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Annex to the

REPORT FROM THE COMMISSION TO THE BUDGETARY AUTHORITY

**On guarantees covered by the general budget
situation at 31 December 2004**

{COM(2005) 306 final}

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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 could have to pay out in each financial year.

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 operations, for example.

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 31 December 2004.

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.

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.

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 (see also Section 2 “Events since the report at 30 June 2004” in the main report).

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 EIB loans, balance of payments support and Euratom loans for Member States.

TABLE A1: CAPITAL OUTSTANDING IN RESPECT OF OPERATIONS DISBURSED at 31.12.2004 (in EUR million)

| Operations | Authorised ceiling | Capital outstanding at 30.06.2004 | Capital outstanding at 31.12.2004 | Remainder to be disbursed 31.12.04 |
|--------------------------------------|--------------------|-----------------------------------|-----------------------------------|------------------------------------|
| MEMBER STATES | | | | |
| EIB | 1,500 | 5 | 3 | |
| EIB (new Member States) | | 3,613 | 3,357 | 243 |
| NCI | 6,830 | 17 | | |
| MEMBER STATES - TOTAL | 8,330 | 3,635 | 3,360 | 243 |
| THIRD COUNTRIES | | | | |
| A. Macro-Financial Assistance | | | | |
| Albania | 9 | | | 9 |
| Armenia | 28 | 2 | 2 | |
| Belarus | 55 | 12 | 6 | 25 |
| Bosnia-Herzegovina | 40 | 30 | 30 | 10 |
| Bulgaria | 750 | 350 | 350 | |
| FYROM | 90 | 90 | 90 | |
| Georgia | 142 | 92 | 92 | 32 |
| Moldova | 60 | 22 | 10 | |
| Romania | 780 | 220 | 150 | 50 |
| Serbia and Montenegro | 305 | 265 | 265 | 40 |
| Tajikistan | 75 | 44 | 44 | 15 |
| Ukraine | 395 | 232 | 175 | 110 |
| Sub total MFA | 2,729 | 1,359 | 1,214 | 291 |
| B. EURATOM | | | | |
| Sub total Euratom¹ | | 140 | 170 | |
| C. Other | | | | |
| EIB Mediterranean | 16,492 | 5,983 | 6,348 | 5,418 |
| EIB Central & Eastern Europe | 17,405 | 2,156 | 2,048 | 2,890 |
| EIB Asia, Latin America | 4,405 | 1,568 | 1,447 | 581 |
| EIB South Africa | 1,500 | 679 | 686 | 262 |
| EIB The Baltic Sea basin of Russia | 100 | 0 | 11 | 14 |
| EIB Russia + WNIS | 500 | | | |
| Sub total EIB² | 41,902 | 14,003 | 13,900 | 9,408 |
| THIRD COUNTRIES - TOTAL | 44,631 | 11,885 | 11,924 | 9,456 |
| GRAND TOTAL | 52,961 | 15,519 | 15,284 | 9,699 |

(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. Individual projects are decided by the Commission.

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

ANNEX TO TABLE A1: SITUATION IN RESPECT OF EIB OPERATIONS at 31.12.2004 (in EUR million)

| Operations | Credit line authorised | Loans made available minus cancellations | Amounts disbursed | Amounts outstanding at 31.12.2004 |
|---|------------------------|--|-------------------|-----------------------------------|
| General Mandate 2000/2007: | | | | |
| Central and Eastern Europe (of which loans to new Member States) | 9,185 | 4,216 | 1,528 | 1,505 |
| Mediterranean | 6,520 | 6,389 | 1,788 | 1,782 |
| Asia, Latin America | 2,480 | 1,589 | 801 | 688 |
| South Africa | 825 | 612 | 318 | 317 |
| TURKEY - Special Action Programme | 450 | 450 | 217 | 217 |
| TURKEY-TERRA-11/1999-11/2002 | 600 | 600 | 471 | 471 |
| sub-total 65 %³ | 20,060 | 13,856 | 5,123 | 4,980 |
| Central and Eastern Europe (29.01.97) | 3,520 | 3,240 | 2,922 | 2,249 |
| Mediterranean (29.01.97) | 2,310 | 1,964 | 1,536 | 1,320 |
| (of which loans to new Member States ⁴) | | (1,988) | (1,912) | (1,373) |
| Asia, Latin America ALA II (29.01.97) | 900 | 735 | 537 | 404 |
| Asia, Latin America (ALA INTERIM.) | 122 | 122 | 101 | 57 |
| South Africa (29.01.97) | 375 | 375 | 301 | 239 |
| BOSNIA-HERZEGOVINA (99/2001) | 100 | 100 | 25 | 25 |
| FYROM (98-2000) | 150 | 150 | 97 | 90 |
| sub-total 70 %³ | 7,477 | 6,687 | 5,520 | 4,384 |
| EU-countries | 1,350 | 1,891 | 1,397 | 3 |
| Mediterranean and Balkan countries (of which loans to new Member States) | 6,362 | 5,306 | 5,694 | 2,442 |
| sub-total 75 %³ | 7,712 | 7,197 | 7,092 | 2,446 |
| EU-countries | 150 | 142 | 170 | |
| Central and Eastern Europe (of which loans to new Member States) | 4,700 | 3,898 | 3,941 | 1,650 |
| Baltic sea basin of Russia | 100 | 25 | 11 | 11 |
| Russia + WNIS | 500 | | | |
| South Africa | 300 | 285 | 224 | 130 |
| Asia, Latin America | 903 | 725 | 705 | 299 |
| sub-total 100 %³ | 6,653 | 5,075 | 5,050 | 2,091 |
| Total | 41,902 | 32,814 | 22,786 | 13,900 |

(3) percentage figures relate to the Guarantee rate

(4) included in the loans for Central and Eastern Europe and Mediterranean

NB: 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.

TABLE A2

MAXIMUM ANNUAL RISK BORNE BY THE COMMUNITY BUDGET

(Estimate as per 31.12.2004 in million EUR based on the amounts due of all operations disbursed at 31.12.2004)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | TOTAL |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| MEMBER STATES | | | | | | | | | | |
| CAPITAL | | | | | | | | | | |
| EIB Mediterranean | | | | | | | | | | |
| Portugal | 3 | | | | | | | | | 3 |
| EIB Central & Eastern Europe | | | | | | | | | | |
| New Member States | 390 | 504 | 326 | 310 | 334 | 266 | 252 | 221 | 189 | 2,792 |
| Capital - subtotal | 393 | 504 | 326 | 310 | 334 | 266 | 252 | 221 | 189 | 2,796 |
| INTEREST | | | | | | | | | | |
| EIB Mediterranean | | | | | | | | | | |
| Portugal | 0 | | | | | | | | | 0 |
| EIB Central & Eastern Europe | | | | | | | | | | |
| New Member States ¹ | 151 | 135 | 109 | 94 | 81 | 69 | 56 | 45 | 33 | 773 |
| Interest - subtotal | 151 | 135 | 109 | 94 | 81 | 69 | 56 | 45 | 33 | 773 |
| MEMBER STATES - TOTAL | 544 | 639 | 435 | 405 | 415 | 335 | 308 | 266 | 222 | 3,568 |
| NON-MEMBER STATES | | | | | | | | | | |
| CAPITAL | | | | | | | | | | |
| A. Macro-Financial Assistance | | | | | | | | | | |
| Armenia | | | | | 2 | | | | | 2 |
| Belarus | 6 | | | | | | | | | 6 |
| Bosnia and Herzegovina | | | | | | 2 | 2 | 4 | 4 | 12 |
| Bulgaria | 63 | 73 | 88 | 88 | 25 | 15 | 8 | 10 | 7 | 350 |
| FYROM | | | | 5 | 8 | 8 | 8 | 10 | 7 | 46 |
| Georgia | 7 | | | | 22 | 22 | 22 | 20 | 0 | 92 |
| Moldova | 7 | 3 | | | | | | | | 10 |
| Romania | | | 25 | 25 | 25 | 38 | 13 | 13 | 13 | 150 |
| Serbia and Montenegro | | | | | | | | 45 | 45 | 90 |
| Tajikistan | | | | | | | | 12 | 12 | 24 |
| Ukraine | 57 | 55 | 35 | 15 | 15 | | | | | 175 |
| Sub total MFA | 139 | 130 | 147 | 132 | 97 | 85 | 45 | 103 | 81 | 957 |
| B. Euratom | | | | | | | | | | |
| Euratom ² | | | 1 | 3 | 6 | 10 | 13 | 17 | 17 | 66 |
| Sub total Euratom | 0 | 0 | 1 | 3 | 6 | 10 | 13 | 17 | 17 | 66 |
| C. EIB Guarantees | | | | | | | | | | |
| EIB Mediterranean | 352 | 415 | 479 | 540 | 550 | 533 | 496 | 430 | 382 | 4,178 |
| EIB Central & Eastern Europe | 166 | 200 | 216 | 211 | 194 | 172 | 211 | 148 | 139 | 1,656 |
| EIB Asia, Latin America | 158 | 172 | 208 | 180 | 150 | 119 | 101 | 95 | 79 | 1,263 |
| EIB South Africa | 23 | 30 | 66 | 61 | 114 | 72 | 52 | 58 | 33 | 509 |
| EIB Russia + WNIS | | | | | 1 | 1 | 1 | 1 | 1 | 6 |
| Sub total EIB | 699 | 817 | 969 | 992 | 1,009 | 897 | 861 | 733 | 635 | 7,612 |
| Capital - subtotal | 838 | 947 | 1,117 | 1,127 | 1,111 | 992 | 919 | 853 | 733 | 8,636 |
| INTEREST | | | | | | | | | | |
| A. Macro-Financial Assistance | | | | | | | | | | |
| Armenia | 0 | 0 | 0 | 0 | 0 | | | | | 0 |
| Belarus | 0 | | | | | | | | | 0 |
| Bosnia and Herzegovina | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 6 |
| Bulgaria | 7 | 6 | 4 | 2 | 1 | 0 | | | | 21 |
| FYROM | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 15 |
| Georgia | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 0 | 0 | 12 |
| Moldova | 0 | 0 | | | | | | | | 0 |
| Romania | 3 | 3 | 3 | 2 | 2 | 1 | 1 | 1 | 0 | 17 |
| Serbia and Montenegro | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 58 |
| Tajikistan | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 8 |
| Ukraine | 4 | 3 | 1 | 1 | 0 | | | | | 9 |
| Sub total MFA | 27 | 24 | 21 | 18 | 15 | 13 | 11 | 10 | 8 | 146 |
| B. Euratom | | | | | | | | | | |
| Euratom [*] | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 45 |
| Sub total Euratom | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 45 |
| C. EIB Guarantees¹ | | | | | | | | | | |
| EIB Mediterranean | 248 | 225 | 206 | 185 | 163 | 141 | 119 | 100 | 91 | 1,478 |
| EIB Central & Eastern Europe | 112 | 102 | 93 | 84 | 74 | 66 | 58 | 51 | 45 | 685 |
| EIB Asia, Latin America | 47 | 45 | 41 | 35 | 30 | 24 | 21 | 17 | 16 | 274 |
| EIB South Africa | 27 | 20 | 20 | 15 | 13 | 4 | 1 | 1 | 0 | 101 |
| EIB Russia + WNIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Sub total EIB | 434 | 392 | 360 | 319 | 280 | 235 | 199 | 169 | 152 | 2,540 |
| Interest - subtotal | 466 | 421 | 386 | 342 | 301 | 253 | 215 | 184 | 164 | 2,731 |
| NON-MEMBER STATES - TOTAL | 1,304 | 1,369 | 1,503 | 1,468 | 1,412 | 1,245 | 1,133 | 1,036 | 897 | 11,367 |
| GRAND TOTAL | 1,848 | 2,008 | 1,938 | 1,873 | 1,827 | 1,579 | 1,441 | 1,302 | 1,120 | 14,935 |

