Kuwait

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	AA
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AA
Country Ceiling	AA+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Financial Data

Kuwait

USDbn	2014
GDP	172.4
GDP per head (USD 000)	49.4
Population (m)	3.5
International reserves	37.0
Net external debt (% GDP)	-96.6
Central government total debt (% GDP)	5.4
CG foreign-currency debt	0.3
CG domestically issued debt (KWDbn)	1.6

Related Research

Global Economic Outlook (December 2014)

MENA Sovereign Credit Overview (September 2014)

Macro-Prudential Risk Monitor (June 2014)

Sovereign Data Comparator (December 2014)

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Key Rating Drivers

Resilient to Oil Prices: Kuwait is forecast to post fiscal and external surpluses in excess of 20% of GDP each year to 2016, despite the prospect of lower oil prices. Fitch Ratings estimates that the fiscal breakeven oil price was USD48/b in the year ending 31 March 2014 (FY14) and that the external breakeven price for 2014 is USD40/b. These are among the lowest of all rated sovereigns.

Exceptional Sovereign Balance Sheet: The exceptionally strong sovereign balance sheet is the key support for the ratings. Fitch estimates that sovereign net foreign assets rose to 269% of GDP at end-2014, the strongest of all rated sovereigns, and the net creditor position rose to 54% of GDP. Both are expected to improve over the forecast period.

Substantial Current Account Surpluses: Kuwait posted the second-largest current account surplus of any Fitch-rated sovereign in 2013, at 39.7% of GDP, the third consecutive year that the surplus has exceed 30% of GDP. Fitch expects the surplus to decline in line with our forecast of lower oil prices, but we still forecast a surplus of 25% of GDP in 2016. The surplus has not been below 20% of GDP since 2003.

Double-Digit Fiscal Surpluses: The general government surplus was the largest of all Fitch-rated sovereigns at 34.9% of GDP in FY14. The fiscal breakeven oil price is low, but so is capital spending, which is around 10% of total spending, one-third of the regional peers average. A double-digit surplus has been recorded every year since 1998.

Modest Improvement in Growth: Economic growth has been relatively subdued over the past five years, held back by Opec-led movements in oil production and political constraints hampering capital spending. There are signs that the non-oil economy is gaining momentum under a more pro-government parliament. Fitch expects non-oil growth of 4% over 2014-2016.

Structural Weaknesses: Most structural indicators are weaker than peers'. Doing Business, Human Development and World Bank governance indicators are below the 'AA' median. The economic policy framework is a weakness, but the regulatory frameworks for the banking sector and capital markets are being strengthened. Geopolitical risk affects the whole region.

Oil Dependence: The economy is heavily dependent on oil, which accounts for around 40% of GDP and the bulk of fiscal and external revenues. A limited economic policy toolkit potentially restricts the authorities' ability to respond to severe oil price volatility. Substantial buffers can temper the impact of swings in oil prices.

