Major Country Risk Developments March 2023

By Byron Shoulton

Overview

Recent data from the Commerce Department showed that U.S. consumers continue spending at a stronger than expected pace, keeping inflationary pressures elevated. The personal-consumption expenditure price index – the Federal Reserve's preferred measure of inflation- rose 5.4% last month over the similar period in 2022.

Spending by U.S. households rose 1.8% last month, the largest jump in almost two years. Among the places consumers appear willing to splurge include airline tickets, hotels, entertainment, auto purchases and dining out. News of still-hot inflation is a wet blanket for markets, which have been holding out for signs that might help nudge the Federal Reserve to put a brake on interest rate hikes.

Meanwhile, labor markets in most western countries remain tight. More people are retiring, companies struggle to find new staff and simultaneously are reluctant to let go of existing staff. Additionally, more workers are seeking innovative-type work and are unafraid to leave poor performing firms and join more innovative ones. Unemployment in The Organization for Economic Cooperation and Development ("OECD") countries remains relatively low and less volatile – a trend that tends to cause milder recessions. With a steady labor market, consumers can keep spending. This allows for brisk household consumption and help to keep businesses operating – even if overall economic growth is slowing.

In addition, post-pandemic employers are more mindful of the need to keep workers on the payroll. Companies know they will have a tough time replac-ing positions that were considered redundant

only a short time ago. And still more companies are in a stronger financial condition today. Many received help from governments during the pandemic. Many firms still sit on cash piles - about a third higher than before the pandemic.

Since the pandemic, the labor force in western countries is missing some 10 million workers, or roughly 1.5% of the total workforce. In the U.S, UK and Italy, for example, the workforce appears to have shrunk. The pandemic caused early retirements and an increasingly elderly population added to the drift. Some workers have reassessed their priorities. So called Long-Covid left some workers having to sit on the economic sidelines or drop out.

Open positions across the manufacturing, industrial, trades and service sectors remain unfilled. This decline in labor force participation has weakened productivity in the advanced economies. This trend, according to S&P Global, identifies a reluctance among companies to sanction job cuts due to the immense challenges they face in rehiring in the post-pandemic economy.

In the U.S., gross job losses have so far been unusually tame for the start of the year. According to a study conducted by JPMorgan Chase, companies are being careful not to let go of workers "given perceived difficulties in eventual rehiring." Real time data gives little sign that unemployment is about to surge. To the contrary, the U.S. National Federation of Independent Businesses finds a large share of small firms plan to create new jobs over the next quarter. With labor markets tightening, employers in most countries reportedly still have ambitious hiring plans.

Since 2021, GDP growth in 38 countries of the OECD has slowed almost to a standstill. Business confidence is below long-run average. Yet there is not much sign of weakness in the labor market. Across OECD economies unemployment is at 4.9%, the lowest in many decades. In the fourth quarter of 2022 - the developed world added one million jobs, in line with the long-run average. In half of the developed countries, including Canada, France and Germany, there has never been a higher share of working age folk in a job, according to EIU statistics.

Unemployment is rising in a few countries, including Austria and Israel. One of the worst performers is Finland, where unemployment rose by more than a percentage point since its post-lockdown low. In the face of soaring energy prices and reduced trade with Russia, Finland's GDP fell by 0.6% in the fourth quarter. However, at 7.2%, Finland's jobless rate is still well below its long-run average. Meanwhile countries like Greece, Italy, and Spain, which were synonymous with sky-high unemployment in the 2010's, are doing much better today.

Confronted with labor markets that are resilient even in the face of rising interest rates, central banks could be tempted to tighten monetary policy further. More interest rate increases, or another energy shock, would likely push employers to begin reducing headcount. Such a move would be risky as it would stifle a recovery prospects.

Meanwhile, it is projected that over the next decade, rich-world populations will age rapidly causing further drag on labor supply. Good workers are likely to become harder to find. The need to train the western workforce to take on new jobs in the tech sector and next generation technologies is a critical challenge for western economies in competition with China. Being ready to control and adapt artificial intelligence (AI), robotics, EV's, drones, et. al. and their applications at the workplace - will determine who dominates economic production in the next decade. AI, semiconductors, chips, and robotics will likely become our close work partners, much faster and sooner than what was thought possible a short while ago. Some argue that AI-related investments in intangible capital may already be depressing productivity growth.

