

# Weekly Focus

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## TRENDS TO KEEP AN EYE ON

**China** – new visa requirements; **Czech Republic** – a vote about the government’s existence; **Ecuador** – the irony of the asylum for WikiLeaks founder Assange; **India** – relaxed rules for overseas borrowing; **Japan** – an unexpected trade deficit; **Romania** – President Basescu can stay in office; **Tajikistan** – a minor civil war has come to an end.

## ETHIOPIA

The death of Prime Minister Meles Zenawi has given rise to speculation that there will be a power vacuum and a risk of unrest in this strategically located part of the Horn of Africa. We anticipate a relatively smooth transition, though, and no major policy changes.

## FINLAND

Talk about whether the country should remain in the Eurozone seems uninformed about what the euro means for Finland, and how difficult it would be for the country to depart from the Club. As it is, the economy is going through a tough stretch.

## FRANCE

The government returned from its vacation to find that its political honeymoon has come to an abrupt end and its popularity ratings are tanking along with the economy. The financial markets have so far given President Hollande the benefit of the doubt, but time is running out for them, too.

## GREECE

This is yet another critical week for Athens, and another moment in time that finds the country standing on the precipice of being forced to leave the Eurozone. The odds still favor a compromise with the “troika,” but such arrangements are becoming more difficult with each round.

## NETHERLANDS

The far-Left Socialists have been gaining political ground. This is likely to change not only the political situation in Holland, jeopardizing the fiscal austerity plan agreed on last April, but also the Eurozone’s austerity debates and the bloc’s slow progress toward reform.

## NIGERIA

Parliament will soon debate the oil bill again, which is turning out to be a key test of Goodluck Jonathan’s presidency. Whatever its final form, it will end the uncertainty that has kept the country from holding a licensing round for five years. It will not curb the massive theft of oil, however, which is undermining official finances.

## THAILAND

Second-quarter results might give the impression that the economy will keep forging ahead, a recent steep hike in the minimum wage notwithstanding, but export figures point to downside risks that may yet persuade the Central Bank to lower interest rates.

## TRINIDAD & TOBAGO

The economy’s recovery has taken longer than expected and there continue to be downside risks, but official policies are pegged well and the external accounts have remained strong. The limited availability of oil & gas raises some questions for the longer-term future, but for now the country’s international liquidity position is quite solid.

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