

## COUNTRY RISK WEEKLY BULLETIN

## NEWS HEADLINES

## WORLD

**Corporate debt of \$13 trillion due between October 2024 and end-2029**

S&P Global Ratings indicated that \$12.96 trillion (tn) in rated corporate debt will mature between October 2024 and December 2029. It noted that \$406.4bn in corporate debt are due in the remainder of 2024, \$2.24tn mature in 2025, \$2.7tn are payable in 2026, \$2.5tn come due in 2027, \$2.8tn have to be settled in 2028, and \$2.3tn mature in 2029. The geographic distribution of debt maturities shows that the U.S. has \$6.1tn in corporate debt that is due between October 2024 and end-2029, or 47% of the total, followed by the debt of European companies with \$4.83tn (37.2%), while the rest of the world has \$2.05tn in maturing debt (15.7%). Also, it noted that \$9.43tn in investment-grade corporate debt, or 72.7% of the due debt, mature between October 2024 and December 2029, while \$3.5tn in speculative-grade corporate debt (27.3%) come due during the covered period. It added that the maturing debt of non-financial companies stands at \$8.03tn and accounts for 62% of the due debt between October 2024 and end-2029. Further, the debt of consumer product firms that is due totals \$863.6bn and accounts for 10.8% of maturing non-financial corporate debt in the covered period, followed by the healthcare sector's debt with \$794.2bn and utilities companies with \$792.2bn (10% each), the debt of media & entertainment firms with \$778bn (9.7% each), telecommunications firms with \$712bn (9%), the high technology sector with \$659.3bn (8.2%), and the automotive industry with \$636.5bn (8%). It said that \$264.3bn in emerging markets' (EMs) investment-grade debt and \$94.2bn in EMs' non-investment grade debt are due during the covered period.

Source: S&P Global Ratings

**Project finance loans down 3% to \$257bn in first nine months of 2024**

Global project finance loans totaled \$257.3bn in the first nine months of 2024, constituting a decrease of 2.7% from \$264.4bn in the same period of 2023; while the number of project finance transactions reached 578 globally in the first nine months of 2024, down by 20.4% from 726 deals in the same period last year. The distribution of project finance loans shows that transactions in the Americas amounted to \$128.9bn and accounted for 50% of the aggregate deal value in the first nine months of 2024, followed by the Europe, the Middle East, and Africa (EMEA) with \$106bn (41.2%) and Asia-Pacific & Japan with \$22.4bn (8.7%). Also, there were 291 transactions in the Americas, or 50.3% of the total, followed by the EMEA region with 198 deals (34.3%), and Asia-Pacific & Japan with 90 transactions (15.6%). Further, the power sector accounted for \$104bn or 40.3% of project finance loans in the first nine months of 2024, followed by telecommunications firms with \$58bn (22.5%), the oil & gas industry with \$29bn (11.2%), the transportation sector with \$21bn (8%), and the industrial sector with \$17bn (6.6%). Also, there were 361 project finance transactions in the power sector or 62.5% of the total number of deals in the first nine months of 2024, followed by the transportation sector with 61 transactions (10.6%), telecommunications firms with 51 deals (8.8%), the oil & gas industry with 38 transactions (6.6%), and the industrial sector with 14 deals (2.4%).

Source: Refinitiv

**Mergers and acquisitions up 10% to \$1.6 trillion in first nine months of 2024**

Figures released by the Boston Consulting Group indicate that global mergers and acquisitions (M&A) transactions reached \$1.6 trillion (tn) in the first nine months of 2024, constituting an increase of 10% from \$1.45tn in the same period of 2023 and relative to a peak of \$3.3tn in the first nine months of 2021. Further, it pointed out that M&A transactions in North America amounted to \$924bn in the first nine months of 2024 and accounted for 57.9% of the total value of global deals, followed by Europe with \$353bn (22%), the Asia-Pacific region excluding Central Asia with \$263bn (16.5%), South & Central America with \$34bn (2%), and Africa, the Middle East & Central Asia with \$22bn (1.4%). Also, it said that the value of M&A deals in North America increased by 15.4% in the first nine months of 2024 from the same period last year, followed by M&A transactions in Europe (+14%). In contrast, it stated that the value of M&A deals in South & Central America declined by 22.7% in the covered period, followed by M&A deals in the Asia-Pacific region (-4.7%), and in Africa, the Middle East & Central Asia (-4.3%). Further, it noted that M&A transactions in the technology, media & telecommunications sector stood at \$448bn in the first nine months of 2024 and represented 28% of aggregate global M&A deals, followed by M&A transactions in the financial institutions & real estate sectors with \$318bn (20%), the energy industry with \$207bn (13%), the consumer sector with \$199bn (12.5%), the healthcare sector with \$154bn (9.6%), the materials industry with \$149bn (9.3%), and industrials with \$121bn (7.6%).

