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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

SUDAN

Criminal court names suspects in Darfur crimes

The International Criminal Court named the first suspects accused of committing war crimes in Darfur, including both a former Sudanese state interior minister and a militia commander. The ICC's chief prosecutor Luis Moreno-Ocampo asked pre-trial judges at The Hague to issue summons against Ahmed Haroun, former state minister of interior responsible for the western Darfur region, and Ali Muhammad Ali Abd-al-Rahman, a key leader of the Arab Janjaweed militia. In a written statement, Mr Moreno-Ocampo said the pair were suspected of 51 counts of war crimes and crimes against humanity, and asked pre-trial judges to issue warrants for their arrest. Mr Moreno-Ocampo alleges Mr Haroun and Ali Kushayb were responsible for massacres, the eviction of thousands of civilians from their homes and mass rapes committed in 2003 and 2004 in West Darfur. Sudan has rejected the ICC's jurisdiction in Darfur, saying it was conducting its own investigation.
Source: Associated Press

NIGERIA

Spending-pressure ahead of election

The government has announced that it may withdraw $4bn from its oil savings fund in order to finance public spending at the state government level. If confirmed, this move would seriously undermine the fiscal discipline to which the federal government had so far been committed. The large transfer also raises questions about the political pressure ahead of the much-awaited election in April. In the recent past, the central government has engineered a fiscal framework that has allowed for substantial savings from oil revenue windfall, which has greatly contributed to the credibility of the economic team. However, this definitely sends a wrong signal. The elections may potentially be disruptive and could damage the credibility of the authorities, especially with regard to the economic reform momentum. Political risks are also elevated ahead of the election, given the poor security and political climate.
Source: Merrill Lynch

EUROPEAN UNION

EU to reduce paperwork burden for companies

The European Union's 27 nations have supported a move to reduce the burden of EU paperwork for companies by 25% by 2012, while stopping short of making promises on national bureaucracy. The move will lead to a 1.5% increase in gross domestic product (GDP), according to the European Commission, the EU's executive arm. The body is calling for the red-tape busting measure to be adopted at an EU summit in Brussels next month. Convinced of the political importance of the initiative, national ministers in charge of competition enthusiastically backed the scheme at a meeting in Brussels this week. However, the Commission would also like to see the red tape cut on a national level.
Source: Deutsche Welle

IRAN

Report says Iran continuing nuclear work

The International Atomic Energy Agency (IAEA) said in a report that Iran has ignored a U.N. Security Council ultimatum to freeze uranium enrichment and has instead expanded its program by setting up hundreds of centrifuges. The finding paves the way for new U.N. sanctions. The IAEA said that Tehran also has continued to build a heavy water reactor and related facilities which, along with enrichment, could help it develop nuclear arms. The report added that Iran ignored a Security Council call to cooperate with the IAEA in its efforts to shed light on suspicious nuclear activities. The conclusions could serve as the trigger for the Security Council to start deliberating on new sanctions meant to punish Tehran for its nuclear intransigence.
Source: Asociated Press

NORTH KOREA

North Korea invites UN atomic agency chief to visit

The head of the UN's International Atomic Energy Agency (IAEA) Mohamed ElBaradei said he had been invited to North Korea to discuss implementing a landmark agreement aimed at freezing Pyongyang's nuclear weapons program. The visit is expected to take place in mid-March and follows the international deal struck February 13 whereby the impoverished communist state would shut its nuclear facilities and allow U.N. inspectors into the country in exchange for energy aid worth $300 million. A key goal of El-Baradei's trip would be to get North Korea back into the IAEA, after Pyongyang kicked out the agency's inspectors in December 2002 before withdrawing from the Non- proliferation treaty in January 2003.