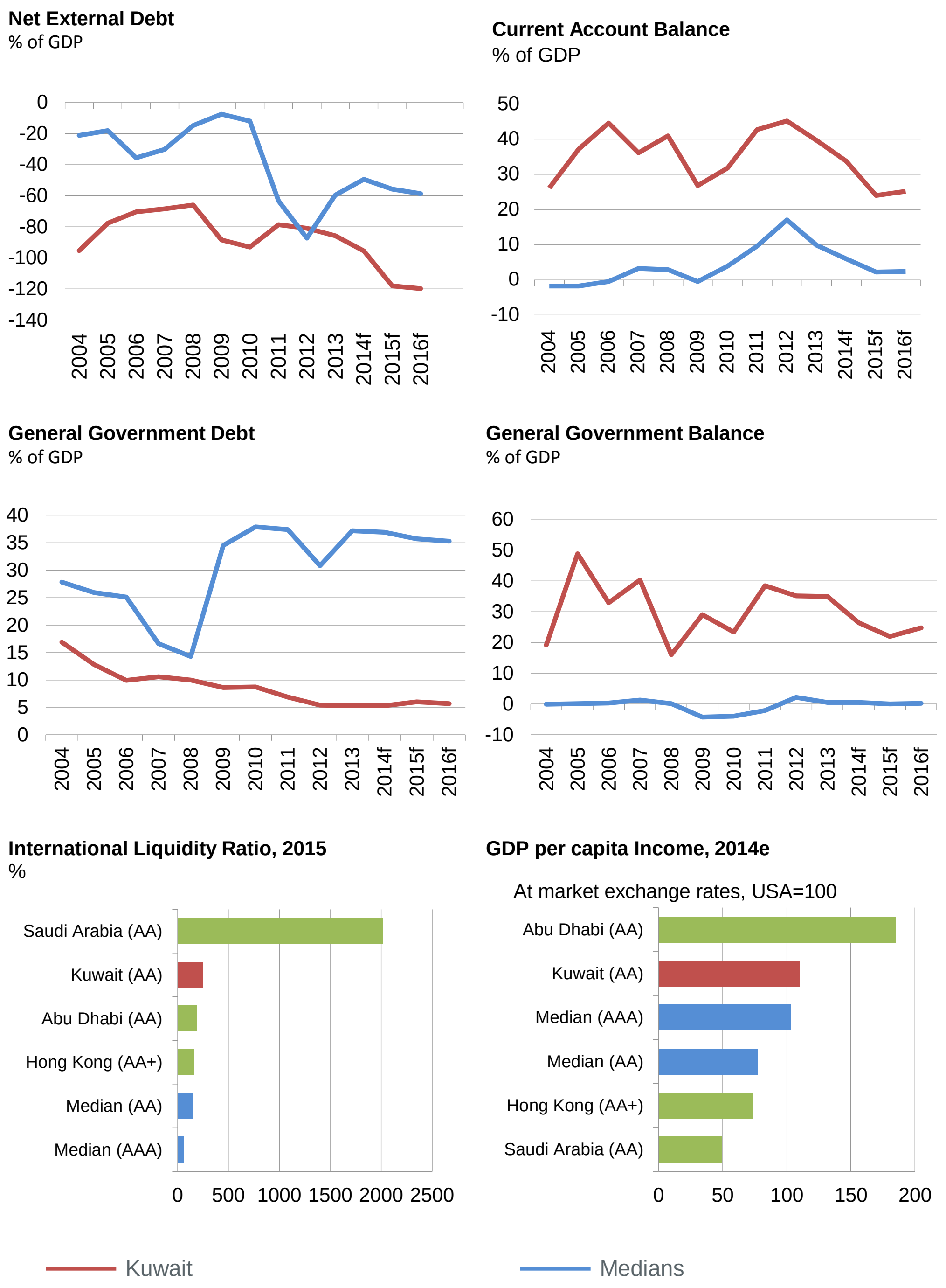
Rating Sensitivities

Structural Change: The ratings could benefit from improvements in structural weaknesses such as reducing dependence on oil and strengthening the business environment, governance and the economic policy framework.

Oil Price Shock: A further severe fall in oil prices that is sustained could negatively affect the ratings, although the low breakeven oil price and substantial fiscal and external buffers provide significant flexibility.

Political Risk: A serious escalation of regional geopolitical risk that had a material economic impact could be ratings negative. Adverse domestic political developments would have to be more severe than the 2012 protests to potentially have a negative impact on the ratings.

Peer Comparison



Related Criteria

Sovereign Rating Criteria (August 2014)

Peer Group

Rating	Country
AA+	Hong Kong
	United Kingdom
AA	**Kuwait**
	Abu Dhabi
	Belgium
	France
	New Zealand
	Saudi Arabia
AA−	Korea
	Macao

Rating History

Date	Long-Term Foreign Currency	Long-Term Local Currency
Sep 08	AA	AA
Jun 02	AA−	AA
Aug 01	A+	AA
Dec 95	A	-

Rating Factors

Summary: Strengths and Weaknesses

Rating factor	Macroeconomic	Public finances	External finances	Structural issues
Status	Weakness	Strength	Strength	Weakness
Trend	Stable	Stable	Stable	Stable

Note: Relative to 'AA' category
Source: Fitch

Strengths

- The external balance sheet is exceptionally strong. Sovereign net foreign assets are the highest of any rated sovereign, at an estimated 269% of GDP at end-2014, and are forecast to rise.
- The net creditor position is much larger than the peer median. General government debt is only 5.3% of GDP (the fourth smallest of Fitch-rated sovereigns), and government deposits in the banking sector are substantial.
- Fiscal and current account surpluses have been in double-digits each year since 1998 and are forecast to be in excess of 20% of GDP each year to 2016. The fiscal breakeven oil price is below USD50/b.
- Kuwait is one of the world's largest oil exporters. Production costs are very low, and proven reserves are equivalent to around 100 years of current output.
- GDP per capita is well above the peer median, reflecting the large oil endowment, although Human Development indicators are below the 'AA' median.

