Managing cash in emerging markets

Bruce Robertson
Assistant Treasurer
Westlake Chemical

Cristina Pintado
Director, Working Capital Sales
Standard Chartered Bank
Agenda

• Welcome and introduction
• Objectives of the session
• Emerging markets overview
  Cristina Pintado, Standard Chartered Bank
• Westlake Chemical perspective in emerging markets
  Bruce Robertson, Westlake Chemical
• Q&A
Objectives

- Learn how to navigate in the complexity of emerging markets
- Identify pain points for organizations going global
- Learn how to create a check list for cash management services
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Emerging markets overview

Cristina Pintado
Director, Working Capital Sales
Standard Chartered Bank
About Standard Chartered Bank

- Founded in 1853
- Strong franchises in Asia, Africa and the Middle East
- Over 70 countries – over 1,750 branches
- Listed on the London, HK and Mumbai stock exchanges
- 75,000 employees
- Strategic intent: to be the world's best international bank leading the way in Asia, Africa and the Middle East

AFP® Annual Conference
Emerging markets overview

*Emerging markets are nations with social or business activity in the process of rapid growth and industrialization.*
## Emerging markets overview

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*(a) Includes the Caribbean.*

*(b) Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.*

Source: World Trade Report 2010 (WTO)
Emerging markets overview

**Russia:**
- Population: 140 million
- Russian ruble (RUB)
- 8,700 USD GDP per capita
- -7.9% GDP Growth in 2009
- Export: Netherlands, Italy, Germany
- Import: China, Germany, Japan

**China:**
- Population: 1.3 billion
- Renminbi (RMB)
- 3,235 USD GDP per capita
- 8.5% GDP Growth in 2009
- Export: USA, HK, JPN
- Import: China, Saudi Arabia, USA

**Brazil:**
- Population: 201 million
- Indian rupee (INR)
- 1,085 USD GDP per capita
- 7.2% GDP Growth in 2009
- Export: UAE, USA, China
- Import: China, Saudi Arabia, USA

**India:**
- Population: 1.17 billion
- Indian rupee (INR)
- 1,085 USD GDP per capita
- 7.2% GDP Growth in 2009
- Export: UAE, USA, China
- Import: China, Saudi Arabia, USA
Considerations for corporations going global
Considerations for corporations going global

- Risk
- Tax
- Banks
- Legal
- Account structure
- Technology

Business
Managing cash in emerging markets: banking services
Managing cash in emerging markets: trends

- Fragmented and in different stages of development
- Local banks compete on branch and clearing zone network
- Global/regional banks compete with a ‘Harmonized Payment solution’
- Paper based clearing remains important even in larger, developed markets in Asia
- Rise of non-traditional fund transfer providers such as social media, mobile providers, and money service bureaus
- All players are looking to capture and retain deposits
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Westlake Chemical perspective in emerging markers

Bruce Robertson
Assistant Treasurer
Westlake Chemical
INTEGRATED POLYMERS MATERIALS COMPANY

Sales $2.9 Billion
EBITDA $337 Million
Net Income $117 Million

Capacities:
- Ethylene 2.95 Blbs
- PVC 1.70 Blbs
- Polyethylene 2.50 Blbs
- Caustic Soda 600 MMlbs
- Styrene 570 MMlbs
- Fab. Products 1.20 Blbs

(LTM 2Q10)

MISSION

- profitable growth ...
- in businesses we understand...
- globally in areas we can gain an edge...
- in a disciplined and opportunistic manner

Note: Fab. Products capacity includes China JV
Our China facility markets PVC resin and film products to both domestic and export markets, while exporting PVC window profiles to North American markets.

Established 1992, a J.V. with Ineos. Westlake has a 59% share in the Joint Venture.

Located in Suzhou, China, near Shanghai - operations include:

- PVC resin plant
- PVC film and sheet calendaring facility
- PVC window profiles
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