

Weekly Focus

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TRENDS TO KEEP AN EYE ON

China – lower entry barriers for institutional investors; **Croatia** – struggling to recover from two years of recession; **Pakistan** – the political uncertainty has been deepened further; **Peru** – large amounts of unspent infrastructure money; **Turkey** – good numbers and a ratings upgrade.

EGYPT

The new obstacles that the courts and the military have thrown into the country's path toward becoming a viable democracy have greatly exacerbated the uncertainties that are keeping tourists and investors away and potential aid donors hesitant to lend, adding to the country's fast-mounting economic headaches

FRANCE

The elections have given Pres. Hollande the majority he said he needs to revive France's economy and help repair the Eurozone. What is known of his policies so far will not revitalize the economy, however, and his ideas on the Eurozone diverge too greatly from those of German Chancellor Merkel for any meeting of minds.

GREECE

The Hellenic nation and Europe both gained breathing space with the election victory of the New Democracy Party, but the respite will be brief and the challenges facing the new government are enormous. As fresh austerity efforts are made, a social explosion is still a risk.

ITALY

Trying hard to breathe new life into his reform agenda, PM Monti has unveiled an array of measures. It now remains to be seen whether he can get his plan through the legislature and whether it will impress the markets. There are doubts on both counts.

NIGERIA

A new draft of the long-delayed oil bill has been finalized, but its passage by the legislature is not assured. One potential stumbling block is the incredible corruption that marks the petroleum industry. Meanwhile, lawmakers are debating bills that would seriously constrain the independence of the Central Bank.

PAKISTAN

Pres. Zardari moved quickly to replace PM Gilani after activist judges succeeded with an unprecedented judicial coup. This has averted an immediate constitutional crisis, but the tensions remain and the calm will not last. The likelihood has grown that early elections will be held.

SAUDI ARABIA

The notion that the death of Crown Prince Nayef bin Abdelaziz highlighted succession problems and a risk of instability within the Kingdom is a gross exaggeration. A new Crown Prince was designated swiftly and without drama and there has been nothing in the process suggesting any impending major policy changes.

SUDAN

A devaluation with austerity measures is how the regime hopes to cope with the loss of oil income that led to a yawning budget gap and rampant inflation. There is growing opposition to the belt-tightening, though, and until oil revenues flow again, improvements will be hard to come by.

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