



# Ho Chi Minh Trail to Mexico

## Launching the JPMorgan Frontier Five and EM8

- We are far from the final frontier, when it comes to potential emerging markets. Using an MSCI definition there are 23 developed countries and 25 emerging markets, leaving 197 other entities considered to be countries!
- In this report we attempt to identify key frontier markets and reflect on the macro-economic case for the *old* emerging markets. The draw of the ‘*new*’ emerging markets is strong, with Vietnam being the frontier market of choice in 2006 due to attractive demographics. However, 16 countries, five of which are MSCI markets, have better demographics.
- In addition to the well-documented **Vietnam**, we would identify **Nigeria, Kazakhstan, Bangladesh** and **Kenya** as frontier markets worth further investigation; these are the **JPMorgan Frontier Five**. The Gulf Cooperation Council (GCC) states with a combined 2007 GDP of US\$810 billion are also of interest, but direct access by international investors is not possible today.
- **China, Brazil, India, Mexico, Indonesia, Pakistan, the Philippines** and **Egypt** are recognized emerging markets with significant economic and demographic characteristics; these are the JPMorgan **EM8**.

### Emerging Markets Equity Strategy

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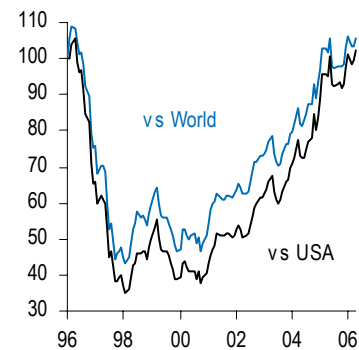
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**Figure 1: Emerging Equity Markets relative to the US and World**



Source: MSCI, DataStream

**Table 1: Global ranking for key economic and demographic data**

Country	GDP	Population	GDP PPP*	Per Capita GDP	Inc in total econ active pop	Inc in total urban pop	Inc in urban Eco Active Pop	MSCI Constituent and status
<b>Frontier Five</b>								
Nigeria	44	8	47	136	3	5	5	Not in MSCI
Kazakhstan	56	62	55	69	60	71	61	Not in MSCI
Bangladesh	57	7	30	160	4	8	6	Not in MSCI
Vietnam	61	13	34	144	17	15	14	Not in MSCI
Kenya	82	34	79	141	14	25	24	Not in MSCI
<b>EM8</b>								
China	4	1	2	109	18	1	1	MSCI EM
Brazil	11	5	10	70	9	7	7	MSCI EM
India	12	2	3	139	1	2	2	MSCI EM
Mexico	14	11	13	58	11	11	11	MSCI EM
Indonesia	22	4	14	115	5	3	3	MSCI EM
Pakistan	41	6	25	137	2	6	4	MSCI EM
Philippines	49	12	26	118	8	10	8	MSCI EM
Egypt	50	17	32	119	10	12	12	MSCI EM

Source: IMF, US Census, UN Department of Economic and Social affairs, JPMorgan. \*PPP stands for Purchasing Power Parity

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**Identifying the:**

**JPMorgan Frontier Five**

Using key economic and demographic data, we identify five frontier (non-MSCI) markets that investors should add to their radar screen.

**Why the Ho Chi Minh Trail to Mexico?**

The demographic and economic trends of recognized emerging markets are very attractive

....before jumping at the chance to buy the latest new markets, check that it is better than the investment case for current MSCI EMs.

**Mexico's demographics are better than Vietnam's**

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Investing in frontier markets is potentially more risky than recognised emerging markets. Risks may include:

1. Lower liquidity
2. Poor governance
3. Potential investment restrictions from the investee country
4. Reputational risk of investing in countries with conflicts and/or poor human rights records

This report is a high level study of macro economic and demographic data. We have not investigated these risks.

## Table of Contents

<b>The search – for the ‘Frontier Five’ .....</b>	<b>3</b>
<b>Bangladesh .....</b>	<b>6</b>
<b>Kazakhstan .....</b>	<b>7</b>
<b>Kenya.....</b>	<b>8</b>
<b>Nigeria .....</b>	<b>9</b>
<b>Vietnam .....</b>	<b>10</b>
<b>Major countries’ overview – Stacking them up.....</b>	<b>11</b>
<b>Economic Size .....</b>	<b>13</b>
<b>Demographic Dynamics.....</b>	<b>19</b>
<b>Equity Data.....</b>	<b>23</b>

## Tables

Table 1: Global ranking for key economic and demographic data .....	1
Table 2: Summary of economic and demographic data used in this report .....	5
Table 3: Bangladesh snap shot.....	6
Table 4: Major Bangladeshi Companies .....	6
Table 5: Kazakhstan snap shot.....	7
Table 6: Major Kazakh Companies .....	7
Table 7: Kenya snap shot.....	8
Table 8: Major Kenyan Companies .....	8
Table 9: Nigeria snap shot .....	9
Table 10: Major Nigerian Companies.....	9
Table 11: Vietnam snap shot.....	10
Table 12: Major Vietnamese Companies.....	10
Table 13: Country ranks across metrics .....	11
Table 14: Nominal GDP (2007e).....	13
Table 15: Purchasing power parity adjusted GDP (2007e).....	14
Table 16: Per capita GDP (2007e) .....	15
Table 17: Five year GDP growth (2002 - 2007e).....	16
Table 18: Corruption Index.....	17
Table 19: Corruption Index (continued) .....	18
Table 20: Economically active population and change: 2005 - 2025 .....	20
Table 21: Urban population and change from 2005 - 2025 .....	21
Table 22: Economically active population in urban areas and change: 2005 - 2025 .....	22
Table 23: Country market caps in relation to GDP .....	23
Table 24: Monthly trading volume (USD bn).....	24
JPMorgan Emerging Markets Strategy Team .....	28

## The search – for the ‘Frontier Five’

### A macro perspective

The objectives of this report is to use macro economic and demographic data to both identify key frontier markets and to remind investors of the relative attractions of recognized emerging markets.

### China A-share market

The China A-share market remains the most important frontier market. This US\$1.3 trillion market is slowly opening up to international investors via the QFII system. China’s economic and demographic story is well known.

### JPM Frontier Five: Nigeria, Vietnam, Kazakhstan, Bangladesh and Kenya

In addition to the well-documented Vietnam, we would identify Nigeria, Kazakhstan, Bangladesh and Kenya as frontier markets worth further investigation; these are the **JPMorgan Frontier Five**. The rationale for inclusion is given on pages 6 to 10.

### Increased access for international investors in GCC

The Gulf Cooperation Council (GCC) states with a combined 2007 GDP of US\$810 billion are also of interest, but direct access by international investors is not possible today. This should change with the development of the Dubai International Financial Exchange ([www.difx.ae](http://www.difx.ae)).

### Urban pop' of India and China growing by half billion

### Economically active population in South Asia + 346 million

### Half of the growth in the world economically active population will occur in the EM8

### 12% of global GDP

**JPMorgan EM8:** China, Brazil, India, Mexico, Indonesia, Pakistan, the Philippines and Egypt are recognized emerging markets with significant economic and demographic characteristics (see Table 13). Based on UN projections the combined growth in India's and China's urban population until 2025 is half a billion. The South Asian economies of India, Pakistan and Bangladesh rank first, second and fourth respectively for increase in economically active population over the next 20 years. Nigeria ranks third. From now until 2025, 52% of the growth in the world economically active population will occur in the EM8. The cumulative 2007 nominal GDP of the EM8 is US\$6.5 trillion or 12% of global GDP.

### Russian economically active population is shrinking fast

Russia has been excluded from the EM8 due to poor demographics. The economically active population is forecast to decline by 21 million over the next 20 years.

