

BIIA

Business Information Industry Association
Asia Pacific – Middle East

“STATE OF INFORMATION IN EMERGING MARKETS”

*Joachim C. Bartels
Managing Director*

*Presented at the FCIB Conference
February 2007, Rome, Italy*

STATE OF INFORMATION

- ***WHY ARE WE HERE?***
- ***ASYMMETRIES IN INFORMATION***
- ***FOUR SUCCESS FACTORS DRIVING INFORMATION***
- ***THE INFORMATION DEFICIT***
- ***OVERCOMING THE INFORMATION DEFICIT***

WHY ARE WE HERE?

BIIA



FCIB

- ***BIIA IS SEEKING A DIALOG WITH USERS OF CREDIT INFORMATION***
- ***CREATE AWARENESS ABOUT KEY ISSUES THAT DRIVE INFORMATION AVAILABILITY AND QUALITY***
- ***SEEK COOPERATION IN OVERCOMING THE INFORMATION DEFICIT***

WHO WE ARE

BIIA

Business Information Industry Association
Asia Pacific – Middle East

- ***BIIA IS A TRADE ASSOCIATION FOR THE INFORMATION CONTENT INDUSTRY***
 - ***FORMED IN JUNE 2005 IN HONG KONG***
 - ***MEMBERS REPRESENT CONSUMER AND BUSINESS CREDIT INFORMATION, COMPANY AND FINANCIAL DATA, CREDIT RATING, DIRECT MARKETING AND BUSINESS MEDIA CONTENT SERVICES***

MISSION AND OBJECTIVES

Provide a neutral open Forum for its members to debate and resolve common issues with users, regulators, government and the public information sector

Promote the industry by demonstrating the value of information for users and national economies as a whole

Inform the industry, users and the general public by serving as a resource on standards, trends, technological developments, and policies

Protect the industry by advocating a legal regulatory environment that benefits the industry

Provide a networking platform for members

BIIA MEMBERSHIP 2005

Founder Members



Full Members



Asia Pacific
D&B Greater China



D&B Australasia



D&B SAME



D&B Philippines

Affiliated Industry Associations



BIIA MEMBERSHIP 2007

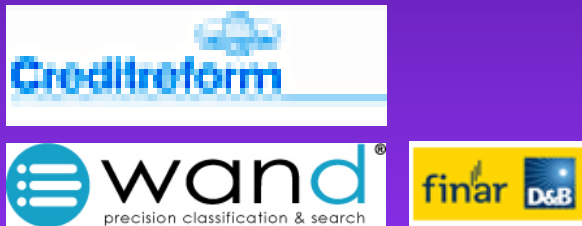
Founder Members



Full Members



Associated Members



Affiliated Industry Associations



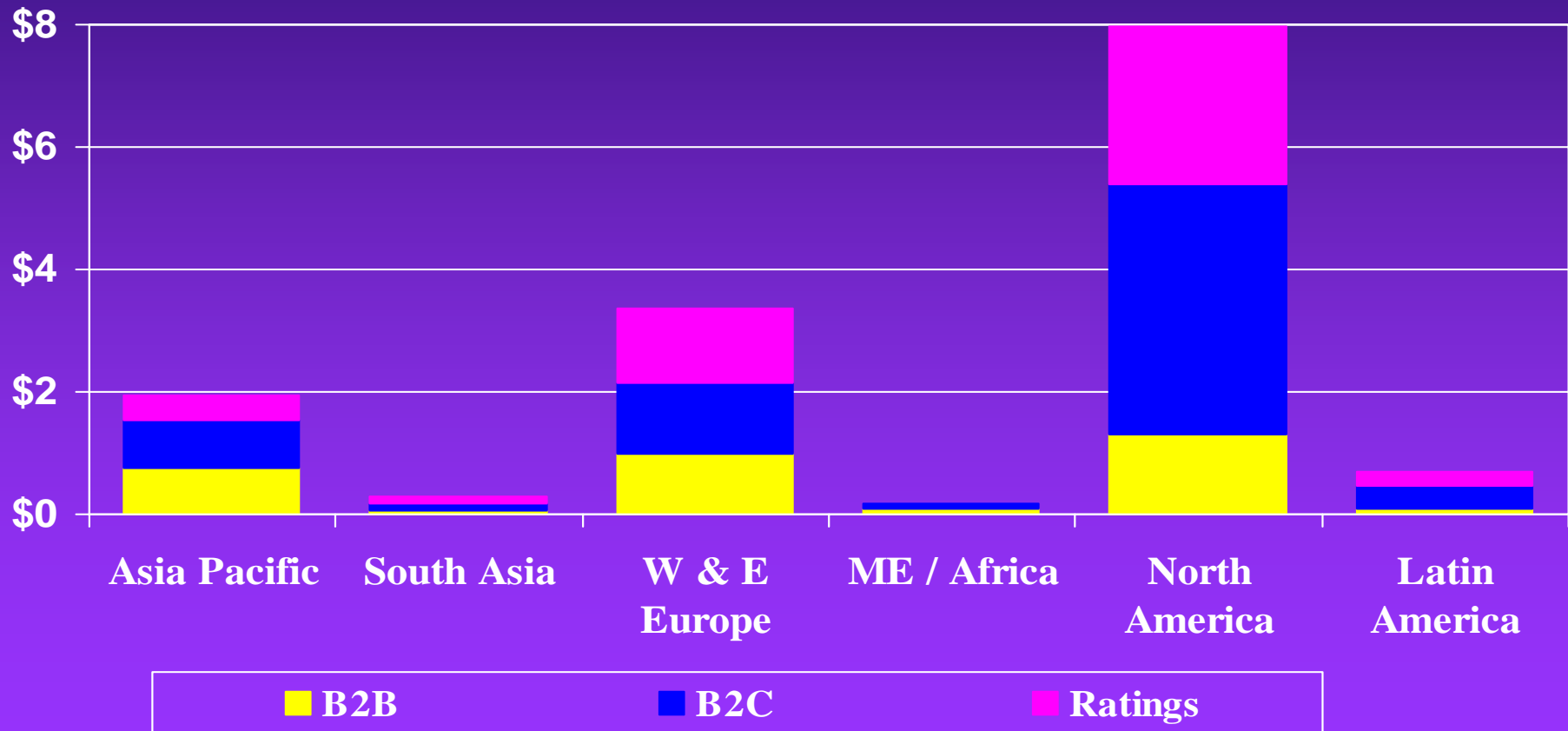
STATE OF INFORMATION

- *WHY ARE WE HERE?*
- ***ASYMMETRIES IN INFORMATION***
 - *World Bank and BIIA Survey of Business Credit Information Industry*
 - *Purpose: To determine the effectiveness of Business Credit Information and Public Sector Information (PSI)*
 - *Over 100 Companies Invited*
 - *75 Companies Responded*

ASYMMETRIES IN INFORMATION

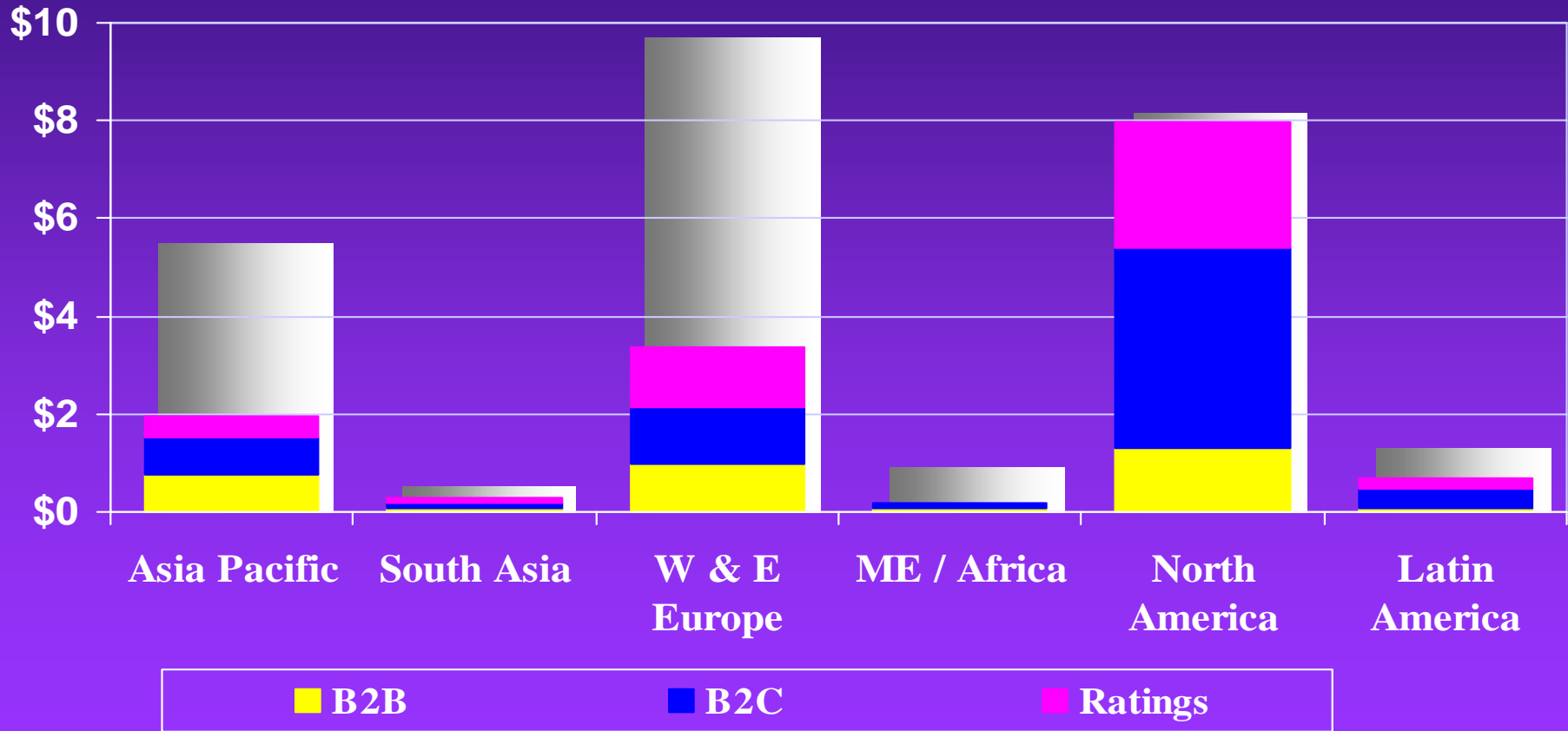
Example: Credit Information and Credit Ratings

