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MINT: Myth or Reality

ICAN Conference

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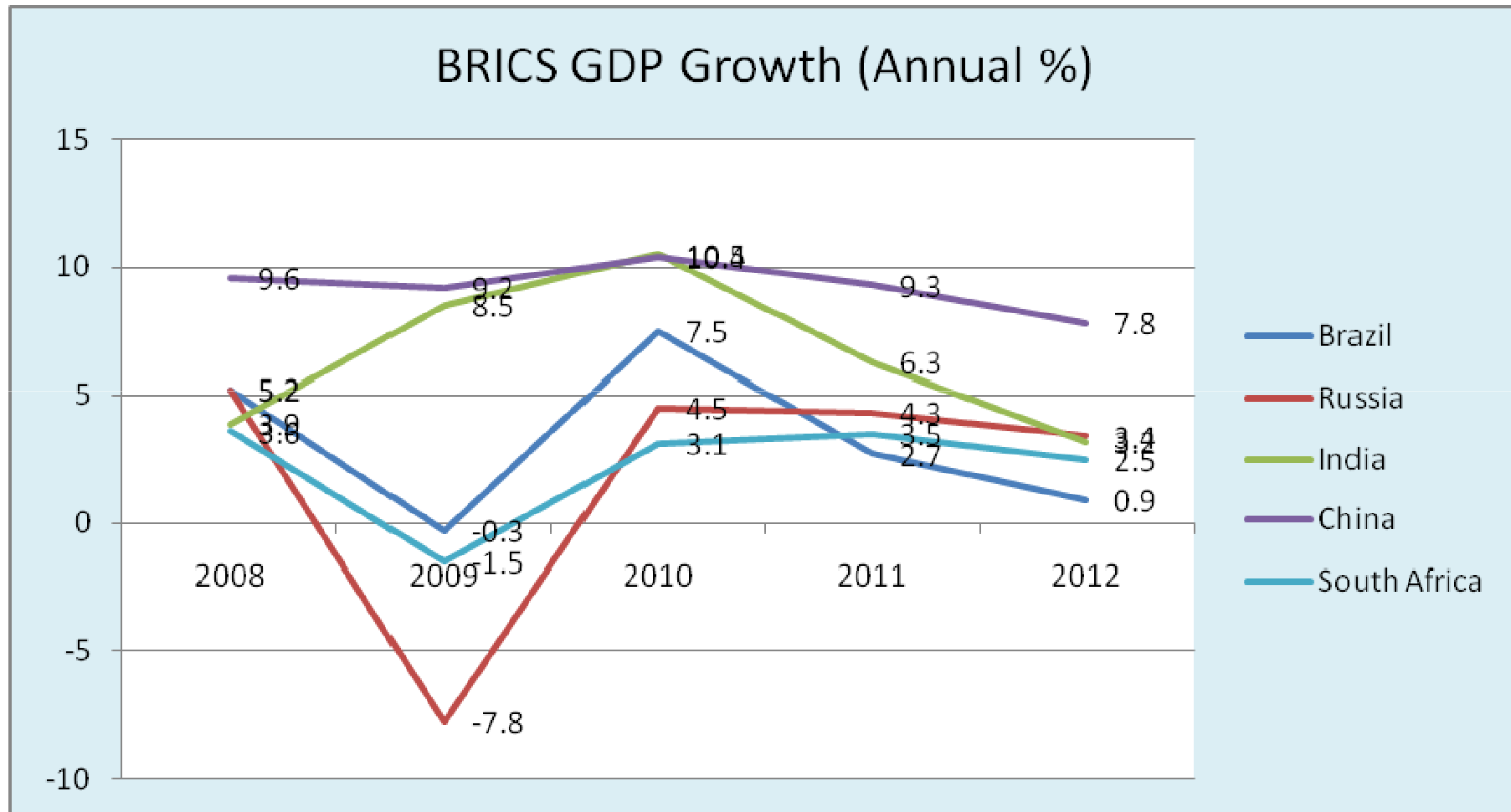
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The 'BRICS' Phenomenon

- **Brazil, Russia, India, China, South Africa**
- **Term Coined By Jim O'Neil In 2001**
- **Emerging Nations With Potential To Become
Great Global Powers of 21st Century**
- **Reality Is Growth Rate In All These Countries
Have Been Falling**

