



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Global trade in commercial services grows by 9% in 2010

The World Trade Organization indicated that global trade in commercial services reached \$7,170bn in 2010, constituting an increase of 9.3% from 2009. It said that world exports rose by 8% year-on-year to \$3,665bn, compared to a 12% contraction in the previous year, while global imports reached \$3,505bn in 2010, up 9% year-on-year and compared to an 11% decline in 2009. It noted that exports of commercial services from Europe totaled \$1,724bn, up 2% year-on-year, as exports from the 27-member European Union reached \$1,553bn. Further, exports from Asia totaled \$963bn, up 21% year-on-year, and those from North America grew by 9% to \$599bn. Also, exports from South & Central America increased by 11% to \$111bn, and those from the Middle East grew by 9% to \$103bn. Further, exports from Africa increased by 11% to \$86bn and those from the Commonwealth of Independent States rose by 10% to \$78bn. The WTO said that transportation was the fastest growing component of commercial services exports in 2010 with an increase of 14% to \$783bn, or 25.5% of global commercial services exports. It was followed by travel services, which grew by 8% to \$936bn in 2010 (21.4%) while other commercial services, including financial services, advanced more slowly with a 6% growth to \$1,945bn (53%). In parallel, imports of commercial services to Europe totaled \$1,504bn in 2010, up 1% from 2009, as imports to the EU grew 1% year-on-year to \$1,394bn. Asian imports rose 20% to \$961bn, those to North America increased by 9% to \$471bn; while imports to the Middle East grew by 9% to \$185bn and those to Africa rose by 12% to \$141bn. Also, imports to South & Central America improved by 23% to \$135bn, and those to the CIS increased by 14% to \$12bn.

Source: World Trade Organization

Corporate default rate at 2.6% at the end of the first quarter 2011

Moody's Investors Service indicated that the trailing 12-month rate of global speculative-grade corporate defaults reached 2.6% at the end of the first quarter 2011, down from 3.2% at end-2010 and 10% at the end of the first quarter last year. It said a total of eight issuers defaulted in the first quarter of the year compared to 17 defaults in the same period last year. The agency forecast the global speculative-grade default rate to fall to 1.5% at the end of this year and to 1.6% at the end of March 2012. It expected the corporate defaults rate to remain low in the coming year despite a sluggish economic recovery. Measured on a dollar volume basis, the global speculative-grade bond default rate ended March at 1.6%, down from 1.7% at the end of 2010 and from 10.6% a year earlier. Moody's added that its speculative-grade corporate distress index, which measures the percentage of rated issuers that have debt trading at distressed levels, stood at 7.7% at end-March, down from 10.5% at end-2010 and 17.1% a year earlier.

Source: Moody's Investors Service

MENA

Political unrest has negative impact on real estate markets

Standard & Poor's indicated that popular unrest and political upheaval in the Arabic-speaking Middle East & North Africa countries is negatively affecting regional property markets. It said many real estate projects, which are planned or in progress in areas directly affected, are subject to delays and cancellations. It noted that the leisure and high-end residential segments are the hardest hit. In addition, some real estate companies have had to address damages to buildings, resulting from looting and violent demonstrations. It said the unrest has reduced tourism flows to some countries and triggered sharp falls in hotel occupancy rates. It considered that property investors will likely be wary of uncertainties linked to political transition or potential regime changes. It saw disputes about property titles as a mounting risk, and expected that insurers will bear at least a portion of the cost of property damages and losses due to business interruptions. S&P expected the negative impact on the real estate sector in the MENA region to be more severe in countries already undergoing political transition such as Tunisia and Egypt, and in economies currently experiencing civil unrest as in Libya, Bahrain, Yemen and Syria. In parallel, S&P said real estate companies in the region are also confronting other risk factors, such as supply-demand imbalances, affordability of property, and lack of mortgage financing.

