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EUROPEAN BANKS IN THE DEVELOPING WORLD

Jan Toporowski

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economics@soas.ac.uk

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EUROPEAN BANKS IN THE DEVELOPING WORLD

Jan Toporowski

Research Associate in Economics, The School of Oriental and African Studies,
University of London; Research Associate in the Research Centre for the History and
Methodology of Economics, University of Amsterdam.

jt29@soas.ac.uk

Summary

This paper looks at the recent expansion of European banks in the developing countries. It argues that no specific European influence is apparent in emerging markets, other than a declining financial interest in former colonies. Actual developments in emerging markets are determined by domestic factors, financial liberalisation, and capital account liberalisation. The sole exception is provided by monetary unions of France and Portugal with former colonies. These highlight the drying up of local money markets as local banking becomes a branch activity of global banks. This is a paradoxical result, since financial liberalisation is usually supposed to result in financial development. It also suggests financial liberalisation may not be the best way of supporting the under-banked small and medium enterprise sector in developing countries.

Introduction

The easing and, in some cases, elimination of controls on foreign capital inflows, has led to a major expansion of European banks in developing countries. Whereas hitherto such banks were mainly represented in former colonies, many European banks have taken advantage of banking crises in developing countries to buy local banks. In many cases this has been actively encouraged by governments in developing countries anxious to find new and solvent owners for local banks plagued with bad debt, backward technology, and inadequate methods of credit risk assessment. Geo-politics has also played a role in that many of those governments are reluctant to allow U.S.

multinational banks (the only banks, other than European ones, active in merger and acquisition activity in developing countries) to buy up such a large share of local banks that might reduce them to branches of the U.S. banking system.

Section 1 of this paper looks at the rise in foreign bank ownership of banks in developing countries. Section 2 then examines European bank activity in developing countries. Section 3 then examines some of the policy implications of this expansion.

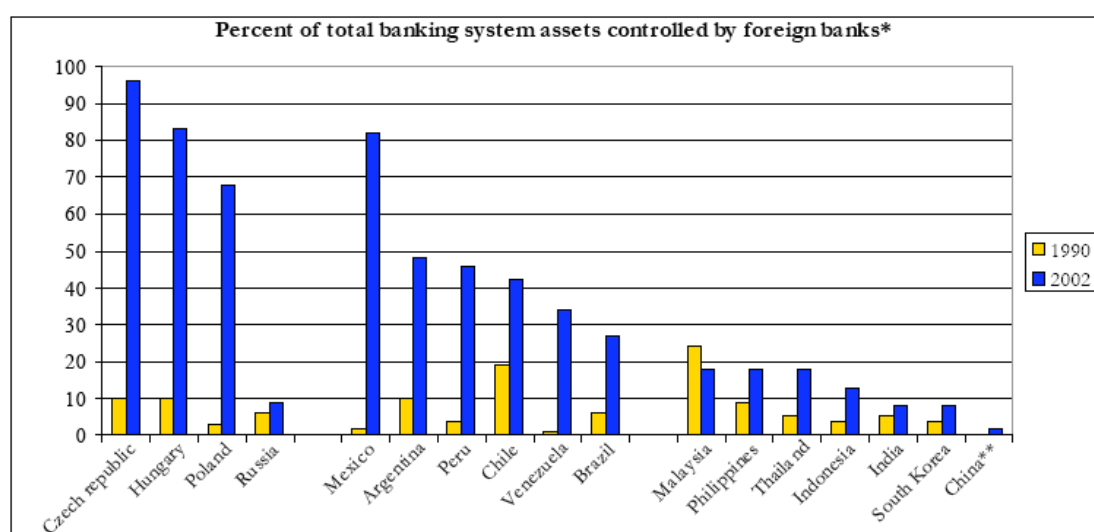
1. Foreign banks in developing countries - background

The rise in the very visible presence of foreign banks in developing countries is due largely to two factors. One is an autonomous process of financial development, in which economic activity is increasingly conducted using bank credit, rather than cash, as means of payment. Banks are required to settle such payments, and bank balance sheets expand as the bank deposits that are used as means of payment expand. Most developing countries started off with banking systems that mostly financed foreign trade. Banks became associated with foreign influence and, during the 1950s and 1960s, many newly independent governments nationalised banks in their respective countries, and set up state banks to promote economic development in particular sectors, such as agriculture, industry, and foreign trade. Banks were also used to finance government deficits incurred in pursuit of state-sponsored economic activities. All this had some effect in promoting the use of bank credit as means of payment.

