



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

UAE

Abu Dhabi acquires 5% of Citigroup

The Abu Dhabi Investment Authority (ADIA), the investment arm of the Abu Dhabi government announced it is acquiring a stake of up to 4.9% in Citigroup Inc., the biggest bank in the US, for \$7.5bn. ADIA will receive convertible bonds that must be changed into shares at \$31.83 to \$37.24 each, between March 2010 and September 2011. Citigroup is paying 11% interest on the convertible bonds, higher than the going rate on the high-yield corporate bond market. The deal will make Abu Dhabi the bank's biggest shareholder, overtaking Saudi Prince Alwaleed bin Talal, who acquired his own stake in 1991. Citigroup has disclosed between \$10bn and \$13bn in losses related to sub-prime mortgage investments gone bad, which might wipe out fourth-quarter profits and yet not be the end to such charges. The turmoil led to the resignation last month of Chairman and Chief Executive Charles Prince. Citigroup's Tier One capital ratio fell to 7.3% at the end of the third quarter, below its own target of 7.5%, and has fallen further since, but the deal with ADIA should lift that ratio by about 0.5 percentage points. ADIA is the world's largest sovereign wealth fund with \$650bn in assets.

Source: *The Wall Street Journal, Financial Times*

GCC

Labor ministers support residency cap

The UAE Ministry of Labor declared that GCC nations are broadly in favor of a proposed law to impose a six-year residency cap on unskilled expatriate workers. The 3+3 law was discussed last week at a GCC ministerial meeting in Riyadh and most countries were in favor of the law. Ministers approved an 11 point plan for the law, likely to be approved at the GCC summit in Doha next month. Under the law, unskilled workers would be allowed to work on a three-year contract, renewable only once. However, the law would be applied separately to each country, meaning workers could continue to work in other Gulf nations.

Source: *Gulf News*

Telecom sector set for investment of \$375bn

Research group Proleads indicated the GCC telecommunications sector is expected to receive investments of \$375bn over the next 10 years, adding that the telecom and broadband Internet sectors will generate \$70bn in annual revenue by 2015 in the MENA region. It also noted that continued subscriber demand for mobile phones, digital technology, Internet and communication solutions was encouraging investment in the region's telecoms sector and that interest in telecom services was showing no signs of a slowdown. Proleads said current and active infrastructure projects of all kinds in the GCC have a combined value of \$1,300bn alone with an estimated 25% of this investment to be spent on expanding telecommunications.

Source: *Proleads*

JORDAN

New Cabinet to focus on economic policy, fight inflation

King Abdullah II mandated incoming Prime Minister Nader Dahabi to boost economic growth, create jobs and fight inflation. The king stressed the importance of linking wages with inflation, providing housing to the needy, and improving the country's healthcare system. PM Dahabi was chief commissioner of the Aqaba Special Economic Zone, where real estate and tourism projects have attracted more than \$8bn in investments since 2001. The Cabinet's resignation and the appointment of a new prime minister followed parliamentary elections that were won by government loyalists.

Source: *Bloomberg*

MOROCCO

King pledges independence of judiciary

King Mohammed VI pledged to proceed with judicial sector reform and guarantee judiciary independence. The king stressed that an efficient, unbiased and independent judicial sector would play a key role in strengthening democracy and would facilitate economic development and attract investment. He added that the objective was to promote modernization, ensure strict compliance with the rule of law, foster transparency, and make sure all citizens are equal before the law.

Source: *Magharebia News*

AFRICA

\$55bn committed to develop ICT sector

The International Telecommunications Union (ITU) declared that public- and private-sector African leaders pledged to invest over \$55bn in developing the continent's ICT sector. The ITU said that African leaders committed themselves to creating the right regulatory environment, and private sector leaders pledged to invest in the continent's ICT sector. The leaders decided to bring forward ICT connectivity goals to 2012 to enable the achievement of the broader Millennium Development Goals by 2015. Commitments were made to interconnect all African capitals and major cities with ICT broadband infrastructure and strengthen connectivity to the rest of the world by 2012. By 2015, broadband and ICT services will be extended to all African villages. The leaders also set out to meet the World Summit on the Information Society goals for capacity building, establishing an enabling environment for investment, and e-government services.

