



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.2.2007
SEC(2007) 241

COMMISSION STAFF WORKING DOCUMENT

Accompanying document to the

REPORT FROM THE COMMISSION

**to the budgetary authority on guarantees covered by the general budget
situation at 30 June 2006**

{COM(2007) 66 final}

TABLE OF CONTENTS

1.	Explanatory notes on the situation of risks covered by the Union budget.....	3
1.1.	Methodological remarks	3
1.2.	Tables A1 to A3	3
1.2.1.	Authorised ceiling (Table A1)	4
1.2.2.	Capital outstanding (Table A1).....	5
1.2.3.	Annual risk (Tables A2 and A3).....	5
1.2.	Loan operations covered by a budget guarantee	9
1.3.	Expected signature and disbursement of EIB loans.....	14
1.4.	Payment of the budget guarantee	14
1.4.1.	Borrowing/lending operations.....	14
1.4.2.	Guarantees given to third parties.....	15
2.	Methodological note on the analysis of the Community's estimated lending capacity in respect of non-member States in 2006 under the Guarantee Fund mechanism (table A4)	16
2.1.	Reserve for loan guarantees to non-member States	16
2.2.	Bases for the calculation of the provisioning of the Guarantee Fund	16
2.3.	Basis for the provisioning of the Fund in the case of a partial guarantee	17
2.4.	Provisioning of the Guarantee Fund	18
2.5.	Activation of budget guarantees.....	18
2.6.	Margin remaining in the guarantee reserve.....	18
2.7.	Residual lending capacity	19
3.	Country-risk evaluation.....	20

1. EXPLANATORY NOTES ON THE SITUATION OF RISKS COVERED BY THE UNION BUDGET

1.1. Methodological remarks

There are two methods for evaluating the risks borne by the Union budget:

- The method, often used by bankers, of calculating the total amount of capital outstanding for the operations concerned on a given date (situation described in Table A1);
- The more budgetary approach of calculating the maximum amount which the Community would have to pay out in each financial year assuming that all guaranteed loans are in default.

The second approach itself has been applied in two different ways:

- By reference only to actual disbursements at the date of the report, assuming that there are no early repayments (see Table A2 showing the lower limit of this maximum risk to the Union budget);
- On a more forward-looking basis, by reference to all the operations decided by the Council or proposed by the Commission in order to estimate the impact on future budgets, assuming that pending and planned Commission proposals are accepted (see Table A3 showing the upper limit of this maximum risk borne by the Union budget).

The latter exercise gives some idea of the future level of risks connected with the proposals made. However, a number of assumptions have to be made about dates of disbursement and terms of repayment (details are given below) as well as interest¹ and exchange rates².

The results are shown in Tables A1 to A3, which make separate assessments of the risks relating to countries inside the Community and countries outside the Community.

The overall figures quoted cover risks of different types; loans to one country in the case of macro-financial assistance and loans for projects in the case of EIB or Euratom operations.

1.2. Tables A1 to A3

The purpose of Tables A1 to A3 is to show the outstanding amount of guarantees and annual repayments of capital and interest in respect of borrowing and lending operations for which the risk is covered by the Union budget. The figures show the maximum possible risk for the Community in respect of these operations and must not be read as meaning that these amounts will actually be drawn from the budget. In the case of Table A3, in particular, it is not certain that all the operations described will actually be disbursed.

¹ An interest rate of 5.49% (provided by the EIB) has been applied for its new operations in Table A3.

² The exchange rates used for loans in currencies other than the euro are those of 30 June 2006.

In these tables, figures related to “New Member States” refer to the Member States which acceded the European Union on 1st May 2004.

Figures concerning future Member States are reported under "Third Countries". After accession, they will be considered as Member States. This implies, in accordance with the amended Guarantee Fund regulation n° 2273/2004 of 22 December 2004, that the risk related to loans to these countries will be born directly by the budget and not by the Guarantee Fund.

1.2.1. Authorised ceiling (Table A1)³

This is the aggregate of the maximum amounts of capital authorised (ceilings) for each operation decided by the Council.

In order to relate it to the risk which the budget might have to cover, account should be taken of the following factors which could affect it:

Factor increasing the risk:

- the interest on the loans must be added to the authorised ceiling.

Factors reducing the risk:

- limitation of the guarantee given to the EIB:

75% of the total amounts of loans signed in the Mediterranean countries based on the Mediterranean protocols of 1977 and the Council Regulations 1762/92/EEC and 1763/92/EEC.

70% of the total amounts of loans signed as part of lending operations with certain non-Member States authorised by the Council Decisions 96/723/EC, 97/256/EC, 98/348/EC and 98/729/EC and a sharing of risk between the Community and the EIB as the budget guarantee covers only political risks in some cases;

65% of the total amounts of loans signed as part of lending operations with certain non-Member States authorised by the Council Decisions 99/786/EC and 2000/24/EC as amended, and a sharing of risk between the Community and the EIB as the budget guarantee covers only political risks in some cases;

- operations already repaid, since the amounts concerned are the maximum amount of loans granted and not outstanding amounts authorised;
- the amounts authorised are not necessarily taken up in full.
- as the loans are disbursed in national currencies, the loan ceiling may be exceeded when the amount disbursed up to the date of the report are converted into EUR.

³ Since 1 May 2004, accession countries have been reclassified from non-member States in Member States but the authorised ceiling remains linked to the Mandate and the geographical area.

1.2.2. Capital outstanding (Table A1)

This is the amount of capital still to be repaid on a given date in respect of operations disbursed.

Compared with the previous aggregate, the amount outstanding does not include loans which have not yet been disbursed nor the proportion of disbursed loans which have already been repaid. It may be described as the amount of loans which exist on a given date.

1.2.3. Annual risk (Tables A2 and A3)

Estimated amount of principal and interest due each financial year.

This amount is calculated for:

- a) disbursements only (Table A2) in which case the capital to be repaid corresponds to the amount outstanding;
- b) disbursements, decisions still awaiting disbursement and Commission proposals still awaiting decisions (Table A3); in which case the capital to be repaid corresponds to the ceiling on loans authorised by a decision plus, where applicable, the amounts in respect of operations proposed by the Commission and not yet decided;
- c) regarding the Member States section in Table A3, no future disbursements have been recorded as no new Council Decision or Commission proposal have been adopted in the framework of balance of payments support and Euratom loans for Member States.

TABLE A1: CAPITAL OUTSTANDING IN RESPECT OF OPERATIONS DISBURSED at 30.06.2006 (in EUR million)

Operations	Authorised ceiling	Capital outstanding at 31.12.2005	Capital outstanding at 30.06.2006	Remainder to be disbursed 30.06.2006
MEMBER STATES				
EIB (new Member States)		2,966	2,801	
MEMBER STATES - TOTAL	0	2,966	2,801	
THIRD COUNTRIES				
A. Macro-Financial Assistance				
Albania	9		9	
Bosnia-Herzegovina	40	30	40	
Bulgaria	750	288	256	
FYROM	90	90	90	
Georgia	142	86	86	
Moldova	60	3	3	
Romania	780	150	150	
Serbia and Montenegro	305	280	280	25
Tajikistan	75	36	36	
Ukraine	395	118	118	
Sub total MFA	2,646	1,080	1,068	25
B. EURATOM ¹		385	436	65
C. Other				
EIB South-eastern Neighbours (2000-2007)	10,235	2,844	3,153	5,379
EIB Mediterranean	15,442	5,542	5,244	3,225
EIB Central & Eastern Europe	8,220	1,219	1,143	122
EIB Asia, Latin America	4,405	1,657	1,496	601
EIB South Africa	1,500	809	727	266
EIB The Baltic Sea basin of Russia	100	19	21	64
EIB Russia + WNIS	500			
Sub total EIB²	40,402	15,056	14,585	9,657
THIRD COUNTRIES - TOTAL	43,048	13,554	13,288	9,747
GRAND TOTAL	43,048	16,521	16,089	9,747

(1) The overall ceiling is EUR 4 000 million for loans to Member States and non-member States. By Decision 94/179/Euratom of 21 March 1994, the Council decided to extend Euratom loans to the financing of projects of certain non-member States.

(2) The subtotal EIB includes the EIB loans to Member States.

ANNEX TO TABLE A1: SITUATION IN RESPECT OF EIB OPERATIONS at 30.06.2006 (in EUR million)

Operations	Credit line authorised	Loans made available minus cancellations	Amounts disbursed	Amounts outstanding at 30.06.2006
General Mandate 2000/2007:				
South-eastern Neighbours	10,235	8,670	3,332	3,153
New Member States ⁴		521	478	431
Mediterranean	6,520	5,757	2,804	2,495
Asia, Latin America	2,480	1,934	1,064	837
South Africa	825	742	415	411
sub-total 65 %³	20,060	17,624	8,093	7,327
Central and Eastern Europe (29.01.97)	3,520	1,311	1,159	910
Mediterranean (29.01.97)	2,310	1,834	1,642	1,104
New Member States ⁴		1,963	1,932	1,172
Asia, Latin America ALA II (29.01.97)	900	687	590	378
Asia, Latin America (ALA INTERIM.)	122	122	106	42
South Africa (29.01.97)	375	375	294	207
BOSNIA-HERZEGOVINA (99/2001)	100	100	68	68
FYROM (98-2000)	150	150	113	99
sub-total 70 %³	7,477	6,542	5,904	3,980
EU-countries	1,350	1,324	1,397	
Mediterranean and Balkan countries ⁴	6,362	5,271	5,225	1,478
New Member States ⁴		567	600	181
sub-total 75 %³	7,712	7,162	7,222	1,659
EU-countries	150	141	170	
Central and Eastern Europe	4,700	3,869	722	233
New Member States ⁴			3,246	1,017
Baltic Sea Basin of Russia	100	85	21	21
Russia + WNIS	500			
South Africa	300	285	216	109
Asia, Latin America	903	710	731	239
sub-total 100 %³	6,653	5,090	5,106	1,619
Total	41,902	36,418	26,325	14,585

(3) Percentage figures relate to the Guarantee rate

(4) Loans to New Member States were drawn from 'South-eastern Neighbours' or from 'Central and Eastern Europe' or from 'Mediterranean' ceilings.