Weaknesses

- The economy is heavily dependent on oil. Oil accounts for around 80% of budget and current external revenues and around 40% of GDP. Oil revenues fund the public sector, and government contracts and low energy prices support much of the private sector.
- The economic policy framework is a weakness compared with peers. Monetary policy is partially constrained by a currency basket that is heavily dollar-weighted (although the nominal anchor this provides is a strength and Kuwait's exchange rate arrangement is more flexible than those in highly rated regional peers). There is no fiscal rule or medium-term expenditure framework.
- Governance indicators are weak and Kuwait scores well below peers on the World Bank's Ease of Doing Business indicator. The fractious relationship between parliament and the government has hindered policy implementation and capital spending historically. In line with other sovereigns in the region, Kuwait's ratings reflect a degree of geopolitical risk.
- GDP and budget revenue volatility is higher than at peers due to oil sector dependence.
- As is common in the region, transparency on the level and allocation of assets owned by the sovereign could be improved. The availability and timeliness of key data lags peers.

Local-Currency Rating

The Long-Term Local-Currency IDR is 'AA', the same as the Foreign-Currency IDR. The bulk of government revenues and a large amount of foreign assets are denominated in dollars. Kuwait's substantial external financial flexibility means it has little need for domestic finance.

Country Ceiling

The Country Ceiling is 'AA+', one notch above Kuwait's Foreign-Currency IDR, reflecting low transfer and convertibility risk. There are few restrictions on capital movements.

Figure 1

Strengths and Weaknesses: Comparative Analysis

2014	Kuwait AA	AA Median[a]	AAA Median[a]	Hong Kong AA+	Abu Dhabi AA	Saudi Arabia AA
Macroeconomic performance and policies						
Real GDP (5yr average % change)	3.4	3.2	1.6	3.7	5.9	6.0
Volatility of GDP (10yr rolling SD)	5.5	2.9	2.3	3.2	3.7	2.5
Consumer prices (5yr average)	3.5	2.3	1.8	4.1	2.1	3.4
Volatility of CPI (10yr rolling SD)	2.3	1.5	0.9	1.6	4.8	1.5
Unemployment rate (%)	2.4	4.2	6.0	3.4	-	11.1
Type of exchange rate regime	Peg	n.a.	n.a.	Currency board	Peg	Peg
Dollarisation ratio (% of bank deposits)	8.6	11.7	22.4	-	24.2	11.7
REER volatility (10yr rolling SD)	2.4	3.8	2.5	3.5	3.6	3.3
Structural features						
GDP per capita (USD, mkt exchange rates)	49,396	42,964	58,257	40,239	97,337	25,924
GNI per capita (PPP, USD, latest)	93,544	53,780	44,540	54,260	-	53,780
GDP (USDbn)	172.4	n.a.	n.a.	290.5	262.5	761.5
Human development index (percentile, latest)	75.8	88.1	96.2	92.4	79.0	82.2
Governance indicator (percentile, latest)[c]	49.9	72.7	95.5	87.0	68.5	44.7
Broad money (% GDP)	71.7	95.2	103.6	514.5	73.8	62.6
Default record (year cured)	-	n.a.	n.a.	-	-	-
Ease of doing business (percentile, latest)	54.8	88.3	94.7	99.0	88.9	74.5
Trade openness (CXR and CXP % GDP)	56.5	54.8	54.4	275.3	41.0	45.5
Gross domestic savings (% GDP)	54.8	35.4	26.7	24.3	-	44.1
Gross domestic investment (% GDP)	16.2	22.6	22.5	23.2	22.0	28.6
Private credit (% GDP)	68.1	91.8	148.8	230.8	0.0	61.2
Bank systemic risk indicators[d]	bbb/1	n.a.	n.a.	a/3	bbb/1	a/1
Bank system capital ratio (% assets)	18.3	17.8	16.1	-	17.8	17.9
Foreign bank ownership (% assets)	3.3	13.0	14.6	-	0.0	13.0
Public bank ownership (% assets)	1.6	24.0	13.0	-	58.0	32.0
External finances						
Current account balance + net FDI (% GDP)	30.3	4.5	3.6	-3.1	12.4	11.9
Current account balance (% GDP)	33.1	6.1	6.1	2.0	12.4	10.9
Net external debt (% GDP)	-96.6	-39.1	17.7	-254.7	-19.0	-108.2
Gross external debt (% CXR)	26.1	105.0	295.7	159.4	74.8	30.0
Gross sovereign external debt (% GXD)	16.9	20.4	14.0	0.0	1.6	0.0
Sovereign net foreign assets (% GDP)	269.3	107.7	7.3	110.0	180.5	119.7
Ext. interest service ratio (% CXR)	1.3	1.3	6.2	0.3	1.7	0.1
Ext. debt service ratio (% CXR)	6.6	9.4	43.9	9.4	18.3	1.8
Foreign exchange reserves (months of CXP)	6.4	4.9	1.4	4.8	9.3	31.8
Liquidity ratio (latest)[d]	257.8	164.6	46.8	164.6	184.6	2,010.4
Reserve currency flexibility	0	n.a.	n.a.	0	0	0
Commodity export dependence (% CXR, latest)	78.2	52.1	20.0	52.5	82.4	78.7
Sovereign net foreign currency debt (% GDP)	-74.1	-25.1	-5.5	-110.0	-25.6	-106.2
Public finances[e]						
Budget balance (% GDP)	26.7	0.1	-1.5	0.8	-3.9	0.5
Primary balance (% GDP)	26.9	0.4	-0.1	0.9	-3.9	0.6
Gross debt (% revenue)	7.9	117.7	106.9	215.2	4.8	1.0
Gross debt (% GDP)	5.4	36.6	45.1	40.7	1.5	0.4
Net debt (% GDP)	-53.6	23.1	39.9	2.9	1.5	-54.6
Foreign currency debt (% total debt)	60.1	19.0	3.3	0.0	94.7	0.0
Interest payments (% revenue)	0.2	3.9	3.1	0.1	0.2	0.3
Revenues and grants (% GDP)	67.9	38.1	44.5	18.9	31.8	40.8
Volatility of revenues/GDP ratio	6.0	6.9	3.1	8.3	13.4	14.6
Central govt. debt maturities (% GDP)	3.9	7.7	11.0	30.7	0.6	0.8