### Many opportunities

In short listing markets our intention is not to dismiss the opportunities in countries with relatively small economies or populations. An adventurous investor has numerous potential destinations. Angola, Ethiopia, Iran, Sudan and Syria have interesting economic or demographic profiles for investors seeking a more edgy experience away from the low volatility of established markets. The Angolan Stock Exchange (BVA) is scheduled to open 3Q07 with 10 listed companies and a market cap of US\$6 billion. Investors inclined to reach for Condé Nast Traveler, rather than the Economist, may wish to visit: The Botswana Stock Exchange ([www.bse.co.bw](http://www.bse.co.bw)) on their way to the Stock Exchange of Mauritius ([www.semex.com](http://www.semex.com)). While in Mauritius do visit the wonderfully named sugar company, Mon Tresor & Mon Desert Ltd (Bloomberg code MTMD MP). From Mauritius head to the mountains, visit the Royal Stock Exchange of Bhutan, which has 15 listed companies. Finally return to the islands to visit the US\$600M market cap’ South Pacific Stock Exchange ([www.spse.com.fj](http://www.spse.com.fj)) on Suva Island, Fiji.

**245 entities considered as countries**

**192 UN members**

**23 developed countries and 25 emerging countries within MSCI**

**Quarter of the world population non-MSCI**

## Where to draw the line?

Globally there are 245 entities that are considered to be countries. Of these 192 are UN member states, plus the Vatican State, which has an ‘observer’ status. There are nine states, including Taiwan, that lack UN recognition. In addition to states there are 38 dependent territories plus five areas of special sovereignty; the most important of which is Hong Kong SAR.

MSCI classify 23 countries as developed and 25 as emerging markets. The MSCI has demoted two markets from its index; Venezuela (2006) and Sri Lanka (2001).

Today a quarter of the world population and 7% of worlds GDP is not covered by the MSCI benchmark.

## Methodology

The primary source of our data is the IMF’s World Economic Outlook Database with inputs from the UN, the US Census and MSCI. The IMF WEO database provides economic data on 181 countries, the UN Department of Economic and Social affairs providing urbanization data for 228 countries and the UN Census providing other demographic details for 193 countries. Economic data on Cuba and North Korea is sourced from the CIA website.

**Initial ranks – then subjective selection**

We use the data from these sources to rank the countries on a number of metrics in Table 2 (see pages 11 and 12 for a summary). Countries are then selected based on a combination of these ranks. For more information on our demographic indicators, please see page 19.

## High rank but excluded

Algeria, Iran and Venezuela are non-MSCI markets with high economic ranks that we have excluded due to political instability, sanctions and economic policy.

**DRC mineral wealth exposure available through South African and Canadian mining companies**

The Democratic Republic of Congo and Ethiopia rank six and seven for growth in their economically active population. Both have a low rank for nominal GDP growth. The DRC does not have a stock markets; however exposure to this resource rich country is available via South African and Canadian mining companies.

## Risks to the methodology

### JPM Frontier Five just 1% of global GDP

The GDP of non-MSCI markets is just 7% of global GDP. The cumulative GDP of the Frontier Five is just 1% of global GDP. Within the Transparency International index of 2006 *corruption perceptions* the **Frontier Five** rank between 111 and 156 out of 163 countries (see Table 18).

### Is a large growth in the workforce a blessing or a curse?

Our methodology assumes that economically active population can contribute to economic activity i.e. they are reasonably educated and healthy, and macro-economic management is conducive to job creation. A rapid growth in potentially economically active population can be a source of social unrest if macro-economic fails to generate jobs.

**Table 2: Summary of economic and demographic data used in this report**

Metric	Brief definition
Nominal GDP	The 2007 GDP in billions of US Dollar as forecast by the IMF (using current prices and nominal exchange rate versus the USD)
Population	The total population of the country by mid-2007 in millions of people as forecast by the IMF
GDP PPP	The Purchasing Power Parity adjusted GDP for 2007 as forecast by the IMF
Economically Active Population	The number of people between the age of 15 and 60 are considered to be 'economically active'
Increase in total economically active population	The difference between the economically active population in 2005 and that projected for 2025 by the US Census
Increase in total urban population	The difference between the population for urban areas in 2005 and that projected for 2025 (read note on page 19 for the methodology used for the forecast)
Increase in urban economically active population	The difference between the economically active population living in urban areas in 2005 and that projected for 2025 (read note on page 19 for the methodology used for the forecast)
MSCI Constituent and status	Whether the country is represented in the MSCI indices and its classification as either 'developed' or 'emerging'

Source: JPMorgan, IMF, US Census, UN

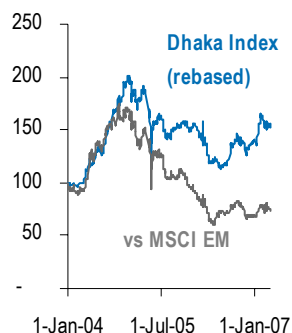
## Bangladesh

### 4th largest growth in economically active population

It is the demographics of Bangladesh that justifies its inclusion in the JPMorgan Frontier Five. The country ranks fourth in growth in economically active population. Five-year economic growth is strong at 6.1% (CAGR). Progress has been made over the last few years to reduce poverty, increasing literacy levels and moderating population growth to a more sustainable level. An assertive judiciary, active civil society and a relatively free media have increased public accountability.

A State of Emergency declared by President Iajuddin Ahmad in January to quell mounting unrest highlights the political risk in Bangladesh.

Figure 2: Dhaka Index



Source: Bloomberg, MSCI. Priced as of 27th March 2007

Table 3: Bangladesh snap shot

	Value	Rank
2007 Nominal GDP (USD bn)	67	57
2007 PPP GDP (USD bn)	358	30
Real economic growth over last 5 years (%)	6.1	44
Per Capita GDP (USD)	428	160
Population (2007)	158	7
Change till 2025	64	5
Economically active population (2005)	89	7
Change till 2025	38	4
Urban population (2005)	36	19
Change till 2025	37	8
Economically active urban population (2005)	22	19
Change till 2025	28	6
Concentration of Urban population (%)	35	62
Primary stock exchange	Dhaka Stock Exchange	
Stock exchange website	<a href="http://www.dsebd.org/">http://www.dsebd.org/</a>	
Primary Index	Dhaka General Index	
Bloomberg Ticker	DHAKA Index	
Total market capitalization (USD bn)	4.6	
Number of listed companies	257	
Turnover (USD mn for a day)	10.6	

Source: IMF, US Census, UN, Dhaka Stock Exchange

Table 4: Major Bangladeshi Companies

Company Name	Bloomberg Tickers	Sector	Price LCU*	Market Cap (USD mn)
Square Pharmaceuticals	SQUARE BD	Health Care	2460	208
Islami Bank	ISLAMI BD	Financial	3853	194
Prime Bank	PB BD	Financial	438.5	111
Southeast Bank	SEB BD	Financial	338.5	105
Beximo Pharma	BXPHAR BD	Health Care	52.4	74
BATBC	BATBC BD	Consumer Staples	81.9	72
Dhaka Bank	DKBK BD	Financial	403	71
NBL	NBL BD	Financial	578.25	68
Square Textile	SQTT BD	Consumer Discretionary	94.8	48
BOC Bangladesh	BOC BD	Energy	127	28

Source: Bloomberg. \*LCU stands for Local Currency Units. Prices as of 25 March 2007.

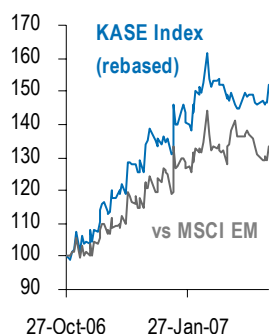
## Kazakhstan

### Oil and mineral wealth – next to China

#### Global share of proven reserves:

- 30% chromium
- 25% manganese
- 20% gold
- 20% uranium
- 19% lead
- 10% copper
- 10% iron ore

Figure 3: KASE Index



Source: Bloomberg, MSCI. Priced as of 27th March 2007

Kazakhstan is the most developed of our frontier market. Falling inflation and robust GDP growth has led to a consumer credit boom that is driving the economy. Mineral deposits are huge, untapped, and in many cases largely unexplored. On proven reserves, Kazakhstan accounts for 30% of global chromium, 25% of manganese, 20% each of gold and uranium, 19% of lead, 13% of zinc, and 10% each of copper and iron ore, according to the Kazakh Ministry for Foreign Affairs. This is in a country that borders China. Although the small population of 15 million is a disadvantage in terms of the scale of the consumer economy, we see it as advantageous in terms of potential wealth per capita. The banks provide an efficient exposure to the domestic demand story. In addition, there is an abundance of Canadian and London-listed resource and logistics companies, which offer exposure to the resource production growth story.