Source: *Wireless Federation*

OUTLOOK

NIGERIA

Economic activity to remain robust in the near term

The International Monetary Fund's Article IV Consultation indicated that economic progress and reforms have improved Nigeria's policy environment, and that important progress has been made in creating a supportive environment for private sector activity, but added that more needs to be done. It expected economic activity to remain robust in the near term, with demand from both public and private sectors contributing to growth. It called for supporting wider financial sector activity across the economy, promoting the rule of law and corporate governance, and facilitating trade.

The Fund noted that careful management of oil revenues under the oil price fiscal rule has been the key to accelerating economic growth, declining inflation and much stronger budgetary and external performance. It welcomed the implementation of the recent agreement among the three levels of government on the use of oil savings, and encouraged the saving of additional allocation from the excess crude account in order to preserve macroeconomic stability. The IMF called on the government to identify areas where it can reduce or share its role, including through privatization and public-private partnerships. It said that government's spending priorities need to be clearly defined and that the management of public finances at all three tiers of government should be strengthened to yield better value for money from public spending. But the Fund warned that large increases in domestic spending would lead to sharply higher inflation and much slower growth over the medium term.

According to the IMF, Nigeria's financial sector is evolving rapidly and the authorities need to enhance their capacity to meet the related challenges. With both domestic and foreign investors increasing their appetite for Nigerian assets, it considered that market participants and regulators need to have a good understanding of the new instruments and developments in the market. It also encouraged finalizing and implementing a robust framework for debt management to help preserve the strong external position and the domestic financial system.

Source: International Monetary Fund

LIBYA

Non-inflationary growth, job creation are key challenges

In its Article IV Consultation, the International Monetary Fund indicated that Libya's economic performance improved in 2007, as real GDP is projected to increase by 6.8%, up from 5.2% in 2006, driven by non-oil growth of 7.5% and oil growth of 4.7%, while forecasting economic growth of 8.8% in 2008. Also, Annual CPI inflation accelerated substantially from low levels in the first half of the year to about 11% in the third quarter due to the large increase in public expenditure and excess liquidity, but is expected to average 7% this year and 8% next year. The Fund projected the fiscal surplus at about 35% of GDP in 2007, lower than 39% of GDP in 2006 due to the rise in expenditure, although the spending increase was less than what was in the budget. The external current account surplus is also projected to

narrow in 2007 to 40% of GDP from almost 52% of GDP in 2006 due to a surge in imports, and to remain at 41% of GDP in 2008. The IMF projected gross official reserves to increase by \$24bn in 2007, reaching about \$83bn by the end of the year, equivalent to 32.5 months of imports of goods and services. It forecast the growth of broad money at 31% by year-end, reflecting a substantial increase in the net foreign assets of the Central Bank of Libya, public spending, and lending by specialized credit institutions.

According to the IMF, Libya's economy is expected to benefit in 2008 and beyond from continued high oil prices, further growth in oil output, and increased interest of foreign investors. However, Libya still faces key challenges in the medium term such as laying the basis for a sustainable non-inflationary growth and creating sufficient job opportunities for a fast-growing labor force. The Fund said the current favorable global environment and Libya's strong financial position provide an opportunity to address these challenges through containing the increase in spending and enhancing its quality; upgrading the infrastructure; strengthening the management of the oil saving; developing the financial sector; and improving the domestic business climate and diversifying the productive base in order to reduce dependence on oil.

Source: International Monetary Fund

IVORY COAST

IMF calls for strengthening government finances

The International Monetary Fund indicated that the government has implemented most of the measures envisaged in the context of the Emergency Post-Conflict Assistance-supported program for 2007, although the political and social environment remains a challenging one. It expected GDP growth of 1.7% in 2007 due to the recovery in a number of sectors, reflecting the fact that growth in private investment has resumed in real terms for the first time since 1999. It said budget revenue has been satisfactory and the government is also resuming normal budget execution procedures as well as the regular reporting of physical and financial flows in key sectors, thereby enhancing transparency and good governance. In addition, considerable efforts have been made to normalize financial relations with multilateral financial institutions. Since July 2007, the Ivory Coast has been current on its debt service flow obligations to the World Bank and the African Development Bank, while its arrears to the World Bank and the ADB are expected to be settled by January 2008 and April 2008, respectively.

According to the IMF, economic policies should continue to aim at strengthening government finance while mobilizing domestic and external resources. These efforts should also make it possible to regularize financial relations with multilateral institutions and to take comparable steps with other creditors. Additionally, the Fund called on authorities to help raise the portion of budget expenditure allocated to post-crisis programs as well as to rehabilitate basic infrastructures. There are also plans to continue reducing domestic arrears to the private sector. The IMF expected growth to accelerate to 3% in 2008, making it possible at last to resume positive growth in per capita GDP.

