

# Weekly Focus

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## TRENDS TO KEEP AN EYE ON

**Argentina** – still more measures affecting imports; **Croatia** – growing political risks; **Hungary** – no imminent crisis, but a warning; **Kazakhstan** – the elections will change nothing; **Kuwait** – aggressive demonstrations; **Venezuela** – another sign of lacking respect for private property.

## CANADA

The BoC has been cutting its projections for economic growth, and this gives special weight to two campaigns in which the government of Prime Minister Stephen Harper is currently engaged. The second, in particular, has great significance for Canada's economic future.

## GERMANY

While Germany, in some ways, has been benefitting from the travails besetting some of the country's Eurozone partners, the latest economic statistics are not promising. On present trends, Chancellor Merkel should do well in the 2013 elections, although the Greens have become a power to be reckoned with.

## INDIA

The Central Bank is done raising interest rates, at least for a while, as signs of economic slow-down are becoming more pronounced. The banks, meanwhile, have been hit with an outlook downgrade from Moody's, but for general economic reasons, not the interest deregulation the authorities announced in late-October.

## INDONESIA

Officials are now much more worried about economic growth than inflation. The government is likely to step up efforts to build infrastructure, but the external debt will stay on a downward trend and hopes of an early upgrade to an investment-grade credit rating are not idle.

## NIGERIA

The government will have to deal more aggressively with security challenges, which, unchecked, will hurt investment and growth. The main source of threats now is Boko Haram, an Islamist sect that is becoming a major headache as it grows in sophistication and deadliness.

## SOUTH AFRICA

Moody's has lowered the outlook on South Africa's debt for what we believe to be good reasons. While the rabble-rouser Malema's suspension from the ruling ANC may force him from the political stage – eventually – the causes he claims to champion will not disappear and the party's internal feuds will persist.

## SPAIN

The economy stalled in the third quarter and now seems set to slip back into recession. While there is little doubt that the PP will win next week's elections, its campaign platform is too vague to permit firm conclusions as to what the new administration will do to pull the country out of its malaise.

## THAILAND

The economy is being hit hard by the floods. Because of Thailand's key position in many multinational companies' supply chains there will be repercussions world-wide. PM Shinawatra has seen the floodwaters wash away confidence in her just 14-week-old government.

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