TABLE A2

MAXIMUM ANNUAL RISK BORNE BY THE COMMUNITY BUDGET

(Estimate as per 30.06.2006 in million EUR based on the amounts due of all operations disbursed at 30.06.2006)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
MEMBER STATES										
CAPITAL										
EIB	326	303	298	332	269	259	225	193	142	2,347
Capital - subtotal	326	303	298	332	269	259	225	193	142	2,347
INTEREST										
EIB ¹	71	108	94	82	70	57	46	34	26	588
Interest - subtotal	71	108	94	82	70	57	46	34	26	588
MEMBER STATES - TOTAL	397	411	392	414	339	316	271	227	168	2,935
NON-MEMBER STATES										
CAPITAL										
A. Macro-Financial Assistance										
Bosnia and Herzegovina					2	2	4	4	4	16
Bulgaria	41	88	88	25	15					256
FyRoM			5	8	8	8	10	7	10	56
Georgia		13		22	22	22	7			86
Moldova	3									3
Romania		25	25	25	38	13	13	13		150
Serbia and Montenegro							45	45	53	143
Tajikistan		8					12	12	4	36
Ukraine	55	35	15	15						118
Sub total MFA	99	168	132	95	85	45	90	81	71	864
B. Euratom										
Euratom ²		1	3	6	10	13	17	30	33	112
Sub total Euratom	0	1	3	6	10	13	17	30	33	112
C. EIB Guarantees										
EIB South-eastern Neighbours ³	50	153	214	218	230	292	258	234	223	1,872
EIB Mediterranean	263	388	454	468	451	439	403	369	319	3,554
EIB Central & Eastern Europe ⁴	64	119	110	108	96	88	83	77	76	821
EIB Asia, Latin America	83	215	204	183	151	133	127	112	71	1,279
EIB South Africa	18	65	63	114	75	59	71	41	43	549
EIB Russia + WNIS				2	2	2	2	2	2	11
Sub total EIB	478	940	1,045	1,093	1,005	1,013	944	835	734	8,087
Capital - subtotal	577	1,109	1,180	1,193	1,099	1,070	1,051	946	838	9,062
INTEREST										
A. Macro-Financial Assistance										
Albania	0	0	0	0	0	0	0	0	0	3
Bosnia and Herzegovina	1	1	1	1	1	1	1	1	1	10
Bulgaria	4	7	4	1	1					16
FyRoM	1	3	3	3	3	2	2	2	1	20
Georgia	1	3	3	3	2	1	0			12
Moldova	0									0
Romania	2	5	4	3	2	1	1	0		18
Serbia and Montenegro	5	11	11	11	11	11	11	9	7	85
Tajikistan	1	1	1	1	1	1	1	0	0	7
Ukraine	2	2	1	1						5
Sub total MFA	16	32	28	23	20	18	16	13	10	175
B. Euratom										
Euratom ²	6	16	16	16	16	15	15	14	13	126
Sub total Euratom	6	16	16	16	16	15	15	14	13	126
C. EIB Guarantees¹										
EIB South-eastern Neighbours ³	59	88	90	86	83	78	73	69	63	689
EIB Mediterranean	119	190	172	153	135	116	98	83	69	1,136
EIB Central & Eastern Europe ⁴	28	53	47	41	35	30	26	22	18	300
EIB Asia, Latin America	34	44	41	35	29	24	20	15	14	256
EIB South Africa	22	18	14	12	4	1	1	1	1	74
EIB Russia + WNIS	0	0	0	0	0	0	0	0	0	3
Sub total EIB	262	393	364	328	287	250	219	190	165	2,457
Interest - subtotal	284	441	408	367	322	283	249	217	187	2,758
NON-MEMBER STATES - TOTAL	861	1,550	1,588	1,560	1,422	1,353	1,300	1,163	1,025	11,821
GRAND TOTAL	1,258	1,961	1,980	1,974	1,761	1,669	1,571	1,390	1,193	14,756

¹ As variable interest rates are not known for EIB loans, it is assumed that the variable interest amount follows the same percentage as for fixed; this equals 4% of the estimated total future interest payments.

² The overall ceiling is EUR 4 000 million for loans to Member States and non-member States.

By Decision 94/179/Euratom of 21 March 1994 the Council decided to extend Euratom loans to the financing of projects in certain non-member States.

³ New Mandate (2000 - 2007)

⁴ Old mandates

TABLE A3 **MAXIMUM THEORITICAL ANNUAL RISK BORNE BY THE COMMUNITY BUDGET**
(Estimate as per 30.06.2006 in million EUR based on the amounts due of all operations disbursed, adopted and proposed by the Commission)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
MEMBER STATES										
CAPITAL										
EIB	326	303	298	332	269	259	225	193	142	2,347
Capital - subtotal	326	303	298	332	269	259	225	193	142	2,347
INTEREST										
EIB ¹	71	108	94	82	70	57	46	34	26	588
Interest - subtotal	71	108	94	82	70	57	46	34	26	588
MEMBER STATES - TOTAL	397	411	392	414	339	316	271	227	168	2,935
NON-MEMBER STATES										
CAPITAL										
A. Macro-Financial Assistance										
Bosnia and Herzegovina					2	2	4	4	4	16
Bulgaria	41	88	88	25	15					256
FyRoM			5	8	8	8	10	7	10	56
Georgia		13		22	22	22	7			86
Moldova	3									3
Romania		25	25	25	38	13	13	13		150
Serbia and Montenegro							45	45	53	143
Tajikistan		8					12	12	4	36
Ukraine	55	35	15	15						118
Sub total MFA	99	168	132	95	85	45	90	81	71	864
B. Euratom										
Euratom ²		1	3	6	10	13	17	30	33	112
Sub total Euratom	0	1	3	6	10	13	17	30	33	112
C. EIB Guarantees										
EIB South-eastern Neighbours ³	50	153	214	269	409	599	693	746	735	3,868
EIB Mediterranean	263	388	454	498	555	618	656	667	617	4,716
EIB Central & Eastern Europe ⁴	64	119	110	109	100	95	93	89	88	867
EIB Asia, Latin America	83	215	204	191	180	183	197	195	154	1,602
EIB South Africa	18	65	63	117	85	76	95	69	71	659
EIB Russia + WNIS				7	18	30	42	49	49	194
Sub total EIB	478	940	1,045	1,191	1,347	1,601	1,776	1,815	1,714	11,907
Capital - subtotal	577	1,109	1,180	1,291	1,441	1,658	1,883	1,926	1,818	12,882
INTEREST										
A. Macro-Financial Assistance										
Albania	0	0	0	0	0	0	0	0	0	3
Bosnia and Herzegovina	1	1	1	1	1	1	1	1	1	10
Bulgaria	4	7	4	1	1					16
FyRoM	1	3	3	3	3	2	2	2	1	20
Georgia	1	3	3	3	2	1	0			12
Moldova	0									0
Romania	2	5	4	3	2	1	1	0		18
Serbia and Montenegro	5	11	11	11	11	11	11	9	7	85
Tajikistan	1	1	1	1	1	1	1	0	0	7
Ukraine	2	2	1	1						5
Sub total MFA	16	32	28	23	20	18	16	13	10	175
B. Euratom										
Euratom ²	6	18	18	18	18	17	17	16	15	142
Sub total Euratom	6	18	18	18	18	17	17	16	15	142
C. EIB Guarantees¹										
EIB South-eastern Neighbours ³	93	206	293	373	418	403	381	353	319	2,839
EIB Mediterranean	139	259	290	320	330	305	277	248	218	2,387
EIB Central & Eastern Europe ⁴	29	56	52	48	43	38	33	29	24	352
EIB Asia, Latin America	39	63	74	81	83	76	70	61	55	602
EIB South Africa	24	24	25	28	22	19	18	16	15	191
EIB Russia + WNIS	3	11	19	26	31	30	28	26	23	200
Sub total EIB	327	619	753	877	928	872	808	733	654	6,570
Interest - subtotal	349	669	799	918	965	907	840	762	678	6,887
NON-MEMBER STATES - TOTAL	926	1,778	1,979	2,209	2,407	2,565	2,723	2,688	2,496	19,769
GRAND TOTAL	1,323	2,189	2,371	2,623	2,746	2,881	2,994	2,915	2,664	22,704

¹ As variable interest rates are not known for EIB loans, it is assumed that the variable interest amount follows the same percentage as for fixed; this equals 4% of the estimated total future interest payments.

² The overall ceiling is EUR 4 000 million for loans to Member States and non-member States.

By Decision 94/179/Euratom of 21 March 1994 the Council decided to extend Euratom loans to the financing of projects in certain non-member States.

³ New Mandate (2000 - 2007)

⁴ Old mandates

1.2. Loan operations covered by a budget guarantee

Tables A5a, A5b(1), A5b(2) and A6

TABLE A 5a
Borrowing and lending operations: Member States
Period 31.12.2005 to 30.06.2006

The outstanding amount under these Decisions was zero as of 31.12.2005 and remained at this level as of 30.06.2006.

Instrument	Decision	Date of decision	Loan term (years)	Loan situation	Amount decided
				- closed (a) - partially disbursed (b) - disbursed in full (c) - not yet disbursed (d)	
BOP	2002/332/EC	18.02.02		(d)	12,000.00
	EURATOM		(3)		4,000.00
	77/270-271/Euratom	29.03.77		(c)	500.00
	80/29/Euratom	20.12.79		(c)	500.00
	82/170/Euratom	15.03.82		(c)	1,000.00
	85/537/Euratom	05.12.85		(c)(4)	1,000.00
	90/212/Euratom	23.04.90		(b)(4)	1,000.00
NCI			(3)		6,830.00
	78/870/EEC	16.10.78		(c)	1,000.00
	81/19/EEC(1)	20.01.81		(c)	1,000.00
	81/1013/EEC(2)	14.12.81		(c)	80.00
	82/169/EEC	15.03.82		(c)	1,000.00
	83/200/EEC	19.04.83		(c)	3,000.00
	87/182/EEC	09.03.87		(c)	750.00
TOTAL					22,830.00

(1) Exceptional aid for the reconstruction of areas hit by the earthquake in Italy in 1980.

