



# FAST FACTS 2007



## EMERGING EXPORT MARKETS

### HOW TO RECOGNIZE AN EMERGING MARKET

It is possible for an economy to experience growth as measured by total Gross National Product (GNP) without a commensurate rise in the standard of living. A country's GNP is the total of its economic output and assets. However, the GNP figure in no way indicates the manner in which this wealth is distributed. One percent of the population may control 80% of the wealth, which is the case in many poorer countries. Thus, though the economy may expand and the GNP increase greatly, the largest percentage of the population may not experience a commensurate rise in their standard of living. There is also the problem of population growth. Though total national income may greatly increase, the average per capita GNP will decline if population growth is extremely high. (Emerging Markets and Market Behavior)

Dartmouth's Tuck School of Business assessed the openness of emerging markets in 16 areas of market access and intellectual property rights protection. Based on the scores each country received, the countries were divided into three categories: the 10 most open, the 10 least open, and 10 in the middle group. (Tuck School of Business)

**Ten Most Open emerging Markets 2000:** Singapore, Chile, Hong Kong, Estonia, Peru, Slovenia, South Africa, Lithuania, Venezuela and Taiwan

**Ten Middle Ranking Emerging Markets 2000:** Kuwait, Latvia, Romania, Israel, Ivory Coast, Mexico, Zimbabwe, Guatemala, Hungary, Argentina

**Ten Least Open Emerging Markets 2000:** Indonesia, Vietnam, Brazil, Malaysia, Ukraine, Ecuador, India, Saudi Arabia, China and Uzbekistan

Big Emerging Markets (BEM), in general, refers to countries that experienced rapid economic growth in the past decade, represent significant marketing opportunities, and cut across stages of economic development. (Emerging Markets and Market Behavior)

#### Forecasting Big Emerging Markets in 2010:

(See VEDP Export Destination China, Brazil, India, Mexico, and South Korea)

Market	GNP (billion US\$)	GNP Per Capita	% World GNP	% World Pop.
China	1,952	1,357	5	20
Taiwan	512	21,115	1	< 1
Hong Kong	259	34,837	1	< 1
Korea	925	18,212	2	1
Brazil	877	4,384	2	3
India	665	544	1	17
Mexico	545	4,389	1	2
Argentina	501	12,023	1	1
Russian Federation	466	2,976	1	2
Turkey	330	4,117	1	1
Indonesia	230	948	1	3
South Africa	208	3,679	1	1
Poland	201	4,864	1	1



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### PRACTICAL APPROACH TO EMERGING MARKETS

**Market Research:** When looking for international markets for their products, companies usually research the market. The research is an analysis of the best markets for the company's individual products. Companies have several options for completing the plan. They can do the plan in-house, hire a consultant, or use the Virginia Economic Development Partnership's Global Network, in which international marketing research is conducted in-country.

For more information on the Global Network, please see <http://www.exportvirginia.org>.

(See VEDP Fast Facts Export Issues – Developing an Export Plan)

**Assess the Market:** participate in a VEDP trade mission or trade show to see what opportunities are there first-hand. Please see <http://www.exportvirginia.org> for detailed information of trade events. (See VEDP Fast Fact Export Issues – Export Trade Shows)

**Test the Market:** set up limited market entry to test demand. See your VEDP Trade Manager for specific ideas and implementation assistance.

### VIRGINIA'S TOP REGIONS FOR EXPORTS– 2006

Rank	Region	Total US\$	% of Total Exports
1	W Europe	4,827,821,018	34%
2	Asia Pacific	3,213,586,134	23%
3	Nafta	3,122,049,274	22%
4	S America	755,460,992	5%
5	Middle East	560,157,727	4%
6	SE Central Europe	536,699,437	4%
7	Africa	385,604,381	3%
8	S Central Asia	210,020,759	1%
9	Caribbean	174,908,909	1%
10	C America	167,333,739	1%

(Source: World Trade Atlas using U.N. Regional Definitions)

**Tip** - - don't discount longtime trading destinations. Some sectors are emerging in established markets, for example, the paper product industry in China, which already is a big export destination for Virginia's products.

### WHY LOOK AT EMERGING MARKETS?

The evidence is strong that through the first decade of the 21<sup>st</sup> century, emerging markets will enjoy the majority of world's total trade growth will occur. Growth will occur on a variety of fronts – development of infrastructure, and a spectacular growth of the consumer market. The events taking place in emerging markets create exciting business opportunities. Of course, challenges are to be expected.



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## EMERGING EXPORT MARKETS

### VEDP TRADE EVENTS

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The VEDP organizes trade missions to many emerging markets, including **China, India, Brazil,** and **Russia**. For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: [www.ExportVirginia.org](http://www.ExportVirginia.org)

### VEDP CONTACT INFORMATION

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### ADDITIONAL RESOURCES

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- United States Department of Commerce, Census Bureau, Foreign Trade Statistics  
<http://www.census.gov/foreign-trade/statistics/state/hs/index.html>
- World Trade Atlas <http://www.gtis.com>

### WORKS CITED

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Publication Date: May 2007

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