Source: Standard & Poor's

GCC

Corporate governance still a work in progress

Standard & Poor's indicated that governance at GCC banks is at a more advanced stage than at corporations, but noted the existence of significant shortcomings. It said the overall quality and timeliness of public disclosure of financial statements across the GCC banking sector is adequate. Further, banks have fairly transparent ownership structures, which eliminates information risk to a certain extent. It noted, however, that banks and regulators need to raise the level of their corporate governance practices, and push for a better enforcement of rules stated in laws and corporate governance statements. In parallel, it considered that the inadequate transparency and disclosure of information, board effectiveness, role of professional managers in family-owned firms, and ownership structures and influence, will remain a risk in many GCC companies. It added that GCC firms can differentiate themselves by addressing governance issues. It noted, however, that only pressure from investors can provide for tangible and meaningful long-term change, given that organic and internally driven improvements in governance can go so far.

Source: Standard & Poor's

OUTLOOK

MENA

Growth forecast at 4% in 2011, risks include widening political unrest and higher funding costs

The International Monetary Fund projected real GDP growth in the Middle East & North Africa region at 4.1% in 2011 compared to 3.8% in 2010. It also forecast growth in oil exporting countries at 3.9% this year relative to 3.5% last year, and expected oil-importing economies to expand by 1.9% in 2011, down from 3.5% in 2010. The Fund said that social and political unrest, rising sovereign risk premium, and elevated commodity import prices will constrain growth prospects in several MENA economies. It forecast inflation at 10% in 2011 relative to 6.9% last year, with inflation at 10.6% in oil exporters and at 7.6% for oil-importing economies. It projected the region's current account surplus at 12.7% of GDP in 2011, almost double the 6.5% of GDP posted in 2010, driven in part by high oil prices. It forecast the current account surplus of oil exporters at 9.2% of GDP and that of oil importers at 8.1% of GDP this year. It considered that risks to the outlook are to the downside, as the domestic effects of political and social turmoil could be larger than currently expected, particularly if the unrest spills over to additional countries in the region. It added that financial markets have been impacted, as credit default swaps and bond spreads have already widened throughout the region. It warned that this could translate into higher funding costs for governments and firms. It added that slower than-expected recovery in advanced economies could adversely affect the region's export earnings, fiscal and external balances, and growth.

The IMF considered that the region faces major key policy challenges. It said the main priority for oil importers is to raise growth and address high unemployment; while the main challenge for oil exporters is to strengthen or develop financial systems and diversify their economies. It noted that the key objective of GCC economies is to restore capital and liquidity buffers used up during the crisis, and to improve regulatory and supervisory regimes. It added that the main challenge in the other economies is to prevent a rise in non-performing loans in countries with unrest, and to reduce state-ownership of banks.

Source: International Monetary Fund

SUDAN

Southern independence to negatively impact the North's economy

The International Monetary Fund indicated that the independence of South Sudan will lead to domestic and external imbalances for North Sudan, as the latter's oil revenues constitute more than 50% of government revenues and 90% of exports. It estimated that the South's independence would result in a decline of about 75% in the North's oil production, a 10% decline in its non-oil GDP and a drop in oil-related services. Also, it will lead to a decline in both transportation and investment income payments to reflect lower oil production; a decline in imports of goods; and an increase in imports of petroleum products to reflect the shortfall in domestic production. It noted, however, that it will yield an increase in service receipts to reflect the transportation fees charged for the transport of the South's share of oil.

The Fund expected the effects of independence to be transmitted through an immediate impact on the fiscal and external sectors. It forecast government oil revenues to drop by the equivalent of 6% of GDP. As a result, it projected the overall fiscal deficit to widen by about 3% of GDP, as about half of the oil-revenue losses would be offset by the reduction in transfers to the South. It added that the North's current account is expected to deteriorate by 3% of GDP during 2010-12, reflecting both a decline in oil exports and an increase in petroleum product imports. Further, it forecast that capital inflows and FDI would decline in the short-term, which would contribute to the emergence of a financing gap that could reach up to 4% of GDP in 2012. The IMF considered that maintaining macroeconomic stability and sustainable growth in the North will be conditional on implementing appropriate measures in a timely fashion. It said such measures include exercising fiscal restraint by streamlining non-priority spending, reducing fuel subsidies, reducing tax exemptions and improving revenue administration. It also encouraged greater exchange rate flexibility, tightening monetary policy and a swift implementation of structural reforms.