Critics have complained that the pact does not require North Korea to destroy its existing plutonium nuclear bombs, or its suspected program to manufacture highly enriched uranium, which like plutonium is a core material for making atom bombs.
Source: Reuters, Associated Press

IRAQ

Senate Democrats seek to reverse Bush's Iraq war powers

Democratic Party leaders in the U.S. Senate are working on legislation that would effectively revoke the 2002 resolution authorizing military action against Iraq. The proposal would limit the U.S. military's mission to training Iraqi troops and police forces, securing the country's borders and combating terrorist forces. The legislation will also call for a pullout of U.S. combat troops from Iraq by March 2008. If passed, the measure could spark an unprecedented showdown between Congress and the president over lawmakers' capacity to shape military and foreign policy.
Source: VOA News

OUTLOOK 2007

RUSSIA

Economic growth to slow to 5.5% in 2007

Sluggish oil output and ongoing competitiveness losses are likely to slow real GDP growth to 5.5% this year and 4.8% next despite further fiscal easing. Strong demand will keep inflation little changed this year and next near 9%, above the central bank's informal target range. Assuming $60 a barrel for Brent crude, the current account surplus looks set to narrow to 4.5% of GDP in 2007 and 1.7% in 2008. Appreciation pressures should be sustained this year, with government external debt now largely repaid. Depreciation pressures could emerge next year, however, if uncertainty due to the March 2008 presidential election triggers a rebound of resident capital outflows after last year's sharp decline.

Fiscal expansion seems likely to continue next year, together with the government's drive to increase the role of the state in the economy. Political and policy uncertainties may increase if differences begin to emerge between the new president and his predecessor, who most observers expect will try to exert continued influence.

The recent decline in oil prices, if sustained, should have only a limited adverse effect on Russia's economic performance this year and next. Optimism about Russia's financial outlook could begin to fade, however, if fiscal policy remains expansionary and oil prices fail to recover or fall further. Assuming oil prices near $50/barrel and continued fiscal easing, the government and the current account surpluses are likely to give way to deficits as early as 2009. Creditworthiness concerns should remain limited except perhaps for energy companies that have borrowed heavily to finance acquisitions and payments to the state rather than new investments.

Source: Institute of International Finance

ALGERIA

Positive growth prospects for 2007 and 2008

The Algerian government is pushing ahead with efforts to liberalize the economy. Certain sectors, such as telecoms, power, water and construction, will become steadily more open, and foreign firms will be able to play an important role in their development. The development of the Algerian private sector has been held back by the security problems of recent years and the poor state of the country's financial services sector. In addition, the regulatory environment remains generally poor and financial intermediation is weak.

Real GDP grew by almost 3.1% in 2006 compared with 4.9% in 2005. growth in crude oil production slowed in 2006, and will only pick up gradually in 2007-08. Accordingly, real GDP growth is expected to accelerate strongly, to 5.6% in 2007 and 6.1% in 2008. Average inflation is expected to rise from 1.8% in 2006 to 3.7% in 2007.

In 2007-08, Algeria's current account will continue to benefit from still high oil prices. Export earnings are expected to reach US$55.5bn by 2008, up from an estimated US$52.8bn in 2006. The import bill is forecast to rise strongly, to around US$32.5bn in 2008, from an estimated US$21bn in 2006.The fiscal position will remain comfortable, with strong receipts from the hydrocarbons sector and steady economic growth resulting in large fiscal surpluses.

Source: Economist Intelligence Unit

SUDAN

Economic growth to rise to 11.8% in 2007

Under the terms of its IMF reform program, the Sudanese government is committed to pursuing economic stability, including a strong external position and low inflation.

Levels of foreign direct investment (FDI), especially in the oil sector, will remain high over the outlook period. The Sudanese government is also expected to take advantage of rising oil earnings to boost investment expenditure on infrastructure, in line with its commitments to promote regional economic development. Rising export volumes caused by the coming on stream of new oil capacity will be partly offset by surging import demand. These imports will largely go into development projects, ultimately benefiting the economy, but their effect will be to constrain growth. As a result, real GDP growth is expected to accelerate to 9.6% in 2006, and to rise further to 11.8%, in 2007. The slower rate of increase in Sudan's oil output in 2008, however, will bring real GDP growth down to a projected 5.6%.

Average inflation is expected to reach the IMF-agreed target of 7.5% year on year in 2006. Although further major subsidy cuts remain unlikely unless oil prices rise further, robust domestic demand is expected to keep price pressures strong, causing inflation to average just over 8% in 2007-08.

Politically, the deteriorating situation in Darfur will continue to cause difficulties in Sudan's external relations. The north-south Comprehensive Peace Agreement is expected to survive, but it will come under increasing strain in 2007-08.