Global Market Size Approx. US\$ 14 – 15bn



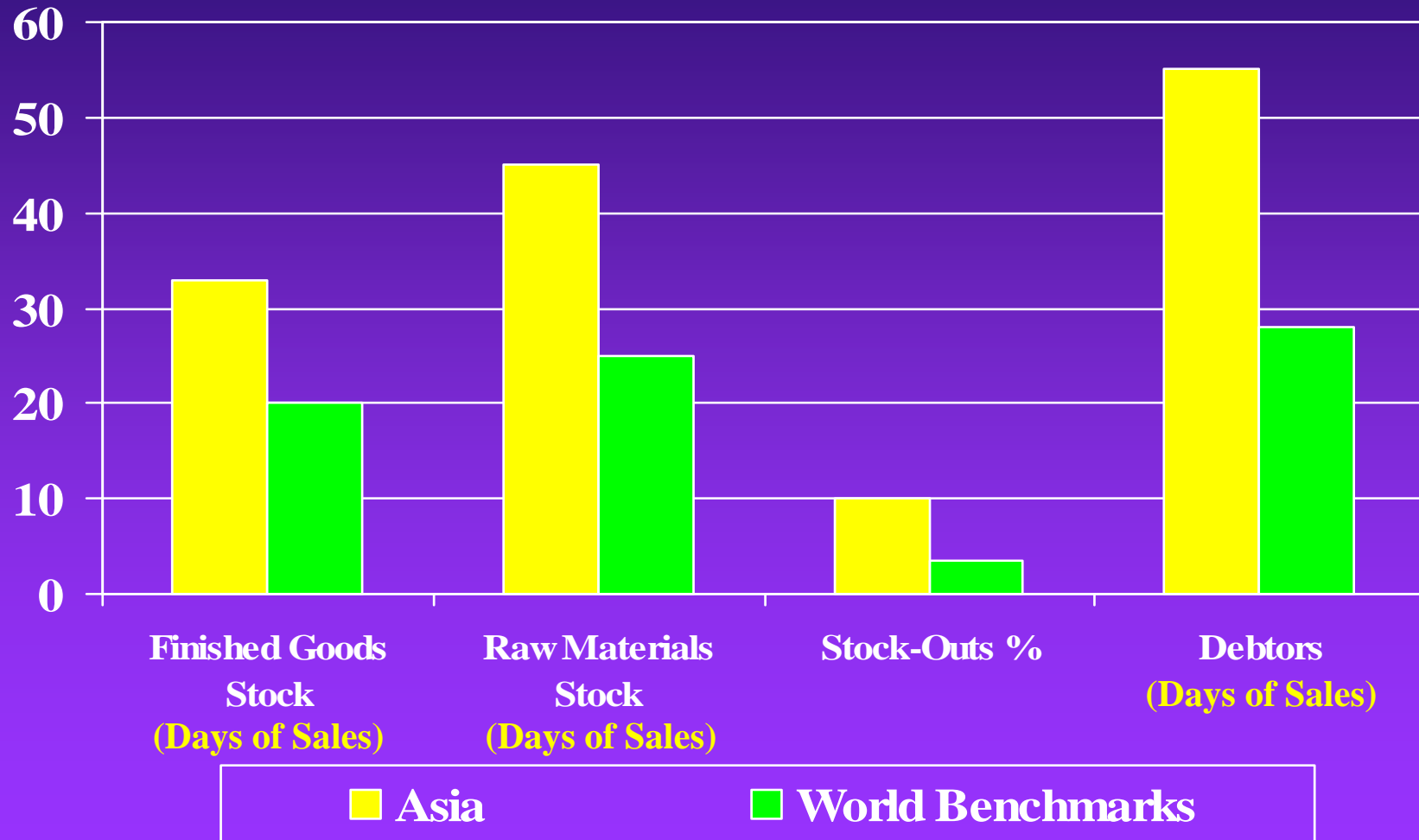
ASYMMETRIES IN INFORMATION

*Information Consumption Based on GDP (Benchmark North America)
Information Consumption Should be US 25 bn+*



ASIAN SUPPLY CHAIN PAINS

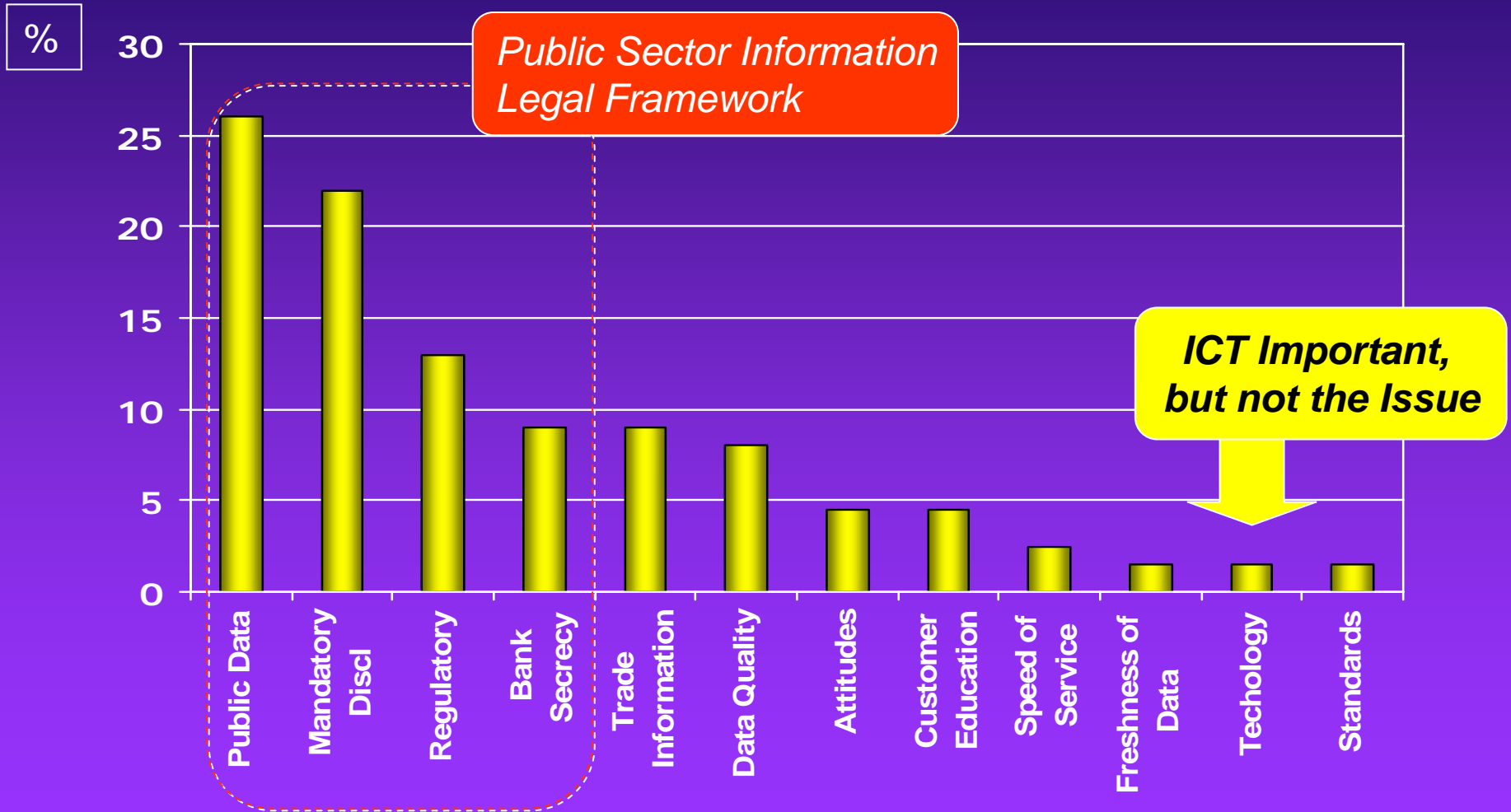
Source: Estimates by McKinsey Global Institute



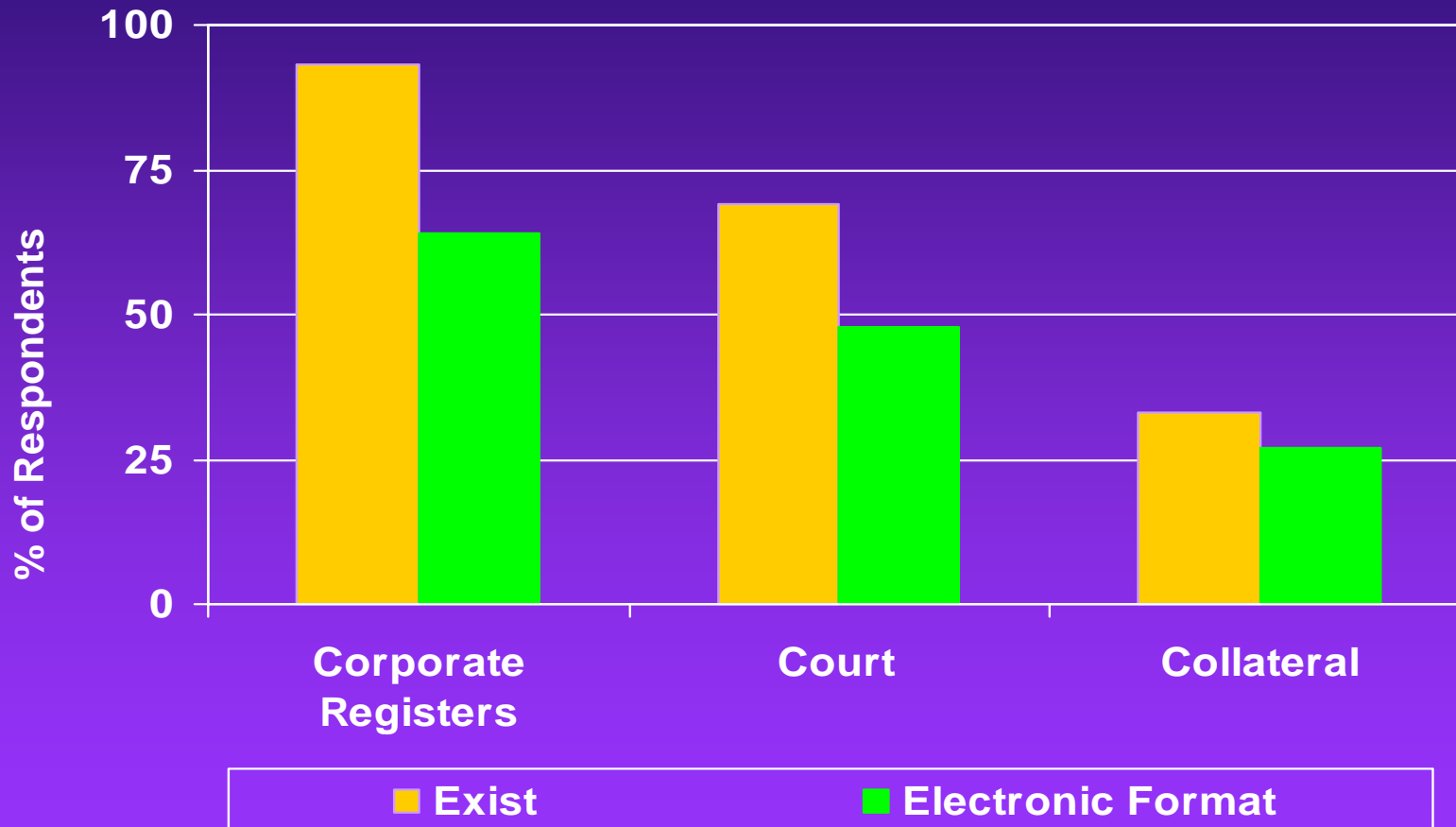
STATE OF INFORMATION

- *WHY ARE WE HERE?*
- *ASYMMETRIES IN INFORMATION*
- ***FOUR SUCCESS FACTORS DRIVING INFORMATION***
 - *Public Sector Information (PSI)*
 - *Mandatory Disclosure*
 - *Regulatory Framework*
 - *Access to Bank Information*

