

Weekly Focus

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February 7, 2013

TRENDS TO KEEP AN EYE ON

Australia – lowered economic growth and inflation forecasts; **Myanmar** – a law giving the Central Bank independence; **Oman** – a cap on the number of foreigners allowed to be in Omani employment; **Poland** – an interest rate cut, and more to come.

BRAZIL

With inflation running persistently higher than the government would like, but economic growth seen as too weak to be able to digest higher interest rates, the authorities are looking for other means to constrain monetary erosion. Tax cuts come in handy, and a temporarily stronger real is being used as well.

CAMBODIA

The economy still has momentum and the near-term prospects are relatively bright. US efforts to gain a stronger foothold, however, are hampered by the solid position that China has established for itself. The Cambodian leadership has only domestic criticism to worry about. Its victory in the upcoming elections is not in doubt.

CZECH REPUBLIC

The governing coalition has survived a confidence vote, which is significant as the leading opposition party, which would make mincemeat out of the administration's successful economic policies, is currently leading in the public opinion polls. The economy is in recession but should see a gradual, modest recovery this year.

ITALY

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Former Prime Minister Berlusconi has staged a remarkable comeback in the campaign for the February 24-25 elections, but this has marred rather than enhanced the outlook for a stable government emerging from the balloting. A hung parliament is becoming a distinct possibility.

LIBYA

A rapid recovery, political or economic, is not in sight, with the most likely scenario being that Libya, for now, will just continue to muddle through with its messy politics and all its security problems, while international investors remain hesitant to make big new commitments.

SLOVENIA

The government hangs on by a thread and will probably not be able to avoid calling another snap election. This may foil official plans to pull the nation through its current crisis without having to ask the EU for a bailout.

TAJIKISTAN

The country is on the brink of a possibly tremendous energy boom, but is being held back by its own bureaucracy and the geopolitical consequences. Dushanbe has already edged close to joining Russia's Customs union with Belarus and Kazakhstan. At home, though, the regime has stepped up its crackdown on dissent.

VENEZUELA

The government is being forced to adopt harsh spending cuts in an effort to prevent a fiscal crisis and postpone a devaluation of the bolivar. While President Chavez' health continues to be treated as a state secret, Caribbean governments are worrying about what may happen to their cheap oil supplies if his era comes to an end. The US, meanwhile, has quietly started talks to mend ties.

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