(2) Exceptional aid for the reconstruction of areas hit by the earthquake in Greece in 1981.

(3) Long-term loans for which the schedule of repayments depend on the dates of disbursement.

(4) By Decision 94/179/Euratom of 21 March 1994 the Council decided to extend Euratom loans to the financing of projects in certain non-member States.

TABLE A 5b (1)
European Community loans to non-member States
Changes in amounts outstanding during six-month period 31.12.2005 to 30.06.2006, broken down by countries and tranche

in EUR million

COUNTRY	Decision	Date of decision	Loan term (years)	Expiry date	Loan situation - closed (a) - partially disbursed (b) - disbursed in full (c) - not yet disbursed (d)	Amount decided	Amount outstanding at 31.12.2005	Operations in six-month period		Amount outstanding at 30.06.2006
								Amounts disbursed	Amounts repaid	
BULGARIA III	97/472/EC	22.07.97				250.00				
1st tranche			10	10.02.2008	(c)	125.00	93.75		31.25	62.50
2nd tranche			10	22.12.2008	(c)	125.00	93.75			93.75
BULGARIA IV	99/731/EC	08.11.99				100.00				
1st tranche			10	21.12.2009	(c)	40.00	40.00			40.00
2nd tranche			-	-	(c)	60.00	60.00			60.00
ROMANIA III	94/369/EC	20.06.94				125.00				
1st tranche			7	20.11.2002	(a)	55.00	0.00			0.00
2nd tranche			7	20.11.2004	(a)	40.00	0.00			0.00
3rd tranche			7	23.12.2004	(a)	30.00	0.00			0.00
ROMANIA IV	99/732/EC	08.11.99				200.00				
1st tranche			10	29.06.2010	(c)	100.00	100.00			100.00
2nd tranche			10	17.07.2013	(c)	50.00	50.00			50.00
3rd tranche			-	-	(d)	50.00				
BOSNIA AND HERZEGOVINA I	99/325/EC	10.05.99				20.00				
1st tranche			15	22.12.2014	(c)	10.00	10.00			10.00
2nd tranche			-	-	(c)	10.00	10.00			10.00
BOSNIA AND HERZEGOVINA II	02/883/EC	09.11.02				20.00				
1st tranche			15	16.01.2019	(c)	10.00	10.00			10.00
2nd tranche			15	09.02.2021	(c)	10.00	0.00	10.00		10.00
MOLDOVA I	94/346/EC	13.06.94				45.00				
1st tranche			10	07.12.2004	(a)	25.00	0.00			0.00
2nd tranche			10	08.08.2005	(a)	20.00	0.00			0.00
MOLDOVA II	96/242/EC	25.03.96				15.00				
1st tranche	97/471/EC	22.07.97	10	30.10.2006	(c)	15.00	3.00			3.00
FYROM I	97/471/EC	22.07.97				40.00				
1st tranche			15	27.09.2012	(c)	25.00	25.00			25.00
2nd tranche			15	13.02.2008	(c)	15.00	15.00			15.00
FYROM II	99/733/EC	8/11/1999				50.00				
1st tranche			15	15.01.2016	(c)	10.00	10.00			10.00
2nd tranche			15	30.01.2017	(c)	12.00	12.00			12.00
3rd tranche			15	04.06.2018	(c)	10.00	10.00			10.00
4th tranche			15	23.12.2018	(c)	18.00	18.00			18.00

TABLE A 5b (2)
European Community loans to non-member States
Changes in amounts outstanding during six-month period 31.12.2005 to 30.06.2006, broken down by countries and tranche

COUNTRY	Decision	Date of decision	Loan term (years)	Expiry date	Loan situation - closed (a) - partially disbursed (b) - disbursed in full (c) - not yet disbursed (d)	Amount decided	Amount outstanding at 31.12.2005	Operations in six-month period		Amount outstanding at 30.06.2006
								Amounts disbursed	Amounts repaid	
								in EUR million		
UKRAINE I	94/940/EC	22.12.94	10	28.12.2005	(a)	85.00	0.00			0.00
UKRAINE II	95/442/EC	23.10.95				200.00				
1/2 tranche			10	29.08.2006	(c)	50.00	10.00			10.00
1/2 tranche			10	30.10.2006	(c)	50.00	10.00			10.00
2nd tranche			10	25.09.2007	(c)	100.00	40.00			40.00
UKRAINE III	98/592/EC	15.10.98				150.00				
1st tranche			10	30.07.2009	(c)	58.00	58.00			58.00
2nd tranche			-	-	(d)	92.00				
BELARUS	95/132/EC	10.04.95				55.00				
1st tranche			10	28.12.2005	(a)	30.00	0.00			0.00
2nd tranche			-	-	(a)	25.00				
ALGERIA II	94/938/EC	22.12.94				200.00				
1st tranche			7	27.11.2002	(a)	100.00	0.00			0.00
2nd tranche			-	-	(a)	100.00				
GEORGIA	97/787/EC	17.11.97	15	24.07.2013	(c)	110.00	85.50			85.50
ARMENIA	97/787/EC	17.11.97	15	30.12.2013	(a)	28.00	0.00			0.00
REPS FORMER USSR	91/658/EEC	16.12.91	3	28.09.1997	(a)	1,250.00				
TAJIKISTAN	2000/244/EC	20.03.00			(b)	75.00				
1st tranche			15	30.03.2016	(c)	60.00	36.00			36.00
SERBIA AND MONTENEGRO	2001/549/EC	16.07.01	15	17.10.2016	(c)	225.00	225.00			225.00
SERBIA AND MONTENEGRO	2002/882/EC	9/11/2002				55.00				
1st tranche			15	28.02.2018	(c)	10.00	10.00			10.00
2nd tranche			15	01.09.2018	(c)	30.00	30.00			30.00
3rd tranche			15	04.05.2020	(c)	15.00	15.00			15.00
SERBIA AND MONTENEGRO	2003/825/EC	25/11/2003	-	-	(d)	25.00				
ALBANIA	2004/580/EC	29/04/2004	15	23.03.2021	(c)	9.00	0.00	9.00		9.00
BULGARIA (EURATOM)	94/179/EC	21/03/1994				212.50				
1st tranche			20	10.05.2021	(c)	40.00	40.00			40.00
2nd tranche			15	15.01.2017	(c)	15.00	15.00			15.00
3rd tranche			17	19.08.2019	(c)	25.00	25.00			25.00
4th tranche			15	18.06.2018	(c)	25.00	25.00			25.00
5th tranche			15	16.01.2019	(c)	35.00	35.00			35.00
6th tranche			16	10.09.2020	(c)	30.00	30.00			30.00
7th tranche			16	04.04.2021	(c)	25.00	25.00			25.00
8th tranche			14	23.02.2020	(c)	17.50		17.50		17.50
ROMANIA (EURATOM)	94/179/EC	21/03/1994				223.50				
1st tranche			17	21.07.2022	(c)	100.00	100.00			100.00
2nd tranche			19	26.11.2024	(c)	90.00	90.00			90.00
3rd tranche			18	23.02.2024	(c)	33.50		33.50		33.50
TOTAL							1,465.00	70.00	31.25	1,503.75

TABLE A 6

LOAN GUARANTEES TO EIB

in EUR million

Geographical Area	Decision	Date of decision	Rate of guarantee	Date of guarantee contract	Amount decided	Loans signed (minus cancellations)		Amount outstanding	
						at 31.12.05	at 30.06.06	at 31.12.05	at 30.06.06
MED. Financial protocols(1)		8.03.77	75% (2)	30.10.78/10.11.78	6,062	5,647	5,647	1,178	996
MED. Horizontal cooperation	R/1762/92/EEC	29.06.92	75% (2)	09.11.92/18.11.92	1,800	1,656	1,656	771	663
TOTAL MED. (3)					7,862	7,303	7,303	1,949	1,659
C and E Europe I	90/62/EEC(4)	12.02.90	100%	24.04.90/14.05.90	1,000	912	912	226	194
	91/252/EEC(5)	14.05.91	100%	19.01.93/04.02.93	700	493	493	69	50
C and E Europe II	93/696/EC(6)	13.12.93	100%	22.07.94/12.08.94	3,000	2,464	2,464	1,092	1,006
Asia, Latin America I	93/115/EEC	15.02.93	100%	04.11.93/17.11.93	750	571	571	244	194
Asia, Latin America Interim	96/723/EC	12.12.96	100%	18.03.97/26.03.97	153	153	139	47	45
Asia, Latin America Interim	96/723/EC	12.12.96	70%	21.10.97	122	122	122	52	42
South Africa	95/207/EC	01.06.95	100%	04.10.95/16.10.95	300	285	285	130	109
New mandates	97/256/EC(7)	14.04.97	70%	25.07.97/29.07.97	7,105	6,170	6,170	3,965	3,771
FYROM	98/348/EC	19.05.98	70%	29.07.98/07.08.98	150	150	150	102	99
Bosnia and Herzegovina	98/729/CE	14.12.98	70%	16.06.99/22.06.99	100	100	100	63	68
Turkey Terra	99/786/EC	29.11.99	65%	18.04.00/23.05.00	600	600	600	496	492
Mandates 2000-2007	2000/24/EC(8)	22.12.99	65%	19.07.00/24.07.00 (11)	19,460	16,554	17,024	6,602	6,835
The Baltic Sea basin of Russia	2001/777/EC(9)	06.11.01	100%	06.05.02/07.05.02	100	85	85	19	21
Russia, Belarus, Moldova and Ukraine	2005/48/EC(10)	22.12.04	100%	21.12.05/09.12.05	500				
TOTAL					41,902	35,962	36,418	15,056	14,585

(1) Including EUR 1 500 million for Spain, Greece and Portugal.

(2) General guarantee of 75% for all credits made available under lending operations under a guarantee contract signed between the Community and the EIB on 30.10.78 and 10.11.78.

By way of exception, a 100% guarantee applies to the emergency aid granted to Portugal in accordance with the Council Decision of 7 October 1975.