Decline in 'BRICS' Performance



Emergence of “MINT”

 **Mexico, Indonesia, Nigeria, Turkey**

 **Mexico**

⇒ **Grew By 5% in 2010**

⇒ **6th Largest Oil Producer**

⇒ **Strong Manufacturing Exporter to USA**

 **Indonesia**

⇒ **A South East Asia Powerhouse**

⇒ **Strongest Stock Market in Asia 2010**

⇒ **One of The 3 Fastest Growing Economies in G-20**

Emergence of “MINT” (Cont’d)

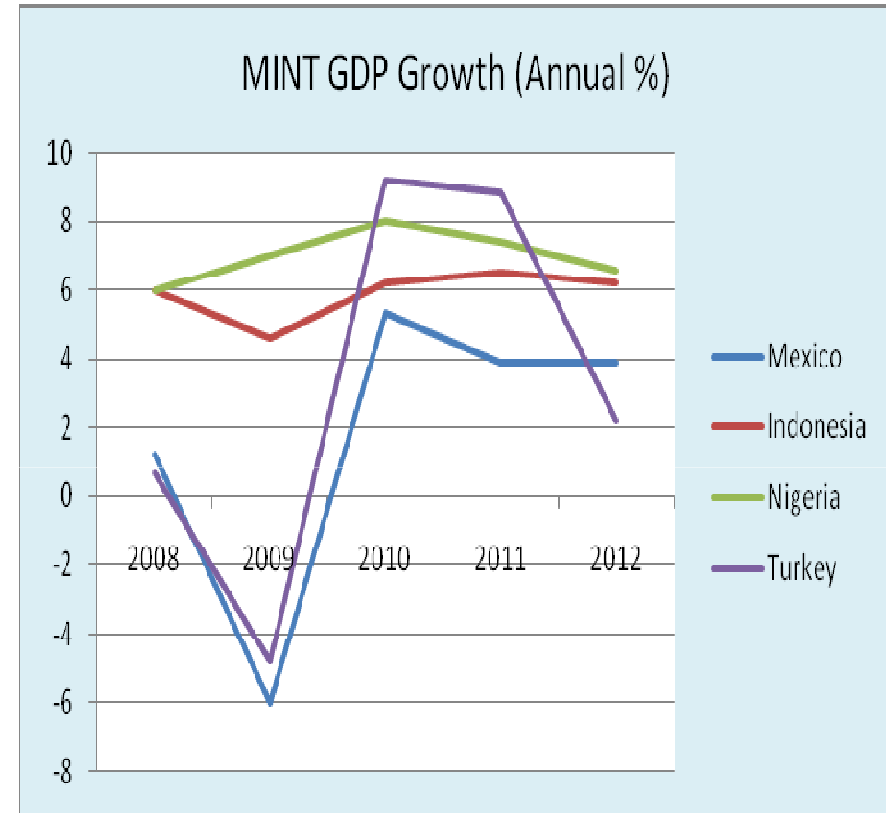
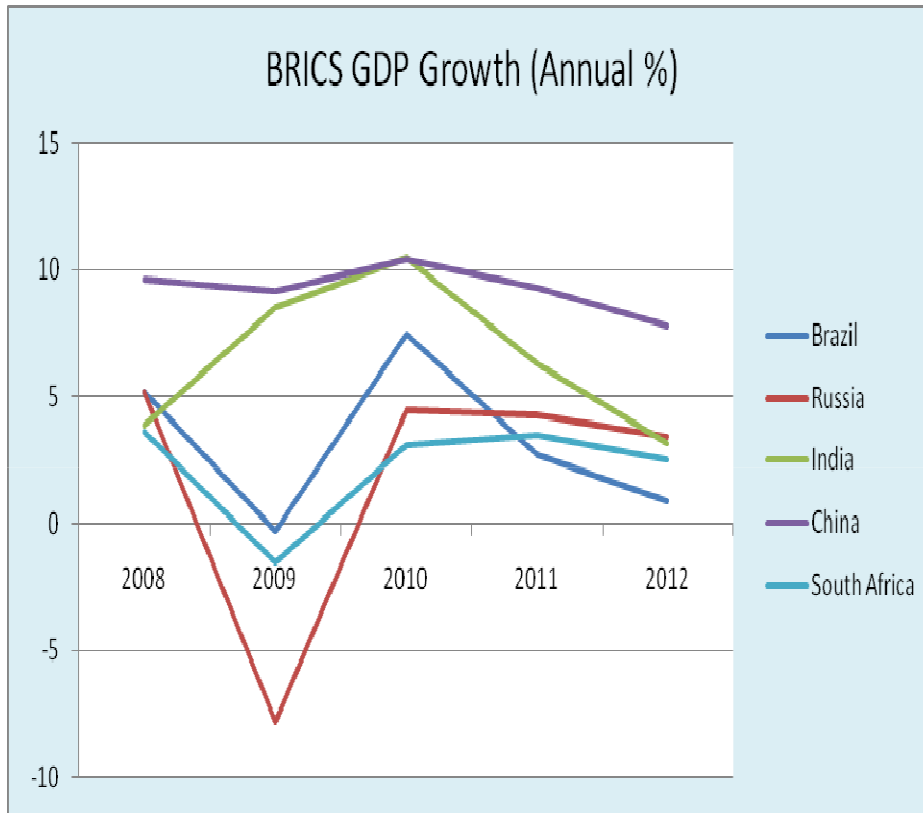
Nigeria