Source: International Monetary Fund



ECONOMY & TRADE

JORDAN

Debt swap deal with Germany

The German Development Bank (KfW), on behalf of the Federal Republic of Germany, signed an agreement with the Ministry of Finance for a debt swap of €10m at a discount rate of 50% of the debt's nominal value. According to the deal, Jordan will use €5m of its budget to finance local projects in the fields of poverty alleviation, sanitation and education, especially for the German-Jordanian University. After disbursement of this amount, the German government will cancel €10m of Jordan's debt. Since 1995, the Jordanian and German governments have concluded eight debt swap agreements amounting to a total of €213.63m at a discounted rate of 50% of the debt's nominal value. Net outstanding public debt reached JD7.8bn at the end of September 2007, constituting 68.8% of projected GDP for 2007 compared to 73.5% of GDP at end-2006.

Source: *Jordan Times*

MAURITANIA

IMF releases additional funds

The International Monetary Fund authorized the release of \$3.1m following its second review of Mauritania's economic performance under a three-year Poverty Reduction and Growth Facility (PRGF) arrangement. This would bring total disbursements under the arrangement to about \$13.3m out of a total of \$25.6m. The IMF said Mauritania's economic performance remained satisfactory despite a steeper-than-expected decline in oil production. Sound macroeconomic policies helped contain inflation, improve government finances, and enhance the external position. Further, authorities achieved significant progress in governance and structural reforms, including the submission to parliament of an oil revenue management law in line with best practices. Also, the authorities intend to intensify efforts to stimulate private sector-led growth and reduce poverty.

Source: *International Monetary Fund*

ARMENIA

IMF notes progress, disburses additional funds

The International Monetary Fund completed the fifth review of Armenia's economic performance under the three-year Poverty Reduction and Growth Facility (PRGF) arrangement. The completion of the review enables the release of about \$5.2m, bringing the total amount drawn under the arrangement to \$31.4m. The PRGF is the IMF's concessional facility for low-income countries. In parallel, the IMF stated that Armenia's economy continues to benefit from double-digit growth rate, moderate inflation, a low fiscal deficit and a comfortable reserves position, while good progress has been made in reducing poverty. It added that the medium-term outlook is positive, with a favorable outlook for investment. Moreover, strong remittance inflows have dampened the impact of rapidly rising imports on the current account deficit. It added that sound fiscal and monetary policies will remain key to macroeconomic stability and external competitiveness.

Source: *International Monetary Fund*

EGYPT

Annual GDP growth at 6.85%

The Ministry of Economic Development declared that the Egyptian economy grew by 6.85% annually in the first quarter of fiscal year 2007-08 ending September 30th, down from 7.2% year-on-year in the previous quarter. Growth was strongest in tourism and construction, which rose by 16.1% and 15.2% year-on-year, respectively. Telecommunications, transport, the Suez Canal and manufacturing also recorded above-average growth. The unemployment rate fell to 8.9% in the first quarter, down from 11.1% in the same period of the previous year.

Source: *Reuters*

Annual inflation at 7.5% in October

Consumer price inflation reached 7.5% year-on-year in October, down from 9.3% in September, mainly due to an improvement in food price inflation, while non-food inflation has picked up. Food prices were down 1.8% month-on-month in October, after posting a sizable increase of 4.5% month-on-month in September. Consequently, the year-on-year change in food prices slowed to 9.9% in October from an annual 16.4% in September. Non-food inflation increased from an annual 4.8% in September to 6% in October.

Source: *Credit Suisse*

MOROCCO

Privatization of seven public companies

The government announced plans to privatize seven public companies in 2008 that are expected to generate €555m to be allocated to the Hassan II Economic and Social Development Fund and for strengthening the state budget. The privatization includes majority stakes in Société Nationale de Commercialisation de Semences (SONACOS), Complexe Textile de Fès (COTEF), Société Commerciale de Charbon et Bois (SOCOCHARBO), Briqueterie et Tuilerie Nord Africaine (BNTA), 50% of Société Chérifienne des Sels (SCS) and all of pharmaceutical laboratory Biopharma and Société de Sel de Mohammedia (SSM). Morocco's privatization receipts totaled €8.7bn between 1993 and 2006.