(3) The Community has guaranteed EUR 5 497 million, of which EUR 141.5 million is covered by a 100% guarantee for Portugal.

(4) Non-member States: Poland, Hungary.

(5) Non-member States: Czech Republic and Slovak Republic, Bulgaria, Romania.

(6) Non-member States: Poland, Hungary, Czech Republic and Slovak Republic, Bulgaria, Romania, Baltic States and Albania.

(7) Non-member States: Central and Eastern Europe, Mediterranean, Asia and Latin America, South Africa.

(8) Non-member States: South-eastern Neighbours, Mediterranean countries, Latin America and Asia, Republic of South Africa, Special action Turkey, as amended (2005/47/EC).

(9) A special lending action for selected environmental projects in the Baltic Sea basin of Russia under the Northern Dimension.

(10) A special lending action for certain types of projects in Russia, Belarus, Moldova and Ukraine.

(11) Restated and amended in 2005.

1.3. Expected signature and disbursement of EIB loans

The EIB has supplied the figures used for the calculation of the assumptions made for drawing up Table A3 (EIB loans with a Community guarantee to non-member States from its own resources).

Expected signatures:

At 30 June 2006 a total of EUR 9,080 million was still to be disbursed under the EUR 20,060 million General Mandate 2000 - 2007:

Table A 7: Disbursement forecast for EIB loans

		EUR million	
	Ceiling	Loans made available (minus cancellations) at 30.06.2006*	to be disbursed under signatures**
Mediterranean	6,520	5,758	2,889
South-Eastern Neighbours	10,235	8,669	5,324
Asia, Latin America	2,480	1,934	601
South Africa	825	742	266
	20,060	17,103	9,080

* EUR 521 million for new Member States are not included.

** EUR 55 million for new Member States are not included.

Disbursement forecasts:

As regards disbursement of the loans still awaiting signature, it is assumed that nothing will be paid in the year of signature, 10% in the second year, 25% a year between the third and fifth years and 15% in the sixth year.

1.4. Payment of the budget guarantee

1.4.1. Borrowing/lending operations

In this type of operation, the Community borrows on the financial market and on-lends the proceeds (back-to-back) to Member States (balance of payments), non-Member States (Macro-financial assistance) or firms (Euratom).

The loan repayments are scheduled to match the repayments of the borrowings due from the Community. If the recipient of the loan is late in making a repayment, the Commission must draw on its resources to repay the borrowing on the due date.

The funds needed to pay the budget guarantee in the event of late payment by the recipient of a loan granted by the Community are raised as follows:

- a) the amount required may be taken provisionally from cash resources in accordance with Article 12 of Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000, as amended, implementing Decision 94/728/EC, Euratom, on the system of the Communities' own resources. This method is used so that the Community can immediately repay the borrowing on the date scheduled in the event of late payment by the recipient of the loan;

- b) if the delay reaches to three months after the due date, the Commission draws on the Guarantee Fund to cover the default. The funds obtained are used to replenish the Commission's cash resources;
- c) the transfer procedure can be used to provide the budget heading with the appropriations needed to cover the default; any margin available in the guarantee reserve is drawn on first. This method is used when there are insufficient appropriations in the Guarantee Fund and must be authorised in advance by the budgetary authority;
- d) the re-use of amounts repaid by debtors who have defaulted, leading to activation of the Community guarantee, allows payments to be made within a short period of time always providing, of course, that there are recovered funds available.

1.4.2. Guarantees given to third parties

The loan guarantee is in respect of loans granted by a financial institution such as the EIB. When the recipient of a guaranteed loan fails to make a payment on the due date, the EIB asks the Community to pay the amounts owed by the defaulter in accordance with the contract of guarantee. The guarantee call must be paid within three months of receiving the EIB's request. The EIB administers the loan with all the care required by banking practice and is obliged to demand the payments due after the guarantee has been activated.

Since the entry into force of the Regulation establishing a Guarantee Fund for external actions, the provisions of the Agreement between the Community and the EIB on management of the Fund state that, after the EIB calls in the guarantee in the event of a default, the Commission must authorise the Bank to withdraw the corresponding amounts from the Guarantee Fund within three months.

If there are insufficient resources in the Fund, the procedure used for activating the guarantee is the same as for borrowing/lending operations.

An implementation agreement was concluded between the Community and the EIB on 20 and 22 January 1999 to determine payment and repayment procedures in connection with Community guarantees to the EIB.

2. METHODOLOGICAL NOTE ON THE ANALYSIS OF THE COMMUNITY'S ESTIMATED LENDING CAPACITY IN RESPECT OF NON-MEMBER STATES IN 2006 UNDER THE GUARANTEE FUND MECHANISM (TABLE A4)

2.1. Reserve for loan guarantees to non-member States

The Interinstitutional Agreement of 6 May 1999⁴ on budgetary discipline and improvement of the budgetary procedure provides for the entry of a reserve for loan guarantees to non-Member States as a provision in the general budget of the European Communities. This reserve is intended to cover the requirements of the Guarantee Fund and, where necessary, activated guarantees exceeding the amount available in the Fund, so that these amounts may be charged to the budget.

The amount of the guarantee reserve is the same as in the financial perspective for 2000-2006, i.e. EUR 200 million per year at 1999 prices. The amount in the reserve is EUR 229 million in 2006.

The conditions for the entry, use and financing of the guarantee reserve are laid down in the following decisions:

- Council Decision 2000/597/EC of 29 September 2000 on the system of the Communities' own resources.
- Council Decision 2040/2000/EC on budgetary discipline.
- Council Regulation (ECSC, EC, Euratom) N°1605/2002 on the Financial Regulation of 25 June 2002 applicable to the general budget of the European Communities.
- Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994, establishing a Guarantee Fund for external actions, amended by Council Regulation (EC, Euratom) No 1149/99 of 25 May 1999 and by Council Regulation (EC, Euratom) No 2273/2004 of 22 December 2004.

2.2. Bases for the calculation of the provisioning of the Guarantee Fund

The bases for the provisioning of the Fund are calculated by applying the appropriate rate of guarantee (65% for the General Mandate 2000 - 2007, 70%, 75% or 100% for previous or specific mandates):

- to the loan guarantees authorised by the Council and to the loan guarantees proposed or being prepared by the Commission on the basis of the estimates of loan signatures contained in the financial statements (EIB and Euratom loans);
- to the loans (for financial assistance) authorised by the Council and to the loans proposed or being prepared by the Commission.

⁴ To be replaced as of 01.01.07 by the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (see OJ C 139 of 14.06.06, p. 1).

The annex to Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions, which relates to the arrangements for payments into the Guarantee Fund, states that, in the case of borrowing/lending operations or guarantees to financial bodies under a framework facility spread over a number of years and with a microeconomic and structural purpose, payments into the Fund will be made in annual instalments calculated on the basis of the annual amounts indicated in the financial statement attached to the Commission proposal, adapted where appropriate in the light of the Council decision (Commission decision in the case of Euratom loans).

For other Community borrowing/lending operations, such as loans for the balance of payments of third countries, whether made in one or several instalments, payments into the Fund are calculated on the basis of the total amount for the operation decided on by the Council.

The annex to the Regulation establishing the Guarantee Fund states that, as from the second year (in the case of operations spread over a number of years), the amounts to be paid into the Fund will be corrected by the difference recorded on 31 December of the previous year between the estimates that were taken as a basis for the previous payment and the actual figure for the loans signed during that year. Any difference relating to the previous year will give rise to a payment in the following year.

The annex states that, when it starts a payment procedure, the Commission will check the situation with regard to the performance of the operations which were the subject of previous payments and, where the commitment deadlines originally laid down have not been met, will propose that this will be taken into account in calculating the first payment to be made at the start of the following financial year for operations already under way.

2.3. Basis for the provisioning of the Fund in the case of a partial guarantee

For EIB loans covered by an aggregate 75% guarantee, the Fund was provisioned on the basis of 75% of the total amount of operations authorised.

The guarantee on the EIB loans authorised by the Council on 14 April 1997, 19 May 1998 and 14 December 1998 is limited to 70% of the total amount of credits opened. The basis for provisioning was 70% of the annual forecast of signatures.

The guarantee on the EIB loans authorised by the Council on 29 November 1999 and 22 December 1999 is limited to 65% of the total amount of credits opened. The basis for provisioning is 65% of the annual forecast of signatures.

The guarantee on the EIB loans authorised by the Council on 6 November 2001 and 22 December 2004 is 100% of the total amount of credits opened. The basis for provisioning is 100% of the annual forecast of signatures.

Macro-financial assistance loans are provisioned in full at the moment of the decision. Euratom loans are provisioned in full at the latest at the time of signing of the loan agreement.

2.4. Provisioning of the Guarantee Fund

Historically the amounts paid into the Fund were obtained by applying the rate of provisioning (14%) to the calculation base set out above. Pursuant to Articles 2 and 4 of the Regulation establishing the Guarantee Fund, the Fund is endowed by payments from the general budget equivalent to 14% of the capital value of the operations until it reaches the target amount. As the target amount was reached at 31 December 1997, the Commission, in accordance with the Regulation, submitted proposals to review the rate of provisioning. These proposals appear in the comprehensive report on the functioning of the Fund which the Commission drew up in accordance with Article 3 of the Regulation⁵. Regulation No 2728/94 establishing a Guarantee Fund for external actions has been amended by Council Regulation (EC, Euratom) No 1149/1999 of 25 May 1999 under which the provisioning rate for the Fund and the target amount are set at 9% from 1 January 2000. A further comprehensive report on the functioning of the Fund was adopted by the Commission⁶ in October 2003. In line with the needs identified in the last Comprehensive Report, the Commission presented an amendment to the Regulation of the Guarantee Fund to improve the rules of the provisioning mechanism, i.e. the rules that determine how the Fund's assets are brought in line with the target amount of the Fund⁷. The last comprehensive report on the functioning of the Fund was adopted by the Commission in November 2006⁸.