Source: International Monetary Fund

AFRICA

Sub-Saharan Africa to grow by 5.5% in 2011, inflation risks remain high

The International Monetary Fund projected real GDP growth in Sub-Saharan Africa at 5.5% in 2011 compared to 3.5% in 2010. It also forecast growth in oil exporting countries at 6.9% this year relative to 6.5% last year, and expected low-income economies (LICs) to expand by 5.9% in 2011, up from 5.3% in 2010; and for middle-income economies to grow by 3.7% this year relative to 3.1% last year. The Fund said that growth in the region is led by LICs and expected that rising oil prices will help sustain the recovery among oil exporters. It added that most oil-exporters plan to use rising oil revenues to return to fiscal surpluses and rebuild foreign currency reserves.

The IMF noted that risks to the region's growth outlook are to the downside, as a more significant increase in fuel and food prices could adversely affect many of the region's oil-importing economies, which may have major social and fiscal costs in the LICs. It added that monetary policy needs to be increasingly alert to the inflation outlook. It added that Europe remains a much larger trading partner for the region's non-oil-exporting economies despite the increasing importance of Asia. It said a slowdown in Europe would particularly hurt the region's manufacturing exporters. It noted that the active use of countercyclical fiscal policy to support growth during the crisis has left a legacy of wider fiscal deficits across the region. As such, it encouraged the review of medium-term targets for government spending and revenues due to financing and medium-term debt sustainability considerations. It also highlighted the need for more intensive monitoring and sounder regulation of the financial sector, as well as continuing improvements to the business environment.

Source: International Monetary Fund



ECONOMY & TRADE

GCC

Profits of cement producers stagnate in 2010

The aggregate net profits of cement companies operating in the GCC economies reached \$1.45bn in 2010, almost unchanged from \$1.44bn in 2009, as sales revenues contracted by 11.7% to \$3.86bn from \$4.37bn in the previous year. Also, the sector's operating profits decreased by 10% year-on-year to \$1.33bn. The aggregate debt of cement companies rose by 29% to \$2.44bn at end-2010 from \$1.9bn a year earlier, with the debt-to-assets ratio at 17.6% and the equity-to-assets ratio at 74.4%. In parallel, cement prices in the GCC averaged around \$68.3 per ton in 2010, posting a 7.5% decline from \$73.8 ton in 2009, due mainly to a contraction in cement demand in the region. Further, the sector's total capacity reached 109 million tons per year at end-2010, constituting a 15% rise from 95 million tons at end-2009. The sector's capacity is expected to reach 112.9 million tons per year at end-2011, 115.3 million tons per year at end-2012 and 118 million tons per year at end-2013. Saudi Arabia's cement capacity was 52.8 million tons per year at end-2010 and accounted for 48.4% of the GCC's total capacity. It was followed by the UAE with 37.4%, Oman and Qatar with 5.7% each, Kuwait with 2.3% and Bahrain with 0.45%.

Source: *Global Investment House*

SAUDI ARABIA

Sovereign ratings affirmed

Fitch Ratings affirmed Saudi Arabia's long-term local and foreign currency Issuer Default Ratings (IDR) at 'AA-' with a 'stable' outlook. It also affirmed the Country Ceiling at 'AA' and the short-term foreign currency IDR at 'F1'. It said Saudi Arabia's strong fiscal position and balance sheet underpin the ratings. It added that Saudi Arabia has one of the strongest balance sheets among rated sovereigns, which mitigates vulnerability to an oil price correction. It also considered that the recent increase in social spending will not endanger the country's fiscal position. It said the extra social spending amounted to SAR 450bn or 25% of 2011 forecast GDP, but it noted that most of the spending will be spread over several years. It expected the government to post a fiscal surplus of 7% of GDP in 2011 despite a 30% expected increase in spending. It added that sovereign net foreign assets reached \$539bn, or 124% of GDP at end-2010, which allow the government to easily finance unforeseen deficits from deposits. It also considered that the sovereign has greater financing flexibility due to a developed domestic capital market and a consolidated debt below 4% of GDP. But, it warned, that the spending increase has eroded the value of government assets in terms of years of prospective government spending, to below its 2009 peak.