Source: *Aujourd'hui Le Maroc*

LIBYA

Plans for \$123bn investment in infrastructure

The government announced plans to allocate about \$123.4bn over the next five years on public works, including building schools and renewing water and sanitation systems. The government's development program covers a number of strategic projects in all fields. The construction plan calls for 530,000 housing units, water stations and sanitation facilities in every village and town in the country, 200 new schools per year and state-of-the-art universities and technical colleges. The program also includes upgrades to air and sea ports and a \$12.5bn upgrade of the telecommunications sector.

Source: *JANA*



BANKING

SAUDI ARABIA

Central Bank reduces repo rate

The Saudi Arabian Monetary Agency (SAMA) reduced the reverse repo rate, the deposit rate at the central bank, by 50 basis points to 4.25% in an attempt to reduce speculations on an appreciation of the Saudi riyal against the US dollar, as the riyal appreciated to a 21-year high last week. SAMA already reduced its reverse repo rate by 25bps in early November. The repo rate, the rate at which the central bank lends to commercial banks, was kept at 5.5% so as not to fuel credit growth.

Source: Reuters

UAE

Central Bank cuts CD rates

The UAE Central Bank cut its 6-month and 9-month certificate of deposit interest rates by 10 basis points to 4.40% and 4.30% respectively. It also cut the CD 12-month rate by 15bps to 4.15% and the 18-month rate by 20bps to 4%. Also, the Central Bank announced that its CDs will be auctioned starting November 28th and will be issued under different maturities and in US dollar, in euro as well as in Emirati dinars. Earlier this month, the UAE cut CD rates by 20 basis points and by 15 points in September, both following rate cuts by the US Federal Reserve. The current cuts and changes aim to reduce speculative pressure on the local currency.

Source: Dow Jones Newswires

Three new banking licences

UAE Central Bank Governor Sultan Nasser Al Suweidi confirmed that the central bank is currently studying the possibility of issuing licenses for three Gulf banks, which are currently in the early stages of development. According to Suweidi, strong growth of the UAE economy, which is being driven by the massive ongoing spending on infrastructure in UAE and other Gulf countries, underlies the vast potential for banking sector growth.

Source: Khaleej Times

BELARUSIA

Banks show reasonable performance in tough environment

Fitch Ratings indicated that Belarusian banks operate in a difficult environment, which is characterized by strong state influence through directed lending and interest rate regulation. Also, the sector's liquidity has proved vulnerable, capital positions have weakened and foreign exchange risk is significant. The agency said the banking sector has been expanding rapidly to meet the growing loan demand of both corporate and retail customers, with credit to GDP reaching around 27% at end-June 2007. But the level of non-performing loans has been very low due to tight state control over borrowers' operations, state support for borrowers in difficulty, and good payment discipline of retail borrowers. It said that despite equity injections provided to state-owned banks by the government, capital adequacy ratios have deteriorated and are weak in light of the high-risk operating environment, adding that banks remain vulnerable to any sharp depreciation of the local currency.

Source: Fitch Ratings

ALGERIA

Privatization of CPA put on hold

The Finance Ministry declared that the planned privatization of Crédit Populaire d'Algérie (CPA) has been put on hold due to the uncertainties caused by the international subprime mortgage crisis. CPA, one of Algeria's largest state-owned banks, opened its books to potential bidders last June as part of the sale of a 51% stake to private players, and technical bids were expected to be open this month. The ministry said it would resume the process once it evaluates the impact of the subprime crisis. BNP Paribas, Crédit Agricole, Société Générale, Natixis, Citigroup and Banco Santander were bidding for CPA. Analysts believe the bank's 51% stake could yield as much as \$1.5bn. Authorities said the purpose of the sale is not to raise money for the government as such, but rather to strengthen CPA as a national bank and regional player. CPA has 129 branches and employs about 4,600 people. The bank posted net profits of €79m in 2006 and has assets of about €5bn.

Source: AFP

MAURITANIA

Qatari bank receives license

Qatar National Bank announced that it has received the final approval from local monetary authorities to open a commercial branch in Mauritania. Mauritania's banking sector is small and underdeveloped. There are 10 commercial banks operating in the country, with three of them having foreign participation. Société Générale entered the market in February 2007 and BNP Paribas in April 2007. All banks are privately-owned, with the exception of Chinguitty Bank that is 49% owned by the government. Last July, Qatar Islamic Bank announced plans to open an Islamic bank in the country.