However, a second factor came into operation during the 1980s, when fluctuations in commodity prices left many governments in developing countries with unmanageable foreign debts. After various attempts at restructuring that debt through official and multilateral agencies such as the World Bank and the International Monetary Fund, a more practical solution was found at the end of the 1980s. This consisted in financial liberalisation and specifically removing controls on cross-border capital movements. Inflows of foreign capital then facilitated the management of foreign debt. Foreign direct investment in plant and machinery brought in little foreign currency. But privatisation of companies brought in more. The transfer of local banks to foreign ownership proved to be a solution to a number of difficulties: excessive bad debts in local banks; backward technology; poor systems of credit assessment; a lack of business among multinational companies whose investment was supposed to power the economic recovery of developing countries from their debt crises; and weak capital inflows. Multinational banking offers the possibility of overcoming all these difficulties.

In this way, during the 1990s, foreign participation in banking increased in many transition and developing economies. This increase was especially notable in the middle-income countries of Latin America, East Asia, and Central and Eastern Europe. Many of these countries now allow foreign entry through new branches and subsidiaries (*de novo* entry), but also through the acquisition of existing domestic banks. Total foreign direct investment in the financial sector has grown rapidly from \$2.5 billion in 1991–95 to \$51.5 billion in 1996–2000 and to \$67.5 billion in 2001–5 (Martinez-Diaz, 2007).

In central Europe, the share of foreign banks in total assets and capital is now around two thirds or higher. Banking systems in this region have become the most highly integrated with the international banking system. In Latin America, foreign banks increased their share of deposits to 40% in 2000 from an average of 7% a decade ago. In Asia, foreign banks have increased their presence in Thailand and the Philippines. However, in some countries, foreign bank presence has declined as a result of expansion by domestic banks (Hong Kong and Singapore) and government-led restructuring (Malaysia). Overall though, the region has become more open to foreign banks: Korea, Indonesia and Thailand have raised the permitted equity levels in local banks to around 100%; the Philippines now allows 50% foreign ownership, and only Malaysia has retained a 30% ceiling on foreign ownership. Between 1995 and 2002, foreign banks increased their share of banking sector assets in 104 developing countries from 18 percent to 33 percent (Cull and Peria, 2007).



Sources: Based on data from John Hawkins and Dubravko Mihajek, *The Banking Industry in the Emerging Market Economies: Competition, Consolidation, and Systemic Stability: An Overview*, BIS Paper 4 (Basel: Bank for International Settlements, 2001), 25; and Committee on the Global Financial System, Bank for International Settlements, "Foreign Direct Investment in the Financial Sector of Emerging Market Economies," March 2004, 9.

East Asia had the lowest levels of foreign bank participation throughout the period 1995- 2002 and also exhibited the smallest increase. The share of assets held by foreign banks was close to 7 percent throughout the entire period. In terms of levels of foreign bank presence, South Asia follows East Asia as the region with the lowest levels of foreign bank participation. In South Asia, the share of assets held by foreign banks was almost 9 percent in 1995 and rose to 12 percent in 2000 only to drop to 10 percent by 2002. Finally, foreign bank participation in Middle East and North Africa was close to 12 percent in 1995 and rose only to almost 13 percent by 2002 (Martinez-Diaz 2007)

2. European banks' cross-border expansion

Until recently, and with the exception of currency areas in which capital movements were allowed, European banks did not undertake mergers with banks in developing countries due to capital controls. However, the elimination of capital of capital controls, in 1979 in the U.K., and at the beginning of the 1990s in the rest of Europe, was followed by the encouragement of cross-border merger activity in Europe in pursuit of a single European market in financial services (Chick 2000). In particular, banks with easy access to buoyant capital markets found it easy to raise finance to buy other banks at home and abroad.

