum

Launch of one-stop-shop for business registration

The Ministry of Economy, in cooperation with the Ministry of Justice and the International Finance Corporation, launched the country's first one-stop-shop for business registration. The initiative is expected to ease business entry and reduce administrative red tape for companies. The one-stop-shop will also streamline start-up procedures for new businesses and reduce the business registration process by about two weeks. The project strengthened the legislative framework for business entry as well as for investment promotion and protection in the country.

Source: International Finance Corporation



BANKING

IRAQ

Restructuring of state-owned banks to be completed in June 2011

The Central Bank of Iraq (CBI) and the Ministry of Finance indicated that the restructuring of the balance sheets of the two largest state-owned banks, Rafidain Bank and Rasheed Bank, will be completed at the end of June 2011. The restructuring plan is being implemented by a Bank Reconciliation Unit (BRU), chaired by the CBI, with the participation at a technical level of staff from the CBI, the Ministry of Finance and other stakeholders. The BRU's objectives are to deal with the legacy assets and liabilities of the previous regime; to identify and propose to write-off non-performing loans to defunct state-owned enterprises; to propose a course of action for other remaining un-reconciled accounts; and to revalue the remaining foreign currency denominated balance sheet items. In parallel, the Finance Ministry said it will continue to modernize the two banks by moving ahead with the plans for their operational restructuring, so they can operate on a fully commercial basis and on market terms, and the government will refrain from directing any lending. It added that the decision to recapitalize Rafidain and Rasheed will not be made until the restructuring of their balance sheets has been completed and adequate progress has been made in their operational restructuring, especially by establishing an appropriate governance structure and strengthening risk management and control functions.

Source: International Monetary Fund

JORDAN

Bank ratings affirmed, asset quality and profitability could come under pressure

Capital Intelligence affirmed the long- and short-term foreign currency ratings at 'BB' and 'B' respectively of Jordan Ahli Bank (JAB), Housing Bank for Trade and Finance (HBTF), Capital Bank of Jordan (CAP) and Investbank, and assigned a 'stable' outlook for the ratings. It also affirmed the Financial Strength Rating (FSR) of JAB at 'BB', HBTF at 'BBB+' and Investbank at 'BB+', and lowered CAP's FSR to 'BBB-' and maintained its 'negative' outlook. Further, it affirmed the support level of all banks at '3', highlighting a high likelihood of official or shareholder support in case of need. It said that JAB's balance sheet is adequately capitalized but considered that the capital adequacy ratio provides limited scope for expansion in risk assets. It added that the bank's high dividend payout ratio restricts the rate of internal capital generation. Further, the agency indicated that HBTF's is highly liquid and strongly capitalized, adding that loan-loss reserve coverage strengthened during the first nine months of 2010 with unprovided NPLs constituting a small proportion of the bank's free capital. Also, it noted that CAP's financial soundness remains solid and better than the industry's average, mainly supported by a policy of transferring a substantial proportion of net profit to capital. In parallel, Capital Intelligence considered that the increase in regional geopolitical risks could affect economic growth prospects, which could place additional pressure on the asset quality and profitability of all Jordanian banks.

Source: Capital Intelligence

NIGERIA

Anti-money laundering deficiencies remain

The Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), indicated that Nigeria has not made sufficient progress in implementing its action plan, despite making a high-level political commitment to work with the FATF and the FATF-style regional body GIABA to address its strategic AML/CFT deficiencies. It noted that Nigeria passed recently AML and CFT legislation that the FATF has not yet examined. The FATF noted that certain AML/CFT deficiencies remain and encouraged the authorities to continue to work on addressing them and to implement their action plan to address the shortcomings. It said related measures include adequately criminalizing money laundering and terrorist financing; implementing adequate procedures to identify and freeze terrorist assets; ensuring that relevant laws or regulations address deficiencies in customer due diligence requirements and that they apply to all financial institution; and demonstrating that AML/CFT supervision is undertaken effectively across the financial sector.

Source: Financial Action Task Force

CHINA

Stable outlook for banking system

Moody's Investors Service indicated that China's banking system has a stable outlook over the next 12 to 18 months, given that the domestic economy will remain strong and provide banks with opportunities to generate strong earnings. It said the key credit issue facing the system is the extent to which credit expansion can slow to a sustainable level, while accommodating the country's real GDP growth target of 7% to 8% for 2011-2015. The agency expected a rise in the banks' non-performing loans (NPLs), especially in real estate-related sectors and loans to local government financing vehicles. It expressed concern particularly about loans originated in 2009 and early 2010, when monetary policy was at its most accommodative and lending standards at banks were relatively loose. Still, Moody's expects a manageable rise in NPLs rather than a sharp deterioration in asset quality in a base case scenario. It added that even if NPLs rise to much higher levels, stress tests show that robust capital, loss reserves and earnings provide Chinese banks with adequate cushions against rising losses.

