

Weekly Focus

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TRENDS TO KEEP AN EYE ON

Bahamas – downside risks; **Bosnia & Herzegovina** – close to stagnation; **Ecuador** – oil sets the trend; **Paraguay** – a businessman for president; **Romania** – economy in the doldrums; **Syria** – a mess from which only Islamic hardliners will benefit.

BRAZIL

President Rousseff is still riding high in the opinion polls and would appear to be a slam-dunk for re-election. It is still possible that she may fail in this quest, however. One reason is the caliber of the rivals she will face. Another lies in the difficulty for her government to find the right balance in economic policy.

CANADA

The economy seems to have done fairly well in the first quarter, but it is questionable to what extent consumers can continue to carry the advance. The Liberal Party's pick of Justin Trudeau as its new leader is a choice of promise and hope over substance and experience.

FRANCE

Never before in France's post-war history has a president suffered a similarly precipitous decline in popularity and confidence as Francois Hollande in his first year in office. He is now hitting the brakes on austerity and is in the midst of a charm offensive to repair the damage his early policies have done to business confidence.

GHANA

Short-term stability risks have increased, notwithstanding the country's strong longer-term economic potential. This will keep the cedi vulnerable on the downside, although the unit is likely to benefit from a second sovereign external borrowing this year. The current-account BoP shortfall should remain manageable.

ISRAEL

Prime Minister Netanyahu's new government seems better equipped to deal with the economy and other internal matters than with the growing existential threats surrounding the country. This includes Israel's impending role as an exporter of natural gas.

SPAIN

While the government has relaxed its fiscal austerity drive, it is not certain whether the policy change will suffice to halt the economy's decline. The outlook remains less than encouraging, especially for small and medium-sized companies on whose well-being the whole economy depends.

VENEZUELA

Although Chavismo without Chavez is likely to lose much of its appeal, major policy changes remain improbable for the near term. President Maduro's main challenges will come from within his own party and from the military. Meanwhile, Venezuelans desperate to get their hands on dollars are vulnerable to fraud.

ZAMBIA

The country has been one of Africa's success stories, with impressive economic growth while proving to be politically fairly stable since the reintroduction of multiparty politics in 1991. But there are big challenges still to be overcome and the latest efforts to tighten up on cross-border currency flows are not well-advised.

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