

LIBERTY GLOBAL PARTNERS

LLC

Presentation to International Networking Forum
Marketing Panel

“Strategies for Business Development in
Emerging Markets”

March 4, 2004

Key Trends in Emerging Markets

- Substantial (though uneven) growth in trade and GDP
Brazil, Russia, India, China all projected to be larger than all the G-6 countries by 2050
- Emergence of a new consumerism:
New consumer related goods and services (example retail banking)
- Reduction in (perceived) country risk
EMBI spread over US treasuries down to 4% - Emerging market equities up 45% in 2003

Key Trends in Emerging Markets (cont.)

- Privatization and trade liberalization
New opportunities, new competition – but also increased sophistication
- Democratization
Greater transparency around major infrastructure investment (mining oil and gas) and in government procurement
- Emergence of new trade patterns
Reduction in the importance of colonial patterns; more opportunities and more competition

Sectors where US providers may have an advantage

- Entertainment and media
- Health care
- Education
- Professional services
- Specialized manufacturing
- Other?

Tips for Entering Emerging Markets

- Make a long term commitment – but how to do that affordably?
 - Get local management, by finding it here and bringing it back home
 - Demonstrate consistency through hard time
- Look to understand and work along side donor and multinational activity
 - World Bank initiatives, USTDA, Exim bank
- Government is important, though in different ways than in the past
- Networking matters even more important in emerging markets
- Despite everything you hear, there is still enormous prestige around things American

The Corporate Dimension

- Successful market entry depends as much upon internal coordination as it does upon product and customers
 - Treasury, sales, marketing, product development will all be pulled in different directions
 - Typically, the first step is an exploration not supported by all sides, and the globally buy-in is never achieved

- Profitable expansion to emerging markets requires a long term commitment from the company as a whole

Overview

Emerging Market Business Development Process