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.

TABLE A3 **MAXIMUM THEORETICAL ANNUAL RISK BORNE BY THE COMMUNITY BUDGET**
(Estimate as per 31.12.2004 in EUR million based on the amounts due on all operations disbursed, adopted and proposed by the Commission)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | TOTAL |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| MEMBER STATES | | | | | | | | | | |
| EIB Mediterranean | | | | | | | | | | |
| Portugal | 3 | | | | | | | | | 3 |
| EIB Central & Eastern Europe | | | | | | | | | | |
| New Member States | 390 | 504 | 326 | 310 | 334 | 266 | 252 | 221 | 189 | 2,792 |
| Capital - subtotal | 393 | 504 | 326 | 310 | 334 | 266 | 252 | 221 | 189 | 2,796 |
| INTEREST | | | | | | | | | | |
| EIB Mediterranean | | | | | | | | | | |
| Portugal | 0 | | | | | | | | | 0 |
| EIB Central & Eastern Europe | | | | | | | | | | |
| New Member States | 151 | 135 | 109 | 94 | 81 | 69 | 56 | 45 | 33 | 773 |
| Interest - subtotal | 151 | 135 | 109 | 94 | 81 | 69 | 56 | 45 | 33 | 773 |
| MEMBER STATES - TOTAL | 544 | 639 | 435 | 405 | 415 | 335 | 308 | 266 | 222 | 3,568 |
| NON-MEMBER STATES | | | | | | | | | | |
| CAPITAL | | | | | | | | | | |
| A. Macro-Financial Assistance | | | | | | | | | | |
| Albania | | | | | | | | | | 0 |
| Armenia | | | | | 2 | | | | | 2 |
| Belarus | 6 | | | | | | | | | 6 |
| Bosnia and Herzegovina | | | | | | 2 | 2 | 4 | 4 | 12 |
| Bulgaria | 63 | 73 | 88 | 88 | 25 | 15 | | | | 350 |
| FYROM | | | | 5 | 8 | 8 | 8 | 10 | 7 | 46 |
| Georgia | 7 | | | | 22 | 22 | 22 | 20 | 0 | 92 |
| Moldova | 7 | 3 | | | | | | | | 10 |
| Romania | | | 25 | 25 | 25 | 38 | 13 | 25 | 25 | 175 |
| Serbia and Montenegro | | | | | | | | 45 | 45 | 90 |
| Tajikistan | | | | | | | | 12 | 12 | 24 |
| Ukraine | 57 | 55 | 35 | 15 | 15 | | | | | 175 |
| Sub total MFA | 139 | 130 | 147 | 132 | 97 | 85 | 45 | 116 | 93 | 982 |
| B. Euratom | | | | | | | | | | |
| Euratom * | | | 1 | 3 | 6 | 10 | 13 | 17 | 27 | 76 |
| Sub total Euratom | 0 | 0 | 1 | 3 | 6 | 10 | 13 | 17 | 27 | 76 |
| C. EIB Guarantees | | | | | | | | | | |
| EIB Mediterranean | 352 | 415 | 479 | 596 | 744 | 866 | 968 | 985 | 937 | 6,343 |
| EIB Central & Eastern Europe | 166 | 200 | 216 | 286 | 457 | 623 | 849 | 899 | 890 | 4,585 |
| EIB Asia, Latin America | 158 | 172 | 208 | 199 | 216 | 232 | 261 | 283 | 267 | 1,997 |
| EIB South Africa | 23 | 30 | 66 | 66 | 133 | 105 | 99 | 113 | 88 | 723 |
| EIB Russia + WNIS | | | | 5 | 18 | 30 | 43 | 50 | 50 | 197 |
| Sub total EIB | 699 | 817 | 969 | 1,152 | 1,568 | 1,856 | 2,220 | 2,331 | 2,233 | 13,845 |
| Capital - subtotal | 838 | 947 | 1,117 | 1,287 | 1,670 | 1,951 | 2,278 | 2,463 | 2,354 | 14,904 |
| INTEREST | | | | | | | | | | |
| A. Macro-Financial Assistance | | | | | | | | | | |
| Albania | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Armenia | 0 | 0 | 0 | 0 | 0 | | | | | 0 |
| Belarus | 0 | | | | | | | | | 0 |
| Bosnia and Herzegovina | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 7 |
| Bulgaria | 7 | 6 | 4 | 2 | 1 | 0 | | | | 21 |
| FYROM | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 15 |
| Georgia | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 0 | | 12 |
| Moldova | 0 | 0 | | | | | | | | 0 |
| Romania | 4 | 4 | 4 | 4 | 3 | 2 | 2 | 2 | 1 | 26 |
| Serbia and Montenegro | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 66 |
| Tajikistan | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 8 |
| Ukraine | 5 | 5 | 4 | 3 | 3 | 2 | 2 | 2 | 2 | 29 |
| Sub total MFA | 29 | 29 | 26 | 22 | 20 | 18 | 16 | 15 | 13 | 187 |
| B. Euratom | | | | | | | | | | |
| Euratom * | 7 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 76 |
| Sub total Euratom | 7 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 76 |
| C. EIB Guarantees | | | | | | | | | | |
| EIB Mediterranean | 285 | 353 | 426 | 496 | 526 | 493 | 453 | 408 | 368 | 3,808 |
| EIB Central & Eastern Europe | 161 | 275 | 390 | 505 | 565 | 542 | 510 | 468 | 420 | 3,836 |
| EIB Asia, Latin America | 59 | 88 | 115 | 141 | 153 | 143 | 134 | 121 | 110 | 1,062 |
| EIB South Africa | 31 | 33 | 42 | 46 | 49 | 39 | 34 | 31 | 27 | 332 |
| EIB Russia + WNIS | 3 | 11 | 19 | 27 | 32 | 31 | 30 | 27 | 25 | 207 |
| Sub total EIB | 539 | 760 | 992 | 1,215 | 1,325 | 1,248 | 1,161 | 1,055 | 950 | 9,245 |
| Interest - subtotal | 575 | 798 | 1,027 | 1,246 | 1,354 | 1,275 | 1,185 | 1,078 | 971 | 9,508 |
| NON-MEMBER STATES - TOTAL | 1,413 | 1,745 | 2,143 | 2,533 | 3,024 | 3,225 | 3,463 | 3,541 | 3,324 | 24,412 |
| GRAND TOTAL | 1,957 | 2,384 | 2,579 | 2,938 | 3,439 | 3,560 | 3,771 | 3,807 | 3,546 | 27,980 |

(*) 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.

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
Changes in amounts outstanding during six-month period 30.06.2004 to 31.12.2004

in EUR million

| Instrument | Decision | Date of decision | Loan term (years) | Loan situation - closed (a) - partially disbursed (b) - disbursed in full (c) - not yet disbursed (d) | Amount decided | Amount outstanding at 30.06.2004 | Operations in six-month period | | Amount outstanding at 31.12.2004 |
|----------------|--------------------|------------------|-------------------|---|------------------|----------------------------------|--------------------------------|----------------|----------------------------------|
| | | | | | | | Amounts disbursed | Amounts repaid | |
| BOP | 2002/332/EC | 18.02.02 | | (d) | 12,000.00 | | | | |
| EURATOM | | | (3) | | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 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 | 17.10 | 0.00 | 17.50 | 0.00 |
| | 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 | 17.10 | 0.00 | 17.50 | 0.00 |

(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.

(5) Discrepancy caused by change in the rates of the other currencies against the Euro.

