

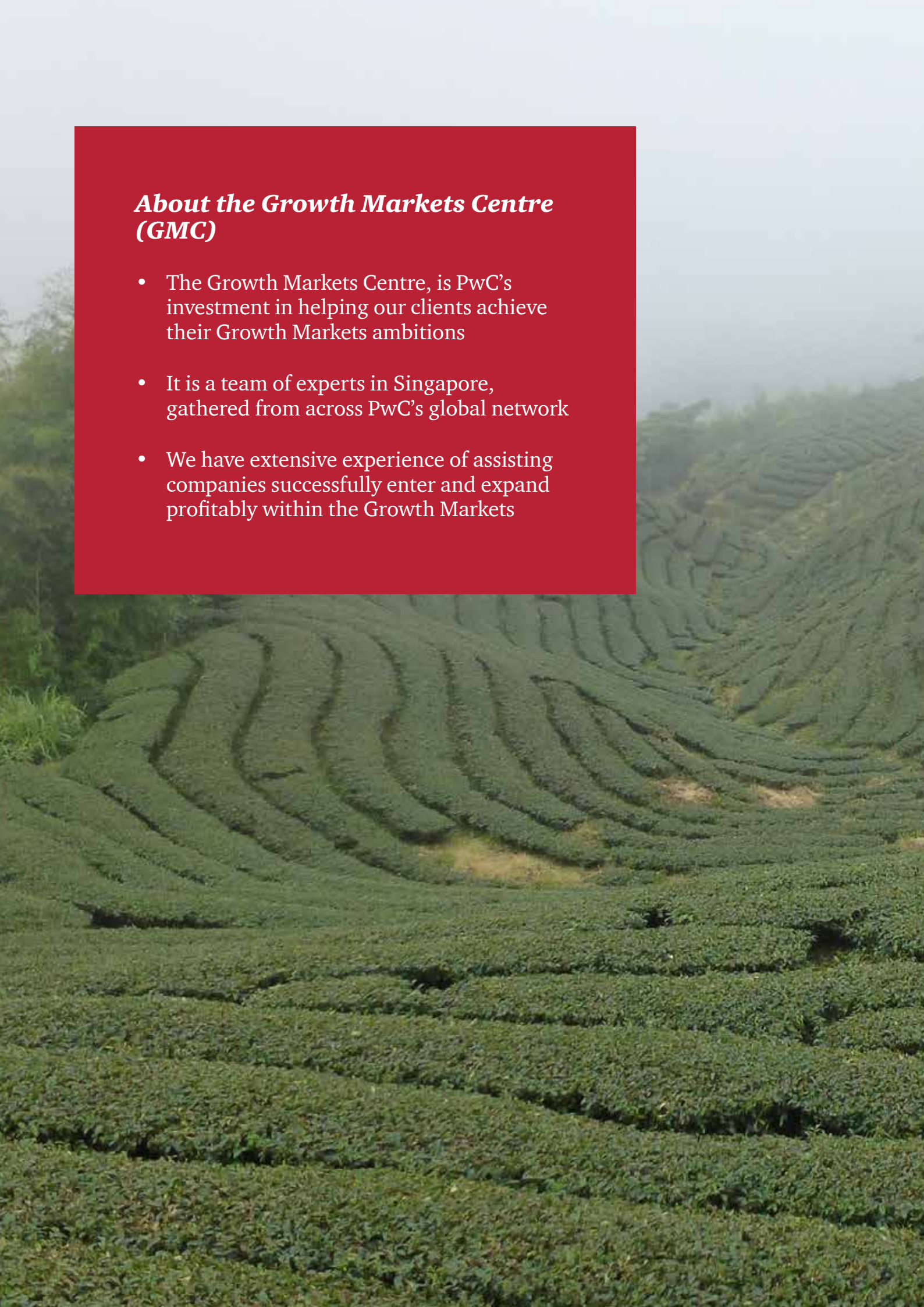
The Growth Markets Centre

Growing profitably in new complex markets



About the Growth Markets Centre (GMC)

