

Weekly Focus

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TRENDS TO KEEP AN EYE ON

Austria – still deserving of a top credit rating; **Bahamas** – on a recovery path; **Bangladesh** – a political vendetta against Grameen Bank; **Bosnia & Herzegovina** – growth is slowly returning; **Costa Rica** – wrestling with an overly strong colon; **Libya** – pitfalls in complying with sanctions; **Sudan** – a new currency for the South; **Zimbabwe** – troubles for foreign companies.

BELARUS

Minsk has devalued the ruble again amid indications that the currency debasement will not do much to resolve deepening economic difficulties. The West is now enforcing sanctions and the help offered by Russia does not come without major strings attached.

BELGIUM

It is now almost a year that this country has been without a permanent government, and it should not surprise that the international financial markets are wondering whether its Dutch-speaking and francophone parties are unwilling or unable to overcome their differences.

BRAZIL

The government is continuing to struggle to hold down the real in the FX markets, where it is still a favored currency for carry trades. The latest move to this end is again a tax measure – with little chance of making a big difference in the currency's excessive strength.

CANADA

May 2 has been set as the date for early elections. Public opinion polls suggest that the Tories will emerge with another minority victory, or even with a majority. But much can happen between now and election day, and the outcome of the contest is not a foregone conclusion.

NAMIBIA

The economy did not escape the reverberations from the global credit and economic crisis, but prompt and well-considered countercyclical policies by the authorities in Windhoek allowed it to overcome the setback fairly quickly. The prospects are generally positive.

TANZANIA

Growth is likely to slow and the current-account BoP will remain deep in the red, but the country will continue to benefit from good relations with the IMF. While the political opposition is still grumbling that last October's elections were rigged, it is not capable of posing a real challenge to the long-ruling CCM.

TUNISIA

The transition to a democratic civilian government is proving to be much more difficult than bringing down the old autocratic system. Persistent unrest is continuing to batter the economy. The government is in upheaval, and whatever the upcoming elections may bring, it could be years before a functioning new order has been firmly established.

UNITED STATES

The Fed will keep monetary policy loose and fiscal discipline remains elusive. But the housing market remains in dismal shape, consumers are still weighed down by debt, and developments around the globe threaten the US recovery.

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