Moody's noted that it rates all the commercial banks in the non-investment grade category in terms of their stand-alone credit quality, given the system's developmental nature, the potential risks stemming from rapid credit growth, and the consideration that China faces execution risks as it tries to transform the economy from an investment-driven model to a consumption-driven one.

Source: Moody's Investors Service



ENERGY / COMMODITIES

Brent at \$116, heads for highest quarterly gain in almost two years

Brent crude is heading for its biggest quarterly gain in almost two years as the unrest across the MENA region thrust supply constraints to the forefront of investor concerns. The global economic recovery also strengthened prices, despite that Japan's worst crisis resulted in the most turbulent and volatile quarter for the oil market since the end of 2008. Brent crude for May rose 87 cents on March 31 to \$116 a barrel, still below the two-and-a-half year high near \$120 a barrel on February 24th. Brent declined to below \$108 a barrel following Japan's earthquake. U.S. crude climbed 61 cents to \$105 a barrel. Analysts and investors expect a new floor for prices around \$100 a barrel, supported by supply risks and expanding economies. Japanese manufacturing activity slumped to a two-year low in March and posted its steepest monthly decline on record.

Source: Thomson Reuters

Saudi Arabia to spend more than \$100bn on power plants and distribution networks

Saudi Arabia plans to spend more than \$100bn on power plants and distribution networks by 2020 to meet domestic electricity demand. The Ministry of Water & Power expects to raise by 30% the earlier forecast of \$81bn in power-related expenditures. The projected increase reflects in part Saudi Arabia's need to provide electricity to 500,000 new homes to be built in the near term.

Source: Bloomberg

Middle East's petrochemical revenues to rise by 20% in first quarter

The Middle East's petrochemical sector is projected to register a 20% and 23% growth in revenue and net profitability, respectively, in the first quarter of 2011. The growth is driven by favorable prices of related products and the 12% quarterly growth in production volume. The improvement in prices and new production capacities pushed revenues this quarter by to \$15.2bn.

Source: Emirates Business

Nigeria unveils \$10bn plan to control gas reserves

Nigeria's President unveiled a \$10bn plan to control the country's huge gas reserves and develop a petrochemical and fertilizer industry. The plan aims to create up to 500,000 jobs, many of them in agriculture, and help improve power supply to homes and manufacturers in the country. Nigeria has the world's seventh largest gas reserves and is Africa's biggest crude oil exporter.

Source: Thomson Reuters

Kuwait to spend \$27bn on power and water

Kuwait is planning to spend \$27bn through 2014 to develop its water and power infrastructure. Current capacity stands at around 11,300 megawatts and power needs called for an additional 10,000 megawatts over the next 10 years. Also, Kuwait's water capacity is 390 million gallons per day and it needs 760 million gallons per day by 2020.

Source: Arab News

Base metals: Renewed concerns about Japan and the Middle East push prices up

Base metal prices fell due to renewed concerns about the ongoing nuclear crisis in Japan and unrest in the Middle East. Also, the weakness of the Euro last week after anticipation in the emergence of Japanese reconstruction pushed prices down. Tin outperformed all metals where 3-months prices rose 6% week-on-week to \$31,515 per ton, and is expected to reach new highs this week on improving sentiment. Also, aluminum received support from a strong energy market, led by crude oil, where 3-months prices rose to \$2,651 per ton on March 18th. Also, 3-months copper prices have been under downward pressure since prices spiked to a two-week high of \$9,755 on March 24th. The continued uptrend in LME copper inventory reaching its highest level since July 2010 suggests that a surplus has resurfaced in the physical market recently. Data from the Shanghai Futures Exchange indicated that copper inventories in warehouses reached 170,000 tons last week, the highest level since May 2010. Therefore, the release of excess inventory to the wider market represents a potential downside threat to copper prices over the medium term.

Source: Standard Chartered

Precious metals: Silver is best performer on safe-haven buying

Spot gold and silver prices hit record highs last week on continued safe-haven buying, but profit-taking started after. Spot silver outperformed gold, rising by 1.7% week-on-week to \$37 an ounce as of March 29, after hitting an all-time high of \$38 an ounce on March 24th. Investor flows in the major physical silver ETFs rose 3.7% in March, outpacing moderate inflows into gold and platinum, while palladium dropped sharply. Despite that silver has become increasingly risky, the gold to silver ratio has dropped to its lowest level in 12 years and this trend is likely to continue due to strong investor appetite.

