

# Weekly Focus

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## TRENDS TO KEEP AN EYE ON

**Cyprus** – shopping around for a bailout loan; **Serbia** – efforts to take away the CB's independence; **Venezuela** – a growing consensus that devaluation is inevitable.

## GREECE

The leaders of the governing coalition have agreed on a new set of austerity measures to satisfy the troika of bailout lenders. It now remains to be seen whether agreements on the details can be hammered out and whether Athens can convince the creditors that there will be no more delays in the implementation.

## INDONESIA

The economic boom is starting to peter out and the foreign trade balance has slipped into deficit as the increasingly adverse international environment is making its influence felt. The government is planning to respond with a measured fiscal stimulus, but unfortunately policy makers are also becoming increasingly protectionist.

## IRELAND

The Emerald Isle took a big step forward on its way back into the good graces of the financial markets with a highly successful bond sale last week. It continues to earn plaudits from its bailout creditors for its punctilious implementation of the prescribed austerity and reform program, but the economy is still weak and the outlook is beclouded by a number of risks.

## ISRAEL

Prime Minister Netanyahu has become more vulnerable to pressure from far-Right and religious members of his alliance. While growth is slowing markedly this year, the economy's fundamentals remain strong. Thanks to recent discoveries of natural gas, tensions with Egypt are less of a problem than they might have been.

## JAMAICA

The economy is barely creeping along, after three years of recession. There will be no lasting improvement until the political situation changes. Needed are strong fiscal and structural reforms. In their absence, growth will continue to be minimal and budget and debt positions will stay weak.

## PAKISTAN

Despite an accord reopening supply routes for international forces in Afghanistan, big obstacles to improving relations remain. Bridging them will be a daunting task, especially given the instability of the Pakistani government. The economy is under growing pressure, its problems worsened by a disastrous energy shortage.

## ROMANIA

While President Basescu has won the latest battle with Prime Minister Ponta by squeaking through last Sunday's referendum to vote him out of office, this is unlikely to signal the end of a political war that has damaged the country's relations with the EU and has hurt the economy.

## TUNISIA

Political problems and frictions abound as this country seeks to establish a functioning democracy. For now, the forces impeding this quest seem overwhelming. And yet, of all the states caught up in the so-called Arab Spring, this one, where it all began, still has the best chances of succeeding.

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