

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

ICT prices drop 18% in 2008-2010 period

The International Telecommunication Union indicated that the cost of information and communication technology (ICT) worldwide averaged 12.4% of Gross National Income (GNI) per capita in 2010, constituting an 18.3% decrease from 15.2% of GNI per capita in 2008. It noted that the cost of ICT services in developing countries averaged 17% of GNI per capita in 2010 compared to 20.8% of GNI per capita in 2008, while it averaged 1.5% of GNI per capita in developed countries in 2010 relative to 2% of GNI per capita in 2008. It added that global prices of fixed telephone services declined from 6.2% of GNI per capita in 2008 to 5.8% of GNI per capita in 2010; while those of mobile cellular services regressed from 11% of GNI per capita in 2008 to 8.6% of GNI per capita in 2010. Also, the price of global fixed broadband services contracted from 165% of GNI per capita in 2008 to 79% of GNI per capita in 2010. It attributed the significant price decrease of fixed broadband services to a 52% contraction in developing countries' prices and a 35% price decline in developed economies. It added that Africa posted the steepest drop in ICT prices with a 55% contraction in fixed broadband prices and a 25% fall in mobile cellular prices. Africa had the highest cost of fixed broadband which reached 291% of GNI per capita in 2010. It was followed by Arab States with 53% of GNI per capita, Asia & Pacific with 27% of GNI per capita, the Americas with 25% of GNI per capita, and the Commonwealth of Independent States with 7% of GNI per capita.

Source: International Telecommunication Union

MENA

Piracy losses up by 25% to \$1.5bn in 2010

Software piracy losses in the Arab world reached \$1.46bn in 2010, constituting an increase of 24.5% from \$1.18bn in 2009. They accounted for 2.5% of global piracy losses in 2010 compared to 2.3% in 2009. Yemen had the highest piracy rate among Arab economies at 90%, followed by Libya at 88%, Iraq at 85%, and Lebanon and Tunisia at 72% each as the top 5 piracy rates in the region, while the UAE had the lowest regional rate at 36%. Saudi Arabia had the highest piracy losses among Arab countries in nominal terms with \$414m, followed by Egypt with \$196m, the UAE with \$173m, Iraq with \$147m, and Morocco with \$75m as the top 5 Arab sources of nominal losses. Piracy losses in Saudi Arabia rose by 36% year-on-year, the highest increase in the Arab world, while losses in Oman dropped by 15.4%, the only decline in the region over the covered period. In addition, the software piracy rate dropped by 2% in Qatar, while it rose by 1% in each of Egypt and Saudi Arabia. The Middle East & Africa had the second highest piracy rate in the world at 58%, as Central & Eastern Europe and Latin America regions had a 64% piracy rate, followed by Asia-Pacific with 60%, Western Europe with 33%, and North America with 21%. The global average piracy rate reached 42% in 2010, compared to 43% in 2009.

Source: Business Software Alliance, Byblos Research

SUDAN

South Sudan's business environment in need of reforms

The World Bank Group ranked Juba, the capital of South Sudan, in 159th place among 183 countries worldwide in terms of ease of doing business, constituting the first time the South is ranked separately in the global survey. It said the ranking reflects several missing fundamental laws and institutions that present both a challenge and an opportunity for South Sudan to build the required foundation for the development of a formal private sector. The survey recorded improvements in eight laws ratified since 2005 on business registration, operations, and land ownership. It added that the number of businesses that signed up with the government's business registry exceeded 9,000 firms since 2006. It also noted the introduction of commercial banks and the rehabilitation of basic infrastructure. In parallel, Juba ranked in 123rd place on the starting a business indicator and in 124th place on dealing with construction permits. The survey estimated the cost of registering a property in Juba at 14.7% of property value, ranking it in 49th place globally. Also, Juba came in 74th place in terms of enforcing contracts. In parallel, the World Bank considered that Juba still needs to clarify existing laws, streamline procedures and improve the efficiency of institutions. It identified key areas for improving doing business such as the existing three different legal frameworks, poor infrastructure and complex administrative processes.