2.5. Activation of budget guarantees

If a borrower defaults on an EIB loan guaranteed by the Union budget, the Community guarantee is called upon at the earliest three months after the date on which payment has fallen due. The Community will act within three months of receiving such a letter from the EIB calling for the guarantee to be activated, authorising the EIB to take the corresponding amounts from the Guarantee Fund.

Default interest owed by loan beneficiaries for the time between the date on which cash resources are made available by the Union budget and the date of activation of the Fund is drawn from the Fund and repaid to the Union budget. For EIB loans, default interest is calculated during the period between the due date of a defaulted loan instalment and the date of receipt of the cash resources by the EIB from the Commission.

2.6. Margin remaining in the guarantee reserve

The margin remaining in the guarantee reserve is equivalent to the difference between the reserve and the provisioning for the current year.

On the basis of the decisions adopted by the Council or the Commission and decisions proposed and forecasted (see Table A4), an amount of EUR 127.64 million is to be used from the Guarantee Reserve in 2006, leaving EUR 101.36 million available for further guaranteed lending operations.

⁵ COM(1998)168 of 18.03.1998

⁶ COM(2003)604 of 13.10.2003

⁷ COM(2005)130 of 05.04.2005

⁸ COM(2006)695 and SEC(2006)1460 of 16.11.2006

If account is taken of the effect on the Guarantee Reserve of the provisioning of the Fund in respect of loans already decided and loans proposed and forecasted for 2006 the annual capacity available for loans is as follows:

- EUR 1,126.27 million for loans with a 100% guarantee under the Union budget, or
- EUR 1,732.72 million for loans with a 65% guarantee (in accordance with Council Decision 2000/24/EC of 22 December 1999).

2.7. Residual lending capacity

The residual lending capacity is the loan equivalent of the margin left in the reserve, allowing for the guarantee rates in force.

Table A4: Amounts of loans and loan guarantees to be provisioned under the Reserve for guarantees (EUR million)

	2006	
	Expected loan amounts	Expected Provisioning
Amount of the reserve	229	
Total lending and guarantee capacity 100%		2544
Total lending and guarantee capacity 65%		3915
1. GUARANTEES OF EIB LOANS		
Decided operations		
2000-2007 general lending mandate (65%) ¹	2,222.00	129.99
correction forecasted/realized ²	-132.50	-7.75
<i>Subtotal 2000 - 2007</i>	2,089.50	122.24
<i>Baltic Sea under the Northern Dimension (100%)</i>		
correction forecasted/realized ²	-15.00	-1.35
<i>Russia / WNIS³ (100%)</i>		
correction forecasted/realized ²	225.00	20.25
	-150.00	-13.50
<i>Subtotal EIB</i>	2,149.50	127.64
2. MACROFINANCIAL ASSISTANCE LOANS		
<i>Subtotal MFA</i>	0.00	0.00
3. EURATOM LOANS⁴		
Provisional estimates		
Ukraine ⁵		
<i>Subtotal Euratom</i>	0.00	0.00
Total of loans (1+2+3)	2,149.50	
Use of the reserve (1+2+3)		127.64
Margin within the reserve (after provisioning of above-indicated loans)		101.36
Residual lending and guarantee capacity 100%⁶		1,126.27
Residual lending and guarantee capacity 65%⁷		1,732.72

1 The figures mentioned under the 2000-2007 general lending mandate include the amounts of amended Decision 2000/24/EC, as amended.

2 Correction for difference between forecasts and realizations in previous year.

3 Russia / WNIS was adopted by the Council (2005/48).

4 For 2006, figures are subject to receipt of applications.

5 For Ukraine, under the envisaged EUR 657 million loan for the K2R4 project, EUR 503 million are already provisioned from previous years. A review of the decision was amended by the Commission and resulted to a decrease of EUR 420 million in the loan amount.

6 For macro-financial assistance, Euratom loans and EIB loans for Baltic Sea and Russia/WNIS.

7 For guarantees of other EIB loans.

3. COUNTRY-RISK EVALUATION

The country risk evaluation presented below comprises a table of risk indicators for each non-member State that has received EC macro-financial assistance and still has outstanding debts to the EC. Moreover, other third countries each representing more than 2% of the total outstanding debt to the EC (notably through guarantees of EIB project related lending) and either categorised as “severely indebted” according to criteria set by the World Bank or facing significant imbalances in their external or debt situation are also included in the risk evaluation.

Altogether, the country analysis covers 44.4% of the total outstanding debt owned by the EC or guaranteed through its budget, thus providing a meaningful assessment of the risk.

Standard footnotes

- a) Includes only EC and EIB loans (outstanding disbursements) to CEEC, NIS and MED.
The major changes in these figures are due to the transfer of accession countries from the “third countries” section in the “Member States” section as of 1 May 2004.
- b) The higher the ranking number indicated by Euromoney, the lower the creditworthiness of the country.
- c) Countries are rated on a scale of zero to 100 by The Institutional Investor; 100 represents the least chance of default. A given country may improve its rating and still fall in the ranking if the average global rating for all rated countries improves.

Abbreviations and English words used in tables

S&P	Standard and Poor's
CCFF	Compensatory and Contingency Financing Facility
EFF	Extended Fund Facility
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
SBA	Stand-By Arrangement
STF	Systemic Transformation Facility
est.	estimates
m EUR	EUR million
bn USD	USD billion
n.a.	not available
prelim.	preliminary
p.	provisional

Country-risk indicators (tables)

Country risk indicators					
Country: Bulgaria					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)		5.7	5.5	6.1
Industrial production	(% change)		17.1	6.7	6.2
Unemployment (end of period)	(% of labour force)		12.0	10.1	9.0
Inflation rate (CPI) (Dec/Dec)	(% change)		4.0	6.5	6.8
Exchange rate (end of period)	(Leva per EUR)		1.956	1.956	1.956
General government balance	(% of GDP)		2.7	2.4	3.3
Balance of payments					
Exports of goods and services	(m EUR)		11361	12898	7211
Current account balance	(% of GDP)		-5.8	-11.3	-13.9
Net inflow of foreign direct investment	(m EUR)		2728	2326	1586
Official reserves, including gold (end of period)					
m EUR			6770	7370	8322
months' imports of goods and services			6.0	5.3	5.2
External debt					
Convertible currency external debt (end of period)	(m EUR)		12572	14530	16303
Convertible currency debt service	(m EUR)		2611	5709	2058
principal	(m EUR)		2258	5298	1788
interest	(m EUR)		353	411	270
External debt/GDP	(%)		64.2	67.7	68.0
External debt/exports of goods and services	(%)		110.8	111.4	-
Debt service/exports of goods and services	(%)		23.0	43.8	28.6
Arrears (on both interest and principal)	(m EUR)		none	none	none
Debt relief agreements and rescheduling			none	none	none
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	8.4	7.3	7.4
EU exposure/external debt	(%)		6.5	5.6	5.0
EU exposure/exports of goods and services	(%)		7.2	6.3	11.4
IMF arrangements					
Type			SBA	SBA	SBA
(Date)			(08/04-09/06)	(08/04-09/06)	(08/04-03/07)
On track			yes	yes	yes
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			Ba1	Ba1	Baa3
S&P long-term foreign currency rating (end of period)			BBB-	BBB	BBB
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	63 61	63 65	63 58
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

(a) (b) See explanatory notes at beginning of the tables.

Country-risk indicators					
Country: ROMANIA					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		8.4	4.1	7.4 (H1)
Industrial production	(% change)		5.3	2.2	7.1 (July)
Unemployment (average)	(% of labour force)	(1)	7.6	7.7	7.4 (Q2)
Inflation rate (CPI) (Dec/Dec)	(% change)		9.3	8.6	6.0 (Aug)
Exchange rate (euro, end of period)	(Lei)		39663	36771	35277 (Sep)
General government balance	(% of GDP)	(2)	-1.5	-1.5	-2.5
Balance of payments					
Exports of goods and services	(m EUR)		21838	26186	18067 (July)
Current account balance	(% of GDP)		-8.4	-8.7	-9.6 (July)
Net inflow of foreign direct investment	(m EUR)		5127	5208	3243 (June)
Official reserves, excluding gold (end of period)					
m EUR			10848	16796	18527 (Aug)
months' imports of goods and services			5.8	6.4	6.0 (July)
External debt					
Convertible currency external debt (end of period)	(m EUR)		19786	27476	29825 (June)
Convertible currency debt service	(m EUR)	(3)	3828	4755	2559 (June)
principal	(m EUR)	(3)	-		
interest	(m EUR)	(3)	-		
External debt/GDP	(%)		35.8	33.0	34.1 (June)
External debt/exports of goods and services	(%)		90.6	104.9	NA
Debt service/exports of goods and services	(%)	(3)	17.5	18.2	NA
Arrears (on both interest and principal)	(m EUR)		none	none	none
Debt relief agreements and rescheduling	(m EUR)		none	none	none
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	17.3	17.9	18.4
EU exposure/external debt	(%)		8.5	7.2	6.8
EU exposure/exports of goods and services	(%)		7.7	7.6	11.2
IMF arrangements					
Type			precautionary	precautionary	-
(Date)			(7/04-7/06)	(7/04-7/06)	-
On track			partly (9)	no (10)	-
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			B1	Ba2	Ba2
S&P long-term foreign currency rating (end of period)			BB+/Stable/B	BBB-/Stable/A-3	BBB+/Stable/A-3
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	68 66	65 66	65 64
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

- (1) harmonized rate, yearly average
(2) Estimated ESA 95 net lending. For 2005, planned.
(3) In 2002, IMF data
(a) (b) See explanatory notes at beginning of the tables

Country-risk indicators					
Country: Turkey					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		8.9	7.4	5.0
Industrial production	(% change)		9.7	3.9	7.0
Unemployment (end of period)	(% of labour force)		10.2	10.3	9.5
Inflation rate (CPI) (Dec/Dec)	(% change)		9.3	7.7	10.0
Exchange rate (end of period)	(TL per EUR)		1.84	1.68	1.50
General government balance	(% of GDP)		-5.7	-1.2	-1.5
Balance of payments					
Exports of goods and services	(m EUR)		73122	82500	95000
Current account balance	(% of GDP)		-5.2	-6.3	-6.8
Net inflow of foreign direct investment	(m EUR)		1107	3000	3200
Official reserves, including gold (end of period)	m EUR		43144	48300	49000
months' imports of goods and services			6.3	6.5	6.8
External debt					
Convertible currency external debt (end of period)	(m EUR)		123174	115689	125000
Convertible currency debt service	(m EUR)		24052	22154	23000
principal	(m EUR)		18400	18654	18200
interest	(m EUR)		5652	3500	4800
External debt/GDP	(%)		43.2	38.7	40.2
External debt/exports of goods and services	(%)		175.3	145.8	130.0
Debt service/exports of goods and services	(%)		37.1	35.6	35.0
Arrears (on both interest and principal)	(m EUR)		none	none	none
Debt relief agreements and rescheduling			none	none	none
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	15.4	15.9	16.2
EU exposure/external debt	(%)		1.2	1.5	1.4
EU exposure/exports of goods and services	(%)		2.1	2.1	1.9
IMF arrangements					
Type			SBA	SBA	SBA
(Date)			(02/05)	(05/07)	(05/07)
On track			yes	yes	yes
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			B3	B1	B1
S&P long-term foreign currency rating (end of period)			BB-	BB-	BB-
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	75 69	73 72	71 69
(number of countries)			(185) (185)	(185) (185)	(185) (185)

(a) (b) See explanatory notes at beginning of the tables.