Source: Boston Consulting Group, Byblos Research

## MENA

**Arab world has favorable startup ecosystem**

The Global Startup Ecosystem Index for 2024 ranked the UAE in 23<sup>rd</sup> place globally and in first place among 10 Arab economies included in the index. Saudi Arabia followed in 65<sup>th</sup> place, then Egypt (66<sup>th</sup>), Bahrain (67<sup>th</sup>), Jordan (68<sup>th</sup>), and Lebanon (73<sup>rd</sup>), as the top six startup ecosystems in the Arab world. The index is composed of the Quantity Sub-Index that incorporates the number of startups, investors, accelerators, and co-working spaces, and other supporting organizations; the Quality Sub-Index that takes into account the traction of the top startups of an ecosystem; and the Business Sub-Index that considers a number of macroeconomic and business indicators. Further, the rankings of eight Arab countries improved, the ranking of one Arab economy deteriorated, and the rank of one Arab state remained unchanged in 2024 from the 2023 index. In parallel, the survey included 21 Arab cities among 1,000 cities worldwide in the 2024 index, with Dubai ranking in 50<sup>th</sup> place globally and in first place among Arab cities, followed by Cairo (97<sup>th</sup>), Riyadh (136<sup>th</sup>), Abu Dhabi (195<sup>th</sup>) and Amman (210<sup>th</sup>) as the best startup ecosystems among Arab cities. The rankings of 18 Arab cities increased, and those of two Arab cities deteriorated, from the 2023 survey. In addition, the survey identified 308 startups based in the top three Arab countries in 2023 relative to 499 startups in 2022. It stated that deals in the region received \$3bn in funding in 2023, down by 39% from \$4.9bn in 2022.

Source: StartupBlink, UNDP, Byblos Research

# OUTLOOK

## MENA

### Economic outlook contingent on geopolitical risks and commodity prices

The International Monetary Fund projected the real GDP growth rate of the Middle East & North Africa (MENA) region at 2.1% in 2024 compared to its April forecast of 2.7% in 2024. It attributed its downward revision to global geo-economic fragmentation, regional conflicts, and country-specific challenges. It expected growth to improve to 4% in 2025, down from 4.2% in its April forecast, in case oil production cuts are not renewed and headwinds from the regional conflicts recede. Further, it forecast the real GDP growth rate of the region's oil-exporting countries at 2.3% in 2024 and 4% in 2025, amid robust non-oil sector activity in Gulf Cooperation Council economies (GCC). As such, it expected the real GDP growth rate of GCC countries at 1.8% in 2024 and 4.2% in 2025, with their real non-oil GDP growing by 3.7% and 4% in 2024 and 2025, respectively. It projected the real GDP growth rate of MENA oil-importing economies at 1.5% in 2024 and 3.9% in 2025, relative to 2.4% and 4% in 2024 and 2025, respectively, in its April forecast, given the adverse impact of the regional conflict and due to country-specific challenges.

In parallel, it projected the fiscal deficit of the MENA oil-importing countries at 7.3% of GDP in 2024 and 6.8% of GDP in 2025, relative to its April forecast of deficits of 7.6% of GDP in 2024 and 6.3% of GDP in 2025, respectively, due to fiscal consolidation; and forecast the fiscal deficit of the region's oil-exporters at 0.4% of GDP in 2024 and 0.9% of GDP in 2025. In addition, it forecast the current account surplus of MENA oil-exporters to decline from 4.7% of GDP in 2024 to 3.2% of GDP in 2025, driven by lower oil prices and higher import bills, and for the current account deficit of oil importers to reach 6.6% of GDP in 2024 and 6.3% of GDP in 2025.

It considered that the balance of risks for the region's outlook is tilted to the downside and include further escalation of conflicts in the Middle East and insufficient implementation of structural reforms. It noted that the threat of increased geo-economic fragmentation, still-tight monetary policy, and the volatility of commodity prices will weigh on the region's economic outlook.

*Source: International Monetary Fund*

## AFRICA

### Economic activity to pick up in near term, risks tilted to the downside

The International Monetary Fund projected the real GDP growth rate of Sub-Saharan Africa (SSA) to accelerate from 3.6% in 2024 to 4.2% in 2025. But it considered regional growth to be subdued due to conflicts and insecurity in the region, as well as to tight domestic and external financing conditions. Further, it anticipated economic activity in resource-intensive economies to accelerate from 2.8% this year to 3.5% next year, and forecast the real GDP growth rate in non-resource intensive countries at 5.6% in 2024 and 6.1% in 2025. Also, it expected the real GDP growth rate of SSA's oil-exporting countries at 2.8% in 2024 and 3.2% in 2025.