Concern about China's aggression towards Taiwan, home of most of the world's advanced chip production, is reshaping supply chains. The U.S. is reinforcing

this by limiting China's access to advanced chips and enticing chip firms to set up shop in the U.S. Japan is doing the same. The U.S. has floated the idea of a Chip 4 Alliance - including the U.S., Japan, Taiwan and South Korea – to coordinate chip policy. Although it appears U.S. allies in Asia are pursuing their own self-interested chip strategies, which can often be at odds with each other. Japan and Taiwan worry about China getting technology that could give it a military edge. Asian chipmakers also worry about losing market share in China. Japanese semiconductor firms generate 20-30% of their business with Chinese customers, and stand to lose around 70% of it because of unilateral U.S. curbs on doing business with China.

There are other risks abound. Parallel industrial policies could produce a supply glut. Some 65% of business executives recently surveyed believe the supply shortage that hit some chips last year will likely ease in 2023. A recent profit warning from Intel, which once led the industry, has intensified concerns about excess production.

Meanwhile, the focus on fabrication ignores the tail ends of the supply chain, such as raw materials, packaging and testing, where South-East Asia and China play key roles. Others fret that the U.S. curbs on China's ambitions for high-end chips will only mean China focusing its resources on legacy chips. China's successes in flooding the market to corner the production of solar panels and rare earths are troubling precedents.

Even if governments prove willing to subsidize the inefficient construction of duplicate supply chains, they may not find enough engineers to work them, especially in demographically challenged East Asia. South Korea's semiconductor industry is predicted to be short of at least 30,000 workers in the next decade. The shortage of capable engineers is the industry's main bottleneck. Engineers with basic capability need eight years training to work in one of Taiwan Semiconductor ("TSMC") fabrication plants. Some 300 Taiwanese engineers will move to the company's new plant in Japan to run that facility. Meanwhile, Japan is scrambling to train talent of its own. Building the next phase of the industry globally will require more than just money. It will require more highly skilled labor. The U.S. and other western countries better beware.

Ukraine-Russia

Russia's decision last month to suspend participation in the last remaining arms control agreement with the U.S. has increased fears over uncontrolled nuclear proliferation and a potential new arms race. The move would leave a number of deployed U.S. and Russian nuclear warheads unchecked for the first time in more than 50 years, raising concerns about other

emerging nuclear powers such as China having few incentives to adhere to a global arms control regime.

Western military and financial support keep Ukraine's war effort going, although only 31 billion of the 64 billion euros promised by western countries since Russia's invasion, has so far been received. The U.S. provides the lion's share of that assistance, but there is no guarantee how long this can be maintained. Support for spending to help Ukraine, that was once rock solid in the U.S., is softening and will likely come under more pressure as the 2024 presidential election approaches.

The year since the war began in Ukraine has been a roller coaster for energy markets. Oil prices have been volatile, with the global Brent benchmark peaking at $133 per barrel last March before falling back to around $84 today, below where they were traded at the beginning of the war. In the case of natural gas, the story is different. After Russia cut pipeline supplies to Europe, the region's benchmark gas price hit a level equivalent to almost $580 per barrel last August.

Other problems compounded the fallout from the war. A fire in a large U.S. gas export facility tightened global energy supplies further, while drought caused a sharp drop in European hydropower generation. Big energy companies raked in record profits as a result. Independent U.S. producers of liquified natural gas that helped Europe to fill the hole left by Russian pipeline gas- also benefited.

Some in the U.S. administration appear to believe that China will stop short of sending weapons to Russia to help its military campaign in Ukraine. Others strongly believe the Chinese are getting ready to provide such help. Intelligence reports show that China has already provided non-lethal support to Russia for use in Ukraine and is now considering the provision of lethal support.

The U.S. placed five Chinese groups on the 'entity list' blacklist- which effectively bars companies from providing the groups with U.S. technology- for their alleged role in aiding the Russian military. The newest action is part of a big package that targeted almost 300 individuals and Chinese groups suspected of being conduits facilitating Russia's ever-evolving sanctions avoidance regime.

Meanwhile, China floated its own outline for peace talks between Ukraine and Russia while continuing its support of Russia. The move is seen as an attempt by China to cast itself as a as peace mediator in the eyes of the wider world.

