

The Financing of Corporation in Emerging Countries

Conference Agenda March 28-29, 2006

All conference sessions will be held in the 13th floor conference room.

Tuesday, March 28, 2006

9:00 – 9:45 am

Breakfast and Registration, 13th Floor

9:45 – 10:00 am



Welcome Remarks

Robert F. Bruner, Dean, Darden Graduate School of Business

Biography: Robert F. Bruner is Dean and Distinguished Professor of Business Administration at the Darden Graduate School of Business Administration, University of Virginia. His areas of teaching, research, and writing are corporate finance, mergers and acquisitions, investing in emerging markets, innovation, and technology transfer. His latest book, *Applied Mergers and Acquisitions*, was published in 2004 by John Wiley and Sons. He teaches the course, “Mergers and Acquisitions” in Darden’s MBA program, and is the faculty director of Darden’s executive education program, “Mergers and Acquisitions.” He has been recognized in the United States and Europe for his teaching and casewriting. *BusinessWeek* magazine cited him as one of the “masters of the MBA classroom.” He is the author or co-author of over 400 case studies and notes, and of *Case Studies in Finance: Managing for Corporate Value Creation* now in its fourth edition. His research has been published in journals such as *Financial Management*, *Journal of Accounting and Economics*, *Journal of Applied Corporate Finance*, *Journal of Financial Economics*, *Journal of Financial and Quantitative Analysis*, and *Journal of Money, Credit, and Banking*. Industrial corporations, financial institutions, and government agencies have retained him for counsel and training. He has been on the faculty of the Darden School since 1982, and has been a visiting professor at various schools in Europe and Latin America, including INSEAD, and IESE. Formerly he was a loan officer and investment analyst for First Chicago Corporation. He holds the B.A. degree from Yale University and the M.B.A. and D.B.A. degrees from Harvard University. He has served The Darden School, professional groups, and community organizations in various positions of leadership.

Cesare Calari, World Bank, Vice President Financial Sector



Biography: Cesare Calari, an Italian national, assumed his current position in July 2001. He is responsible for the Bank's policy, advisory, and lending work in respect of financial sector development and stability. After experiences in law practice and with the Bank of Italy, he joined the International Finance Corporation (IFC) in 1982 and has held a number of appointments including Director of the IFC Africa Region and Director of the IFC Global Financial Markets Group, the position he held until his recent appointment as Vice President of the Financial Sector of the World Bank in July 2001. Mr. Calari is a member of the Financial Stability Forum and serves on the Board of Directors of Moneda Asset Management (Santiago, Chile). He has also been a director of Zivnostenska Banka (Prague), Nomura Hungary (Budapest), and International Bank in Poland (Warsaw). Cesare Calari holds degrees in law and international economics from the University of Bologna (Italy) and Johns Hopkins University (US).

10:00 – 12:00 pm



Session 1: Institutions and Governance

Chair: Bernard Black, University of Texas Law School

Biography: Bernard S. Black is Hayden W. Head Regents Chair for Faculty Excellence and Professor of Law at University of Texas Law School, Professor of Finance at UT's McCombs School of Business, and managing director of the Legal Scholarship Network. Professor Black received his B.A. from Princeton University, M.A. in physics from University of California at Berkeley and J.D. from Stanford Law School. After graduation, he clerked for Judge Patricia M. Wald on the United States Court of Appeals for the District of Columbia Circuit, practiced corporate and securities law at Skadden, Arps, Slate, Meagher & Flom in New York City, and served as Counsel to Commissioner Joseph Grundfest of the U.S. Securities and Exchange Commission. Before coming to Texas, he was Professor of Law at Stanford Law School (1998-2004) and Columbia Law School (1988-1998). He has been an advisor on company law, securities law, and corporate governance in Armenia, Brazil Indonesia, Korea, Mongolia, Russia, Ukraine, and Vietnam. He has published numerous articles in major law, finance and economics journals, principally in the areas of corporate and securities law, international corporate governance, corporate acquisitions, and corporate finance. His recent articles and working papers are available at <http://ssrn.com/author=16042>. His books include *The Law and Finance of Corporate Acquisitions* (2nd ed., with Ronald Gilson, 1995 and supplement 2003) and *Guide to the Russian Law on Joint Stock Companies* (with Reinier Kraakman and Anna Tarassova (1998)).



The Law & Economics of Self-Dealing

Presented by Rafael La Porta, Dartmouth College

Collaborating Authors:

Simeon Djankov, World Bank

Florencio Lopez-de-Silanes, University of Amsterdam

Andrei Shleifer, Harvard University

Presenter Biography: Rafael La Porta is professor of finance at the Tuck School. He received his PhD in economics from Harvard in 1994 and was on the Harvard faculty from that time until he joined Tuck in 2003. Professor La Porta's research has focused on issues of investor protection and corporate governance across the world, an area known as "law and finance." He is an expert on cross-country differences in laws and practice pertaining to investor protection and how those differences cause economies, stock markets, and firms' financing practices to vary. Professor La Porta teaches the core Corporate Finance course at Tuck and will begin offering an international finance course in the future.

Abstract: We present a new measure of legal protection of minority shareholders against expropriation by corporate insiders: the anti-self-dealing index. Assembled with the help of Lex Mundi law firms, the index is calculated for 72 countries based on legal rules prevailing in 2003, and focuses on private enforcement mechanisms, such as disclosure, approval, and litigation, governing a specific self-dealing transaction. This theoretically-grounded index predicts a variety of stock market outcomes, and generally works better than the commonly used index of anti-director rights.