The example of ABN Amro is illuminating. Having taken over banks in its home market as much as Dutch regulators would allow, ABN Amro rapidly expanded its cross-border consumer-banking operations, especially in Asia and Latin America. ABN Amro acquired a major interest in Thailand's Bank of Asia in early 1998, and in mid-1998 became the first international bank in Kazakhstan. In late 1998, ABN Amro became the first Dutch bank permitted into Beijing, and also bought Banco Real, the fourth largest bank in Brazil, for \$2.1 billion.¹³ It also operates branch networks in Costa Rica, Guatemala, Hungary, and South Africa. (Dymski 2002)

While in Africa, many of the foreign banks have been operating since colonial times, entry in Eastern Europe and Latin America has been more recent. Foreign banks have come into Eastern Europe and Central Asia largely following the privatization of state-owned banks following the fall of communism in the region. The largest five foreign banks with operations in Eastern Europe and Central Asia are KBC Bank (Belgium), Erste Bank (Austria), HVB Group (Austria), Société Générale (France) and Unicredito Italiano (Italy). There are regional specializations of some foreign banks: large Scandinavian banks like Swedbank and Skandinaviska Enskilda have large stakes in the banking systems of the Baltic States; Greek banks such National Bank of Greece, Piraeus Bank, Alpha Bank, and Emporiki Bank of Greece are present in the Balkan countries. Austrian banks (Erste Bank, HVB Group and Raiffeisen) have large shares of banking assets in most Eastern European and Central Asian countries, with the exception of the Baltic States. In Latin America, entry has been driven by foreign bank acquisitions of domestic banks. Two Spanish banks – Banco Santander Central Hispano and Banco Bilbao Viscaya Argentaria (BBVA) – have been particularly active in buying banks in the region. However, other non-Spanish banks such as Citibank from the U.S. and HSBC from the U.K. also have an important presence in the region (Cull and Peria 2007).

3. Policy Implications

The bulk of recent research on foreign bank operations in developing countries (e.g., Cull and Peria 2007) discusses issues of banking competition abstracting away from diverse levels of financial development in different countries, and from diverse economic structures, other than banking regulation, which determine how banks operate in particular situations. This kind of abstraction makes their analysis somewhat unreal, to say the least. The key policy factors affecting the operations of European banks in developing countries may be summarised as follows:

3.1 A number of European banks have always operated in the former colonies of their home countries, a development that owes its origins to the collapse of the gold standard, and the resulting concentration of international payments within imperial currency areas. The remnant of this today are the currency boards operated by France and Portugal, for the Franc Zone and Cape Verde. These currency boards are managed by the governments of France and Portugal. The effective conduct of international banking business in the currency board areas requires access to money and foreign exchange markets in Paris and Lisbon respectively. The result is that private sector banking business in these areas is dominated by French and Portuguese banks respectively. To assist in maintaining the currency board, capital controls are used, and this limits the access of foreign banks. In any case, the economies covered by these currency boards are tiny, with their GDP amounting to less than 3 per cent of French or Portuguese GDP. Currency board rules also specify strict financial limits on the governments in the currency boards, and these have tended to restrict economic growth. These economies therefore do not offer much attractive business to banks from other European countries.

3.2 The structure of banking markets in most countries is usually segmented in line with the segmentation of business. There is a household sector which, in developing countries, is largely unbanked. The sector of small and medium-sized enterprises accounts for most private sector employment in most countries, but in developing countries is largely unbanked. Large companies, which usually employ only a minority of the labour force, account for the bulk of private sector fixed capital investment. Through this activity large companies largely determine the dynamics of the private sector, i.e., economic growth, inflation and so on. Large companies are increasingly influenced in this by the extent of their financial liabilities in relation to their liquid assets rather than, as the textbook theory suggests, extending their financial liabilities up to the point where the return from their marginal investment just exceeds the payments on its financing (Cozzi and Toporowski 2006). In most developing countries, with the significant exception of China and India, the local private sector is in any case dominated by multinational companies. Multinational companies diversify their financing across a number of international sources, as well as hedging their local financing needs, e.g., borrowing in the currency in which an investment is paid for. This makes multinational companies less influenced by competition in national banking markets, and less affected by the entry of foreign banks into such markets.

3.3 The business segment in developing countries in which the entry of European banks could make a major difference is that of small and medium-sized businesses. This segment has huge employment potential but has traditionally been unbanked. While much is made of the difficulties that small businesses have in raising finance, in practice little additional finance can be made available without making these businesses vulnerable to problems of over-indebtedness. A large number of small industrial businesses in any case sub-contract work from large companies and multinationals and expanding the finance available to small businesses may simply increase competition in their markets to the point where profits are eliminated. This is therefore a risky segment for foreign banks. In any case, the point at which small businesses need finance most is in crisis or recession. No sensible bank would lend to such prospects. For these reasons European banks have concentrated on making the

most of their international connections to win the business of multinational companies, and firms engaged in foreign trade.