Source: World Bank Group

AFRICA

Banking sectors in West Africa face significant challenges

Standard & Poor's considered that the banking sectors of countries that form the Western Africa Economic and Monetary Union (WAEMU) exhibit high risks due to difficult economic conditions and the operating environment. It noted that the Union's banking sectors developed at much slower pace than other sectors in Sub-Saharan Africa, mainly due to a lack of confidence in the system. It expected the region's challenging economic environment, especially in the aftermath of the political crisis in Côte d'Ivoire, to keep the level of gross non-performing loans at around 17%. It added that the diversification of banking groups in the region can help mitigate risk and offset exposures to turbulent markets, as banks operating within different economic regions would benefit from geographically diversified operations. S&P expected further consolidation of the WAEMU's banking sectors due to the large number of banks in the region. It expected banks to focus on markets with high growth prospects, resulting in increased competition between small and large banks and potentially leading to more consolidation and concentration. Further, it considered that the implementation of the Basel II Accord will likely reshape the banking sector and result in a more robust system.

Source: Standard & Poor's

OUTLOOK

EMERGING MARKETS

Global economy to increasingly be driven by emerging markets

The World Bank projected real GDP in emerging economies to grow by an average of 4.7% per year between 2011 and 2025 compared to growth of 2.3% per annum in developed economies during the covered period. It also forecast emerging economies to account for 44.5% of global output between 2010 and 2025, up from a current share of 36.2%. It expected Brazil, China, India, Indonesia, South Korea, and Russia to account collectively for more than half of global growth by 2025 and to match that of the Euro zone. It added that strong future growth performance in emerging economies is dependent on several important changes in growth characteristics, mainly the ability of such economies to sustain improvements in productivity and to successfully transition towards internal sources of demand. As such, it anticipated consumption in China to reach 55% of national income by 2025, up from 41% currently, and expected similar trends in East European economies. It also projected the consumption share of income in Latin American economies to remain at the current level of 65% by 2025.

In parallel, the World Bank forecast global trade to expand to 53.6% of total global output by 2025, constituting an increase from 50% currently. It also expected the international trade flows in emerging economies to significantly increase by 2025 and to account for half of all global trade, compared to the current situation where advanced economies account for the majority of global exports and imports. Further, it said that current account trends indicate that major emerging economies are likely to post large and rising net asset international position in their holdings of investments in developed economies. It added that global wealth and asset holdings will shift further towards emerging economies such as China and major oil exporters in the Middle East. Also, it projected the annual value of cross-border merger & acquisition (M&A) transactions by emerging market firms to more than double by 2025, and expected the annual number of cross-border M&A deals to more than triple by 2025. It said that such growth will outpace the underlying GDP growth rates in the home countries of emerging market firms.

Source: World Bank

IRAN

Economic activity to stagnate in 2011, inflation to rise to 22.5%

The International Monetary Fund expected Iran's economy to post no growth in 2011 relative to real GDP growth of 1% in 2010 and 0.1% in 2009, and compared to growth of 4.1% for the Middle East and North Africa economies and 4.9% for the region's oil exporters. It forecast the country's real non-oil GDP to contract by 0.2% in 2011 relative to a growth of 1.1% in each of 2010 and 2009. It estimated Iran's annual average inflation rate at 22.5% in 2011, up from 12.5% in 2010 and 10.8% in 2009, and compared to inflation rates of 6.8% and 10.9% in the region's oil exporting countries for 2010 and 2011, respectively. Also, it expected broad money to grow by 24.8% this year,

relative to 10.4% in 2010 and 21.7% in 2009. The Fund projected the central government's fiscal balance to post a surplus of 4% of GDP in 2011, compared to a surplus of 0.6% of GDP in 2010 and a deficit of 1.9% of GDP in 2009. It estimated public revenues at 29.5% of GDP in 2011, up from 27.3% in 2010 and 25.8% of GDP in 2009, and total expenditures at 25.5% of GDP this year, relative to 26.7% of GDP last year and 27.8% of GDP in 2009.