Table 5: Kazakhstan snap shot

	Value	Rank
2007 Nominal GDP (USD bn)	85	56
2007 PPP GDP (USD bn)	151	55
Real economic growth over last 5 years (%)	8.9	14
Per Capita GDP (USD)	5592	69
Population (2007)	15	62
Change till 2025	0	70
Economically active population (2005)	10	58
Change till 2025	0	60
Urban population (2005)	8	54
Change till 2025	1	71
Economically active urban population (2005)	6	49
Change till 2025	1	61
Concentration of Urban population (%)	14	17
Primary stock exchange	Kazakhstan Stock Exchange	
Stock exchange website	<a href="http://www.kase.kz/eng/">http://www.kase.kz/eng/</a>	
Primary Index	KASE	
Bloomberg Ticker	KZKAK Index	
Total market capitalization (USD bn)	64	
Number of listed companies	437	
Turnover (USD mn for a day)	37.2	

Source: IMF, US Census, UN, Kazakhstan Stock Exchange

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for details on the Kazakh economy

Table 6: Major Kazakh Companies

Company Name	Bloomberg Ticker Local	Bloomberg Ticker GDR	Sector	Price LCU*	Price GDR	Market Cap (USD mn)
Kazmunaigas	RDGZ KZ	KMG LI	Energy	15299	20.73	9,249
Kazkommertsbank	KKGB KZ		Financials	1260		7,171
Bank Turanalem	BTAS KZ	O1M1 GR	Financials	134218	915	6,106
Halyk Saving Bk	HSBK KZ	HSBK LI	Financials	700	23.49	5,605
Kazakhtelecom	KZTK KZ	KZTA GR	Telecoms	51000	103	4,777
Aktobemunaigaz	AMGZ KZ		Energy	55200		4,015
ATF Bank	ATFB KZ	A7J GR	Financials	11000	63.84	1,773
Transnational	KZCR KZ		Materials	29650		1,723
Alliance Bank	ASBN KZ		Financials	65000		1,453
Kazinc	KZZN KZ		Materials	6700		1,124

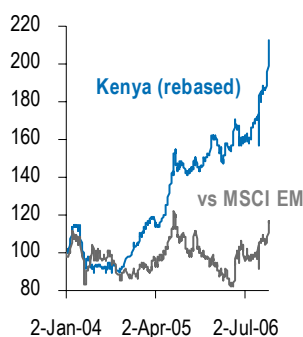
Source: Bloomberg. \*LCU stands for Local Currency Units. Prices as of 25 March 2007.

## Kenya

**Smallest of the *Frontier Five***  
**53 year old stock market**  
**Open to foreign investment for many years**

Kenya is the smallest of the **JPM Frontier Five**. It has a stock market that is 53 years old and has been open to foreign investment for many years. Recognizing its improving fundamentals, in 2005, the IMF removed Kenya from its '*Highly Indebted Poor Country*' initiative and classified it as a '*developing nation*'. Over the next two decades, the economically active population in Kenya will increase more than that in Vietnam. Kenya is emerging as an important link in the East African region. Its pool of educated, English speaking people should ensure that Kenya remains relevant to foreigners trying to build ties with Africa.

Figure 4: NSE 20 share index



Source: Bloomberg, MSCI. Priced as of 27th March 2007

Table 7: Kenya snap shot

	Value	Rank
2007 Nominal GDP (USD bn)	25	82
2007 PPP GDP (USD bn)	55	79
Real economic growth over last 5 years (%)	4.7	90
Per Capita GDP (USD)	716	141
Population (2007)	35	34
Change till 2025	26	15
Economically active population (2005)	19	37
Change till 2025	14	14
Urban population (2005)	7	58
Change till 2025	10	25
Economically active urban population (2005)	4	58
Change till 2025	7	24
Concentration of Urban population (%)	39	70
Primary stock exchange	Nairobi Stock Exchange	
Stock exchange website	<a href="http://nse.co.ke/newsite/">http://nse.co.ke/newsite/</a>	
Primary Index	NSE 20 Share Index	
Bloomberg Ticker	KNSMIDX Index	
Total market capitalization (USD bn)	10.5	
Number of listed companies	44	
Turnover (USD mn for a day)	112.8	

Source: IMF, US Census, UN, Nairobi Stock Exchange

Table 8: Major Kenyan Companies

Company Name	Bloomberg Tickers	Sector	Price LCU*	Market Cap (USD mn)
Barclays Bank Ltd	BCBL KN	Financial	70.5	1,391
East African Breweries Ltd	KNBL KN	Consumer Staples	141	1,351
Bamburi Cement Ltd	BMBC KN	Industrial	193	1,018
Standard Chartered Bank Ltd	SCBL KN	Financial	180	712
Kenya Commercial Bank Ltd	KNCB KN	Financial	215	624
Kenya Airways Ltd	KNAL KN	Consumer Discretionary	90.5	607
KenGen Ltd	KEGC KN	Energy	17.75	567
Equity Bank Ltd	EQBNK KN	Financial	256	337
British American Tob Kenya	BATK KN	Consumer Staples	184	267
C.F.C Bank Ltd	CFCB KN	Financial	113	256

Source: Bloomberg. \*LCU stands for Local Currency Units. Prices as of 25 March 2007.

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## Nigeria

### Series of structural reforms

### Oil windfall managed responsibly

### Underexploited mineral resources

The petroleum-rich Nigerian economy is going through a series of structural reforms that have led to an improvement in economic and welfare indicators. The windfall gains from oil are being treated responsibly, particularly to pay down external debt, and non-oil sectors have been driving the country's GDP growth in recent years. This is an encouraging trend. However, Nigeria is not performing to its potential - ailing infrastructure, underutilized resources and an illiterate populace remain drags on growth. The country's natural resources (ex-oil) are largely untapped.

We feel that Nigeria is an economy that should soon be 'emerging'. The continuation of this government's home-grown reform program by future governments and the ability to attract investments to tap its mineral resource wealth should spur economic growth. Elections this month will be critical in this regard. Nigeria's demographic profile will ensure abundance of labor for the foreseeable future. Increasing employment opportunities and growth in urbanization should lead to a virtuous cycle of domestic demand driven growth. Companies with a focus on the country's mineral and demographic wealth should be in an advantageous position.

Figure 5: NSE all share index



Source: Bloomberg, MSCI. Priced as of 27th March 2007

Table 9: Nigeria snap shot

	Value	Rank
2007 Nominal GDP (USD bn)	141	44
2007 PPP GDP (USD bn)	200	47
Real economic growth over last 5 years (%)	7.0	29
Per Capita GDP (USD)	920	136
Population (2007)	154	8
Change till 2025	73	4
Economically active population (2005)	68	10
Change till 2025	43	3
Urban population (2005)	63	9
Change till 2025	57	5
Economically active urban population (2005)	33	11
Change till 2025	41	5
Concentration of Urban population (%)	17	26
Primary stock exchange	Nigerian Stock Exchange <a href="http://www.nigerianstockexchange.com/index.jsp">http://www.nigerianstockexchange.com/index.jsp</a>	
Stock exchange website		
Primary Index	NSE All Shares Index	
Bloomberg Ticker	NGSEINDX Index	
Total market capitalization (USD bn)	46	
Number of listed companies	283	
Turnover (USD mn for a day)	38.1	

Source: IMF, US Census, UN, Nigerian Stock Exchange

Table 10: Major Nigerian Companies

Company Name	Bloomberg Tickers	Sector	Price LCU*	Market Cap (USD mn)
First Bank Nigeria	FBN NL	Financials	38.0	3,077
Zenith Bank Ltd	ZNBK NL	Financials	40.0	2,868
Dangote Sugar	DANGSUGA NL	Consumer Staples	36.7	2,867
Union Bank Nigeria	UBN NL	Financials	30.0	2,263
Nigerian Brewer	NB NL	Consumer Staples	38.0	2,246
United Bank Africa	UBA NL	Financials	38.0	2,071
Guaranty Trust	GRTB NL	Financials	32.2	2,015
Intercontinental	INTB NL	Financials	23.0	1,929
Oceanic Bank Int	OBIN NL	Financials	19.5	1,777
West Africa Portland	WAP NL	Industrials	65.0	1,929

Source: Bloomberg. \*LCU stands for Local Currency Units. Prices as of 25 March 2007.