SUCCESS FACTORS - INFORMATION

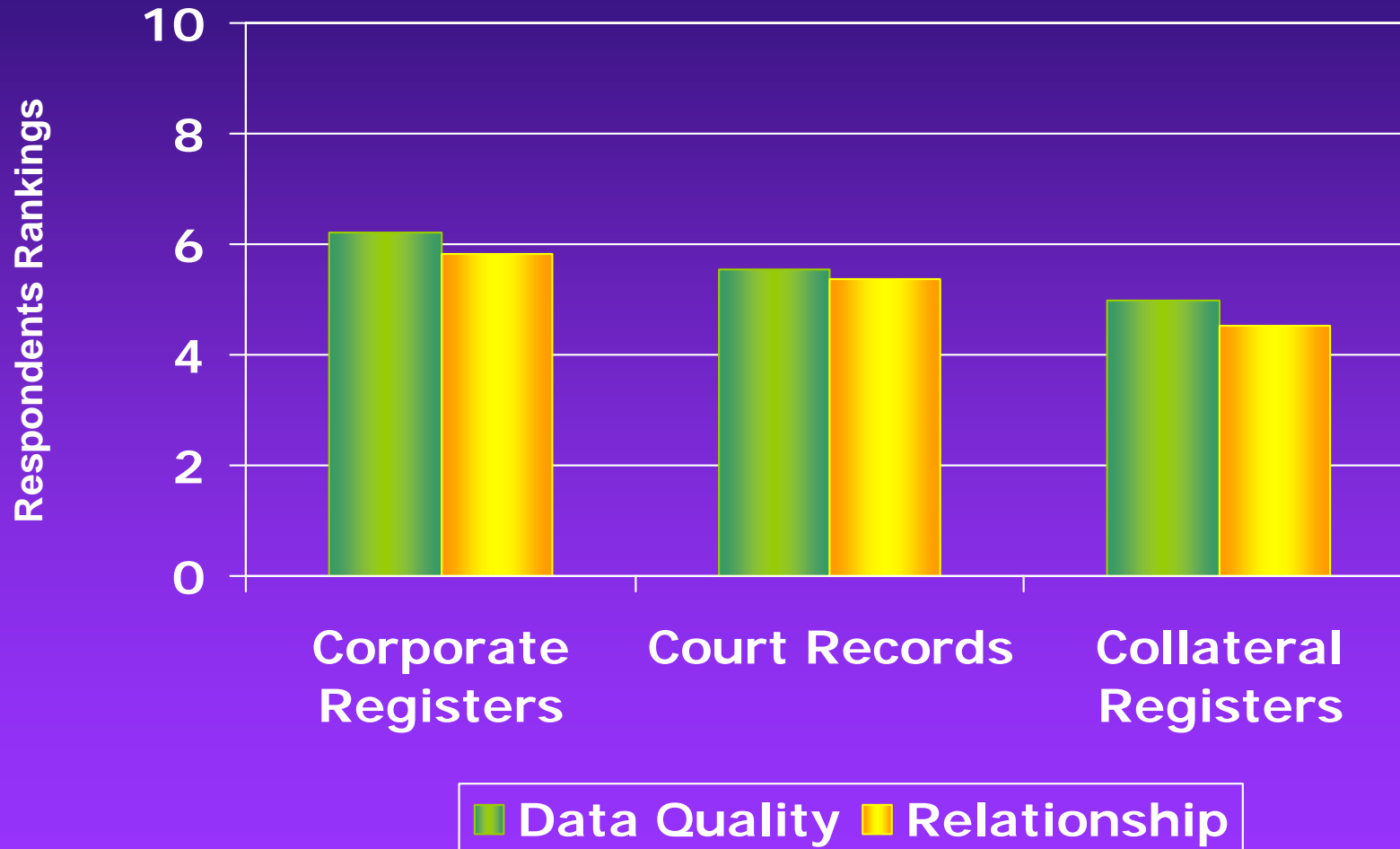


DEFICIENCIES IN PUBLIC SECTOR INFORMATION (PSI)

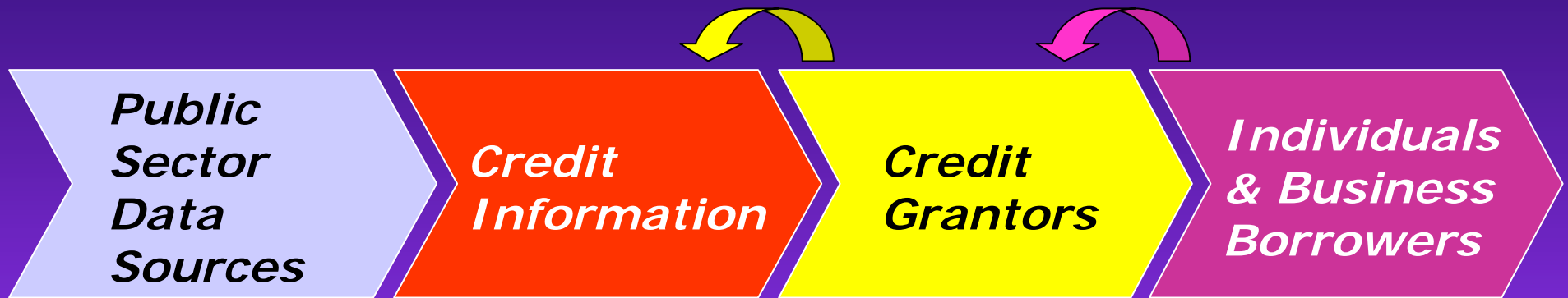


Source: World Bank Survey on Business Credit Information and PSI

PSI – QUALITY AND RELATIONSHIP



VALUE CHAIN IN LENDING / TRADE CREDIT GRANTING



THE DIGITAL DIVIDE

**Public
Sector Data
Sources**

**Private
Sector
Credit
Information**

**Private
Sector
Credit
Grantors**

**Private
Sector
Borrowers**

***IMPERFECT INFORMATION =
IMPERFECT DECISIONS
IMPAIRED ECONOMIC DEVELOPMENT***

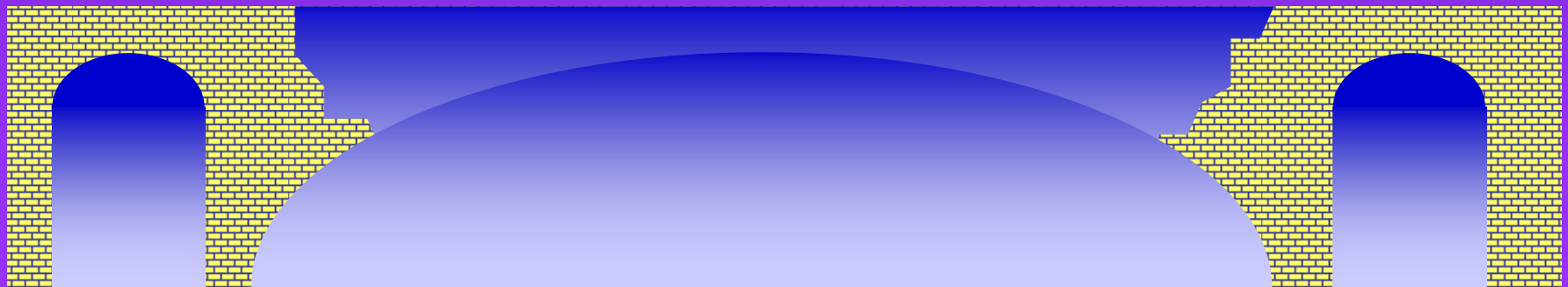
THE IMPERFECT WORLD OF INFORMATION

• Underdeveloped Infrastructures

- Difficult to Access*
- Paper Based*
- Poor Quality – Out of Date*
- Lax Compliance*
- Lack of Legal Framework*

• Attitudes of Businesses

- Information is Secret!*
- Lack of Voluntary and Legal Disclosure*
- No Enforced Compliance*
- Lack of Transparency*



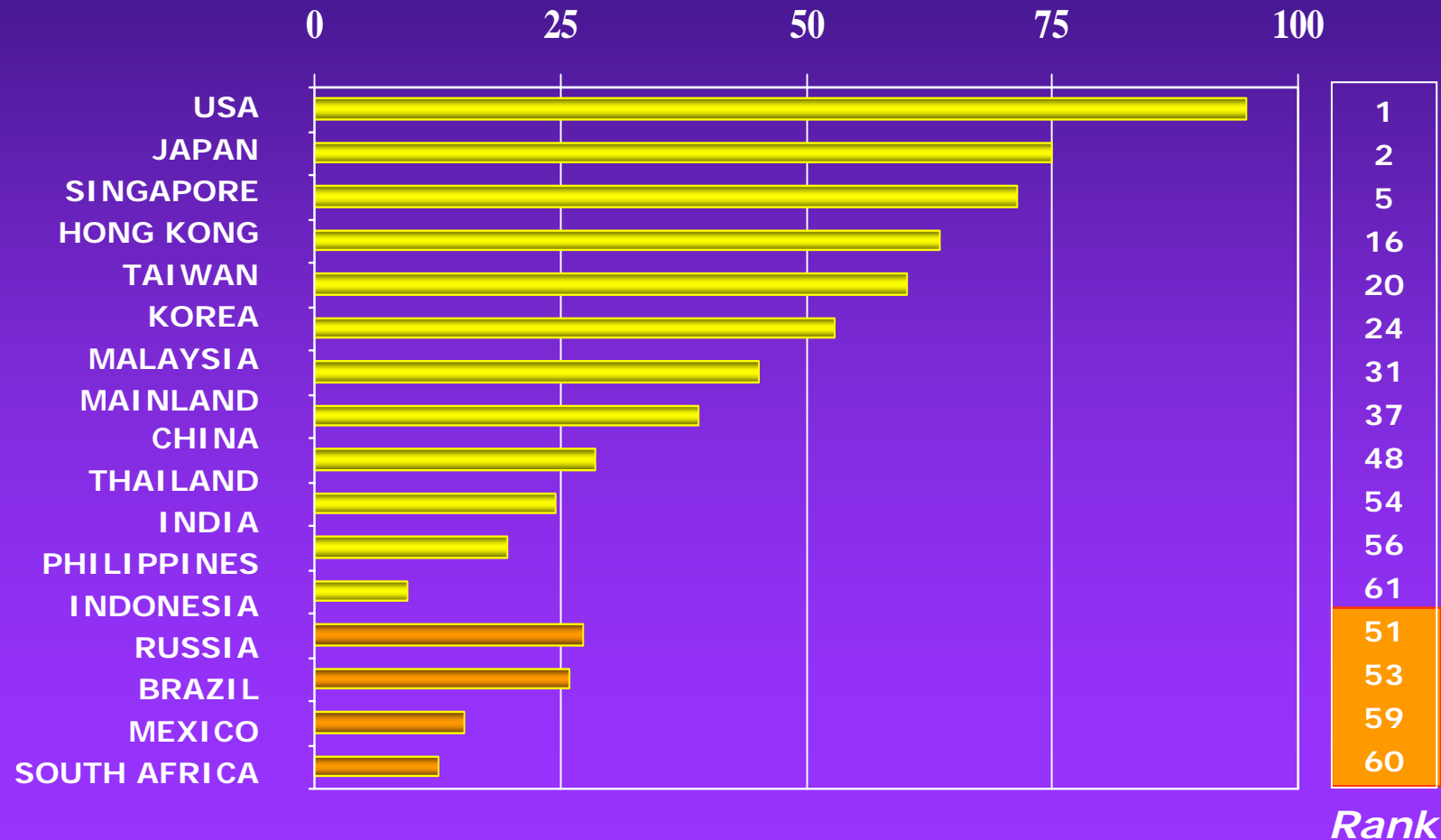
STATE OF INFORMATION

- *WHY ARE WE HERE?*
- *ASYMMETRIES IN INFORMATION*
- *FOUR SUCCESS FACTORS DRIVING INFORMATION*
- *THE INFORMATION DEFICIT*