Legality and Venture Governance around the World

Presented by Douglas Cumming, Rensselaer Polytechnic Institute

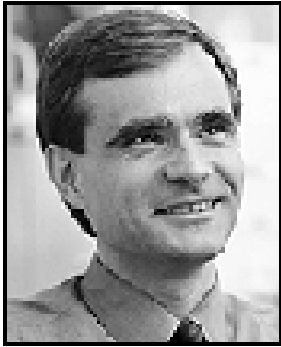
Collaborating Authors:

Daniel Schmidt, J.W. Goethe-Universitat Frankfurt/Main

Uwe Walz, J.W. Goethe-Universitat Frankfurt/Main

Presenter Biography: Douglas Cumming, J.D., Ph.D., CFA, is an Associate Professor of Finance and Director of the Severino Center for Technological Entrepreneurship at the Lally School of Management and Technology at Rensselaer Polytechnic Institute in Troy, New York. He has previously taught at the University of Alberta School of Business and the University of New South Wales School of Banking and Finance, and has previously been a Visiting Professor at the University of Amsterdam Graduate School of Business, Center for Financial Studies, University of Frankfurt, and the University of Cambridge ESRC Centre for Business Research Judge Institute of Management. He is also a Fellow of Clare Hall, University of Cambridge. His research is primarily concentrated on law and finance, venture capital, private equity and IPOs, with a focus on international differences across Europe, North America and the Asia-Pacific. His work has been presented at the *American Finance Association*, the *European Finance Association*, the *American Law and Economics Association*, and other international conferences, and has been published in leading finance, economics and law journals. He was the recipient of the 2004 *Ido Sarnat Award* for the best paper published in the *Journal of Banking and Finance* for a paper on full and partial venture capital exits in Canada and the United States. He is a research associate with AEI-Brookings Joint Center for Regulatory Studies and the Groupe d'Economie Mondiale at Sciences Po (Paris), Capital Markets CRC (Sydney), Venture Capital Experts (New York), Cambridge University ESRC Center for Business Research, Center for Financial Studies (Frankfurt), Amsterdam Center for Research in International Finance, and the University of Calgary Van Horne Institute. He has also consulted for a variety of governmental and private organizations in Australasia, Europe and North America.

Abstract: We analyze governance with a new dataset on investments of venture capitalists in 3848 portfolio firms in 39 countries from North and South America, Europe and Asia spanning 1971-2003. We first provide evidence that cross-country differences in Legality (a weighted average of the La Porta et al., 1998, legal indices) have a significant impact on the governance structure of investments in the VC industry: better laws facilitate faster deal screening and deal origination, a higher probability of syndication and a lower probability of potentially harmful co-investment, and facilitate investor board representation of the investor and the use of securities that do not require periodic cash flows prior to exit. We point out that the Legality index and GNP per capita are very highly correlated in our sample (the correlation is 0.91), and we cannot exclude a strong role for economic development alongside Legality in explaining the observed international differences. We also show country-specific differences exist apart from legal and economic development, and offer explanations for the observed differences based on the vast array of data introduced herein.



Mixing Family with Business

Presented by Simon Johnson, Massachusetts Institute of Technology

Collaborating Authors:

Marianne Bertrand, University of Chicago

Antoinette Schoar, Massachusetts Institute of Technology

Krislert Samphantharak, University of California at San Diego

Presenter Biography: Simon Johnson is the Ronald A. Kurtz Associate Professor at the Sloan School of Management, MIT. He is a Faculty Research Fellow in the NBER research groups on corporate finance and international macroeconomics, a member of the International Advisory Board of CASE in Warsaw, and a non-resident scholar at the Asian Institute for Corporate Governance of Korea University. He is also on the Global Advisory Board of Endeavor, an organization that promotes entrepreneurship in emerging markets. In 2000-2001 Professor Johnson was a member of the US Securities and Exchange Commission's Advisory Committee on Market Information. His assessment of the need for continuing strong market regulation is published as part of the final report of that committee.

Professor Johnson's research focuses on the institutions that support or prevent growth. Most of his work deals with emerging markets, and draws on extensive fieldwork in Eastern Europe, the former Soviet Union, Africa, East Asia, and Latin America. Recent papers have appeared in the *American Economic Review*, the *Quarterly Journal of Economics*, the *Journal of Financial Economics*, and the *Journal of Law, Economics and Organization*. He regularly uses these research findings, in association with the Brattle Group, to provide advice on emerging markets.

Abstract: A large fraction of business groups around the world are run by families. In this paper, we analyze how the structure of the families behind these business groups affects the groups' organization, governance and performance. To address this question, we constructed a unique data set of family trees and business groups for nearly 100 of the largest business families in Thailand. We find a strong positive association between family size and family involvement in the ownership and control of the family business. The sons of the founders play a central role in both ownership and board membership, especially when the founder of the group is gone. The availability of more sons is also associated with lower firm-level performance, especially in private firms and when the founder is gone. We identify a possible governance channel for this performance effect. Excess control by sons, but not other family members, is associated with lower firm performance. In addition, excess control by sons increases with the number of sons and with the death of the founder. Relatedly, at the group-level, we find that larger families are associated with larger (more firms) and more pyramidal groups, again especially when the founder is gone. One hypothesis that emerges from our analysis is that part of the decay of family-run groups over time may be due to a dilution of the ownership stakes across a set of equally powerful descendants of the founder, with each possibly trying to tunnel resources out before others do. Some preliminary analysis also suggests that such wider involvement of family members in the family business may also have led to less efficient restructuring after the East Asian financial crisis, again especially when the founder is no longer involved in the family business.



Discussant: Alexander Dyck, University of Toronto

Biography: I. J. Alexander Dyck has published widely in top finance and economics journals and lectures regularly on corporate governance. While at Harvard Business School he taught in the MBA, doctoral and executive education programs. He has consulted to the World Bank on corporate governance and is a member of the Corporate Governance Task Force of the Initiative for Policy Dialogue at Columbia University. Prof. Dyck received an honors B.A. and the Gold Medal in economics and political science from the University of Western Ontario, Canada in 1988. He worked at the C.D. Howe Institute; as a research associate at the German Institute for Economic Research; and in 1993 earned his Ph.D. in Economics from Stanford University, where he was the recipient of a Research Council of Canada scholarship and a Bradley fellowship.

Discussant: Thorsten Beck, World Bank

Biography: Thorsten Beck is a Senior Financial Economist in the Finance Team of the Development Research Group of the World Bank. He has published articles about the impact of financial development and structure on economic growth, the determinants of financial development, and the link between international trade and financial development. His recent research has focused on the effects of bank concentration and competitiveness, access to financial services, and the impediments to growth that SMEs face. His country experience, both in operational and research work, includes Bangladesh, Bolivia, Brazil, Cameroon, Guinea, Kenya, Madagascar, Mozambique, Russia, Rwanda and Uganda. He holds a Ph.D. in economics from the University of Virginia and a M.A. degree from the University of Tübingen in Germany. He also studied at the University of Kansas and the Universidad de Costa Rica.