The IMF estimated Iran's public debt to reach 9.5% of GDP at end-2011, down from 12% of GDP at end-2010 and 14% of GDP at end-2009. It also forecast total gross external debt at 4.1% of GDP this year, down from 5.3% of GDP last year and compared to external debt in oil exporting countries of 26.5% of GDP in 2011 and 31.8% of GDP in 2010. Further, the Fund estimated Iran's exports of goods & services at \$129bn in 2011, up from \$102bn in 2010 and \$87.5 in 2009, and imports of goods & services at \$80.1bn in 2011, slightly down from \$80.3bn in 2010, but up from \$74.1bn in 2009. It forecast the country's current account to post a surplus of \$49.2bn, or 11.7% of GDP, in 2011, up from \$21.6bn or 6% of GDP in 2010. The Fund estimated the country's gross official reserves at \$122.6bn at end-2011 relative to \$85.7bn at end-2010 and \$78 at end-2009.

Source: International Monetary Fund

GHANA

Economy to grow by 14% in 2011 and 7.3% in 2012, inflation to ease to 8.7%

The International Monetary Fund projected Ghana's real GDP growth at 13.7% in 2011, compared to a growth of 5.5% for Sub-Saharan Africa (SSA) and 8.1% for low-income countries. It also forecast real GDP growth at 7.3% in 2012 relative to growth of 5.9% in SSA and 6.7% for low-income countries. It projected the country's annual average inflation rate at 8.7% in 2011, down from 10.7% a year earlier, compared to average inflation of 7.8% in SSA and 7.9% in low-income countries. It also forecast the country's average inflation to remain unchanged at 8.7% in 2012. It expected the country's real per capita GDP to grow by 10.8% in 2011 and 4.6% in 2012, relative to growth of 3.3% in SSA this year and 3.6% next year. Further, it forecast broad money to grow by 20.5% this year and 16.3% next year relative to 45.6% last year.

The Fund projected the central government's fiscal balance to post a deficit of 6.7% of GDP in 2011 and 4.2% of GDP in 2012, relative to 10% of GDP in 2010. It also forecast total government debt at 39.2% of GDP at end-2011 and 41.2% of GDP at end-2012. It estimated total investment at 20.5% of GDP in 2011 and 20.6% in 2012, compared to 21.8% of GDP in 2010. Further, it projected the country's current account deficit at 8.7% of GDP in 2011 and at 6.4% of GDP in 2012, up from 9% of GDP in 2010. Further, the Fund expected the country's gross official reserves to reach 2.6 months of imports of goods & services at end-2011 and 3 months at end-2010, compared to 2.3 months at end-2010.

Source: International Monetary Fund



ECONOMY & TRADE

EGYPT

Financing gap at \$12bn

The International Monetary Fund indicated that the Egyptian authorities requested its assistance to bridge a financing gap that is expected to range between \$10bn and \$12bn through June 2012. The government said it needs \$2bn for the current fiscal year that ends in June, and an additional \$10bn to ease pressure on the budget, as the fiscal deficit is expected to reach 8.5% of GDP this year and about 10% of GDP next year. The Finance Ministry indicated last month that Egypt was negotiating with the IMF for loans of up to \$4bn and with the World Bank for support of about \$2.2bn. The Egyptian authorities estimated the total cost of the protests at around \$3.5bn that include \$2.3bn in tourism sector losses and \$1.2bn in costs to the treasury. The Egyptian authorities approached bilateral and multilateral partners to provide financial support for their homegrown program. In parallel, the United States plans to offer Egypt debt relief of nearly \$1bn through a debt swap mechanism. It also intends to extend or guarantee loans totaling up to \$1bn to finance infrastructure development.

