

Weekly Focus

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TRENDS TO KEEP AN EYE ON

Argentina – increased import controls and other statist measures; **Chile** – higher interest rates for a fast-growing economy; **Seychelles** – back on track after a difficult spell; **Singapore** – red-hot growth and a rising SGD.

BOTSWANA

Thanks to sound and well-timed economic policies, the country has overcome the repercussions from the global crisis with commendable speed and in good shape. The outlook is not bad, depending on what will happen in the global economy and, more specifically, in the South African economy.

COLOMBIA

Washington has at long last reached a new trade pact with Bogota. For its part, the administration of Pres. Santos has all along looked beyond the US, repairing ties with Venezuela and Ecuador, seeking closer relations with Chile, Mexico and Peru, and making new friends in Asia.

EGYPT

Demonstrations keep erupting in support of ever more demands, including economic ones that the country can ill afford to meet. The Muslim Brotherhood is rising in power, and those hoping for a secular democracy have reason for concern, the more so as hard-line Salafis are becoming increasingly assertive as well.

ICELAND

The voters have again rejected a deal to repay to the UK and Holland billions of euros lost in the 2008 financial collapse. Contrary to what one reads in much of the international press, this is not likely to prevent the country from restoring – perhaps with some delay – its access to the international markets.

KUWAIT

Although local protesters have been inspired by events in Tunisia and Egypt, regime change is not their objective. Kuwait is now seeking to regain the status it once had as a regional trading hub and financial center. Laws & regulations are being revamped for the purpose, but progress will not come easily.

NIGERIA

The economy is growing strongly, as one would expect, given the surge of world market prices for oil, but it is troubling that despite huge earnings from petroleum the fiscal household remains deep in the red and the foreign exchange reserves have been draining away.

PERU

The financial markets did not like the outcome of the first round of presidential elections, which will now, in the run-off, force Peruvians to choose between what many regard as “two evils.” Whoever emerges victorious, though, will not have control of the legislature.

UNITED STATES

Pres. Obama made it clear in his budget speech that he has no intention of getting serious about cutting spending. Add to this the congressional stalemate that emerged over plans to fund the government for the rest of the current fiscal year, and one can only wonder how long the markets will avert a real debt crisis for the US.

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