12:00 – 1:30 pm

Lunch, World Bank East Dining Room, Main Complex Lower-Level

1:30 - 3:30 pm

Session 2: Political Economy/Internationalization

Chair: Asli Demirguc-Kunt, World Bank



Biography: Asli Demirguc-Kunt holds the joint appointment of Senior Research Manager in Finance, in the World Bank's Development Economics Research Group, and Senior Adviser, Operations and Policy Department in the Bank's Financial Sector Vice Presidency. After joining the Bank in 1989 as a Young Economist, she has been in different parts of the Bank, working on external finance and domestic financial sector issues. Her research interests include how financial development contributes to economic growth and poverty reduction; and how best to improve the stability, efficiency and reach of the financial systems around the world. She has published widely in academic journals. Prior to coming to the Bank, she was an Economist at the Federal Reserve Bank of Cleveland. She holds a Ph.D. and M.A. in economics from the Ohio State University.



Does Campaign Finance Imply Political Favors? The Case of the 1998 Brazilian Elections.

Presented by Stijn Claessens, World Bank

Collaborating Authors:

Erik Feijen, University of Amsterdam

Luc Laeven, World Bank

Biography: Stijn Claessens is since 2004 Senior Adviser in the Financial Sector Vice-Presidency of the World Bank. He is also a Professor of International Finance Policy at the University of Amsterdam where he taught for three years (2001-2004). Mr. Claessens, a Dutch national, holds a Ph.D. in business economics from the Wharton School of the University of Pennsylvania (1986) and M.A. from Erasmus University, Rotterdam (1984). He started his career teaching at New York University business school (1987) and then worked for fourteen years at the World Bank in various positions (1987-2001). His policy and research interests are firm finance and access to financial services; corporate governance; internationalization of financial services; and risk management. Over his career, Mr. Claessens has provided policy advice to emerging markets in Latin America and Asia and to transition economies. His research has been published in the *Journal of Financial Economics*, *Journal of Finance* and *Quarterly Journal of Economics*. He had edited several books, including *International Financial Contagion* (Kluwer 2001) and *Resolution of Financial Distress* (World Bank Institute 2001). He is an associate editor of the *Journal of Financial Services Research* and a fellow of the London-based *Centre for Economic Policy Research, CEPR*.

Abstract: We provide empirical evidence that campaign contributions are strongly associated with market expectations of future firm-specific political favors, including preferential access to external finance. Using a novel dataset, we find that Brazilian firms providing more contributions in the 1998 campaign to (elected) federal deputies experienced higher stock returns following the election, even after controlling for industry-specific effects and firm-specific characteristics. This suggests that federal deputies were expected to shape policy to benefit these firms. Consistent with such political favors, we find that these firms substantially increased their financial leverage relative to a control group in the four years following election, especially from banks, suggesting that contributions gained firms preferential access to finance.



The Influence of Domestic Firms on Foreign Direct Investment Liberalization

Presented by Anusha Chari, University of Michigan

Collaborating Author:

Nandini Gupta, Indiana University

Presenter Biography: Anusha Chari is an assistant professor of finance at the University of Michigan. Her research focuses on international finance with an emphasis on the study of emerging financial markets. Her earlier work on stock market liberalization uncovers new stylized facts about the interaction of real and financial markets using firm-level data. These facts complement a growing body of literature that documents the importance of financial development for economic growth. She has also researched mergers and acquisitions in emerging markets. She received an undergraduate degree in Philosophy, Politics and Economics from the University of Oxford and a PhD in Business Economics from UCLA. She has held positions at the Graduate School of Business at the University of Chicago and the Haas School of Business at the University of California, Berkeley.

Anusha Chari (continued)

Abstract: This paper investigates the influence of incumbent firms on the decision to allow foreign direct investment into an industry. Based on data from India's economic reforms, the results suggest that firms in concentrated industries are more successful at preventing foreign entry, that state-owned firms are more successful at stopping foreign entry than similarly placed private firms, and that profitable state-owned firms are more successful at stopping foreign entry than unprofitable state-owned firms. These results continue to hold when we control for industry characteristics such as the presence of natural monopolies and the size of the workforce. When foreign entry is allowed in an industry, incumbent firms experience a significant decline in market share and profits. The pattern of foreign entry liberalization supports the private interest view of policy implementation.

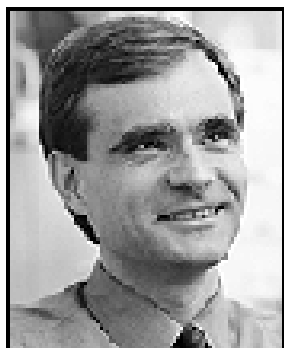


Coping with Disaster: The Impact of Hurricanes on International Financial Flows

Presented by Dean Yang, University of Michigan

Presenter Biography: Dean Yang is Assistant Professor of Public Policy and Economics at the Gerald R. Ford School of Public Policy and Department of Economics, University of Michigan. His research deals with the economic problems of developing countries. Current areas of interest include international migration, human capital, disasters, international trade, and crime and corruption. At the Ford School, Professor Yang teaches courses in development economics and in microeconomics. He has worked as a consultant on development issues for the World Bank and the International Monetary Fund. He received his undergraduate and Ph.D. degrees in economics from Harvard University.

Abstract: How well do countries cope with the aftermath of natural disasters? In particular, do international financial flows help buffer countries in the wake of disasters? This paper focuses on hurricanes (one of the most common and destructive types of disasters), and examines the impact of hurricane exposure on resource flows to developing countries. Using meteorological data on storm paths, I construct a time-varying storm index that takes into account the fraction of a country's population exposed to storms of varying intensities. Across developing countries, greater hurricane exposure leads to large increases in foreign aid. For other types of international financial flows, the impact of hurricanes varies according to income level. In the poorer half of the sample, hurricane exposure leads to substantial increases in migrants' remittances, so that total inflows from all sources in the three years following hurricane exposure amount to roughly three-fourths of estimated damages. In the richer half of the sample, by contrast, hurricane exposure stimulates inflows of new lending from multilateral institutions, but offsetting declines in private financial flows are so large that the null hypothesis of zero damage replacement cannot be rejected.