TABLE A 5b (1)
European Community loans to non-member States
Changes in amounts outstanding during six-month period 30.06.2004 to 31.12.2004, 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 30.06.2004 | Operations in six-month period | | Amount outstanding at 31.12.2004 |
|------------------------------------|------------|------------------|-------------------|-------------|---|----------------|----------------------------------|--------------------------------|----------------|----------------------------------|
| | | | | | | | | Amounts disbursed | Amounts repaid | |
| BULGARIA III | 97/472/EC | 22.07.97 | | | | 250.00 | | | | |
| 1st tranche | | | 10 | 10.02.2008 | (c) | 125.00 | 125.00 | | | 125.00 |
| 2nd tranche | | | 10 | 22.12.2008 | (c) | 125.00 | 125.00 | | | 125.00 |
| 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 II | 92/551/EEC | 27.11.92 | 7 | 26.02.2000 | (a) | 80.00 | 0.00 | | | 0.00 |
| 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 | 40.00 | | 40.00 | 0.00 |
| 3rd tranche | | | 7 | 23.12.2004 | (a) | 30.00 | 30.00 | | 30.00 | 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 & 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 & HERZEGOVINA II | 02/883/EC | 09.11.02 | 15 | 16.01.2019 | | 20.00 | | | | |
| 1st tranche | | | | | (c) | 10.00 | 10.00 | | | 10.00 |
| MOLDOVA I | 94/346/EC | 13.06.94 | | | | 45.00 | | | | |
| 1st tranche | | | 10 | 07.12.2004 | (a) | 25.00 | 5.00 | 5.00 | | 0.00 |
| 2nd tranche | | | 10 | 08.08.2005 | (c) | 20.00 | 8.00 | 4.00 | | 4.00 |
| MOLDOVA II | 96/242/EC | 25.03.96 | 10 | 30.10.2006 | (c) | 15.00 | 9.00 | 3.00 | | 6.00 |
| 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 30.06.2004 to 31.12.2004, 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 30.06.2004 | Operations in six-month period | | Amount outstanding at 31.12.2004 |
|-----------------------|-------------|------------------|-------------------|-------------|---|----------------|----------------------------------|--------------------------------|----------------|----------------------------------|
| | | | | | | | | Amounts disbursed | Amounts repaid | |
| | | | | | | | | in EUR million | | |
| UKRAINE I | 94/940/EC | 22.12.94 | 10 | 28.12.2005 | (c) | 85.00 | 34.00 | | 17.00 | 17.00 |
| UKRAINE II | 95/442/EC | 23.10.95 | | | | 200.00 | | | | |
| 1/2 tranche | | | 10 | 29.08.2006 | (c) | 50.00 | 30.00 | | 10.00 | 20.00 |
| 1/2 tranche | | | 10 | 30.10.2006 | (c) | 50.00 | 30.00 | | 10.00 | 20.00 |
| 2nd tranche | | | 10 | 30.10.2008 | (c) | 100.00 | 80.00 | | 20.00 | 60.00 |
| 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 | 0.00 | | | 0.00 |
| BELARUS | 95/132/EC | 10.04.95 | | | | 55.00 | | | | |
| 1st tranche | | | 10 | 28.12.2005 | (c) | 30.00 | 12.00 | | 6.00 | 6.00 |
| 2nd tranche | | | - | - | (d) | 25.00 | 0.00 | | | 0.00 |
| ALGERIA II | 94/938/EC | 22.12.94 | | | | 200.00 | | | | |
| 1st tranche | | | 7 | 27.11.2002 | (c) | 100.00 | 0.00 | | | 0.00 |
| 2nd tranche | | | - | - | (d) | 100.00 | 0.00 | | | 0.00 |
| GEORGIA | 97/787/EC | 17.11.97 | 15 | 24.07.2013 | (c) | 110.00 | 92.00 | | | 92.00 |
| ARMENIA | 97/787/EC | 17.11.97 | 15 | 30.12.2013 | (c) | 28.00 | 2.00 | | | 2.00 |
| REPS FORMER USSR | 91/658/EEC | 16.12.91 | 3 | 28.09.1997 | - | 1,250.00 | 0.00 | | | 0.00 |
| TAJKISTAN | 2000/244/EC | 20.03.00 | 15 | 30.03.2016 | (b) | 75.00 | 44.00 | | | 44.00 |
| 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 | (b) | 10.00 | 10.00 | | | 10.00 |
| 2nd tranche | | | 15 | 01.09.2018 | (b) | 30.00 | 30.00 | | | 30.00 |
| SERBIA AND MONTENEGRO | 2003/825/EC | 25/11/2003 | - | - | (d) | 25.00 | | | | |
| ALBANIA | 2004/580/EC | 29/04/2004 | | | (d) | 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 |
| TOTAL | | | | | | | 1,499.00 | 30.00 | 145.00 | 1,384.00 |

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 cancelations) | | Amount outstanding | |
|---|----------------|------------------|-------------------|----------------------------|----------------|-----------------------------------|---------------|--------------------|---------------|
| | | | | | | at 30.06.04 | at 31.12.04 | at 30.06.04 | at 31.12.04 |
| MED. Financial protocols(1) | | 8.03.77 | 75% (2) | 30.10.78/10.11.78 | 6,062 | 5,648 | 5,648 | 1,620 | 1,449 |
| MED. Horizontal cooperation | R/1762/92/EEC | 29.06.92 | 75% (2) | 09.11.92/18.11.92 | 1,800 | 1,691 | 1,691 | 1,081 | 996 |
| TOTAL MED. (3) | | | | | 7,862 | 7,339 | 7,339 | 2,700 | 2,445 |
| C and E Europe I | 90/62/EEC(4) | 12.02.90 | 100% | 24.04.90/14.05.90 | 1,000 | 912 | 912 | 306 | 265 |
| | 91/252/EEC(5) | 14.05.91 | 100% | 19.01.93/04.02.93 | 700 | 493 | 493 | 174 | 117 |
| C and E Europe II | 93/696/EC(6) | 13.12.93 | 100% | 22.07.94/12.08.94 | 3,000 | 2,675 | 2,493 | 1,488 | 1,268 |
| Asia, Latin America I | 93/115/EEC | 15.02.93 | 100% | 04.11.93/17.11.93 | 750 | 572 | 572 | 301 | 252 |
| Asia, Latin America Interim | 96/723/EC | 12.12.96 | 100% | 18.03.97/26.03.97 | 153 | 153 | 153 | 54 | 47 |
| Asia, Latin America Interim | 96/723/EC | 12.12.96 | 70% | 21.10.97 | 122 | 122 | 122 | 70 | 57 |
| South Africa | 95/207/EC | 01.06.95 | 100% | 04.10.95/16.10.95 | 300 | 285 | 285 | 140 | 130 |
| New mandates | 97/256/EC(7) | 14.04.97 | 70% | 25.07.97/29.07.97 | 7,105 | 6,340 | 6,314 | 4,464 | 4,212 |
| FYROM | 98/348/EC | 19.05.98 | 70% | 29.07.98/07.08.98 | 150 | 150 | 150 | 79 | 90 |
| Bosnia and Herzegovina | 98/729/CE | 14.12.98 | 70% | 16.06.99/22.06.99 | 100 | 100 | 100 | 14 | 25 |
| Turkey | 99/786/EC | 29.11.99 | 65% | 18.04.00/23.05.00 | 600 | 600 | 600 | 420 | 471 |
| Mandates 2000-2007 | 2000/24/EC(8) | 22.12.99 | 65% | 19.07.00/24.07.00 | 19,460 | 11,315 | 13,256 | 3,793 | 4,509 |
| The Baltic Sea basin of Russia | 2001/777/EC(9) | 06.11.01 | 100% | 06.05.02/07.05.02 | 100 | 25 | 25 | 0 | 11 |
| Russia, Belarus, Moldova and Ukraine | 2005/48/EC(10) | 22.12.04 | 100% | | 500 | | | | |
| TOTAL | | | | | 41,902 | 31,081 | 32,814 | 14,003 | 13,900 |

(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.

1.3. Expected signature and disbursement of EIB loans

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

Expected signatures:

- At 31 December 2004 a total of EUR 8,168 million was still to be signed under the EUR 20,060 million General Mandate 2000 - 2007:

Table A 7: Disbursement forecast for EIB loans

| | Ceiling | Loans made available (minus cancellations) at 31.12.2004* | to be disbursed under signatures** |
|---------------------------------|---------------|---|---------------------------------------|
| Mediterranean | 6,520 | 6,389 | 4,524 |
| Central & Eastern Europe | 9,185 | 3,663 | 2,549 |
| Asia, Latin America | 2,480 | 1,589 | 484 |
| South Africa | 825 | 612 | 262 |
| Turkey-Terra 11/1999-11/2002 | 600 | 600 | 129 |
| Turkey-Special Action Programme | 450 | 450 | 220 |
| | 20,060 | 13,303 | 8,168 |

* EUR 553 million for new Member States are not included.

** EUR 150 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 (medium-term 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 action, 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 OVER THE PERIOD 2005-2006 UNDER THE GUARANTEE FUND MECHANISM (TABLE A4)

2.1. Reserve for loan guarantees to non-Member States

The Interinstitutional Agreement of 6 May 1999 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 will be EUR 223 million in 2005 and 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.

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 Regulation⁴. Regulation No 2728/94 establishing a Guarantee Fund for external action 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 Commission⁵. 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 Fund⁶.

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 heading for the provisioning of the Guarantee Fund.

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 158.11 million is expected to be used from the Guarantee Reserve in 2005, leaving EUR 64.89 million available for further guaranteed lending operations.