Source: International Monetary Fund, Royal Bank of Scotland, Thomson Reuters

NIGERIA

Parliament approves sovereign wealth fund

Nigeria's Senate and House of Representatives voted unanimously to pass a bill to create a sovereign wealth fund, the Nigerian Sovereign Investment Authority (NSIA), with seed capital of \$1bn. The NSIA will be split into the Nigeria Infrastructure Fund, the Future Generations Fund and the Stabilization Fund, and each component will represent at least 20% of the total. The NSIA will replace the Excess Crude Account (ECA), which is used to save oil revenues above a benchmark price set each year in the budget. The ECA had more than \$20bn in 2007, but savings declined to less than \$1bn at the end of 2010 before recovering to around \$7bn by April of this year due to high oil prices. The NSIA aims to save money for future generations, to provide financing for infrastructure projects and serve as a catalyst to attract other infrastructure investors, and reduce Nigeria's long-term economic reliance on oil revenues by maintaining a buffer against commodity price shocks. It has the authority to buy, maintain and sell any type of asset, and its affiliates will be able to issue debt and raise money in any currency. The NSIA will have a governing board headed by the country's president. Other board members include governors of the 36 states, the ministers of finance, justice and planning, the governor of the Central Bank of Nigeria and the chief economic adviser.

Source: Bloomberg, Thomson Reuters

ETHIOPIA

WTO membership talks resume

The World Trade Organization indicated that it has re-launched accession talks with Ethiopia after a three-year suspension, following a review of the country's reforms to its trade regime to comply with WTO rules. It said Ethiopia took notable steps to move its accession process forward. It also pointed out that work remained to be accomplished on various issues, such as

investment and pricing policies, import regulations, customs procedures, export restrictions, state-trading enterprises, sanitary and phytosanitary measures, technical barriers to trade, intellectual property, and services. The WTO emphasized that technical assistance was of critical importance to support Ethiopia's reforms and urged members as well as Ethiopia to take all steps necessary to secure such assistance. It also acknowledged Ethiopia's least-developed country (LDC) status and the 2002 Guidelines for LDCs' Accession to the WTO.

Source: World Trade Organization

ARMENIA

Brand perception improves in first quarter of 2011

The Nation Brand Perception Index ranked Armenia in 137th place among 200 countries and territories around the world in the first quarter of 2011 and in 9th place among the 12 countries that form the Commonwealth of Independent States (CIS). Armenia's rank improved from 155th position in the fourth quarter of 2010. Globally, Armenia ranked ahead of Eritrea, Sierra Leone, and Oman and behind Djibouti, Angola and Congo Kinshasa. It also ranked ahead of Belarus and Russia, and behind Kyrgyzstan and Georgia in the CIS. Armenia received a score of 49.35 points, up from 47.6 points in the previous quarter, below the global of 50 points but above the regional average of 47.2 points. The index analyzes international perceptions of a country's brand and covers the tone and frequency of mentions in the international media. In parallel, Armenia was the 119th most mentioned country in the international media in the first quarter of 2011 and the 7th most mentioned country in the CIS as it was mentioned 965 times, well below the global average mentions of 19,795 times and the CIS average of 6,417 times. The scores and ranks of 5 CIS countries improved while 7 regressed in the first quarter.

Source: East West Communications, Byblos Research

UAE

Abu Dhabi to control bond issuance by state-owned entities

The Abu Dhabi government plans to curtail bond issuance by state-owned companies as well as assess investments made by such firms to facilitate the sale of sovereign bonds. It also intends to review the firms' investments to assess their contribution to Abu Dhabi's economic development. The plan aims to centralize fundraising and streamline issuance, as well as to improve governance and accountability at state-owned firms. The plan has been in the works for at least six months and may take another year to complete. Abu Dhabi has not issued a sovereign bond since its \$3bn, five- and 10-year debut issue in April 2009 because its state-linked firms have repeatedly accessed markets, which has attracted the relatively limited liquidity in the market. The review will mainly affect Mubadala, International Petroleum Investment Co, Aabar and Tourism Development & Investment Co. Abu Dhabi's Debt Management Office, part of the Finance Department, will direct bond issuances from the Emirate entities.