Discussant: Simon Johnson, Massachusetts Institute of Technology

Biography: Simon Johnson is the Ronald A. Kurtz Professor of Entrepreneurship at the Sloan School of Management, MIT, having recently finished two years as an Assistant Director in the IMF's Research Department. He is a Research Associate at the NBER, and a co-organizer of the NBER's first meeting on Africa in April 2006. He is also a CEPR Research Fellow, a BREAD affiliate, a member of the International Advisory Board of CASE in Warsaw, and a non-resident scholar at the Asian Institute for Corporate Governance of Korea University. He is also on the Global Advisory Board of Endeavor, an organization that promotes entrepreneurship in emerging markets.

Simon Johnson (continued)

In 2000-2001 Professor Johnson was a member of the US Securities and Exchange Commissions Advisory Committee on Market Information. His assessment of the need for continuing strong market regulation is published as part of the final report of that committee. Professor Johnson's research focuses on the institutions that affect growth and crises. Most of his work deals with economic and financial development, and draws on extensive fieldwork in Eastern Europe, the former Soviet Union, Africa, East Asia, and Latin America. Recent papers have appeared in the *American Economic Review*, the *Journal of Political Economy*, the *Quarterly Journal of Economics*, the *Journal of Financial Economics*, and the *Journal of Law, Economics and Organization*. He regularly uses these research findings, in association with the Brattle Group, to provide advice on emerging markets.



3:30 - 4:00 pm

4:00 - 5:30 pm



Discussant: Ray Fisman, Columbia University

Biography: Professor Fisman's research focuses on the measurement of corruption. In prior work he has provided a market valuation for political connections in Indonesia and the extent of smuggling and tariff evasion between Hong Kong and mainland China. His research has been published in the *American Economic Review*, *Quarterly Journal of Economics*, and *Journal of Political Economy*. His teaching includes the core course in Managerial Economics and a course on the role of private enterprise in economic development. During 1998 he worked in the Africa division of the World Bank; he is currently on leave in the economics department at Harvard University.

Refreshment Break

Session 3: Cross-Listing

Chair: Andrew Karolyi, Ohio State

Biography: Professor Karolyi is an internationally-known scholar in the area of investment management with a specialization in the study of international financial markets. He has published extensively in top-tier journals in financial economics, including the *Journal of Finance*, *Journal of Financial Economics* and *Review of Financial Studies*, and has published several books and monographs. He serves as an associate editor for a variety of journals, including the *Journal of Finance*, *Journal of Empirical Finance*, *Journal of Banking and Finance* and the *Pacific Basin Finance Journal*, which he edited between 1999 and 2003. He is a recipient of the Fama/DFA Prize for Capital Markets and Asset Pricing (2005), the William F. Sharpe Award for Scholarship in Finance (2001) and of the Fisher College of Business' Pace Setter Awards for Excellence in Research and Graduate Teaching.

Professor Karolyi holds the Charles R. Webb Designated Professorship in Finance which is dedicated to the advancement of research in investment management. He directs Ohio State University's Student Investment Management program in which undergraduate and graduate students manage \$20 million of the university's endowment fund. His teaching interests focus on securities markets and investments at the MBA and undergraduate levels and on financial econometrics at the PhD level. He teaches regularly in executive education programs in Europe, Asia, Canada and the U.S. and consults for various major financial institutions, banks and stock exchanges.



Internationalization and the Evolution of Corporate Valuation

Presented by Ross Levine, Brown University

Collaborating Authors:

Juan Carlos Gozzi, World Bank

Sergio Schmukler, World Bank

Presenter Biography: Ross Levine is the Harrison S. Kravis University Professor and Professor of Economics at Brown University. He is also the Paul Dupee Faculty Fellow at the Watson Institute for International Studies and a Research Associate at the National Bureau of Economic Research. He received his Ph.D. in economics from UCLA in 1987. After working at the Board of Governors of the Federal Reserve System for three years, Dr. Levine moved to the World Bank in 1990. There he participated and managed a number of research and operational programs. In 1997, Dr. Levine joined the University of Virginia, before moving to University of Minnesota in 1999, where he became the Curtis L. Carlson Professor of Finance. Professor Levine's work focuses on the linkages between financial sector policies, the operation of financial systems, economic growth, and poverty alleviation. His new book with James Barth and Gerard Caprio, "Rethinking Bank Regulation: Till Angels Govern," challenges current approaches to the regulation of banks.

Abstract: By documenting the evolution of Tobin's q before, during, and after firms internationalize, this paper provides evidence on the bonding, segmentation, and market timing theories of internationalization. Using new data on 9,096 firms across 74 countries over the period 1989-2000, we find that Tobin's q does not rise after internationalization, even relative to firms that do not internationalize. Instead, q rises significantly before internationalization and during the internationalization year. But, then q falls sharply in the year after internationalization, quickly relinquishing the increases of the previous years. To account for these dynamics, we show that market capitalization rises before internationalization and remains high, while corporate assets increase during internationalization. The evidence supports models stressing that internationalization facilitates corporate expansion, but challenges models stressing that internationalization produces an enduring effect on q by bonding firms to a better corporate governance system.



The Colors of Investors' Money: Which Firms Attract Institutional Investors From Around the World?

Presented by Pedro Matos, University of Southern California

Collaborating Author:

Miguel Ferreira, ISCTE Business School – Lisbon CEMAF

Presenter Biography: Pedro Matos is an Assistant Professor of Finance at the USC Marshall School of Business. His research focuses on the behavior of institutional investors, in particular mutual funds, and their impact on corporate financial policies. His work has been published in the Journal of Finance and the Journal of Financial Economics and has been featured in the press, including in the New York Times. He holds a PhD from INSEAD in France. Prior to his PhD studies, Pedro worked in public debt management with the Portuguese Ministry of Finance where he also consulted for The World Bank.

