Issue 62
April 10, 2008

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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Losses from sub-prime crisis at $945bn

The International Monetary Fund estimated aggregate potential write-downs and losses from the U.S. sub-prime crisis to be approximately $945bn as of March 2008, with $720bn coming from losses on related securities and $225bn from unsecuritized loans. It said aggregate losses are about $565bn for non-prime and prime U.S. residential loans and securities, and $240bn on commercial real estate securities. Also, corporate loans are expected to account for $120bn of losses, while consumer loan losses are likely to add an additional $20bn. It estimated that global banks are likely to shoulder roughly half of aggregate potential losses, totaling from $440bn to $510bn, with insurance companies accounting for $105bn to $130bn in losses, pension funds losing between $90bn and $160bn, governments and government-sponsored enterprises accounting fro $40bn to $140bn, and money market funds, hedge funds and other institutional investors accounting for the balance of between $110bn and $200bn.

Source: International Monetary Fund

MENA

Capital access improves in region

The Milken Institute's annual survey on capital access around the world shows that capital access in the MENA region improved in 2007 from 2006. The average score of 14 countries in the MENA region on the Capital Access Index reached 4.68 points, up from 4.63 points in the previous survey, while the score of Arab countries reached 4.56 points, almost unchanged from 4.57 points in 2006. The rankings of 5 countries improved, 7 declined and were unchanged in the MENA region, while the scores of 8 countries improved, 5 regressed and one was unchanged. The index measures how well countries support economic activity by providing businesses with access to capital, both domestic and foreign. It serves to help nations understand where financing barriers exist that could dampen their global competitiveness.

Source: Milken Institute, Byblos Research

AFRICA

UN calls for debt write-offs

The United Nations Economic Commission for Africa indicated that strong economic growth rates in Africa have failed to translate adequately into more jobs and less poverty. It noted that much of the aid to Africa in recent years was in the form of debt relief rather than productive investment, adding that African countries had already paid back more money than they had borrowed but still owed $250bn and called for writing off the debt. The UN indicated that an investment rate in sub-Saharan Africa of about 20% of GDP was lower than the 25-30% the region required. The UN said weak financial infrastructure, weak governance and extensive corruption as some of the major factors hampering effective mobilization of domestic resources.

Source: United Nations

TURKEY

Outlook revised

Standard & Poor's revised Turkey's outlook to 'negative' from 'stable' and affirmed the country's long-term foreign currency rating at 'BB-', three notches below investment grade. It cited the Supreme Court case against the ruling Justice & Development Party (AKP) as a major factor for the outlook change. The agency said the negative outlook reflects concerns about the increasingly challenging political and global environment that Turkey faces in the near term. It added that these factors raise the likelihood of a prolonged deterioration in Turkey's financing conditions. S&P said a lawsuit seeking the closue of the AKP for undermining secularism may last several months and create a tense situation.

Source: Standard & Poor's

IRAN

Iran steps up uranium enrichment

President Mahmoud Ahmadi-Nejad declared that Iran has started installing an additional 6,000 uranium enrichment centrifuges at its main nuclear facility. The extra equipment would enable Iran to triple its current capacity to enrich uranium to produce nuclear fuel or weapons grade material. However, it takes time to install centrifuges and make them operate smoothly. Although Iran has already installed 3,000 centrifuges, which in theory could produce enough fissile material for a bomb in as little as a year, Iran is unlikely to be able to produce sufficient fissile material until between 2010 and 2015. Tehran insists its program is purely for peaceful purposes, although the US and the European Union suspect it of seeking the capacity to produce nuclear weapons. Iran's announcement comes despite United Nations Security Council resolutions demanding that it halt uranium enrichment. The U.S. and the world's other big powers are currently discussing whether to impose further sanctions on Iran or instead improve their offer for Iran to suspend enrichment activities.

