

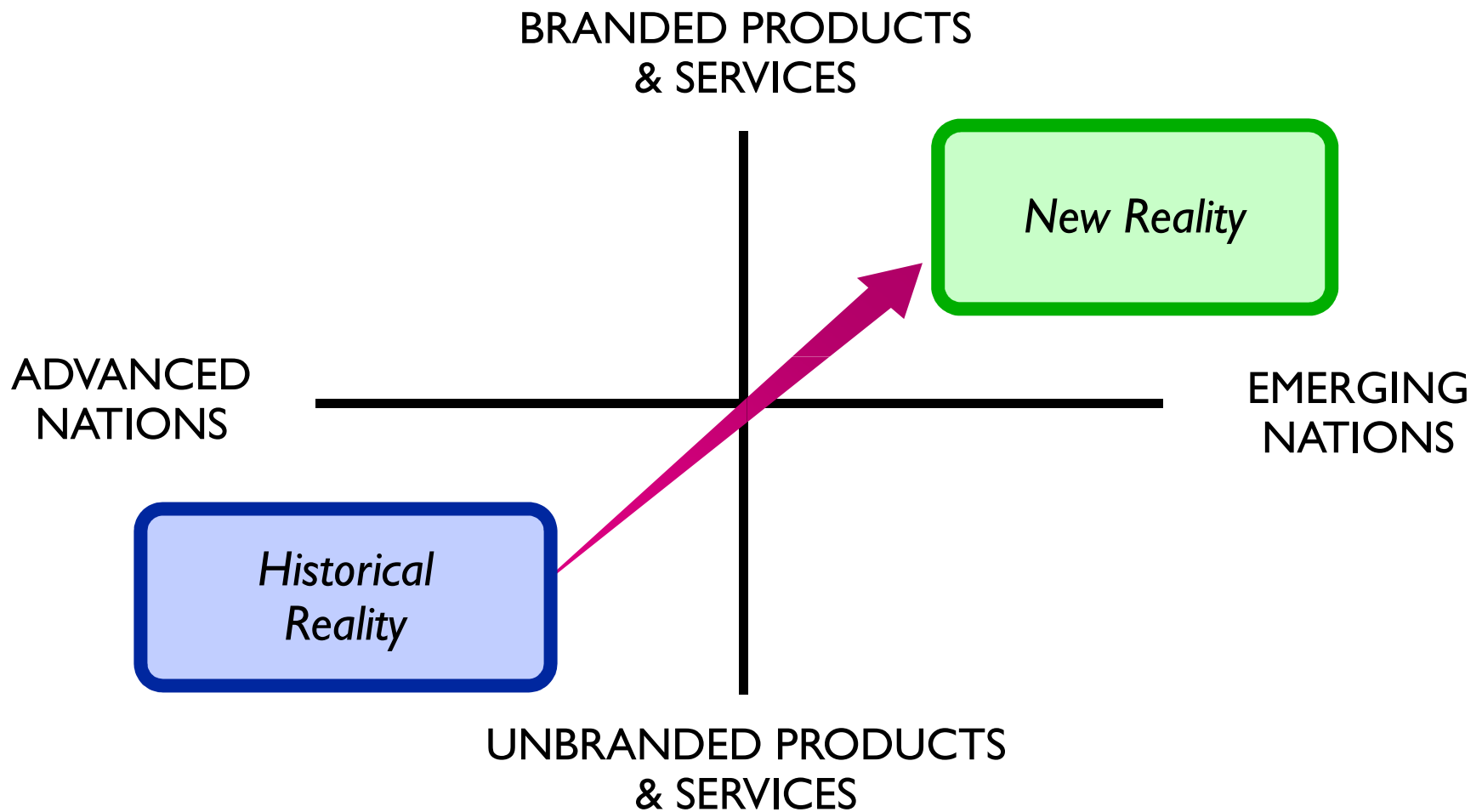
Competing for New Global Growth Opportunities

