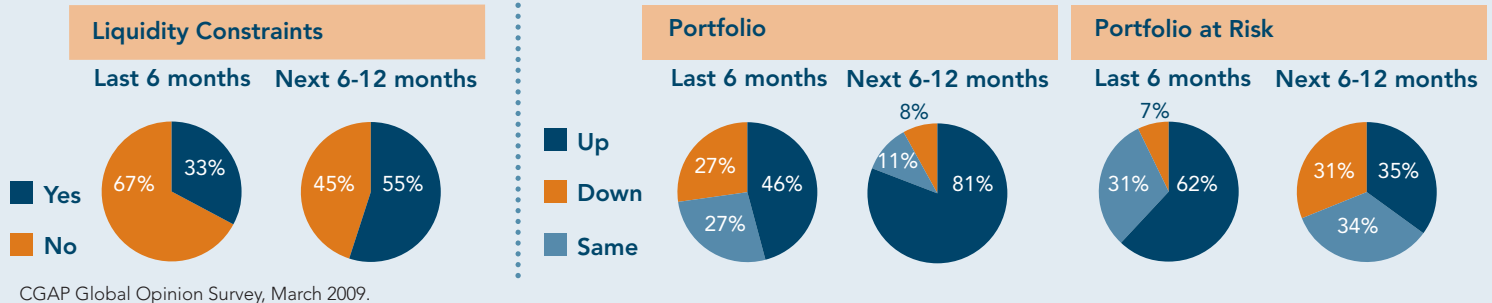


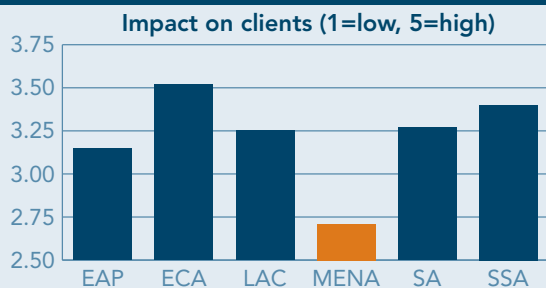
## AT A GLANCE

To date, Middle East & North Africa has been less exposed to the effects of the global crisis. Many economies are growing, unemployment is stable in most countries, and local banks are still sound. As a result, MFIs are less affected, and managers report fewer signs of stress - also because investment in the sector is in large part driven by DFIs. Morocco is one of the countries which appears to be more severely affected, but for reasons that are not directly related to the crisis.

## MICROFINANCE INSTITUTIONS



## MICROFINANCE CLIENTS



- Crisis impact on clients less manifest than in other regions.
- Lower segment of clients not experiencing drastic slowdown yet, less appetite for expansion and credit from bigger borrowers.
- Securing food expenditure remains priority but less problematic than in other regions, especially compared to rest of the African continent.

CGAP Global Opinion Survey, March 2009 (29 answers from Middle East and North Africa) and World Bank website.

## REGION HIGHLIGHTS

- Growth expected to decline from 6 percent in 2008 to 2.5 percent in 2009.<sup>1</sup>
- Between 2005 and 2007, food prices increased by 25.9 percent in rural areas, and 12.5 percent in urban areas.<sup>2</sup>
- Low exposure to currency volatility: 16% of DFI loans to MFIs denominated in hard currency.<sup>3</sup>
- Strong balance sheets: MFIs with highest equity to asset ratios of all regions.<sup>4</sup>
- Repayment down for 41% of MFIs surveyed.<sup>5</sup>
- Morocco and Egypt among top 20 fastest growing microfinance markets worldwide.<sup>6</sup>

1 IMF - World Economic Outlook 2009.  
 2 World Bank - Global Economic Prospects - April 2009.  
 3 CGAP.org - Supplement for virtual conference on financial crisis.  
 4 The Micro Credit Bulletin - Autumn 2008.  
 5 CGAP - Global Opinion Survey - April 2009.  
 6 The Micro Credit Bulletin - Autumn 2008.

Microfinance Sector (weighted by assets)	%
- Banks/NGOs (2008) <sup>a</sup>	6/94
- Yield on Gross Portfolio (2007) <sup>b</sup>	22.5
- Financially Self-Sustainable MFIs (FSS) (2007) <sup>c</sup>	50
- Savings/Assets (2007) <sup>d</sup>	0

a The MixMarket.  
 b 2007 MFI Benchmarks, The Mix Market.  
 c Micro Banking Bulletin - Autumn 2008.  
 d The Mix Market.

## MACROECONOMIC INDICATORS

annual percent change unless noted otherwise	2008	2009	2010
GDP per capita <sup>1</sup>	4.0	2.2	3.5
Private Consumption <sup>2</sup>	7.0	4.2	6.0
Consumer Prices Index <sup>3</sup>			
- Middle East	15.6	11.0	8.5
Current Account Balance / GDP (%) <sup>4</sup>	13.5	6.0	4.1
Exchange rate <sup>5</sup>			
- Egypt	-0.1	-2.9	
- Morocco	-4.8	-4.2	
- Jordan	-1.3	0	
Remittances <sup>6</sup>	7.6	(-5.2;-1.4)	(-0.9;2.9)
Unemployment <sup>7</sup>			
- Middle East	0	(-0.1;1.6)	n/a
- North Africa	-0.1	(0;0.8)	n/a

1 WB - Global Economic Prospects 2009.  
 2 WB - Global Economic Prospects 2009.  
 3 IMF - World Economic Outlook 2009.  
 4 WB - Global Economic Prospects 2009.  
 5 oanda.com - against USD (2008 data: 01/01/08 to 01/01/09; 2009 data: 01/01/09 to 05/01/09).  
 6 WB - Remittances Outlook 2009 - 2009-2010 (numbers in brackets refer to low/high case scenarios).  
 7 ILO - Employment Trends 2009 - 2009 (numbers in brackets refer to low/high case scenarios).