Source: *Fitch Ratings*

LIBYA

Sovereign ratings downgraded

Fitch Ratings downgraded Libya's long-term local and foreign currency Issuer Default Ratings (IDR) to 'B' from 'BB' and assigned a 'stable' outlook to the ratings. It also downgraded the Country Ceiling to 'B' from 'BB' and affirmed the short-term rating at 'B'. It attributed the downgrade to extreme political instability, a collapse in oil production and the freeze on Libya's sov-

ereign external assets following the imposition of international sanctions. It noted that the 'stable' outlook balances the severity of the political and economic situation with the limited further downside to creditworthiness given the absence of sovereign debt. In parallel, Fitch withdrew all of Libya's ratings due to insufficient information to maintain coverage of the issuer.

Source: *Fitch Ratings*

YEMEN

Sovereign ratings downgraded on political and economic instability

Capital Intelligence downgraded Yemen's long-term foreign and local currency ratings to 'B-' and short-term foreign and local currency ratings to 'C' from 'B' with a 'negative' outlook. It attributed the downgrades to ongoing political turmoil, increasing fragility of the state, as well as the associated deterioration in economic fundamentals, and the elevated risk of fiscal and balance of payments distress. It said mass demonstrations caused widespread economic disruption and weakened the country's external liquidity position. It added that demand for foreign currency is rising and capital flight has increased, while it noted a partial suspension of foreign aid and a contraction of loan disbursements from the country's principal donors. Further, the agency indicated that the balance of payments is under strain and warned from a serious erosion of reserve buffers if the political situation does not improve in the near term. It added that the 'negative' outlook reflects a possible increase in sovereign vulnerabilities due to deteriorating governance and a paralysis in policy making. It said the government is unable to raise sufficient funds in the local market to cover budget shortfalls, leading to an increase in borrowing from the Central Bank.

Source: *Capital Intelligence*

CHINA

Local currency outlook changed to negative

Fitch Ratings revised China's long-term local currency Issuer Default Rating (IDR) to 'negative' from 'stable'. In parallel, it affirmed its long-term local currency IDR at 'AA-', long-term foreign currency IDR at 'A+' with a 'stable' outlook, short-term foreign currency IDR at 'F1' and the country ceiling at 'A+'. It said China's high investment-grade sovereign ratings reflect its track record of strong and stable economic growth, low inflation levels and exceptionally strong external balance sheet. It attributed the outlook revision to fast credit growth, a sharp rise in real estate valuations, and the emergence of inflationary pressure. It said these trends raise the risks to micro-financial stability as well as increase the scale of sovereign contingent liabilities from the banking sector and local governments. It warned that if a sharper tightening in monetary conditions is required to contain inflation, the adjustment in real estate markets could prove disorderly, exacerbating the losses in banks' loan books. In parallel, Fitch expected a significant deterioration in the asset quality of the banking sector in the next three years due to lending to local government financing vehicles and property-related lending.

Source: *Fitch Ratings*

BANKING

MENA

Bank ratings dependent on sovereign support

Fitch Ratings indicated that banks in the Middle East & North Africa are mainly based on potential support from sovereigns. It said that a relatively large number of GCC bank ratings are in the high investment grade category because sovereigns in the GCC carry relatively high long-term ratings. The agency considered the public authorities' culture of support to be strong. It noted that this reflects in part the authorities' track record of support, unlike in major economies of the European Union, where public authorities could become more restrictive in providing support to banks. It noted, however, that since the beginning of this year, political uncertainty in several MENA countries triggered negative rating actions on some sovereigns, which resulted in the downgrade of banks' ratings when the latter are driven by sovereign support.