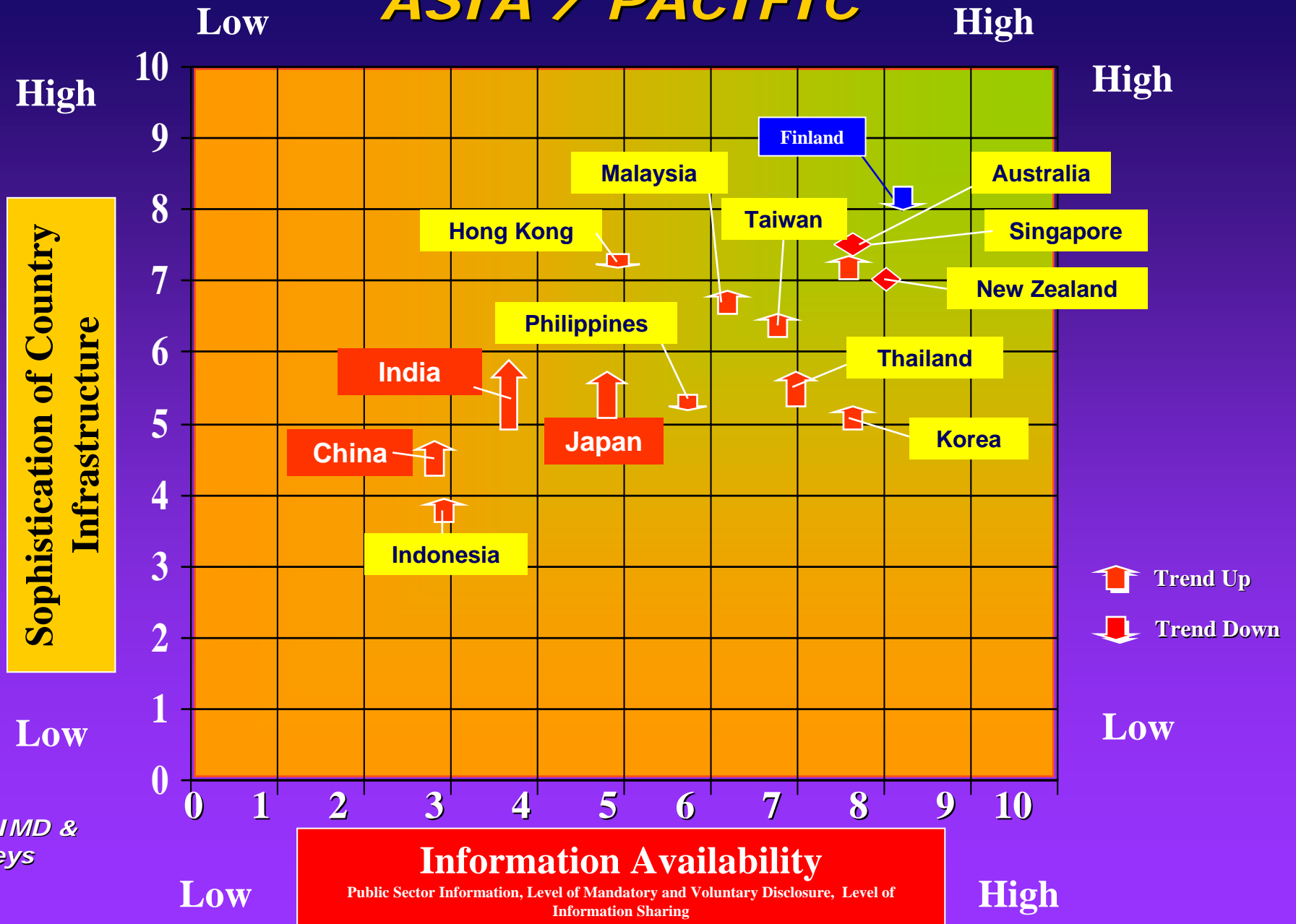
INFRASTRUCTURE

- IMD Ranking 2006

Extent of which Basic, Technological, Scientific and Human Resources Meet Business Needs



ASIA / PACIFIC

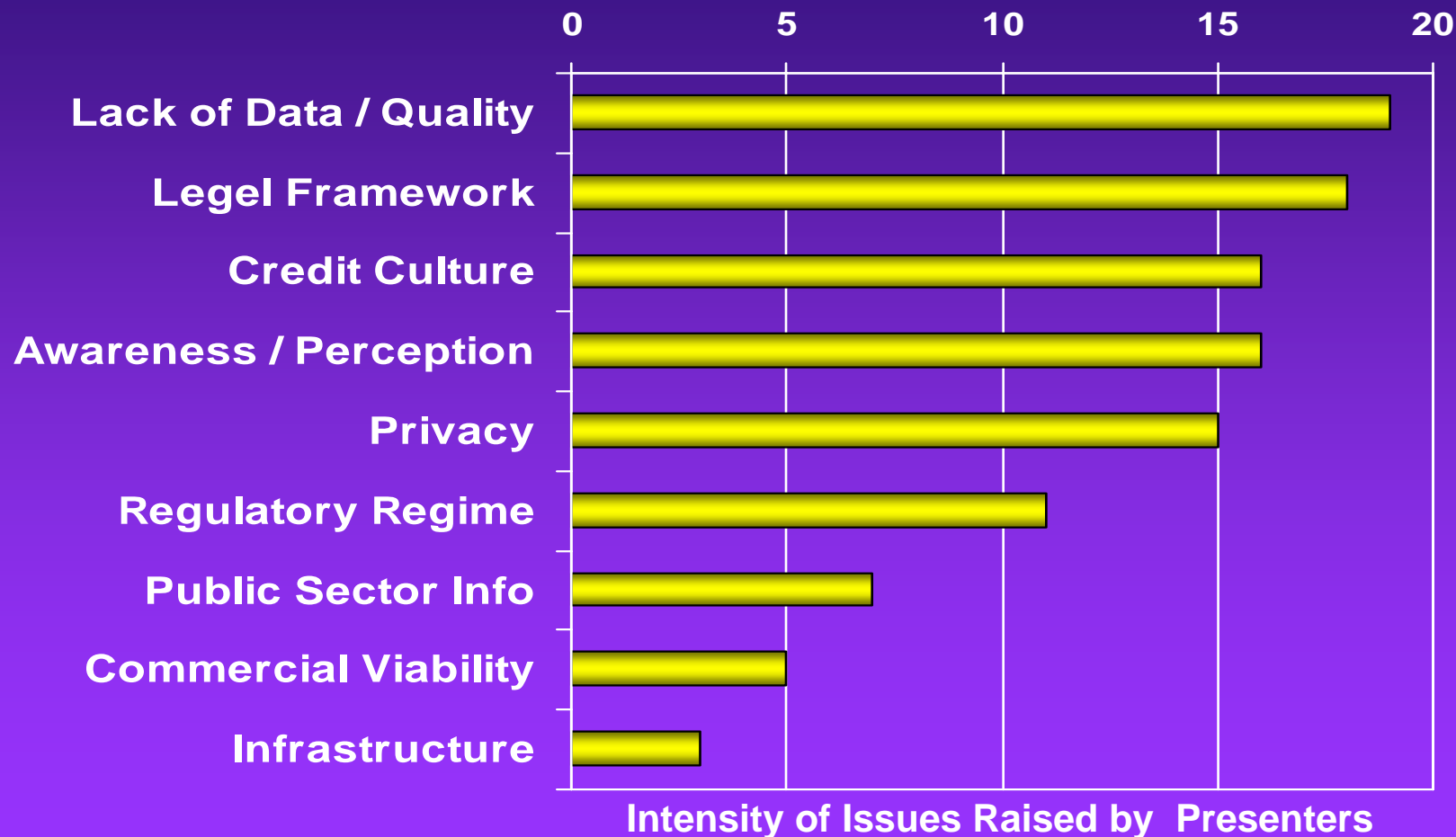


Source: IMD & IEI Surveys

AFRICA - KEY IMPEDIMENTS

World Bank Conference on 'Credit Reporting Systems in Africa'

