

Weekly Focus

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TRENDS TO KEEP AN EYE ON

Bulgaria – weak growth and a slump in exports; **Czech Republic** – a mild recession is possible; **Denmark** – a heavy burden of household debt; **Guatemala** – troublesome drug traffickers; **Jordan** – help needed; **Sweden** – a difficult year ahead; **Trinidad-Tobago** – an uncertain outlook; **Uruguay** – doing quite well.

HONG KONG

Many Hong Kongers are unhappy with the selection of Leung Chun-ying as the territory's next Chief Executive, worrying that he does not share and will not protect the community's core values and will ruin the City's reputation as one of the world's best places to do business. Chances are, such fears are overdone.

LIBYA

While the country now offers opportunities for international companies, insecurity and the absence of government legitimacy are still giving most would-be investors pause. Sociopolitical turmoil persists and the economy is a long way from regaining its footing.

NETHERLANDS

The conflict over a big fiscal deficit is threatening to topple the fragile government. Were it to fall, this would have consequences far beyond Holland, since the country is part of the economic core of the Eurozone and has been the most vocal in demanding austerity from others.

PERU

Investors seem to be betting that President Humala will win the face-off with wildcat miners as well as mining opponents who attack his pro-business policies from both sides. Given the importance mining has for the economy, he has no choice but to make sure he prevails.

PORTUGAL

There is plenty of evidence that Portugal is not Greece when it comes to managing its debt problems. The trouble is, though, that investors have yet to be convinced that the government can close its budget gap as much as required while the economy is in a prolonged downturn.

QATAR

The Emirate has made remarkable strides in establishing itself as one of the most influential voices in the Arab world. The economy has weathered the global crisis with robust growth and large external as well as fiscal surpluses. Its prospects are bright, a newly more challenging international environment notwithstanding.

TAIWAN

The economy is close to meeting the technical definition of a recession, but we expect it to do reasonably well this year. The outcome of the elections has pleased not only Beijing but also the local business and banking community, which views it as a guarantee that the development of cross-Strait links will continue.

UNITED ARAB EMIRATES

There are many signs that the Emirates are overcoming the economic setbacks that led to Dubai having to rely on a financial bailout from Abu Dhabi. Internal tensions will be kept under control. Still, the threat from across the Gulf is being taken seriously.

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