[a] Medians based on three-year centred averages
[b] Composite of six World Bank Governance Indicators used in the Sovereign Rating Model; Government Effectiveness; Rule of Law; Control of Corruption; Voice and Accountability; Regulatory Quality; and Political Stability and Absence of Violence
[c] Bank systemic indicator, which equates to a weighted average Viability Rating; and macro prudential indicator, with 1 'low' systemic risk through to 3 'high'
[d] Ratio of liquid external assets, defined as the stock of official FX reserves including gold at the end of the previous calendar year plus banks' liquid external assets, to liquid external liabilities, defined as scheduled external debt service in the current year, plus the stock of short-term external debt and all non-resident holdings of marketable medium- and long-term local-currency debt at the end of the previous calendar year
[e] General government unless stated
Note: Acronyms used: Consumer price inflation (CPI), gross domestic product (GDP), current external receipts (CXR), current external payments (CXP), gross national income (GNI), purchasing power parity (PPP), standard deviation (SD), foreign direct investment (FDI)
Source: Fitch

Key Credit Developments

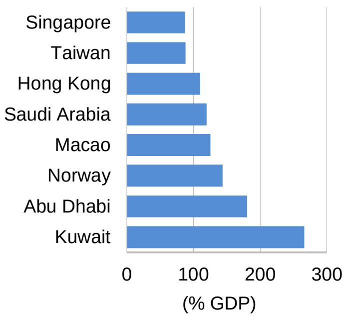
Large Fiscal Surpluses Expected Despite Lower Oil Prices

Kuwait is expected to post fiscal surpluses in excess of 20% of GDP over the next two years despite lower annual average oil prices[1]. Fitch calculates that the fiscal breakeven oil price was USD48/b in FY14. Only Norway has a lower fiscal breakeven price among all Fitch-rated sovereigns. This fiscal strength derives from very high oil production on a per capita basis and a low level of capital spending.

Over the first quarter of FY15, a budget surplus of 12.2% of forecast full-year GDP was recorded. Revenues were 55% above budget, assuming an equal spread of revenues across the year (the budget was based on an oil price of USD75/b), and spending was just 7.4% of the budgeted full-year total. Kuwait tends to underspend its budget (by 10% in FY14), largely reflecting under-execution of capital projects.

Although oil prices will be down on FY14's USD103.4/b, at a forecast average of USD92.4/b, oil revenues in FY15 are expected to remain well above the budgeted level. A lower bill for oil-related subsidies (the cost of fuels and lubricants for electricity generators, around 3% of GDP) and a weakening of the dinar against the dollar will offset a little of the impact of lower oil prices[2], and higher investment income should lift non-oil revenues[3]. Fitch assumes a modest pick-up in capital expenditure, though continued under-spending is expected in FY15. According to media reports, the authorities are considering basing the FY16 budget on an oil price of USD55/b or USD60/b.

