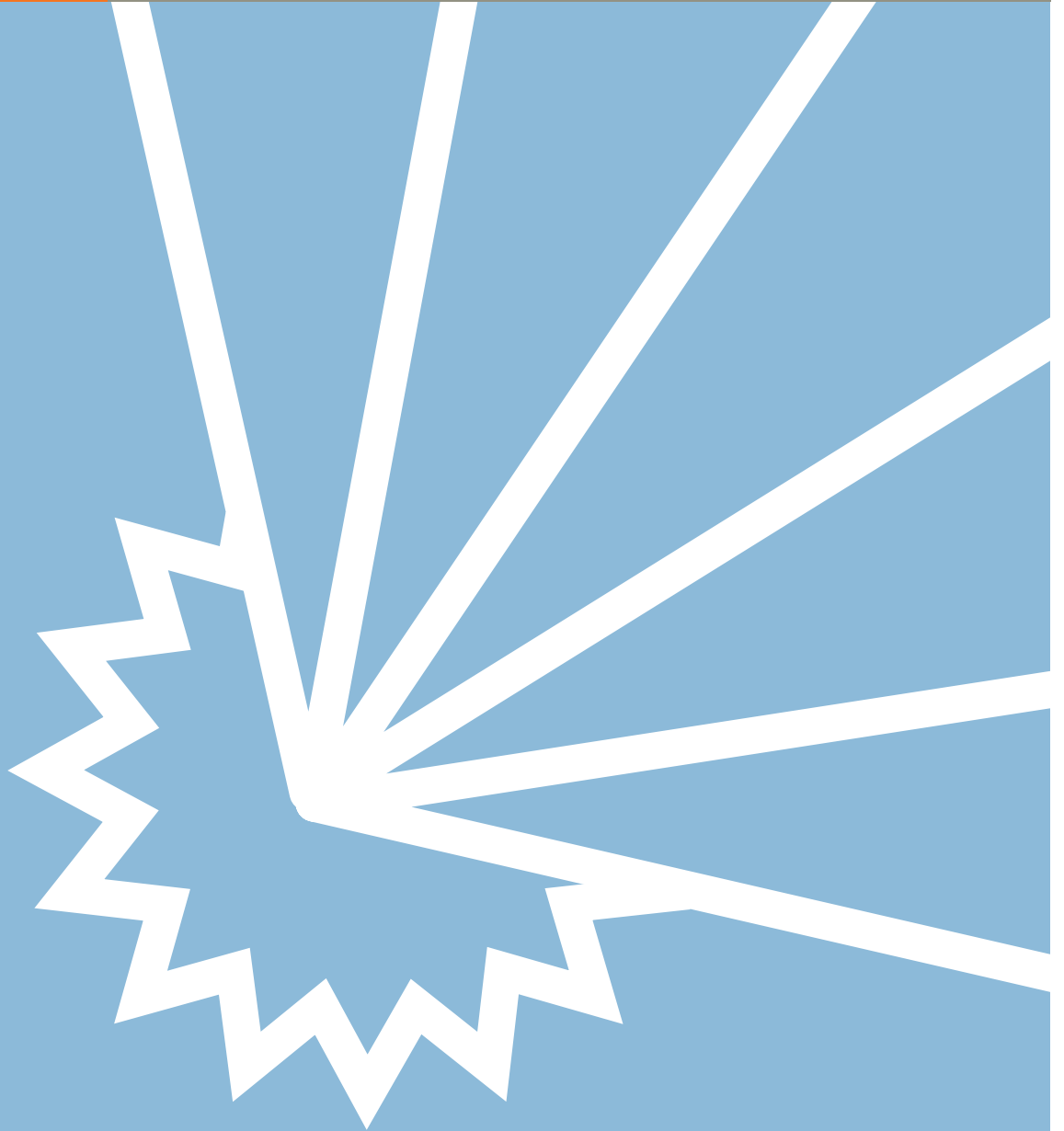


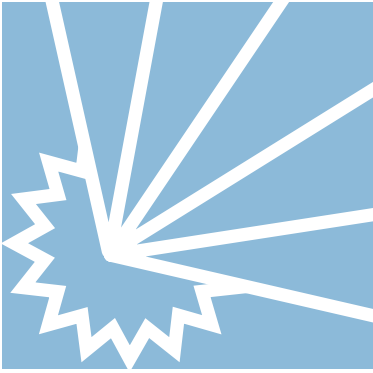


ARTHURANDERSEN

Risk Consulting



Business beyond borders:
Risks and opportunities



What is the risk that changes in the political and economic climate of a foreign country will reduce the profitability of doing business abroad?