In addition, it projected the fiscal deficit of resource-intensive economies in SSA to narrow from 4% of GDP in 2024 to 3.7% of GDP in 2025, and for the deficit of non-resource intensive

countries to shrink from 4% of GDP this year to 3.2% of GDP in 2025. Also, it forecast the fiscal deficit of the SSA region's oil exporters at 1.6% of GDP in 2024 and 1.8% of GDP in 2025. In turn, it projected the public debt level of the region's oil-exporting countries at 53.3% of GDP at end-2024 and 50.7% of GDP at end-2025. Also, it anticipated the public debt level of resource-intensive economies at 60.3% of GDP at end-2024 and 58.5% of GDP at end-2025, and of non-resource intensive countries at 58.6% of GDP at end-2024 and 61% of GDP at end-2025. In parallel, it expected the current account deficits of resource intensive countries at 1.7% of GDP in 2024 and 1.6% of GDP in 2025, and of non-resource intensive economies at 6.5% of GDP in 2024 and 5.9% of GDP next year. Also, it anticipated the aggregate current account of SSA oil exporters to shift from a surplus of 0.6% of GDP in 2024 to a deficit 0.3% of GDP in 2025.

It considered that the economic outlook of the SSA region is subject to downside risks that include volatility in global financial markets, a slowdown in economic activity across advanced economies and large emerging markets, further geo-economic fragmentation, the intensification of regional conflicts and volatility in commodity prices, social unrest, and climate shocks.

*Source: International Monetary Fund*

## IRAQ

### Economic growth to average 4.8% in 2025-26 period, outlook subject to significant risks

The World Bank projected Iraq's real GDP to shrink by 0.9% in 2024 relative to a contraction of 2.9% in 2023, driven by a rebound in non-oil sector activity and in large infrastructure projects in the energy and transport sectors. It forecast growth to pick up to 4% in 2025 and 5.7% in 2026 if activity in the oil sector recovers. It considered that the implementation of deeper reforms would be key for the diversification of the economy and for addressing the country's structural challenges. Also, it forecast the inflation rate at 3.3% in 2025 and 3.1% in 2026 amid tighter monetary policy and the upward revaluation of the dinar against the US dollar, as well as due to subsidized imports.

In parallel, it projected the fiscal deficit at 8.4% of GDP in 2025 and 8.7% of GDP in 2026 amid an expansionary fiscal stance that will also put upward pressure on the public debt level. It said that the lack of automatic adjustment mechanisms, such as fiscal rules, exposes public finances to significant fluctuations. It urged the government to implement key reforms such as the harmonization of the pension system, reducing the wage bill, and improving social transfers. As such, it forecast the public debt level to rise from 50.4% of GDP at end-2024 to 57.3% of GDP at end-2025 and 63% of GDP at end-2026. Further, it expected the current account deficit to widen from 1.5% of GDP in 2024 to 4.7% of GDP in 2025 and 5.3% of GDP in 2026 due to a significant rise in the import bill, which would limit the accumulation of foreign currency reserves that stood at \$98.5bn at end-March 2024.

It considered that Iraq's outlook is subject to downside risks that include a sharp slowdown in the global economy and oil demand, and spillovers from the conflict in the Middle East. It noted that the October 2025 parliamentary elections could delay the implementation of reforms, while a return of political tensions and factionalism could set back ongoing infrastructure projects.

*Source: World Bank*



# ECONOMY & TRADE

## ARMENIA

### Real GDP growth rate to average 5.5% in 2024-25 period

The International Monetary Fund (IMF) projected Armenia's real GDP growth rate at 6% in 2024 and 4.9% in 2025, driven mainly by a rebound in the transportation and trade services this year and by increasing labor force participation in 2025. Also, it anticipated the inflation rate to regress from 2% in 2023 to 0.2% in 2024 supported by weaker external pressure from commodity prices, the appreciation of the Armenian dram, and slower wage growth, but it forecast the inflation rate to increase to 3.1% in 2025. In parallel, it projected the fiscal deficit to widen from 3.4% of GDP in 2023 to 5.1% of GDP in 2024 and 5.8% of GDP in 2025, due to higher capital expenditures and the increased cost of integrating ethnic Armenians. Also, it expected the public debt level to increase from 50.7% of GDP at end-2023 to 52.4% of GDP at the end of 2024 and to 55.6% of GDP at end-2025. In parallel, the IMF forecast Armenia's exports of goods & services to decrease from \$17.5bn in 2024 to \$12.1bn in 2025, and projected the country's imports of goods & services to drop from \$18.2bn in 2024, to \$13.4bn in 2025. As such, it projected the current account deficit to widen from 2.3% of GDP in 2023 to 4.2% of GDP in 2024 and 4.8% of GDP in 2025, driven by slowing inflows from Russia and declining re-exports to Russia, along with strong domestic demand, that will widen the trade deficit. Further, it anticipated the country's gross external debt to rise from 65.5% of GDP at end-2024 and to rise by 69.8% of GDP at end-2025. In addition, it forecast Armenia's gross foreign currency reserves at \$3.5bn, or 3.1 months of import coverage at end-2024, and at \$3.3bn or 3 months of imports at end-2025.

