

SABMiller Globalisation Debates

Emerging or Developed
markets - which will
lead global economic
recovery?

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YouGovStone

Chair



Andrew Neil Journalist and Broadcaster.

Andrew is a publisher, broadcaster and company director working out of London, New York, Dubai and the South of France.

He is currently Publisher (Chief Executive and Editor-in-Chief) of The Press Holdings Group, owners of *The Spectator*, *Spectator Business* and *Apollo Art* magazines. He is also chairman of ITP, the biggest magazine publisher in the

Gulf (based in Dubai); and Chairman of World Media Rights (WMR), which owns and exploits TV rights and formats across the globe.

In addition to his publishing responsibilities, Andrew is a well-known anchorman on BBC TV. He currently presents the *Daily Politics* programme on BBC2, the award-winning *This Week* on BBC1 and *Straight Talk with Andrew Neil* on BBC News 24.

The Panel



Graham Mackay

Graham Mackay is Chief Executive of SABMiller. He joined The South African Breweries Limited (SAB Ltd) in 1978 and has held a number of senior positions in the group, including Executive Chairman of the beer business in South Africa.

He was appointed Group Managing Director in 1997 and Chief Executive of South African Breweries plc upon its listing on the London Stock Exchange in 1999.

He is the Senior Independent Non-Executive Director of Reckitt Benckiser Group plc and a director of Philip Morris International Inc.



Ed Lucas

Edward Lucas is the Central and Eastern Europe correspondent for The Economist. He has been covering the region for more than 20 years, witnessing the final years of the last Cold War, the fall of the Iron Curtain and the collapse of the Soviet empire, Boris Yeltsin's downfall and Vladimir Putin's rise to power. From 1992 to 1994, he was the managing editor of The Baltic Independent, a weekly English-language newspaper published in Tallinn. He holds a BSc from the London School of Economics,

and studied Polish at the Jagiellonian University, Cracow. The New Cold War is his first book.



The Honourable Peter Jay

Peter arrived at Henley Management College, where he is Professor of Political Economy and Editor in Chief of the Henley Manager Update, after a lifetime in government and the media focused mainly on the way in which government manages the economy. The first six years of his working life were spent in the Treasury, followed by ten years as Economics Editor of The Times (of London). During this period he also founded and for five years presented London Weekend

Television's Sunday morning TV news programme Weekend World. After two years (1977-79) in Washington as British Ambassador he returned to the UK as the founder chairman and chief executive of the TV-am team which won the first franchise in the UK for nationally networked TV at breakfast time and launched the new service in February 1983. In the following years he presented Channel 4's weekly news programme A Week in Politics, edited the Chartered Institute of Bankers monthly magazine Banking World and was for five years chairman of the National Council for Voluntary Organisations. He then spent 3½ years as chief of staff to Robert Maxwell at the Mirror group, before returning to economic journalism as Economics Editor of the BBC from 1990-2001. In 2003 he became a Director (non-executive) of the Bank of England and in 2004 he was elected deputy-mayor of Woodstock in Oxfordshire.

Tanya Chikanza

Tanya Chikanza has been a Director of Smith's Corporate Advisory Limited since September 2006 and she is responsible for developing the firm's corporate finance capability. Prior to that she was a Vice President, Corporate Finance at JPMorgan Cazenove where she had responsibility for a broad range of UK and South African companies in various sectors. Her involvement with these companies included providing corporate and advisory services as well as raising equity and debt funding. She is a qualified Chartered Accountant who worked for Coopers & Lybrand in Zimbabwe and London before joining Cazenove in 1997. She is a Trustee of Cecily's Fund, a UK charity which enables the education of Zambian children orphaned or made vulnerable by AIDS and a Churchwarden at St Margaret Lothbury in London.

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Topline Research Results

In April 2009 YouGovStone completed 893 online interviews with respondents drawn from the YouGovStone ThinkTank of influential people. The majority of respondents were based in the UK but 60 were overseas.

Findings

Who Will Be Hardest Hit

There is a clear belief that Western developed economies will be the hardest hit by the current economic slump. This is the verdict from the 893 influential people sample for this study. The percentage of people choosing each region was:

Which regions of the world do you believe are going to be hardest hit by the economic slowdown?

Western Europe	66%
North America	60%
Eastern Europe (ex Russia)	55%
Africa	39%
Central Asia (Russia and former Soviet republics)	30%
East Asia (ie Japan, Korea, Taiwan, excl China)	30%
China	28%
Southern Asia (ie India, Pakistan, Sri Lanka)	18%
South East Asia (ie Thailand, Malaysia, Indonesia)	18%
South & Central America	17%
Australasia	13%
Western Asia (ie Saudi Arabia, Turkey, Syria)	5%

Western Europe (66%) and North America (60%) were selected most, but another developed region, Australasia (13%), was not picked. Africa also scored badly coming in fourth on the list.