In a coordinated move with the Group of 7 advanced countries [G7], the U.S. warned that there would be severe costs for any country that helped Russia evade sanctions. That could include many countries such as China, Turkey, Georgia, Azerbaijan, Armenia, Kazakhstan, Romania, or India.

Meanwhile, Europe's defense contractors are boosting orders and enjoying surging stock market valuations, lifted by higher government spending and the expectation of more sales to come as the Ukraine war grinds on. Companies like BAE Systems PLC, Sweden's

Saab AB (which designed the NLAW antitank weapon a symbol of Ukraine's early resistance), and Norway's Kongsberg Gruppen ASA (which makes missiles, as well as surveillance and other equipment) are all benefiting from generally higher military spending around the world and particularly among European countries – amid the Ukraine war.

According to reliable estimates, European military spending, which has already ticked higher in recent years, will increase by 53% from 2021 to 2026 to $481 billion, and potentially as high as 65% to $519 billion. In Europe where the perception of threat level is acute, the need for new combat and field equipment is considered urgent. The order books for most companies in the sector used to be related to longer-term projects, such as submarines and naval ships. Now,, with the amount of equipment going into Ukraine, there are customers around the world who are looking to replenish those stocks. Some existing orders for combat vehicles are being accelerated by a number of countries including Slovakia, Czech Republic, Poland, and others. U.S. arms makers have also posted strong order books as they benefit from a slice of the $27 billion in military equipment committed by the U.S. to Ukraine.

Meanwhile, NATO's biggest European members (Germany, France, and Britain) are using the stronger ties between NATO and Ukraine – as a way to encourage Ukraine to begin peace talks with Russia. They argue that talks should proceed even if Moscow continues to occupy Ukrainian territory.

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While outlining a blueprint for an agreement to give Ukraine much broader access to advanced military equipment, weapons, and ammunition to defend itself once the war ends, the UK has pushed for peace talks to begin. The German and French governments support this initiative. Officials of all three countries have been careful to stress that any decision on when and under what conditions any peace talks start is entirely up to Ukraine. However, public declarations masks deepening private doubts among western politicians that Ukraine will be able to expel the Russians from eastern Ukraine and Crimea, which Russia has controlled since 2014. There is the concern that the West can only help sustain the war effort for so long, especially if the conflict settles in a stalemate.

On the other hand, most Central and Eastern European governments fear that encouraging Ukraine to negotiate before either Ukraine or Russia is ready – would likely embolden Russia by suggesting dwindling Western support. The world view peddled by the Russian leadership reflects a fundamental anti-American, anti-western, and anti-European grievance-filled contention that the west betrayed Russia after the cold war by accepting newly free, former communist countries of central and eastern Europe into NATO. Russia's thirst for conquest, revenge, and a revered place in the annals of history remains unquenched. Given this mindset, there should be no doubt that Russia will remain a source of war, aggression, and destabilization against Western interests. At this juncture, there appears to be little likelihood that Russia will soon back down; or that Ukrainians will cease from defending their country.

Low-income countries

With the pandemic causing more low-income countries to fall into debt distress beginning in 2020, China initially appeared to be part of the solution. It delivered more debt relief than any other lender to Covid-19 hit countries.

Now, rather than joining collective efforts to rescue distressed borrowers, critics say China is putting its own interests first. This not only challenges the traditional approach to sovereign defaults, but the very foundations of the IMF, World Bank and other multilateral lenders. China is using its status as the largest creditor nation to secure rights to valuable raw materials in several indebted countries and to play a central role in how these distressed economies obtain debt relief. This will happen based mostly on China's terms which are in China's interests not the debtor country.

Among examples of China's approach are Zambia and Sri Lanka. Zambia, after defaulting on its debt in 2020, has fallen victim to a sluggish restructuring process, largely blamed on China's demands.

Sri Lanka, which defaulted in 2022, has also not received the financing assurances it needs from China to finalize an IMF assistance program.

Other countries that have borrowed heavily from Beijing and western creditors, such as Pakistan and Egypt, are at risk of following these two into default this year. As the list of countries in distress grows, the full implications of China's position is beginning to sink in and there is an overriding concern for other creditor countries: that China will insist that global lenders such as the IMF and the World Bank join bilateral and commercial creditors in reworking, or forgiving part of their loans.

Critics claim that removing "preferred creditor" status would prove disastrous, raising lenders' cost of funds – and their capacity to provide finance at much lower interest rates than borrowers could get elsewhere.

