

# Weekly Focus

By S.J. Rundt & Associates, Inc., All Rights Reserved

October 13, 2011

## TRENDS TO KEEP AN EYE ON

**Myanmar** – the beginnings of real reforms and an early loosening of sanctions? **Saudi Arabia** – fresh unrest in the Eastern Province stirred up by Iran; **United States** – three important free trade pacts pass the legislature, at long last, but Pres. Obama’s “jobs bill” is blocked.

## BELGIUM

A compromise to form the basis for a new administration will move the nation closer to a Swiss-style confederation with a substantially weakened center. How well this will work in practice remains to be seen, even though in the short run it should please the local and international financial & business communities.

## BOLIVIA

The demons that Pres. Morales conjured up to force his predecessor out of power have now come back to haunt him. The confrontation with Amazon Indians has thrown his government into a crisis from which it, and Morales himself, will find it difficult to recover.

## CHINA

Senator Schumer is at it again, trying to get legislation passed in Washington that would punish China for maintaining a cap on the yuan’s exchange rate. The drive adds unnecessary tensions to the US relationship with the PRC and unnecessary uncertainties to the business environment for many US companies.

## EGYPT

The country’s worst violence since the revolt that toppled Mubarak is adding to the pressure on the military to speed up the transfer of power to an elected government, but the men in uniform remain hesitant while sectarian tensions keep growing and the delay is hurting the economy.

## HUNGARY

Now that a highly controversial way of tackling currency risks for Hungarian borrowers has become law, it is still questionable whether many of the affected debtors will benefit. But there is no question that the country’s banking and business climate has taken another hit and that the economy will be the worse for it.

## POLAND

The victory at the polls that made Donald Tusk the first premier to win a second consecutive term in office since the end of Communism heralds stability and continuity. Just the same, the PM faces a heap of challenges as the years ahead are likely to make for tougher going.

## SLOVAKIA

It was never in doubt that this country would ultimately vote in favor of the changes proposed for the European financial rescue fund, but to get there the government of Prime Minister Radicova had to fall on its sword. This makes many of the critical comments one could hear emanating from Brussels patently unfair.

## UKRAINE

Just how seriously the conviction of former PM Tymoshenko has hurt Kiev’s relations with the West will be determined in coming days. EU leaders should not buy the argument that rebuffing Yanukovich is tantamount to driving Ukraine into Russia’s embrace.

*This page is provided by S.J. Rundt & Associates, Inc., specialists in country risk assessment, consultants to multinational companies & banks, and publishers of Rundt’s World Business Intelligence and The Financial Executive’s Country Risk Alert. To order a **subscription** or **individual issues** of these reports, in **print** or by **e-mail**, contact S.J. Rundt & Associates, P.O. Box 1572, Montclair, NJ 07042; Telephone: (973) 731-7502, Fax: (973) 731-7503; E-mail: [info@rundtsintelligence.com](mailto:info@rundtsintelligence.com); Web site: [www.rundtsintelligence.com](http://www.rundtsintelligence.com).*