Source: Thomson Reuters

BANKING

JORDAN

Trade and construction account for 47% of overall lending at end-March 2011

Figures released by the Central Bank of Jordan indicate that credit facilities extended by commercial banks operating in Jordan totaled JD15.1bn at the end of the first quarter of 2011, constituting an increase of 11% from JD13.4bn at the end of the first quarter of 2010. The resident private sector accounted for 90% of the total, slightly down from 90.4% at end-March 2010, followed by the non-resident private sector with 6.8%, public entities with 2.4%, the central government with 0.8%, and financial institutions with 0.1%. Foreign currency lending accounted for 12% of total lending, up from 11.5% at the end of the first quarter last year. The distribution of lending by sector shows that general trade represented JD3.75bn, or 25% of the total relative to 23.7% at end-March 2010. It was followed by construction with JD3.25bn, or 21.6% of the total, down from 22.8% at end-March 2010; industry with JD2.1bn, or 14% of overall lending; public services & utilities with JD1.09bn or 7.2% of the total; transportation services with JD513.7m or 3.4% of credits; tourism, hotels & restaurants with JD465m, or 3.1% of the total; financial services with JD410.5m or 2.7% of credits; and agriculture with JD222.3m, or 1.5% of overall lending. Further, other lending accounted for JD3.16bn, or 21% of total credits, of which JD441m were extended to buy shares. In parallel, loans & advances totaled JD12.86bn of overall credit, followed by overdrafts with JD1.93bn, and discounted bills with JD291.7m.

Source: Central Bank of Jordan, Byblos Research

EGYPT

NPLs to rise by at least 150bps

EFG Hermes conservatively forecast the non-performing loans ratio at Egyptian banks to rise by around 150 bps in 2011. It identified the main risks for the rise in NPLs as a protracted weak economic environment that could severely weaken corporate cash flows in sectors, such as tourism, real estate, and durable goods manufacturing; a continued weakening in the exchange rate of the Egyptian pound against the euro, which would result in margin weakness for businesses that rely on imports from Europe; and a rise in unemployment, which could lead to an increase in retail NPLs. It noted, however, that selective lending criteria, low leverage across the corporate sector, and a cautious approach to the retail market could limit a large increase in NPLs, despite an expected worsening in credit quality in 2011-2012. It added that credit quality for Egyptian banks did not deteriorate materially in the first quarter of 2011 and that it is still early to see an increase in bad debts, as economic activity started to be disrupted at the end of January and Egyptian banks report NPLs on a 90-day basis. It noted that the Central Bank of Egypt has allowed banks an exemption period of three months for classifying a loan as non-performing in the retail sector and six months for the tourism sector, which might result in a delayed increase in NPLs on the back of a deteriorating macroeconomic backdrop.

Source: EFG Hermes

NIGERIA

Better outlook for banking sector, challenges remain

Standard & Poor's expected the level of NPLs at Nigerian banks to continue decreasing in 2011 and 2012, helped by the Central Bank of Nigeria's aim to limit banking sector bad loans to no more than 5% of loan portfolios. It also forecast a slow improvement in asset quality as the economic recovery gains ground, confidence in the Nigerian Stock Exchange returns, and loan growth picks up. Further, it expected the sector's competitive dynamics to change significantly in the next couple of years due to rapid consolidation. However, the agency noted that banks' loan books reflect the domestic economy's reliance on the construction boom and the import and export of oil products, which leaves the banks vulnerable to commodity- and asset-price bubbles and currency fluctuations. It added that the sector's assets are highly concentrated, as the top-20 loans account for about 50% of total loans and over 100% of equity across the sector, which represents a material credit risk to banks' loan books. It said banks' exposure to the oil and gas sector ranged between 15% and 25% of total loans, while construction and real estate represent 25% of total loans and 13% of NPLs. S&P added that weak corporate governance, corruption, and lack of transparency are risks that could hold back the sector, as they undermine corporate creditworthiness, lead to weak credit underwriting, and endanger the realization of collateral.

