



EMERGING MARKETS

“The ultimate resource in economic development is people. It is people, not capital or raw materials, that develop an economy.”

Peter Drucker (1909 – 2005), American management consultant

1. Emerging Markets Discussion

1. What is the difference between an emerging economy and a less developed economy?
2. Which countries have emerging markets?
3. Why do emerging markets experience higher GDP growth than developed countries?
4. Which countries have transitioned from emerging market to fully developed economy? How did they achieve this?
5. Which countries do you expect to make the transition from emerging market to developed market next? Why?
6. Is China a developed economy or an emerging economy? Why?
7. How will global economic development affect prices?
8. Political scientist Ian Bremmer defined an emerging market as “a country where politics matters at least as much as economics to the markets.” What does this mean, and do you agree?

2. Emerging Markets Vocabulary

- **foreign direct investment (FDI)** (noun) – *an investment made by a company or individual in one country in a company in another country.*
- **frontier market** (noun) – *a country more developed than the least developed economies, but not as developed as an emerging market because it is too small or carries extra risk.*
- **to nationalise** (verb), **nationalisation** (noun), **nationalised** (adjective) – *sectors of the economy that are controlled by the government; the process by which a government brings a sector of the economy under its direct control.*
- **market liberalisation** (noun) – *a reduction in government restrictions, regulation, or intervention on economic activity in a sector of the economy, often as a precursor for privatisation.*
- **commodity** (noun) – *a raw material or agricultural product that can be bought and sold.*
- **infrastructure** (noun) – *the physical structures necessary for the operation of society or business, such as roads, buildings and communications networks.*

Using the vocabulary words above, complete the following sentences (remember to use the correct form of the word, e.g. verb conjugation or plural noun)

1. Aggressive investors may choose to invest in small companies in _____ in the hope of receiving high capital gains.
2. For a _____-exporting nation, lower prices can seriously affect its economic growth.
3. Governments in emerging markets can attract _____ by introducing strong intellectual property rights laws and reducing corporation tax.
4. _____ is often a requirement for developing countries that wish to join regional trade agreements.
5. One of the secrets of China's impressive economic success was its determination to invest money in _____ projects like high-speed railways and modern port facilities.
6. Venezuela caused shockwaves across the petroleum industry when it _____ oil projects previously managed by foreign companies.

Emerging Markets vocabulary comprehension questions

1. What are some common forms of FDI?
2. Why would an investor invest in a frontier market?
3. Are there any sectors of your country's economy that are nationalised?
4. Why is market liberalisation necessary for economic development?
5. Do emerging markets rely too much on commodities? What are some negative consequences of this?
6. How important are infrastructure projects to the development of an economy?

3. Video: What Is an Emerging Market?

You are going to watch a video by CNBC News called "What is an emerging market?"

Watch the video here: <https://youenglishpal.com/blog/business-english-conversation-lesson-plan-emerging-markets/>

Watch the video and after, discuss the following questions:

1. How important are emerging markets for global economic growth?
2. What can emerging markets do to attract more foreign investments? What laws would help?
3. What investment opportunities exist in emerging markets that do not exist in developed or less developed countries?
4. How can companies estimate demand in an emerging market? What factors could be used to determine this?
5. What are the risks involved in investing in an emerging market? Are these risks any different from investing in a developed market?
6. Which emerging markets worry you in terms of investment? Why?

4. Emerging Markets Conversation Questions

1. Does economic development really mean anything other than market liberalisation?
2. What effect does market liberalisation have on the local population? Why might they oppose this policy?
3. Which activity would have a greater influence on economic development: market liberalisation or large-scale investments in public education and health?
4. Does economic development benefit elites or the wider population the most? Why?
5. Can dictatorships and other authoritarian governments ever make the transition from emerging market to developed country? Why or why not?
6. What conflicts might exist between the aims of a national government and the pressures of the global economy?
7. Why have companies from emerging markets struggled to find success globally?
8. Why might an emerging market revert back to a less developed market? Can you think of any examples of this?

5. Emerging Markets Writing Task

Write a briefing note about the extent to which your country relies on commodity trading. Include information on the commodities sold, how fluctuations in the price of these commodities can affect GDP (or have affected GDP), and how you see this reliance being reduced in the future.

6. Emerging Markets Answers

2. Vocabulary

1. frontier markets
2. commodity
3. foreign direct investment
4. Market liberalisation
5. infrastructure
6. nationalised