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 2005, the annual capacity available for loans is as follows:

- EUR 720.95 million for loans with a 100% guarantee under the Union budget,
or

⁴ COM(1998)168 of 18.03.1998

⁵ COM(2003)604 of 13.10.2003

⁶ COM(2005)130 of 05.04.2005

- EUR 1,109.16 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)

| | 2005 | | 2006 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Expected loan amounts | Expected provision. | Expected loan amounts | Expected provision. |
| Amount of the reserve | 223 | | 229 | |
| Total lending and guarantee capacity 100% | | 2478 | | 2544 |
| Total lending and guarantee capacity 65% | | 3812 | | 3915 |
| 1. GUARANTEES OF EIB LOANS | | | | |
| Decided operations | | | | |
| 2000-2007 general lending mandate ¹ | 2,805.50 | 164.12 | 2,712.50 | 158.68 |
| correction forecasted/realized ² | 5.00 | 0.29 | | |
| <i>Subtotal 2000 - 2007</i> | 2,810.50 | 164.41 | | |
| <i>Baltic Sea under the Northern Dimension</i> | 75.00 | 6.75 | | |
| <i>correction forecasted/realized ²</i> | -75.00 | -6.75 | | |
| <i>Russia / WNIS ³ (100%)</i> | 150.00 | 13.50 | 200.00 | 18.00 |
| Additional EIB Operations (at 65% gr) | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Subtotal EIB</i> | 2,960.50 | 177.91 | 2,912.50 | 176.68 |
| 2. MACROFINANCIAL ASSISTANCE LOANS | | | | |
| Planned operations Western Balkans | 200.00 | 18.00 | 200.00 | 18.00 |
| <i>Subtotal MFA</i> | 200.00 | 18.00 | 200.00 | 18.00 |
| 3. EURATOM LOANS ⁴ | | | | |
| Provisional estimates | | | | |
| Ukraine ⁵ | -420.00 | -37.80 | | |
| <i>Subtotal Euratom</i> | -420.00 | -37.80 | 0.00 | 0.00 |
| Use of the reserve (1+2+3) | 2,740.50 | 158.11 | 3,112.50 | 194.68 |
| Margin within the reserve (after provisioning of above-indicated loans) | | 64.89 | | 34.32 |
| Residual lending and guarantee capacity 100%⁶ | | 720.95 | | 381.32 |
| Residual lending and guarantee capacity 65% ⁷ | | 1,109.16 | | 586.65 |

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

2 Correction of estimated levels of implementation for the 2005 provisioning.

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 46% of the total outstanding debt owned by the EC or guaranteed through its budget, thus providing a meaningful assessment of the risk.

3.1. Other non-member countries

In **Algeria**, a buoyant performance of the hydrocarbon sector (accounting for more than 30% of GDP, 96% of export earnings and about 60 % of budget revenues) helped secure a relatively strong output growth (5.5% in 2004), a comfortable budget surplus (2.4 % of GDP) and a huge trade and current account surplus (in the range of 16.8 % and 15.4 % of GDP, respectively). Official reserves appear to have risen to almost 24 months of import cover. The foreign debt/GDP ratio fell markedly to 24.7% of GDP in 2004 and the foreign debt service ratio to 58 %. Foreign debt is almost exclusively public medium and long-term debt and there have been no payment arrears over recent years.

The **Jordanian** economy performed strongly in 2004, with real GDP growth of about 6% supported inter alia by an impressive growth of exports as well as continuous high inflows of foreign grants. The early redemption of Brady bonds in 2004 brought about a contraction of external debt (to 67.4% of GDP from 76.4% at the end of 2003). Debt stock reduction in turn allowed for the reduction of interest payments in 2004 which, at over 3% of GDP, were still among the main items of spending. Despite commendable government policies, significant fiscal challenges remain ahead requiring sustained efforts of consolidation and structural reforms.

Real GDP growth of **Argentina** is estimated to have surpassed 8% for the second consecutive year. The strong recovery has led to an improvement in public finances, with the consolidated public sector primary surplus likely to have exceeded 5% of GDP for the year. Despite very strong import growth, the official foreign exchange reserves have continued to rise, reaching about US\$20 billion in early 2005. In December 2004, Argentina settled its arrears to the European Investment Bank. The lack of progress with some key structural reforms and the delays in the restructuring of the public debt held by the private sector have continued to undermine the investment climate and may prevent the reactivation of the Stand-By Arrangement with the IMF. Despite the improvement in the macroeconomic situation, the risk associated with lending to, or investing in, Argentina remains high.

The **Brazilian** economy expanded at its fastest pace in a decade in 2004, with real GDP growth to 5%. Fiscal performance also improved substantially, with the consolidated primary surplus having reached 4.6% of GDP above the target agreed with the IMF. Thanks also to an appreciating currency, the net public-sector debt as a share of GDP fell significantly in 2004. A strong export performance, in particular by the manufacturing sector, contributed to a current account surplus of about 2% of GDP in 2004 which should however gradually narrow. In combination with the still large public debt, this means that Brazil remains vulnerable to changing international financing conditions. The Stand-By Arrangement approved by the IMF in December 2003 remains on track, but the Brazilian authorities continue to treat it as precautionary, as part of a strategy to exit from IMF financial support.

3.2. Explanatory notes for country-risk indicators

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 |
| SBA | Stand-By Arrangement |
| STF | Systemic Transformation Facility |
| est. | estimates |
| n.a. | not available |
| prelim. | preliminary |

3.3. Country-risk indicators (tables)

| Country risk indicators | | | | | |
|--|---------------------|-----------|---------------|---------------|---------------|
| Country: Bulgaria | | | | | |
| | | footnotes | 2002 | 2003 | 2004 |
| Real GDP growth rate | (%) | | 4.8 | 4.3 | 5.6 |
| Industrial production | (% change) | | 4.6 | 15.0 | 18.1 |
| Unemployment (end of period) | (% of labour force) | | 16.8 | 12.7 | 11.8 |
| Inflation rate (CPI) (Dec/Dec) | (% change) | | 3.8 | 5.6 | 4.0 |
| Exchange rate (end of period) | (Leva per EUR) | | 1.956 | 1.956 | 1.956 |
| General government balance | (% of GDP) | | -0.1 | 0.6 | 1.4 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 8542 | 9459 | 11356 |
| Current account balance | (% of GDP) | | -5.6 | -9.3 | -7.5 |
| Net inflow of foreign direct investment | (m EUR) | | 980 | 1851 | 1958 |
| Official reserves, including gold (end of period) | | | | | |
| m EUR | | | 4575 | 5309 | 6770 |
| months' imports of goods and services | | | 5.6 | 5.7 | 6.1 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 10769 | 10681 | 12376 |
| Convertible currency debt service principal | (m EUR) | | 1403 | 1333 | 2292 |
| interest | (m EUR) | | 937 | 967 | 1958 |
| External debt/GDP | (%) | | 467 | 367 | 335 |
| External debt/exports of goods and services | (%) | | 65.1 | 60.7 | 63.8 |
| Debt service/exports of goods and services | (%) | | 126.1 | 112.9 | 109.0 |
| Arrears (on both interest and principal) | (%) | | 16.4 | 14.1 | 20.2 |
| Debt relief agreements and rescheduling | (m EUR) | | none | none | none |
| | | | none | none | none |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (1) | | 5.8 | 8.4 |
| EU exposure/external debt | (%) | | | 7.1 | 6.6 |
| EU exposure/exports of goods and services | (%) | | | 8.0 | 7.2 |
| IMF arrangements | | | | | |
| Type | | | SBA | SBA | SBA |
| (Date) | | | (02/02-02/04) | (02/02-02/04) | (08/04-09-05) |
| On track | | | yes | yes | yes |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | (4) | B1 | Ba2 | Ba1 |
| S&P long-term foreign currency rating (end of period) | | (5) | BB | BB+ | BBB- |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (2) | | 74 68 | 71 66 | 63 61 |
| The Institutional Investor | | | (185) (185) | (185) (185) | (185) (185) |
| Position in the ranking (number of countries) | (2) | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Credit rating | (3) | | 69 68 | 67 60 | 60 60 |
| | | | (151) (151) | (151) (172) | (172) (173) |
| | | | 38,6 40,7 | 39,6 47 | 48,5 51,6 |

Footnotes

(1) - (5) See explanatory notes at beginning of tables.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|--------------|--------------|----------------------|
| Country: Romania | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 5.1 | 5.2 | 8.3 |
| Industrial production | (% change) | | 5.6 | 4.6 | 6.0 |
| Unemployment (end of period) | (% of labour force) | (a) | 7.5 | 6.8 | 7.1 |
| Inflation rate (CPI) (average) | (% change) | | 17.8 | 14.1 | 9.3 |
| Exchange rate (end of period) | (Lei per EUR) | | 34919 | 40193 | 39663 |
| General government balance | (% of GDP) | | -2.0 | -2.0 | -1.4 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 17098 | 18285 | 21838 |
| Current account balance | (% of GDP) | | -3.4 | -6.0 | -7.6 |
| Net inflow of foreign direct investment | (m EUR) | | 1145 | 1910 | 4042 |
| Official reserves, including gold (end of period) | | | | | |
| bn EUR | | | 6478 | 8503 | 10712 |
| months' imports of goods and services | | | 4.0 | 3.7 | 4.5 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 14966 | 16754 | 19596 |
| Convertible currency debt service | (m EUR) | | 3213 | 3090 | 3828 |
| principal | (m EUR) | | 2991 | - | - |
| interest | (m EUR) | | 222 | - | - |
| External debt/GDP | (%) | | 34.3 | 36.9 | 36.6 |
| External debt/exports of goods and services | (%) | | 87.5 | 91.6 | 89.7 |
| Debt service/exports of goods and services | (%) | | 18.8 | 16.9 | 17.5 |
| 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 | (%) | (1) | | 12.7 | 17.3 |
| EU exposure/external debt | (%) | | | 9.8 | 8.6 |
| EU exposure/exports of goods and services | (%) | | | 9.0 | 7.7 |
| IMF arrangements | | | | | |
| Type | | | SBA | SBA | precautionary |
| (Date) | | | (9/01-10/03) | (9/01-10/03) | (7/04-7/06) |
| On track | | | yes (8) | yes (8) | partly (9) |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | | B2 | B2 | B1 |
| S&P long-term foreign currency rating (end of period) | | | B | BB | BB+ |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (2) | | 79 73 | 71 66 | 68 66 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (2) | | 84 79 | 79 68 | 69 67 |
| (number of countries) | | | (151) (151) | (151) (151) | (172) (173) |
| Credit rating | (3) | | 36,9 33,8 | 33,9 41,3 | 42,5 45,7 |

Sources: International Monetary Fund, Economic Intelligence Unit.