Source: Financial Times

ARMENIA

Central Bank Governor set to be new PM

The party of Armenia's president-elect, Serzh Sarksyan, said it would back the Governor of the Central Bank of Armenia, Tigran Sarksyan, to be the new prime minister. The prime minister's job is vacant since April 9 when Serzh Sarksyan, who held the post, was sworn in as president. Under the Armenian constitution, the president appoints the prime minister after consultations with Parliament. The Republican Party won 65 out of 131 seats in May's parliamentary election. Two other parties in the ruling coalition also indicated they would support Sarksyan for the premiership. Serzh Sarksyan won a presidential election in February which his opponents said he rigged. He ordered a 20-day state of emergency on March 1 when eight protesters died in clashes with police in the capital.

Source: Reuters

MENA

Near-term positive outlook, inflation is key concern

The International Monetary Fund projected economic growth in the Middle East at 6.1% in 2008, up from an earlier forecast of 5.9%, and at 6.1% in 2009, up from 6% at the start of the current year. It said the short-term outlook generally remains positive, while global financial market turmoil has had little direct effect on the region. The Fund added that the current account surplus is expected to remain very large at 23% of GDP this year and 19.4% of GDP in 2009. It noted that inflation pressures in the region have risen considerably in recent months, owing to strong domestic demand, rising food prices, and higher rents in the GCC. It forecast inflation at 11.5% in 2008 and 10% in 2009, adding that inflation pressures should moderate as rents ease with the completion of a large number of new housing units across the GCC and limited price controls take effect.

The IMF considered that risks to the outlook are broadly balanced. Continued high oil prices or the large cut in U.S. interest rates could stimulate a stronger-than-expected expansion of domestic demand, although this would likely lead to higher inflation and would create risks of a possible asset price bubble. Conversely, a broad-based global slowdown that resulted in a substantial drop in oil prices and regional geopolitical uncertainties are the main near-term downside risks to the outlook. According to the IMF, the key macroeconomic policy challenge is to contain rising inflation pressures. It said inflation will still remain uncomfortably high despite some reduction in inflation over the next year.

The Fund encouraged policymakers to focus on developing private-sector-led economies in the region, like those already in place in many GCC countries. It said reforms to improve the business climate and make investment in the non-oil sector more attractive should take priority. It encouraged the reduction in trade barriers, simplifying tax systems, reducing government controls and regulations, and improving the transparency of legal and administrative systems. It added that financial sector reforms are also a priority in order to develop financial systems that can support high and sustained growth.
Source: International Monetary Fund

EMERGING MARKETS

Markets resilient to turmoil, but key risks remain

The International Monetary Fund stated that emerging markets have so far proved broadly resilient to the global financial turmoil, but warned that several risks exist from the current uncertainties. It said improved fundamentals, abundant reserves and strong growth have helped to sustain flows into emerging market assets. But macroeconomic vulnerabilities in a number of countries make them susceptible to deterioration in the external environment, particularly in Eastern Europe, where sharp drop in capital flows could force a painful adjustment. The Fund highlighted several distinct risks to emerging markets. First, banks in mature market may reduce funding to their local subsidiaries. Second, balance sheet contraction by global financial institutions may reduce funding for investments by hedge funds and other institutions, raising their dollar funding costs and leading to financial stress within some emerging markets. Third, emerging market corporate credit risks may continue to increase, as corporate debt spreads have already widened about as much as those of similarly rated credits in mature markets. Fourth, emerging market financial institutions could still prove vulnerable to financial contagion through exposure to subprime or other structured credit products. Fifth, a rise in exchange rate volatility could slow or reverse flows into emerging market fixed-income assets, leading to higher funding costs. It also identified a risk of overheating in some economies, as countries whose monetary policy is tied to the U.S. dollar may experience a buildup of domestic liquidity.
Source: International Monetary Fund