- ⇒ Growing At Average Rate of 7% Over Past 5 Years
- ⇒ Major Oil Exporter And Large Gas Resource
- ⇒ Telecoms And Agriculture Major Growth Engines

Turkey

- ⇒ World’s 17th Largest Economy
- ⇒ Growth Rate in 2010/2011 over 8%

Comparison of BRICS & MINT Performance



Growth from the MINT was relatively stable after 2010 except for the sharp decline from Turkey, while all countries in BRICS experienced decline in a similar period

MINT Growth Drivers

- 🌐 **Population**
- 🌐 **Natural Resources**
- 🌐 **Low Wage/Cost Advantage**
- 🌐 **Political/Policy Stability**
- 🌐 **Prudent Macro Economic Management**

Current Realities And Challenges

Current Realities

⇒ Mexico

Neto (2012) Promised Transformational Agenda

Based on:

- Telecoms Reforms
- Petroleum Sector Reforms
- Taming of Trade Unions
- Tax Reforms to Generate Revenue
- Results Have Been Mixed
- GDP Growth Rate Forecast for 2013 (1.7%)

Current Realities And Challenges

Current Realities (Cont'd)

⇒ Indonesia

- ❑ Huge Current Account Deficit
- ❑ Currency Depreciation (13.7% Vs. Dollar Since May 2013)
- ❑ Strong Economy Needing to Get Off Easy Money

⇒ Nigeria

- ❑ 2013 GDP Growth Forecast at 6.7%
- ❑ Single Digit Inflation (About 9%)
- ❑ Non-Oil Sector Stellar Performance

Current Realities And Challenges

Current Realities (Cont'd)

⇒ Nigeria (Cont'd)

But Major Issues Ahead

- Infrastructure
- Diversification
- Oil Sector Reform
- Oil Thefts
- Security
- Global Competitiveness Index Drops

⇒ Turkey

High Current Account Deficit

Current Realities And Challenges

Current Realities (Cont'd)

⇒ Turkey (Cont'd)

- ❑ GDP Growth Rate Dropped to 2% (2012)
- ❑ Lira Fallen By 10% Vs. Dollar Since May 2013
- ❑ Excessive Reliance On Foreign Capital Inflows
- ❑ Strong Growing Economy. Needing Structural Changes In Education And Rule of Law

Current Realities And Challenges

Challenges

- ⇒ **Infrastructure**
- ⇒ **Hot Easy Foreign Money**
- ⇒ **Diversified Economy (Including Reform of Major Sectors)**
- ⇒ **Security**
- ⇒ **Corruption**
- ⇒ **Growth Inclusiveness**

Conclusions

- **Reality Is Function of How Challenges Are Resolved**
- **MINT Require Visionary Leaders Who Can Also Execute Transformational Agenda**

“Recent Indicators Point to Stronger Underlying Activity In Several Advanced Economies While Key Emerging Economies Have Slowed”

- IMF, September 2013

Conclusions (Cont'd)

“Africa Contains The World Greatest Social Problems. The Magnitude of The Problem Is Immense And The Challenges Facing Sub-Saharan African Countries Are Huge”

-Andris Piebalgs

(European Commissioner for Development)



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Thank you

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