

Italcementi 10th Annual Workshop

Perspectives From Developing Countries

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A New Perspective in the 1990s

- Globalization does not work against developing countries
 - Capable of fast economic growth
- Importance of factors underpinning growth
 - Rule of Law
 - Competition
 - Financial Sector Efficiency
 - Openness to Trade and Financial Flows
 - ...

Growth Factors Under Public Scrutiny

- Integrity of Public Budget Processes
- Quality of Policies and Regulations
- Effectiveness of Corporate Taxation
- Labor Market Flexibility
- Credit Access
- Investor Protection

...Driving Aid Allocations

Pro-Business Climate

Implications

Increased transparency and deeper government-business dialogue makes it possible to envisage a more ambitious long-term investment strategy

- More favorable risk-return conditions than commonly accepted

Pro-Business Climate

An Example: Infrastructure

- New policy focus in developing countries
 - Large potential: +\$350 billion p.a.
- Early insights may give strategic advantage
 - Likelihood of major increases in national investment programs
 - Regulatory developments
 - Financial sector upgrades

Pro-Business Climate

An Example: Infrastructure

How to capture this advantage?

- Clear vision of “non-market” aspects of business strategies
 - But integrated in traditional business strategies
- To steer local policy and regulatory developments towards desired outcomes
 - Strong growth imperative=EU Accession
 - Interface with World Bank Group and others

Widening Growth Gap With EU

- EU demographic trends
 - Lower per capita GDP growth
 - Lower investment and saving ratios
 - Fiscal problems
- Remedies
 - Pension and other structural economic reforms
 - And, increased direct and financial investments in fast-growing developing economies
 - Current Singapore Strategy

The Optimism of Hope!

Thank you very much.

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