IRAN

Troubling economic outlook, growth at 5%

The Institute of International Finance expected Iran’s economy to grow by 5.3% in the 2008/09 fiscal year and by 4.9% in the following year, adding that the expected continuation of populist policies will further weaken economic fundamentals and make the economy more vulnerable to a fall in oil prices. It said Iran's economic policy mix has not been successful in delivering sustained high levels of economic growth, lower inflation, and a strengthened fiscal position. Further, a lack of progress with structural reforms reinforces the state’s role in the economy at the expense of private sector development, and the effect of sanctions obstructs efforts to expand key sectors of the economy. It considered that the fiscal position constitutes a major risk, as revenues remain highly vulnerable to a fall in oil prices, and significant fiscal adjustment is required to rebalance spending commitments. It forecast the fiscal balance at 1.1% of GDP in 2008/09 and -0.3% of GDP in 2009/10. According to the IIF, reducing subsidies is unlikely prior to the 2009 elections, while high levels of spending will fuel inflation, forecast at 18.5% this year and 20.6% next year, and will deepen economic distortions and dim growth prospects over the medium term. Solid oil revenues will support economic growth in the short term by allowing the government to maintain a high level of spending, but plans to raise oil production will not be met fully.

The IIF indicated that oil prices will be the main determinant of the current account surplus, which is expected to narrow to around 10% of GDP in 2008/09 and to 5% the following year. Oil export volumes will grow modestly given projected oilfield depletion rates and strong domestic demand for oil. In parallel, the external debt stock is expected to fall steadily in both dollar and GDP terms over the coming two years. Lending by foreign banks will remain constrained by the effect of sanctions, and the government is not expected to issue any new Eurobonds. However, the exchange rate effect of the weak dollar on the debt stock will increase non-dollar-denominated debt in dollar terms. Also, tense international relations will induce substantial capital outflows and discourage inflows, while the banking system will remain constrained by sanctions, which will weaken sector performance. It noted that, despite weak net capital inflows, current account surpluses will support a further accumulation of foreign exchange reserves, which are forecast to increase to $116bn by the end of 2008/09 and $133bn a year later, both equivalent to around 17 months of imports of goods and services.
Source: Institute of International Finance

ECONOMY & TRADE

SYRIA

Insurance premiums at $194m in 2007

Figures released by the Syrian Insurance Supervisory Commission show that total insurance premiums reached $193.5m in 2007, constituting an increase of 25% from the previous year. The state-owned Syrian Insurance Company continues to lead the market with total premiums of about $115m, accounting for 59.5% of the total, but down from a 95% share in 2006. National Insurance Company accounted for 9.7% of premiums generated in 2007, followed by the Syrian Kuwaiti Insurance Company with 7.8%, United Insurance Company with 7.5%, the Syrian Arab Insurance Company with 5.7%, Arope Insurance with 4.5% and Arabia Insurance with 2.2%. Premiums collected from third-party car insurance accounted for 42% of the market, followed by all-risk car insurance with 18.5%, fire with 16%, marine with 10%, engineering with 3.4% and health with 2.7%, while other categories represented the remaining 7.4% of the market. Health insurance posted the biggest growth among all categories with a 208% year-on-year increase.

Source: Syria Report

IRAQ

Baghdad cleared for next steps to WTO accession

Members of the World Trade Organization (WTO) working party on Iraq supported Iraq's rapid accession to the WTO and argued it would contribute to the country's integration into the world economy. Since the first working party meeting held in May 2007, Iraq has provided members with a legislative action plan which shows the state of ongoing legal reforms. It also provided information on its sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT) and the trade-related aspects of intellectual property rights (TRIPS) as well as information on its domestic support and export subsidies in agriculture. Iraq still has to submit information on pricing policy, investment rules, import licenses, customs law, state trading enterprises, regulations on tariffs, free zones and telecom licenses. Market access negotiations will start once Iraq submits its initial offers on goods and services. A WTO statement said there have been some discussions but no concrete proposals for the moment. Iraq applied for membership nearly four years ago, and a WTO negotiating group was established in December 2004. Iraq's Trade Minister said Iraq was determined to overcome the country's difficult circumstances to move forward on the accession process, adding that Iraq's membership would represent a significant addition to the international community.