Source: Dow Jones Newswires, Byblos Research

KAZAKHSTAN

Ratings of two largest banks affirmed

Fitch Ratings affirmed the ratings of Bank TuranAlem (BTA) and Kazkommertsbank (KKB), the two largest commercial banks in Kazakhstan. Both BTA and KKB are rated Long-term foreign currency Issuer Default (IDR) 'BB+', Short-term foreign currency IDR 'B', and Long-term local currency IDR 'BBB-'. The Outlooks for the Long-term IDRs of both banks remain Stable. The agency said the ratings reflect the authorities' likely strong propensity to support BTA and KKB if required, in light of their importance to the domestic banking market. The Individual ratings of KKB and BTA take into account the heightened credit risks currently faced by both banks, their high dependence on foreign funding and the currently very challenging funding environment. However, the Individual ratings also reflect the two banks' low reported loan impairment levels to date, adequate liquidity, moderate refinancing risk and sound performance. Capitalization is currently adequate at KKB and strong at BTA. The major source of downside risk for both banks' Individual ratings are potential increases in loan impairment levels as portfolios season in a difficult credit environment.

Source: Fitch Ratings



ENERGY / COMMODITIES

Oil jumps \$4 on Canada-U.S. pipeline explosion

U.S. crude jumped \$4.10 to \$94.72 a barrel, reversing the previous session's loss of \$3.80. Brent crude jumped \$2.74 to \$92.55 a barrel. An explosion hit a main pipeline that supplies Canadian crude to U.S. Midwest refineries on Wednesday, forcing operator Enbridge Inc to shut down four of its main pipelines. The pipelines carry an estimated 1.9 million barrels per day (bpd) of Canadian crude to the United States, a fifth of U.S. imports. One of the set of four pipelines will require repairs and regulator inspections, while the largest is not likely to start up soon. The incident more than offset the impact of a smaller-than-expected drop in U.S. crude and distillate stocks that had eased supply concerns and pushed prices into the biggest decline since August 6th. But traders said expectations the Organization of the Petroleum Exporting Countries might increase output when it meets on December 5th in Abu Dhabi might drive down prices. Top OPEC Gulf officials have expressed concern about oil's record run, but insist supplies are sufficient and do not support prices near \$100.

Source: Reuters

Kurdistan to award additional oil contracts

Kurdistan's Natural Resources Minister said the regional government (KRG) in northern Iraq could award new oil production-sharing contracts to foreign companies in December. He added that 20 foreign oil companies are operating in Kurdistan and another 20 are in the pipeline to sign deals in 2008. In all, the deals could generate \$10bn in upstream investment and yield about one million barrels per day in new oil production. The KRG already has awarded deals to several foreign companies, despite threats from the central government that the deals were void. Iraq's parliament is struggling to approve a long-delayed hydrocarbon law.

Source: Upstream

Jordan to be supplied with Iraqi oil

The Iraqi Finance Minister has discussed plans with Jordanian officials to build an oil pipeline from Iraq's Haditha to Jordan's Aqaba port. Previously Baghdad made a deal with Amman in August 2006 to provide it 10% to 30% of its daily oil needs.

Source: Press TV

Iran's NICOC to boost oil output

The Managing Director of the National Iranian Central Oil Company (NICOC) announced that the company's oil output will touch 160,000 barrels per day (bpd) by the end of March 19, 2008, up by more than 15,000 barrels when compared to the figure of last two months of 145,000 barrels. He added that the NICOC will produce 295-300 million cubic meters of commodity by March 19th.

Source: Tehran Times

Base metals: The sell-off continues

The downward trend in base metal prices continued this week amid further weakness in equity markets and new concerns about the US economic outlook. On the fundamental side, Chinese copper imports for August declined compared to last month, which is another bearish signal for the market. Despite the data, the two main factors that influenced base metal prices were still inventories and equity market performance. On the inventory side, warehouses registered with the London Metal Exchange have seen additional inflows. The slowdown in the US housing sector remains a major drag for demand, since construction is one of the main applications for base metals.

Source: Credit Suisse

Precious metals: New data for gold signals further dollar dependency

Precious metals prices have rebounded from the price dip of last week, as the dollar continued to weaken and as investors are again looking for a safe haven. New supply / demand data for gold indicate that the market moved back into supply surplus during the third quarter. While overall demand remained strong and even surpassed the already robust level of the second quarter, supply increased even more, due to a decline in producer dehedging and increased Central Bank sales. Mine production was almost unchanged relative to the level a year ago. As a result, the market moved into a surplus of 66 tons. The main reason for the increase in Central Bank sales was the new selling program from Switzerland, which had announced in June that it intended to sell 250 tons before September 2009. On the demand side, investment demand is becoming more important, while jewellery demand was rather subdued during the third quarter. As a result, the dollar dependency of gold should continue.