Source: *International Monetary Fund*

## ALGERIA

### Economic diversification key to growth outlook

The World Bank projected Algeria's real GDP growth rate to decelerate from 4.1% in 2023 to 3.1% in 2024, with activity driven by resilient agricultural output, higher public spending, and strong investments despite lower oil production. It forecast the economy to grow by 3.8% in 2025 and by 3.3% in 2026, in case non-oil activity picks up and oil output increases. It considered that the implementation of structural reforms would be key for the diversification of the economy away from hydrocarbons, as well as to improve the business environment in order to stimulate further private sector-led growth and job creation. Also, it forecast the inflation rate to decelerate from 9.3% in 2023 to 4% in 2024, 4.9% in 2025 and 4.4% in 2026, driven by stabilizing fresh food prices, moderating import prices, and a stable exchange rate. In parallel, it projected the fiscal deficit at 9.8% of GDP in 2024, and 9.9% of GDP in 2025, due to lower hydrocarbon revenues, higher spending on public sector wages, and the expansion of food subsidies. But it anticipated the deficit to narrow to 8.7% of GDP in 2026 in line with the consolidation plan of the medium-term budget framework. Also, it forecast the public debt level to rise from 49.5% of GDP at end-2024 to 55.2% of GDP at end-2025 and 59% of GDP at end-2026. Further, it expected the current account deficit to widen from 1.2% of GDP in 2024 to 3.1% of GDP in 2025 and 4.2% of GDP in 2026 due to moderate oil prices and higher investment-driven imports.

Source: *World Bank*

## ETHIOPIA

### High growth rates contingent on sustained reforms

The International Monetary Fund (IMF) projected the real GDP growth rate of Ethiopia at 6.5% in the fiscal year that ends in June 2025, at 7.1% in FY2025/26, and at an annual average 7.4% in the 2024-29 period, driven by the authorities' strong commitment to their economic reform program. In addition, it forecast the inflation rate to decline from 25% in FY2024/25 to 16.7% in FY2025/26, due to continued tight monetary policy and the elimination of monetary financing of the government. Further, it anticipated the fiscal deficit to widen from 1.7% of GDP in FY2024/25 to 2.1% of GDP in FY2025/26, despite the authorities' efforts to mobilize tax revenues. Also, it forecast the current account deficit at 4.4% of GDP in FY2024/25 and 3.3% of GDP in FY2025/26, and projected foreign currency reserves to reach 1.4 months of import coverage at end-June 2025 and 2.1 months of imports at end-June 2026. It said that the supply of foreign currency is picking up amid the adoption of a floating exchange rate regime, which will help alleviate acute foreign currency shortages. Also, it urged the authorities to step up efforts to improve monetary policy transmission. In parallel, it welcomed the authorities' efforts to restructure the debt under the Group of 20 Common Framework for debt treatment. Also, it said that the successful implementation of reforms will help address macroeconomic imbalances and support economic growth. The IMF approved last July a \$3.4bn Extended Credit Facility for Ethiopia as part of a \$10.4bn support package from development partners and creditors.

Source: *International Monetary Fund*

## IRAN

### Sovereign ratings affirmed, outlook 'stable'

Capital Intelligence Ratings affirmed Iran's short- and long-term foreign and local currency ratings at 'B', and maintained the 'stable' outlook on the long-term ratings. It attributed the affirmation of the ratings to the government's low public and external debt level, the country's large hydrocarbon reserves, and the fairly diversified economy. It noted that the ratings are supported by the external current account surplus and by adequate usable foreign currency assets under the control of the Central Bank of Iran (CBI), which are sufficient for balance of payments purposes. Also, it forecast the current account surplus at 2.7% of GDP in the fiscal year that ends in March 2025, driven by increasing terms of trade with China and Russia. However, it noted that the ratings are constrained by geopolitical risks, lack of access to external funding and foreign assets, elevated risks to macroeconomic stability, high inflation rates, limited budget revenue mobilization, and a weak banking sector. It added that the government's ability to service its external debt on time has deteriorated due to the U.S. and European Union's sanctions on foreign direct investments and on trade with Iran. It added that liquidity risks remain high, as the government relies on local sources of financing such as domestic banks, the National Development Fund of Iran, and the CBI. In parallel, it considered that the 'stable' outlook balances the country's low external debt level and continued current account surplus, with elevated geopolitical risks as well as the ongoing adverse impact of U.S. sanctions on Iranian oil exports and financial institutions. Further, it said that it withdrew the ratings for commercial reasons.