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We thank Graham Stock, Yarkin Cebeci and Davide Ghezzi for their contribution

## Vietnam

**Second fastest growing economy in Asia over the last decade**

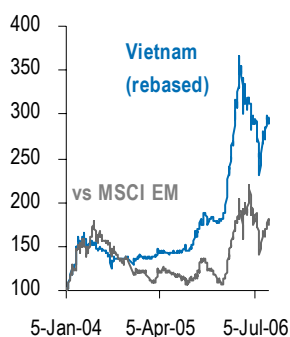
**Relatively stable GDP growth**

**Too hot for now**

Vietnam is the frontier market poster-boy, offering a combination of rapid economic growth and highly favorable demographics. Over the past 10 years, Vietnam has been the second fastest growing economy in Asia, recording a pace between China and India. Vietnam's GDP growth has been very stable with a rising investment to GDP ratio. With a young and growing population, and high investments in fixed assets, Vietnam is likely to sustain GDP growth in the 8-9% range for the next few years.

The reform movement in Vietnam has been reasonable so far and is likely to stay the course given the commitments made during the WTO accession. The country has low tax rates and its policies are relatively pro-business. Vietnam is a crowded trade for now. High valuations and a large pool of dedicated Vietnam capital should encourage companies to list and thus help deflate valuations.

Figure 6: VN Index



Source: Bloomberg, MSCI. Priced as of 27th March 2007

Table 11: Vietnam snap shot

	Value	Rank
2007 Nominal GDP (USD bn)	59	61
2007 PPP GDP (USD bn)	300	34
Real economic growth over last 5 years (%)	7.8	24
Per Capita GDP (USD)	685	144
Population (2007)	86	13
Change till 2025	24	17
Economically active population (2005)	54	12
Change till 2025	11	17
Urban population (2005)	22	29
Change till 2025	18	15
Economically active urban population (2005)	14	29
Change till 2025	13	14
Concentration of Urban population (%)	23	39
Primary stock exchange	Ho Chi Minh City Trading Centre	
Stock exchange website	<a href="http://www.vse.org.vn/">http://www.vse.org.vn/</a>	
Primary Index	Vietnam Ho Chi Minh Index	
Bloomberg Ticker	VNINDEX Index	
Total market capitalization (USD bn)	14	
Number of listed companies	194	
Turnover (USD mn for a day)	50	

Source: IMF, US Census, UN, Ho Chi Minh City Trading Centre

Table 12: Major Vietnamese Companies

Company Name	Bloomberg Tickers	Sector	Price LCU*	Market Cap (USD mn)
The Corp for Fin & Prom Tech	FPT VN	Telecom	538,000	2,042
Vietnam Dairy Products	VNM VN	Consumer Staples	185,000	1,927
Saigon Thuong Tin Comm Bk	STB VN	Financial	154,000	2,008
Petro Vietnam Drilling J/S Co	PVD VN	Energy	245,000	1,040
Vinh Son Song Chinh Hydro	VSH VN	Utilities	76,000	589
Cables & Telecom Materials	SAM VN	Industrial	208,000	486
General Forwarding & Agency	GMD VN	Industrial	174,000	472
Tan Tao Industrial Park Corp	ITA VN	Financial	141,000	440
Kinh Do Corp	KDC VN	Consumer Staples	187,000	350
Thu Duc Housing Devl Corp	TDH VN	Financial	198,000	202

Source: Bloomberg. \*LCU stands for Local Currency Units. Prices as of 25 March 2007.

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## Major countries' overview – Stacking them up

Table 13: Country ranks across metrics

Country	GDP	Population	GDP PPP*	Per Capita GDP	Inc in total economically active population	Inc in total urban population	Inc in urban Eco Active Pop rank	MSCI Constituent and status
United States	1	3	1	8	21	4	9	MSCI Developed
Japan	2	10	4	20	78	50	76	MSCI Developed
Germany	3	14	5	18	77	62	77	MSCI Developed
China	4	1	2	109	18	1	1	MSCI Emerging
United Kingdom	5	22	6	11	67	49	67	MSCI Developed
France	6	21	7	17	71	47	63	MSCI Developed
Italy	7	23	9	21	75	67	72	MSCI Developed
Canada	8	36	11	13	59	43	58	MSCI Developed
Spain	9	29	12	25	73	63	74	MSCI Developed
Russia	10	9	8	57	79	78	78	MSCI Emerging
Brazil	11	5	10	70	9	7	7	MSCI Emerging
India	12	2	3	139	1	2	2	MSCI Emerging
Korea	13	25	15	34	72	61	69	MSCI Emerging
Mexico	14	11	13	58	11	11	11	MSCI Emerging
Australia	15	51	17	16	58	53	60	MSCI Developed
Netherlands	16	58	24	10	62	66	65	MSCI Developed
Belgium	17	75	31	15	65	74	71	MSCI Developed
Sweden	18	84	36	9	-	-	-	MSCI Developed
<b>Saudi Arabia</b>	<b>19</b>	<b>45</b>	<b>27</b>	<b>39</b>	<b>31</b>	<b>21</b>	<b>29</b>	<b>Not in MSCI</b>
Turkey	20	16	18	72	23	14	15	MSCI Emerging
Switzerland	21	94	40	6	-	-	-	MSCI Developed
Indonesia	22	4	14	115	5	3	3	MSCI Emerging
Taiwan Province of China	23	48	16	40	66	-	-	MSCI Emerging
Norway	24	114	44	2	-	-	-	MSCI Developed
Poland	25	32	23	53	74	70	73	MSCI Emerging
Austria	26	89	35	14	-	-	-	MSCI Developed
Denmark	27	107	46	5	-	-	-	MSCI Developed
Iran, Islamic Republic of	28	18	19	83	25	13	17	Not in MSCI
South Africa	29	26	20	68	70	46	52	MSCI Emerging
Greece	30	73	37	28	64	72	66	MSCI Developed
Argentina	31	31	22	61	44	35	35	MSCI Emerging
Ireland	32	120	48	4	-	-	-	MSCI Developed
Finland	33	111	52	12	-	-	-	MSCI Developed
Thailand	34	19	21	96	57	24	28	MSCI Emerging
Portugal	35	74	43	33	61	69	62	MSCI Developed
Hong Kong SAR	36	96	39	26	-	-	-	MSCI Developed
<b>United Arab Emirates</b>	<b>37</b>	<b>108</b>	<b>56</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Not in MSCI</b>
Venezuela	38	41	51	63	46	32	36	Not in MSCI
Malaysia	39	43	33	67	35	30	25	MSCI Emerging
Czech Republic	40	77	45	41	68	76	70	MSCI Emerging
Pakistan	41	6	25	137	2	6	4	MSCI Emerging
Israel	42	97	53	31	-	-	-	MSCI Emerging
Singapore	43	115	57	23	-	-	-	MSCI Developed
<b>Nigeria</b>	<b>44</b>	<b>8</b>	<b>47</b>	<b>136</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>Not in MSCI</b>
Chile	45	59	41	55	54	58	55	MSCI Emerging
Algeria	46	35	38	85	33	23	23	Not in MSCI
Colombia	47	27	29	100	26	20	20	MSCI Emerging
Romania	48	50	42	64	69	73	64	Not in MSCI
Philippines	49	12	26	118	8	10	8	MSCI Emerging
Egypt	50	17	32	119	10	12	12	MSCI Emerging
Hungary	51	78	49	48	-	-	-	MSCI Emerging
New Zealand	52	121	58	27	-	-	-	MSCI Developed
<b>Kuwait</b>	<b>53</b>	<b>132</b>	<b>80</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Not in MSCI</b>
Ukraine	54	28	28	110	76	77	75	Not in MSCI
Peru	55	39	50	92	37	34	32	MSCI Emerging
<b>Kazakhstan</b>	<b>56</b>	<b>62</b>	<b>55</b>	<b>69</b>	<b>60</b>	<b>71</b>	<b>61</b>	<b>Not in MSCI</b>