Source: Credit Suisse

| Commodities price developments | level | 6m ave | 12m ave | mom% | yoy% |
|---------------------------------|---------|---------|---------|-------|-------|
| Economist commodity price index | 210.2 | 207.2 | 199.1 | -2.5 | 15.1 |
| LME metals price index | 3440.6 | 3921.1 | 3884.3 | -12.2 | -8.2 |
| Oil prices USD | 96.9 | 77.6 | 69.1 | 11.0 | 63.4 |
| Oil prices SDRs | 60.7 | 50.4 | 45.4 | 8.3 | 52.8 |
| Gold \$/troy oz | 803.1 | 703.3 | 678.7 | 7.1 | 27.8 |
| Silver cents/troy oz | 1455.0 | 1320.1 | 1327.6 | 9.0 | 11.3 |
| Platinum \$/troy oz | 1468.0 | 1329.0 | 1268.4 | 2.6 | 28.8 |
| Copper \$/MT | 6491.5 | 7619.9 | 7133.1 | -16.0 | -6.8 |
| Nickel \$/MT | 29382.5 | 33417.0 | 38042.2 | -5.6 | -8.5 |
| Aluminium \$/MT | 2463.5 | 2559.1 | 2678.1 | -0.4 | -7.9 |
| Zinc \$/MT | 2213.5 | 3191.5 | 3460.2 | -21.4 | -50.2 |
| Steel - HR coil dry \$/MT | 605.0 | 559.5 | 533.8 | 7.1 | 23.5 |