Source: *Capital Intelligence Ratings*



# BANKING

## KUWAIT

### Low risks to banking system funding

S&P Global Ratings maintained Kuwait's banking sector in 'Group 4' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score of '5' and an industry risk score of '4'. The BICRA framework evaluates global banking systems based on economic and industry risks facing the banking sector, with 'Group 10' including the riskiest sectors. Other countries in BICRA's 'Group 4' consist of Iceland, Israel, Malaysia, New Zealand, Poland, Saudi Arabia, Slovenia, Spain, and Taiwan. S&P indicated that the economic risk score of the Kuwaiti banking sector reflects "intermediate risks" in economic imbalances and in credit risks in the economy, as well as "high risks" in economic resilience. It expected the non-performing loans (NPLs) ratio to increase from 1.4% at the end of 2023 to between 1.5% and 1.6% in the 2024-25 period. It anticipated the risks from the banks' elevated exposure to the real estate sector to be offset by lower interest rates next year, which will result in lower credit losses. It noted that Kuwaiti banks continue to face high sector and single-name concentration risks due to the structure of the economy and the limited contribution of the private sector to economic growth. In parallel, S&P pointed out that the industry score reflects the country's "low risks" in its system-wide funding, "intermediate risks" in its competitive dynamics, and "high risks" in its institutional framework. It indicated that the banking sector has a good institutional framework and sound funding conditions due to a strong core customer deposit base and a net external asset position. It noted that the trend for the economic and industry risks is 'stable'.

Source: S&P Global Ratings

## JORDAN

### Ratings on five banks affirmed

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of the Arab Bank (AB) at 'BB', the IDRs of Bank Al Etihad (BAE) and Bank of Jordan (BOJ) at 'BB-', and the ratings of Jordan Ahli Bank (JAB) and Jordan Kuwait Bank (JKB) at 'B+'. It also maintained the 'stable' outlook on the ratings. Further, it affirmed the Viability Ratings (VRs) of AB at 'bb', the VRs of BAE and BOJ at 'bb-', and the rating of JAB and JKB at 'b+'. It indicated that the ratings of the five banks take into account the limited probability of government support in case of need. It added that the banks' VRs reflect their exposure to the challenging operating conditions in Jordan and in the other countries where they operate due to increased geopolitical risks. Further, it said that the banks' IDRs are driven by their standalone credit profiles, and that their VRs are supported by their solid funding and liquidity positions. It pointed out that the VRs of AB, JKB and BOJ reflect their adequate capitalization, while weak capital ratios are weighing on the ratings of BAE and JAB. It noted that the VRs of AB, JKB and BOJ reflect their sound profitability, while those of BAE and JAB are constrained by the banks' tight profitability. It indicated that weak asset quality is weighing on the ratings of BAE, BOJ, JKB, and JAB, while stable asset quality supports the rating of AB. Further, it said that the VRs of AB and BAE are underpinned by the banks' strong franchise, while the ratings of BOJ, JKB, and JAB reflect the banks' moderate franchise in Jordan.

Source: Fitch Ratings

## ANGOLA

### Luanda to work with FATF on AML/CFT plan

The Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), announced on October 25, 2024 that it placed Angola on its list of "jurisdictions under increased monitoring". Also, it indicated that Angola made a high-level political commitment to work with the FATF and its regional body ESAAMLG to strengthen the effectiveness of its AML/CFT regime. It noted that since the adoption of its mutual evaluation report (MER) in June 2023, Angola has made progress on several of the MER's recommended actions, including by strengthening national cooperation and coordination, improving international collaboration, and enhancing the use of financial intelligence by relevant authorities. It pointed out that the country will continue to collaborate with the FATF to implement its action plan by deepening its understanding of money laundering and terrorist financing risks (ML/TF), strengthening risk-based supervision of non-bank financial institutions and Designated Non-Financial Businesses and Professions, as well as ensuring that relevant authorities have adequate, accurate, and timely access to beneficial ownership information and that breaches to obligations are adequately addressed. It urged the authorities to demonstrate an increase in ML investigations and prosecutions; strengthen the ability to identify, investigate and prosecute TF; and establish an effective process to implement targeted financial sanctions.

Source: Financial Action Task Force

## MOROCCO

### Favorable economic prospects to support banks' performance

S&P Global Ratings expected the Moroccan banking sector's lending growth to accelerate from an average of 3.5% in the 2015-21 period to 4% in the 2024-26 timeframe, driven by the rebound in economic activity. Further, it projected the banks' non-performing loans (NPLs) ratio to gradually decline from 8.4% at end-2023 to 7.7% and 7.8% by end-2026, and for credit losses to stabilize at 80 basis points (bps) to 90 bps in the near- to medium term, down from a peak of 130 bps in 2020. It attributed the improvement in the banks' asset quality to accelerating economic activity, higher loan volumes, and slightly better prospects for real estate prices in Morocco. But it did not expect the amount of legacy bad loans to decline materially, given the absence of a secondary market for bad debt or incentives to write-off legacy loans. It noted that Bank Al-Maghrib (BAM) is likely to submit a new law aimed at creating a secondary market for NPLs for approval by the end of 2024. In addition, it projected the banks' return on equity to increase from 8% in 2023 to 9.5% by 2026 amid elevated lending, resilient profit margins, and reduced operating costs and credit losses. Also, it said that the average Tier One capital adequacy ratio of Moroccan banks stood at 11.6% at end-2023, and considered that BAM will require systemic banks to maintain a buffer of 200 bps above the minimum Tier One ratio of 9% by the end of 2025. In parallel, it pointed out that Moroccan banks benefit from a stable core customer deposit base and that around 70% of deposits are non-interest bearing, including those from Moroccan expatriates. It noted that banks' access to external financing is limited and the domestic capital market is shallow.

