

Follow the Money!

One of the greatest influences and opportunities for business and investment now is the emergence of the 'BRIC' markets – specifically Brazil, Russia, India and China, but also known as the “Big Rapidly Industrialising Countries” of the 21st century.

JUST AS BRITAIN GREW to dominance during the industrial revolution of the 1800s and the US in the 1900s, this century is seeing the emergence of the BRIC countries as the dominant economic players. Most economists agree that within 40 years (probably sooner) China and India will overtake America to become the two largest global economies. Russia and Brazil are not far behind, not to mention the rising economic influence of the Middle East, South Africa and South East Asia.

All business leaders will need to properly understand these new countries, so that deciding to do business (or not) in these markets is a considered, rational progression – not a blind leap of faith!

Each of the BRIC and other industrialising countries will combat the current Global Financial Crisis (and the collapse of their exports to the developed world) by focusing on any or all of the following:

- Stimulating their local economies by investing in infrastructure, transport, industry (particularly IT), housing and the environment. China and Brazil have announced stimulus packages of over A\$900bn and A\$500bn respectively.
- Encouraging domestic consumption through a range of incentives, discounts, tax breaks, loans and other measures to increase the sale of domestic and foreign products and services. For example, sales of Australian wine in China grew by 28 per cent last month!
- Trading amongst themselves. In recent weeks, we have seen the announcement of major deals between China and

Russia (access to Chinese capital in return for supplies of Russia oil and gas), China and Brazil (Brazilian exports of iron ore and soya) and India and Russia (energy and aircraft)

Remember this: While these countries are building the first class **hardware** (eg roads, railways, airports, buildings, waterways, bridges, tunnels) to support their rapidly industrialising economies, what they also need is the **software** (professional services, training, education, technology, creativity, design and leadership) that makes the difference between “third world” and “world class”. It's in these areas that Australian businesses of all sizes can derive the most opportunities.

So, what are you waiting for? Follow the money to grow your revenue and profits in 2009 – and attend The Import Export Show to learn how to do it!



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