3.4 Particular problems arise in circumstances where foreign banks take over the bulk of foreign trade and international payments business. This makes those banks, and the businesses using international banking services, much more vulnerable to foreign exchange risk. The stabilisation of the exchange rate then becomes a major object of policy. Even where the exchange rate is nominally allowed to float, the disproportionate effect of that rate on the rate of inflation cannot be ignored by central banks (Levy and Toporowski 2007). Exchange rate risk can be hedged by holding sufficient liquid assets in currencies in which liabilities are liable to arise. By and large therefore, banks and businesses will maintain liquidity in excess of their business financing needs when exchange rates float. In this situation, the banking system will tend to be more liquid. However, once the exchange rate has been stabilised, and still more in a currency board, the liquidity of a foreign-owned banking system will tend to revert back to the country in which its head office is located because that is the location in which its regulatory capital is assessed. The liquidity needs of international bank branches in smaller developing countries with a stable exchange rate against the Euro (or the dollar) can be more effectively met from global financial centres, rather than from undeveloped local banking markets. The result is a drying up of local money markets, and the increasing dependence of central banks in such emerging markets on operations in foreign currency markets, rather than in their own currencies. Thus, a paradoxical result of financial development is a suppression of money markets, and a weakening of monetary policy tools. European banks have contributed to this not only in currency board areas like the Franc Zone, but also in parts of Eastern Europe such as Estonia. This in turn makes those countries vulnerable to a withdrawal of credit when banks abroad perceive difficulties in those emerging markets.

3.5 In conclusion, the dynamics of economic activity in developing countries are increasingly influenced through financial liberalisation by credit cycles. European banks do not themselves determine this course of events, but they increasingly participate in it.

Appendix 1: European Bank Branches Abroad

COUNTRIES	BANKS							
	HSBC	Group Santandor (Abbey)	UBS	Clayton (Credit Agricole CIB)	Deutsche Bank	ABN AMRO	Barclays	Nordea
AFRICA								
Algeria	1			1	1			
Angola		1						
Botswana							23	
Comoros				1				
Congo, Republic of				1				
Gabon				1				
Ghana							26	
Ivory Coast				1				
Kenya							53	
Madagascar				1				
Mauritius	12				1		19	
Morocco		1		3				
Mozambique		1						
Nigeria					1		1	
Senegal				1				
Seychelles							6	
South Africa	4	2	1	1	2	1		
Tanzania							4	
Tunisia				1				
Uganda							8	
Zambia							23	
Zimbabwe							25	
MIDDLE EAST								
Bahrain	7		1		1			
Cyprus	2		1	1	1			
Egypt	43		1	1	2	2	14	
Iran		1		1				1
Israel	4		1		1			
Jordan	3							
Kuwait	1							
Lebanon	6		1					
Libya	2			1				
Oman	6							
Palestine	1							
Qatar	6							
Saudi Arabia	74			2	1	1		
Syria								
UAE	16		2		3	4	3	
Yemen				1				
ASIA								
Armenia	5							
Bangladesh	9							

Brunei	12							
China, People's Republic of	83	2	3	10	3	4		1
Hong Kong	344		1	7	4	4	1	
India	70		2		9	5	4	
Indonesia	14		1	2	2			
Japan	5	1	4	6	1	2		
Kazakhstan	1			1	1	1		
Korea, Republic of	14		1	3	3	2		
Macau, SAR	6							
Malaysia	47	1	2	3	2	1		
Maldives	1							
Pakistan	5				2	1		
Philippines	27	1	1	1	3	1		
Singapore	27		1		5	5		1
Taiwan	16		1	2	3	4		
Sri Lanka	14				2			
Thailand	1		1	2	2	1		
Turkmenistan					1			
Uzbekistan						1		
Vietnam	4			2	1	1		
EUROPE								
Albania				1				
Austria			1	1	4	1		
Belgium	2	1	2	5	2	6		
Bulgaria				1	1			
Croatia					1			
Channel Is	36		1		1	1		
Czech Republic	11	1	1	2	1	2		
Denmark				1		3		340
Estonia								1
Finland				3	1	3		440
France	834	1	8	48	17	8		
Germany	12	5	12	6	934	6		1
Gibraltar						1		
Greece	27		1	3	2	2		
Hungary	11	1		2	1			
Ireland	14		1	2	3	1		
Italy	4	1	9	6	14	6		
Latvia								1
Lithuania								2
Luxembourg	4	1	1	5	1	3		
Malta	54							
Monaco	2		1	1				
Netherlands	1		1	3	2	6		
Norway		1		2	1	3		140
Poland	16	1	1	3	41	1		4
Portugal		1	1	5	48	3		
Romania				1	1	1		
Russia	2		1	2	3	1		1
Serbia					1			
Slovakia	3			1				
Spain	2	4	6	7	173	5		
Sweden	3		1	3	1	4		260