Country-risk indicators					
Country: Former Yugoslav Republic of Macedonia					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)	(1)	4.10	4.00	3.80
Industrial production	(% change)	(2)	-2.20	7.20	2.80
Unemployment (end of period)	(% of labour force)	(3)	37.20	37.30	36.10
Inflation rate (CPI)	(% change)	(2)	-0.40	0.50	3.30
Exchange rate (end of period)	(Denar per EUR)	(4)	61.32	61.34	61.19
General government balance	(% of GDP)		0.00	0.30	-0.60
Balance of payments					
Exports of goods and services	(m EUR)	(5)	1347.5	1639.5	1050.0
Current account balance	(% of GDP)	(5)	-7.7	-1.4	-1.3
Net inflow of foreign direct investment	(m EUR)	(5)	132.7	78.0	240.1
Official reserves, including gold (end of period)	m EUR	(5)	717.0	1123.0	1241.33
months' imports of goods and services		(1)	2.80	4.00	5.00
External debt					
Convertible currency external debt (end of period)	(m EUR)		1838.2	2405.7	1853.5
Convertible currency debt service	(m EUR)		218.2	247.8	63.7
principal	(m EUR)		176.4	189.7	44.3
interest	(m EUR)		41.9	58.1	19.4
External debt/GDP	(%)		42.5	45.6	38.6
External debt/exports of goods and services	(%)		136.41	199.71	176.53
Debt service/exports of goods and services	(%)		13.90	15.20	15.09
Arrears (on both interest and principal)	(m EUR)		none	none	none
Debt relief agreements and rescheduling	(m EUR)		none	none	none
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	2.0	1.9	1.9
EU exposure/external debt	(%)		10.8	8.7	11.2
EU exposure/exports of goods and services	(%)		14.8	12.7	19.9
IMF arrangements					
Type				SBA	
(Date)				08/05-08/08	
On track				yes	
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			none	none	
S&P long-term foreign currency rating (end of period)			none	none	
Euromoney			03/04 09/04	03/05 09/05	
Position in the ranking	(b)		107 113	92 95	
(number of countries)			(185) (185)	(185) (185)	
The Institutional Investor			03/04 09/04	03/05 09/05	
Position in the ranking	(b)		107 109	91 93	
(number of countries)			(172) (173)	(173) (173)	
Credit rating	(c)		26,3 26,9	30,2 31,8	

Footnotes

- (1) Provisional
(2) Jan.-August
(3) 2nd quarter 2006
(4) September 2006
(5) Jan-June 2006
(a) (b) (c) See explanatory notes at beginning of tables

Country-risk indicators					
Country: Albania					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)		5.9	5.5	5.0
Industrial production	(% change)		--	--	--
Unemployment (end of period)	(% of labour force)		14.7	14.2	--
Inflation rate (CPI) (Dec/Dec)	(% change)		2.2	2.0	3.0
Exchange rate (end of period)	(LEK per EUR)		125.9	122.4	--
General government balance	(% of GDP)		-5.1	-3.6	-3.8
Balance of payments					
Exports of goods and services	(m EUR)	(1)	1,293	1,461	1,640
Current account balance	(% of GDP)		-3.8	-6.9	-6.6
Net inflow of foreign direct investment	(m EUR)		277.0	212.0	239.0
Official reserves, including gold (end of period)					
m EUR			1,025	1,202	1,260
months' imports of goods and services		(1)	4.0	4.2	4.1
External debt					
Convertible currency external debt (end of period)	(m EUR)		1,239	1,391	1,517
Convertible currency debt service principal	(m EUR)		53.0	61.0	94.0
interest	(m EUR)				
External debt/GDP	(%)		20.4	20.3	20.8
External debt/exports of goods and services	(%)		95.8	95.3	92.5
Debt service/exports of goods and services	(%)		3.9	4.1	5.4
Arrears (on both interest and principal)	(m EUR)		n.a.	n.a.	n.a.
Debt relief agreements and rescheduling					
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	0.6	0.6	0.6
EU exposure/external debt	(%)		5.1	4.8	4.6
EU exposure/exports of goods and services	(%)		5.0	4.7	4.4
IMF arrangements					
Type		(2)	PRGF	PRGF	PRGF
(Date)			21/06/2002	21/06/2002	27/01/2006
On track			yes	yes	yes
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			none	none	none
S&P long-term foreign currency rating (end of period)			none	none	none
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	122 127	103 122	106 120
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes (1) projected data for 2005

(2) The sixth and final review under the extended arrangement under the Poverty Reduction and Growth Facility took place in August 2005.

(a) (b) See explanatory notes at beginning of the tables

Country-risk indicators					
Country: Bosnia & Herzegovina (1)					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)		5.00	5.50	5.00
Industrial production	(% change)				-
Federation			13.20	5.00	25.00
Republika Srpska			9.70	20.00	5.50
Unemployment (end of period)	(% of labour force)	(1)	43.10	44.60	-
Inflation rate (CPI) (12 month average)	(% change)		0.40	2.80	7.00
Exchange rate (end of period)	KM per EUR		1.96	1.96	1.96
	KM per USD		1.58	1.58	1.67
General government balance (after grants)	(% of BiH GDP)	(2)	-0.60	0.90	-0.40
Balance of payments					
Exports of goods and services	(m EUR)		2393.00	2891.00	3036.40
Current account balance	(% of GDP)		20.80	22.50	19.10
Net inflow of foreign direct investment	(m EUR)	(3)	486.70	239.20	-
Official reserves, including gold (end of period)					
m EUR			1763.50	2140.30	2367.00
months' imports of goods and services			3.80	4.20	-
External debt					
Convertible currency external debt (end of period)	(m EUR)	(4)	2057.00	2187.50	-
Convertible currency debt service	(m EUR)		130.80	117.60	-
principal	(m EUR)		84.80	72.60	-
interest	(m EUR)		46.00	45.00	-
External debt/GDP	(%)		29.90	31.00	-
External debt/exports of goods and services	(%)	(4)	85.96	83.90	-
Debt service/exports of goods and services	(%)		5.60	4.10	-
Arrears (on both interest and principal)	(m EUR)		none	none	-
Debt relief agreements and rescheduling			yes	yes	-
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	1.2	1.5	1.8
EU exposure/external debt	(%)		5.6	7.8	-
EU exposure/exports of goods and services	(%)		4.8	5.9	6.6
IMF arrangements					
Type			No new programme		
(Date)					
On track					
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			Caa1	Caa1	B3
S&P long-term foreign currency rating (end of period)			none	none	none
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	107 113	123 124	110 105
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

- (1) World Bank and IMF estimates are one half the official estimate (ie 20%)
(2) Excl. some lower levels of gov. If estimates for these are incl., 2004 and 2005 gov. balance is estimated at around 0
(3) 2005: First 3 quarters
(4) 2005: September figure
(a) (b) See explanatory notes at beginning of the tables.

Country-risk indicators					
Country: Serbia					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		9.3	6.3	6.7
Industrial production	(% change)		7.1	1.3	7.8
Unemployment (end of period)	(% of labour force)		32.4	32.6	27.0
Inflation rate (CPI) (Dec/Dec)	(% change)		13.8	17.5	11.6
Exchange rate (end of period)	(CSD per EUR)		78.9	86.5	81.0
General government balance	(% of GDP)		0.0	0.6	0.9
Balance of payments					
Exports of goods and services	(m EUR)		4,241	5,138	
Current account balance	(% of GDP)		-12.6	-9.8	
Net inflow of foreign direct investment	(m EUR)		789	1,210	770
Official reserves, including gold (end of period)	m EUR		3,117	4,935	7,881
months' imports of goods and services			4.0	5.9	10.2
External debt					
Convertible currency external debt (end of period)	(m EUR)		12,153	13,088	18,384
Convertible currency debt service principal	(m EUR)		794	1,404	
interest	(m EUR)		551	972	
External debt/GDP	(%)		243	432	
External debt/exports of goods and services	(%)		61.1	61.1	66.0
Debt service/exports of goods and services	(%)		287	255	NA
Arrears (on both interest and principal)	(m EUR)		18.7	27.3	NA
Debt relief agreements and rescheduling		(1)	1,965 yes	1,855 yes	366 yes
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	4.6	5.0	5.4
EU exposure/external debt	(%)		3.7	4.3	3.3
EU exposure/exports of goods and services	(%)		10.7	10.8	-
IMF arrangements					
Type			Extended Arrangement	Extended Arrangement	-
(Date)			05/02 - 12/05	05/02 - 02/06	-
On track			yes	completed	-
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)		(2)	none	none	none
S&P long-term foreign currency rating (end of period)			B+/BB	BB-	BB-
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	166 166	158 96	104 93
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

- (1) In November 2001, the Paris Club creditors agreed on a highly concessional two-phased debt restructuring of 66% in NPV terms. The first phase (51%) became effective in May 2002 when the IMF adopted the new three-year Extended Arrangement (EA); the second phase (15%) will become effective upon successful completion on the EA.
- (2) Serbia B+, Montenegro BB.
- (a) (b) See explanatory notes at beginning of the tables.