- The Growth Markets Centre, is PwC's investment in helping our clients achieve their Growth Markets ambitions
- It is a team of experts in Singapore, gathered from across PwC's global network
- We have extensive experience of assisting companies successfully enter and expand profitably within the Growth Markets

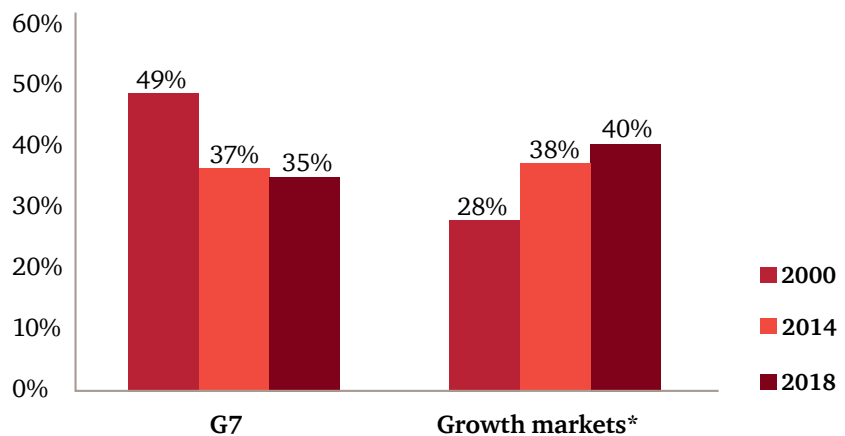


Companies looking towards the Growth Markets for sustainable profits face a number of challenges

In pursuit of growth

It is widely acknowledged that the shift in the balance of economic power from developed to developing economies has driven companies of all sizes to consider the 'Growth Markets' as sources of revenues and profitability, and not only as the sourcing hubs they were initially considered to be.

% Share in World GDP



The Growth Markets

These are fast-growing economies undergoing rapid change, ranging from the more emerged markets such as China, to those which are seen as still emerging, such as Nigeria, Indonesia and Myanmar.

By 2018, these economies are expected to be global growth drivers, contributing to 40% of the world's GDP, exceeding that of the G7. Even taking into consideration the recent slowdown in their rate of growth, the fundamental attraction of these markets has not diminished. They still host some of the fastest-growing consumer groups in the world, in terms of new wealth, who have ever-increasing aspirations to improve their homes and lifestyles through global brands and experiences.

Adopting the right mind-set

Acquiring these new revenues and realising the profits is not an easy task and most companies face a variety of challenges. Key to navigating these challenges is acknowledging that success in these new complex markets requires an alternative approach from what worked in developed markets.

Source: IMF; *Growth Markets include the BRICS and other emerging and developing economies: GDP is PPP based.

Addressing the complexities of growth

Navigate the business environment

- What are the political and economic risks? Do I know how to deal with corruption and nepotism?
- Will my business be protected and treated fairly if a dispute arises? How effective are local IP laws?
- What tax and regulatory considerations do I need to be aware of before deciding to enter the market?

Enter the right market effectively

- Which market or region will bring me the most value when I enter or expand into it?
- Which consumers should I target? Where are they?
- Which of my products/services are most suitable to this market?

Develop the capabilities for growth

- Who will be my most reliable suppliers? Do they meet our global standards?
- Which distribution channels will be most suitable for my target consumers in this market?
- What capabilities and processes can be imported from my home country, and which need to be localized?

Build effective partnerships and teams

- Which is the best local firm to partner with or target company to acquire?
- How can I identify, train and retain the right talent for my business?
- What are the cultural nuances, both social and business, that I will need to adapt to?

The Growth Markets Centre brings together PwC's global expertise to help clients grow in complex new markets

How we can help you:-

Access global expertise

1

The Growth Markets Centre ensures companies **receive the full benefit of PwC's global expertise and access to bespoke teams** helping them successfully **achieve their Growth Markets ambitions.**

Bespoke client workshops

2

We leverage our **team's global experience across a variety of sectors** and collaborate with both PwC and industry subject matter experts to **host seminars and client workshops** on key Growth Markets issues.