Source: Standard & Poor's

CHINA

Central Bank raises reserve requirements to record level

The People's Bank of China (PBoC), the country's Central Bank, raised the required reserves ratio (RRR) by 50bps for all banks. The RRR now stands at 21% for the large banks and at 19% for the small banks, reaching a record high. The decision is likely to withdraw about RMB378bn of liquidity from the banking system. The decision constitutes the 11th RRR hike since the PBoC made the first move in January 2010, as this policy tool has become increasingly effective after a cumulative hike of 550bps since then. In addition, the launch of discretionary RRR hikes as a punitive tool and the strict enforcement of the 70% loan-to-deposit ratio further have strengthened the PBoC's tools to fight inflation. The PBoC has accelerated its process of normalizing monetary conditions with both quantitative tightening and interest rate moves, as April's annual inflation rate of 5.3% demonstrated the continued aggravation of price pressure as well as more broad-based price increases, as services inflation has become the second source of inflation after food prices.

Source: Credit Suisse



ENERGY / COMMODITIES

Oil prices rise despite supply risks

Crude oil prices increased during this week despite ongoing supply risks, and are expected to remain sensitive on the weakness of the U.S. dollar and concerns over U.S. oil demand. ICE Brent for July increased 66 cents to \$113 a barrel on May 19 after rising more than \$2 the previous day. U.S. oil demand declined sharply in the last two weeks due to high gasoline prices. Also, U.S. gasoline demand decreased 2.3% year-on-year due to lower consumer spending, while distillate demand declined 2.3% year-on-year. Crude and distillate stocks fell contrary to expectations, and gasoline stocks rose by 0.1 million barrels. The International Energy Agency expressed concern over the increase in oil prices and suggested that the consensus on the preferred price is now at around \$90 per barrel to \$100 per barrel. Further, China's apparent demand rose month-on-month in April to 9.5 million barrels a day from 9.3 million barrels a day in March, while demand growth decelerated to 8.8% year-on-year.

Source: Standard Chartered, Thomson Reuters

Jordan and Qatar to build new gas terminal

Jordan and Qatar are planning to build a liquefied gas terminal at the Red Sea port of Aqaba at an estimated cost of about \$1bn. Jordan currently imports 96% of its energy needs, costing about 20% of its GDP. The Jordanian-Qatari talks came amid Amman-Cairo discussions on the price of natural gas that Egypt supplies to the Kingdom, where Cairo is asking to renegotiate favorable prices stipulated in a 2004 agreement.

Source: Gulf Today

Iran discovers five new oil and gas fields

Iran's oil and gas reserves rose by half a billion barrels and five trillion cubic feet respectively with the discovery of new onshore oil and gas fields in the south and west of the country. Iran raised the estimate of its oil reserves from 138 billion to 150 billion barrels last year. The bulk of Iran's exploration efforts were focused on its border regions and those jointly owned with the neighboring countries as part of the Oil Ministry's policy of prioritizing these regions. Iran is hoping to discover 2.5 billion barrels of recoverable oil and 23 trillion cubic feet of gas in the course of the country's five-year development program from 2010 to 2015.

Source: Thomson Reuters

Saudi Arabia needs \$88bn for power investment over the next 10 years

The Saudi Water & Electricity Ministry stated that the Kingdom needs to invest \$88bn over the next 10 years as demand for electricity continues to grow between 7% and 8% annually. The country's total power output is set at 75,000 megawatts by 2021. The private sector is expected to consume around 30% of the target power output by 2021.

Source: Thomson Reuters

Base metals: Prices down, investors worry about China's slowdown

Base metals prices faced further selling pressure in the past week, as the U.S. dollar strengthened and investor sentiment started to turn more bearish. Aluminum was one of the weakest performers, as oil prices fell and LME stocks increased. Copper and zinc prices declined 1% week-on-week.

Concerns about China continue, as the growth of industrial production in the country slowed to 13.4% year-on-year in April and inflation remained above the government's target, with CPI inflation reaching 5.3% for the month. China's State Grid intends to boost investment by 10% in 2011, lifting copper and aluminum wire and cable demand. Also, many consumers are operating with very low inventories, due to tight credit conditions. However, investors have also started to become less bullish on commodities and equities, where 30% of global investors are expected to reduce investments in commodities. The U.S. net speculative positions in copper fell by 44% week-on-week and 62% month-on-month.