Country-risk indicators					
Country: Montenegro					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		3.7	4.1	5.2
Industrial production	(% change)		13.8	-1.9	2.5
Unemployment (end of period)	(% of labour force)		22.3	18.4	14.7
Inflation rate (CPI) (Dec/Dec)	(% change)		4.3	1.8	2.4
Exchange rate (end of period)	(EUR per EUR)		1.0	1.0	1.0
General government balance	(% of GDP)		-2.6	-2.9	-2.2
Balance of payments					
Exports of goods and services	(m EUR)		701.7	730.9	137.9
Current account balance	(% of GDP)		-7.8	-12.2	-19.1
Net inflow of foreign direct investment	(m EUR)		3.3	22.8	165.8
Official reserves, including gold (end of period)	m EUR		60.1	172.9	
months' imports of goods and services			0.8	1.9	
External debt					
Convertible currency external debt (end of period)	(m EUR)		502	772	n.a
Convertible currency debt service principal	(m EUR)				
interest	(m EUR)				
External debt/GDP	(%)		2.6	2.5	n.a
External debt/exports of goods and services	(%)		5.6	5.7	n.a
Debt service/exports of goods and services	(%)				
Arrears (on both interest and principal)	(m EUR)				
Debt relief agreements and rescheduling		(1)	yes	yes	yes
Indicators of EU exposure					
EU exposure/total EU exposure	(%)		0.5	0.6	0.6
EU exposure/external debt	(%)	(a)	10.1	8.0	
EU exposure/exports of goods and services	(%)		7.2	8.5	48.2
IMF arrangements					
Type			Extended Arrangement	Extended Arrangement	
(Date)			05/02 - 12/05	05/02 - 02/06	
On track			yes	completed	
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			none	none	none
S&P long-term foreign currency rating (end of period)			BB/Stable/B	BB/Positive/B	BB/Positive/B
Euromoney			none	none	none
Position in the ranking (number of countries)		(b)	(185) (185)	(185) (185)	(185) (185)

Footnotes

(1)

In November 2001, the Paris Club creditors agreed on a highly concessional two-phased debt restructuring of 66% in NPV terms. The first phase (51%) became effective in May 2002 when the IMF adopted the new three-year Extended Arrangement (EA); the second phase (15%) became effective upon successful completion on the EA.

(a) (b)

See explanatory notes at beginning of the tables

Country-risk indicators					
Country: Georgia					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		5.9	9.3	7.5
Industrial production	(% change)		8.6	16.4	n.a.
Unemployment (end of period)	(% of labour force)		12.6	13.8	n.a.
Inflation rate (CPI) (Dec/Dec)	(% change)		7.5	6.2	10.0
Exchange rate (end of period)	(Lari per USD)		1.83	1.79	n.a.
General government balance	(% of GDP) (commitments)		3.2	-1.5	-2.1
Balance of payments					
Exports of goods and services	(m USD)		1960	2640	3040
Current account balance	(% of GDP)		-8.4	-5.4	-9.9
Net inflow of foreign direct investment	(m USD)		420	529	1020
Official reserves, including gold (end of period)					
m EUR			383	474	1030
months' imports of goods and services			1.7	1.7	2.8
External debt					
Convertible currency external debt (end of period)	(m USD)		1858	1735	1725
Convertible currency debt service	(m USD)		186	190	220
principal	(m USD)		n.a.	n.a.	n.a.
interest	(m USD)		n.a.	n.a.	n.a.
External debt/GDP	(%)		36.2	27.1	23.0
External debt/exports of goods and services	(%)				
Debt service/exports of goods and services	(%)		9.5	7.2	7.3
Arrears (on both interest and principal)	(m USD)		63	0	0
Debt relief agreements and rescheduling			Paris Club (July)		
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	0.9	0.8	0.8
EU exposure/external debt	(%)		6.7	5.8	6.3
EU exposure/exports of goods and services	(%)		6.4	3.8	3.6
IMF arrangements					
Type			PRGF	PRGF	PRGF
(Date)			(06/04-06/07)	(06/04-06/07)	(06/04-06/07)
On track			yes	yes	yes
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			none	none	none
S&P long-term foreign currency rating (end of period)			none	B+	B+
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	136 143	149 145	129 138
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

(a) (b) See explanatory notes at beginning of the tables

Country-risk indicators					
Country: Ukraine					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		12.1	2.6	6.0
Industrial production	(% change)		12.5	3.1	5.0
Unemployment (ILO definition)	(% of labour force)		8.6	7.8	n.a.
Inflation rate (CPI) (Dec/Dec)	(% change)		12.3	10.3	10.0
Exchange rate (end of period)	(Hryvnia per USD)		5.3	5.05	n.a.
General government balance	(% of GDP)	(1)	-3.6	-1.9	3.0
Balance of payments					
Exports of goods and services	(m USD)		41290	44380	n.a.
Current account balance	(% of GDP)		10.5	3.1	-2.5
Net inflow of foreign direct investment	(m USD)		1718	7468	3500
Official reserves, (end of period)					
m USD			9500	19390	19000
months' imports of goods and services			2.7	4.6	4.0
External debt					
Public external debt (end of period)	(m USD)		12496	12667	12300
Public external debt service	(m USD)	(2)	1860	2080	n.a.
principal	(m USD)		1360	1480	n.a.
interest	(m USD)		500	600	n.a.
External debt/GDP	(%)		19.3	15.3	13.0
External debt/exports of goods and services	(%)		30.3	28.5	n.a.
Debt service/exports of goods and services	(%)		4.6	4.9	5.0
Arrears (on both interest and principal)	(m USD)		no	no	no
Debt relief agreements and rescheduling	(m USD)		no	no	no
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	1.8	1.1	1.1
EU exposure/external debt	(%)		1.9	1.1	1.2
EU exposure/exports of goods and services	(%)		0.6	0.3	-
IMF arrangements					
Type			Stand-by*	Stand-by*	-
(Date)			(03/04-03/05)	(03/04-03/05)	-
On track			off-track	off-track	-
			*precautionary	*precautionary	
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			B2	B2	B2
S&P long-term foreign currency rating (end of period)			B+	BB-	BB-
Euromoney			03/04 09/04	09/04 03/05	03/06 09/06
Position in the ranking		(b)	93	85 83	82 78
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

(a) (b)

See explanatory notes.

(1)

On a cash basis.

(2)

Debt service after July 2001 Paris Club rescheduling

Country-risk indicators					
Country: Moldova					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)	IMF Staff notes	7.4	7.1	3.0
Industrial production	(% change)	CISSTAT	6.4	6.3	3.0
Unemployment (end of period)	(% of labour force)				
Inflation rate (CPI, end of period)	(% change)	IMF Staff notes	12.6	10.0	12.0
Exchange rate (end of period)	(Leu per USD)	IMF Staff notes	12.5	12.8	n.a.
General government balance	(% of GDP)	IMF Staff notes	0.8	1.7	-0.5
Balance of payments					
Exports of goods and services	(m USD)	IMF Staff notes	1349	1528	1560
Current account balance	(% of GDP)	IMF Staff notes	-2.0	-8.3	-10.5
Net inflow of foreign direct investment	(m USD)	IMF Staff notes	77.3	225.5	220.0
Official reserves, including gold (end of period)					
m EUR		IMF Staff notes	470.0	597.0	622.0
months' imports of goods and services		IMF Staff notes	2.1	2.2	2.1
External debt					
Convertible currency external debt (end of period)	(m USD)	N.B of Moldova Moldova	1660	1600	1640
Convertible currency debt service	(m USD)		283.3	310.2	260.5
principal	(m USD)		n.a.	n.a.	n.a.
interest	(m USD)		n.a.	n.a.	n.a.
External debt/GDP (public and publicly guaranteed debt)	(%)	N.B of Moldova	63.8	54.8	52.2
External debt/exports of goods and services (public and pu	(%)		122.9	104.5	105.2
Debt service/exports of goods and services	(%)	IMF Staff notes	21.0	20.3	16.7
Arrears (on both interest and principal)	(m USD)	IMF Staff notes	50.6	56.3	-
Debt relief agreements and rescheduling	(m USD)		69.6	23.9	61.7
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	0.1	0.0	0.0
EU exposure/external debt	(%)		0.8	0.2	0.2
EU exposure/exports of goods and services	(%)		1.0	0.2	0.2
IMF arrangements					
Type					PRGF
(Date)					May 2006
On track					yes
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			Caa2	Caa2	Caa2
S&P long-term foreign currency rating (end of period)			none	none	none
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	130 134	119 130	141 141
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Footnotes

(a) (b) See explanatory notes at beginning of the tables
2005 (1) Preliminary estimate

Country-risk indicators					
Country: Tajikistan					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		10.6	7.5	8.0
Industrial production	(% change)		16.0	10.5	11.0
Unemployment (end of period)	(% of labour force)		n.a.	n.a.	n.a.
Inflation rate (CPI) (Year-end)	(% change)		5.6	7.0	7.8
Exchange rate (end of period)	(Somoni per USD)		3.04	3.04	n.a.
General government balance	(% of GDP)	(1)	0.7	0.1	-0.5
Balance of payments					
Exports of goods and services	(m USD)		1,211	1,274	1,352
Current account balance	(% of GDP)		-4.0	-3.6	-4.5
Net inflow of foreign direct investment	(m USD)	(2)	272	36	60
Official reserves, including gold (end of period)					
m EUR			189	219	226
months' imports of goods and services			1.8	1.9	1.8
External debt					
Convertible currency external debt (end of period)	(m USD)		819	881	851
Convertible currency debt service principal	(m USD)		39	64	68
interest	(m USD)				
External debt/GDP	(%)		40.0	37.0	36.0
External debt/exports of goods and services	(%)		74.3	77.8	71.3
Debt service/exports of goods and services	(%)		3.5	5.7	5.0
Arrears (on both interest and principal)	(m USD)				
Debt relief agreements and rescheduling			yes	yes	yes
			Russia, Pakistan	Russia, Pakistan	Russia, Pakistan
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	0.4	0.3	0.3
EU exposure/external debt	(%)		6.8	5.6	5.4
EU exposure/exports of goods and services	(%)		4.6	3.8	3.4
IMF arrangements					
Type			PRGF	PRGF	PRGF
(Date)			(09/02-09/05)	(09/02-02/06)	(09/02-02/06)
On track		(3)	yes	yes	expired
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			none	none	none
S&P long-term foreign currency rating (end of period)			none	none	none
Euro money			03/03 09/04	03/05 09/05	03/06 09/06
Position in the ranking		(b)	174 180	169 170	170 165
(number of countries)			(185) (185)	(185) (185)	(185) (185)

(1) excluding the Public Investment Programme

(2) the 2004 figure includes a debt-for-equity swap with Russia

(3) in 2005, the IMF decided to extend the PRGF to Feb. 2006

(a) (b) See explanatory notes at beginning of the tables.