Source: Khaleej Times

JORDAN

Net public debt at 72.3% of GDP

Figures released by the Finance Ministry show that net outstanding public debt reached JD8.2bn at the end of 2007, up 11.6% from JD7.35bn at end-2006. Net public debt was equivalent to about 72.3% of estimated GDP for 2007 compared to 73.5% of GDP for 2006. Also, total cumulative net proceeds generated from Jordan's privatization program reached JD847.3m at the end of 2007, up 38.5% from JD611.8m at the end of the previous year.

Source: Ministry of Finance

MAURITANIA

Nouakchott meets end-2007 targets

The International Monetary Fund indicated that Mauritania met all performance criteria and benchmarks for end-December 2007, adding that macroeconomic developments in the fourth quarter of 2007 were generally in line with program targets despite of difficult economic conditions. It said non-oil GDP reached almost 6% in 2007, benefiting from the rebound in agricultural production and the development of new mining projects. Foreign exchange reserves were slightly above the target for end-2007, while the budget deficit was kept within the limits set in the program. It added that year-on-year inflation fell from 8.9% at end-2006 to 7.4% at end-2007 despite inflationary pressure. Also, the current account deficit widened to around 11% of GDP in 2007, mainly due to lower oil exports combined with the adverse effects of higher import prices. The IMF said authorities continue to make progress with structural reforms such as strengthening the tax administration, implementing measures to improve governance and transparency and rehabilitating the financial system.

Source: International Monetary Fund

IVORY COAST

IMF, World Bank approve funds for post-conflict assistance and to clear arrears

The International Monetary Fund approved $66.2m in Emergency Post-Conflict Assistance (EPCA) for the Ivory Coast to continue the efforts begun under an initial EPCA-supported program to strengthen the country's foundation for sustained recovery. The IMF's support through EPCA is a key part of a concerted international effort to provide financial assistance to the country. In parallel, the World Bank approved a grant of $308m to the Ivory Coast to clear its arrears dating from 2004 to the Bank and provided $35m in budget support. The Bank said this operation paves the way for its strong re-engagement with a further $226.5m to support the Ivory Coast's post-conflict reconstruction efforts, especially in the areas of economic reform, governance, community rehabilitation, and the provision of basic social services. Also, a $120m pre-arrears clearance grant for post conflict assistance was approved in August 2007.

Source: International Monetary Fund, World Bank

UKRAINE

Annual inflation at 26% in March

Consumer price inflation reached 26.2% year-on-year in March, compared to 21.9% in February, and constituting the highest level since November 2000. Inflation rose 3.8% month-on-month in March, much higher than the market consensus of 1.9%. Accumulated inflation since the beginning of the year has reached 9.7%, above the government's full-year target for end-2008 of 9.6% and the National Bank of Ukraine's forecast of 12%. Food prices jumped by 5.6% monthly and by 40.7% annually from 33.5% in February and transportation services rose to 23.2% annually from 19.1% in the previous month. Inflation reached 16.6% in 2007 compared to 11.6% in 2006. The significant acceleration in inflation is likely to strengthen incentives for hryvnya appreciation.

Source: Credit Suisse

GCC

Central banks commit to dollar peg, monetary union

Gulf Cooperation Council Central Bank Governors reaffirmed their commitment to both the dollar peg and the 2010 deadline for the Monetary Union. The governors agreed to provide fresh impetus to create a single currency by the targeted deadline, although specific measures to be taken to reach this deadline were not mentioned. But the GCC countries plan to meet again in two months to complete the legislation and the matters relating to monetary union, while the 2010 deadline will be reviewed next year. In parallel, Qatar's Central Bank Governor said that the decline in the US dollar will not change plans to peg the Gulf single currency to the dollar. Also, a UAE committee studying currency policy recommended that the country should keep its dirham pegged to the US dollar at the prevailing rate, ruling out a revaluation or de-pegging in the foreseeable future.