Cape Town, South Africa October 2006



Global Business Credit Information Industry

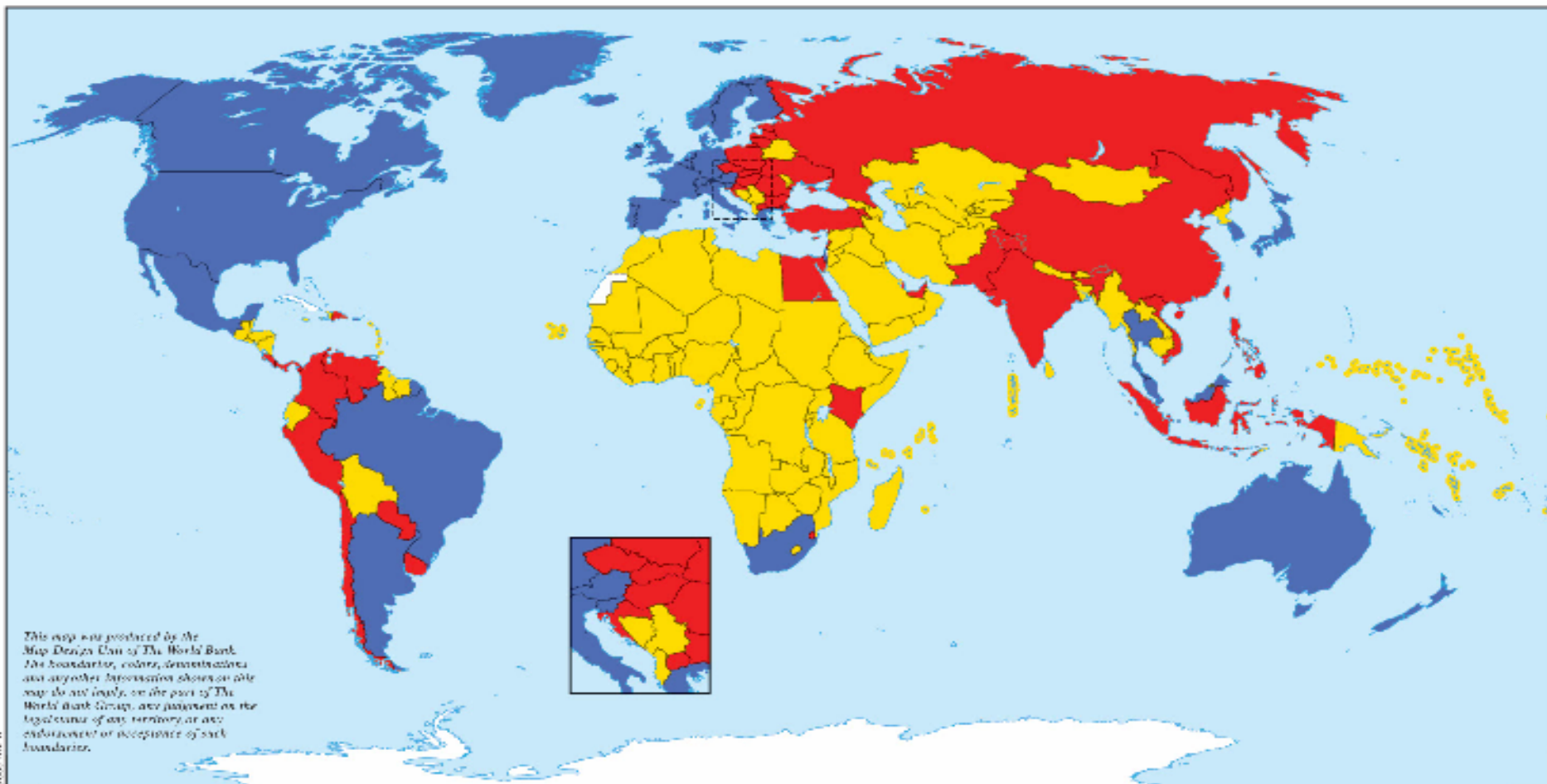
Category I

- SOPHISTICATED CREDIT SOLUTION STAGE
- TRADITIONAL CREDIT REPORTING STAGE
- PASSIVE CORRESPONDANT STAGE

Category II

Category III

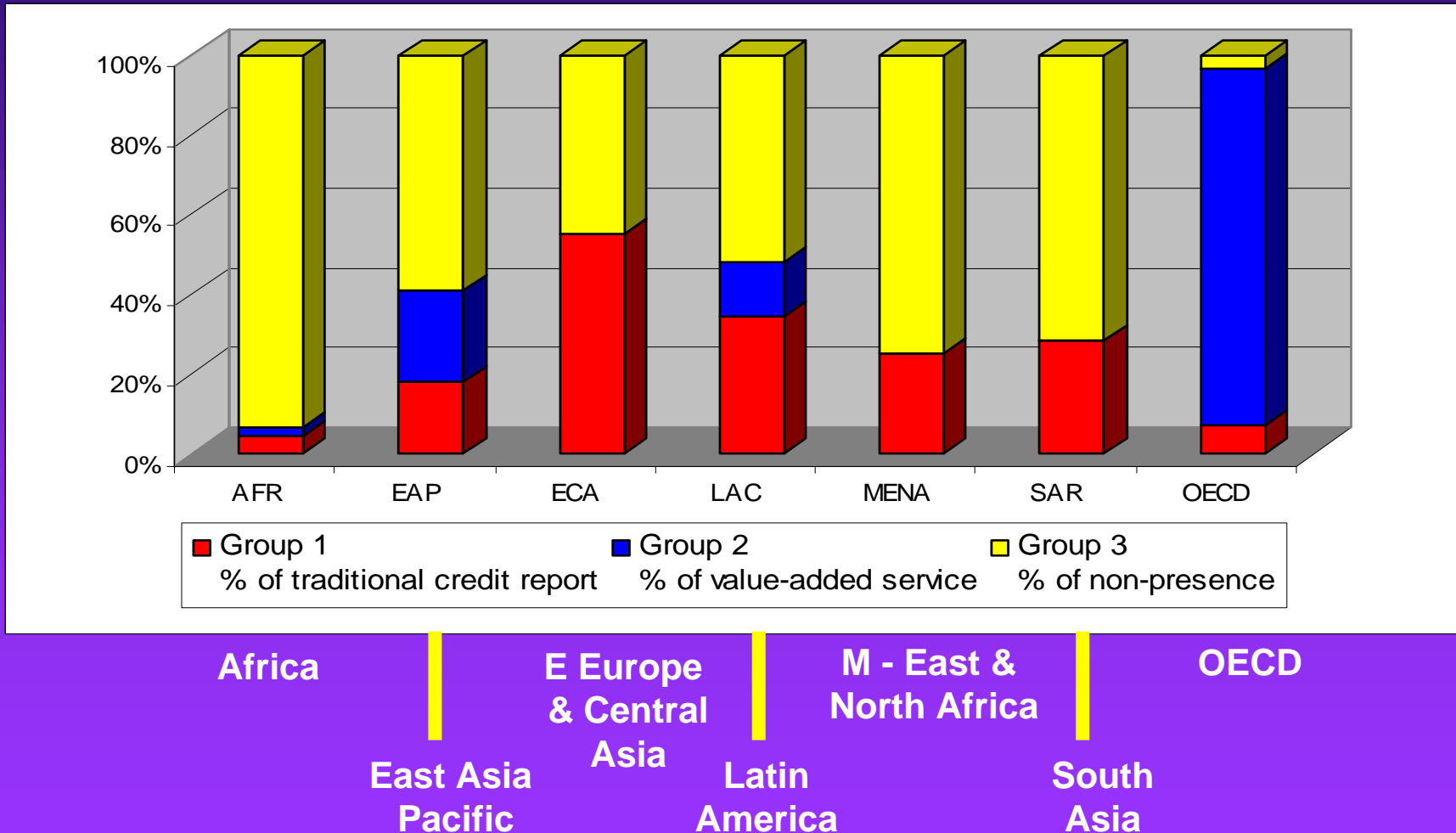
Source: World Bank Group



SERVICE SOPHISTICATION

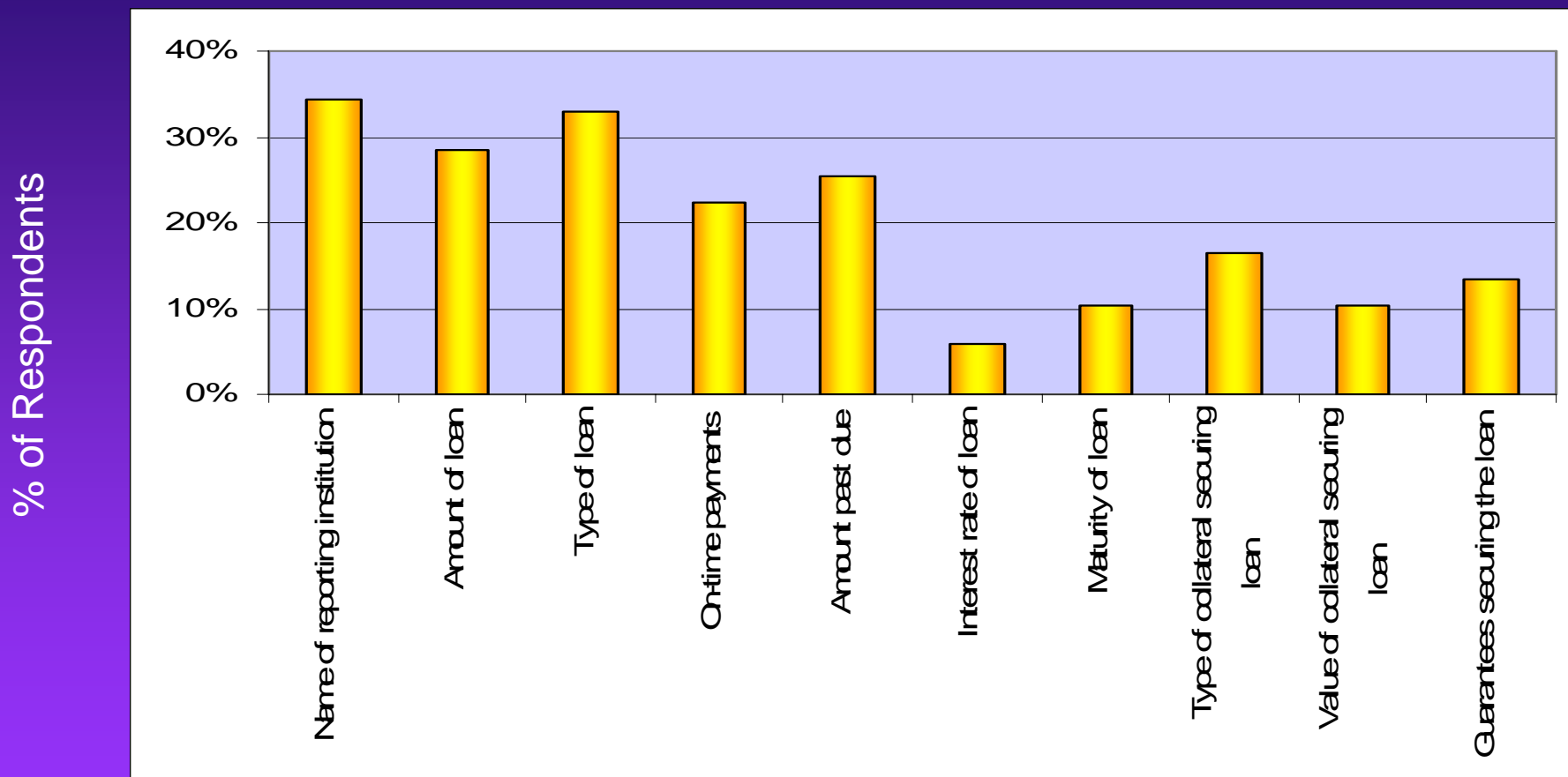
- REGIONAL COMPARISONS

Source: World Bank Survey 2006



DISCLOSURE OF LOAN INFORMATION

Lack of Legal Framework and Reluctance of Banks to Share Loan Performance Data

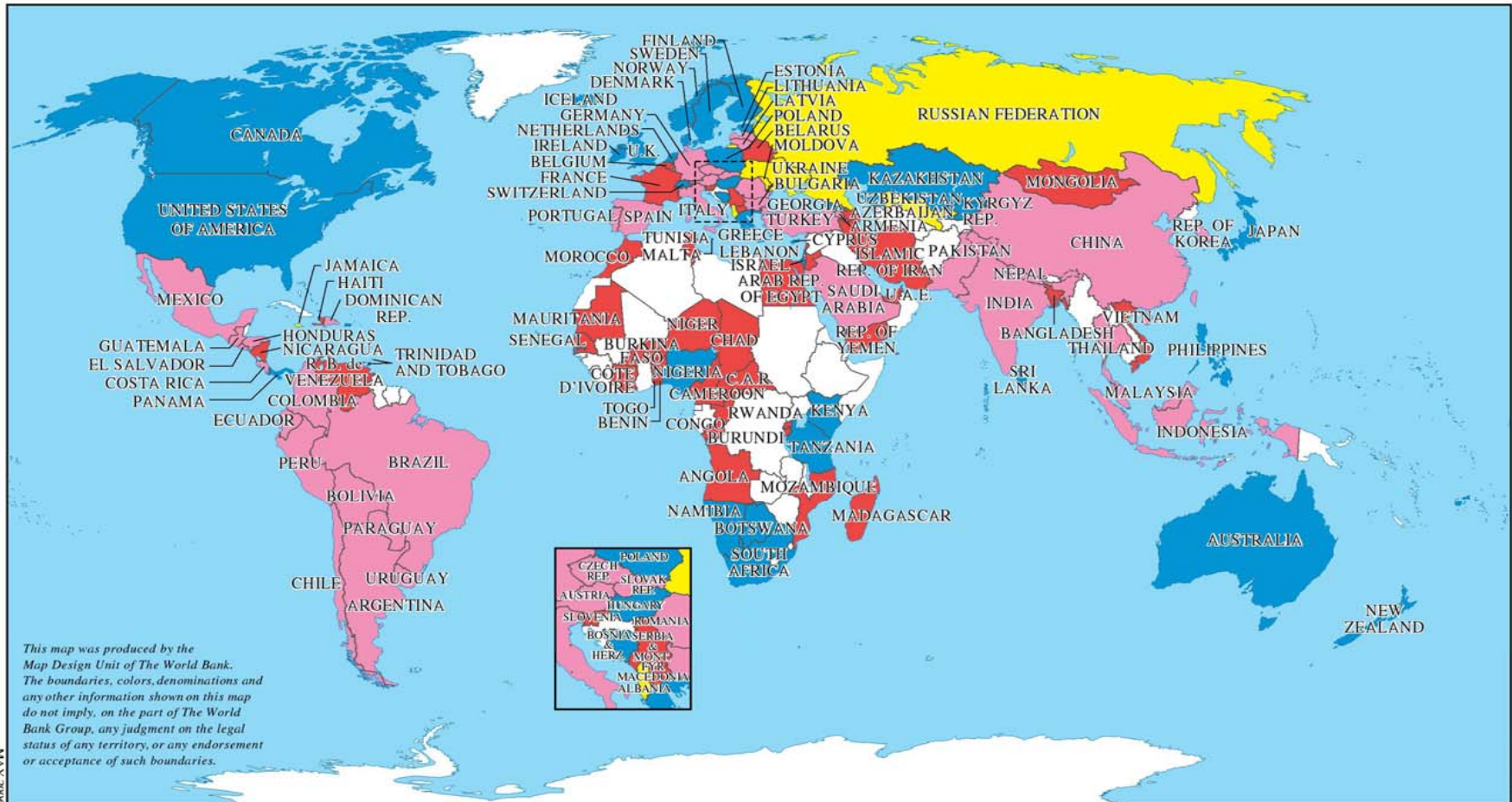


Source: World Bank Survey 2006

Private and Public Credit Registries in the World

- ONLY PUBLIC REGISTRY
- ONLY PRIVATE BUREAU
- BOTH
- NO PUBLIC OR PRIVATE CREDIT REGISTRY

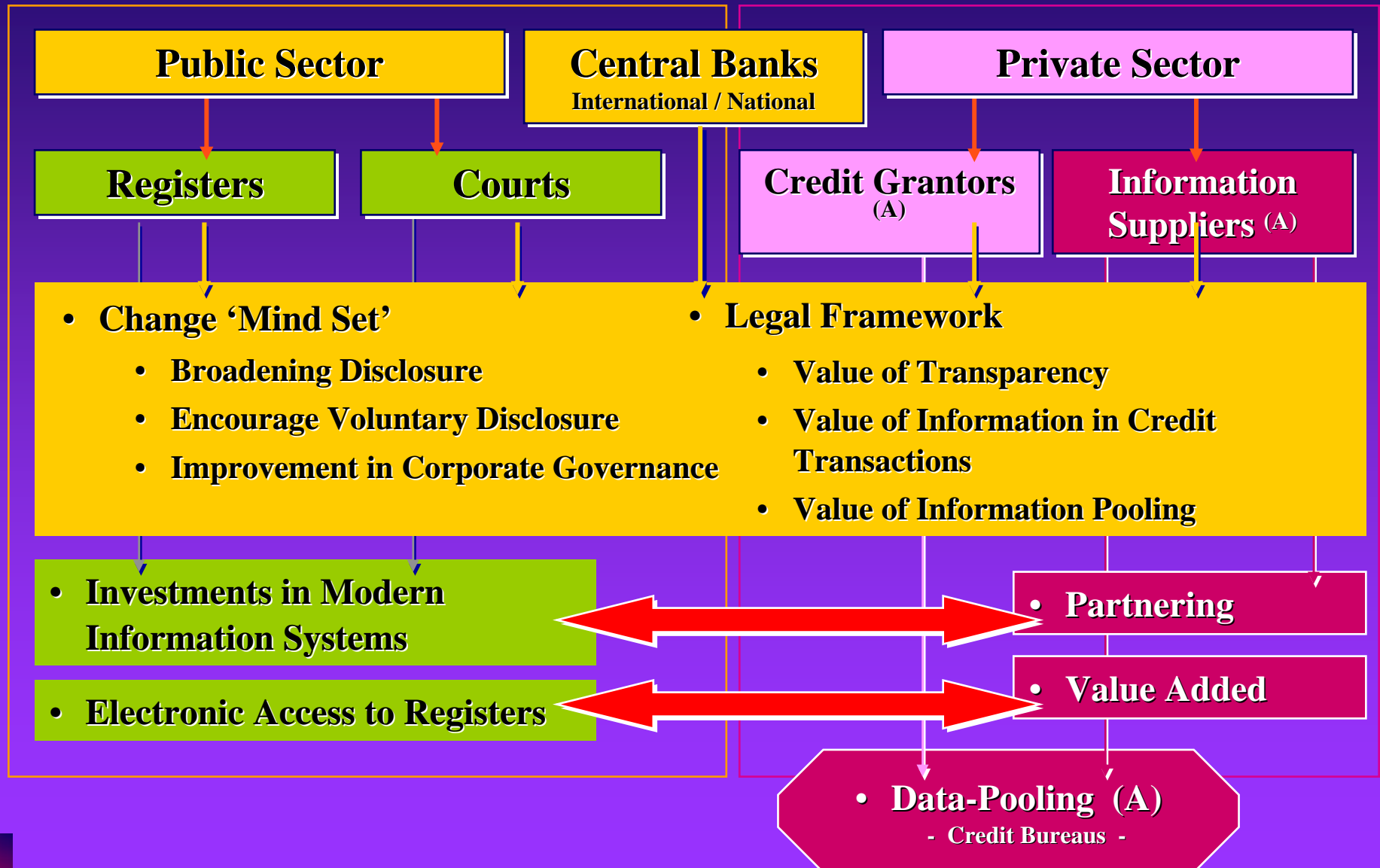
Source: World Bank Group



STATE OF INFORMATION

- *WHY ARE WE HERE?*
- *ASYMMETRIES IN INFORMATION*
- *FOUR SUCCESS FACTORS DRIVING INFORMATION*
- *THE INFORMATION DEFICIT*
- ***OVERCOMING THE INFORMATION DEFICIT***

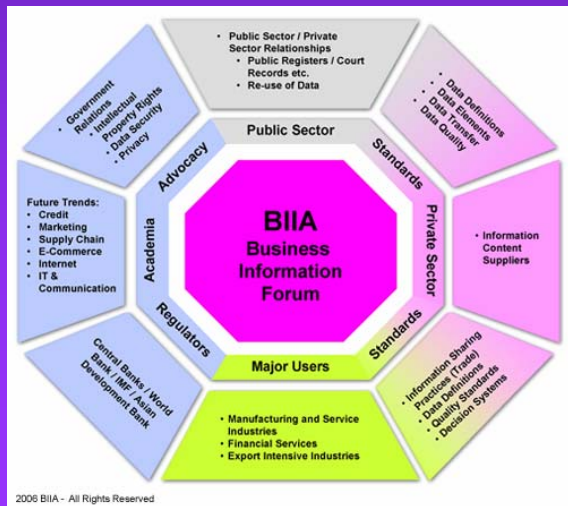
BRIDGING THE DIGITAL DIVIDE