Country-risk indicators					
Country: Algeria					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)		5.9	5.7	5.3
Industrial production	(% change)	
Unemployment (average)	(% of labour force)	(1)	17.0	14.1	13.9
Inflation rate (CPI) (average)	(% change)		3.6	2.7	6.0
Exchange rate (end of period)	(Dinars per USD)		72.60	73.80	...
General government balance	(% of GDP)		6.9	12.6	14.1
Balance of payments					
Exports of goods and services	(bn USD)		32.20	45.80	22.20
Current account balance	(% of GDP)		13.1	18.3	22.8
Net inflow of foreign direct investment	(bn USD)		0.6	0.9	1.0
Official reserves, including gold (end of period)					
bn EUR			43.1	55.6	76.3
in months of goods and services			19	21	26
External debt					
Convertible currency external debt (end of period)	(bn USD)		21.8	16.8	14.8
Convertible currency debt service	(bn USD)		6.0	5.9	
principal	(bn USD)		4.8	5.0	
interest	(bn USD)		1.3	0.9	0.8
External debt/GDP	(%)		25.7	16.4	12.8
External debt/exports of goods and services	(%)		64.0	34.8	21.0
Debt service/exports of goods and services	(%)		17.6	12.1	7.0
Arrears (on both interest and principal)	(m USD)		-	-	-
Debt relief agreements and rescheduling	(m USD)		-	-	-
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	9.7	5.0	1.1
EU exposure/external debt	(%)		5.9	3.9	1.1
EU exposure/exports of goods and services	(%)		4.0	1.4	0.7
IMF arrangements					
Type			CCFF	-	-
(Date)			5/07/1999	-	-
On track			yes	-	-
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			none	none	none
S&P long-term foreign currency rating (end of period)			none	none	none
Euromoney			03/04 09/04	03/05 09/05	03/03 09/06
Position in the ranking		(b)	85 81	79 85	77 77
(number of countries)			(185) (185)	(185) (185)	(185) (185)

Sources: International Monetary Fund.

Footnotes

(a) (b) See explanatory notes at beginning of the tables.

(1) Officially registered unemployed.

Country-risk indicators					
Country: Jordan					
		footnotes	2004	2005	2006 (preliminary)
Real GDP growth rate	(%)		7.7	7.2	6.0
Industrial production (period average)	(% change)		9.0	11	12.0
Unemployment rate (average)	(% of labour force)		12.5	15.7	13.7
Inflation rate (CPI, av)	(% change)		3.4	3.5	6.3
Exchange rate (av)	(Dinar per USD)		0.709	0.709	0.709
General government overall balance	(% of GDP)				
before grants			-12.5	-10.1	-6.6
after grants			-1.7	-5.2	-4.4
Balance of payments					
Exports of goods and services	(m USD)		3,900	4,300	4,600
Current account balance	(% of GDP)		-0.2	-18.2	-20.7
Net inflow of foreign direct investment	(m USD)		650	1,532	1300
Official reserves, including gold (end of period)	(gross useable)				
m EUR			4,700	4,700	4,410
months' imports of goods and services			5.1	4.8	4.3
External debt					
Convertible currency external debt (end of period)	(m USD)	(1)	7,544	7,443	7,301
Convertible currency debt service	(m USD)		902	819	814
principal	(m USD)		649	550	546
interest	(m USD)		253	269	268
External debt/GDP	(%)	(1)	65.5	57.9	50.6
External debt/exports of goods and services	(%)		127.0	112.1	101.7
Debt service/exports of goods and services	(%)		15.2	12.3	11.3
Arrears (on both interest and principal)	(m USD)		-	-	-
Debt relief agreements and rescheduling	(m USD)	(2)	273	262	n.a.
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)			
EU exposure/external debt	(%)				
EU exposure/exports of goods and services	(%)				
IMF arrangements					
Type			SBA	PPM	PPM
(Date)				-	-
On track			completed	-	-
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			Ba3	Ba3	Ba3
S&P long-term foreign currency rating (end of period)			BB	BB	BB
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking (number of countries)		(b)	81 73 (185) (185)	80 80 (185) (185)	74 76 (185) (185)

Sources: IMF Post Program Monitoring, Economist Intelligence Unit.

Footnotes

(1) Of the government, including collateralised Brady bonds

(2) USD 1170 mio treated in July 2002 on Houston Terms. 100% of pre-cut off date maturities falling due from July 2002 to June 2004; 90% of pre-cut off date maturities falling due from July 2004 to December 2005; 80% of pre-cut off date maturities falling due in 2006; 70% of pre-cut off date maturities falling due in 2007.

(a) (b) See explanatory notes at beginning of the tables.

Country-risk indicators					
Country: BRAZIL					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)		4.9	2.3	3.5
Industrial production	(% change)		8.3	3.1	n.a.
Unemployment (end of period)	(% of labour force)		9.6	8.3	10.2
Inflation rate (CPI) (Dec. / Dec.)	(% change)		7.6	6.2	4.5
Exchange rate (end of period)	(Reals per EUR)		2.1	1.9	1.8
General government balance	(% of GDP)		-2.7	-3.3	-2.4
Balance of payments					
Exports of goods	(m EUR)		77456	94446	105538
Current account balance	(% of GDP)		1.9	1.8	1.1
Net inflow of foreign direct investment	(m EUR)		14549	12137	12539
Official reserves, including gold (end of period)					
bn USD			42549	43244	57391
months' imports of goods			6.5	5.5	6.4
External debt					
Convertible currency external debt (end of period)	(m EUR)		160759	135840	140664
Convertible currency debt service	(m EUR)		45012	46828	58046
principal	(m EUR)		33759	35121	43534
interest	(m EUR)		11253	11707	14511
External debt/GDP	(%)		33	21	18.1
External debt/exports of goods and services	(%)		185	126	117
Debt service/exports of goods and services	(%)		67	69	55
Arrears (on both interest and principal)	(m EUR)		no	no	no
Debt relief agreements and rescheduling	(m EUR)		no	no	no
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	5.2	5.5	5.0
EU exposure/external debt	(%)		0.3	0.4	0.4
EU exposure/exports of goods and services	(%)		0.7	0.6	0.5
IMF arrangements					
Type			SBA	SBA	No
(Date)					
On track			yes	yes	
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			B2	B1	Ba3
S&P long-term foreign currency rating (end of period)			BB-	BB	BB
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking (number of countries)		(b)	78 71	68 69	69 66
The Institutional Investor			(185) (185)	(185) (185)	(185) (185)
Position in the ranking (number of countries)					
Credit rating					

(a) (b) See explanatory notes at beginning of the tables

Country-risk indicators					
Country: Argentina					
		footnotes	2004	2005	2006 preliminary
Real GDP growth rate	(%)		9.0	9.2	8.0
Industrial production	(% change)		10.7	9.0	7.5
Unemployment	(% of labour force)		13.0	10.1	n.a.
Inflation rate (CPI) (Dec. / Dec.)	(% change)		6.1	12.3	12.5
Exchange rate	(Pesos per 1 EUR)		2.4	2.4	2.5
General government balance	(% of GDP)		3.7	2.0	2.5
Balance of payments					
Exports of goods	(m EUR)		27811	32152	36733
Current account balance	(% of GDP)		2.2	1.9	1.2
Net inflow of foreign direct investment	(m EUR)		3054	2813	2813
Official reserves, including gold (end of period)					
bn USD			19.6	28.1	27.0
months' imports of goods and services			8.4	9.5	7.6
External debt					
Convertible currency external debt (end of period)	(m EUR)		137451	94195	93045
Convertible currency debt service	(m EUR)		9244	n.a.	n.a.
principal	(m EUR)		2894	n.a.	n.a.
interest	(m EUR)		6350	n.a.	n.a.
External debt/GDP	(%)		112.6	76.3	62.3
External debt/exports of goods and services	(%)		430	299	253
Debt service/exports of goods and services	(%)		33.2	n.a.	n.a.
Arrears (on both interest and principal)	(m EUR)		yes	yes	yes
Debt relief agreements and rescheduling			no	yes	no
Indicators of EU exposure					
EU exposure/total EU exposure	(%)	(a)	2.0	1.5	1.1
EU exposure/external debt	(%)		0.1	0.2	0.1
EU exposure/exports of goods and services	(%)		0.7	0.5	0.3
IMF arrangements					
Type			SBA	SBA	No
(Date)					
On track			No	No	
Indicators of market's perception of creditworthiness					
Moody's long-term foreign currency rating (end of period)			Caa2	Caa1	Caa1
S&P long-term foreign currency rating (end of period)			SD	B	B
Euromoney			03/04 09/04	03/05 09/05	03/06 09/06
Position in the ranking (number of countries)		(b)	140 118 (185) (185)	141 120 (185) (185)	119 100 (185) (185)
The Institutional Investor					
Position in the ranking (number of countries)					
Credit rating					

(a) (b) see explanatory notes at beginning of the tables