Source: Reuters, WAM

NIGERIA

Oceanic Bank International assigned ratings

Fitch Ratings assigned Oceanic Bank International Plc a Long-term foreign currency Issuer Default rating (IDR) 'B' with Stable Outlook, Short-term foreign currency IDR 'B', Individual rating 'D' and Support rating '4'. Oceanic is one of the five largest banks in Nigeria by total assets. The agency said the ratings reflect the bank's track record of strong earnings growth and acceptable levels of capital. The ratings also take into account strong credit growth, developing risk management processes and Nigeria's difficult operating environment. Fitch expected the bank's earnings to continue to grow, but expressed concerns that the strong levels of credit growth may lead to higher levels of NPLs. It added that the quality of Oceanic's risk management has not kept pace with its strong asset growth, which may result in a deterioration of the bank's asset quality indicators. Oceanic has 320 branches and more than 100 ATMs across Nigeria.

Source: Fitch Ratings

KAZAKHSTAN

Reserves reach $40.4bn

Figures released by the National Bank of Kazakhstan show that foreign reserves, including the National Oil Fund assets, stood at $40.4bn at the end of March, up $2bn from the end of 2007. Non-gold reserves of the NBK reached $17.2bn at the end of March compared to $17.3bn in mid-March but were up by $0.3bn from end-February. The assets of the National Oil Fund increased by $2bn in the first quarter of the year to $23.1bn, continuing their steady growth. In parallel, total deposits increased by 1.2% month-on-month to $32.9bn at the end of February from $32.6bn at the end of January, with most of the growth coming from foreign currency deposits.

Source: Credit Suisse

SAUDI ARABIA

SAMA raises reserve requirements

The Saudi Arabian Monetary Agency (SAMA) raised commercial bank reserve requirements to 12% of their demand deposits, up from 10%. This constitutes the third recent increase in the reserve ratio, which was raised to 9% from 7% in November, and then to 10% in January. The new ratio, which took effect on April 1, is the highest level of reserve requirement in 28 years. SAMA's decision is an attempt to contain credit and money supply growth.

Source: Arab News

ARMENIA

Central Bank meets most international standards

According to the Armenian Central Bank's new manual on the transparency level of its activities, the CBA meets 73 out of 77 world transparency standards. The Central Bank of Armenia started adjusting its activities with the world standards in 1999. The CBA stated that it will also regularly publish a report on the level of transparency and compliance with international standards. World banking standards were worked out by the Bank for International Settlements, the World Bank, the European Bank for Reconstruction and Development, and the International Financial Corporation in 1993-1999. The International Monetary Fund set common requirements and standards for the central banks of all the member-countries in 1999.

Source: ARKA

UKRAINE

Moody's reviews 22 banks for possible upgrade

Moody's Investors Service placed the 'B2' long-term foreign-currency deposit ratings of 22 Ukrainian banks on review for possible upgrade. The rating action was triggered by the review for possible upgrade of the government's sovereign bond ratings and country ceiling for foreign-currency deposits. The agency said it placed on review the ratings of banks whose foreign-currency deposit ratings are currently constrained by the 'B2' country ceiling for foreign-currency deposits. Some of the banks under review are Alfa Bank, Kreditprombank, Prominvestbank, Raiffeisen Bank Aval and Ukreximbank. Also, Moody's placed the long-term foreign currency debt ratings of Forum Bank, Ukreximbank, Privatbank, Ukrsibbank, Savings Bank of Ukraine and Ukrsotsbank on review for possible upgrade.

Source: Moody's Investors Service

RUSSIA

Moody's reviews 10 banks for upgrade

Moody's Investors Service has placed the Baa2 long-term foreign currency deposit ratings of 10 Russian banks on review for possible upgrade. The rating action was triggered by the review for possible upgrade of the government's sovereign bond ratings and country ceiling for foreign-currency deposits. The agency said it placed on review the ratings of banks whose foreign-currency deposit ratings are currently constrained by the 'Baa2' country ceiling for foreign-currency deposits. Some of the banks under review are Bank VTB, DeltaCreditBank, Russian Agricultural Bank, Sberbank and Vnesheconombank.