Country	GDP	Population	GDP PPP*	Per Capita GDP	Inc in total economically active population	Inc in total urban population	Inc in urban Eco Active Pop rank	MSCI Constituent and status
<b>Bangladesh</b>	<b>57</b>	<b>7</b>	<b>30</b>	<b>160</b>	<b>4</b>	<b>8</b>	<b>6</b>	<b>Not in MSCI</b>
Angola	58	60	69	81	49	28	43	Not in MSCI
Slovak Republic	59	109	61	47	-	-	-	Not in MSCI
Morocco	60	38	54	113	27	27	19	MSCI Emerging
<b>Vietnam</b>	<b>61</b>	<b>13</b>	<b>34</b>	<b>144</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>Not in MSCI</b>
Libya	62	103	67	52	-	-	-	Not in MSCI
<b>Qatar</b>	<b>63</b>	<b>152</b>	<b>102</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Not in MSCI</b>
Croatia	64	117	75	49	-	-	-	Not in MSCI
Sudan	65	33	59	125	12	17	13	Not in MSCI
Ecuador	66	65	74	93	50	57	46	Not in MSCI
Luxembourg	67	163	94	1	-	-	-	Not in MSCI
<b>Oman</b>	<b>68</b>	<b>136</b>	<b>86</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Not in MSCI</b>
Cuba	69	72	88	86	63	75	68	Not in MSCI
Belarus	70	81	64	84	-	-	-	Not in MSCI
Slovenia	71	141	84	36	-	-	-	Not in MSCI
Tunisia	72	76	63	94	55	65	57	Not in MSCI
Azerbaijan	73	87	71	87	-	-	-	Not in MSCI
Lithuania	74	127	76	51	-	-	-	Not in MSCI
Guatemala	75	63	73	108	45	44	42	Not in MSCI
Bulgaria	76	92	65	82	-	-	-	Not in MSCI
Serbia	77	88	81	88	-	-	-	Not in MSCI
Syrian Arab Republic	78	54	66	117	30	38	34	Not in MSCI
Dominican Republic	79	85	68	90	-	-	-	Not in MSCI
Sri Lanka	80	53	62	122	53	68	59	Not in MSCI
Zimbabwe	81	71	103	107	56	64	56	Not in MSCI
<b>Kenya</b>	<b>82</b>	<b>34</b>	<b>79</b>	<b>141</b>	<b>14</b>	<b>25</b>	<b>24</b>	<b>Not in MSCI</b>
Lebanon	83	123	106	62	-	-	-	Not in MSCI
Turkmenistan	84	112	87	77	-	-	-	Not in MSCI
Latvia	85	138	95	50	-	-	-	Not in MSCI
Trinidad and Tobago	86	147	112	37	-	-	-	Not in MSCI
Costa Rica	87	116	83	75	-	-	-	Not in MSCI
Cameroon	88	56	85	131	34	42	31	Not in MSCI
Uruguay	89	130	93	65	-	-	-	Not in MSCI
El Salvador	90	95	96	103	-	-	-	Not in MSCI
Yemen, Republic of	91	40	114	143	19	29	30	Not in MSCI
Côte d'Ivoire	92	57	101	132	38	40	40	Not in MSCI
Cyprus	93	154	118	30	-	-	-	Not in MSCI
Panama	94	129	107	71	-	-	-	Not in MSCI
<b>Bahrain</b>	<b>95</b>	<b>157</b>	<b>121</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Not in MSCI</b>
Estonia	96	146	108	44	-	-	-	Not in MSCI
Iceland	97	168	137	7	-	-	-	Not in MSCI
Uzbekistan	98	42	78	151	29	45	38	Not in MSCI
Jordan	99	105	100	102	-	-	-	MSCI Emerging
Ethiopia	100	15	70	178	7	16	16	Not in MSCI
Tanzania	101	30	97	165	16	26	22	Not in MSCI
Myanmar	102	24	60	175	42	22	21	Not in MSCI
Zambia	103	70	136	129	51	59	54	Not in MSCI
Brunei Darussalam	104	165	142	24	-	-	-	Not in MSCI
Ghana	105	49	72	153	28	33	26	Not in MSCI
Botswana	106	144	116	59	-	-	-	Not in MSCI
Jamaica	107	134	133	80	-	-	-	Not in MSCI
Bolivia	108	80	104	128	-	-	-	Not in MSCI
Bosnia and Herzegovina	109	122	105	101	-	-	-	Not in MSCI
Equatorial Guinea	110	149	115	54	-	-	-	Not in MSCI
Uganda	111	37	82	170	13	31	41	Not in MSCI
Afghanistan, Rep. of.	112	44	90	162	15	18	27	Not in MSCI
Senegal	113	69	111	138	41	55	44	Not in MSCI
Albania	114	131	117	95	-	-	-	Not in MSCI
Gabon	115	145	138	60	-	-	-	Not in MSCI
Honduras	116	93	109	124	-	-	-	Not in MSCI
Congo, Democratic Republic of	117	20	77	-	6	9	10	Not in MSCI
Paraguay	118	102	99	121	-	-	-	Not in MSCI

Source: IMF, US Census, UN Department of Economic and Social affairs, JPMorgan. \*PPP stands for Purchasing Power Parity

## Economic Size

Table 14: Nominal GDP (2007e)

Country	USD bn	Country	USD bn
United States	13,928	Libya	56
Japan	4,599	Qatar	51
Germany	3,037	Croatia	47
China	2,871	Sudan	46
United Kingdom	2,553	Ecuador	44
France	2,371	Luxembourg	43
Italy	1,950	Oman	42
Canada	1,357	Cuba	40
Spain	1,325	Belarus	39
Russia	1,159	Slovenia	37
Brazil	1,045	Tunisia	33
India	933	Azerbaijan	33
Korea	930	Lithuania	33
Mexico	841	Guatemala	32
Australia	794	Bulgaria	31
Netherlands	711	Serbia	31
Belgium	410	Syrian Arab Republic	30
Sweden	405	Dominican Republic	29
Saudi Arabia	403	Sri Lanka	29
Turkey	400	Zimbabwe	26
Switzerland	398	Kenya	25
Indonesia	383	Lebanon	24
Taiwan Province of China	375	Turkmenistan	24
Norway	357	Latvia	23
Poland	351	Trinidad and Tobago	23
Austria	341	Costa Rica	22
Denmark	296	Cameroon	20
Iran, Islamic Republic of	293	Uruguay	20
South Africa	272	El Salvador	19
Greece	267	Yemen, Republic of	19
Argentina	253	Cote d'Ivoire	19
Ireland	243	Cyprus	19
Finland	218	Panama	18
Thailand	209	Bahrain	18
Portugal	203	Estonia	17
Hong Kong SAR	201	Iceland	16
United Arab Emirates	196	Uzbekistan	16
Venezuela	176	Jordan	16
Malaysia	157	Ethiopia	15
Czech Republic	156	Tanzania	14
Pakistan	145	Myanmar	14
Israel	145	Zambia	13
Singapore	145	Brunei Darussalam	12
Nigeria	141	Ghana	12
Chile	138	Botswana	12
Algeria	137	Jamaica	11
Colombia	137	Bolivia	11
Romania	137	Bosnia and Herzegovina	11
Philippines	134	Equatorial Guinea	11
Egypt	112	Uganda	10
Hungary	110	Afghanistan, Rep. of.	10
New Zealand	103	Senegal	10
Kuwait	100	Albania	10
Ukraine	100	Gabon	10
Peru	96	Honduras	10
Kazakhstan	85	Congo, Democratic Republic of	9
Bangladesh	67	Paraguay	9
Angola	67	Nepal	9
Slovak Republic	61	Georgia	8
Morocco	61	Chad	8
Vietnam	59	Cambodia	7

Source: IMF World Economic Outlook database September 2006. The table shows 2007 forecasted nominal GDP in billions of US Dollar

Table 15: Purchasing power parity adjusted GDP (2007e)