Figure 2
Sovereign Net Foreign Assets

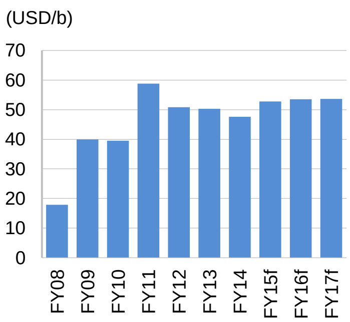


Source: Fitch

Low Fiscal Breakeven and Vast Buffers

The fiscal position looks sound under plausible lower oil price scenarios. Fitch estimates that it would take an annual average oil price of below USD55/b to generate a fiscal deficit in any year to FY17, assuming unchanged expenditure assumptions, no cuts to oil production beyond that forecast and an improvement in investment income, in line with higher US interest rates. Nonetheless, vulnerabilities have emerged in recent years. The fiscal breakeven price was below USD20/b in FY08. Salaries, subsidies and transfers account for 75% of total spending, while capital spending constitutes only 10%, and the revenue base remains heavily dependent on oil. Fitch assumes that for most GCC countries lowering capital spending is one of the easiest ways of offsetting the impact of lower oil prices, but this route will provide limited savings for Kuwait.

Figure 3
Fiscal Breakeven Oil Price

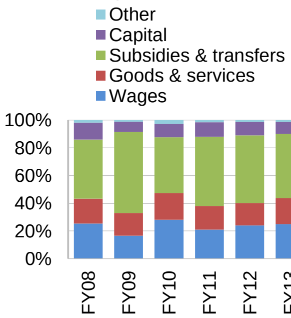


Source: Fitch

The authorities have implemented some fiscal reforms and are examining others. Subsidies on diesel and kerosene were removed in October, with the former generating a saving estimated by the IMF at 0.5% of GDP, and plans are under consideration to revise subsidies on electricity. In both cases, businesses are by far the largest consumers and the impact on households will be minimal. In addition, the allowance for Kuwaitis travelling abroad for healthcare has been cut by 58%. The authorities are reported to be looking at reform of public-sector wages.

Even in the event that oil prices do drop below USD55/b for a sustained period, a deficit could easily be funded by drawing on Kuwait's vast stock of foreign assets. Fitch estimates that sovereign net foreign assets will stand at 269% of GDP at end-2014, the highest of all sovereigns we rate.

Figure 4
Breakdown of Government Spending



Source: MoF

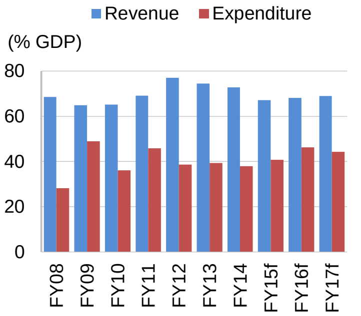
[1] Fitch forecasts that Brent crude will average USD83/b in 2015 and USD90/b in 2016. For Kuwaiti fiscal years (to end-March), we forecast USD92.4/b for FY15, USD81.8/b for FY16 and USD90/b for FY17, for the Kuwait export blend, which trades around 3% below Brent.

[2] The dinar is pegged to an undisclosed basket of currencies that is heavily dollar weighted, unlike all other GCC members, which have formal exchange rate pegs to the dollar. The dinar has weakened by 3.6% against the dollar since end-June.

[3] Fitch's government non-oil revenue figures differ from official data as they include an estimate of investment income and profit transfers from SOEs that is based on IMF data.

Figure 5

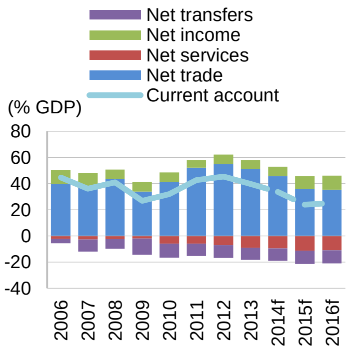
General Government Finances



Source: MoF, Fitch

Figure 6

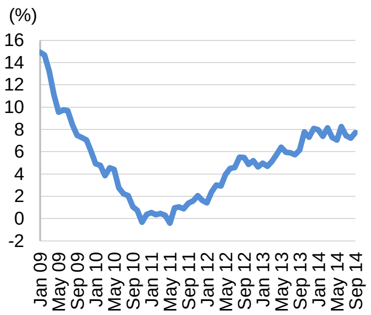
Current Account



Source: CBK, Fitch

Figure 7

Private Sector Credit Growth



Source: CBK

Substantial Fiscal Surplus in FY14

A fiscal surplus of 34.9% of GDP was recorded in FY14, little changed from the FY13 outturn and the third consecutive year of a surplus in excess of 30% of GDP[4]. Oil revenues were down marginally owing to slightly lower prices. Non-oil revenues rose owing to higher tax and fee receipts and accounted for 19% of total revenues.