Source: Credit Suisse



COUNTRY RISK METRICS

| Countries | LT Foreign currency rating | | | | | Central govt. balance/ GDP (%) | Public debt (% of GDP) | External debt / GDP (%) | External debt/ Exports (%) | Debt service ratio (%) | External Debt/ Forex Res. (%) | Current Account Balance / GDP (%) | Net FDI / GDP (%) |
|--------------------|----------------------------|---------|-------|----------|----------|--------------------------------|------------------------|-------------------------|----------------------------|------------------------|-------------------------------|-----------------------------------|-------------------|
| | S&P | Moody's | Fitch | CI | EIU | | | | | | | | |
| Africa | | | | | | | | | | | | | |
| Algeria | - | - | - | - | BBB | 9.9 | 19.5 | 3.8 | 6.4 | 1.6 | 5.0 | 15.7 | 0.8 |
| | - | - | - | - | Stable | | | | | | | | |
| Angola | - | - | - | - | BB | 1.8 | 16.9 | 21.6 | 22.0 | 11.4 | 216.9 | 22.7 | 4.6 |
| | - | - | - | - | Stable | | | | | | | | |
| Egypt | BB+ | Ba1 | BB+ | BB+ | B | -7.5 | 91.5 | 24.7 | 119.2 | 5.8 | 118.0 | 1.4 | 5.1 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Ethiopia | - | - | - | - | CCC | -5.7 | 77.9 | 23.7 | 128.7 | 2.7 | 246.1 | -16.5 | 2.2 |
| | - | - | - | - | Stable | | | | | | | | |
| Ghana | B+ | - | - | - | B | -3.1 | 38.6 | 26.9 | 86.5 | 2.7 | 152.4 | -6.7 | - |
| | Stable | - | - | - | Stable | | | | | | | | |
| Ivory Coast | - | - | - | - | CCC | -1.8 | 69.4 | 64.3 | 133.3 | 4.2 | 603.3 | 5.4 | - |
| | - | - | - | - | Stable | | | | | | | | |
| Libya | - | - | - | - | BB | 32.2 | 5.8 | 10.3 | 14.5 | 3.1 | 7.8 | 18.5 | 2.8 |
| | - | - | - | - | Stable | | | | | | | | |
| Mauritania | - | - | - | - | - | -2.3 | 105.9 | 78.9 | 123.4 | 4.5 | - | -2.6 | - |
| | - | - | - | - | - | | | | | | | | |
| Morocco | BB+ | Ba1 | BBB- | BBB- | BB | -2.7 | 55.9 | 24.0 | 130.8 | 9.6 | 75.3 | 4.0 | 1.9 |
| | Positive | - | - | Stable | Stable | | | | | | | | |
| Nigeria | BB- | - | BB- | - | BB | -1.4 | 11.1 | 4.0 | 8.7 | 3.7 | 14.18 | 9.7 | 1.4 |
| | Stable | - | - | - | Stable | | | | | | | | |
| Sudan | - | - | - | - | CC | -2.3 | 51.5 | 58.4 | 296.5 | 3.6 | - | -9.8 | 7.4 |
| | - | - | - | - | Negative | | | | | | | | |
| Tunisia | BBB | Baa2 | BBB | BBB | BBB | -2.9 | 54.8 | 54.7 | 134.2 | 15.2 | 260.1 | -1.6 | 2.7 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Middle East | | | | | | | | | | | | | |
| Bahrain | A | A2 | A- | A- | A | 6.1 | 25.8 | 129.0 | 63.1 | 5.8 | 750.7 | 9.9 | 12.1 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Iran | - | - | B+ | BB- | B | -11.1 | 24.1 | 5.2 | 20.3 | 3.2 | 25.4 | 3.1 | 0.0 |
| | - | - | - | Stable | Stable | | | | | | | | |
| Iraq | - | - | - | - | C | -0.3 | - | 111.9 | 195.7 | 3.8 | - | 4.7 | - |
| | - | - | - | - | Positive | | | | | | | | |
| Jordan | BB | Ba2 | - | BB | B | -3.4 | 73.2 | 89.0 | 137.0 | 6.6 | 221.6 | -13.6 | 12.6 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Kuwait | AA- | Aa2 | AA- | AA- | A | 33.3 | 9.2 | 17.9 | 32.8 | 2.0 | 106.2 | 39.3 | -4.5 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Lebanon | B- | B3 | B- | B- | CCC | -13.1 | 174.6 | 101.6 | 492.5 | 14.8 | 242.6 | -10.8 | 4.7 |
| | Negative | - | - | Negative | Stable | | | | | | | | |
| Oman | A | A2 | - | BBB+ | A | 10.1 | 7.7 | 17.2 | 19.8 | 5.9 | 113.7 | 8.6 | 2.0 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Qatar | AA- | Aa2 | - | A+ | A | 6.8 | 15.5 | 47.0 | 96.5 | 10.9 | 407.7 | 27.8 | 4.3 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Saudi Arabia | AA- | A1 | A+ | A+ | A | 19.4 | 4.7 | 8.4 | 26.1 | 2.4 | 122.9 | 31.9 | 0.5 |
| | Stable | - | - | Stable | Stable | | | | | | | | |
| Syria | - | - | - | - | CCC | -5.3 | 44.1 | 20.1 | 49.3 | 4.1 | 107.8 | -1.1 | 1.4 |
| | - | - | - | - | Stable | | | | | | | | |
| UAE | - | Aa2 | - | AA- | A | 23.9 | 10.6 | 60.0 | 29.8 | 2.0 | 332.9 | 18.8 | 5.2 |
| | - | - | - | Stable | Stable | | | | | | | | |
| Yemen | - | - | - | B- | B | - | 38.8 | 28.9 | 69.2 | 2.8 | 73.9 | -5.2 | - |
| | - | - | - | Stable | Stable | | | | | | | | |



COUNTRY RISK METRICS

| Countries | LT Foreign currency rating | | | | | Central gvt. balance/ GDP (%) | Public debt (% of GDP) | External debt / GDP (%) | External debt/ Exports (%) | Debt service ratio (%) | External Debt/ Forex Res. (%) | Current Account Balance / GDP (%) | Net FDI / GDP (%) |
|-------------------------------------|----------------------------|---------|-------|------|-----|-------------------------------|------------------------|-------------------------|----------------------------|------------------------|-------------------------------|-----------------------------------|-------------------|
| | S&P | Moody's | Fitch | CI | EIU | | | | | | | | |
| Central & Eastern Europe | | | | | | | | | | | | | |
| Armenia | - | Ba2 | BB- | - | - | -3.3 | 17.6 | 27.1 | 210.0 | 2.6 | 161.6 | -4.1 | 3.5 |
| Bulgaria | BBB+ Stable | Baa3 | BBB | - | BBB | 2.6 | 19.5 | 80.0 | 147.3 | 18.0 | 228.2 | -16.1 | 11.0 |
| Kazakhstan | BBB- Stable | Baa2 | BBB | - | BB | 0.3 | 4.4 | 60.4 | 225.2 | 36.0 | 197.8 | 2.3 | 5.1 |
| Romania | BBB- Stable | Baa3 | BBB | BBB- | BB | -2.9 | 12.8 | 42.0 | 178.3 | 22.3 | 233.1 | -11.9 | 6.9 |
| Russia | BBB+ Stable | Baa2 | BBB+ | - | BBB | 3.6 | 8.2 | 33.5 | 90.8 | 12.5 | 98.5 | 6.3 | 1.3 |
| Turkey | BB- Stable | Ba3 | BB- | BB- | B | -2.0 | 60.9 | 52.3 | 194.8 | 37.6 | 340.6 | -7.9 | 4.6 |
| Ukraine | BB- Negative | B1 | BB- | - | BB | -2.6 | 17.5 | 44.7 | 105.6 | 17.5 | 207.5 | -3.6 | 4.2 |