Borrowers in the developing world are also alarmed by any threat to the creditor that underpins the triple A credit rating of the IMF, the World Bank and other development banks.

One explanation of the apparent contradiction in Beijing's position is that there is not just one Chinese creditor. The Chinese finance, trade, and foreign ministries, the central bank, and the national development agency each have different, and at times, conflicting mandates, and priorities.

This explanation has been offered to justify the slow pace of Chinese cooperation with debt workouts in Zambia and elsewhere. Its multiple lenders, in the form of commercial and development banks, operate under different and competing imperatives – which, it is argued, makes it difficult or impossible to get them to act as one. Nonetheless, few doubt that when the strategic or economic imperative is strong, Beijing can act decisively.

This time the global infrastructure for dealing with unlucky or irresponsible economies is in crisis. China's lending, after growing for two decades, has reached a critical mass. Western financiers are in a stand-off with a lender too big to ignore but too irascible to involve in debt restructuring. Countries that have borrowed from China and have been battered by the pandemic and rising interest rates are in turmoil. At least 38 countries which the World Bank considers in or near default have China as their biggest state creditor. But China is refusing to play by the old rules.

Restructuring has all but disappeared since the pandemic. Four countries-Chad, Ethiopia, Ghana, and Zambia-have asked for help under the Common Framework agreed to in 2020. Only Chad has secured a deal and it will reschedule, not cancel, any debt payments. China's refusal to accept write-downs is the main issue.

Pakistan

The economy is on the brink. Pakistan is the poster child for a country being overly indebted to China and having to face harsh debt negotiating conditions. In January, the Pakistani government burnt through 25% of its foreign exchange reserves, leaving $3.5 billion to cover loan repayments and imports that will probably be equivalent to twice that in the first quarter. Shortly after the government turned off the electricity grid to save fuel. The central bank then abandoned a currency peg causing the rupee to plunge 13.7% against the U.S. dollar. The government also increased retail fuel prices 15%, reversing an earlier decision to retain/introduce subsidies that ran counter to the terms of an existing IMF package.

The IMF has provided 21 bailouts to Pakistan since 1960. Western governments have also followed suit. The resumption of IMF disbursements of an ongoing $6.5 billion loan, would allow Pakistan to access bilateral lending, including from the UAE, Said Arabia, and China. However, the policy reforms required by the IMF will result in further dampening of investment inflows.

The lifting of the informal exchange rate cap by banks and foreign exchange companies narrowed the gap between the official and curb-market exchange rates. The government is expected to implement additional fiscal measures such as the imposition of new taxes to the tune of $800 million and a further increase in the price of electricity and gas.

The EIU expects Pakistan to default on external debt obligations by early 2024, as the country struggles to generate enough domestic revenue and the replenishment of foreign-exchange reserves remains stifled. Such a default would likely happen after the ongoing IMF package ends in June 2023. With a parliamentary election scheduled to be held in late 2023, the ruling coalition will continue to suffer a serious lack of popularity as a result of the ongoing austerity measures.

Meanwhile, the state of democracy in Pakistan has deteriorated to a level where it sits just above countries described as authoritarian. According to the EIU Democracy Index recently updated Pakistan has a cumulative score of 4.13 causing the country to fall three places in the 167 country-ranking to occupy 107th place. This compares with the Ivory Coast (106th place), and Mauritania (108th place). What makes these countries similar are the perception of heavy government pressure on opposition parties and candidates.

A high degree of political instability makes reforms such as privatization of state assets and deregulation difficult to implement. Over the medium-term (2025-27), private companies are projected to increase their share of the economy. However, major cartels continue to operate, deterring competition within the economy. The government promotes foreign investment in certain sectors, especially infrastructure and energy. However, security and political risks and the fragility of the economy is a deterrent to a wider scope of inward investment.

Some special economic zones are to be set up under the China-Pakistan Economic Corridor. However, the poor business environment hinders efforts to attract non-Chinese investment in these zones.

Import bans have been periodically introduced to preserve foreign exchange reserves. We believe the central bank will increase regulatory requirements for importers and exporters given the current state of inadequate FX availability. Eventually constrained FX reserves will likely lead the government to limit foreign exchange conversion for individuals.