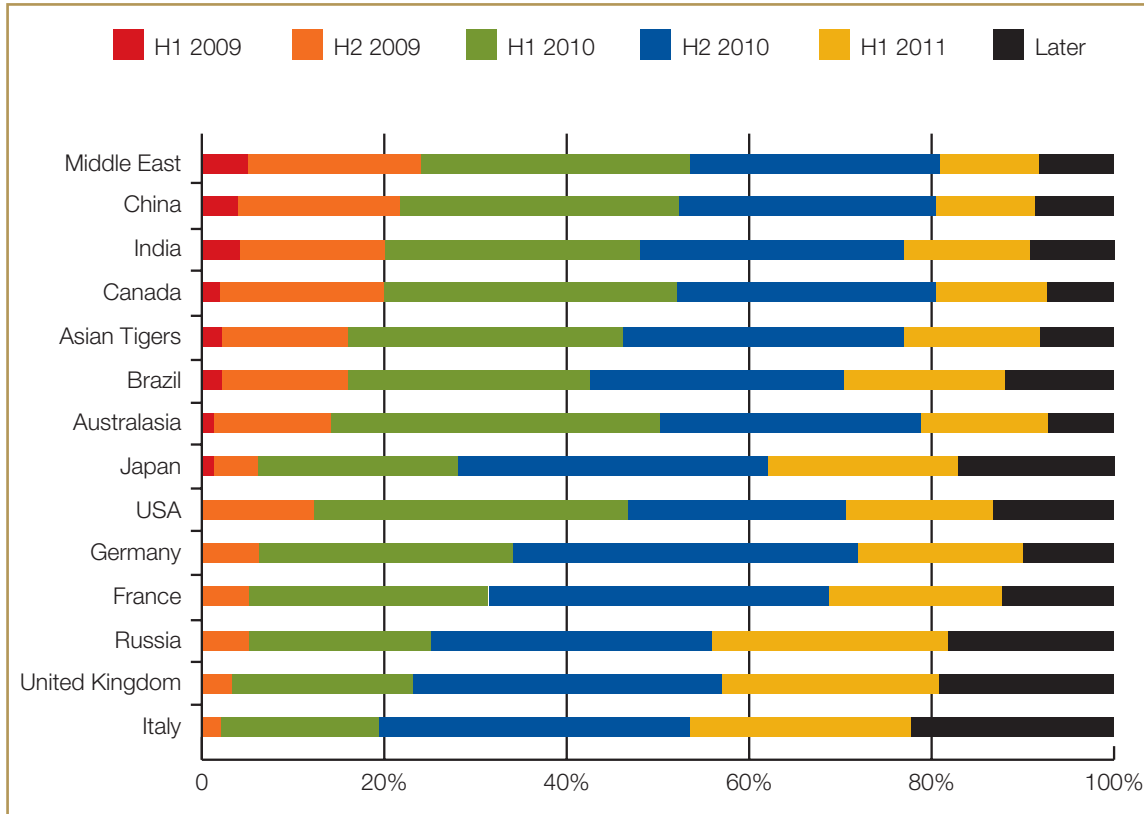


When Will Each Country Come Out of the Slump and What Factors Will These Early Countries Share?

Respondents were asked to consider major nations and regions to say when they thought each would emerge from the slump. The first or second half of 2010 were generally thought to be most likely.

