

Weekly Focus

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TRENDS TO KEEP AN EYE ON

Greece – another step closer to having to restructure public debt; **Sweden** – higher interest rates for the EU’s fastest-growing economy; **Turkey** – monetary policy remains unorthodox; **Venezuela** – confiscatory oil taxes.

CUBA

Reform and change have been words in everyone’s mouth since this month’s Communist Party congress focused on updating the Island’s economic model, but one would do well to gear one’s expectations way back. The regime has no interest in real liberalization, neither in the economic field nor in the political arena.

GERMANY

Despite occasional hiccups the economy is doing remarkably well. This is not doing much to help Chancellor Merkel politically, though. Her government has suffered setbacks in recent state elections and she is now facing a backbench revolt over the permanent rescue fund for financially troubled Eurozone members.

ISRAEL

Israel has good reason to worry about the ultimate outcome of the “Arab Spring,” since it is decidedly more likely to hurt than to benefit its interests. One thing the assorted popular uprisings have made obvious is that Palestine is not the core issue in the Middle East.

IVORY COAST

Forces loyal to President-Elect Ouattara have succeeded in defeating and arresting strongman Gbagbo in a conflict that had deeply divided the nation. The hard part is now beginning, however, as Ouattara has to find a way to reunify the country and to get the economy restarted.

KAZAKHSTAN

The elections left the issue of eventual succession untouched, but the subsequent Cabinet reshuffle brought changes that may offer a hint of what Pres. Nazarbayev has in mind. The economy will keep forging ahead, making it difficult to keep inflation under control.

KOREA (SOUTH)

The economy is continuing to grow strongly. Among the weak spots are the results of excessive borrowing, which affect households as well as the still-fragile construction sector. The Financial Services Commission is considering setting up a “bad bank” to take over non-performing real estate project loans.

KYRGYZSTAN

Simmering ethnic tensions may erupt again. The economy is on the verge of collapse and racked with corruption that is undermining the reputation of democracy in the public eye. Whether presidential elections in October will help to stabilize the country is open to question.

UNITED STATES

Federal Reserve Chairman Ben Bernanke made history this week by giving a scheduled press conference, but if transparency is the goal, the meeting before the television cameras in a top-floor conference room in the Fed’s Washington headquarters did not live up to its billing.

Please note: The next issue of these Briefs will be published on May 12, 2011

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