Source: Economist Intelligence Unit

KUWAIT

Strong economic performance forecast for 2006/07

The economy is set to realize one of it strongest economic performances in 2006/07 and the outlook remains buoyant with the oil price forecast to remain strong. However, the government has not been able to forge ahead with its economic reform program owing to parliamentary opposition. This is resulting in missed opportunities, especially at a time when other GCC countries are making progress on their development and diversification. Parliament will likely continue to block economic reform.

In order to curb imported inflation, the Kuwaiti central bank revalued its currency peg in May 2006, raising the KWD by around 1%. The KWD is now trading at the top end of the band and Kuwait has indicated it might widen the trading band or even change the peg if the USD continues to weaken.

Source: Standard Chartered

ECONOMY & TRADE

QATAR

Qatar to keep US dollar peg

Qatar's Finance Minister said that Qatar will not change its currency's peg to the US Dollar, and that he sees property prices, rather than import costs, as the main driver of inflation. His comments come on the back of strong speculation regarding the future of GCC member states' respective inclinations regarding their currency pegs. Saudi Arabia, Bahrain, Oman and now Qatar have ruled out a move away from the pegs. This leads to a small probability that GCC countries will move away from the peg in the short term, except for Kuwait which has indicated it might widen the trading band or move back to a trade weighted basket if the USD continues to weaken.

Source: Standard Chartered

RUSSIA

World Bank lends $50m for judicial reforms

The World Bank extended a $50 million loan to Russia for the Judicial Reform Support Project (JRSP). The project will contribute to improve governance and the rule of law by increasing transparency and efficiency within the judiciary. It will also help foster a better business environment conducive to private sector growth by improving the efficiency and predictability of the arbitration court system. The five-year project has a total cost of $172.41 million, of which $50 million will be financed by the World Bank, and $122.41 million will be counterpart financing provided by Russia. The loan has a 5-year grace period and 15 years' maturity.

Source: World Bank

WTO

WTO chief says bilateral talks moving too slow

The head of the World Trade Organization (WTO) Pascal Lamy indicated that bilateral talks between major trade powers to revive the Doha trade round were still moving too slowly. He said earlier that he sensed fresh determination to conclude the Doha round of global trade talks, first begun in 2001, but would wait for more substance before calling trade ministers together for that purpose. One key factor is the fact that U.S. President George W. Bush's fast-track trade authority, which makes it easier for Washington to reach agreements, only runs through June unless Congress renews it. This is not a certainty with the U.S. Congress now controlled by the opposition Democrats. "The breakthrough has to come in the first part of the year," Lamy said. Lamy re-launched the talks in January after a six-month hiatus. The Doha round is designed to boost the global economy and help lift millions out of poverty through more trade and investment. Discussions broke down in July 2005 after major powers differed over politically sensitive issues, especially calls to dismantle agricultural protection.

Source: Reuters

TURKEY

S&P affirms Turkey's credit ratings

Rating agency Standard & Poor's affirmed Turkey's long-term foreign and local currency credit ratings at BB- and BB, respectively with a 'stable' outlook. S&P said that these ratings were "supported by the government's commitment to prudent macroeconomic policies." However, S&P added that "the continued improvement in the country's underlying fundamentals are balanced out by its ever-present vulnerability to financing shocks in a year where political uncertainties are likely to heighten." S&P emphasized that "if the government manages these uncertainties so as to maintain confidence in policy-making, the ratings on Turkey could improve," but also warned that "if significant slippage in fiscal policy occurs, or political risks prove greater than currently envisaged, the ratings could come under downward pressure."

Source: Standard & Poor's

MOROCCO

New Eurobond under consideration

A government source has announced that the Ministry of Finance is considering a return to the international bond market, with possibly a new issue for EUR500mn. The idea would be to maintain a presence in the market while the existing bonds are nearing maturity. As such, the new issue would not necessarily reflect increasing borrowing requirements. The government source specified that the project remains at the discussion stage for the moment. A new issue from Morocco would reactivate investor interest for the credit.