Sector focused insights

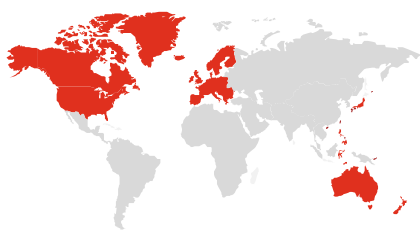
3

We develop **regular sector focused insights and thought leadership** on how the Growth Markets are evolving and what companies can do to ensure they continue to grow profitably.

The GMC supports both multinationals and mid-cap companies at different stages of their Growth Markets journey.

1 Entering a new Growth Market from a Developed Market

Identify appropriate value propositions



2 Growing in a Growth Market in the early years

Develop profitable capabilities



4 Expanding into another Growth Market

Use existing capabilities to expand into a new Growth Market



3 Growing in a Growth Market after several years

Expand into new regions/develop new value propositions



The GMC uses its Growth Markets Framework to enable our clients

The Growth Markets framework helps:

- **Establish** a different approach to growth from what succeeded for them in developed markets
- **Uncover** the opportunities and issues related to the company's stage in their entry and expansion journey
- **Prioritise** and **structure** the activities needed to address the opportunities and issues

Business Environment:

Acknowledging the complexities associated with a territory's laws and regulations, including its political and economic stability

Financial and Human Capital:

Addressing the 'softer' challenges of acquiring talent, developing partnerships, securing financial support, and appreciating cultural differences