Source: Moody's Investors Service

Oil hovers below record after fall in U.S. stocks

Oil prices held steady around $111 a barrel on April 10, within sight of the previous day's record high after a sharp fall in U.S. crude and fuel stocks rekindled concerns about summertime supplies. U.S. crude eased 9 cents to $110.78 a barrel, below its peak of $112.21 touched in the previous session. London Brent crude fell 11 cents to $108.36 a barrel, about $1 shy of its record. Prices surged 2% on April 9 after data showed U.S. crude oil inventories fell 3.2 million barrels last week as imports declined, countering earlier expectations for a build, while gasoline and distillate stocks also fell. U.S. gasoline and heating oil futures, as well as London gas oil, hit record highs after concerns about diesel supplies following a European refinery outage and after months of strong import demand from China. The premium for U.S. heating oil futures over crude has surged more than $5 to $25 a barrel this week, near the record high touched in the wake of Hurricane Katrina in 2005.

Oil also benefited from a broad commodities rally fuelled by the weakening dollar, which fell against the euro and the yen on views the U.S. Federal Reserve could cut interest rates by 50 basis points this month to stave off a possibly severe U.S. economic recession. Although investors are rushing into commodities as a hedge against the weakening, a possible recession would also cut into oil demand in U.S., where drivers are already reacting to high prices. Despite a plea from consuming nations for OPEC to raise oil production to help cap rising oil prices, cartel members insist the markets remain well supplied.
Source: Reuters

CNPC to build 100,000 b/d refinery

CNPC and the Syrian Government have signed a memorandum of understanding for the construction of an oil refinery with a daily capacity of 100,000 barrels of oil. The refinery will be located near the city of Deir-ez-Zor and will be designed to process mainly heavy crude oil. Most of Syria's crude reserves are made of heavy oil. The Chinese company will own 85% of the shares and Syria 15%. Syria's contribution will be through the supply of crude oil. The Syrian Government will also commit to purchase the oil produced by the refinery "at prices close to world levels". CNPC is China's largest integrated Oil and Gas Company and is owned in majority by the Chinese Government.
Source: Syria Report

Kazakhstan to impose crude oil export tax

The Kazakh government has approved a crude-oil export tax of up to $109.91 per ton. The actual duty will be linked to the price of Kazakh oil by a formula. In the first quarter of 2008, the price for Kazakh oil was about $714.9 per ton, equivalent to $98/bbl. The export tax is meant to ensure the same level of profitability of exports and domestic supplies and will let the government revenues grow by more than $1bn. The export duty will come into force 30 days after its publication.
Source: Credit Suisse

Base metals: Decoupling from equity markets, but economic risks persist

Base metals prices lost some ground during this week amid growing concerns over the slowdown in U.S. economic growth. Base metals are the commodities sector with the closest relationship to the equity markets and this relationship has been diminishing since the beginning of the year. This is due to strong liquidity inflows into the commodity markets, supply side problems and strong demand from China. While these factors should be supportive, especially for aluminum and nickel prices, the weak demand from western countries is expected to remain the main drag on the base metals sector.
Source: Credit Suisse

Precious metals: Temporary recovery in U.S. dollar triggers second round of profit taking

Precious metals prices suffered from profit-taking after the US dollar rebounded against the Euro. The dollar recovery was driven by some positive U.S. economic data. The stronger U.S. currency weighed on gold prices and activated many technical barriers. Prices tumbled to their lowest since the third week in January. Gold prices have been declining below the $900 mark and some profit taking are expected due to the high net speculative long positions that were in the market. This price dip is an attractive entry opportunity, since prices are expected to be well supported by the tight market situation and strong investment demand for gold. The main risk for gold prices is an unexpected strong recovery in the U.S. dollar.
Source: Credit Suisse

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	247.9	230.5	217.0	-4.0	27.3
LME metals price index	4127.0	3781.7	3911.5	-5.2	0.3
Oil prices USD	104.2	94.7	82.5	1.9	61.6
Oil prices SDRs	63.8	59.6	53.0	0.5	49.8
Gold $/troy oz	906.8	859.3	767.4	-7.6	36.1
Silver cents/troy oz	1715.0	1594.8	1448.1	-14.9	29.1
Platinum $/troy oz	1975.0	1666.7	1479.2	-9.2	58.6
Copper $/MT	8590.5	7482.9	7586.5	0.3	17.9
Nickel $/MT	28187.5	29036.6	33938.9	-11.6	-43.3
Aluminium $/MT	2836.0	2592.9	2621.0	-9.7	1.3
Zinc $/MT	2290.3	2509.8	2976.9	-17.5	-29.0
Steel - HR coil dry $/MT	605.0	598.0	573.4	0.0	12.0