Switzerland	10	2	237	9	7	4	
Turkey	197			1	4	2	
Ukraine				2	1		
United Kingdom	1672	4	11	6	2	4	1
NORTH AMERICA							
Bahamas	8		1				
Bermuda	15						
Canada	334	1			4	3	
Honduras	74						
Mexico	1623	1	1		1	1	
Panama	83		1				
United States	1905	9			36	6	1
Virgin Is. (BOT)	1						
SOUTH AMERICA							
Argentina	248	1	1		2		
Brazil	1727	1	5		1	7	1
Chile	2	1	1		1	1	
Cayman Is.	6		1		1		
Colombia	32	1	1			1	
Ecuador		1				1	
Paraguay		1				1	
Peru	1	2					
Uruguay	5	1	2			2	
Venezuela	1	2	1			1	
OCEANIA							
Australia	35		2	4	2	6	1
Cook Islands	1						
New Zealand	9		1		1	2	
<i>Source: From respective banks' websites</i>							

Appendix II: Foreign Bank Participation in Developing Countries 1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
DEVELOPING COUNTRIES	18.1%	18.5%	21.2%	22.6%	24.5%	28.9%	30.5%	32.7%
East Asia & Pacific	15.0%	14.5%	15.1%	14.6%	12.6%	8.2%	7.7%	11.7%
Cambodia						8.5%	8.3%	7.9%
China	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Indonesia	4.4%	4.7%	5.8%	6.0%	3.0%	5.7%	4.1%	3.9%
Korea, Rep.	2.1%	2.1%	2.2%	5.0%	4.7%	7.6%	4.9%	9.2%
Malaysia	24.9%	24.9%	25.0%	26.0%	23.1%	25.4%	22.7%	22.8%
Mongolia					0.0%	7.1%	11.3%	45.3%
Papua New Guinea	71.7%	67.0%	70.3%	63.9%	63.1%			
Philippines	7.9%	8.2%	8.5%	8.3%	8.6%	9.4%	9.8%	8.3%
Thailand	7.2%	6.9%	7.1%	6.5%	10.2%	9.0%	7.3%	6.7%
Vietnam	1.4%	1.8%	1.7%	1.0%	0.8%	1.0%	1.0%	0.9%
Europe & Central Asia	13.0%	13.3%	14.7%	18.2%	21.1%	28.4%	32.7%	35.7%
Albania						10.9%	15.6%	19.7%
Armenia			17.6%	24.6%	34.9%	49.3%	60.1%	59.1%
Azerbaijan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Belarus	0.0%	0.0%	0.0%	7.2%	4.3%	3.8%	8.4%	9.5%
Bosnia and Herzegovina		5.3%	6.5%	7.4%	12.4%	34.0%	46.1%	45.1%
Bulgaria	8.2%	10.3%	10.3%	19.5%	30.9%	70.1%	55.5%	51.7%
Croatia	9.8%	13.6%	14.1%	14.6%	15.8%	19.1%	20.6%	42.1%
Czech Republic	14.2%	10.6%	13.7%	17.3%	31.0%	48.9%	61.4%	58.7%
Estonia	80.7%	78.9%	72.1%	74.0%	73.5%	73.1%	73.0%	72.7%
Georgia		10.6%	7.7%	6.4%	4.8%	20.0%	35.8%	36.2%
Hungary	22.4%	23.1%	42.1%	62.9%	67.8%	63.5%	63.3%	58.7%
Kazakhstan	12.6%	10.6%	15.8%	18.7%	18.6%	11.7%	12.6%	20.0%
Kyrgyz Republic						30.3%	33.3%	20.8%
Latvia	17.8%	30.4%	32.7%	35.3%	37.0%	37.6%	38.6%	38.8%
Lithuania	18.9%	28.4%	35.5%	36.9%	41.8%	62.5%	92.2%	91.3%
Macedonia, FYR	28.4%	27.1%	25.8%	23.3%	23.6%	47.8%	43.8%	41.8%
Moldova		1.6%	1.8%	1.8%	2.5%	7.9%	18.8%	18.3%
Poland	3.7%	8.4%	13.8%	27.1%	34.1%	37.8%	50.7%	49.3%
Romania	0.0%	0.2%	0.5%	12.9%	17.2%	25.9%	27.0%	26.5%
Russian Federation	2.0%	1.4%	2.7%	2.1%	4.5%	11.5%	13.7%	15.6%
Serbia and Montenegro						0.0%	0.0%	0.0%
Slovak Republic	8.7%	11.9%	18.0%	20.4%	21.5%	54.6%	56.6%	81.5%
Slovenia	6.8%	6.5%	6.4%	6.5%	6.1%	10.3%	14.3%	25.8%
Turkey	0.4%	0.3%	0.3%	0.4%	0.5%	0.9%	1.8%	1.8%
Ukraine	0.0%	0.0%	0.0%	0.0%	2.3%	5.8%	6.2%	6.8%
Uzbekistan			0.0%	0.0%	0.0%	0.6%	0.6%	0.8%
Latin America & Caribbean	19.3%	19.4%	24.3%	25.0%	25.4%	29.6%	30.2%	33.2%
Antigua and Barbuda						0.0%	0.0%	0.0%
Argentina	25.6%	28.1%	36.7%	40.0%	39.6%	47.8%	44.2%	37.5%
Bolivia	42.7%	40.5%	39.7%	44.4%	44.2%	40.9%	39.4%	39.4%
Brazil	9.0%	9.7%	14.4%	15.1%	17.3%	26.4%	30.4%	27.9%
Chile	31.0%	35.3%	36.0%	37.6%	38.8%	38.4%	40.0%	44.8%
Colombia	6.3%	10.9%	15.9%	18.0%	16.4%	25.8%	21.1%	17.4%
Costa Rica	0.0%	0.2%	0.6%	5.1%	5.0%	18.0%	18.4%	18.8%