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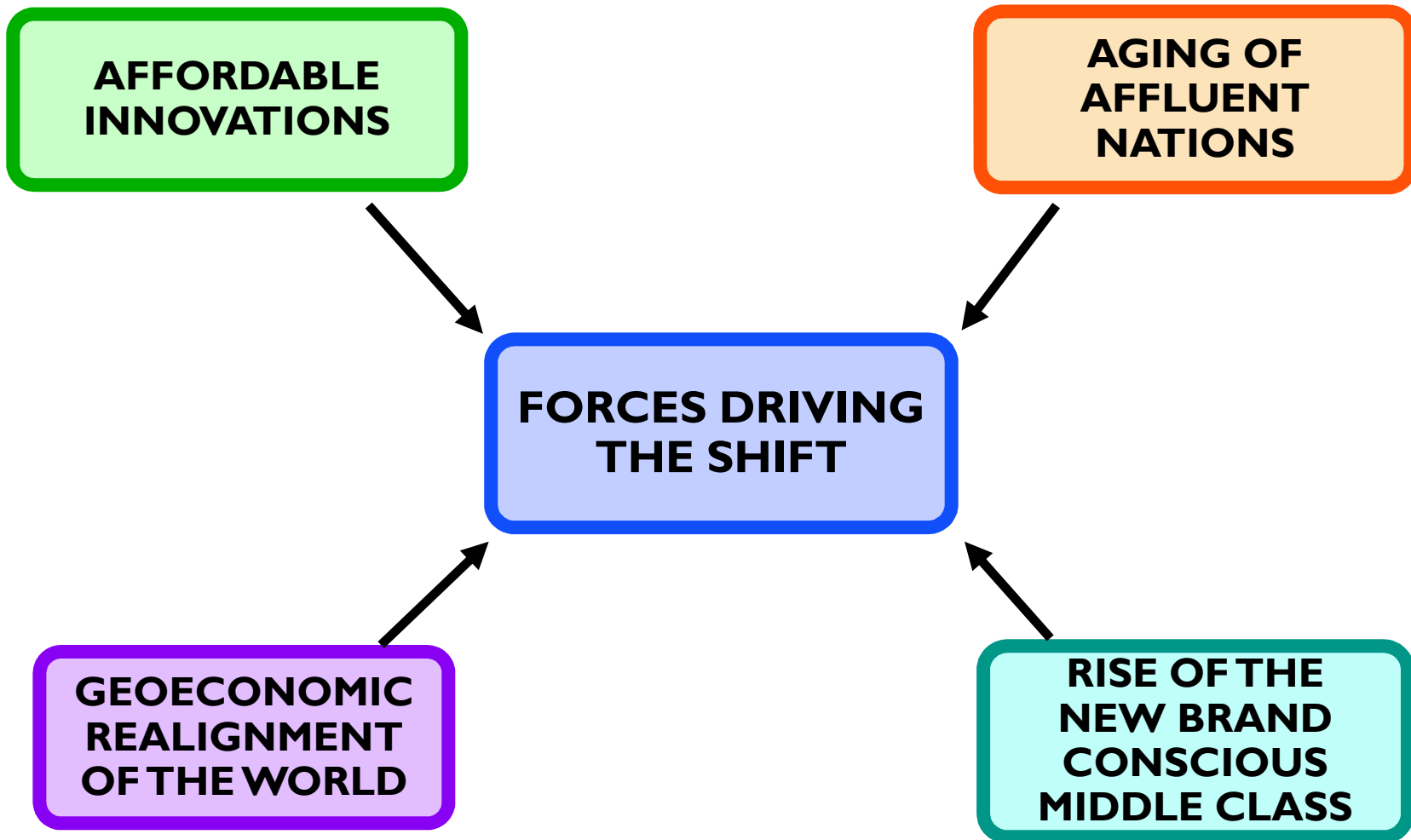


The Fundamental Shift in Global Growth





Forces Driving the Shift in Global Growth





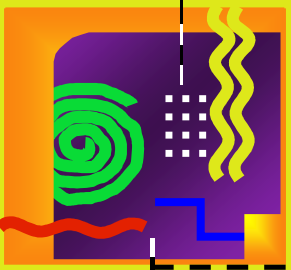
New Measures of World Economies

The new measure is **Purchasing Power Parity (PPP)**.