Abstract: We study institutional investors' stock holdings around the world using a comprehensive data set from 27 countries. Three groups of institutions based on their geographic origin (U.S., non-U.S. foreign, and domestic managers) have equal importance in the shareholder base of non-U.S. corporations. Thus, we offer a global (non-U.S. centric) view on what firm- and country-level characteristics attract investment by institutional investors. We find that all institutions reveal a strong preference for large and liquid stocks

Pedro Matos (continued)

with good governance practices. There is, however, a substantial diversity between domestic and foreign institutions with respect to other firm characteristics. Foreign investors overweight stocks that are cross-listed in the U.S., members of the MSCI indexes, and globally visible through high foreign sales or analyst coverage. Domestic institutions, in contrast, seem to underweight these same stocks. The crosslisting effect is not concentrated in the holdings of ADRs as a significant increase in the holdings of local shares by foreigners is found, which sheds some light on “multi-market trading” and the “flow-back” phenomena. Our results show an important characteristic of modern international capital markets as firm and investor actions take place in inter-connected markets. Finally, we find that foreign institutional ownership has real effects as it is positively associated with higher firm valuation.



Discussant: Michael Schill, Darden Graduate School of Business

Biography: Michael J. Schill, Assistant Professor of Business Administration, teaches in the Finance area. His research focuses on the impact of market friction on capital market price formation. Recent projects examine market behavior for such issues as price momentum, post equity offering performance, overseas listing decisions, higher-order market factors, and Internet stock valuations. Schill joined the Darden faculty in 2001. He previously taught at the University of California-Riverside and the University of Washington and worked as a management consultant with Marakon Associates.



Discussant: Paul Bennett, NYSE

Biography: Paul B. Bennett is senior vice president and chief economist of the NYSE. As chief economist and head of the Research department at the New York Stock Exchange, Paul Bennett is responsible for analytic support for the Exchange's various business and public-policy activities, and for support of academic and other professional research into equities market issues. Before joining the NYSE in 2001, Mr. Bennett was a senior officer and economist of the Federal Reserve Bank of New York, where he had worked since 1978. At the Fed, Mr. Bennett headed the Capital Markets Research division, was editor of the Bank's research journal and, prior to that, vice president for Fedwire Funds and Securities Transfers, among other responsibilities. Mr. Bennett has published numerous papers on finance, economics, and securities markets in both academic and practitioner journals. Mr. Bennett holds a Ph.D. in economics from Princeton University and a B.A. in economics from the University of Chicago.

6:00 – 8:30 pm

*Dinner, Watergate Hotel, Chesapeake Room
2650 Virginia Avenue, NW*

The Financing of Corporation in Emerging Countries

Conference Agenda March 28-29, 2006

All conference sessions will be held in the 13th floor conference room.

Wednesday, March 29, 2006

7:00 – 8:00 am

Continental Breakfast (Outside Conference Room)

8:00 – 10:00 am

Session 4: Capital Structure

Chair: Cam Harvey, Duke



Biography: Campbell Harvey is the J. Paul Sticht Professor of International Business at the Fuqua School of Business, Duke University. He is also a research associate of the National Bureau of Economic Research in Cambridge, Massachusetts. Harvey obtained his doctorate at the University of Chicago in business finance. His undergraduate studies in economics were conducted at the University of Toronto. He has served on the faculties of the Stockholm School of Economics, the Helsinki School of Economics, and the Graduate School of Business at the University of Chicago. He has also been a visiting scholar at the Board of Governors of the Federal Reserve System. He was recently awarded an honorary doctorate from Svenska Handelshögskolan in Helsinki. Harvey is an internationally recognized expert in portfolio management and global risk management.

Firm Risk and Capital Structure Choice

Presented by Mihir Desai, Harvard University

Collaborating Authors:

C. Fritz Foley, Harvard University

James R. Hines, University of Michigan



Presenter Biography: Mihir A. Desai is the Rock Center Associate Professor in the Finance and Entrepreneurial Management areas of Harvard Business School. Desai's research focuses on international corporate and public finance. Within international corporate finance, he has investigated the determinants of ownership shares and capital structure choice for multinational affiliates, the advantages afforded by the internal capital markets of multinationals, the determinants of dividend remittance policy for multinationals, and the interaction between domestic and international investment decisions by firms. Within public finance, his research has emphasized the effects of taxation on the export, financing, organizational form, and investment decisions of firms facing multiple tax regimes. Additionally, his work has also addressed the dynamics of international tax competition, the divergence between book income and tax income, the tax avoidance decisions of firms, and the policy choices available to developing countries facing the loss of talent. His academic publications have appeared in several journals including the *Journal of Finance*, *Journal of Financial Economics*, *Journal of Public Economics*, and the *National Tax Journal*. He is a faculty research fellow in the National Bureau of Economic Research's Public Economics and Corporate Finance Programs, and his research has been cited in *The Economist*, *BusinessWeek*, the *New York Times*, and several other publications.

Mihir Desai (continued)

Abstract: American multinational firms respond to politically risky environments by adjusting their capital structures abroad and at home. Foreign affiliates located in politically risky countries are significantly more levered than other foreign affiliates of the same parent companies. American firms also limit their exposures in politically risky countries by sharing ownership with local partners and serving foreign markets with exports rather than local production. The residual political risk borne by parent companies leads them to use less domestic leverage, resulting in lower firm-wide leverage. Multinational firms with above-average exposures to politically risky countries have 7.6 percent less domestic leverage than do other firms. These results illustrate the impact of risk exposures on capital structure.



Financing Firms in India

Presented by Franklin Allen, University of Pennsylvania

Collaborating Authors:

Rajesh Chakrabarti, Georgia Institute of Technology

Sankar De, Indian School of Business

Jun “QJ” Qian, Boston College

Meijun Qian, Boston College

Presenter Biography: Franklin Allen is the Nippon Life Professor of Finance and Professor of Economics at the Wharton School of the University of Pennsylvania. He has been on the faculty since 1980. He is currently Co-Director of the Wharton Financial Institutions Center. He was formerly Vice Dean and Director of Wharton Doctoral Programs and Executive Editor of the Review of Financial Studies, one of the leading academic finance journals. He is a past President of the American Finance Association, the Western Finance Association, the Society for Financial Studies, and the Financial Intermediation Research Society. He received his doctorate from Oxford University. Dr. Allen's main areas of interest are corporate finance, asset pricing, financial innovation and comparative financial systems. He is a co-author with Richard Brealey and Stewart Myers of the eighth edition of the textbook Principles of Corporate Finance.