Prices of the platinum group of metals (PGMs) were relatively unchanged last week, with platinum rising 0.1% week-on-week and palladium up 0.7% week-on-week. Safe-haven buying is expected to spill over from gold to support platinum. Also, palladium is now facing headwinds after concerns about the pace of the resumption of Japan's industrial activity.

Source: Standard Chartered

Global Commodity Outlook			
(3-months LME, \$/ton)	2010	2011f	2012f
Aluminum	2,201	2,463	2,400
Copper	7,570	9,963	10,000
Lead	2,172	2,588	2,650
Nickel	21,913	25,250	23,000
Tin	20,448	31,375	30,000
Zinc	2,188	2,413	2,400
(Spot price, \$/ounce)			
Gold	1,227	1,426	1,200
Palladium	529	826	900
Platinum	1,613	1,925	2,050
Silver	20	34	25

Source: Standard Chartered



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	-	-	-	-	BB	-9.9	16.1	2.9	7.4	2.0	3.2	3.4	1.8
	-	-	-	-	Stable								
Angola	B+	B1	B+	-	B	2.7	20.6	20.2	35.7	8.2	-	1.6	17.6
	Stable	Positive	Positive	-	Stable								
Egypt	BB	Ba3	BB	BB+	BB	-8.2	74.2	14.3	66.5	4.6	88.3	-2.0	3.3
	Negative	Negative	Negative	Negative	Stable								
Ethiopia	-	-	-	-	CCC	-1.5	-	-	257.5	-	-	-3.9	0.3
	-	-	-	-	Stable								
Ghana	B	-	B+	-	B	-10.8	-	34.9	50.0	-	-	-11.6	10.9
	Stable	-	Negative	-	Stable								
Ivory Coast	-	-	-	-	CCC	-0.2	-	50.1	111.2	-	-	6.8	1.8
	-	-	-	-	Stable								
Libya	BB	-	BB	-	BB	13.3	0	7.2	11.6	3.2	5.1	20.1	2.5
	Negative	-	Negative	-	Stable								
Mauritania	-	-	-	-	-	-4.5	88.5	69.8	128.4	-	1,220	-7.6	-1.3
	-	-	-	-	-								
Morocco	BBB-	Ba1	BBB-	BBB-	BB	-4.5	49.9	24.1	78.4	8.0	110.0	-5.3	0.9
	Stable	-	Stable	Stable	Stable								
Nigeria	B+	-	BB-	-	B	-7.9	14.1	5.0	14.2	0.7	-	13.0	0
	Stable	-	Negative	-	Stable								
Sudan	-	-	-	-	C	-3.7	71.4	57.4	343.6	-	3,780	-8.9	5.5
	-	-	-	-	Stable								
Tunisia	BBB-	Baa3	BBB-	BBB	BB	-2.8	43.0	46.3	101.0	11.7	195.2	-4.4	3.7
	Stable	Negative	Negative	Stable	Stable								
Middle East													
Bahrain	BBB	A3	A-	A	BBB	-5.4	32.8	139.6	170.2	6.8	946.6	5.2	9.9
	Negative	Stable	Negative	Stable	Stable								
Iran	-	-	B+	BB-	B	0.4	21.7	5.6	19.9	2.7	21.3	4.2	0.8
	-	-	Stable	Stable	Stable								
Iraq	-	-	-	-	CC	-14.2	42.2	41.8	65.4	-	75.3	-14.4	1.4
	-	-	-	-	Stable								
Jordan	BB	Ba2	-	BB	B	-6.3	63.0	19.2	44.8	4.8	48.6	-7.2	9.2
	Negative	Negative	-	Stable	Stable								
Kuwait	AA-	Aa2	AA	AA-	A	17.1	6.5	46.2	72.2	3.7	224.0	30.1	-8.7
	Stable	Negative	Stable	Stable	Stable								
Lebanon	B	B1	B	B	CCC	-8.7	139.0	160.3	243.4	14.7	212.2	-11.1	10.5
	Positive	-	Stable	Stable	Stable								
Oman	A	A2	-	A	A	5.3	5.7	15.4	22.6	-	63.7	5.8	3.9
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	AA-	A	10.8	27.2	80.6	139.3	10.0	512.3	15.6	5.0
	Stable	Stable	-	Stable	Stable								
Saudi Arabia	AA-	Aa3	AA-	AA-	BBB	1.9	12.9	22.6	40.5	2.4	22.7	6.7	7.7
	Stable	Stable	Stable	Stable	Stable								
Syria	-	-	-	BB-	B	-4.3	26.9	14.9	48.0	-	52.9	-3.9	2.7
	-	-	-	Stable	Stable								
UAE	-	Aa2	-	AA-	BB	-2.7	24.7	53.1	57.7	7.3	360.4	5.4	0.6
	-	-	-	Stable	Stable								
Yemen	-	-	-	B	CC	-5.5	45.8	21.4	70.5	-	139.6	-4.9	0.3
	-	-	-	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-	-	-	-4.8	44.8	38.4	402.7	-	194.2	-14.6	9.2
	-	-	Stable	-	-								
Bulgaria	BBB	Baa3	BBB-	-	BB	-1.8	16.2	109.2	122.3	21.2	393.2	-6.2	9.8
	Stable	Stable	Stable	-	Stable								
Kazakhstan	BBB	Baa2	BBB-	-	BB	-2.8	16.0	86.4	182.9	30.3	350.4	3.2	8.8
	Stable	-	Stable	-	Stable								
Romania	BB+	Baa3	BB+	BBB-	BB	-6.8	33.9	77.4	197.5	24.6	-	-5.5	3.8
	Negative	-	Stable	Negative	Stable								
Russia	BBB	Baa1	BBB	-	BBB	-5.6	9.3	31.9	124.7	13.4	99.2	4.5	-0.6
	Stable	Positive	Stable	-	Stable								
Turkey	BB	Ba2	BB+	BB	B	-4.1	44.4	41.3	187.3	39.7	-	-3.4	1.0
	Positive	Positive	Stable	Stable	Stable								
Ukraine	B+	B1	B	-	CCC	-5.5	39.2	79.0	164.9	35.9	330.0	-2.0	4.0
	Stable	Positive	Negative	-	Stable								