2008

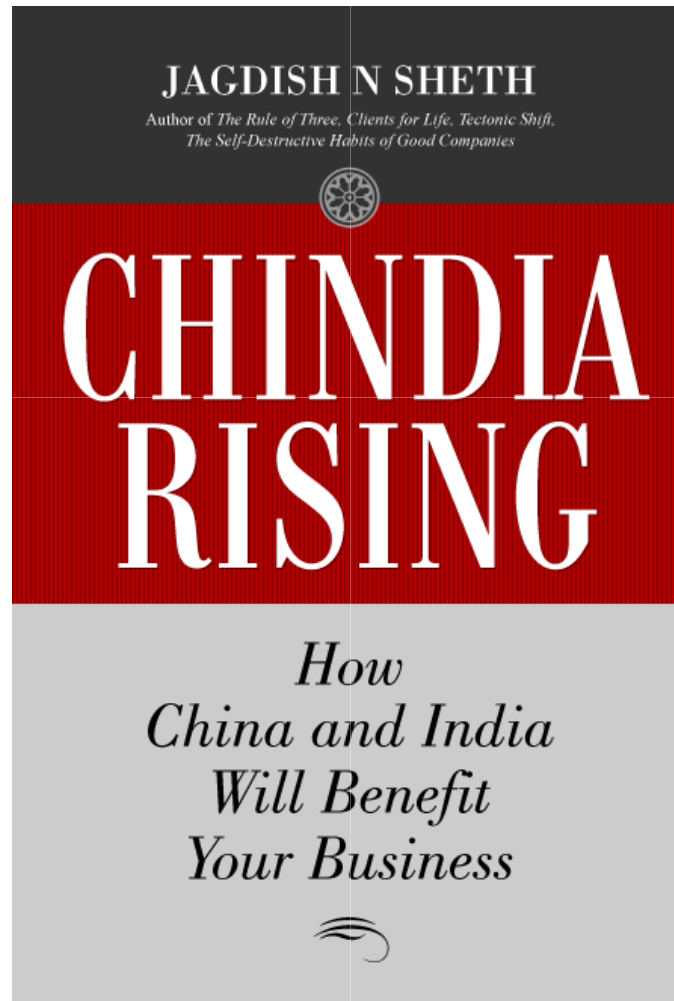
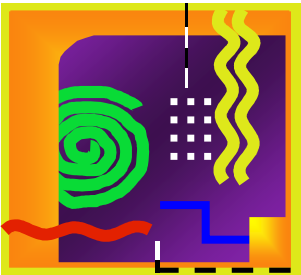
- | | |
|-------------------|------------------------|
| 1. U.S. | \$ 14 trillion |
| 2. China | \$ 13 trillion |
| 3. India | \$ 5.2 trillion |
| 4. Japan | \$ 4.5 trillion |
| 5. Germany | \$ 2.8 trillion |
| 6. U.K. | \$ 2.4 trillion |
| 7. France | \$ 2.1 trillion |
| 8. Russia | \$ 2.1 trillion |
| 9. Brazil | \$ 2.1 trillion |
| 10. Italy | \$ 1.9 trillion |