Source: S&P Global Ratings



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## ENERGY / COMMODITIES

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### Oil prices to average \$87 p/b in fourth quarter of 2024

ICE Brent crude oil front-month prices reached \$71.1 per barrel (p/b) on October 29, 2024, their lowest level since September 6, 2024 when they stood at \$71.06 p/b, due to waning geopolitical risks in the Middle East. However, oil prices increased to \$72.6 p/b on October 30 due to the decrease in U.S. oil inventories and to reports that the OPEC+ coalition may delay its planned oil output increase. In parallel, Standard Chartered Bank considered that risks to oil price risks are still tilted to the downside in the very short term, given the current geopolitical background. But it expected upside risks to oil prices in the near term, as it anticipated a more complex and potentially more dangerous geopolitical situation in case of an escalating series of attacks in the Middle East for an extended period of time. Further, the International Energy Agency (IEA) expected oil demand to decline in the long term due to the accelerating adoption of electrical vehicle, which will replace 12 million barrels per day (b/d) worth of oil demand. It said that, despite the decline in oil demand, oil production should increase in the U.S., Canada, Brazil, and Guyana until 2030, which will raise the world's available spare capacity from 6 million b/d currently to 8 million b/d in 2030. Also, the IEA forecast oil prices to face significant downward pressure in the long run, as the world shifts away from oil towards renewable energy and electricity. It projected global oil demand to peak at nearly 102 million b/d before 2030 and to decline to 93.1 million b/d by 2050. Further, Standard Chartered Bank forecast oil prices to average \$87 p/b in the fourth quarter of 2024.

Source: Standard Chartered Bank, International Energy Agency, Refinitiv, Byblos Research

### Saudi Arabia's oil export receipts at \$17.4bn in August 2024

Oil exports from Saudi Arabia totaled at 6.93 million barrels per day (b/d) in August 2024, constituting increases of 0.8% from 6.87 million b/d in July 2024 and of 0.2% from 6.91 million b/d in August 2023. Oil export receipts reached \$17.4bn in August 2024, representing a decrease of 5.6% from \$18.4bn in July 2024 and of 15.5% from \$20.6bn in August 2023.

Source: JODI, General Authority for Statistics, Byblos Research

### ME&A's oil demand to grow by 2.1% in 2024

The Organization of Petroleum Exporting Countries projected the consumption of crude oil in the Middle East & Africa to average 13.36 million barrels per day (b/d) in 2024, which would constitute an increase of 2.1% from 13.09 million b/d in 2023. The region's demand for oil would represent 23% of consumption in non-OECD countries and 12.8% of global consumption in 2024.

Source: OPEC

### Kuwait's crude oil production unchanged in July 2024

Crude oil production in Kuwait totaled 2.41 million barrels per day (b/d) in July 2024, unchanged since January 2024. Further, total crude oil exports from Kuwait stood at 2.46 million b/d in July 2024, representing an increase of 1.3% from 2.43 million b/d in June 2024 and a decrease of 2.8% from 2.53 million b/d in July 2023.

Source: Joint Organizations Data Initiative, Byblos Research

### Base Metals: Copper prices to average \$9,500 per ton in fourth quarter of 2024

LME copper cash prices averaged \$9,176.3 per ton in the first 10 months of 2024, constituting an increase of 7.6% from an average of \$8,525.9 a ton in the same period of 2023. The increase in prices was due mainly to improving copper demand from China's copper-intensive construction industry, as well as to elevated demand from the manufacturers of power lines, appliances, wind turbines, and electric vehicles. Further, the metal's price dropped from a peak of \$10,800.8 a ton on May 20, 2024 to \$9,398 per ton on October 30, 2024 amid a recent surge in copper supplies and of exports by Chinese smelters. In parallel, S&P Global Market Intelligence projected the global production of refined copper at 27.04 million tons in 2024, which would constitute an increase of 3.3% from 26.18 million tons in 2023. In addition, it forecast global demand for refined copper at 26.85 million tons in 2024, which would represent a rise of 3.2% from 26.03 million tons in 2023. As such, it expected the balance in the refined copper market to post a surplus of 192,000 tons in 2024 compared to 154,000 tons in 2023. It noted that still-high interest rates continue to weigh on copper demand from the U.S. It expected global copper prices to trend upward in the long-term due to anticipated market deficits amid higher demand. Further, it forecast copper prices to average at \$9,500 per ton in the fourth quarter 2024.