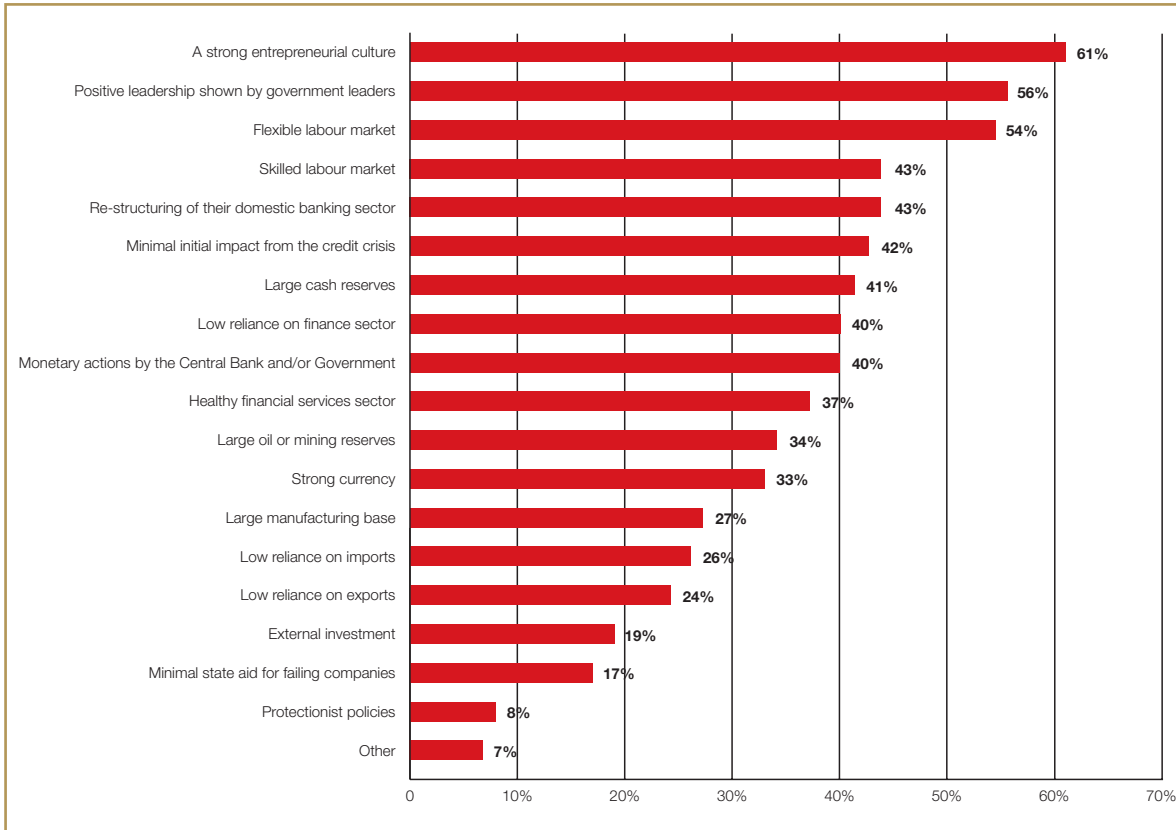
The Middle East was expected to be the first to recover, followed by China and India. Canada is the highest placed of the developed nations, in fourth. The United Kingdom and Italy were expected to be last to emerge into recovery.

For each of the following regions and countries please state when you believe each will emerge from the economic slump.



There was concern that 'Higher levels of concern about risk will hold up recovery more in developing markets than in emerging markets' with 59% agreeing with this statement.

The most important factor thought to help the regions or nations emerge early from the slump was felt to be 'a strong entrepreneurial culture', chosen by 61% of people, whilst 'positive leadership shown by government leaders' came second with 56%. 'A flexible labour market' was third 54%. 'Protectionist policies' came last with just 8%.



One interesting point was that 57% agreed that ‘Emerging markets will be shown to be more creative and entrepreneurial coming out of the slump than their developed counterparts’.

The Gap Between Developed and Emerging Economies

A third (37%) believe the GDP gap between developed and emerging economies will decrease as a direct result of the economic downturn. As a direct contrast 35% believe the gap will actually increase while 20% say it will stay the same.

When specifically asked about the BRIC countries (Brazil, Russia, India and China) 43% think these economies, in terms of GDP, will overtake some of their developed G20 partners. Only 12% think BRIC countries will fall behind, 37% say ‘stay the same’.

Over half (58%) agree that ‘the balance of power in the world economy will shift towards emerging markets faster than previously thought as a direct result of the economic downturn’.