**Source:
International
Monetary
Fund (IMF)**

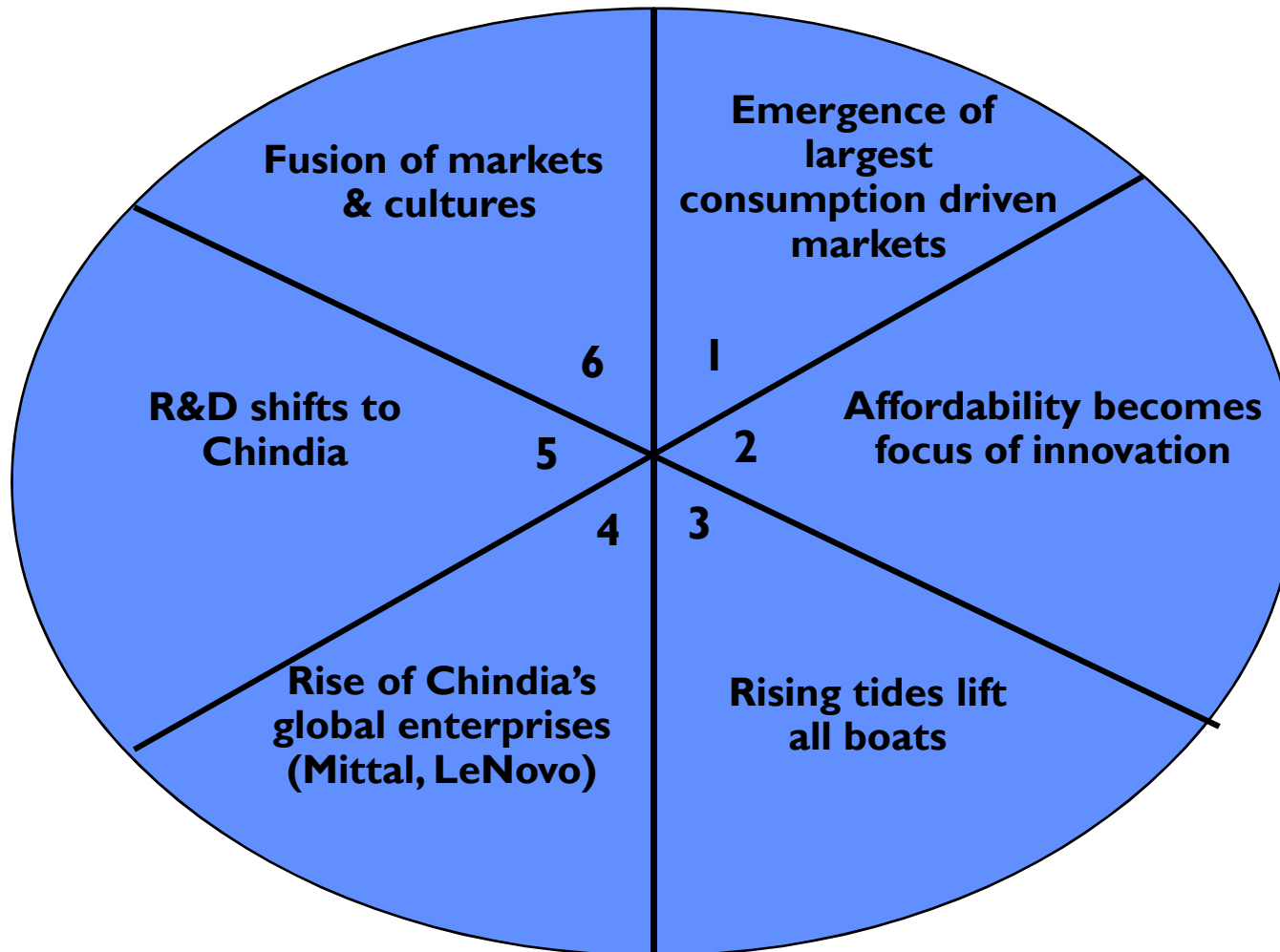


New Measures of World Economies (cont.)