The cost of credit will increase over the year as monetary policy tightens further. Bank lending will likely be constrained as more banks feel compelled to pursue more risk averse strategies. The unemployment rate remains high and will only gradually decline over the coming year, which should help to keep a lid on wage inflation.

A major highway project, the Chaman-Quetta motorway and other road projects will be completed over the coming year. The Main Line 1 railway project, which aims to upgrade Pakistan's rail infrastructure, will be delayed.

Nigeria

Elections were held on February 25, 2023. The president elect received 37% of the votes in a rear three-man contest. Charges of election fraud abound. The country will now be led by a wealthy 78-year-old former governor of Lagos, Bola Tinubu of the All-Progressives Congress. The president-elect has a checkered past and is the subject of long-held rumors of corruption. He will be the first presidential candidate to win with less than 50% of the total votes.

Almost 25 million voters cast ballots in a vote that was largely peaceful but marred by long delays and technical glitches, angering voters and opposition parties who have claimed massive vote rigging. In a bid to improve transparency the voting regulator, Independent National Electoral Commission ("INEC"), this year introduced biometric voter identification for the first time at the national level, as well as a central online database for uploading results. But some voters and opposition parties said failures in the system when uploading tallies allowed for ballot manipulation and disparities between the manual and online results.

With registered voters numbering 93.4 million, turnout was just over 27% - even less than in the 2019 election. INEC is set to address some of the concerns raised by parties and voters in a few days. The voting agency is hoping to be allowed to prove that the allegations of voter fraud is without merit.

The country's history of financial mismanagement, nepotism and mistrust of public officials is only made worse by record high inflation, a battered currency and interest rates of 18%. The president-elect, who ruled the influential southern state of Lagos from 1999 to 2007, inherits a nation plagued by growing insecurity in some parts of the country, with constant attacks by criminal gangs that kidnap civilians for lucrative ransoms, jihadist groups and pro-independence rebels.

He will have to tackle the devaluation of the currency, the naira, rampant inflation, and high unemployment, despite the fact that Nigeria stands out as Africa's leading oil producer and the continent's largest economy.

Thousands of opposition supporters protested the presidential election results, as calls for a new election intensified. At least five political parties are challenging last month's vote, alleging that delays in uploading results from the country's 177,000 polling stations to the electoral body's portal could have allowed vote tampering. Protesters also allege that there was voter intimidation and cases where people were barred from voting.

In Nigeria, an election can only be invalidated if it is proven that the national electoral body largely did not follow the law and acted in ways that could have changed the results. None of the country's presidential election results have ever been overturned by the country's supreme court. A local court has granted the third-place finisher, Peter Obi, permission to inspect the election materials used in the vote as part of his court challenge. The two opposition parties will, over the coming weeks, gather evidence to build their cases in separate applications disputing the election results, a process that took seven months in 2019 when the courts rejected a similar challenge to the results.

Some independent observers have also criticized the conduct of the election. The U.S. ambassador to Nigeria said the election process failed to meet Nigerians' expectations after years of improvement in the quality of the elections.

The terms under the new Petroleum Industry Act are aimed at making Nigeria a more competitive destination for oil investment, although there will be lingering doubts about the transparency on how the sector is governed. The overarching policy objective is to promote self-sufficiency and local industrialization through protectionism.

International energy groups can be expected to remain involved in Nigeria, although if oil prices decline there will be this will raise the risk of capital controls and other likely convertibility restrictions. Over the coming year a large private refinery is on schedule to start up its operations. This should help reduce Nigeria's near-total dependency on imported refined gasoline.

Public investment in infrastructure continues to lag behind budgeted levels and the rate needed to plug the infrastructure gap, for at least the next few years. The country retains a vibrant technology sector for an

economy at its stage of development, but infrastructure is weak outside of urban hubs. Some home-grown technology firms looking to adapt global technology trends to the Nigerian market will continue to do well.

Restrictions on foreign exchange access will remain in place for certain imports, but the foreign exchange market could become more liquid, and the Central Bank of Nigeria will work to clear a backlog of orders. The government is not expected to return to the sovereign debt market before 2024, with financing conditions remaining tight andhigh borrowing costs domestically heaping more frustration on businesses and households alike.

Bangladesh

What was once a land of poverty, famine and natural disasters is today a population of 170 million with a potential turnaround story. Over the past three decades, employment has soared largely because of the country's thriving garment industry. The share of women in paid work has climbed from 4% in 1971 to 35% today.

