



## WESTERN BUSINESS UNDERESTIMATES EMERGING COUNTRIES CAPABILITIES

72 per cent of board directors believe BRICS businesses are less advanced in terms of technology

Even though a clear majority (61 per cent) of respondents admit it is &ldquo;crucial&rdquo; their business is able to work with the economies of Brazil, Russia, India, China and South Africa &ndash; the so-called &lsquo;BRICS&rsquo; nations &ndash; to succeed in the long term, many of them demonstrate worrying ignorance of the realities of those countries: almost nine out of ten directors (88 per cent) could not name the currency of Brazil and 14 per cent believe that vodka is the main product of Russia, for example.

BT commissioned Datamonitor to undertake the study of 800 senior executives in the US, UK, France and Germany for its study, &ldquo;Building Business With BRICS.&rdquo; The study discovered that more than seven out of ten (72 per cent) Western directors believe that organisations in the &lsquo;developed&rsquo; world are better equipped technologically to work internationally than those in BRICS.

Francois Barrault, CEO, BT Global Services, said: &ldquo;This is a troubling finding. The message hasn&rsquo;t filtered through yet that these nations are already equipped to make an impact on the global stage. They have shown remarkable agility and speed at adopting new collaborative tools and technologies &ndash; quicker, in many cases, than in the US or Europe. Western organisations need to increase collaboration in and with BRICS businesses or risk being left behind. Western executives have the systems in place to work with BRICS. In terms of the technology that enables collaboration between organisations and countries, there is an effective global network in place. But Western businesses need to do more to fully engage with BRICS countries. Successful collaboration between organisations in the West and those in BRICS will be a sign that globalisation has come of age. &rdquo;

According to the study, four in five (80 per cent) of directors realise that the necessary information and communication technology is readily available to allow their businesses to work effectively with those in BRICS. Despite this, the study found that directors perceive data security to be the main barrier to effective collaboration with international businesses, followed by different legislation and/or regulations and political interference.

The full report, &ldquo;Building Business With BRICS&rdquo;, can be downloaded from [www.bt.com](http://www.bt.com). Other findings include:

35 per cent of directors do not know the currency of Russia, 55 per cent do not know the currency of India and 65 per cent do not know the currency of South Africa;

India is perceived as the most comfortable BRICS economy in which to do business, significantly more than China, which was rated second (30 per cent to 23 per cent);

Russia is perceived as the least comfortable BRICS economy in which to do business (24 per cent);

Businesses in the manufacturing industry are the most active in the BRICS economies; 82 per cent of respondents said that their company was already working with other businesses within BRICS;

51 per cent of companies within the financial and professional services sectors are active in the regions. The BRICS economies are an opportunity for these companies to apply their specialised knowledge to a rapidly developing economic model;

Few government & non-profit and education & healthcare companies are active; such companies are generally prohibited in their expansion overseas, and;

Companies with revenues in excess of \$1 billion are currently the most active within the BRICS economies. The increasing trend towards globalisation has a wider effect on such firms who must look to developing economies to enhance sales, diversify their geographical portfolios and minimise costs through low-cost labour and energy

About the research

BT commissioned Datamonitor to undertake the study of 800 senior executives in companies from a range of sectors, with turnovers from \$10 million to over \$1 billion, in the US, UK, France and Germany for its study. The full report, &ldquo;Building Business With BRICS,&rdquo; can be downloaded from [www.bt.com](http://www.bt.com)

About BT

BT is one of the world&rsquo;s leading providers of communications solutions and services operating in 170 countries. Its principal activities include networked IT services; local, national and international telecommunications services; higher-value broadband and internet products and services and converged fixed/mobile products and services. BT consists principally of four lines of business: BT Global Services, Openreach, BT Retail and BT

Wholesale.

In the year ended 31 March 2007, BT Group plc's revenue was 20,223 million with profit before taxation of 2,484 million.

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group and encompasses virtually all businesses and assets of the BT Group.

BT Group plc is listed on stock exchanges in London and New York.

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