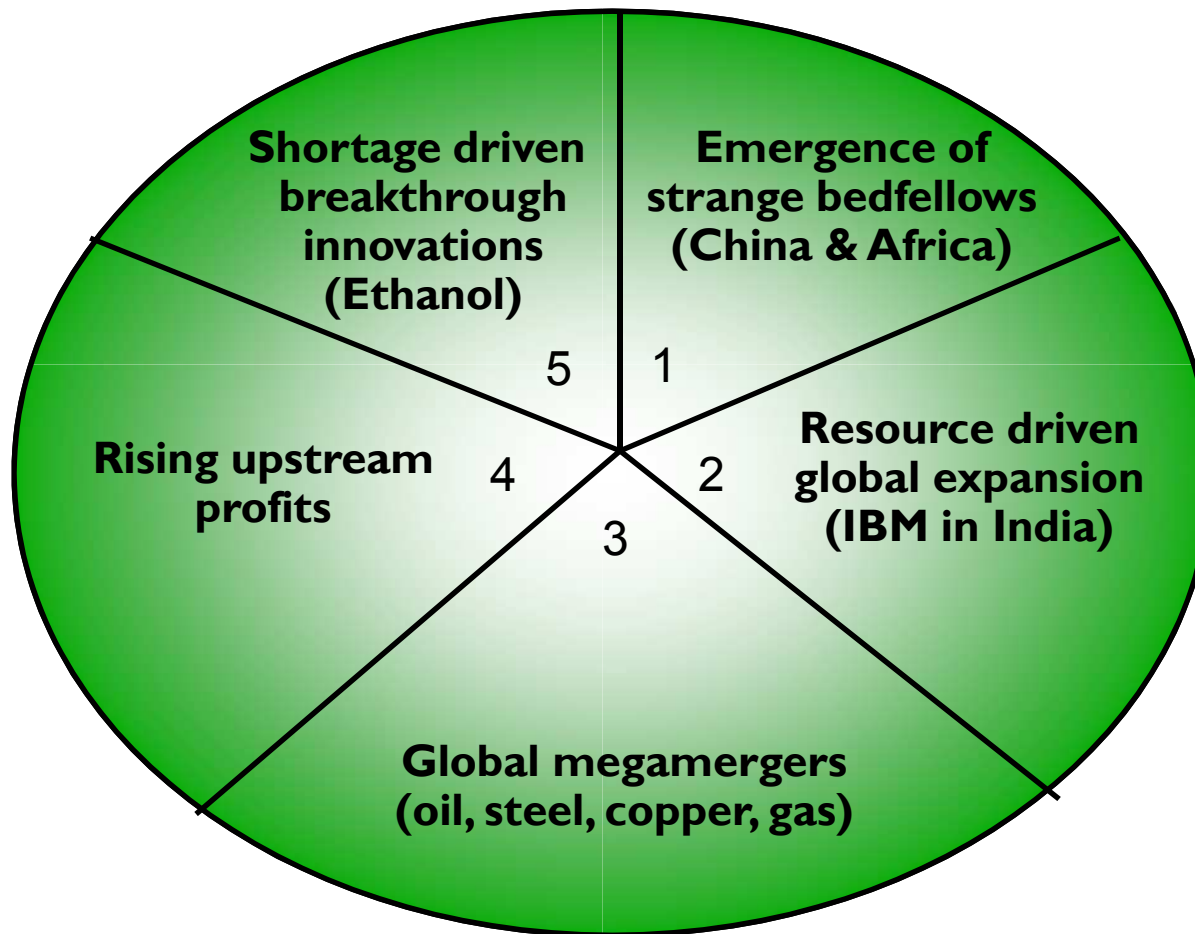
- **China is the second largest economy based on PPP index and just surpassed Germany in GDP. It will be the largest single economy by the year 2020.**
- **India is the third largest PPP economy, and it is likely to surpass Germany and Japan in GDP by 2020.**