Dominican Republic	11.1%	10.8%	9.9%	2.0%	17.5%	16.2%	17.7%	17.5%
Ecuador			26.0%	27.4%	28.2%	0.0%	0.0%	0.0%
El Salvador	1.0%	1.8%	2.9%	8.3%	8.3%	13.6%	13.5%	14.2%
Guatemala	6.0%	5.6%	6.1%	6.3%	7.0%	8.4%	8.6%	8.1%
Guyana	0.0%	0.0%	24.7%	27.5%	26.7%	23.5%	23.6%	23.1%
Haiti				0.0%	0.0%			
Honduras	2.3%	2.1%	2.1%	1.5%	1.5%	4.4%	5.0%	5.8%
Jamaica	24.3%	21.2%	32.9%	35.8%	21.9%	18.9%	19.3%	50.3%
Mexico	2.3%	4.3%	7.2%	7.5%	9.9%	28.5%	30.0%	61.9%
Nicaragua	0.7%	1.4%	3.0%	3.9%	3.8%	5.1%	4.3%	4.4%
Panama	59.7%	54.9%	51.5%	50.8%	48.4%	64.9%	64.2%	58.1%
Paraguay	69.3%	56.2%	73.9%	76.8%	77.2%	79.9%	81.7%	83.3%
Peru	51.7%	59.5%	63.1%	66.1%	64.8%	66.1%	66.7%	86.4%
Trinidad and Tobago	14.0%	13.5%	16.2%	17.1%	17.7%	11.2%	10.4%	10.4%
Uruguay	24.3%	14.2%	18.1%	24.4%	30.6%	91.8%	95.5%	94.5%
Venezuela, RB	4.8%	17.4%	29.1%	33.7%	34.3%	20.7%	30.2%	26.6%
Middle East & North Africa	11.9%	12.3%	12.5%	12.8%	12.8%	14.4%	15.9%	18.8%
Algeria						59.0%	67.5%	60.0%
Egypt, Arab Rep.	4.0%	6.0%	6.1%	6.1%	6.2%	6.9%	6.4%	7.1%
Iran, Islamic Rep.						0.0%	0.0%	
Jordan	12.8%	12.4%	12.9%	12.8%	12.8%	13.5%	13.7%	13.3%
Lebanon	29.6%	29.4%	29.4%	31.5%	31.2%	30.5%	28.9%	28.0%
Libya						0.0%	0.0%	
Morocco	18.6%	19.3%	19.5%	19.8%	20.4%	16.9%	17.3%	16.4%
Oman	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	8.7%
Tunisia	10.8%	11.0%	11.5%	11.7%	11.9%	12.1%	14.9%	14.8%
Yemen, Rep.	7.3%	7.8%	8.2%	8.0%	7.3%	5.0%	2.0%	2.4%
South Asia	8.6%	9.4%	9.7%	9.3%	9.4%	12.0%	10.9%	10.4%
Bangladesh	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India	0.9%	1.1%	1.3%	1.3%	1.3%	1.7%	1.4%	0.5%
Nepal	38.9%	41.7%	42.0%	39.4%	40.0%	52.8%	46.7%	45.4%
Pakistan	1.4%	1.5%	2.3%	2.4%	2.4%	3.4%	4.3%	6.0%