Country	USD bn	Country	USD bn
United States	13678	Sri Lanka	101
China	11694	Tunisia	98
India	4282	Belarus	84
Japan	4215	Bulgaria	83
Germany	2699	Syrian Arab Republic	81
United Kingdom	2004	Libya	76
France	1988	Dominican Republic	74
Russia	1813	Angola	70
Italy	1791	Ethiopia	69
Brazil	1758	Azerbaijan	65
Canada	1225	Ghana	64
Spain	1203	Guatemala	63
Mexico	1192	Ecuador	62
Indonesia	1146	Cuba	45
Korea	1145	North Korea	40
Taiwan Province of China	720	Croatia	62
Australia	700	Lithuania	57
Turkey	653	Congo, Democratic Republic of	55
Iran, Islamic Republic of	639	Uzbekistan	55
South Africa	638	Kenya	55
Thailand	626	Kuwait	52
Argentina	599	Serbia	51
Poland	557	Uganda	51
Netherlands	550	Costa Rica	50
Pakistan	476	Slovenia	49
Philippines	474	Cameroon	49
Saudi Arabia	401	Oman	48
Ukraine	390	Turkmenistan	48
Colombia	380	Nepal	44
Bangladesh	358	Afghanistan, Rep. of.	41
Belgium	353	Cambodia	41
Egypt	350	Uruguay	38
Malaysia	341	Luxembourg	35
Vietnam	300	Latvia	34
Austria	299	El Salvador	34
Sweden	297	Tanzania	32
Greece	274	Mozambique	32
Algeria	269	Paraguay	32
Hong Kong SAR	265	Jordan	31
Switzerland	256	Côte d'Ivoire	30
Chile	225	Qatar	29
Romania	219	Zimbabwe	29
Portugal	218	Bolivia	28
Norway	212	Bosnia and Herzegovina	27
Czech Republic	210	Lebanon	27
Denmark	204	Panama	26
Nigeria	200	Estonia	26
Ireland	192	Honduras	25
Hungary	190	Nicaragua	24
Peru	190	Senegal	24
Venezuela	182	Trinidad and Tobago	22
Finland	179	Guinea	22
Israel	178	Yemen, Republic of	21
Morocco	156	Equatorial Guinea	21
Kazakhstan	151	Botswana	20
United Arab Emirates	148	Albania	20
Singapore	140	Cyprus	20
New Zealand	112	Burkina Faso	19
Sudan	111	Madagascar	19
Myanmar	105	Bahrain	18
Slovak Republic	101	Mauritius	18

Source: IMF World Economic Outlook database September 2006. The table shows 2007 forecasted purchasing power parity adjusted GDP in billions of US Dollar.

Table 16: Per capita GDP (2007e)

Country	USD	Country	USD
Luxembourg	91,927	Lebanon	6,435
Norway	76,448	Venezuela	6,394
Qatar	57,809	Romania	6,338
Ireland	57,163	Uruguay	6,180
Denmark	54,474	St. Lucia	6,094
Switzerland	54,467	Malaysia	5,835
Iceland	53,532	South Africa	5,689
United States	46,085	Kazakhstan	5,592
Sweden	44,454	Brazil	5,518
Netherlands	42,763	Panama	5,481
United Kingdom	41,960	Turkey	5,417
Finland	41,542	Grenada	5,397
Canada	41,348	Mauritius	5,172
Austria	41,266	Costa Rica	5,018
Belgium	39,331	Belize	4,598
Australia	37,982	Turkmenistan	4,573
France	37,417	St. Vincent and the Grenadines	4,305
Germany	36,779	Dominica	4,300
United Arab Emirates	36,181	Jamaica	4,226
Japan	36,021	Angola	4,091
Italy	33,078	Bulgaria	4,075
Kuwait	32,618	Iran, Islamic Republic of	4,073
Singapore	32,082	Belarus	4,037
Brunei Darussalam	31,852	Algeria	4,027
Spain	31,727	Cuba	3,913
Hong Kong SAR	28,374	Azerbaijan	3,862
New Zealand	24,512	Serbia	3,700
Greece	24,030	Fiji	3,653
Bahrain	23,601	Dominican Republic	3,360
Cyprus	22,046	Namibia	3,355
Israel	20,511	Peru	3,329
Bahamas, The	20,000	Ecuador	3,268
Portugal	19,288	Tunisia	3,180
Korea	18,939	Albania	3,175
Netherlands Antilles	18,521	Thailand	3,141
Slovenia	18,346	Suriname	3,073
Trinidad and Tobago	17,761	Maldives	3,040
Oman	16,784	Macedonia, Former Yugoslav Republic of	3,040
Saudi Arabia	16,612	Colombia	2,870
Taiwan Province of China	16,161	Bosnia and Herzegovina	2,774
Czech Republic	15,186	Jordan	2,755
Malta	14,598	El Salvador	2,727
Barbados	13,421	Swaziland	2,492
Estonia	12,933	Tonga	2,333
St. Kitts and Nevis	12,578	Cape Verde	2,297
Antigua and Barbuda	12,406	Zimbabwe	2,250
Slovak Republic	11,307	Guatemala	2,238
Hungary	10,914	China	2,174
Croatia	10,559	Ukraine	2,160
Latvia	10,074	Congo, Republic of	2,094
Lithuania	9,620	Samoa	2,050
Libya	9,306	Morocco	1,989
Poland	9,214	Georgia	1,914
Equatorial Guinea	8,962	Indonesia	1,702
Chile	8,336	Vanuatu	1,615
Seychelles	8,256	Syrian Arab Republic	1,542
Russia	8,183	Philippines	1,532
Mexico	7,756	Egypt	1,520
Botswana	7,631	Bhutan	1,488
Gabon	6,877	Paraguay	1,480
Argentina	6,549	Sri Lanka	1,448

Source: IMF World Economic Outlook database September 2006. The table shows 2007 forecasted GDP per capita in US Dollars.

Table 17: Five year GDP growth (2002 - 2007e)

Country	% growth	Country	% growth
Azerbaijan	19.2	Zambia	5.5
Angola	15.8	Tunisia	5.5
Afghanistan, Rep. of.	12.1	Uganda	5.5
Turkmenistan	11.8	Costa Rica	5.5
Chad	11.6	Algeria	5.5
Equatorial Guinea	11.6	Bulgaria	5.4
Myanmar	10.6	Suriname	5.4
Armenia	10.2	Thailand	5.4
China	10.1	Bosnia and Herzegovina	5.4
Trinidad and Tobago	10.0	Oman	5.4
Bhutan	9.8	Chile	5.4
United Arab Emirates	9.4	Senegal	5.4
Latvia	9.2	Moldova	5.4
Kazakhstan	8.9	Botswana	5.4
Cambodia	8.6	Libya	5.3
Estonia	8.3	Indonesia	5.3
Sudan	8.2	Peru	5.3
Argentina	8.2	Philippines	5.3
Mauritania	8.1	Gambia, The	5.3
Tajikistan	8.1	Cape Verde	5.3
Georgia	8.0	Mali	5.2
India	7.9	Ireland	5.1
Belarus	7.8	Antigua and Barbuda	5.1
Vietnam	7.8	Belize	5.0
Kuwait	7.8	Malawi	5.0
Lithuania	7.6	Czech Republic	4.9
Mozambique	7.6	Ecuador	4.8
Sierra Leone	7.6	Kyrgyz Republic	4.7
Nigeria	7.0	Kenya	4.7
Qatar	7.0	St. Kitts and Nevis	4.7
Mongolia	6.9	Egypt	4.7
Uzbekistan	6.8	Croatia	4.6
Russia	6.8	Sto TomØ and Prøncipe	4.5
Lao People's Democratic Republic	6.7	Colombia	4.5
Pakistan	6.7	St. Lucia	4.5
Bahrain	6.6	Morocco	4.4
Congo, Democratic Republic of	6.5	Poland	4.4
Tanzania	6.5	Namibia	4.4
Turkey	6.4	Taiwan Province of China	4.4
Ukraine	6.3	Iceland	4.3
Saudi Arabia	6.3	Congo, Republic of	4.3
Jordan	6.2	Honduras	4.3
Panama	6.2	Korea	4.2
Bangladesh	6.1	Hungary	4.1
Hong Kong SAR	6.1	South Africa	4.1
Burkina Faso	6.1	Greece	4.0
Madagascar	6.0	Israel	4.0
Singapore	5.9	Barbados	3.9
Uruguay	5.9	Benin	3.9
Slovak Republic	5.8	Dominican Republic	3.9
Malaysia	5.8	Nicaragua	3.9
Solomon Islands	5.8	Niger	3.9
Sri Lanka	5.8	Bolivia	3.8
Venezuela	5.8	St. Vincent and the Grenadines	3.8
Ghana	5.8	Grenada	3.8
Romania	5.7	Slovenia	3.8
Maldives	5.7	Cameroon	3.8
Serbia	5.7	Macedonia, Former Yugoslav Republic of	3.8
Ethiopia	5.6	Samoa	3.7
Albania	5.6	Djibouti	3.7
Iran, Islamic Republic of	5.6	Paraguay	3.7

Source: IMF World Economic Outlook database September 2006. The table shows 5 year compounded annual growth rate in real GDP from 2002 to 2007 using IMF forecasts.