Government spending fell by 2% in FY14 and was 10% below budget. Both current and capital spending declined. Expenditure on goods and services and transfers dropped, and although the cost of wages and salaries rose, it was only by 4%, the slowest growth since FY06. Capital spending dropped by 4% in nominal terms and at 3% of GDP has only been lower twice since 1990. This compares with capital spending of around 10% of GDP in other GCC countries at the same rating level.

A fall in spending is not uncommon in Kuwait; the drop in FY14 was the third year-on-year fall in the past five years. This recent pattern primarily relates to adjustments to public-sector salaries and one-off social spending commitments. Fitch does not anticipate further such one-off payments over its forecast period to FYE17.

External Position Robust To Oil Prices

The current account surplus will remain among the largest of all Fitch-rated sovereigns in the years to 2016 despite the expectation of lower oil revenues. Oil revenues account for around 93% of export revenues and 82% of current external receipts (CXR). Petrochemical products are a large component of non-oil exports, and movements in product prices are fairly closely correlated with oil prices. Income credits are the only other significant source of CXR and are expected to grow. With project activity expected to pick up modestly and consumer spending growing, imports of associated goods, services and expatriate remittances are forecast to rise. Nonetheless, current account surpluses forecast at around 25% of GDP in 2015 and 2016 will allow a substantial accumulation of external assets. Fitch estimates a breakeven oil price for the current account of around USD40/b.

Data for the first half of 2014 showed a decline in the trade surplus, though it remained exceptionally large, at 23% of full-year GDP. Oil export revenues were down by 2.4% compared to the first half of 2013 due to lower production. Non-oil exports also declined over the same period, by 4%, owing to lower prices for some petrochemical products. Imports continued to rise, but at 5.5%, year-on-year growth in the first half was around half the level of 2013, when it was driven by buoyant consumer spending.

Steady Non-Oil Growth

Progress on major projects in the energy sector and a relatively pro-government parliament should support non-oil growth of around 4% over the forecast period. Contracts have been awarded for the largest, the USD15bn clean fuels project, which will upgrade and expand major refineries and is scheduled for completion by 2018. Work is proceeding on various smaller infrastructure projects, including public housing and hospitals. Private-sector credit growth remains around five-year highs at 7%-8%. Fitch does not expect lower oil prices to have a significant impact on government spending plans, though they may dampen confidence (the Kuwait stock exchange index is down by 20% since its recent peak on 28 September).

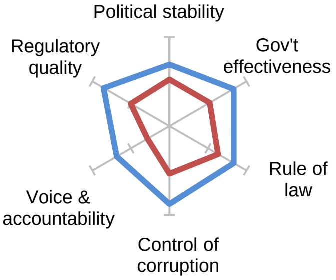
A forecast fall in oil production, done in conjunction with other Opec members to support oil prices, will dampen headline growth. This will particularly be the case in 2015, when a cut in oil output of 5% is forecast, resulting in real GDP growth of just 0.5%. Growth is forecast to rebound to 2.0% in 2016 despite a further modest cut in oil production.

[4] Indicators measured as a proportion of GDP are higher than in previous Fitch reports due to a downward revision to nominal GDP. 2012 nominal GDP was cut by 6% in the latest version of the national accounts, primarily reflecting a 19% downward revision to investment.

Figure 8

Governance Indicators

2013



Source: World Bank

Inflation has remained fairly stable at around 3% so far in 2014. Low food price inflation has offset rental inflation, which has held around 4.5% during 2014. Currency strength, a subdued global inflation environment and likely higher interest rates should offset any inflationary pressures that arise from the modest improvement in non-oil growth forecasts.

Stable Political Scene Despite Manoeuvring Around Succession

Relations between the parliament and the government have remained cordial. It was common for previous parliaments to obstruct government, blocking key investments. Fitch does not attach any credibility to rumours of a coup plot and instead believes the allegations are manoeuvring ahead of the next succession. The 86-year-old Emir has had successful surgery recently. Succession to the 76-year-old Crown Prince is clear and agreed, but the choice of the next Crown Prince is less clear and may involve the transfer of power to the next generation of princes. An official news blackout on the issue may have contributed to recent speculation. Fitch does not expect any manoeuvring to be destabilising or to affect policy.