Source: Fitch Ratings

BAHRAIN

Bank ratings downgraded on sovereign ratings actions

Capital Intelligence downgraded Ahli United Bank's (AUB) long-term foreign currency rating to 'A-' from 'A' and the state-owned National Bank of Bahrain's (NBB) long- and short-term foreign currency ratings to 'BBB+' from 'A' and to 'A2' from 'A1', respectively. It also revised the banks' rating outlooks to 'negative' from 'stable' and maintained the support level of AUB and NBB at '3' and '1', respectively. Further, it affirmed both banks financial strength rating at 'A' with a 'stable' outlook. It attributed the downgrades to the earlier downgrade of Bahrain's sovereign ratings due to the recent increase in political risk and its impact on economic expansion and public finances. It said that AUB has a sound risk profile that is supported by geographically diversified asset base and good risk management, as the majority of the bank's total assets, funding capital and earnings are outside Bahrain. It noted, however, that AUB's 20% asset exposure to Bahrain as well as NBB's operational exposure to the kingdom lead to high risks in the current political climate, which would increase non-performing loans in the small and medium enterprises sector. But, it said that the banks' strong operating profitability, along with a strong loan-loss reserve coverage and sound capital adequacy at end-2010 would provide the flexibility to create provisions when needed.

Source: Capital Intelligence

UKRAINE

Asset quality problems slowing bank recovery

Standard & Poor's indicated that the legacy of asset quality problems at banks in Ukraine continues to be an obstacle for the recovery of the banking system. It estimated the sector's problem loans, including restructured loans, at about 50% of the loan portfolio; and considered that the actual NPLs ratio is higher than the 11.2% reported by the Central Bank of Ukraine at end-2010. It estimated that it could take two to three years for Ukrainian banks to regain their footing and for asset quality to return to pre-crisis levels. It noted that lending and underwriting standards are weak, and the legal framework is not effective. It

said banks have sizeable problem loans but they have been slow in writing off the book value of their most recent delinquent loans. In parallel, it said the banking sector is exposed to high economic imbalances and structural weaknesses that make it vulnerable to potential shocks. It noted the improvement in liquidity, with the loan-to-deposit ratio reaching 179% at end-2010 from a peak of 232% in March 2009. But it considered funding to be vulnerable, as banks lack access to long-term funding sources while the customer deposits base remains volatile.

Source: Standard & Poor's

CHINA

Bank ratings affirmed, concerns about asset quality rise

Fitch Ratings affirmed the long-term foreign currency Issuer Default Ratings (IDRs) of China's largest state-owned commercial banks (SOCBs) the Industrial & Commercial Bank of China, China Construction Bank, Bank of China, Agricultural Bank of China, and Bank of Communications. It also affirmed at 'A+' the ratings of policy banks China Development Bank, Agricultural Development Bank of China, and the Export-Import Bank of China. It assigned 'stable' outlooks to the ratings, reflecting expectations of continued high central government support in the event of stress. It said such support is underpinned by the Chinese government's substantial resources to address a potential deterioration in the banking sector. It added that SOCBs' substantial equity raising temporarily eased pressures on capitalization, but it considered that capital erosion remains a long-term issue given the banks' fast growth relative to their earnings and to high dividend payout ratios. In parallel, Fitch expressed concerns about deterioration in asset quality across the banking sector over the medium-term, as more than half of all new loans extended since 2008 have gone to local governments and property-related sectors. It also expressed alarm at the growing distortions in Chinese banks' financials from widespread offloading of loans through informal securitization and sales and repos with other financial institutions. It noted that large state-owned banks would benefit from a flight to safety in case of serious asset quality strains on the sector, given their implicit state guarantee and very strong deposit networks.

Source: Fitch Ratings

ANGOLA

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 Angola has not made sufficient progress in implementing its action plan, despite making a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. It 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; establishing a fully operational and effectively functioning Financial Intelligence Unit; and establishing and implementing an adequate legal framework to identify and freeze terrorist assets.