Source: Credit Suisse

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	- -	- -	- -	- -	BBB Stable	9.4	14.0	3.1	5.4	1.9	3.7	14.4	0.8
Angola	- -	- -	- -	- -	BB Stable	3.8	10.9	13.8	14.5	5.3	41.2	31.6	2.4
Egypt	BB+ Stable	Ba1 -	BB+ Positive	BB+ Stable	B Stable	-6.9	82.5	21.9	55.2	6.0	109.2	1.4	4.6
Ethiopia	-	-	-	-	CCC Stable	-4.8	-	20.5	327.7	2.9	458.7	-8.7	2.2
Ghana	B+ Stable	- -	B+ Stable	- -	B Stable	-8.0	-	35.3	120.0	3.3	219.3	-9.8	-
Ivory Coast	- -	- -	- -	- -	CCC Stable	-3.4	-	47.6	97.4	4.2	339.0	6.9	-
Libya	- -	- -	- -	- -	BB Stable	31.4	4.3	8.9	11.4	2.8	5.6	16.8	2.4
Mauritania	- -	- -	- -	- -	- -	-2.3	105.9	78.9	123.4	4.5	-	-2.6	-
Morocco	BB+ Positive	Ba1 -	BBB- Stable	BBB- Stable	BB Stable	-1.8	54.3	22.2	115.7	7.9	63.3	1.0	4.0
Nigeria	BB- Stable	- -	BB- Stable	- -	BB Stable	-1.2	14.4	4.2	8.6	0.5	-	9.6	1.2
Sudan	- -	- -	- -	- -	CC Negative	-3.1	83.6	51.3	205.9	2.1	-	-5.6	3.8
Tunisia	BBB Stable	Baa2 -	BBB Stable	BBB Stable	BBB Stable	-1.5	49.1	52.7	90.5	12.3	232.1	-1.9	2.8
Middle East													
Bahrain	A Stable	A2 -	A Stable	A- Stable	A Stable	8.3	25.6	112.1	140.2	5.1	680.5	12.6	10.5
Iran	- -	- -	B+ Stable	BB- Stable	B Stable	-9.3	22.7	4.4	16.5	2.8	19.2	7.7	2.4
Iraq	- -	- -	- -	- -	C Positive	26.5	-	90.6	137.1	2.9	267.8	18.2	-
Jordan	BB Stable	Ba2 -	- -	BB Stable	B Stable	-4.6	72.6	87.6	237.8	6.1	220.6	-13.2	11.5
Kuwait	AA- Stable	Aa2 -	AA- Stable	AA- Stable	A Stable	33.0	6.9	15.2	3.1	3.5	83.2	47.9	-7.3
Lebanon	CCC+ Stable	B3 -	B- Stable	B- Negative	CCC Stable	-13.2	176.1	100.0	767.3	22.8	255.8	-11.2	5.1
Oman	A Stable	A2 -	- -	A- Stable	A Stable	10.4	5.6	11.4	20.5	5.9	79.6	13.6	2.0
Qatar	AA- Stable	Aa2 -	- -	AA- Stable	A Stable	12.0	11.4	59.3	104.0	11.0	565.3	35.8	2.2
Saudi Arabia	AA- Stable	A1 -	A+ Positive	AA- Stable	A Stable	17.6	3.8	7.8	15.2	2.0	154.9	29.3	0.2
Syria	- -	- -	- -	- -	CCC Stable	-5.5	40.3	13.7	39.8	3.2	100.7	2.2	1.6
UAE	- -	Aa2 -	- -	AA- Stable	A Stable	28.5	11.8	55.6	64.5	2.5	303.9	20.9	1.8
Yemen	- -	- -	- -	B- Stable	B Stable	-5.2	-	25.8	97.0	3.1	80.6	-3.9	