Abstract: We examine financing channels and governance mechanisms among various types of firms in India, and compare them to those from other countries studied in existing literature. Despite its English common-law origin, strong legal protection provided by the law and a democratic government, corruption within India's legal system and government significantly weakens investor protection in practice. External financing of firms has been dominated by non-market sources of financing, while the characteristics of listed firms are similar to those from countries with weak investor protection. Our evidence, including results based on a survey of private firms in the Small Scale Industries (SSI) sector, shows that alternative financing channels provides the most important source of funds. We also find that informal governance mechanisms, such as those based on reputation, trust and relationships, are more important than formal mechanisms (e.g., courts) in resolving disputes, overcoming corruption and supporting growth.



Why Have Debt Ratios Increased for Firms in Emerging Markets?

Presented by Todd Mitton, Brigham Young University

Presenter Biography: Todd Mitton is Assistant Professor of Business Management and Ford Faculty Fellow at the Marriott School of Management at Brigham Young University in Provo, Utah. He received a Ph.D. in financial economics from the Sloan School of Management at MIT in 2000. He previously received a B.A. in economics and an M.B.A. from Brigham Young University.

Abstract: I study trends in capital structure between 1980 and 2004 in a sample of over 11,000 firms from 34 emerging markets. The average firm's book-value debt ratio rose by 10 percentage points over this quarter century; market-value debt ratios rose by 15 percentage points. I study how this rise in leverage was influenced by the firm-level demand for and the country-level supply of debt financing. The central finding is that the increase in debt ratios can largely be attributed to changes in the characteristics of emerging market firms over this period. For the average firm, the most prominent determinants of capital structure -- size, profitability, asset tangibility, and growth opportunities -- all shifted in the direction implying a higher optimal level of debt. Changes in the supply of financing at the country level also appear to have played a role in the increase in debt, though financial development within the country is less important than the opening of the country to foreign markets.



Discussant: Rohan Williamson, Georgetown University

Biography: Rohan Williamson is an Associate Professor of Finance, Area Coordinator, and the Holowesko Faculty Research Fellow at the McDonough School of Business at Georgetown University. He received his PhD from Ohio State University. Professor Williamson specializes in international finance, corporate finance and risk management/hedging. He is currently conducting research in the areas of corporate investment decisions, foreign exchange rate exposure, corporate liquidity and governance. Professor Williamson teaches international finance to undergraduates and MBAs, advanced corporate finance to MBA's and has taught several courses to corporate executives.

Professor Williamson's research has appeared in many finance journals including the Journal of Finance, the Journal of Financial Economics and the Review of Financial Studies. He has also written several book chapters and presented his work at many conferences and seminars and his works have appeared in other non-academic publications such as the Journal of Applied Corporate Finance and the National Bureau of Economic Research Working Paper Series. Professor Williamson was a co-recipient of the 1999 Michael Jensen Prize for the best paper published in the Journal of Financial Economics in the areas of Corporate Finance and Organizations and the 2003 William Sharpe Best Paper Award in the Journal of Financial and Quantitative Analysis. He received the Georgetown University Junior Faculty Research Fellowship in 1999, the McDonough School of Business Research Award in 2003, and the Dean's Research Fellowship from 2003 to 2005. He has received the Ohio State University Pace Setters Award and is a member of Beta Gamma Sigma Business Honor Society. He was formerly a financial analyst for the Chrysler Corporation and an Aircraft Research Engineer for Lockheed Corporation.



Discussant: Marc Zenner, Citigroup

Biography: Marc is the Global Head of the Financial Strategy Group. He currently focuses on the consumer, retail, energy, and chemical sectors and advises leading companies globally across these industries on topics such as the relation between capital structure and distribution policy, acquisition financing, dividend initiations, capital allocation strategies, use of excess liquidity, valuation, and other shareholder enhancement strategies.

Marc joined Citigroup's Financial Strategy Group in 2000, and became the head of ABN AMRO's US Financial Markets Advisory group in 2003. He rejoined Citigroup in 2004 as North America Head of The Financial Strategy Group before being named Global Head in 2005. Prior to his career in banking, Marc was the Chairman of the Finance Area and a Professor of Finance at the Business School of The University of North Carolina — Chapel Hill (UNC), from 1989–2000. He also taught at Purdue University and Indiana University, and consulted for some large global corporations.

Marc taught corporate finance, investments, banking, risk management and international finance and was given the MBA, Ph.D., and University-wide teaching awards at UNC. He published widely in the main academic finance journals such as the *Journal of Finance*, *The Journal of Financial Economics*, *The Review of Financial Studies*, *Financial Management*, and *The Journal of Quantitative and Financial Analysis*, on corporate finance topics.

Marc earned a Commercial Engineering degree at Katholieke Universiteit Leuven (Belgium), an MBA at the City University in London, and a Ph.D. in finance at Purdue University. He is a Chartered Financial Analyst (CFA). Marc is married and has three boys. He is originally from Belgium, he speaks English, Dutch, and French fluently, and is conversant in Spanish and German.

10:00 – 10:30 am

Refreshment Break

10:30 – 12:00 pm

Session 5: Institutional Investment

Chair: Jeremy Armitage, State Street Global Markets

Biography: Mr. Armitage is responsible for the Research department of State Street Global Markets and is based in London, England. This global team is renowned for their research in the fields of investor behavior and portfolio & risk management. Our theoretical work is regularly published in prestigious academic and practitioner journals, such as the *Journal of Financial Economics*, the *Journal of Portfolio Management* and the *Financial Analysts Journal*. For our clients we provide an analytical framework and a full spectrum of indicators, tools, and strategies spanning the global markets that enable them to reexamine their investment opportunities from new, illuminating perspectives. This award-winning analysis is regularly cited in the financial press and is available to clients through Global Markets' research portal, www.globallink.com.



Mr. Armitage has been at the forefront of establishing our research agenda, having been appointed Managing Director and Head of State Street Associates in August 2000. This unique partnership was formed by State Street in conjunction with academic and practitioner thought leaders in the Finance profession. Prior to this role Mr. Armitage worked for State Street in

Jeremy Armitage
(continued)



their London branch for eight years in a number of management positions within the Global Markets business and has assisted clients across the globe in providing solutions to complex investment problems. He has presented at conferences Worldwide has had numerous articles published in the financial press. He has a BS in Computing Science, Imperial College , London , holds the CFA designation and is member of the UK Society of Investment Professionals.