Table 18: Corruption Index

Country	CPI Value	Country	CPI Value
Finland	9.6	Poland	3.7
Iceland	9.6	Lebanon	3.6
New Zealand	9.6	Seychelles	3.6
Denmark	9.5	Thailand	3.6
Singapore	9.4	Belize	3.5
Sweden	9.2	Cuba	3.5
Switzerland	9.1	Grenada	3.5
Norway	8.8	Croatia	3.4
Australia	8.7	Brazil	3.3
Netherlands	8.7	China	3.3
Austria	8.6	Egypt	3.3
Luxembourg	8.6	Ghana	3.3
United Kingdom	8.6	India	3.3
Canada	8.5	Mexico	3.3
Hong Kong	8.3	Peru	3.3
Germany	8.0	Saudi Arabia	3.3
Japan	7.6	Senegal	3.3
France	7.4	Burkina Faso	3.2
Ireland	7.4	Lesotho	3.2
Belgium	7.3	Moldova	3.2
Chile	7.3	Morocco	3.2
USA	7.3	Trinidad and Tobago	3.2
Spain	6.8	Algeria	3.1
Barbados	6.7	Madagascar	3.1
Estonia	6.7	Mauritania	3.1
Macao	6.6	Panama	3.1
Portugal	6.6	Romania	3.1
Malta	6.4	Sri Lanka	3.1
Slovenia	6.4	Gabon	3.0
Uruguay	6.4	Serbia	3.0
United Arab Emirates	6.2	Suriname	3.0
Bhutan	6.0	Argentina	2.9
Qatar	6.0	Armenia	2.9
Israel	5.9	Bosnia and Herzegovina	2.9
Taiwan	5.9	Eritrea	2.9
Bahrain	5.7	Syria	2.9
Botswana	5.6	Tanzania	2.9
Cyprus	5.6	Dominican Republic	2.8
Oman	5.4	Georgia	2.8
Jordan	5.3	Mali	2.8
Hungary	5.2	Mongolia	2.8
Mauritius	5.1	Mozambique	2.8
South Korea	5.1	Ukraine	2.8
Malaysia	5.0	Bolivia	2.7
Italy	4.9	Iran	2.7
Czech Republic	4.8	Libya	2.7
Kuwait	4.8	Macedonia	2.7
Lithuania	4.8	Malawi	2.7
Latvia	4.7	Uganda	2.7
Slovakia	4.7	Albania	2.6
South Africa	4.6	Guatemala	2.6
Tunisia	4.6	Kazakhstan	2.6
Dominica	4.5	Laos	2.6
Greece	4.4	Nicaragua	2.6
Costa Rica	4.1	Paraguay	2.6
Namibia	4.1	Timor-Leste	2.6
Bulgaria	4.0	Viet Nam	2.6
El Salvador	4.0	Yemen	2.6
Colombia	3.9	Zambia	2.6
Turkey	3.8	Benin	2.5
Jamaica	3.7	Gambia	2.5

Source: Transparency International, 2006 Corruption Perceptions Index

Table 19: Corruption Index (continued)

Country	CPI Value	Country	CPI Value
Guyana	2.5	Kenya	2.2
Honduras	2.5	Kyrgyzstan	2.2
Nepal	2.5	Nigeria	2.2
Phillipines	2.5	Pakistan	2.2
Russia	2.5	Sierra Leone	2.2
Rwanda	2.5	Tajikistan	2.2
Swaziland	2.5	Turkmenistan	2.2
Azerbaijan	2.4	Belarus	2.1
Burundi	2.4	Cambodia	2.1
Central African Republic	2.4	Côte d'Ivoire	2.1
Ethiopia	2.4	Equatorial Guinea	2.1
Indonesia	2.4	Uzbekistan	2.1
Papua New Guinea	2.4	Bangladesh	2.0
Togo	2.4	Chad	2.0
Zimbabwe	2.4	Congo, Democratic Republic	2.0
Cameroon	2.3	Sudan	2.0
Ecuador	2.3	Guinea	1.9
Niger	2.3	Iraq	1.9
Venezuela	2.3	Myanmar	1.9
Angola	2.2	Haiti	1.8
Congo, Republic	2.2		

Source: Transparency International, 2006 Corruption Perceptions Index

## Demographic Dynamics

In screening for frontier markets and the EM8 we have used both the growth in the economically active population and the urban population.

We define '*economically active population*' as persons between the age of 15 and 60. We calculate the number of people who are *economically active* in a country and quantify the forecasted increase until 2025 using the US census data and forecasts.

To capture urbanization trends, we use UN Department of Economic and Social affairs data and forecasts. UN forecasts urbanization rates for 2030. To compare these to the US Census forecasts, we estimate the forecast for 2025 assuming that the rate of urbanization for each year is nearly the same.

We combine these two metrics to estimate the number of economically active people living in cities. We assume that the urbanization level of the economically active population is in line with that of the total population.

Our methodology does not consider metrics such as literacy rates, access to health care and life expectancy, and may not be fully capturing the ability of the population to be productive.

**South Asian economies dominate the growth in economically active population**

**Note the scale of Nigeria and Indonesia**

**The Democratic Republic of Congo does not have a stock exchange - but resource stocks exposure to resource rich country is available through South African and Canadian mining companies**

**Philippines has great long term demographics in addition to a macro economic reform**

**Note that the Vietnam with its much vaunted demographic story ranks 17**

**China with its one child policy has a mere 1.3% growth in economically active population**

**Table 20: Economically active population and change: 2005 - 2025**

Country	Abs change 2005-2025 (mn)	Economically active population (2005, mn)	Percentage change (rel to 2005)
India	250	657	38.1
Pakistan	57	88	64.4
Nigeria	43	68	64.1
Bangladesh	38	89	42.5
Indonesia	35	143	24.5
Congo, Democratic Republic of	28	29	94.0
Ethiopia	25	38	66.6
Philippines	23	51	44.4
Brazil	19	121	15.9
Egypt	19	47	40.6
Mexico	17	65	25.6
Sudan	16	21	77.1
Uganda	14	13	109.6
Kenya	14	19	72.4
Afghanistan, Rep. of.	12	15	76.0
Tanzania	12	19	60.8
Vietnam	11	54	20.9
China	11	885	1.3
Yemen, Republic of	11	10	104.5
Iraq	11	14	73.8
United States	10	185	5.5
Nepal	9	15	61.2
Turkey	8	45	18.5
Madagascar	8	9	88.8
Iran, Islamic Republic of	7	43	17.2
Colombia	7	26	27.9
Morocco	7	20	36.9
Ghana	7	12	55.9
Uzbekistan	7	16	41.3
Syrian Arab Republic	7	11	61.2
Saudi Arabia	6	15	40.2
Burkina Faso	6	7	90.3
Algeria	6	21	27.9
Cameroon	6	9	62.5
Malaysia	6	14	38.8
Mozambique	5	10	52.1
Peru	5	17	30.2
Côte d'Ivoire	5	9	52.7
Niger	5	6	82.2
Mali	5	5	88.1
Senegal	5	6	72.9
Myanmar	5	31	15.0
Malawi	4	6	69.1
Argentina	4	24	18.6
Guatemala	4	6	68.8
Venezuela	4	16	27.4
Chad	4	5	90.6
Cambodia	4	8	48.0
Angola	4	6	59.1
Ecuador	3	8	35.4
Zambia	3	6	49.3
N Korea	2	15	11.3
Sri Lanka	1	13	10.0
Chile	1	10	12.1
Tunisia	1	7	17.7
Zimbabwe	1	7	15.0
Thailand	1	43	2.4
Australia	1	13	5.0
Canada	0	21	2.3
Kazakhstan	0	10	-1.2
Portugal	0	6	-3.2