Source: Merrill Lynch

UKRAINE

Capital outflows at $13bn in first 9 months of 2006

President Yushchenko expressed his concern about the rapid deterioration of the trade balance in late 2006, as well as the large-scale capital outflows. He estimated that capital outflows reached $12.9bn in January-September 2006. This definition of capital outflows presumably covers all possible channels of outflows, including the transfer of part of the population's savings from hryvnia into foreign currencies which was predictably large in the run-up to the parliamentary elections in March 2006 and the ensuing period of political uncertainty associated with the lack of a permanent government. The magnitude of gross capital outflows from Ukraine remains high, reflecting not just the political risks but also the challenging investment climate.

Also, the overall trade balance deteriorated sharply in 2006, with data showing a $2.98bn goods and services trade deficit (2.9% of GDP) in 2006 compared to a $1.29bn (1.6% of GDP) surplus in 2005. The $4.27bn year-on-year deterioration in the country's overall trade balance in 2006 is consistent with a shift in the current account to a $1.6bn deficit last year from a $2.5bn surplus in 2005.

Source: Merrill Lynch, Credit Suisse

BANKING

SYRIA

Syria raises foreign ownership limit for private banks to 60%

The Syrian cabinet has ratified the private banking law on Wednesday in order to attract foreign banks into the country by allowing them to own up to 60% of any new private bank's capital. Syria has gradually opened its banking sector to private operators over the past five years, and six conventional and three Islamic banks have established joint venture banks in collaboration with local investors. The amended law also increases the minimum required capital for conventional private banks to SYP5 billion ($96 million) from SYP1.5 billion and for Islamic banks to SYP10 billion from SYP5 billion. The minimum capital increase to SYP5 billion will help the existing and new banks to extend more loans and enter into larger development projects in Syria. So far, the only foreign banks that have set up affiliates in Syria have been based in the Middle East. Major international banks have stayed away from the market because of legal and political considerations. However, two international investment banks have signaled an interest in opening branches in Syria if the banking law is amended.

Source: Zawya Dow Jones

Deposits at private banks exceed $2.5bn at end-2006

The aggregate deposits at five of the six private banks operating in Syria reached a total of SYP128bn, or $2.5bn, as at end of 2006, up from $1.5bn at end-2005. All banks, except the International Bank for Trade & Finance (IBTF) have provided un-audited data for their 2006 activity. Deposits at BEMO Saudi Fransi reached around SYP58bn and Bank of Syria & Overseas had total customer deposits of around SYP44bn at the end of 2006. Deposits at Bank Audi Syria reached SYP13.45bn. Arab Bank had deposits of around SYP7.5bn and Byblos Bank, which in practice began operations in January 2006 had SYP5bn. In 2005, IBTF had ranked third with deposits of SYP15bn.. In parallel, BEMO's lending portfolio reached SYP13bn, i.e. 22% of deposits. It was followed by BSO (SYP6.42bn) with a much lower ratio of 14.5%. Loans at Audi, Byblos and Arab Bank reached respectively SYP4.85bn, SYP3.5bn and SYP2.5bn.

Source: Syria Report

UAE

Suspects' accounts frozen

Police in the UAE have arrested a group of suspected money launderers that used banks in the country to launder millions of dollars. An unspecified number of people from Asia, Europe and America were held for allegedly laundering $50 million, using corrupt staff who were paid commissions for their illegal activities. The UAE central bank had ordered the freezing of suspects' bank accounts, as well those of nine implicated companies.

Source: Al Bayan Arabic

UKRAINE

Central Bank eases currency restrictions

Effective 3 March, the limit on the amount of local currency that local residents can take with them abroad has been increased from UAH 10,000 ($2,000) to UAH 50,000 ($10,000). The measure will help cross-border traders, tourists, labour migrants and those going abroad for medical treatment. The new limits are in line with those set in 2005 for cash in FX form, so any impact on the balance of payments will likely be minimal. Still, the measure comes as a positive sign that Ukraine's monetary authorities are prepared to proceed with gradual easing of currency controls.

Source: Credit Suisse

TURKEY

Eurobank-Tekfenbank deal

Turkey's Banking Regulation and Supervision Agency has approved EFG Eurobank's acquisition of Tekfenbank. In May 2006, Eurobank agreed to acquire 70% of Tekfenbank for $182m. There were earlier concerns that the bank regulator might not approve the deal due to political considerations of foreigners taking over Turkish banks.

