



# EMERGING MARKETS

**E**merging markets hold the key to future economic growth. As such, companies of all shapes and sizes are endeavouring to make the most of the opportunities these markets can offer. In this Spotlight, we examine what corporate and treasury competencies are needed to tap this potential and what the risks are. The common thread running through all the contributors is optimism that changes are heading in the right direction, and making life easier (note, not 'easy') for the European-based treasurer.

This Spotlight guides the corporate treasurer through the economic outlook, business practice, banking provision, treasury services and credit and risk aspects for the key markets of China, Russia and the Latin American markets of Brazil and Mexico.

The best way to learn, other than doing it yourself, is to find out from someone who has been at the sharp end themselves. **Richard Chute** of Kerry Ingredients has told *The Treasurer* about their expansion into China, what the major legal and regulatory milestones were, and how the finance and treasury function operates. His verdict is that although the environment is "testing because of its unfamiliarity, the challenge can be very rewarding". **Margaret Leung** of JPMorgan takes a broader look at the "patience and persistence" needed to operate in the emerging and regulated market that is China, with advice on how you can best work with local partners and regulators to reduce the risk of uncertainties.

**Alexei Bogdanov** of Mars and **Boris Kolmakov** of Evrofinans Consulting give their view of the current state of reforms in Russia, at both macro- and micro-economic level. It has been a long journey since the troubles of 1998 and, although there is some way to go, the outlook is optimistic, if the reforms continue and the political situation remains stable. **Alexandra Kadet** of PricewaterhouseCoopers guides readers through the "bear essentials" of doing business in Russia, from getting started with the right business entity, through to the practicalities of opening a bank account. Her view is that there remain "real opportunities to plan a profitable business" in Russia.

We then switch land-mass to the Americas, with **Nick Jones** and **Fernando Vicario** of FleetBoston outlining the dramatic changes in the banking systems of Brazil and Mexico, and how these have affected cash management and treasury practice in the region.

Finally, **Simon Webley** of the Institute of Business Ethics provides an outline of how corporates, and their employees, can ensure they are not crossing the ethical line and putting their corporate reputation at risk when dealing with business partners and counterparties, regulators and the community in emerging markets.

Finally, readers should be aware that the ACT is holding an Emerging Markets conference, sponsored by HSBC, to be held at a Central London venue on 18 February 2004. Keep an eye out on [www.treasurers.org](http://www.treasurers.org), or the members' emails for more details. For those of you without web access, you can register an interest with Makayla Rahman on +44 (0)20 7213 0704.