Source: S&P Global Market Intelligence, Refinitiv, Byblos Research

### Precious Metals: Silver prices to average \$30 per ounce in 2024

Silver prices averaged \$27.8 per troy ounce in the first 10 months of 2024, constituting an increase of 19% from an average of \$23.3 an ounce in the same period of 2023. The increase in prices was due mainly to elevated industrial and investment demand for the metal. Further, prices stood at \$34.57 per ounce on October 10, 2024, their highest level since October 5, 2012 when they reached \$34.7 per ounce, driven by higher demand for safe havens due to global economic uncertainties, the ongoing conflict in the Middle East, and a tight race in the US elections. In parallel, Citi Research projected the global supply of silver at 1,015 million ounces in 2024 relative to 1,008 million ounces last year, with mine output representing 81.2% of the total. Further, it forecast demand for the metal at 1,239 million ounces in 2024 compared to 1,231 million ounces in 2023. Further, in its bear case scenario, it projected silver prices to decline to \$18 per ounce by the end of 2025 due to elevated real interest rates in the U.S. and to the substantial weakening of demand for the metal from China and India. However, in its bull case scenario, it expected silver prices to rise to \$45 per ounce by end-2025, in case of a decline in U.S. real interest rates, a deeper-than-expected economic slowdown in the U.S. and the European Union, and a strong recovery in silver imports by China and India. In addition, it anticipated silver prices to exceed \$30 per ounce in the 2024-26 period due to strong industrial demand for the metal from China, mainly in solar photovoltaic installations and in electric vehicles sales. Also, it forecast silver prices to average \$30 per ounce in 2024.

Source: Citi Research, Refinitiv, Byblos Research



# COUNTRY RISK METRICS

Countries	LT Foreign currency rating				General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI								
<b>Africa</b>												
Algeria	-	-	-	-	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Positive	B- Stable	-	-1.0	82.4	4.6	53.3	26.9	108.2	2.5	-4.3
Egypt	B- Positive	Caa1 Positive	B- Positive	B Stable	-7.2	86.6	2.8	85.1	58.8	158.1	-3.6	13.4
Ethiopia	CCC+ Stable	Caa3 Stable	CCC- -	-	-2.9	26.2	0.5	33.4	7.8	157.9	-3.4	2.0
Ghana	SD -	Ca positive	RD -	-	-4.8	78.1	1.1	41.1	22.7	127.6	0.9	2.0
Côte d'Ivoire	BB Stable	Ba2 Stable	BB- Stable	-	-4.5	57.7	4.7	47.6	15.7	112.3	-4.4	2.3
Libya	-	-	-	-	-	-	-	-	-	-	-	-
Dem Rep Congo	B- Stable	B3 Stable	- -	-	-2.5	15.0	1.4	5.1	2.0	102.1	-5.6	4.2
Morocco	BB+ Positive	Ba1 Stable	BB+ Stable	-	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B- Stable	Caa1 Positive	B- Stable	-	-4.4	47.4	2.9	41.7	23.3	113.6	0.5	0.1
Sudan	-	-	-	-	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	-	Caa2 Negative	CCC+ -	-	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+ Stable	-	-	-	-5.5	61.8	0.5	64.8	12.3	168.7	-3.6	0.5
Rwanda	B+ Stable	B2 Stable	B+ Stable	-	-4.8	68.0	3.6	22.5	9.6	111.1	-10.6	3.5
<b>Middle East</b>												
Bahrain	B+ Stable	B2 Stable	B+ Stable	B+ Stable	-4.0	120.8	-4.1	148.5	26.5	363.8	3.7	1.0
Iran	-	-	-	-	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B- Stable	Caa1 Stable	B- Stable	-	-4.5	38.3	20.3	4.0	2.0	33.0	11.5	-1.8
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.1	90.6	1.9	69.7	10.9	151.6	-4.6	1.8
Kuwait	A+ Stable	A1 Stable	AA- Stable	AA- Stable	-2.1	4.7	2.8	41.3	0.4	97.3	19.4	-3.0
Lebanon	SD -	C -	RD** -	-	-0.2	270.6	9.0	165.9	6.5	151.4	-9.5	0.5
Oman	BBB- Stable	Ba1 Positive	BB+ Stable	BB+ Stable	1.4	34.5	1.8	31.4	8.2	113.0	1.3	2.5
Qatar	AA Stable	Aa2 Stable	AA- Positive	AA Stable	4.2	41.7	2.4	125.2	4.2	174.5	15.8	-2.4
Saudi Arabia	A Positive	A1 Positive	A+ Stable	A+ Positive	-2.0	23.0	10.2	23.8	3.4	66.1	1.4	0.1
Syria	-	-	-	-	-	49.0	-	-	-	-	-15.5	-
UAE	-	Aa2 Stable	AA- Stable	AA- Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	-	-	-	-	-2.7	50.7	-	-	-	-	-19.2	-2.3