Separately, Turkey's largest mobile phone operator, Turkcell, has secured a $3bn syndicated loan from international banks, the largest unsecured syndicated loan to be secured by a Turkish firm. According to press reports, the loan will come in three tranches of $1bn each, with maturities of three, five and seven years. Turkcell is expected to use the facility to expand its international business.

Source: Merrill Lynch

RUSSIA

Central Bank publishes details of FX reserves management

The CBR indicated that as of mid-2006, 51.5% of its FX reserves were kept in USD, 38.6% in EUR, 9.8% in GBP and some iless than 0.1% in JPY and CHF. Also, 42% of reserves were in the form of bank deposits and balances on bank accounts, 38.6% in securities and 19.4% in the form of REPO operations. The bulk of reserves (51%) were invested in AA-rated assets, 38% in AAA-rated and 11% in A-rated. The central bank said that it is measuring performance of its portfolios against certain (undisclosed) benchmarks and reported that in H1 2006 five out of six such benchmarks were exceeded. The start of the publication of detailed data on reserves management by the central bank is a sign of increasing openness of the CBR's operations. It should also help the central bank in the effort to retain its current mandate to manage Stabilization Fund assets in future.

Source: Credit Suisse

ENERGY/ COMMODITIES

Oil prices rebound to two-month high

Oil prices rebounded to another two-month high Wednesday, reaching $62.41 per barrel, as traders brushed off Tuesday's stock market plunge and refocused on declining product inventories. Iran's persistent refusal to suspend its nuclear program has also been a driving force behind the energy market's six-day advance. The U.S. government reported Wednesday that stockpiles of gasoline and distillates, which include heating oil and diesel fuel, dropped last week by a larger amount than analysts had forecast. Gasoline and distillate inventories are lower than they were at this time last year. Light, sweet crude for April delivery rose 33 cents to settle at $61.79 a barrel on the New York Mercantile Exchange. Crude initially fell as low as $59.92 in electronic trading on the worry that U.S. and Chinese fuel demand growth could slow. As that concern faded, crude rallied to end higher for the sixth straight session at its loftiest settlement price since Dec. 22, when crude finished at $62.41 a barrel.
Source:Associated Press

Iraq's Cabinet approves draft hydrocarbon law

Iraq's cabinet endorsed the long-awaited draft hydrocarbon law. Its main points are as follows: (1) Iraq's two national oil companies will be turned into a holding with operational affiliates to manage different aspects of the industry, (2) the new national company INOC will be in charge of boosting exports and production, 3) the oil ministry will be transformed into a regulatory body, (4) overall policy will be set at the federal level by the Federal Council on Oil & Gas Council, (5) all revenues will be deposited into a national account and distributed to the 18 provinces based on their populations not on whether they have oil. The draft law does not set the terms or form of future contracts to be drawn with international oil companies but proposes handing over exploration and production contracts for up to 32 years. Additionally, existing contracts signed by the Kurdish Regional Government will be reviewed to be made consistent with the new draft law. In the event of a dispute between the central and the regional governments, an independent panel of experts will review the contracts in question "against certain commercial criteria." The law will be sent to parliament to be ratified by the end of May.
Source: Merrill Lynch, ShuaaCapital

Takeover of foreign-owned oil assets in Venezuela's Orinoco basin

President Hugo Chavez used his newly expanded executive powers to order the takeover of foreign-owned oil assets in Venezuela's Orinoco basin. The move affects six companies, notably ExxonMobil, Chevron, and ConocoPhillips of the US and BP of Britain, and is to be implemented by May 1, Chavez said on his radio program Monday. Takeovers of communications and electric power utilities have cost his government $1.3 billion in February alone, turning the bolivar into the world's poorest-performing currency.
Source: Bloomberg

Oil Market		Closing of February 21	Previous Price	Daily Δ
OPEC Basket	▲	57.09	56.94	0.3
Brent	▼	59.08	59.98	-1.5
Dubai	▲	57.85	57.50	0.6
WTI	▼	60.86	61.46	-0.9

Source: SHUAACapital

Base metals: Prices on the smaller nickel, tin and lead markets gain substantial ground