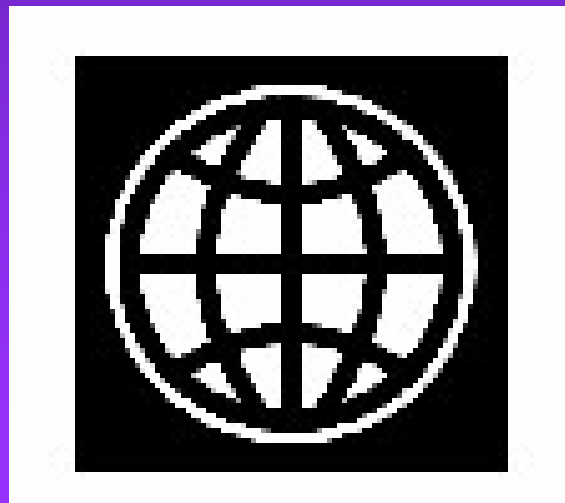
BIIA INITIATIVES

- **CREATE ALLIANCES TO:**
 - **RAISE AWARENESS**
 - **INITIATE COOPERATIVE EFFORT TO ELIMINATE THE INFORMATION DEFICIT**

THE BIIA FORUM



WORLD BANK GROUP



UNCTAD

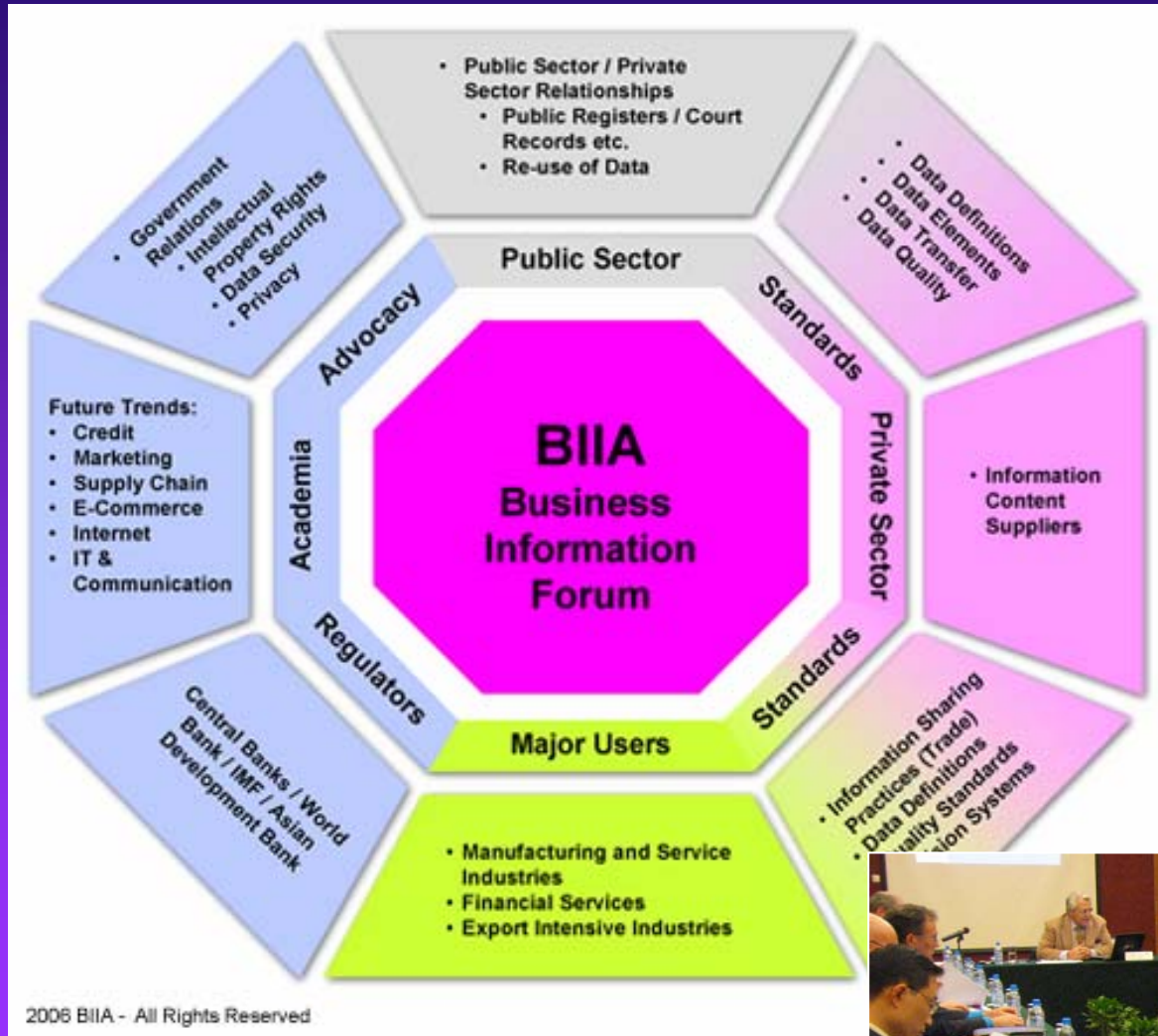
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



THE BIIA FORUM

BIIA FORUM 2005
SHANGHAI, CHINA

BIIA FORUM 2006
TIANJIN, CHINA



THE BIIA FORUM

***BIIA FORUM 2005
SHANGHAI, CHINA***

BIIA



FCIB

- ***BETTER UNDERSTANDING OF KEY ISSUES THAT DRIVE INFORMATION AVAILABILITY AND QUALITY***
- ***BIIA TO KEEP FCIB MEMBERS INFORMED ABOUT DEVELOPMENTS (WORLD BANK SURVEY)***
- ***FCIB AND BIIA TO COOPERATE:***
 - ***CREATING GREATER AWARENESS ABOUT ROLE OF TRADE CREDIT AND INFORMATION IN NATIONAL ECONOMIES***
 - ***ESSENTIALLY FCIB MEMBERS HAD GREATER LEVERAGE THAN INFORMATION INDUSTRY***

THE BIIA FORUM

***BIIA FORUM 2005
SHANGHAI, CHINA***

BIIA



FCIB

- ***POTENTIALLY POOL TRADE INFORMATION ON EMERGING MARKETS TO OVERCOME INFORMATION DEFICIT***
- ***BIIA TO ASSIST IN UPDATING INFORMATION MODULE OF THE FCIB CERTIFIED INTERNATIONAL CREDIT PROFESSIONAL (CICP)***