Impact on Markets

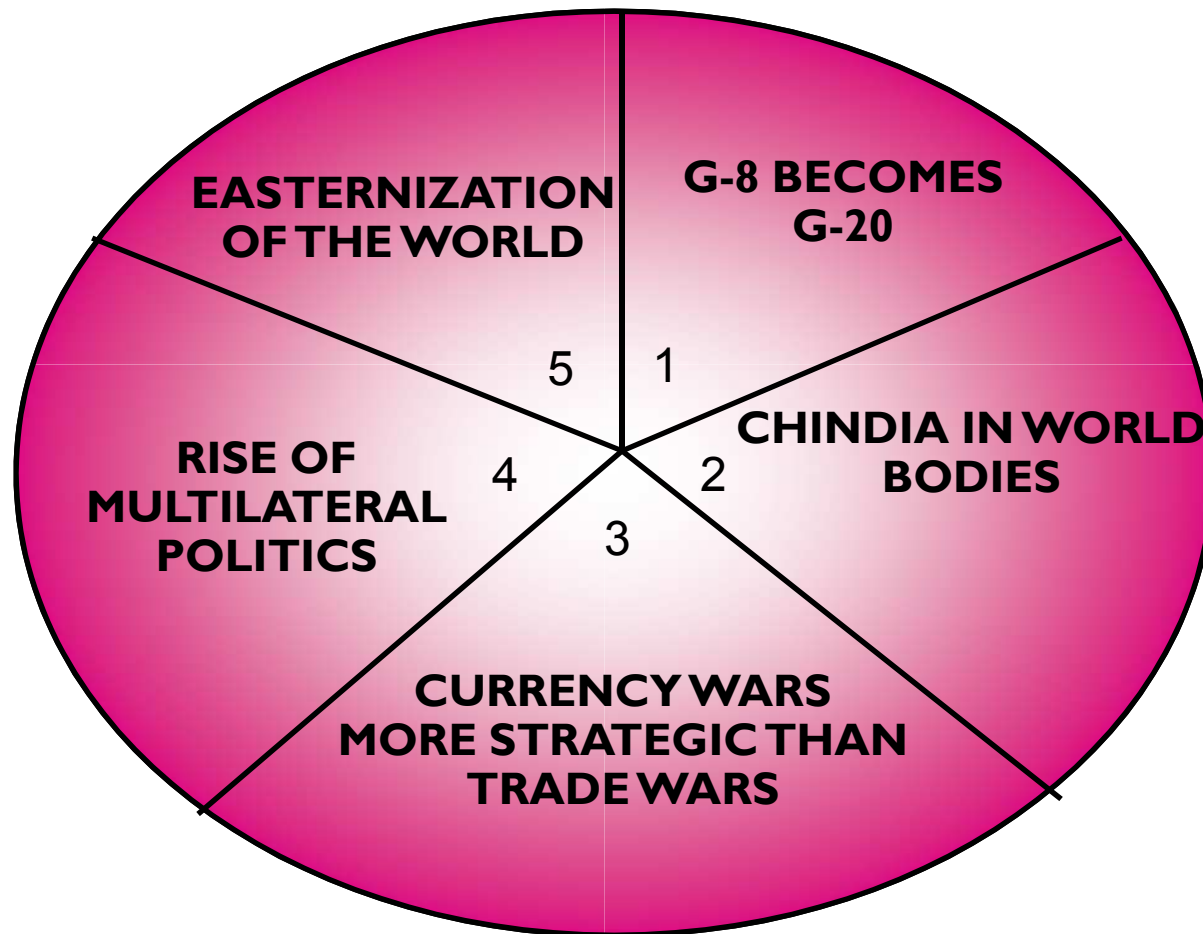


Impact on Resources



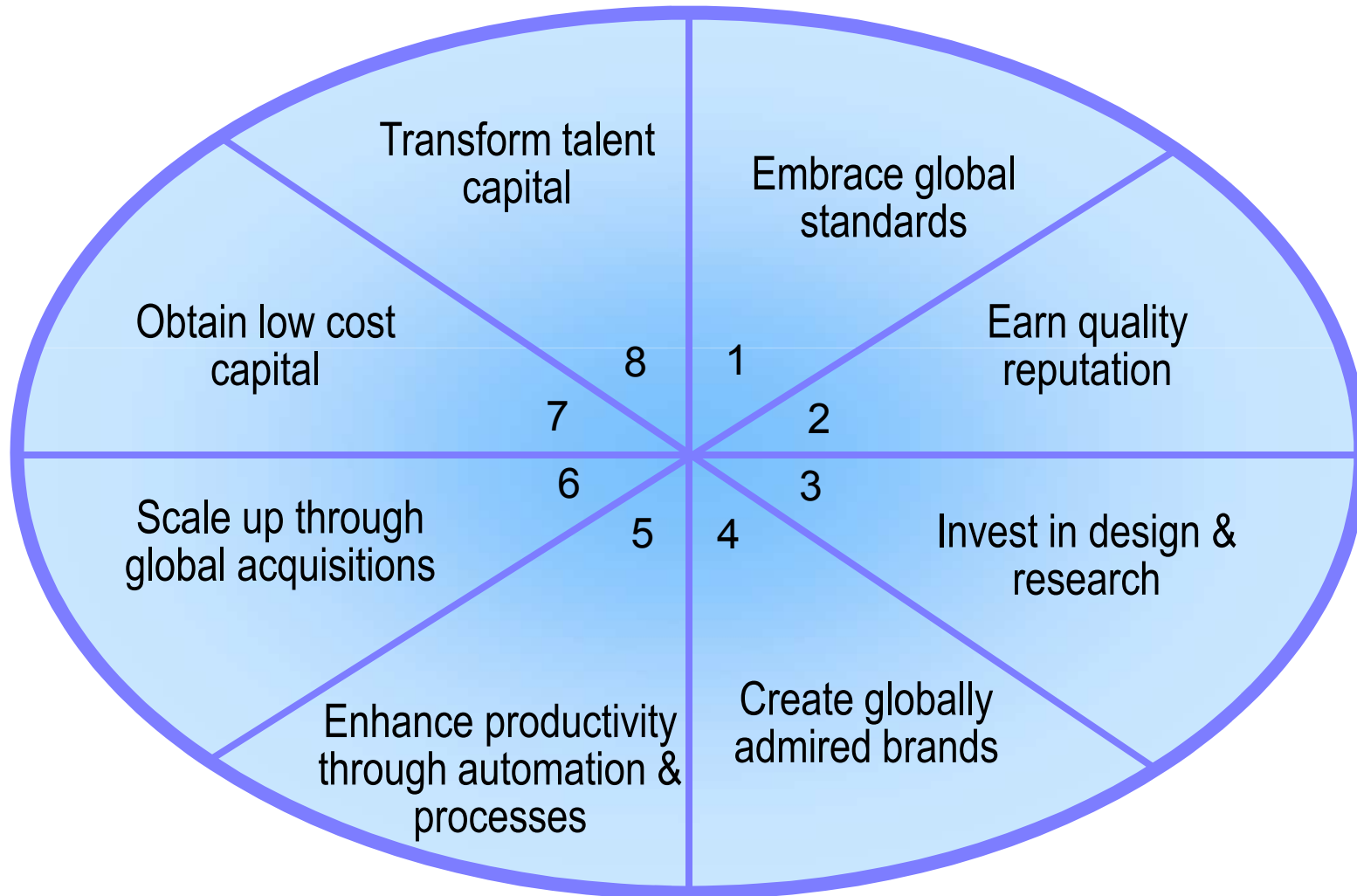


Impact on Geopolitics





How to Succeed in the Future





How to Succeed in the Future

1. Embrace Global Standards

- R&D
- Operations
- Human capital
- Processes

2. Earn Quality Reputation

- Quality obsession
- Compete for global awards
- German engineering
- Indian software

3. Invest in Design and Research

- Design is key
- IPR through research
- Global centers of excellence
- Licensing



How to Succeed in the Future

4. Create Globally Admired Brands

- Nano car
- Samsung
- LeNovo
- Slumdog Millionaire

5. Enhance Productivity Through Automation & Processes

- ERP, SCM, CRM and e-Business
- Process focus
- Lean operations



How to Succeed in the Future

6. Scale Up Through Acquisitions

- Haier
- LeNovo
- Mittal Steel
- InBev

7. Obtain Low Cost Capital

- Foreign stock exchange
- Private equity
- Debt capital
- Sovereign funds

8. Transform Talent Capital

- Invest in employee education
- Move up the knowledge ladder
- Transnational leadership



Conclusion

- **There are enormous new global growth opportunities.**
- **Global growth opportunities are driven by the rise of the new brand conscious middle class of emerging economies and by aging of affluent nations.**
- **They are also driven by affordable innovations and new geoeconomic realignment of the world.**



Conclusion

- **To successfully compete in these global growth opportunities will require a new mindset.**
- **It will require embracing global standards; earn quality reputation; invest in design & research; create globally admired brands; enhance productivity through processes; obtain low cost capital; and transform human capital.**