Source: JPMorgan, US Census

Table 21: Urban population and change from 2005 - 2025

Country	Absolute change 2005 - 2025 (mn)	Percentage change (rel to 2005)	Change as a percentage of total 2005 population
China	273	51	21
India	218	69	20
Indonesia	64	59	29
United States	58	24	20
Nigeria	57	90	44
Pakistan	54	98	34
Brazil	46	29	25
Bangladesh	37	105	26
Congo, Democratic Republic of	31	170	55
Philippines	28	54	34
Mexico	23	28	22
Egypt	21	66	28
Iran, Islamic Republic of	20	43	29
Turkey	19	39	26
Vietnam	18	82	22
Ethiopia	18	146	23
Sudan	15	99	40
Afghanistan, Rep. of.	13	189	43
Iraq	12	64	43
Colombia	12	37	27
Saudi Arabia	12	59	48
Myanmar	11	72	22
Algeria	11	51	32
Thailand	10	50	16
Kenya	10	145	30
Tanzania	10	107	26
Morocco	10	52	31
Angola	10	113	60
Yemen, Republic of	9	162	44
Malaysia	9	53	36
Uganda	9	248	31
Venezuela	9	36	33
Ghana	9	82	39
Peru	8	38	28
Argentina	8	22	19
Mozambique	7	106	37
Mali	7	172	53
Syrian Arab Republic	7	72	36
Nepal	7	157	25
Côte d'Ivoire	6	76	34
Madagascar	6	124	33
Cameroon	6	66	36
Canada	6	22	18
Guatemala	5	89	42
Uzbekistan	5	54	20
South Africa	5	18	11
France	5	11	8
Burkina Faso	5	202	37
United Kingdom	5	9	8
Japan	5	6	4
Niger	5	202	34
Chad	5	185	47
Australia	4	24	21
Cambodia	4	147	29
Senegal	4	84	35
Malawi	4	171	29
Ecuador	4	45	28
Chile	3	22	19
Zambia	3	75	26
N Korea	3	22	13
Korea	3	8	6

Source: JPMorgan, UN Department of Economic and Social affairs

**Table 22: Economically active population in urban areas and change: 2005 - 2025**

Country	Absolute change 2005 - 2025 (mn)	Percentage change (rel to 2005)	Change as a percentage of total 2005 population
China	183	51	14
India	181	96	16
Indonesia	54	78	24
Pakistan	41	135	26
Nigeria	41	125	31
Bangladesh	28	127	20
Brazil	26	25	14
Philippines	25	77	30
United States	20	14	7
Congo, Democratic Republic of	19	197	32
Mexico	18	37	17
Egypt	15	77	21
Sudan	14	164	39
Vietnam	13	91	15
Turkey	11	37	15
Ethiopia	11	183	14
Iran, Islamic Republic of	11	36	15
Iraq	8	85	29
Morocco	8	69	26
Colombia	8	41	17
Myanmar	8	82	15
Tanzania	7	157	19
Algeria	7	54	22
Kenya	7	175	20
Malaysia	7	69	26
Ghana	6	111	29
Afghanistan, Rep. of.	6	179	21
Thailand	6	45	10
Saudi Arabia	6	49	25
Yemen, Republic of	6	213	28
Cameroon	6	113	35
Peru	5	42	19
Nepal	5	213	19
Syrian Arab Republic	5	94	27
Argentina	5	23	13
Venezuela	5	32	18
Mozambique	5	137	24
Uzbekistan	5	78	17
Madagascar	4	177	24
Côte d'Ivoire	4	101	24
Uganda	4	244	14
Guatemala	4	117	28
Angola	3	103	21
Senegal	3	121	27
Mali	3	193	23
Ecuador	3	60	23
Burkina Faso	3	238	22
Cambodia	3	177	20
N Korea	3	31	12
Chad	2	211	25
Malawi	2	215	18
South Africa	2	12	4
Niger	2	192	14
Zambia	2	91	15
Chile	2	18	10
Zimbabwe	2	63	12
Tunisia	2	35	15
Canada	1	8	4
Sri Lanka	1	55	5
Australia	1	9	5
Kazakhstan	1	15	6

Source: JPMorgan, US Census, UN Department of Economic and Social affairs

## Equity Data

Table 23: Country market caps in relation to GDP

Country	Market cap (US\$ Bn)	Market cap as a % of GDP
United States	17,766	128
Japan	5,082	110
United Kingdom	3,830	150
France	2,613	110
China + Hong Kong	3,468	113
Germany	1,863	61
Canada	1,518	112
Switzerland	1,243	313
Italy	1,089	56
Russia	1,052	91
Australia	1,017	128
Spain	1,001	76
Korea	821	88
India	816	87
Brazil	755	72
Taiwan Province of China	649	173
Sweden	613	151
Netherlands	549	77
Chile	473	342
South Africa	417	153
Singapore	407	282
Belgium	403	98
Mexico	356	42
Norway	338	95
Saudi Arabia	336	83
Finland	293	135
Malaysia	276	176
Denmark	253	85
Austria	241	71
Greece	214	80
Turkey	175	44
Poland	172	49
Ireland	160	66
Thailand	152	73
Zimbabwe	149	566
Kuwait	145	145
Israel	145	101
Indonesia	138	36
United Arab Emirates	134	68
Ukraine	127	127
Portugal	120	59
Egypt	83	74
Philippines	76	57
Morocco	59	97
Peru	58	61
Qatar	55	109
Czech Republic	52	33
Pakistan	51	35
Argentina	50	20
Colombia	49	36
Iceland	45	275
New Zealand	43	42
Hungary	41	37
Nigeria	39	27

Source: Bloomberg, IMF. Data shows market caps updated as of 28 March 2007. GDP figures are expectations for 2007 nominal GDP

**Table 24: Monthly trading volume (USD bn)**

Country	Stock Exchange	Monthly Trading Volume (USD bn)
United States	NYSE Group	2019
United States	Nasdaq	1146
United Kingdom	London SE	814
Japan	Tokyo SE	473
Pan Europe	Euronext	367
Germany	Deutsche Börse	312
Spain	BME Spanish Exchanges	238
China	Shanghai SE	225
Italy	Borsa Italiana	159
Nordic	OMX	149
Hong Kong	Hong Kong Exchanges	125
Switzerland	Swiss Exchange	121
Canada	TSX Group	112
China	Shenzhen SE	112
Korea	Korea Exchange	102
Taiwan	Taiwan SE Corp.	80
Australia	Australian SE	80
Norway	Oslo Børs	47
India	National Stock Exchange India	40
United States	American SE	37
Brazil	Sao Paulo SE	30
South Africa	JSE	27
Singapore	Singapore Exchange	27
India	Bombay SE	20
Turkey	Istanbul SE	19
Japan	Osaka SE	19
Malaysia	Bursa Malaysia	14
Greece	Athens Exchange	12
Austria	Wiener Börse	10
Mexico	Mexican Exchange	9.3
Ireland	Irish SE	8.9
Israel	Tel Aviv SE	7.9
Thailand	Thailand SE	7.8
Poland	Warsaw SE	6.6
Indonesia	Jakarta SE	6.3
Hungary	Budapest SE	3.8
Egypt	Cairo & Alexandria SEs	3.1
Chile	Santiago SE	3.1
Philippine	Philippine SE	1.8
New Zealand	New Zealand Exchange	1.4
Peru	Lima SE	1.3
Colombia	Colombia SE	0.9
Cyprus	Cyprus SE	0.8
Iran	Tehran SE	0.4
Argentina	Buenos Aires SE	0.4
Slovenia	Ljubljana SE	0.4
Sri Lanka	Colombo SE	0.1
Luxembourg	Luxembourg SE	0.0
Mauritius	Mauritius SE	0.0
Malta	Malta SE	0.0

Source: World Federation of Exchanges. Data shows value of stocks traded for the month of January 2007.



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Emerging Markets Equity Research  
04 April 2007



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