How can you manage that risk?

If you are one of the many businesses with operations beyond your geographical and political borders, these are important questions. We have answers.

The explosion of global business is shrinking the world. Global capital and trade flow to regions that offer optimal risk-reward relationships. Traditionally, companies with international operations have focused only on managing exchange rate risk. But there are many other risks that could impact a business from an international perspective. Also, because companies vary in their operations, financing needs, etc., the risks facing one can be quite different from those facing another.

Never has understanding the differences—political, economic, social, and environmental—between countries been so important. A variety of factors—natural resources, labor pools, government regulation, exchange rates, trade laws—have contributed to the burgeoning expansion of business into countries beyond their geographical and political borders. This means newer opportunities and unforeseen risks for these companies and those doing business with them. These risks mean an even greater chance of capital losses that could adversely affect their bottom line.

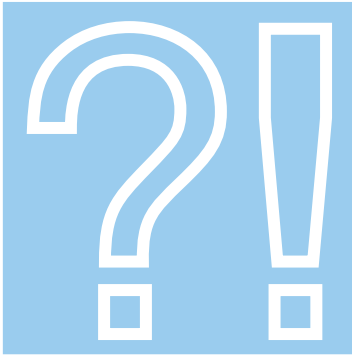
Collectively, these risks can be thought of as *country risk*—the risk associated with doing business in a foreign country. Our risk consulting professionals can help you focus on the emerging discipline of country risk management and the current framework and tools available to identify, measure, mitigate, and monitor country risk. We also can help you pinpoint opportunities in the global business (gBusiness) arena.

Our services

Our knowledge and experience in international financial markets, coupled with the depth and breadth of our risk management skills, allows us to help you manage the risks of doing business in the global marketplace. Andersen professionals have extensive foreign exchange, industry, and business risk experience; among them are corporate treasurers, cash managers, risk management systems specialists, quantitative specialists, and derivatives traders.

We offer these services:

- Country risk management
- Credit risk management
- Foreign exchange risk management
- Market risk management
- Operations risk management
- Regulatory compliance
- Risk management & trading systems
- Settlement process
- Treasury/cash management
- Valuation & risk measurement



We can help you answer the following questions:

- Which geographic regions present better risk-reward relationships for your gBusiness?
- What is the politico-economic outlook for these regions in the next three months, one year, five years?
- Within a specific country, how much is your business impacted by changes in political climate, economic conditions, fiscal and monetary policy, trade barriers?
- What are the local government's policies on privatization and foreign investment?
- What are the strengths and weaknesses of the local banking system?
- What are the country's plans for ongoing economic and structural reform?
- How can the ease or difficulty of converting and transferring local currency affect your business?
- What is the outlook for various currencies?
- How do pivotal events in one geographical region affect another, and what is their impact on your business?

We can:

- **Help you analyze your gBusiness risk management strategy...or develop one**
Whether you already have a presence in another country or are planning one, we will help you discover the strengths and identify the weaknesses in your gBusiness strategy from a risk perspective. Point out the pitfalls of doing business overseas. Determine your options and alternatives.
- **Assess your risks**
Determine a country's risk rating by conducting a qualitative and quantitative assessment of the variables involved.
- **Customize country risk management for your business, your term of operations, and your sources of financing**
We will help you quantify the risks of your business activity in different countries, and rank those countries based on their overall risk of doing business. Help you assess your need for political risk insurance. Help you understand and eventually make you comfortable with the risks present in your current markets.
- **Help monitor risks and anticipate their effects on your business**
We can point out early warning indicators to help you assess the risk of payment interruption due to adverse political and economic conditions in given countries. Help you gather relevant data to analyze economic performance; political governance; corporate governance; and quality of the financial system of a specific country.
- **Teach you how to do your own county risk assessment on an ongoing basis**
Work with you to develop and process richer sources of market data and reliable information in ways that will add value to your business.

Your potential benefits

Greater chance of success in gBusiness

Your potential for success will improve because your decisions will be based on sound politico-economic analyses. Because you are more attuned to your risk profile, you will be able to move quickly to take advantage of new global opportunities as well as to avoid situations that pose high risks with low returns.

Enhanced enterprise-wide risk management

You will have clear policies and defined responsibilities for monitoring and managing global risks. You will be better able to integrate country risk management into your business strategy and planning.

Contact us



Let us help you be a success in the global marketplace. Give us a call.

We have the experience, knowledge, and skills to help you avoid the pitfalls in the global marketplace and to capitalize on its countless opportunities. Ask for our Financial and Commodity Risk consultants.

www.andersen.com