Do local analysts know more? A cross-country study of the performance of local analysts and foreign analysts.

Presented by Rene Stulz, Ohio State University

Collaborating Authors:

Kee-Hong Bae, Queen's University

Hongping Tan, Queen's University

Presenter Biography: René M. Stulz is the Everett D. Reese Chair of Banking and Monetary Economics and the Director of the Dice Center for Research in Financial Economics at the Ohio State University. He has also taught at the Massachusetts Institute of Technology, the University of Chicago, and the University of Rochester. He received his Ph.D. from the Massachusetts Institute of Technology. He was awarded a Marvin Bower Fellowship from the Harvard Business School, a Doctorat Honoris Causa from the University of Neuchâtel, and the 1999 Eastern Finance Association Distinguished Scholar Award. In 2004, the magazine *Treasury and Risk Management* named him one of the 100 most influential people in finance. He is a past president of the American Finance Association and of the Western Finance Association, and a fellow of the American Finance Association, of the Financial Management Association, and of the European Corporate Governance Institute.

René M. Stulz was the editor of the *Journal of Finance*, the leading academic publication in the field of finance, for twelve years. He is on the editorial board of more than ten academic and practitioner journals. Further, he is a member of the Asset Pricing and Corporate Finance Programs and the director of the Risk of Financial Institutions Group of the National Bureau of Economic Research.

He has published more than sixty papers in finance and economics journals, including the *Journal of Political Economy*, the *Journal of Financial Economics*, the *Journal of Finance*, and the *Review of Financial Studies*. His published research deals with topics such as the valuation discount of conglomerates, the gains from acquisitions, the benefits and costs of leverage, spinoffs and asset sales, the determinants of liquid asset holdings of firms, secured debt, bank loans, the pricing of exotic options, credit risks, the cost of capital, managerial ownership, the market for corporate control, corporate governance, the performance of firms issuing debt and equity, the determinants of firm capital structures and liquid asset holdings, the use of derivatives in risk management, capital flows, and financial globalization. He is the author of a textbook titled *Risk Management and Derivatives* and has edited several books.

René M. Stulz has taught in executive development programs in the U.S., Europe, and Asia. He has consulted for major corporations, law firms, the New York Stock Exchange, and the World Bank. He is a director of several companies, the president of the Gamma Foundation, and a trustee of the Global Association of Risk Professionals.

Abstract: This paper examines whether analysts resident in a country make more precise earnings forecasts for firms in that country than analysts who are not resident in that country. Using a sample of 32 countries, we find that there is an economically and statistically significant analyst local advantage even after controlling for firm and analyst characteristics. The importance of the local advantage is inversely related to the quality of the information provided by firms. In particular, the local advantage is high in countries where earnings are smoothed more, less information is disclosed by firms, and firm idiosyncratic information explains a smaller fraction of stock returns. The local advantage is also negatively related to market participation by foreign investors and by institutions and positively related to holdings by insiders. U.S. investors underweight a country's stocks more in their portfolios if that country has a higher analyst local advantage.



Do Foreigners Invest Less in Poorly Governed Firms?

Presented by Karl Lins, University of Utah

Collaborating Authors:

Christian Leuz, University of Pennsylvania

Francis Warnock, Darden Graduate School of Business

Presenter Biography: Dr. Karl V. Lins is the Thayne Robson Faculty Fellow and Associate Professor of Finance at the David Eccles School of Business at the University of Utah. Karl has an extensive research record primarily in the areas of international corporate governance and capital markets. His research has been presented at academic and practitioner conferences and at universities in 13 countries and in 24 states within the U.S. Karl has published his papers in the Journal of Finance, the Journal of Financial Economics, the Journal of Accounting Research, the Journal of Financial and Quantitative Analysis, and Financial Management. His teaching interests are corporate finance and international finance and he has won a University-wide teaching award.

Karl earned a B.S. in Petroleum Engineering from Texas A&M University in 1985, an MBA from the Anderson School at UCLA in 1989, and a Ph.D. in Finance from the University of North Carolina at Chapel Hill in 2000 where he was named the school's Outstanding Doctoral Student. Prior to starting his academic career, Karl worked for two years as an engineer for Conoco Inc. and, after his MBA, for six years in corporate finance, financial analyst, and international sales positions for Boise Cascade Corporation. Karl's international corporate experience includes international bond offerings while in the treasury department and opening up distribution in Mexico for large quantities of business and printing paper during the early 1990s and continuing through the Mexican peso crisis of 1994. He has done executive teaching for the University of North Carolina at Chapel Hill, for the OneMBA global program at EGADE in Monterrey, Mexico, for AvalonBay Real Estate Investment Trust in Washington D.C., and for IBM Business Services in Mexico City.

Abstract: As domestic sources of outside finance are limited in many countries around the world, it is important to understand the factors that influence whether foreign outside investors provide capital to a country's firms. This study examines whether and why investor concern about corporate governance results in fewer foreign holdings. We use a comprehensive set of foreign holdings by U.S. investors as a proxy for foreign investment and analyze a sample of 4,411 firms from 29 emerging market and developed economies. We find that foreigners invest significantly less in firms that are poorly governed, i.e., firms that have ownership structures that are more conducive to outside investor expropriation.

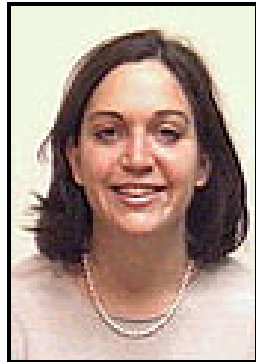
Karl Lins (continued)



Interestingly, this finding is not simply a matter of a country's economic development but appears to be directly related to a country's legal institutions and information rules. We therefore argue that information problems faced by foreign investors play an important role in this result. Supporting this explanation, we show that foreign investment is lower in firms that appear to engage in more earnings management.

