

Next10: Emerging Markets

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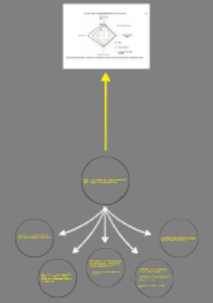
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Aims of this Presentation:

1. To provide an insight into the emerging markets.
2. To provide an insight into the emerging markets and the factors that drive them.
3. To provide an insight into the emerging markets and the factors that drive them.
4. To provide an insight into the emerging markets and the factors that drive them.

What is an Emerging Economy?

Emerging economies are those that are in the process of industrialization and economic growth. They are typically characterized by a young and growing population, a rapidly growing economy, and a high rate of investment in infrastructure and human capital.



Tablet what factors appear to motivate the flow of financial capital to emerging market countries.

Author: ...
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References

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From the study by Faria et al. (2011) what implications can be drawn from the analysis of Financial Flows to emerging markets?

Participants for the study

Two waves of Financial Globalization

Qualitative in the two waves

Factors that caused the international investor's attitudes toward the emerging markets in the two waves

Questions that motivate the Faria et al. study

- How do factors that motivate the flow of financial capital to emerging market countries?
- Why did it decline in the two waves?
- Why did it decline in the two waves?

Nextel Peru:Emerging Markets

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Aims of this Presentation:

- 1) To explain what factors might attract FDI to emerging market economies.**
- 2) To identify the policies that governments in emerging markets might pursue to make them more attractive to MNC's, and to state the reasons for using these specific policies.**
- 3) To explain what factors appear to motivate the flow of financial capital to emerging market countries.**
- 4) To identify the implications drawn from the analysis of financial flows to emerging markets From the study by Faria et al (2011)**

What is an Emerging Economy?

There is no clear definition of what an emerging country is, but this term often describes countries

- Undergoing change/transformation
 - Developing -> developed
 - State dominated -> freer market
- Undergoing economic reform
 - Freeing up markets, both internally and externally

What factors attract FDI to emerging market economies?

Economic Activity

Market Size

*GDP level has a significant positive impact on inflows of FDI
(Fung et al. 2002, Cited by Groh and Wich, 2012)*

Macroeconomic Stability

Economic Activity

Market Size

GDP level has a significant positive impact on inflows of FDI
(Fung et al. 2002, Cited by Groh and Wich, 2012)

Macroeconomic Stability

Openness to Trade

Legal and Political System

Akhter (1993) mentions that political instability negatively impacts business activities and therefore is an important factor for FDI. (Groh and Wich, 2012)

Ramcharran (2000) shows that regulatory and risk reduction factors contributed positively to FDI and that an unaccommodating legal environment and country risks are the main deterrents of FDI.