Base metal prices exhibited mixed trends over the last couple of days. While prices on the larger markets, such as aluminium and copper, have consolidated, prices on the smaller nickel, tin and lead markets have soared to new highs. This diverging performance is certainly also attributable to the absence of most Chinese investors due to the Chinese New Year festivities. However, there are also market-specific factors that are responsible for the strong rally in nickel, tin and lead prices. The inventory levels of all three of these base metals have declined considerably in recent months. Tin prices are currently being spurred on especially by scaled-back production in Indonesia. The Indonesian government is now attempting to crack down on the illegal mining and export of ore, which is leading to severe cutbacks in production and triggering noticeable unrest on the market. In Australia, the lead sector has undergone production shortfalls already for some months and in nickel, strong demand from the steel industry is fuelling price rises.
Source: Credit Suisse

Precious metals: Large price movements in gold and silver

Precious metal prices, particularly for gold and silver, gave up considerable terrain at the start of the week, but recovered strongly following the release of the US CPI numbers. For instance, in the wake of testing the $673 mark on 20 February, the price of gold tumbled at times by more than $15 only to climb back to above $670 level again the next day. The trend in silver sketches a similar pattern. The primary trigger for the initial profit-taking activity at the beginning of the week was a decline in oil prices on the same day, which led to liquidation of a share of the speculative long positions held in the precious metals market. But in view of the strong fundamental data, especially for gold, we would use such market turbulences as a buying opportunity.
Source: Credit Suisse

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	188.4	181.2	175.4	2.4	21.2
LME metals price index	3683.7	3689.2	3527.0	4.6	38.7
Oil prices USD	59.3	60.2	65.0	16.1	2.6
Oil prices SDRs	39.6	40.4	43.9	15.8	-1.9
Gold $/troy oz	677.4	620.8	617.9	6.0	22.7
Silver cents/troy oz	1374.0	1261.4	1214.3	6.8	44.2
Platinum $/troy oz	1225.0	1154.3	1161.5	5.6	19.6
Copper $/MT	5872.5	6754.0	6837.1	7.2	17.0
Nickel $/MT	42650.0	34140.6	27746.7	10.4	188.3
Aluminium $/MT	2791.3	2694.3	2626.7	-2.0	16.7
Zinc $/MT	3465.0	3841.6	3485.8	-5.1	58.5
Steel - HR coil dry $/MT	600.0	600.0	538.0	0.0	55.8

