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Title : Business and investment opportunities in Brazil, Russia

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SINGAPORE : Countries like Brazil and Russia offer many opportunities, not just for businesses, but Singaporean investors as well.

Analysts said BRIC (Brazil, Russia, India and China) nations are expected to grow by about 7 per cent this year, up from 4.5 per cent last year.

Russia is rich in oil and gas, and the sector contributes to about a quarter of Russia's GDP.

Commodities such as sugar make up nearly 15 per cent of Brazil's GDP while 45 per cent of China's GDP is dependant on investments in the infrastructure and construction sectors. And more than half of India's GDP is derived from the service sector currently.

Analysts said these various strengths of the BRIC economies offer significant benefits for investors.

"There is a lower degree of correlation. Therefore for any investors, the ability to diversify and reduce portfolio risk is quite significant. So both on the front of opportunities and risk management, the move by asset managers towards emerging markets is very valid," explained Dr Thierry Apoteker, MD of TAC Financial.

Singapore companies are also riding on the growth of these BRIC economies.

Increasingly, they are helping companies in the BRIC nations tie up with those within Southeast Asia.

Analysts said Singapore, as a country, plays a pivotal role because it has extensive trade expertise and a good financial structure.

Kelvin Tay, chief investment strategist (Singapore) at UBS Bank said: "Our role will be more of the advanced infrastructure sort of development. For instance if China or India requires certain commodities, we can help source it from the ASEAN countries. So that's where we come in; we are still the middleman role.

"But the middleman role has changed to a large extent. It's no longer like what we traditionally used to be when we were an entrepot trade area - basically a hub for goods to be transported through Singapore."

Meanwhile, Singapore's geographical position also means it can easily assist bilateral trade between China and India, which amounts to S\$78.9 billion in 2009.

Analysts project that the BRIC economies will grow between 6 and 7 per cent next year. This is better than the projected growth of 4 per cent globally for the same period. - CNA /ls

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