

# Weekly Focus

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## TRENDS TO KEEP AN EYE ON

**Bahamas** – a lackluster recovery as the Islands head for elections; **El Salvador** – external-accounts trends that warrant watching; **Kuwait** – elections with consequences; **Mali** – more a military mutiny than a formal coup.

## ALGERIA

The campaign for the upcoming elections is in full swing, but although Islamist groups are likely to grow in power they are not apt to gain the sway of their counterparts elsewhere in the region. The economy is doing well despite material and political weaknesses.

## AZERBAIJAN

Diversification is said to be a government priority, but it has made little headway to date. Instead, the discovery of a new natural gas field in the Caspian Sea has brightened Azerbaijan's future as an exporter of the fuel.

## BOSNIA & HERZEGOVINA

The economy may narrowly avoid a recession this year, but only if local utilities can recuperate from losses caused by a devastating drought. The country will, in any event, continue to suffer from political paralysis at the top.

## BRAZIL

The odds are growing that the administration will increasingly resort to protectionist measures to curb unwanted imports, much as Finance Minister Mantega and his colleagues deny this.

## HUNGARY

Despite the PM's blustering rejection of any EU interference in Hungary's affairs, the government is working to accommodate its EU partners and pave the way for an EU/IMF loan to lower the nation's funding costs.

## LEBANON

Much as the country has tried to remain immune from the conflict in neighboring Syria, it cannot help but be seriously affected. This is, for now, one of the principal reasons for downside risks in the outlook for the economy, along with repercussions from the Arab Spring.

## LITHUANIA

The economy scored good numbers last year, but underneath the shiny surface the picture is not quite as bright as it may appear at first blush. The government remains determined to join the Eurozone, although such a move has become distinctly less popular.

## UNITED KINGDOM

Faced with conflicting needs arising from economic developments and from contrasting demands of the partners in the governing coalition, Chancellor George Osborne did a tricky balancing act in his budget trying to respond to the pressures without jeopardizing the administration's austerity program and risking a downgrade by leading credit rating agencies.

## VIETNAM

The government is making a serious effort to strengthen the local banking system through consolidation. But there are also other problems troubling the economy, including a stalling property market and growing labor unrest as workers push for better wages and benefits.

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