Forecast Summary

	2010	2011	2012	2013	2014f	2015f	2016f
Macroeconomic indicators and policy							
Real GDP growth (%)	-2.4	6.3	7.2	1.4	2.0	0.6	2.1
Unemployment (%)	2.9	2.6	2.4	2.4	2.4	2.4	2.4
Consumer prices (annual average % change)	4.0	4.8	2.9	2.7	3.0	3.4	3.4
Short-term interest rate (bank policy annual avg.) (%)	0.6	0.6	0.5	0.5	0.5	1.0	2.0
General government balance (% of GDP)	23.4	38.4	35.1	34.9	26.4	21.9	24.7
General government debt (% of GDP)	8.7	6.9	5.4	5.3	5.3	6.0	5.7
KWD per USD (annual average)	0.29	0.28	0.28	0.28	0.29	0.29	0.30
Real effective exchange rate (2000 = 100)	101.5	103.2	104.8	105.9	109.0	110.1	110.1
Real private sector credit growth (%)	-2.9	-0.2	1.4	4.6	5.8	5.4	5.4
External finance							
Current account balance (% of GDP)	31.8	42.7	45.2	39.7	33.7	24.0	25.2
Current account balance plus net FDI (% of GDP)	27.8	37.8	32.8	35.2	30.9	21.1	22.8
Net external debt (% of GDP)	-93.0	-78.7	-81.0	-85.8	-96.6	-119.3	-121.0
Net external debt (% of CXR)	-125.1	-98.1	-99.0	-111.3	-132.3	-170.8	-172.5
Official international reserves including gold (USDbn)	24.8	29.8	33.1	32.4	37.0	39.5	42.5
Official international reserves (months of CXP cover)	6.1	6.2	6.2	5.9	6.4	6.6	6.7
External interest service (% of CXR)	1.5	1.2	0.9	1.2	1.3	1.5	1.4
Gross external financing requirement (% int. reserves)	-119.1	-235.8	-238.5	-191.4	-155.4	-79.1	-87.1
Real GDP growth (%)							
US	2.5	1.6	2.3	2.2	2.3	3.1	3.0
China	10.4	9.3	7.7	7.7	7.3	6.8	6.5
Eurozone	2.0	1.6	-0.7	-0.5	0.9	1.3	1.5
World	4.0	3.2	2.4	2.5	2.6	3.0	3.1
Oil (USD/barrel)	79.6	111.0	112.0	108.8	100.0	83.0	90.0

Source: Fitch

Fiscal Accounts Summary

(% of GDP)	2011/12	2012/13	2013/14	2014/15f	2015/16f	2016/17f
General government						
Revenue	**75.9**	**73.9**	**72.8**	**67.9**	**68.8**	**69.6**
Expenditure	**38.6**	**39.4**	**37.9**	**41.2**	**46.7**	**44.7**
O/w interest payments	0.2	0.2	0.2	0.2	0.2	0.2
Primary balance	37.5	34.7	35.1	26.9	22.3	25.1
Overall balance	**37.3**	**34.5**	**34.9**	**26.7**	**22.1**	**25.0**
General government debt	**6.9**	**5.4**	**5.3**	**5.4**	**6.1**	**5.8**
% of general government revenue	9.1	7.2	7.3	7.9	8.9	8.3
General government deposits	50.3	49.8	55.0	58.9	70.9	70.3
Net general government debt	-43.1	-44.4	-49.7	-53.6	-64.8	-64.5
Central government debt (KWDm)	**3,053**	**2,624**	**2,634**	**2,645**	**2,752**	**2,852**
By residency of holder						
Domestic	1,973	1,640	1,527	1,605	1,705	1,805
Foreign	1,080	984	1,107	1,040	1,047	1,047
By currency denomination						
Local currency	1,973	1,640	1,527	1,605	1,705	1,805
Foreign currency	1,080	984	1,107	1,040	1,047	1,047
In USD equivalent (eop exchange rate)	3,914	3,514	3,902	3,649	3,561	3,549
Memo						
Nominal GDP (KWDbn)	42.5	48.7	49.9	49.7	45.6	49.8