THE TIANJIN FORUM

Ministry of Information

Ministry of Finance & Commerce

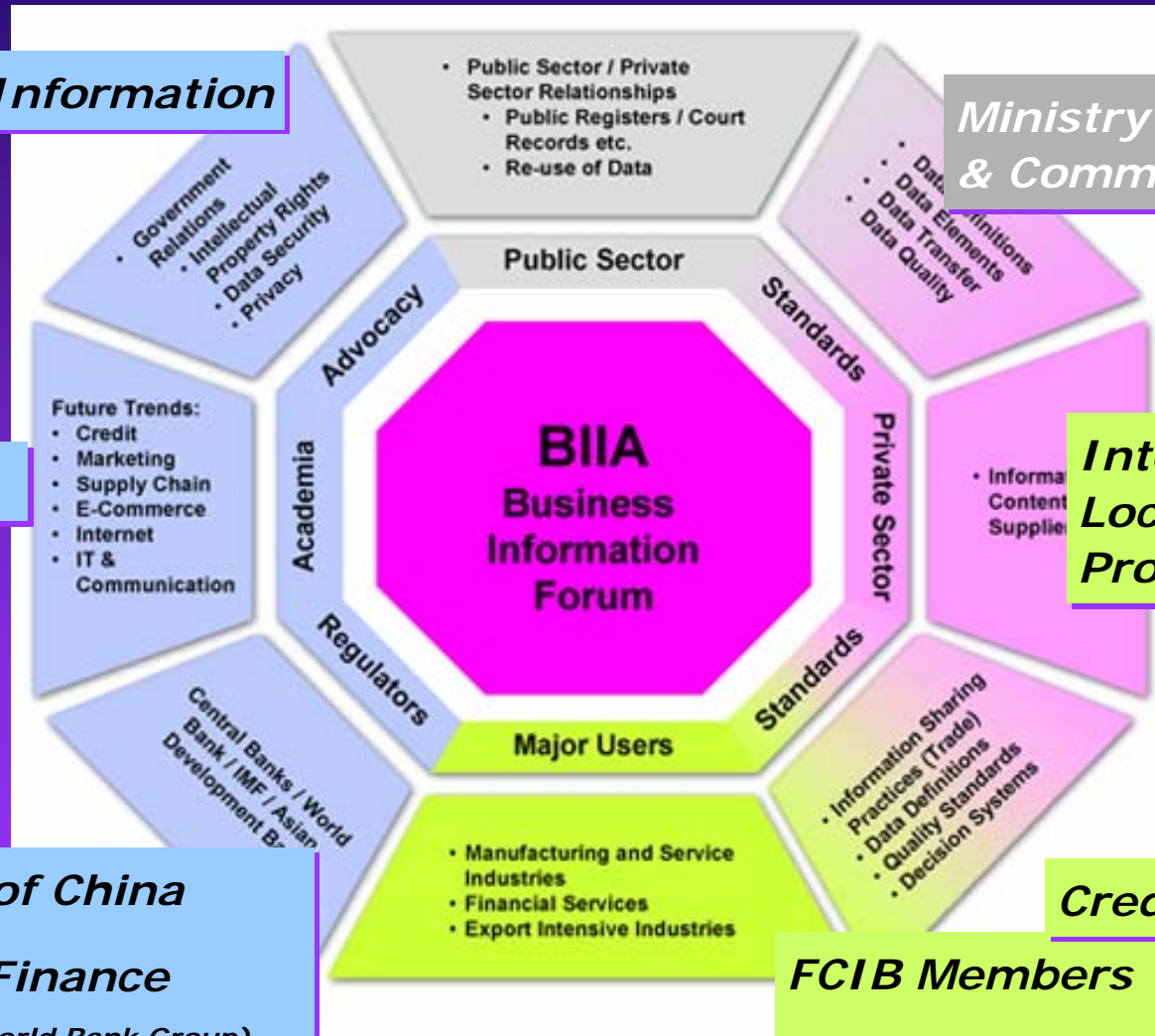
Pat Connolly

International and Local Information Providers

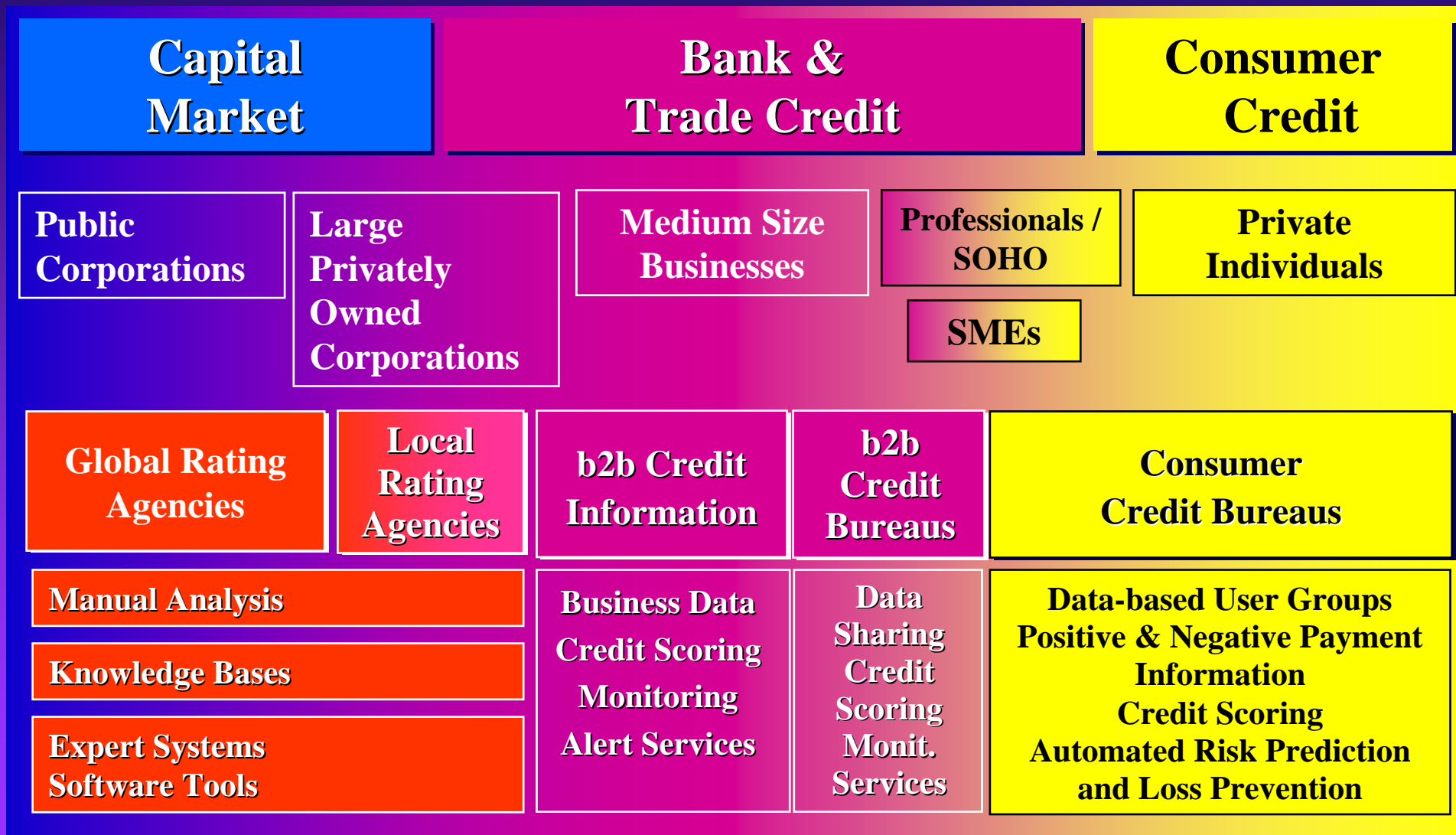
*Peoples Bank of China
International Finance Corporation (World Bank Group)*

Credit Insurance

*FCIB Members
Local Credit Managers*



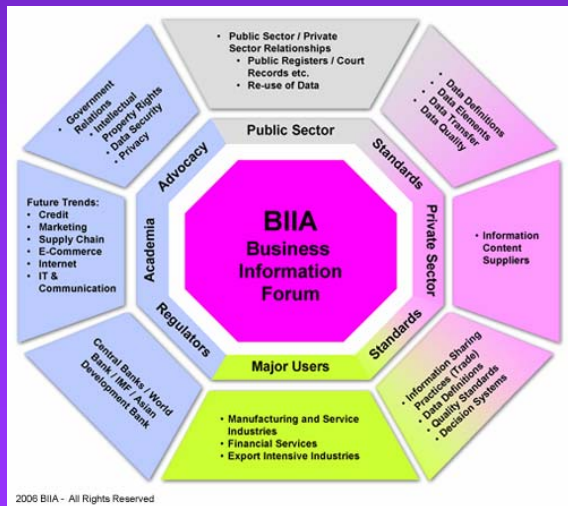
CONVERGENCE CONSUMER AND BUSINESS CREDIT INFORMATION



WORLD BANK INITIATIVES

- **STRENGTHEN FINANCIAL SERVICES INFRASTRUCTURE:**
 - **REGULATORY FRAMEWORK BANKING**
 - **LEGAL FRAMEWORK FOR DATA SHARING**
 - **PROMOTE THE CREATION OF CREDIT REGISTERS, PRIVATE SECTOR CREDIT BUREAUS AND COLLATERAL REGISTERS**