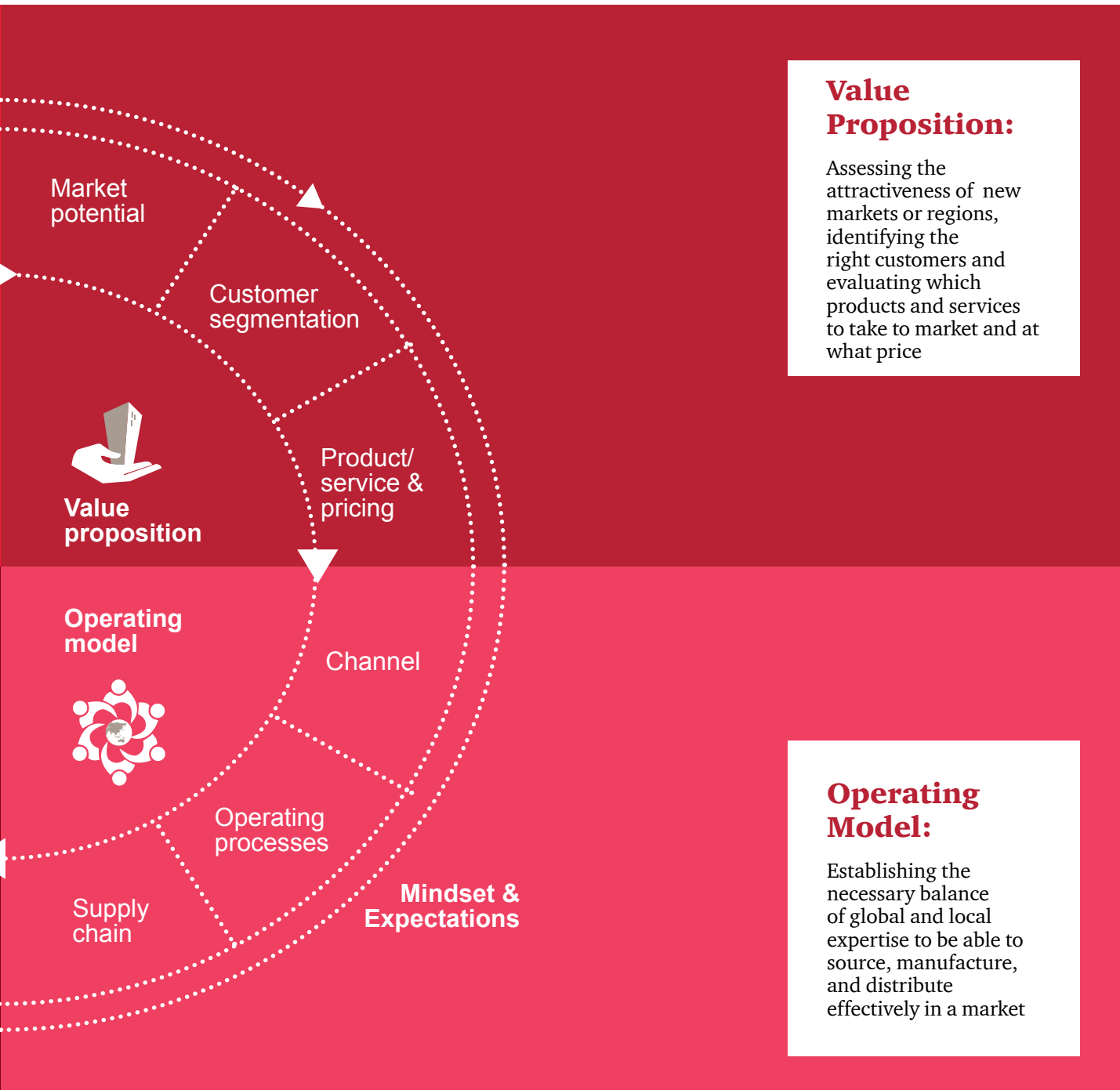
Mindset & Expectations



Mindset & Expectations:


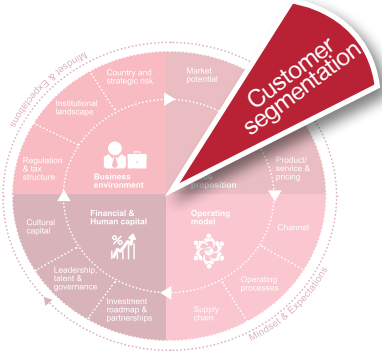

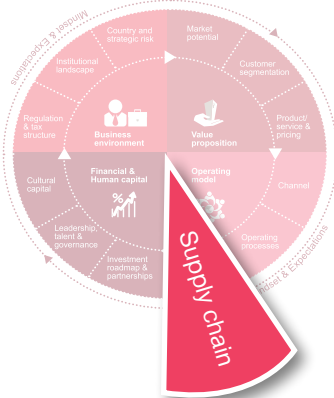
Linking all of these elements is the change in mind-set needed

to assess and prioritise their entry and expansion needs


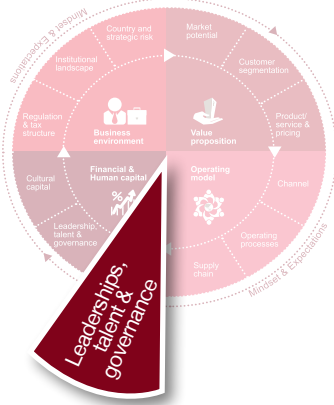

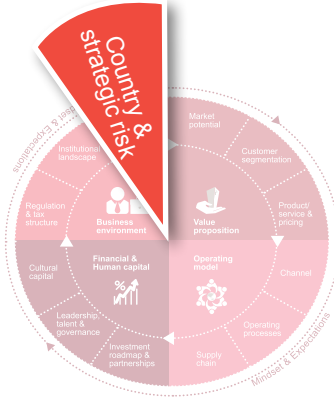


to understand what it takes to succeed in a Growth Market.