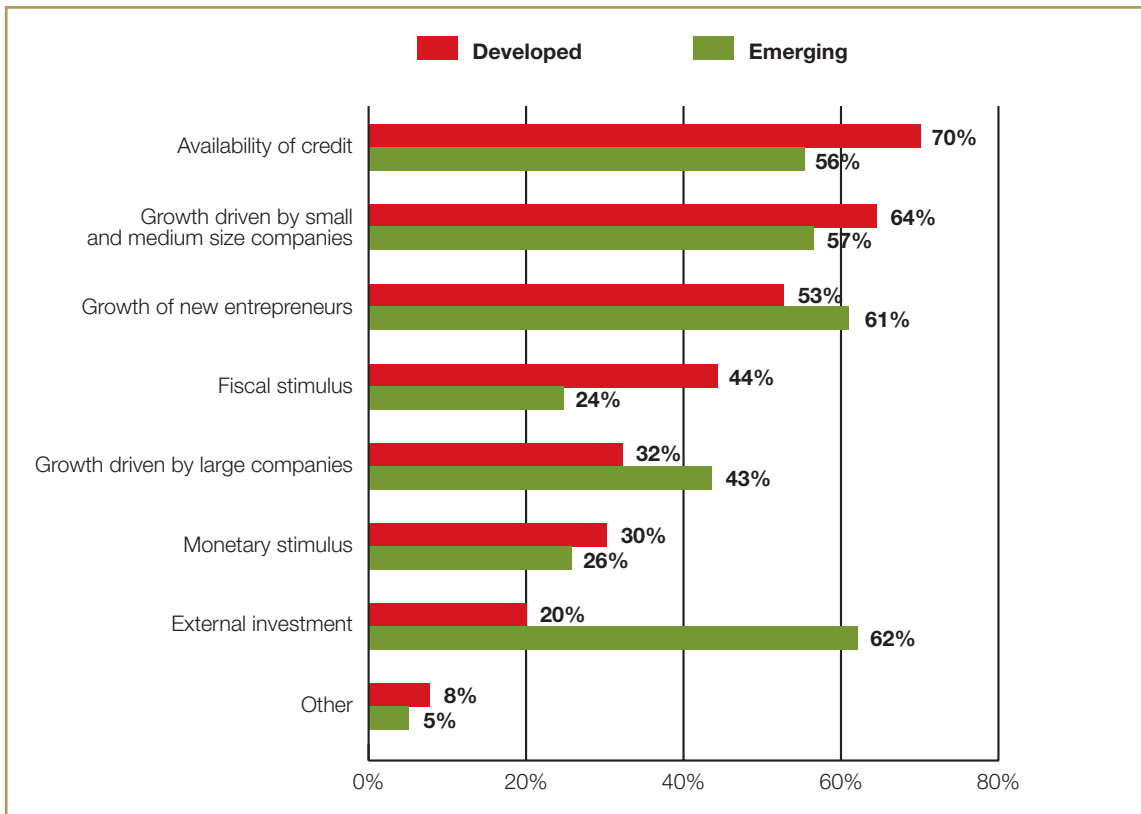


The Most Effective Measures to Ensure Strong & Swift Recovery

For developed countries, the panel felt that 'availability of credit' as the most important thing that could be done to stimulate recovery, with 70% choosing it.

64% selected 'growth driven by small and medium sized companies' and 53% chose 'growth of new entrepreneurs'.

The same options were provided for emerging countries but here 'external investment' (62%) came top, closely followed by 'growth of new entrepreneurs' (61%), 'growth driven by small and medium sized companies' (57%), and 'availability of credit' (56%).



In a separate question, only 25% believe that 'increased regulation of world financial market would be a huge mistake'.



SABMiller is one of the world's largest brewers, with brewing interests and distribution agreements across six continents. Our wide portfolio of brands includes premium international beers such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch along with market-leading local brands such as Aguila, Castle, Miller Lite, Snow and Tyskie. Six of our brands are among the top 50 in the world. We are also one of the world's largest bottlers of Coca-Cola products.

In the year ended March 31, 2008, the group reported \$3,560 million operating profit before exceptional items and revenue of \$21,410 million. SABMiller plc is listed on the London and Johannesburg stock exchanges.



Henley Business School is a full-service business school, the first to be established in the UK and one of the oldest business schools in Europe. Henley offers a wide range of programmes, from undergraduate to board level, from management to finance, from classroom teaching to mentoring, facilitation, team building and consulting. To every student, programme member, and client organisation we bring the same commitment to service and attention to detail, addressing the needs of those with whom we work, helping them to grow as leaders and future leaders.

Our reach and scale are global, and run across all sectors. Of our 7,000 degree programme participants at any one time, over half are based outside the UK. Our teaching is delivered, both face-to-face and through distance learning technologies, across five continents. Through our tailored corporate programmes we help to grow the capabilities of a broad range of major European, American and Asian corporations.

Henley offers highly pragmatic and relevant programmes that are readily applied back in the working environment to make a real difference to individuals and organisations, be they in the private, public or not-for-profit sectors. It has built its experience and reputation by working with major multinational organisations both in the UK and internationally, through which it has developed an in-depth understanding of management styles and practice around the world.

YouGovStone

YouGovStone is a joint venture company between the leading online market-research agency YouGov and business consultant Carole Stone, for many years the producer of BBC Radio 4's *Any Questions?* programme.

YouGovStone concentrates on delivering depth opinion research and asking its ThinkTank of interesting and influential people to share their views on subjects that matter to us all.



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