Sources: Moody's Investors Service; EIU - The above figures are estimated for 2007



SELECTED POLICY RATES

| | Benchmark rate | Current (%) | Last meeting | | Next meeting |
|-------------------------|-----------------------|-------------|--------------|---------------|--------------|
| | | | Date | Action | |
| USA | Fed Funds Target Rate | 4.50 | 31-Oct-07 | Cut 25bps | 11-Dec-07 |
| Eurozone | Refi Rate | 4.00 | 08-Nov-07 | No change | 06-Dec-07 |
| UK | Base Rate | 5.75 | 08-Nov-07 | No change | 06-Dec-07 |
| Japan | O/N Call Rate | 0.50 | 13-Nov-07 | No change | 20-Dec-07 |
| Australia | Cash Rate | 6.75 | 06-Nov-07 | Raise 25bps | 05-Dec-07 |
| New Zealand | Cash Rate | 8.25 | 24-Oct-07 | No change | 04-Dec-07 |
| Switzerland | 3 month Libor target | 2.75 | 13-Sep-07 | Raise 25bps | 13-Dec-07 |
| Emerging Markets | | | | | |
| China | One-year lending rate | 7.29 | 14-Sep-07 | Raise 27bps | N/A |
| Hong Kong | Base Rate | 6.00 | 01-Nov-07 | Cut 25bps | N/A |
| Taiwan | Discount Rate | 3.25 | 20-Sep-07 | Raise 12.5bps | 31-Dec-07 |
| South Korea | O/N Call Rate | 5.00 | 08-Nov-07 | No change | 07-Dec-07 |
| Malaysia | O/N Policy Rate | 3.50 | 26-Nov-07 | No change | 29-Jan-08 |
| Thailand | 1D Repo | 3.25 | 10-Oct-07 | No change | 04-Dec-07 |
| India | Reverse repo rate | 6.00 | 30-Oct-07 | No change | 31-Jan-08 |
| UAE | 3M EBOR | 4.91 | 01-Nov-07 | Cut 20bps | N/A |
| Saudi Arabia | Repo Rate | 5.50 | 01-Nov-07 | No change | N/A |
| Egypt | overnight lending | 10.75 | Oct-07 | No change | N/A |
| Turkey | Base Rate | 16.25 | 14-Nov-07 | Cut 50bps | 13-Dec-07 |
| South Africa | Repo rate | 10.50 | 11-Oct-07 | Raise 50bps | 06-Dec-07 |
| Kenya | Central Bank Rate | 8.75 | 04-Oct-07 | No change | Dec 07 |
| Nigeria | Monetary Policy Rate | 8.00 | 03-Oct-07 | Raise 100bps | Dec 07 |
| Ghana | Prime Rate | 13.50 | 06-Nov-07 | Raise 100bps | Jan 07 |
| Mexico | Target Rate | 7.50 | 26-Oct-07 | Raise 25bps | 23-Nov-07 |
| Brazil | Selic Rate | 11.25 | 17-Oct-07 | No change | 05- Dec-07 |
| Armenia | Repo Rate | 5.00 | N/A | N/A | N/A |
| Romania | Policy Rate | 7.50 | Oct-07 | No change | N/A |
| Bulgaria | Overdraft rate | 8.40 | N/A | N/A | N/A |
| Kazakhstan | Reverse repo rate | 9.00 | Oct-07 | N/A | N/A |

Source: Standard Chartered - Countries in bold updated on November 29, 2007



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