## BRICS

### Some data

<table>
<thead>
<tr>
<th></th>
<th>GDP $ Million USD</th>
<th>GDP per CAPITA</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>2 090 314</td>
<td>10 471</td>
<td>193,088,765</td>
</tr>
<tr>
<td>Russia</td>
<td>1 476 912</td>
<td>10 521</td>
<td>141,927,297</td>
</tr>
<tr>
<td>India</td>
<td>1 537 966</td>
<td>3290</td>
<td>1,210,193,422</td>
</tr>
<tr>
<td>China</td>
<td>5 878 257</td>
<td>4382</td>
<td>1,338,612,968</td>
</tr>
<tr>
<td>SA</td>
<td>354 414</td>
<td>7101</td>
<td>49 320 500</td>
</tr>
</tbody>
</table>
World Competitiveness Report 2011/2012 (142 countries surveyed)

The good news

- Regulation of securities exchanges 1st
- Strength of auditing and reporting standards 1st
- Soundness of banks 2nd
- Efficacy of corporate boards 2nd
- Availability of financial services 3rd
- Protection of minority shareholders’ interests 3rd
- Financing through local equity market 4th
- Effectiveness of anti-monopoly policy 7th
- Legal rights 8th
- Quality of management schools 13th
- Efficiency of legal framework in settling disputes 16th

Source: World Economic Forum
World Competitiveness Report
2011/2012

Not such good news

- Availability of scientists and engineers 111th
- Organized crime 112th
- Burden of government regulation 112th
- Favoritism in decisions of government officials 114th
- Quality of primary education 127th
- Life expectancy years 130th
- Pay and productivity 130th
- Business impact of HIV/AIDS 132nd
- Quality of the educational system 133rd
- Business codes of crime and violence 136th
- Quality of math and science education 138th
- Cooperation in labour-employer relations 138th
- Flexibility of wage determination 138th
- HIV prevalence, % adult pop 139th
- Hiring and firing practices 139th

Source World Economic Forum
Factors Impacting SA Business
What needs to be done

<table>
<thead>
<tr>
<th>Issue</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inefficient government bureaucracy</td>
<td>20%</td>
</tr>
<tr>
<td>Inadequate education in workforce</td>
<td>17%</td>
</tr>
<tr>
<td>Restrictive labour practices</td>
<td>16%</td>
</tr>
<tr>
<td>Corruption</td>
<td>12%</td>
</tr>
<tr>
<td>Crime and theft</td>
<td>10%</td>
</tr>
<tr>
<td>Inadequate supply of infrastructure</td>
<td>8%</td>
</tr>
<tr>
<td>Political instability</td>
<td>3%</td>
</tr>
<tr>
<td>Forex regulations</td>
<td>2%</td>
</tr>
<tr>
<td>Tax regulations</td>
<td>0.8%</td>
</tr>
<tr>
<td>Tax rates</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: Stanlib
How to become an International Financial Services Centre

1. Political Support

2. Policy blueprint – tax, regulatory framework, skills, infrastructure etc

3. Strategy
   - Attract
   - Facilitate
   - Service
Why Bother?

1. Role of financial services industry in our economy – growth, employment

2. Advantages to build on – time zones, our strengths

3. Close down Ireland and Mauritius – why not?

4. Gateway to Africa – future growth zone?

5. Insourcing servicing from Europe

Health Warning!