Source: Ministry of Finance and Fitch estimates and forecasts

External Debt and Assets

(USDbn)	2009	2010	2011	2012	2013	2014f
Gross external debt	**46.4**	**35.8**	**38.2**	**32.0**	**33.1**	**32.9**
% of GDP	43.8	31.0	24.8	18.4	18.8	18.9
% of CXR	62.0	41.7	31.0	22.5	24.5	25.7
By maturity						
Medium- and long-term	27.8	21.5	22.9	19.2	19.9	19.7
Short -term	18.6	14.3	15.3	12.8	13.3	13.2
% of total debt	40.0	40.0	40.0	40.0	40.0	40.0
By debtor						
Sovereign	**4.4**	**5.7**	**5.9**	**5.5**	**5.9**	**5.6**
Monetary authorities	2.1	2.0	2.0	2.0	2.0	2.0
General government	2.3	3.7	3.9	3.5	3.9	3.5
O/w central government	-	-	-	-	-	-
Banks	**10.1**	**10.4**	**11.2**	**10.7**	**10.8**	**10.8**
Other sectors	**31.9**	**19.7**	**21.2**	**15.8**	**16.3**	**16.5**
Gross external assets (non-equity)	**140.1**	**143.2**	**159.5**	**173.0**	**184.0**	**199.4**
International reserves, incl. gold	23.0	24.8	29.8	33.1	32.4	37.0
Other sovereign assets nes	51.4	57.6	59.9	66.6	76.1	80.9
Deposit money banks' foreign assets	19.4	18.3	21.2	23.5	25.0	27.0
Other sector foreign assets	46.2	42.5	48.5	49.9	50.5	54.5
Net external debt	**-93.7**	**-107.4**	**-121.2**	**-141.0**	**-150.9**	**-166.5**
% of GDP	-88.4	-93.0	-78.7	-81.0	-85.8	-96.6
Net sovereign external debt	-77.7	-84.9	-94.1	-105.4	-118.1	-127.8
Net bank external debt	-9.3	-7.8	-10.1	-12.8	-14.1	-16.1
Net other external debt	-14.3	-22.8	-27.3	-34.0	-34.1	-38.0
Net international investment position	**325.9**	**362.3**	**388.4**	**431.3**	**485.8**	**525.7**
% of GDP	307.5	313.9	252.1	247.8	276.3	305.0
Sovereign net foreign assets	**283.1**	**315.4**	**333.9**	**371.6**	**422.6**	**451.5**
% of GDP	266.3	267.5	218.8	214.5	239.0	269.3
Debt service (principal & interest)	**11.8**	**10.5**	**8.6**	**9.0**	**8.0**	**8.3**
Debt service (% of CXR)	15.7	12.3	7.0	6.3	5.9	6.6
Interest (% of CXR)	1.6	1.5	1.2	0.9	1.2	1.3
Liquidity ratio (%)	132.4	141.7	181.0	203.0	261.9	257.8
Net sovereign FX debt (% of GDP)	-73.3	-73.6	-61.1	-60.5	-67.2	-74.1
Memo						
Nominal GDP	106.0	115.4	154.0	174.0	175.8	172.4
Inter-company loans	-	-	-	-	-	-

Source: Central Bank, IMF, World Bank and Fitch estimates and forecasts

Balance of Payments

(USDbn)	2011	2012	2013	2014f	2015f	2016f
Current account balance	**65.7**	**78.7**	**69.8**	**57.0**	**35.8**	**41.0**
% of GDP	42.7	45.2	39.7	33.1	23.3	24.5
% of CXR	53.2	55.2	51.5	45.3	33.4	35.0
Trade balance	**80.3**	**95.4**	**90.0**	**77.7**	**54.0**	**57.9**
Exports, fob	102.9	119.6	115.9	105.3	83.9	90.5
Imports, fob	22.6	24.2	25.9	27.7	29.9	32.6
Services, net	**-8.9**	**-12.3**	**-15.8**	**-16.8**	**-17.5**	**-18.8**
Services, credit	10.1	8.8	5.9	6.3	6.6	6.9
Services, debit	19.0	21.1	21.6	23.1	24.1	25.6
Income, net	**9.2**	**12.7**	**12.2**	**12.5**	**15.1**	**18.3**
Income, credit	10.6	14.0	13.8	14.2	16.7	19.9
Income, debit	1.4	1.3	1.6	1.7	1.6	1.7
O/w: Interest payments	1.4	1.3	1.6	1.7	1.6	1.7
Current transfers, net	**-14.8**	**-17.1**	**-16.6**	**-16.4**	**-15.8**	**-16.4**
Capital and financial accounts						
Non-debt-creating inflows (net)	-16.4	-29.0	-36.6	-14.8	-14.4	-14.0
O/w equity FDI	-8.4	-24.7	-7.6	-4.8	-4.4	-4.0
O/w portfolio equity	-8.9	-7.4	-28.7	-10.0	-10.0	-10.0
O/w other flows	3.4	4.2	4.5	4.4	4.4	4.4
Change in reserves	-3.8	-3.3	-3.4	-4.5	-2.5	-3.0
Gross external financing requirement	-58.6	-71.1	-63.4	-50.4	-29.2	-34.4
Stock of international reserves, incl. gold	29.8	33.1	32.4	37.0	39.5	42.5

Source: IMF and Fitch estimates and forecasts

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.