Footnotes

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|---------------|---------------|---------------|
| Country: Turkey | | | | | |
| | | footnotes | 2002 | 2003 | 2004 |
| Real GDP growth rate | (%) | | 7.9 | 5.8 | 7.9 |
| Industrial production | (% change) | | 9.3 | 8.5 | 9.7 |
| Unemployment (end of period) | (% of labour force) | | 10.4 | 10.5 | 10.0 |
| Inflation rate (CPI) (Dec/Dec) | (% change) | | 29.7 | 18.4 | 9.3 |
| Exchange rate (end of period) | (TL per EUR) | | 1.74 | 1.77 | 1.84 |
| General government balance | (% of GDP) | | -12.3 | -9.7 | -3.9 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 58100 | 62082 | 73122 |
| Current account balance | (% of GDP) | | -0.8 | -3.3 | -5.3 |
| Net inflow of foreign direct investment | (m EUR) | | 966 | 934 | 1107 |
| Official reserves, including gold (end of period) | | | | | |
| m EUR | | | 40296 | 39750 | 43144 |
| months' imports of goods and services | | | 6.3 | 6.5 | 6.3 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 137933 | 128886 | 123174 |
| Convertible currency debt service principal | (m EUR) | | 30549 | 24549 | 24052 |
| interest | (m EUR) | | 23775 | 18372 | 18400 |
| External debt/GDP | (%) | | 6774 | 6177 | 5652 |
| External debt/exports of goods and services | (%) | | 75.8 | 54.1 | 43.2 |
| Debt service/exports of goods and services | (%) | | 237.4 | 207.6 | 175.3 |
| Arrears (on both interest and principal) | (%) | | 52.6 | 39.5 | 37.1 |
| Debt relief agreements and rescheduling | (m EUR) | | none | none | none |
| | | | none | none | none |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (1) | | 9.3 | 15.4 |
| EU exposure/external debt | (%) | | | 0.9 | 1.2 |
| EU exposure/exports of goods and services | (%) | | | 1.9 | 2.1 |
| IMF arrangements | | | | | |
| Type | | | <i>SBA</i> | <i>SBA</i> | <i>SBA</i> |
| (Date) | | | (02/02-02/05) | (02/02-02/05) | (02/02-02/05) |
| On track | | | yes | yes | yes |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | (4) | B1 | B3 | B3 |
| S&P long-term foreign currency rating (end of period) | | (5) | B- | B+ | BB- |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | | (2) | 72 80 | 81 80 | 75 69 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | | (2) | 78 78 | 76 83 | 77 76 |
| (number of countries) | | | (151) (151) | (151) (172) | (172) (173) |
| ranking | | | | 34,9 32,4 | 37,4 40 |

Footnotes

(1) - (5) See explanatory notes at beginning of tables.

| Country-risk indicators | | | | | |
|--|-----------------------|-----------|--------------|---------------|-------------|
| Country: Bosnia and Herzegovina (1) | | | | | |
| | | footnotes | 2002 | 2003 | 2004(p) |
| Real GDP growth rate | (%) | | 5.50 | 3.50 | 5.00 |
| Industrial production | (% change) | (2) | | | |
| Federation | | | 10.10 | 4.80 | 13.60 |
| Republika Srpska | | | -2.50 | 5.70 | 10.50 |
| Unemployment (end of period) | (% of labour force) | (3) | 41.00 | 42.00 | - |
| Federation | | | 42.70 | 44.00 | - |
| Republika Srpska | | | 36.50 | 37.00 | - |
| Inflation rate (CPI) (12 month average) | (% change) | | 0.30 | 0.10 | 0.20 |
| Federation | | | -0.20 | -0.50 | -0.50 |
| Republika Srpska | | | 1.70 | 1.90 | 1.90 |
| Exchange rate (end of period) | KM per EUR | | 1.96 | 1.96 | 1.96 |
| | KM per USD | | 2.00 | 1.73 | 1.44 |
| General government balance (after grants) | (% of BiH GDP) | | -2.20 | 0.30 | -0.10 |
| Federation | (% of Federation GDP) | | -0.30 | 0.00 | 0.00 |
| Republika Srpska | (% of RS GDP) | | 0.10 | 2.10 | 1.10 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 1665.80 | 1813.30 | 1964.30 |
| Current account balance | (% of GDP) | (4) | -20.00 | -18.00 | -18.50 |
| Net inflow of foreign direct investment | (m EUR) | | 280.00 | 336.00 | 373.00 |
| Official reserves, including gold (end of period) | | | | | |
| m EUR | | | 1307.00 | 1418.70 | 1764.00 |
| months' imports of goods and services | | | 3.20 | 3.40 | 4.20 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 2189.00 | 2049.80 | 2079.10 |
| Convertible currency debt service | (m EUR) | | 115.40 | 157.60 | 2079.10 |
| principal | (m EUR) | | 48.80 | 96.70 | 84.50 |
| interest | (m EUR) | | 115.40 | 60.80 | 45.90 |
| External debt/GDP | (%) | | 42.20 | 34.00 | 33.00 |
| External debt/exports of goods and services | (%) | | 131.41 | 113.04 | 105.84 |
| Debt service/exports of goods and services | (%) | | 6.90 | 8.70 | 6.60 |
| Arrears (on both interest and principal) | (m USD) | | none | none | none |
| Debt relief agreements and rescheduling | | (5) | yes | yes | yes |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 0.57 | 1.17 |
| EU exposure/external debt | (%) | | | 3.61 | 5.53 |
| EU exposure/exports of goods and services | (%) | | | 4.08 | 5.85 |
| IMF arrangements | | | | | |
| Type | | | SBA II | SBA II | |
| (Date) | | | (8/02-11/03) | (8/02--02/04) | |
| On track | | | Yes | Yes | |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | | none | none | Caa1 |
| S&P long-term foreign currency rating (end of period) | | | none | none | none |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | | (b) | none 161 | 152 110 | 107 113 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | | (b) | none | none 97 | 122 101 |
| (number of countries) | | | (151) (151) | (151) (172) | (172) (173) |
| Credit rating | | (c) | none | none 25 | 22,2 28,2 |

(1) Data refer to the entire country unless otherwise indicated.

(2) Data for 2003 refer to the average first nine months of the year, compared to the same period in 2002

(3) World Bank and IMF estimates are one half the official estimate (ie 20%)

(4) Including official transfers.

(5) Paris Club in 1998 USD 588m, in 2000 USD 9m

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

| Country-risk indicators | | | | | |
|--|---------------------|-----------|---------------|---------------|----------------------|
| Country: Former Yugoslav Republic of Macedonia | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 0.90 | 3.00 | 2.20 |
| Industrial production | (% change) | | -5.30 | 4.70 | -12.70 |
| Unemployment (end of period) | (% of labour force) | | 31.90 | 36.70 | 37.00 |
| Inflation rate (CPI) (average) | (% change) | | 1.10 | 2.60 | -0.40 |
| Exchange rate (end of period) | Denar per EUR) | | 49.02 | 49.25 | 49.30 |
| General government balance | (% of GDP) | | -5.70 | -1.50 | +1.0 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 1177.0 | 1170.4 | 1165.7 |
| Current account balance | (% of GDP) | | -8.60 | -6.20 | -9.00 |
| Net inflow of foreign direct investment | (m EUR) | | 81.4 | 46.9 | 112.5 |
| Official reserves, including gold (end of period) | | (1) | 777.3 | 676.3 | 725.1 |
| bn USD | | | | | |
| months' imports of goods and services | | | 4.30 | 3.90 | 4.00 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | (1) | 1661.8 | 1565.3 | 1573.8 |
| Convertible currency debt service | (m EUR) | (2) | 248.1 | 209.3 | 193.7 |
| principal | (m EUR) | | 194.3 | 164.8 | 157.8 |
| interest | (m EUR) | | 53.8 | 44.5 | 35.9 |
| External debt/GDP | (%) | (a) | 38.80 | 37.72 | 37.21 |
| External debt/exports of goods and services | (%) | | 141.19 | 135.73 | 123.76 |
| Debt service/exports of goods and services | (%) | | 21.08 | 17.88 | 16.61 |
| Arrears (on both interest and principal) | (m EUR) | | none | none | n.a. |
| Debt relief agreements and rescheduling | (m EUR) | | none | none | n.a. |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | | 1.24 | 1.42 | 2.03 |
| EU exposure/external debt | (%) | | 10.20 | 11.69 | 12.64 |
| EU exposure/exports of goods and services | (%) | | 13.32 | 15.64 | 17.07 |
| IMF arrangements | | | | | |
| Type | | | SMP | SBA | |
| (Date) | | | 12/01 - 06/02 | 04/03 - 06/04 | |
| On track | | | no | 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 | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 136 102 | 103 109 | 107 113 |
| The Institutional Investor | | | (185) (185) | (185) (185) | (185) (185) |
| Position in the ranking (number of countries) | (b) | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Credit rating | (c) | | 109 108 | 106 101 | 107 109 |
| | | | (151) (151) | (151) (172) | (172) (173) |
| | | | 19,8 20,6 | 22 25,3 | 26,3 26,9 |

Sources: International Monetary Fund, Economic Intelligence Unit.