THE BIIA FORUM



WORLD BANK GROUP

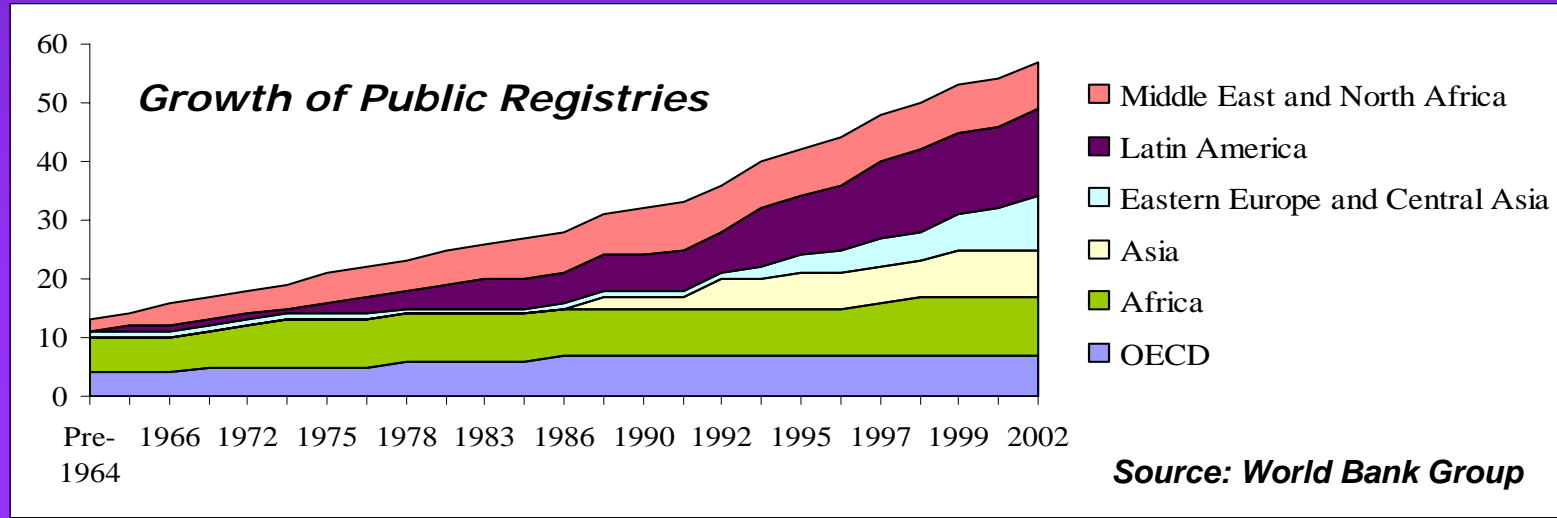
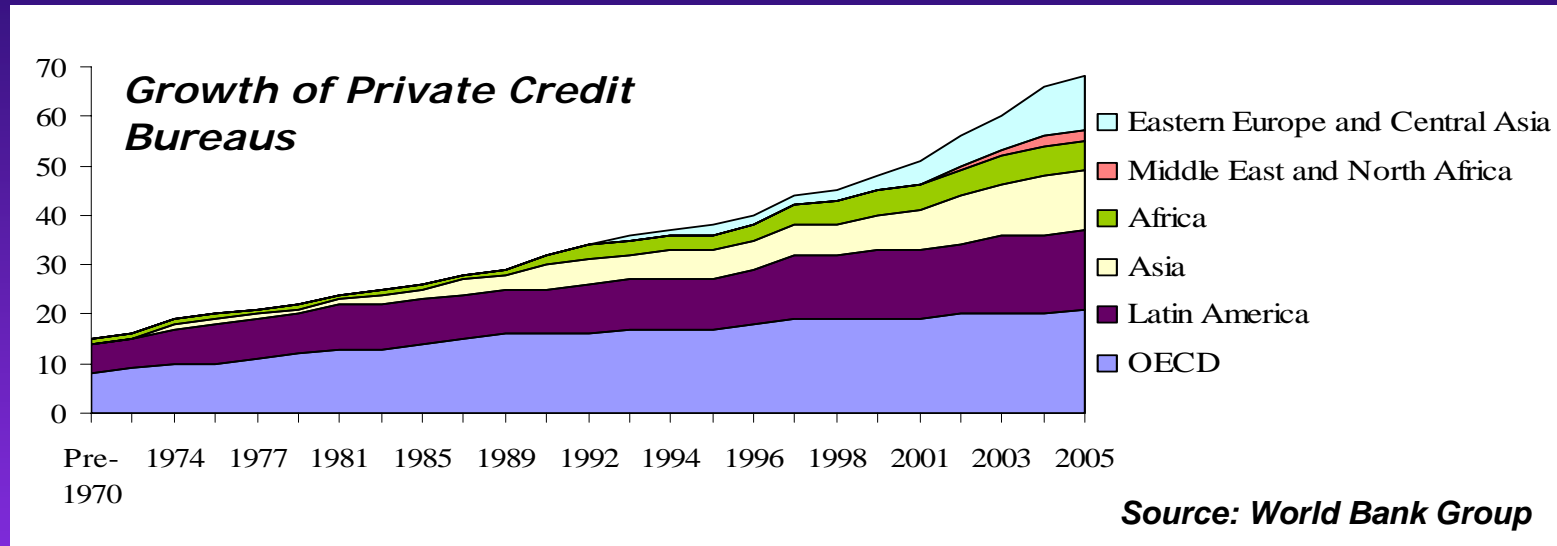


RELEVANCE OF CREDIT AND CREDIT INFORMATION



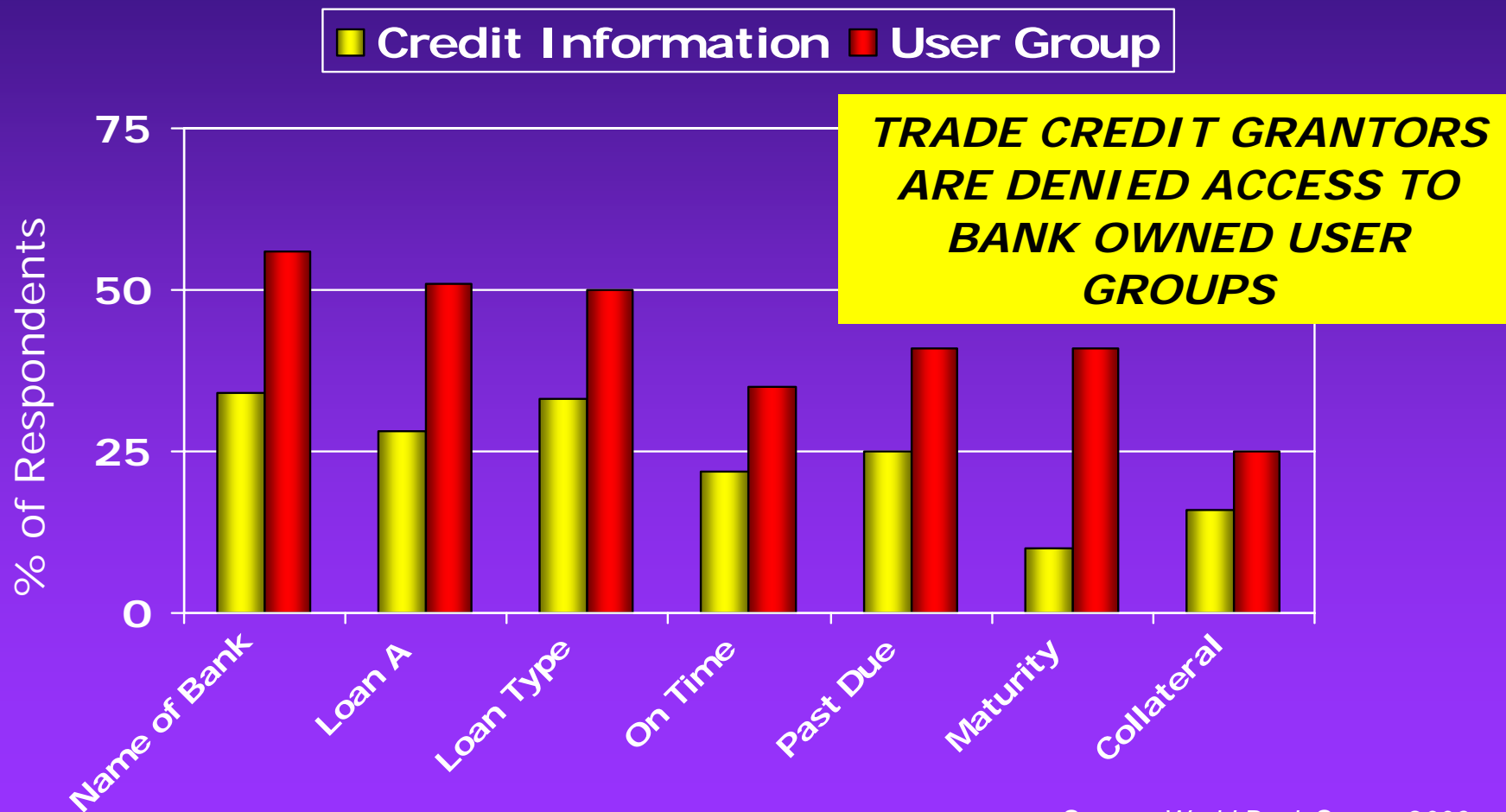
* Source: World Bank

WORLD BANK GROUP EFFORT TO ENHANCE INFORMATION INFRASTRUCTURE



SHARING OF LOAN INFORMATION

- CLOSED USER GROUPS VS. CREDIT INFORMATION



Source: World Bank Survey 2006

UNCTAD INITIATIVES

- **UNCTAD INITIATIVE ON INFORMATION ECONOMY:**

UNCTAD

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

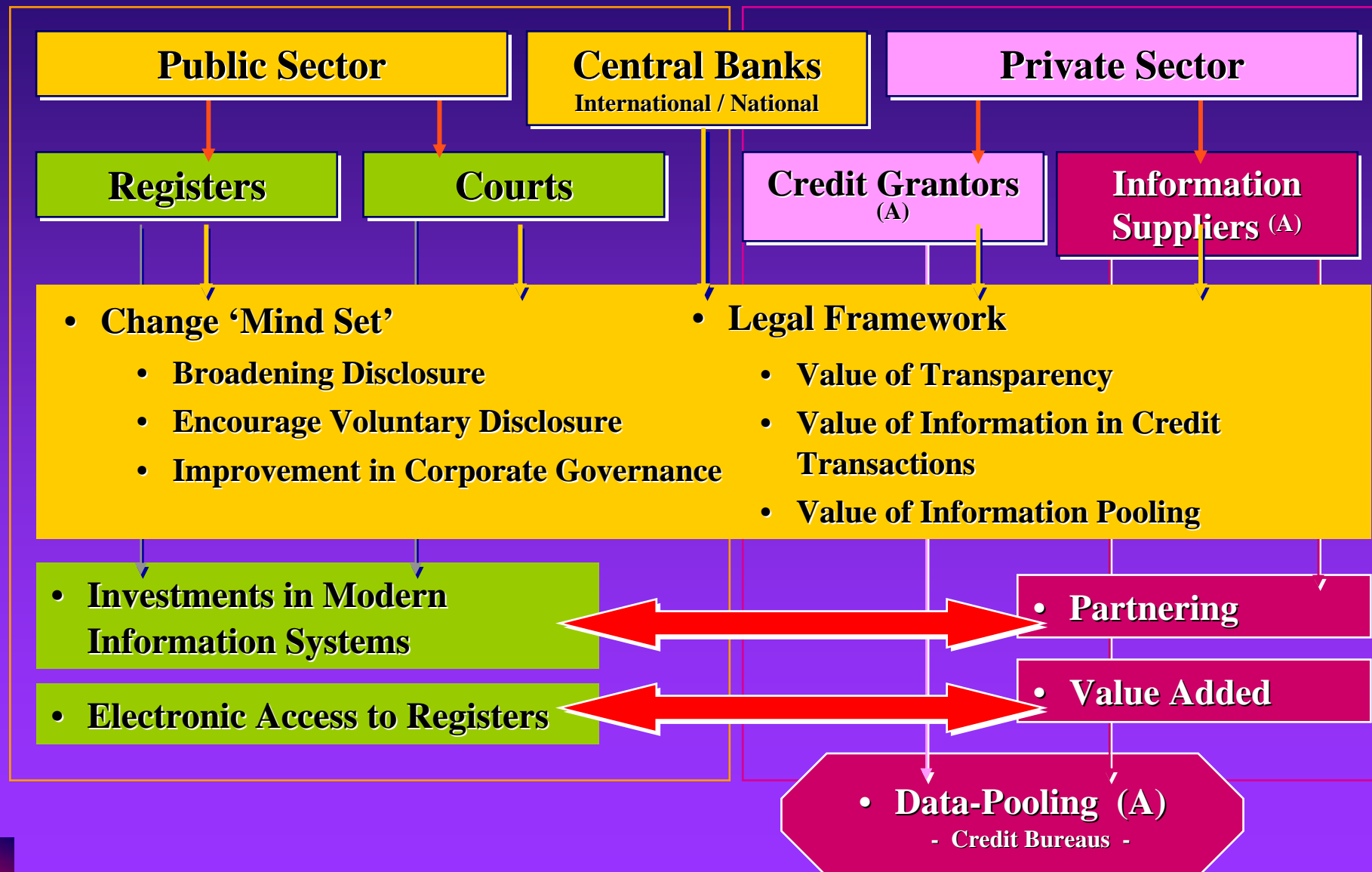


- **USING ICT TO ACHIEVE GROWTH AND ECONOMIC DEVELOPMENT**
- **EXPERT PANEL ON “THE IMPACT OF ICT ON BUSINESS SECTORS: THE CASE FOR E-CREDIT INFORMATION”**

PROTOCOL: ICT WAS NOT THE ISSUE.

EMPHASIS TO BE PLACED ON THE FOUR SUCCESS FACTORS IN PARTICULARLY PUBLIC SECTOR INFORMATION AND DISCLOSURE

BRIDGING THE DIGITAL DIVIDE



THE STATE OF INFORMATION

BIIA



FCIB

THANK YOU

The Business Information Industry Association Asia Pacific – Middle East Ltd. is not responsible for the use which might be made of the information contained in this presentation or report. Nothing in this presentation implies or expresses a warranty of any kind.