Helping our clients succeed: PwC helps clients navigate the complex

Client	Market Entry/ Expansion issue	PwC's impact
<p>Technology</p> <p>IT company specialising in e-solutions</p> 	<p>Identifying new consumer segments</p> 	<ul style="list-style-type: none"> • An UAE-based IT company wanted to understand the size and behaviour of the potential market for its e-payment venture in the UAE. • PwC assessed the potential uptake of a new e-payment initiative factoring in the differences between customer segments. • This helped the company plan its market entry strategy and target the most relevant customer segments.
<p>Retail & Consumer</p> <p>Global fast-moving consumer goods company</p> 	<p>Developing supply chain capabilities for expansion</p> 	<ul style="list-style-type: none"> • A global FMCG company had expanded across India and now needed to improve its supply chain operations to support its new growth. • PwC assessed the company's logistics support system and network footprint and then made recommendations as to how best support the company's expanded market. • This helped the company rationalise its transportation costs, reduce the time to reach their customers and better manage its distributors.

ities at every stage of their Growth Markets' expansion journey

Client	Market Entry/ Expansion issue	PwC's impact
<p>Industrial Products</p> <p>Japanese material handling equipment company</p> 	<p>Evaluating partnering models</p> 	<ul style="list-style-type: none"> • A Japanese company was looking to enter Brazil through an acquisition. • PwC evaluated the strategic alternatives for its market entry including imports, partnerships and acquisitions, together with a valuation model of potential partnership scenarios. • Based on this assessment, the company decided not to make an acquisition, but instead strengthen their imports strategy for the Brazilian market by expanding their local distribution network.
<p>Financial Services</p> <p>London-based bank</p> 	<p>Understanding the business environment</p> 	<ul style="list-style-type: none"> • A London bank needed advice as to how to engage with Libya during its uncertain political transition. • PwC undertook an in-depth analysis of Libya's political and security landscape, mapping the key actors at the national and regional level whilst also conducting a review of the Central Bank of Libya. • This provided the bank with an objective assessment of the business landscape in Libya, allowing it to make a considered decision on the balance of risk and reward in the Libyan market.

PwC's Insights and Research



Profitable growth strategies for the Global Emerging Middle: Learning from the “Next 4 Billion” markets

This report offers insights on how successful companies have navigated the “Global Emerging Middle” markets by developing new value propositions, creating innovative business models and undergoing a shift in mind-set.



Growth in new markets: It's all about how

This analysis offers insights on how companies can grow successfully in new markets in Asia, Africa, and Latin America, showcasing points of view from several multinationals who have succeeded in these markets. It also highlights the risks companies face during globalization and suggests how company boards can minimise these risks and maximise their chances of long-term success.



PwC and the MIT Forum for Supply Chain Innovation

The study analyses the supply chain operations and risk management approaches of global organisations looking at their operations and financial performance in the face of supply chain disruptions. It proposes a framework and a set of principles to help companies manage today's risk challenges and prepare for future opportunities.



Doing Deals in Brazil: Helping you to pursue business success in Brazil

This report focuses on Brazil's economic environment, its financial and tax regulations, and M&A considerations, as well as an overview of Brazilian politics and culture. It also highlights some of the critical concerns and risks that a prospective investor may face.



Africa Tax survey - Africa: Managing risk, maximising reward

The survey highlights the challenges companies face in doing business on the African continent. In particular, such areas as obtaining certainty in the application of legislation and discussing and negotiating with the local tax authorities.



How consumer goods companies can manage complexity and costs in China

Business challenges arise when corporations operate simultaneously in large maturing markets such as large cities, and smaller fast-emerging markets. These challenges especially affect consumer goods companies aiming to expand their national footprint. The study highlights how successfully managing complexity across the diverse and evolving channels in China is a key attribute of high-performing consumer goods companies.



Getting on the right side of the delta: A deal-maker's guide to growth economies

For many companies doing a deal is the best way of tapping into growth markets. But deals in growth markets remain incredibly challenging. For this study, PwC carried out an assessment of over 200 deals, and interviewed 20 senior deal makers who have bought businesses in growth markets. The study explores how to reduce the chances of pre and post-deal problems.

Our Advisory practice helps our clients address their most complex business issues. From strategy through execution.

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