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|----------------------|----------------------|----------------------|
| Country: Serbia and Montenegro | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 4.00 | 2.70 | 7.20 |
| Industrial production | (% change) | | 1.80 | -3.00 | 7.20 |
| Unemployment (end of period) | (% of labour force) | (a) | 29.00 | 30.00 | 34.00 |
| Inflation rate (CPI) (average) | (% change) | | 14.20 | 7.40 | 13.40 |
| Exchange rate (end of period) | (Dinars per EUR) | | 49.46 | 54.92 | 63.42 |
| General government balance | (% of GDP) | | -4.50 | -4.20 | -1.70 |
| Balance of payments | | | | | |
| Exports of goods and services | (bn EUR) | | 1939.06 | 2041.96 | 2841.06 |
| Current account balance | (% of GDP) | | -8.90 | -9.40 | -11.60 |
| Net inflow of foreign direct investment | (bn EUR) | | 451.80 | 1129.51 | 776.59 |
| Official reserves, including gold (end of period) | bn EUR | | 1832.94 | 2853.93 | 3412.65 |
| months' imports of goods and services | | | 3.20 | 3.70 | 3.70 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (bn EUR) | | 9517.65 | 11498.51 | 11334.51 |
| Convertible currency debt service | (m EUR) | | 237.16 | 343.12 | 725.27 |
| principal | (m EUR) | | 34.57 | 177.67 | 534.61 |
| interest | (m EUR) | | 113.35 | 205.80 | 237.16 |
| External debt/GDP | (%) | | 78.20 | 71.30 | 59.00 |
| External debt/exports of goods and services | (%) | | 490.84 | 563.11 | 398.95 |
| Debt service/exports of goods and services | (%) | | 12.23 | 16.80 | 25.53 |
| Arrears (on both interest and principal) | (m EUR) | | | 4127.34 | NA |
| Debt relief agreements and rescheduling | (m EUR) | | yes | yes | yes |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (1) | 2.59 | 3.37 | 5.16 |
| EU exposure/external debt | (%) | | 3.65 | 3.78 | 4.46 |
| EU exposure/exports of goods and services | (%) | | 13.81 | 21.30 | 17.78 |
| IMF arrangements | | | | | |
| Type | | | Extended Arrangement | Extended Arrangement | Extended Arrangement |
| (Date) | | | 05/02-05/05 | 05/02-05/05 | 05/02-05/05 |
| 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 | B+/BB |
| Euro money | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (2) | | 176 129 | 137 136 | 166 166 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (2) | | 135 124 | 122 144 | 138 119 |
| (number of countries) | | | (151) (151) | (151) (172) | (172) (173) |
| Credit rating | (3) | | 13,7 16,5 | 17,5 16,1 | 18,9 24,9 |

Sources: International Monetary Fund, Economic Intelligence Unit.

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|---------------|----------------|---------------|
| Country: Armenia | | | | | |
| | | footnotes | 2002 | 2003 | 2004 |
| Real GDP growth rate | (%) | | 13.2 | 13.9 | 10.1 |
| Industrial production | (% change) | | 14.2 | 15.4 | 2.1 |
| Unemployment (end of period) | (% of labour force) | | 10.8 | 10.1 | 9.4 |
| Inflation rate (CPI) (Dec/Dec) | (% change) | | 2.0 | 8.6 | 2.0 |
| Exchange rate (end of period) | (Dram per EUR) | | 470 | 455 | 391 |
| General government balance | (% of GDP) | | -0.4 | -1.1 | -1.3 |
| Balance of payments | | | | | |
| Exports of goods and services | (mEUR) | | 554 | 726 | 764 |
| Current account balance | (% of GDP) | | -6.2 | -6.8 | -4.0 |
| Net inflow of foreign direct investment | (m EUR) | | 89 | 97 | 129 |
| Official reserves, including gold (end of period) | | | | | |
| m EUR | | | 346 | 404 | 441 |
| months' imports of goods and services | | | 3.7 | 4.0 | 3.7 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 825 | 883 | 892 |
| Convertible currency debt service principal | (m EUR) | | 55 | 62 | 58 |
| interest | (m EUR) | | | | |
| External debt/GDP | (%) | | 43.3 | 39.5 | 33.0 |
| External debt/exports of goods and services | (%) | | 150 | 120 | 115 |
| Debt service/exports of goods and services | (%) | | 9.5 | 7.2 | 6.8 |
| Arrears (on both interest and principal) | (m EUR) | | 13.7 | 0 | 0 |
| Debt relief agreements and rescheduling | | | | Debt to equity | |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 0.1 | 0.0 |
| EU exposure/external debt | (%) | | | 1.0 | 0.2 |
| EU exposure/exports of goods and services | (%) | | | 1.2 | 0.3 |
| IMF arrangements | | | | | |
| Type | | | PRGF | PRGF | PRGF |
| (Date) | | | (05/01-05/04) | 05/01-05/04 | (05/01-12/04) |
| On track | | | yes | yes | yes |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end period) | | | none | none | none |
| S&P long-term foreign currency rating (end of period) | | | none | none | none |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (b) | | 106 112 | 130 121 | 125 122 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (b) | | none | none 135 | 119 122 |
| (number of countries) | | | | (151) (172) | (172) (173) |
| Credit rating | (c) | | none | none 17,9 | 23,2 24,1 |

Footnotes

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

| Country-risk indicators | | | | | |
|--|-----------------------------|-----------|------------------------|------------------------|------------------------|
| Country: Georgia | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 5.5 | 11.1 | 8.4 |
| Industrial production | (% change) | | 7.8 | 14.0 | 17.0 |
| Unemployment (end of period) | (% of labour force) | | 12.3 | 11.5 | n.a. |
| Inflation rate (CPI) (average) | (% change) | | 5.4 | 7.0 | 7.5 |
| Exchange rate (end of period) | (Lari 1 EUR) | | 1.8 | 2 | 1 |
| General government balance | (% of GDP) (commitments) | | -2.0 | -2.5 | 0.7 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 784 | 1023 | 1206 |
| Current account balance | (% of GDP) | | -5.8 | -7.2 | -7.5 |
| Net inflow of foreign direct investment | (m EUR) | | 98 | 269 | 352 |
| Official reserves, including gold (end of period) | | | | | |
| bn EUR | | | 159 | 154 | 308 |
| months' imports of goods and services | | | 1.8 | 1.5 | 2.0 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 1494 | 1571 | 1640 |
| Convertible currency debt service | (m EUR) | | 186.9 | 161.5 | 178.6 |
| principal | (m EUR) | | 156.0 | n.a. | n.a. |
| interest | (m EUR) | | 42.1 | n.a. | n.a. |
| External debt/GDP | (%) | | 52.4 | 46.2 | 36.5 |
| External debt/exports of goods and services | (%) | | 190 | 155 | 130 |
| Debt service/exports of goods and services | (%) | | 22.7 | 17.0 | 18.0 |
| Arrears (on both interest and principal) | (m EUR) | | n.a. | 41.0 | n.a. |
| Debt relief agreements and rescheduling | | | | | Paris Club (July) |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 0.7 | 0.9 |
| EU exposure/external debt | (%) | | | 5.9 | 5.6 |
| EU exposure/exports of goods and services | (%) | | | 9.0 | 7.6 |
| IMF arrangements | | | | | |
| Type | | | PRGF | PRGF | PRGF |
| (Date) | | | (01/01-01/04) | (01/01-01/04) | (06/04-06/07) |
| On track | | | yes | no | 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 | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 141 111 (185) (185) | 141 157 (185) (185) | 136 143 (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 130 132 (151) (151) | 127 132 (151) (172) | 141 131 (172) (173) |
| Credit rating | (c) | | 14,1 15,4 | 16,9 18,4 | 18,3 21,4 |

Sources: International Monetary Fund, Economic Intelligence Unit.

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country-risk indicators | | | | | | |
|--|---|---------------------|-----------|------------------------|-----------------------|-----------------------|
| Country: Ukraine | | | | | | |
| | | | footnotes | 2002 | 2003 | 2004 (preliminary) |
| | Real GDP growth rate | (%) | | 5.2 | 9.4 | 12.0 |
| | Industrial production | (% change) | | 7.0 | 15.8 | 12.5 |
| | Unemployment (ILO definition) | (% of labour force) | | 10.1 | 9.1 | 7.8 |
| | Inflation rate (CPI) (Dec/Dec) | (% change) | | -0.6 | 8.2 | 12.3 |
| | Exchange rate (end of period) | (Hryvnia per EUR) | | 4.3 | 4.3 | 4.3 |
| General government balance | | (% of GDP) | (d) | 0.5 | -0.7 | -4.5 |
| Balance of payments | | | | | | |
| | Exports of goods and services | (m EUR) | | 18772 | 23274 | 31152 |
| | Current account balance | (% of GDP) | | 7.5 | 5.8 | 10.5 |
| | Net inflow of foreign direct investment | (m EUR) | | 563 | 1125 | 1206 |
| | Official reserves, (end of period) | | | | | |
| | m EUR | | | 3551 | 5578 | 7637 |
| | months' imports of goods and services | | | 1.9 | 2.4 | 3.5 |
| External debt | | | | | | |
| | Public external debt (end of period) | (m EUR) | | 8195 | 8715 | 9526 |
| | Public external debt service | (m EUR) | | 1013 | 1466 | 1568 |
| | principal | (m EUR) | | 638 | 1071 | 1212 |
| | interest | (m EUR) | | 375 | 396 | 442 |
| | External debt/GDP | (%) | | 24.6 | 22.5 | 19.5 |
| | External debt/exports of goods and services | (%) | | 43.7 | 37.4 | 30.6 |
| | Debt service/exports of goods and services | (%) | | 5.7 | 6.3 | 4.8 |
| | 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) | | 1.8 | 1.8 |
| | EU exposure/external debt | (%) | | | 2.7 | 1.8 |
| | EU exposure/exports of goods and services | (%) | | | 1.0 | 0.6 |
| IMF arrangements | | | | | | |
| | Type | | | EFF | no | Stand-by* |
| | (Date) | | | (09/98-09/02) | | (03/04-03/05) |
| | On track | | | no | | off-track |
| | | | | | | *precautionary |
| Indicators of market's perception of creditworthiness | | | | | | |
| | Moody's long-term foreign currency rating (end of period) | | | B2 | B3* | B2 |
| | S&P long-term foreign currency rating (end of period) | | | B | B | B+ |
| | Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| | Position in the ranking (number of countries) | (b) | | 120 103 (185) (185) | 113 94 (185) (185) | 93 (185) (185) |
| | The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| | Position in the ranking (number of countries) | (b) | | 104 99 (151) (151) | 96 82 (151) (172) | 86 80 (172) (173) |
| | Credit rating | (c) | | 21,3 25,3 | 25,5 32,5 | 32,8 37 |

(a) (b) (c) See explanatory notes.