Sources: International Monetary Fund; Economist Intelligence Unit - The above figures are estimated for 2010



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	15-Mar-11	No change	27-Apr-11
Eurozone	Refi Rate	1.00	3-Mar-11	No change	07-Apr-11
UK	Bank Rate	0.50	10-Mar-11	No change	07-Apr-11
Japan	O/N Call Rate	0-0.10	15-Feb-11	No change	07-Apr-11
Australia	Cash Rate	4.75	01-Mar-11	No change	05-Apr-11
New Zealand	Cash Rate	2.50	10-Mar-11	No change	28-Apr-11
Switzerland	3 month Libor target	0.25	17-Mar-11	No change	16-Jun-11
Canada	Overnight rate	1.00	01-Mar-11	No change	12-Apr-11
Emerging Markets					
China	One-year lending rate	6.06	08-Feb-11	Raise 25bps	N/A
Hong Kong	Base Rate	0.50	15-Mar-11	No change	27-Apr-11
Taiwan	Discount Rate	1.63	30-Dec-10	Raise 12.5bps	31-Mar-11
South Korea	Base Rate	3.00	10-Mar-11	Raise 25bps	12-Apr-11
Malaysia	O/N Policy Rate	2.75	11-Mar-11	No change	05-May-11
Thailand	1D Repo	2.50	09-Mar-11	Raise 25bps	20-Apr-11
India	Reverse repo rate	6.75	17-Mar-11	Raise 25bps	03-May-11
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 25bps	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	6.25	23-Mar-11	No change	20-Oct-11
South Africa	Repo rate	5.50	24-Mar-11	No change	12-May-11
Kenya	Central Bank Rate	6.00	22-Mar-11	Raise 25 bps	May-11
Nigeria	Monetary Policy Rate	7.50	22-Mar-11	Raise 100 bps	May-11
Ghana	Prime Rate	13.50	10-Dec-10	No change	Apr-11
Angola	Rediscount rate	30.00	16-Jun-10	No change	N/A
Mexico	Target Rate	4.50	04-Mar-11	No change	15-Apr-11
Brazil	Selic Rate	11.75	09-Mar-11	Raise 50bps	20-Apr-11
Armenia	Refi Rate	8.25	04-Mar-11	Raise 50bps	N/A
Romania	Policy Rate	6.25	05-May-10	No change	N/A
Bulgaria	Base Interest	0.18	01-Mar-11	Cut 1bps	N/A
Kazakhstan	Refi Rate	7.50	09-Mar-11	Raise 50bps	N/A
Ukraine	Discount Rate	7.75	10-Aug-10	Cut 75bps	N/A
Russia	Refi Rate	8.00	28-Feb-11	Raise 25 bps	N/A



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