Source: Financial Action Task Force



ENERGY / COMMODITIES

Oil prices decline on fears of lower on demand

Brent crude prices fell below \$123 a barrel on April 14 on concerns about the impact of high prices on demand, despite the continued unrest in the Middle East and the sharp fall in U.S. gasoline stocks. Brent crude for May fell 34 cents to \$122.5 a barrel on April 14, while U.S. May crude fell 8 cents to \$107 a barrel. Libyan rebels are exporting a small amount of crude and pumping around 100,000 barrels per day, which is less than 10% of the country's usual production of 1.6 million barrels per day. In parallel, U.S. gasoline inventories fell by 7 million barrels last week to their lowest level since October 2010. The weekly fall resulted from refineries clearing out winter grade gasoline and undertaking maintenance, ahead of the peak holiday driving season. U.S. crude stocks rose for a sixth straight week by 1.6 million barrels to 359.3 million barrels.

Source: Thomson Reuters

Iran to boost gas exports to Armenia by six times

The Iranian Oil Ministry is planning to increase gas exports to Armenia sixfold to 2.3 billion cubic meters annually. Also, under a new contract, Iran plans to export over 20 million cubic meters of gas to Pakistan annually. The carrying capacity of the Iran-Armenia gas pipeline is expected to rise to 2.3 billion cubic meters in 2019. CJSC ArmRusgasprom is currently the monopoly supplier and distributor company of gas in Armenia.

Source: Arminfo Daily News

Iraqi Kurdish oil exports reach 5 million barrels in first quarter

The Kurdistan region of Iraq exported around five million barrels of crude oil from its newly discovered oil fields during the first quarter of 2011. The central government in Baghdad had reached an agreement with the Kurdish authorities last year to resume oil exports from the semi-autonomous region of Kurdistan, and agreed to pay exploration costs and expenses to foreign firms.

Source: Dow Jones Newswires

Egypt to review Jordan and Israel gas deals

Egypt is expected to review natural gas contracts with other countries, including Israel and Jordan, which could boost its income from sales by \$3bn to \$4bn. Israel gets 40% of its natural gas from Egypt under an arrangement put in place after the 1979 peace accord. Egypt is a modest gas exporter, using pipelines to export to Israel, Jordan and other regional states.

Source: Thomson Reuters

Algeria signs \$1.2bn deal to develop gas field

The Algerian state energy firm Sonatrach and partners BP and Statoil signed a \$1.85bn contract with Petrofac to implement the second phase of the In Salah natural gas field. The contract stipulates the setting up of a plant to process 17 million cubic meters of natural gas per day and the drilling of 33 wells in the In Salah area. The project is expected to become operational by the fourth quarter of 2013. Sonatrach, BP, and Statoil jointly operate the In Salah field.

Source: Thomson Reuters

Base metals: Prices lifted on weakened dollar and higher energy costs

Prices of Base metals rose in the past week, due to weakened U.S. dollar and higher crude oil prices resulting from the continued tensions in the MENA region. Nickel rose by 9% week-on-week, while zinc was up 5% week-on-week. Copper also made gains but remained below \$10,000 per ton. Aluminum prices rose to a 31-month high of \$2,682 per ton this week, due to higher Brent crude oil prices. Physical premiums in Japan and the U.S. are moving higher once more and remain near record highs in Europe. LME stocks have also fallen by 12 kilo tons month-on-month, although they remain very high at 4.6 million tons or 45 days of consumption. The latest data and news from China has also helped lift aluminum prices. Imports of aluminum and aluminum products rose by 46% month-on-month in March to 87 kilo tons, after reaching a two-year low in February. While the aluminum market is expected to turn more bullish in the short-term, prices are still projected to pull back in the months ahead as interest rates start to rise and LME inventory becomes more available to the market.