In the decade before the pandemic, GDP growth in Bangladesh averaged 7%, only slightly slower than China. Today, the country's GDP per person stands at $2,500, higher than India's. The country is projected to graduate from the UN's ranks of least developed countries (LDC's) in 2026. Bangladesh ambitiously aims to be a middle-income country by 2031.

However, the country's long-term goals are currently being tested by the aftershocks of the pandemic and the war in Ukraine which is causing serious economic shock to the country. A cost-of living crisis is playing out in the streets of the capital, Dhaka, where homelessness has grown and at the central bank, where foreign-exchange reserves shrunk to the equivalent of one month's worth of imports.

An election is due in 2024 but the outcome appears already assured: the sitting prime minister, Sheik Hasina, who has grown increasingly autocratic, has silenced the opposition. Her main political opponent has been jailed. With rising tensions between supporters of both sides, it seems likely to spark violence as the elections get closer. The remaining leaders of the opposition, the Bangladesh Nationalist Party, are out on the streets, raising consciousness amidst widespread intimidation and official corruption.

The prime minister, who has been in office since 2009, is now on track to begin a new phase of growth by splurging on infrastructure, including improving badly needed power supply generation facilities. Road building by the World Bank and others has connected villages to towns, boosting local farm markets.

The garment industry which sprung up around the capital is world-class. The government helped by scrapping duties and outdated labor laws.

Crossing the country with its numerous rivers has long been a big challenge. Last year a road and

bridge opened across the Padma River, the main channel in Bangladesh of the mighty Ganges is transforming the country's economic geography. Meanwhile, Japan backed an elevated metro which is now being built along with a new airport. Across the country power plants are being built. The activity has worsened congestion for the short term but over time the bottle necks should ease.

Despite these visible signs of progress, there are ongoing concerns. Among them are growing web of state capture and decay spreading through institutions - which is causing surging fuel and food price inflation and massive capital flight. Foreign exchange reserves were under $30 billion in January. The IMF last year agreed to consider a support program and in January approved a $4.7 billion loan. Still, the local currency remains shaky, forcing the government to put the brakes on imports by imposing more inspections and permits. Bangladeshi exporters are having a tough time importing necessary foreign inputs to do their work. In addition, they are finding it increasingly difficult to access foreign currency to support letters of credit, without which they cannot conduct trade.

The garment industry poses longer-term concern. Overreliance on this sector is a serious weakness, and according to local economic experts, its long-run future is uncertain. If Bangladesh graduates from LDC status, the country will lose some tariffs exemptions in western markets. Lower-cost producers such as Cambodia and Ethiopia, threaten to take the same bite out of Bangladesh's market share that it took from China's.

Other export industries struggle to grow. Bangladesh is not a member of any major regional trade pact. It has attached little of the other sorts of production being moved out of China. Though some domestic

sectors such as pharmaceuticals and electronics have potential, an appalling bureaucracy and uneven customs duties hold them back. The EIU ranks Bangladesh's business environment 15th out of 17 Asian countries. Poor governance and corrupt practices have overshadowed the country's potential. The elites are suspected of engaging in billions of dollars' worth of money laundering activity each year, siphoning money to private bank accounts in foreign capitals. Some of those are funds that normally would be held at Bangladesh's central bank to bolster its foreign-exchange reserves.

According to news reports, it is the resilience and loyalty of some 10 million Bangladeshi workers living overseas who remit billions home to relatives -why conditions are not worse. Remittances allow millions of households to buy food , fuel and pay rent, energy and transportation bills each month. Without such inflows millions would go hungry.

Non-performing loans have risen in the banking sector, thanks to banks favoring the well connected with loans they don't repay. Politicians, bureaucrats, and those in the security services are accused of extorting fees as the downpayment to get anything done in the country.

The government claims it is cracking down on corruption. However, almost no one believes or has seen evidence to support that claim. The prime minister is accused of building a personality cult around her family. A patronage system that demands loyalty to the leader underpins her control on power and the loss of independence in most state institutions. This reportedly includes the police, the courts, and the press. An increasing number of young people graduating school, yearn to leave the country for opportunities abroad. That trend is likely to persist for some time, especially if the sitting government remains in power and if deep reforms are not implemented that attracts investment and create jobs.

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