(d) On a cash basis.

| Country-risk indicators | | | | | |
|--|--------------------|-----------|------------------------|------------------------|------------------------|
| Country: Belarus | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (en %) | | 4.7 | 6.8 | 11.0 |
| Industrial production | (variation en %) | | 3.9 | 7.0 | 15.6 |
| Unemployment (end of period) | (en % pop. active) | | 3.1 | 3.1 | 2.0 |
| Inflation rate (CPI) (average) | (variation en %) | | 33.0 | 28.0 | 13.7 |
| Exchange rate (end of period) | (BRB per EUR) | | 1440 | 1733 | 1745 |
| General government balance | (en % of GDP) | | -1.2 | -1.3 | 1.8 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 7481 | 9307 | 12500 |
| Current account balance | (% of PIB) | | -2.1 | -3.0 | -1.4 |
| Net inflow of foreign direct investment | (m EUR) | | 101.9 | 469.5 | 560.7 |
| Official reserves, including gold (end of period) | | | | | |
| bn EUR | | | 477.8 | 498.9 | 619.2 |
| months' imports of goods and services | | | 0.6 | 0.5 | 0.5 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 2466 | 2708 | 3031 |
| Convertible currency debt service principal interest | % of GDP | | n.a. | n.a. | n.a. |
| External debt/GDP | (%) | | 20.9 | 19.4 | 18.9 |
| External debt/exports of goods and services | (%) | | 33.0 | 29.1 | 24.2 |
| Debt service/exports of goods and services | (%) | | 4.1 | 4.6 | 3.3 |
| Arrears (on both interest and principal) | (m EUR) | | n.a. | n.a. | n.a. |
| Debt relief agreements and rescheduling | (m EUR) | | none | none | none |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 0.1 | 0.1 |
| EU exposure/external debt | (%) | | | 0.4 | 0.2 |
| EU exposure/exports of goods and services | (%) | | | 0.1 | 0.0 |
| IMF arrangements | | | | | |
| Type | | | | | |
| (Date) | | | | | |
| On track | | | | | |
| 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 | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 144 128 (185) (185) | 128 133 (185) (185) | 134 139 (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 134 139 (151) (151) | 128 138 (151) (172) | 134 134 (172) (173) |
| Credit rating | (c) | | 14 13,8 | 16,7 17,5 | 19,5 21 |

Sources: International Monetary Fund, Economic Intelligence Unit.

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

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|---------------|---------------|----------------------|
| Country: Moldova | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 7.8 | 6.3 | 7.3 |
| Industrial production | (% change) | | 11.0 | 14.0 | 6.9 |
| Unemployment (end of period) | (% of labour force) | (a) | | | |
| Inflation rate (CPI) (average) | (% change) | | 4.4 | 15.7 | 12.5 |
| Exchange rate (end of period) | (Leu per EUR) | | 11.1 | 10.6 | 10.0 |
| General government balance | (% of GDP) | | -1.8 | 0.7 | -1.1 |
| Balance of payments | | | | | |
| Exports of goods and services | (bn EUR) | | 705.04 | 852.16 | 1,085.30 |
| Current account balance | (% of GDP) | | -4.4 | -6.8 | -6.7 |
| Net inflow of foreign direct investment | (bn EUR) | | 104.83 | 64.31 | 72.35 |
| Official reserves, including gold (end of period) | | | | | |
| bn EUR | | | 216.1 | 243.0 | 338.7 |
| months' imports of goods and services | | | 1.9 | 1.7 | 2 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (bn EUR) | | 812 | 828 | 748 |
| Convertible currency debt service | (m EUR) | | 101 | 107 | 92 |
| principal | (m EUR) | | n.a. | n.a. | n.a. |
| interest | (m EUR) | | n.a. | n.a. | n.a. |
| External debt/GDP | (%) | | 60.8 | 52.6 | 36 |
| External debt/exports of goods and services | (%) | | 115.3 | 97.1 | 68.9 |
| Debt service/exports of goods and services | (%) | | 14.3 | 12.5 | 8.4 |
| Arrears (on both interest and principal) | (m EUR) | | n.a. | n.a. | n.a. |
| Debt relief agreements and rescheduling | (m EUR) | | n.a. | n.a. | n.a. |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (1) | | 0.2 | 0.1 |
| EU exposure/external debt | (%) | | | 2.7 | 1.3 |
| EU exposure/exports of goods and services | (%) | | | 2.6 | 0.9 |
| IMF arrangements | | | | | |
| Type | | | PRGF | PRGF | |
| (Date) | | | (12/00-12/03) | (12/00-12/03) | |
| On track | | | yes | no | |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | | Ca | caa2 | Caa2 |
| S&P long-term foreign currency rating (end of period) | | | none | none | none |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | | (2) | 139 150 | 134 137 | 130 134 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | | (2) | 132 130 | 124 127 | 135 136 |
| (number of countries) | | | (151) (151) | (151) (172) | (172) (173) |
| Credit rating | | (3) | 14,1 15,7 | 17,4 18,7 | 19,3 20,6 |

Sources: International Monetary Fund, Economic Intelligence Unit.

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|----------------------|-----------|------------------------|------------------------|------------------------|
| Country: Tajikistan | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 9.1 | 10.2 | 10.5 |
| Industrial production | (% change) | | 8.2 | 11.7 | 16.0 |
| Unemployment (end of period) | (% of labour force) | | 2.7 | n.a. | n.a. |
| Inflation rate (CPI) (average) | (% change) | | 14.5 | 13.7 | 8.5 |
| Exchange rate (end of period) | (Somoni per EUR) | | 2.22 | 2.47 | 2.41 |
| General government balance | (% of GDP) | | -0.1 | 0.9 | -0.4 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 562.7 | 723.5 | 884.3 |
| Current account balance | (% of GDP) | | -2.7 | -1.3 | -1.9 |
| Net inflow of foreign direct investment | (m EUR) | | 29 | 26 | 16 |
| Official reserves, including gold (end of period) | | | 77.3 | 108.9 | 152.0 |
| bn EUR | | | 1.8 | 1.9 | 1.9 |
| months' imports of goods and services | | | | | |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 785 | 804 | 608 |
| Convertible currency debt service principal | (m EUR) | -1 | 94 | 105 | 97 |
| interest | (m EUR) | | | | |
| External debt/GDP | (%) | | 82.0 | 73.0 | 50.0 |
| External debt/exports of goods and services | (%) | | 139.6 | 111.0 | 63.6 |
| Debt service/exports of goods and services | (%) | | 16.7 | 14.5 | 11.0 |
| Arrears (on both interest and principal) | (m EUR) | | | | |
| Debt relief agreements and rescheduling | (m EUR) | | yes (Russia) | yes Russia | yes Russia |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 0.3 | 0.4 |
| EU exposure/external debt | (%) | | | 5.5 | 7.2 |
| EU exposure/exports of goods and services | (%) | | | 6.1 | 5.0 |
| IMF arrangements | | | | | |
| Type (Date) | | | SMP (01/02-06/02) | PRGF (09/02-09/05) | PRGF (09/02-09/05) |
| 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 | | | 03/02 09/02 | 03/03 09/04 | 03/03 09/04 |
| Position in the ranking (number of countries) | (b) | | 156 118 (185) (185) | 166 174 (185) (185) | 174 180 (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 140 141 (151) (151) | 141 152 (151) (172) | 159 162 (172) (173) |
| Credit rating | (c) | | 12,6 12,7 | 13,1 14,3 | 14,2 14,1 |

Sources: International Monetary Fund, Economic Intelligence Unit.

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country: Algeria | | | | | |
|--|---------------------|-----------|-----------------------|----------------------|----------------------|
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 4.0 | 6.9 | 5.5 |
| Industrial production | (% change) | | ... | ... | ... |
| Unemployment (end of period) | (% of labour force) | (a) | 25.5 | 23.7 | 25.4 |
| Inflation rate (CPI) (average) | (% change) | | 1.4 | 2.6 | 4.0 |
| Exchange rate (end of period) | (Dinars per EUR) | | 64.1 | 62.2 | 58.0 |
| General government balance | (% of GDP) | | -0.1 | 3.2 | 3.9 |
| Balance of payments | | | | | |
| Exports of goods and services | (bn EUR) | | 16.09 | 20.93 | 28.27 |
| Current account balance | (% of GDP) | | 7.8 | 13.3 | 15.4 |
| Net inflow of foreign direct investment | (bn EUR) | | 0.78 | 0.50 | 0.31 |
| Official reserves, including gold (end of period) | | | | | |
| bn EUR | | | 18.6 | 26.4 | 34.0 |
| months' imports of goods and services | | | 15.4 | 19.5 | 19.1 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (bn EUR) | | 18.200 | 18.658 | 16.382 |
| Convertible currency debt service | (m EUR) | | 3,349 | 2,599 | 2,455 |
| principal | (m EUR) | | 2,370 | 2,547 | 2,351 |
| interest | (m EUR) | | 979 | 687 | 703 |
| External debt/GDP | (%) | | 40.5 | 34.9 | 24.7 |
| External debt/exports of goods and services | (%) | | 113.2 | 89.1 | 58.0 |
| Debt service/exports of goods and services | (%) | | 22.6 | 17.9 | 16.1 |
| Arrears (on both interest and principal) | (m EUR) | | 0 | 0 | 0 |
| Debt relief agreements and rescheduling | (m EUR) | | 0 | 0 | 0 |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (1) | | 7.8 | 9.7 |
| EU exposure/external debt | (%) | | | 5.4 | 5.8 |
| EU exposure/exports of goods and services | (%) | | | 4.8 | 3.4 |
| IMF arrangements | | | | | |
| Type | | | CCFF | CCFF | CCFF |
| (Date) | | | 36346 | 5/07/1999 | 5/07/1999 |
| 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 | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (2) | | 109 85 (185) (185) | 89 88 (185) (185) | 85 81 (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (2) | | 82 84 (151) (151) | 81 66 (151) (172) | 79 75 (172) (173) |
| Credit rating | (3) | | 31,6 30,6 | 30,9 31,5 | 37,2 40,2 |

Sources: International Monetary Fund, Economic Intelligence Unit.