Source: Standard Chartered

Precious metals: Silver to reach all-time high

Prices of silver are catching up with that of gold after three years of underperformance, but this phase is expected to end in the short-term. Overall, silver is projected to reach a new all-time high in 2011, rising from \$41 an ounce currently to around \$50 an ounce at end-2011, and to peak at around \$55 an ounce by mid-2012. The usual close correlation between silver and gold prices broke down in the wake of the global financial crisis in the second half of 2008. Both metals are traditional safe havens and hedges against inflation, but industrial demand accounts for a much larger share of the market for silver than for gold. Therefore, silver under-performed gold as the world fell into recession, before catching up more recently as the global economy has rebounded.

On the investment side, there has been unprecedented demand for silver coins, particularly in Germany and the U.S. The prices of precious metals should still benefit from demand for a safe haven from other economic and financial shocks. The price of gold is projected to rise to \$1,600 an ounce in 2010 and as high as \$2,000 an ounce in 2012.

Source: Capital Economics

Global Commodity Outlook			
(3-months LME, \$/ton)	2010	2011f	2012f
Aluminum	2,201	2,620	2,400
Copper	7,570	9,972	10,000
Lead	2,172	2,606	2,650
Nickel	21,913	26,217	23,000
Tin	20,448	31,456	30,000
Zinc	2,188	2,416	2,400
(Spot price, \$/ounce)			
Gold	1,227	1,460	1,650
Palladium	529	826	900
Platinum	1,613	1,925	2,050
Silver	20	37	38

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	-	Negative								
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	-	-	-	-	B	-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	-	Positive								
Ivory Coast	-	-	-	-	CCC	-0.2	-	50.1	111.2	-	-	6.8	1.8
	-	-	-	-	Stable								
Libya	BB	-	B	-	BB	13.3	0	7.2	11.6	3.2	5.1	20.1	2.5
	Negative	-	Stable	-	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-	BBB+	BBB	-5.4	32.8	139.6	170.2	6.8	946.6	5.2	9.9
	Negative	Stable	Negative	Negative	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-	BBB	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	B	-8.7	139.0	160.3	243.4	14.7	212.2	-11.1	10.5
	Positive	-	Stable	Stable	Stable								
Oman	A	A2	-	A	BBB	5.3	5.7	15.4	22.6	-	63.7	5.8	3.9
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	AA-	BBB	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-	CCC	-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-	CCC	-5.5	45.8	21.4	70.5	-	139.6	-4.9	0.3
	-	-	-	Negative	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-	-	B	-2.8	16.0	86.4	182.9	30.3	350.4	3.2	8.8
	Stable	-	Stable	-	Stable								
Romania	BB+	Baa3	BB+	BBB-	B	-6.8	33.9	77.4	197.5	24.6	-	-5.5	3.8
	Negative	-	Stable	Negative	Stable								
Russia	BBB	Baa1	BBB	-	BB	-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	-	Positive								

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	1.25	07-Apr-11	Raise 25bps	N/A
UK	Bank Rate	0.50	07-Apr-11	No change	05-May-11
Japan	O/N Call Rate	0-0.10	15-Feb-11	No change	07-Apr-11
Australia	Cash Rate	4.75	05-Apr-11	No change	03-May-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	6.31	06-Apr-11	Raise 25bps	N/A
Hong Kong	Base Rate	0.50	15-Mar-11	No change	27-Apr-11
Taiwan	Discount Rate	1.75	31-Mar-11	Raise 12bps	Jun-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	21-Apr-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	Apr-11	No change	Apr-11
Angola	Rediscount rate	20.00	06-Apr-11	Cut 50bps	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	8.50	Apr-11	Raise 25bps	N/A
Romania	Policy Rate	6.25	05-May-10	Raise 25bps	N/A
Bulgaria	Base Interest	0.19	01-Apr-11	Raise 1bps	N/A
Kazakhstan	Refi Rate	7.50	01-Apr-11	No change	N/A
Ukraine	Discount Rate	7.75	10-Aug-10	Cut 75bps	N/A
Russia	Refi Rate	8.00	28-Feb-11	No change	N/A



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