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 Positive	10.3	17.4	12.0	9.1	8.4	19.4	18.0	0.8
Angola	- -	- -	- -	- -	CCC Stable	2.3	43.7	49.5	22.3	4.6	216.9	21.1	7.3
Egypt	BB+ Stable	Baa2 -	BB+ -	BB+ Stable	B Stable	-6.9	99.0	29.7	68.0	6.6	150.3	1.6	5.6
Libya	- -	- -	- -	- -	BB Stable	26.6	6.0	9.7	-130.9	2.7	7.8	31.4	2.8
Morocco	BB+ Stable	Baa2 -	- -	BB Stable	BB Stable	-4.1	67.1	29.8	68.1	8.0	91.2	1.7	2.0
Nigeria	BB- Stable	- -	BB- -	- -	BB Stable	-1.0	10.7	5.2	9.7	1.9	14.18	9.7	1.6
Tunisia	BBB Stable	A3 -	BBB -	BBB Stable	BB Stable	-3.3	59.6	57.7	77.1	15.3	275.3	-2.6	6.6
Sudan	- -	- -	- -	- -	CC Stable	-3.8	58.7	71.2	355.0	4.0	-	-13.8	5.8
Middle East													
Bahrain	A Stable	A1 -	A- -	BBB+ Stable	A Stable	10.1	28.8	58.7	23.9	13.4	343.5	13.9	0.1
Iran	- -	- -	B+ -	- -	BB Negative	7.3	26.2	9.9	31.0	4.5	25.4	5.7	0.0
Iraq	- -	- -	- -	- -	D Stable								
Jordan	BBB Stable	Baa3 -	- -	BB Stable	B Stable	-4.8	73.4	91.1	18.5	13.7	266.6	-21.5	10.7
Kuwait	A+ Stable	Aa2 -	AA- -	A+ Stable	A Stable	38.8	10.8	13.7	8.9	2.7	129.3	44.5	-4.5
Oman	BBB+ Stable	A1 -	- -	BBB+ Stable	A Stable	16.0	6.5	14.1	18.0	5.0	101.6	19.4	1.9
Lebanon	B- Negative	B2 -	B- -	B- Negative	CCC Stable	-12.5	178.1	105.2	179.5	30.4	209.2	-15.6	4.5
Qatar	A+ Stable	Aa2 -	- -	A+ Stable	A Stable	17.6	19.1	46.5	55.3	8.4	440.6	35.8	4.3
Saudi Arabia	A+ Stable	Aa3 -	A+ -	A+ Stable	A Stable	18.0	10.8	8.4	21.1	3.7	130.0	30.8	0.3
Syria	- -	- -	- -	- -	CCC Stable	-3.6	41.9	30.8	68.0	5.6	146.9	2.0	1.6
UAE	- -	Aa2 -	- -	A+ Stable	A Stable	30.4	10.7	38.2	10.0	1.8	248.7	25.8	5.1
Yemen	- -	- -	- -	B- Stable	B Stable	-	38.8	28.9	69.2	2.8	73.9	-5.2	-
Central & Eastern Europe													
Ukraine	BB- Stable	Ba3 -	BB- -	- -	BB Stable	-2.5	19.6	42.8	58.7	2.8	188.4	-0.9	5.5
Russia	BBB+ Stable	A2 -	BBB+ -	- -	BBB Stable	7.2	10.9	30.4	81.3	3.6	96.9	14.4	0.8
Turkey	BB- Stable	Ba1 -	BB- -	BB- Stable	B Stable	-1.6	64.9	49.2	117.5	25.2	343.5	-8.2	4.5
Latin America													
Brazil	BB Stable	Ba1 -	BB -	- -	BB Stable	-3.2	72.7	17.2	56.3	29.3	205.1	1.2	1.6

Sources: Moody's; EIU

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	5.25	31-Jan-07	No change	21-Mar-07
Eurozone	Refi Rate	3.50	08-Feb-08	No change	08-Mar-08
UK	Base Rate	5.25	08-Feb-08	No change	08-Mar-08
Japan	O/N Call Rate	0.50	21-Feb-07	Raise 25bps	20-Mar-07
Australia	Cash Rate	6.25	06-Feb-07	No change	03-Apr-07
New Zealand	Cash Rate	7.25	24-Jan-07	No change	07-Mar-07
Switzerland	3 month Libor target	2.00	14-Dec-06	Raise 25bps	13-Mar-07
Emerging Markets					
China	One-year lending rate	6.12	18-Aug 06	Raise 27bps	N/A
Hong Kong	Base Rate	6.75	08-Aug-06	No change	N/A
Taiwan	Discount Rate	2.75	28-Dec-06	Raise 12.5bps	end Q1-07
South Korea	O/N Call Rate	4.50	08-Feb-07	No change	08-Mar-07
Malaysia	O/N Policy Rate	3.50	26-Feb-07	No change	27-Apr-07
Thailand	1D Repo	4.50	28-Feb-07	Cut 25bps	11-Apr-07
India	Reverse repo rate	6.00	31-Jan-07	No change	24-Apr-07
UAE	3M EBOR	5.50	N/A	N/A	N/A
Saudi Arabia	Repo Rate	5.20	29-Jun-06	Raise 20bps	N/A
Egypt	overnight lending	10.75	01-Feb-07	No change	N/A
Turkey	Base Rate	17.50	15-Feb-07	No change	15-Mar-07
South Africa	Repo rate	9.00	15-Feb-07	No change	12-Apr-07
Kenya	Central Bank Rate	10.00	Feb-07	No change	Apr-07
Nigeria	Monetary Policy Rate	10.00	22-Feb-06	New Policy rate	Apr-07
Ghana	Prime Rate	12.50	Dec-06	Cut 200bps	Feb-07
Mexico	Target Rate	7.00	23-Feb-07	No change	23-Mar-07
Brazil	Selic Rate	13.00	24-Jan-07	Cut 50bps	07-Mar-07

Source: Standard Chartered - Countries in bold updated on March 2, 2007