(1) (2) (3) See explanatory notes at beginning of tables.

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|-----------------------|----------------------|----------------------|
| Country: Jordan | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 4.8 | 3.3 | 6.0 |
| Industrial production | (% change) | | 11.1 | 3.5 | 6.0 |
| Unemployment (end of period) | (% of labour force) | | 15.3 | 14.5 | 13.0 |
| Inflation rate (CPI) (average) | (% change) | | 0.5 | 3.6 | 3.5 |
| Exchange rate (end of period) | (Dinar per EUR) | | 0.6 | 0.6 | 0.6 |
| General government balance (before grants) | (% of GDP) | | -6.1 | -12.0 | -10.0 |
| (after grants) | | | -4.9 | -1.1 | -3.4 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 3442.9 | 3677.7 | 4341.2 |
| Current account balance | (% of GDP) | | 3.8 | 11.2 | 2.0 |
| Net inflow of foreign direct investment | (m EUR) | | 24.9 | 302.3 | 352.9 |
| Official reserves, including gold (end of period) | (gross useable) | (1) | 2792.8 | 3814.6 | 3727.8 |
| bn EUR | | | | | |
| months' imports of goods and services | | | 6.8 | 7.1 | 6.4 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | (1) | 6176.5 | 6113.0 | 5914.5 |
| Convertible currency debt service | (m EUR) | (2) | 642.3 | 695.4 | 787.8 |
| principal | (m EUR) | | 506.0 | 544.0 | 680.0 |
| interest | (m EUR) | | 235.5 | 258.1 | 241.2 |
| External debt/GDP | (%) | (a) | 81.3 | 76.4 | 67.4 |
| External debt/exports of goods and services | (%) | | 179.4 | 166.2 | 133.6 |
| Debt service/exports of goods and services | (%) | | 18.7 | 18.9 | 17.8 |
| Arrears (on both interest and principal) | (m EUR) | | none | none | none |
| Debt relief agreements and rescheduling | (m EUR) | | 940.6 | | - |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | | | | |
| EU exposure/external debt | (%) | | | | |
| EU exposure/exports of goods and services | (%) | | | | |
| IMF arrangements | | | | | |
| Type | | | EFF | SBA | SBA |
| (Date) | | | 4/99 to 5/02 | 7/02 to 7/04 | 7/02 to 7/05 |
| On track | | | yes | yes | completed |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | | Ba3 | B1 | Ba3 |
| S&P long-term foreign currency rating (end of period) | | | BB- | BB- | BB |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 73 76 (185) (185) | 80 84 (185) (185) | 81 73 (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 70 73 (151) (151)) | 69 71 (151) (172) | 74 72 (172) (173) |
| Credit rating | (c) | | 37,3 38,7 | 38,6 38,5 | 41,2 43,1 |

| Country-risk indicators | | | | | |
|--|---------------------|-----------|------------------------|------------------------|------------------------|
| Country: Argentina | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | -10.9 | 8.8 | 8.1 |
| Industrial production | (% change) | | -10.5 | 16.2 | 10.7 |
| Unemployment (end of period) | (% of labour force) | | 19.7 | 15.6 | 13.0 |
| Inflation rate (CPI) (average) | (% change) | | 41.0 | 3.7 | 6.1 |
| Exchange rate (end of period) | (pesos per EUR) | | 2.5 | 2.3 | 2.3 |
| General government balance | (% of GDP) | | -1.5 | 0.5 | 3.6 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 24511 | 18744 | 27735 |
| Current account balance | (% of GDP) | | 9.0 | 6.2 | 2.5 |
| Net inflow of foreign direct investment | (m EUR) | | 879 | 820 | 3216 |
| Official reserves, including gold (end of period) | bn EUR | | 7.3 | 11.3 | 15.8 |
| months' imports of goods and services | | | 8.2 | 9.1 | 10.0 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 113755 | 118579 | 121151 |
| Convertible currency debt service principal | (m EUR) | | 5661 | 9310 | 9245 |
| interest | (m EUR) | | 1101 | 4957 | 2894 |
| External debt/GDP | (%) | | 4560 | 4353 | 6351 |
| External debt/exports of goods and services | (%) | | 139.1 | 113.7 | 102.0 |
| Debt service/exports of goods and services | (%) | | 464 | 633 | 437 |
| Arrears (on both interest and principal) | | | 23.1 | 49.7 | 33.3 |
| Debt relief agreements and rescheduling | (m EUR) | | yes | yes | yes |
| | | | no | no | no |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 2.0 | 2.0 |
| EU exposure/external debt | (%) | | | 0.2 | 0.2 |
| EU exposure/exports of goods and services | (%) | | | 1.4 | 0.7 |
| IMF arrangements | | | | | |
| Type | | | No | SBA | SBA |
| (Date) | | | No | 24-Jan and Sep. | |
| On track | | | No | yes (Jan SBA) | No |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | | Ca | Ca | Caa2 |
| S&P long-term foreign currency rating (end of period) | | | none | SD | SD |
| Euromoney | | | 03/2 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 107 146 (185) (185) | 155 162 (185) (185) | 140 118 (185) (185) |
| The Institutional Investor | | | 03/2 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking (number of countries) | (b) | | 98 127 (151) (151) | 138 130 (151) (172) | 125 128 (172) (173) |
| Credit rating | (c) | | 23,8 15,8 | 14,5 18,4 | 21,5 22,2 |

Sources: International Monetary Fund, Economic Intelligence Unit.

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

(a) Officially registered unemployed.

| Country-risk indicators | | | | | |
|--|---------------------|-----------|-------------|-------------|----------------------|
| Country: Brazil | | | | | |
| | | footnotes | 2002 | 2003 | 2004 (projection) |
| Real GDP growth rate | (%) | | 1.9 | 0.5 | 5.0 |
| Industrial production | (% change) | | 2.7 | 0.1 | 8.3 |
| Unemployment (end of period) | (% of labour force) | | 6.4 | 10.9 | 9.6 |
| Inflation rate (CPI) (average) | (% change) | | 12.5 | 9.3 | 7.6 |
| Exchange rate (end of period) | (Reais per EUR) | | 2.8 | 2.3 | 2.1 |
| General government balance | (% of GDP) | | -5.1 | -6.5 | -3.8 |
| Balance of payments | | | | | |
| Exports of goods and services | (m EUR) | | 48526 | 58754 | 77558 |
| Current account balance | (% of GDP) | | -1.7 | 0.8 | 2.0 |
| Net inflow of foreign direct investment | (m EUR) | | 11342 | 7954 | 6990 |
| Official reserves, including gold (end of period) | bn EUR | | 30407 | 39630 | 42556 |
| months' imports of goods and services | | | 10.0 | 12.0 | 10.0 |
| External debt | | | | | |
| Convertible currency external debt (end of period) | (m EUR) | | 169395 | 172787 | 160785 |
| Convertible currency debt service | (m EUR) | | 40110 | 42598 | 45020 |
| principal | (m EUR) | | 28682 | 31199 | 33765 |
| interest | (m EUR) | | 11429 | 11399 | 11255 |
| External debt/GDP | (%) | | 46 | 42 | 34 |
| External debt/exports of goods and services | (%) | | 349 | 294 | 207 |
| Debt service/exports of goods and services | (%) | | 83 | 73 | 58 |
| Arrears (on both interest and principal) | | | no | no | no |
| Debt relief agreements and rescheduling | (m EUR) | | no | no | no |
| Indicators of EU exposure | | | | | |
| EU exposure/total EU exposure | (%) | (a) | | 4.0 | 5.2 |
| EU exposure/external debt | (%) | | | 0.3 | 0.3 |
| EU exposure/exports of goods and services | (%) | | | 0.9 | 0.7 |
| IMF arrangements | | | | | |
| Type | | | SBA+SRF | SBA | SBA |
| (Date) | | | 6-sept | 15 déc | |
| On track | | | yes | yes | yes |
| Indicators of market's perception of creditworthiness | | | | | |
| Moody's long-term foreign currency rating (end of period) | | | Ca | B3 | B2 |
| S&P long-term foreign currency rating (end of period) | | | none | B+ | BB- |
| Euromoney | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (b) | | 107 146 | 79 75 | 78 71 |
| (number of countries) | | | (185) (185) | (185) (185) | (185) (185) |
| The Institutional Investor | | | 03/02 09/02 | 03/03 09/03 | 03/04 09/04 |
| Position in the ranking | (b) | | 99 127 | 73 76 | 68 73 |
| (number of countries) | | | (151) (151) | (151) (172) | (172) (173) |
| Credit rating | (c) | | 23,8 15,8 | 36,1 37,1 | 42,6 |

Sources: International Monetary Fund, Economic Intelligence Unit.

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

(a) Officially registered unemployed.