Sri Lanka	2.2%	2.5%	3.1%	3.2%	3.3%	2.3%	2.4%	0.3%
Sub-Saharan Africa	30.2%	28.7%	32.4%	33.1%	37.4%	45.3%	45.3%	45.0%
Angola							38.1%	43.0%
Benin		49.4%	48.2%	46.0%	46.0%		51.8%	53.1%
Botswana	79.6%	79.5%	79.7%	80.7%	83.0%	84.2%	84.7%	84.0%
Burkina Faso				44.4%	43.8%	24.4%	29.4%	30.4%
Burundi	39.2%	37.3%	37.6%	37.2%	36.4%	16.2%	23.6%	21.5%
Cameroon			65.4%	64.0%	63.9%	54.9%	56.7%	59.0%
Cote d'Ivoire	20.3%	19.7%	20.0%	23.8%	53.6%	58.3%	62.8%	61.8%
Ethiopia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ghana	28.4%	29.9%	53.8%	53.9%	57.6%	64.7%	52.1%	52.8%
Kenya	26.6%	27.6%	27.6%	29.4%	28.6%	31.6%	34.4%	36.0%
Lesotho						84.9%	86.1%	86.3%
Madagascar	42.3%				63.3%	62.1%	61.4%	62.0%
Malawi		8.9%	8.2%	8.1%	8.9%	33.7%	27.5%	27.9%
Mali	41.1%	41.3%	40.6%	40.3%	40.8%	57.6%	49.9%	48.9%
Mauritius	9.5%	19.7%	22.5%	32.8%	42.4%	24.6%	25.3%	24.7%
Mozambique		22.0%	38.4%	40.6%	44.8%	60.0%	72.2%	72.5%
Namibia	45.2%	42.6%	35.5%	33.8%	35.3%	47.4%	68.6%	66.9%

Niger						51.0%	51.1%	43.7%
Nigeria	10.1%	10.1%	10.1%	9.5%	12.5%	15.0%	10.5%	11.2%
Rwanda		22.4%	22.8%	21.1%	23.7%			
Senegal		43.1%	42.5%	42.6%	42.8%	42.3%	40.9%	39.1%
Seychelles		12.6%	13.1%	13.6%	13.8%			
Sierra Leone			0.0%	0.0%	0.0%	31.6%	32.2%	29.5%
South Africa	0.3%	0.2%	0.2%	0.2%	0.2%	11.4%	10.4%	10.8%
Sudan	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	2.9%	4.7%
Swaziland						79.1%	74.7%	71.1%
Tanzania		26.0%	31.5%	31.5%	34.6%	63.5%	64.3%	64.3%
Uganda	39.7%	38.5%	36.3%	69.8%	76.0%	53.8%	53.9%	55.4%
Zambia	55.2%	52.9%	93.6%	57.2%	61.1%	69.7%	68.4%	66.6%
Zimbabwe	45.8%	46.9%	49.8%	47.3%	58.2%	51.5%	33.8%	33.3%

Source: Cull and Peria (2007)

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