Source: Standard Chartered

Precious metals: Silver drops, while other precious markets stagnate

The precious metals complex softened due to the strengthened U.S. dollar, although most outperformed their base metal peers, as inflation concerns remain elevated. Gold, platinum and palladium fell by a modest 1% to 2% week-on-week. Silver is still the weakest performer, spot prices declined by 12% week on-week. Silver holdings by major physical ETFs dropped 6.8% from the start of May and net speculative positions on U.S. exchanges declined by 23% week-on-week.

Some bullish information on platinum helped to lift spot prices up from last week's lows. Platinum prices are expected to average \$1,870 per ounce and palladium \$825 per ounce in the next six months. Toyota announced that automotive production in China will return to normal levels by mid-June, suggesting some easing in parts shortages. Further, the latest figures from the Chinese auto sector show weak car sales in April, increasing by 2.8% year-on-year. The Chinese auto sector is an important driver of demand for the platinum group metals, and palladium in particular.

Source: Standard Chartered

Global Commodity Outlook			
(3-months LME, \$/ton)	2010	2011f	2012f
Aluminum	2,201	2,595	2,400
Copper	7,570	9,597	10,000
Lead	2,172	2,619	2,650
Nickel	21,913	25,592	23,000
Tin	20,448	31,456	30,000
Zinc	2,188	2,391	2,400
(Spot price, \$/ounce)			
Gold	1,227	1,491	1,650
Palladium	529	795	900
Platinum	1,613	1,873	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+	B	-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	-	-	-	-	CC	-3.7	71.4	57.4	343.6	-	3,780	-8.9	5.5
	-	-	-	-	Stable								
Tunisia	BBB-	Baa3	BBB-	BBB	B	-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	-7.2	136.7	160.8	240.3	14.7	212.2	-10.2	10.0
	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-	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-	CC	-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	22-Apr-11	No change	22-Jun-11
Eurozone	Refi Rate	1.25	05-May-11	No change	09-Jun-11
UK	Bank Rate	0.50	05-May-11	No change	09-Jun-11
Japan	O/N Call Rate	0-0.10	28-Apr-11	No change	20-May-11
Australia	Cash Rate	4.75	31-May-11	No change	07-Jun-11
New Zealand	Cash Rate	2.50	28-Apr-11	No change	09-Jun-11
Switzerland	3 month Libor target	0.25	17-Mar-11	No change	16-Jun-11
Canada	Overnight rate	1.00	12-Apr-11	No change	31-May-11
Emerging Markets					
China	One-year lending rate	6.31	06-Apr-11	Raise 25bps	N/A
Hong Kong	Base Rate	0.50	22-Apr-11	No change	22-Jun-11
Taiwan	Discount Rate	1.75	31-Mar-11	Raise 12bps	24-Jun-11
South Korea	Base Rate	3.00	10-Mar-11	Raise 25bps	13-May-11
Malaysia	O/N Policy Rate	3.00	05-May-11	Raise 25bps	Jul-11
Thailand	1D Repo	2.75	20-Apr-11	Raise 25bps	01-Jun-11
India	Reverse repo rate	7.25	03-May-11	Raise 50bps	16-Jun-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	21-Apr-11	No change	25-May-11
South Africa	Repo rate	5.50	12-May-11	No change	21-Jul-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	13.00	May-11	Cut 50 bps	N/A
Angola	Rediscount rate	20.00	06-Apr-11	Cut 50bps	N/A
Mexico	Target Rate	4.50	15-Apr-11	No change	27-May-11
Brazil	Selic Rate	12.00	20-Apr-11	Raise 25bps	08-Jun-11
Armenia	Refi Rate	8.50	May-11	No change	N/A
Romania	Policy Rate	6.25	05-May-10	Raise 25bps	N/A
Bulgaria	Base Interest	0.21	01-May-11	Raise 2bps	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	8.25	03-May-11	Raise 25bps	N/A



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