COUNTRY RISK METRICS

Countries	LT Foreign currency rating: S&P	Moody's	Fitch	CI	EIU	Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Central & Eastern Europe													
Armenia	-	Ba2	BB-	-	-								
	-	-	Positive	-	-	-2.4	14.6	22.2	227.3	2.6	126.2	-4.0	2.8
Bulgaria	BBB+	Baa3	BBB	-	BBB								
	Stable	-	Stable	-	Stable	3.1	16.2	106.9	174.3	18.1	299.8	-19.3	13.7
Kazakhstan	BBB-	Baa2	BBB	-	BB								
	Stable	-	Stable	-	Stable	3.4	4.6	88.9	201.9	48.5	578.4	-5.0	5.6
Romania	BBB-	Baa3	BBB	BBB-	BB								
	Stable	-	Stable	Stable	Stable	-3.4	12.8	45.3	193.5	24.0	238.0	-15.6	6.4
Russia	BBB+	Baa2	BBB+	-	BBB								
	Stable	-	Stable	-	Stable	3.5	5.3	29.4	112.5	17.1	82.4	3.7	0.9
Turkey	BB-	Ba3	BB-	BB-	B								
	Negative	-	Stable	Stable	Stable	-0.7	50.2	44.5	200.2	37.5	249.5	-5.2	3.1
Ukraine	BB-	B1	BB-	-	BB								
	Negative	-	Positive	-	Stable	-2.5	14.5	48.4	143.3	16.4	193.4	-4.4	3.8

Sources: Moody's Investors Service; EIU - The above figures are estimated for 2008

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	2.25	18-Mar-08	Cut 75bps	30-Apr-08
Eurozone	Refi Rate	4.00	06-Mar-08	No change	10-Apr-08
UK	Base Rate	5.25	06-Mar-08	No change	10-Apr-08
Japan	O/N Call Rate	0.50	07-Mar-08	No change	09-Apr-08
Australia	Cash Rate	7.25	01-Apr-08	No change	06-May-08
New Zealand	Cash Rate	8.25	06-Mar-08	No change	24-Apr-08
Switzerland	3 month Libor target	2.75	13-Mar-08	No change	19-Jun-08
Emerging Markets					
China	One-year lending rate	7.47	20-Dec-07	Raise 18bps	N/A
Hong Kong	Base Rate	3.75	19-Mar-08	Cut 75bps	N/A
Taiwan	Discount Rate	3.50	27-Mar-08	Raise 12.5bps	end Q208
South Korea	Target Rate	5.00	07-Mar-08	No change	10-Apr-08
Malaysia	O/N Policy Rate	3.50	25-Feb-08	No change	29-Apr-08
Thailand	1D Repo	3.25	27-Feb-08	No change	09-Apr-08
India	Reverse repo rate	6.00	29-Jan-08	No change	29-Apr-08
UAE	Overnight repo rate	2.25	19-Mar-08	Cut 75bps	01-May-08
Saudi Arabia	Repo rate	5.50	Mar-08	No change	N/A
Egypt	overnight lending	11.00	23-Mar-08	Raise 50bps	N/A
Turkey	Base Rate	15.25	19-Mar-08	No change	18-Apr-08
South Africa	Repo rate	11.00	31-Jan-08	No change	10-Apr-08
Kenya	Central Bank Rate	8.75	Feb 08	No change	Apr 08
Nigeria	Monetary Policy Rate	10.00	01-Apr-08	Raise 50bps	01-Jun-08
Ghana	Prime Rate	14.25	17-Mar-08	Raise 75bps	May 08
Mexico	Target Rate	7.50	14-Mar-08	No change	18-Apr-08
Brazil	Selic Rate	11.25	14-Mar-08	No change	16-Apr-08
Armenia	Refi Rate	6.50	Apr-08	Raise 25bps	N/A
Romania	Policy Rate	9.00	Feb-08	Cut 100bps	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 April 10, 2008

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