# COUNTRY RISK METRICS

Countries	LT Foreign currency rating				General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI								
<b>Asia</b>												
Armenia	BB- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.3	46.5	2.0	29.8	9.8	114.6	-3.0	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	66.1	10.6	25.8	5.9	64.5	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-8.0	86.0	6.6	27.5	28.9	87.2	-3.1	1.5
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-2.7	26.1	4.0	26.6	7.9	99.2	-2.8	2.2
Pakistan	CCC+ Stable	Caa2 Positive	CCC+ -	- -	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
<b>Central &amp; Eastern Europe</b>												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-2.8	23.8	1.7	19.9	1.7	105.0	-0.2	1.8
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-5.9	49.0	4.3	25.4	6.4	99.6	-6.9	2.0
Russia	- -	- -	- -	- -	-0.8	19.8	11.6	23.0	3.6	61.1	2.0	-0.6
Türkiye	B Positive	B1 Positive	BB- Stable	B+ Stable	-3.6	29.1	1.2	77.3	9.5	166.0	-2.4	1.2
Ukraine	CC Negative	Ca Stable	CC -	- -	-17.0	95.0	4.6	38.1	10.2	105.8	-6.6	1.4

\* Current account payments

\*\*Fitch withdrew the ratings of Lebanon on July 23, 2024

Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2024



## SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Action	Next meeting
USA	Fed Funds Target Rate	5.00	18-Sep-24	Cut 50bps	07-Nov-24
Eurozone	Refi Rate	3.65	12-Sep-24	Cut 60bps	N/A
UK	Bank Rate	5.00	19-Sep-24	No change	07-Nov-24
Japan	O/N Call Rate	0.25	31-Jul-24	Raised 15bps	31-Oct-24
Australia	Cash Rate	4.35	06-Aug-24	No change	05-Nov-24
New Zealand	Cash Rate	4.75	09-Oct-24	Cut 50bps	27-Nov-24
Switzerland	SNB Policy Rate	1.00	26-Sep-24	Cut 25bps	12-Dec-24
Canada	Overnight rate	3.75	23-Oct-24	Cut 50bps	11-Dec-24
<b>Emerging Markets</b>					
China	One-year Loan Prime Rate	3.1	21-Oct-24	Cut 25bps	20-Nov-24
Hong Kong	Base Rate	5.25	02-May-24	Cut 50pbs	N/A
Taiwan	Discount Rate	2.00	13-Jun-24	No change	N/A
South Korea	Base Rate	3.25	11-Oct-24	Cut 25bps	28-Nov-24
Malaysia	O/N Policy Rate	3.00	05-Sep-24	No change	16-Nov-24
Thailand	1D Repo	2.25	16-Oct-24	Cut 25bps	18-Dec-24
India	Repo Rate	6.50	09-Oct-24	No change	16-Dec-24
UAE	Base Rate	4.90	18-Sep-24	Cut 50bps	N/A
Saudi Arabia	Repo Rate	5.50	18-Sep-24	Cut 50bps	N/A
Egypt	Overnight Deposit	27.25	17-Oct-24	No change	21-Nov-24
Jordan	CBJ Main Rate	7.50	30-Jul-23	Raised 25bps	N/A
Türkiye	Repo Rate	50.00	17-Oct-24	No change	31-Nov-24
South Africa	Repo Rate	8.00	19-Sep-24	Cut 25bps	N/A
Kenya	Central Bank Rate	12.75	06-Aug-24	Cut 25bps	N/A
Nigeria	Monetary Policy Rate	27.25	24-Sep-24	Raised 50bps	N/A
Ghana	Prime Rate	27.00	27-Sep-24	Cut 200bps	25-Nov-24
Angola	Base Rate	19.50	19-Sep-24	No change	N/A
Mexico	Target Rate	10.50	26-Sep-24	Cut 25bps	14-Nov-24
Brazil	Selic Rate	10.75	18-Sep-24	Raised 25bps	N/A
Armenia	Refi Rate	7.50	10-Sep-24	Cut 25bps	N/A
Romania	Policy Rate	6.50	04-Oct-24	No change	08-Nov-24
Bulgaria	Base Interest	3.43	01-Oct-24	Cut 11bps	01-Nov-24
Kazakhstan	Repo Rate	14.25	11-Oct-24	Cut 25bps	29-Nov-24
Ukraine	Discount Rate	13.00	19-Sep-24	No change	N/A
Russia	Refi Rate	21.00	25-Oct-24	Raised 200bps	20-Dec-24





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