Discussant: Darius Miller, SMU-Cox

Biography: Darius Miller is an Associate Professor at Southern Methodist University, where he joined the faculty in 2005. Professor Miller previously held appointments at Indiana University and Texas A&M University. Professor Miller holds a B.S. in Electrical Engineering from Tulane University, a MBA from Loyola University, and a Ph.D. in Finance from the University of California, Irvine. Dr. Miller has teaching and research interests in international financial markets, corporate governance, financial disclosure, and securities offerings. He has published numerous academic papers in premier journals, including the Journal of Financial Economics, Journal of Accounting Research, and the Journal of Financial and Quantitative Analysis. His work has been featured in business publications, such as the CFA Digest and the Bownes Review for CFOs & Investment Bankers, and has influenced important policy debates, including the mandatory auditor rotation provision of the 2002 Sarbanes-Oxley Act. Professor Miller has presented his work to numerous conferences, universities, and industry groups. He has received awards for both teaching and research, most recently from the Kelley School of Business at Indiana University where he received both the college research and MBA teaching awards. Dr. Miller is active in executive education, delivering numerous programs here and abroad, most recently to executives from Wuhan and Beijing in the PRC.



Discussant: Leora Klapper, World Bank

Biography: Leora Klapper is a Senior Economist in the Finance Team of the Development Research Group at the World Bank. Since joining the Bank in 1998 as a Young Economist, her research and operational work has focused on SME and corporate access to financing, corporate governance, and bankruptcy and risk management. She has also participated in Financial Sector Assessment Programs (FSAPs) in many regions. Prior to coming to the Bank she worked at the Board of Governors of the Federal Reserve System, the Bank of Israel, and Salomon Smith Barney. She holds a Ph.D. in financial economics from New York University Stern School of Business.

12:00 – 2:00 pm



*Formal Lunch, 12th Floor Dining Room, Main Complex, Gallery
Lunch Keynote speech:*

Nobel Laureate Joseph Stiglitz

Biography: Joseph E. Stiglitz is University Professor in Economics at Columbia University in New York and Executive Director of the Initiative for Policy Dialogue (IPD). In 2001, Professor Stiglitz was awarded the Nobel Prize in economics for his revolutionary work in the economics of imperfect and asymmetric information. Earlier (1978) he was awarded the John Bates Clark award given every other year to the American economist under 40 who has made the most significant contributions to the field. He served as a member (1993-1995) and then chairman of President Clinton's Council of Economic Advisers and as a member of his cabinet. He was Chief Economist and Senior Vice-President of the World Bank (1997 to 2000). His prior academic appointments include professorships at Yale, Princeton, Stanford and Oxford universities. Stiglitz's voluminous publications include his recent

Joseph Stiglitz
(continued)

2:00 – 4:30 pm

books: *The Roaring Nineties* (2003) and *Globalization and Its Discontents* (2002) -- both published by W.W. Norton, and with Bruce Greenwald, *Towards a New Paradigm in Monetary Economics* (Cambridge University Press, 2003). Detailed information about his publications and activities can be consulted at www.josephstiglitz.com.

Policy/Practitioner Panel

Increasing Access to Financing in Emerging Markets

Chair: Silvina Vatnick, World Bank

Biography: Silvina Vatnick is a Lead Financial Economist at the World Bank working in both PREM (Poverty Reduction & Economic Management) and PSD (Private Sector Development). She has experience in South America, Western Africa, North America, Argentina, Brazil, Mexico, Nigeria, United States, Central America, Central Asia, East Asia, Europe. Prior to working at the World Bank, Ms. Vatnick worked at the International Monetary Fund as an economist and has been an Instructor at the University of Buenos Aires, and at Columbia University in the Department of Economics and the Business School. She was graduated with a Bachelor of Science in Economics from the University of Buenos, a Masters Degree in Macro Economics & International Relations from Columbia University and a Degree in Finance from the Stern School of Business at New York University.

Panelists:

- **Reena Aggarwal, MIT/Georgetown**

Biography: Visiting Professor of Finance, MIT- Sloan School of Management Stallkamp Faculty Fellow and Professor of Finance, Georgetown University. Professor Aggarwal specializes in international stock markets, microstructure of stock exchanges and initial public offerings. Her current research focuses on mutual fund investments in international markets, corporate governance, and public offerings. Her current research focuses on the capital raising process both in domestic and international financial markets. She is examining the relationship between corporate governance, access to capital markets, and valuation. She teaches financial management and a course on Investment Banking and Going Public. She has been named among "Outstanding Faculty" in the Business Week Guide to the Best Business Schools. Her papers have been published in the *Journal of Finance*, *Journal of Financial Economics* and *Journal of Financial and Quantitative Analysis* among others. She was awarded the Faculty Research Award in 2000 and in 1999. In 2003 she received the Allan N. Nash Distinguished Doctoral Graduate Award, University of Maryland.

She has held various positions including Interim Dean of the McDonough School of Business (2004-2005); Visiting Professor of Finance at MIT's Sloan School of Management (2005-2006); Visiting Research Scholar at the International Monetary Fund (2004, 2003); Academic Fellow at the U.S. Securities and Exchange Commission (1997-1999). As a Fulbright Scholar in Brazil and Chile Dr. Aggarwal examined stock markets and privatization programs. She has worked on major consulting projects sponsored by Credit Suisse, Wilmer Cutler Pickering Hale and Dorr, NERA Economic Research, the World Bank, IMF, IFC, IDB, The Nasdaq Stock Market, United Nations, U.S. Small Business Administration, and U.S. AID among others.





- **Richard Frank, Darby Overseas**

Biography: Mr. Frank is Darby's Chief Executive Officer, responsible for management of firm-wide activities and Chairman on the firm's Private Equity, Mezzanine Finance and Venture Capital Investment Committees. Mr. Frank joined Darby in July 1997 after a long and distinguished career at the World Bank and International Finance Corporation (IFC) in Washington, D.C. In his last assignment he chaired the Private Sector Group, coordinating the private sector activities of the World Bank, IFC, and the Multilateral Investment Guarantee Agency (MIGA). During his career at the World Bank Group as Managing Director, Mr. Frank oversaw the South Asia and Latin America operations and chaired the Banks Finance Committee. At the IFC, Mr. Frank served as CFO leading the Corporation to become an AAA borrower and securing two capital increases. Earlier in his Bank Group career, he was active in project and investment work throughout Latin America, Asia, the Middle East and Eastern Europe. Mr. Frank is a Director of Templeton International Funds and on the Boards of several Latin American companies and banks. He is the Chairman of the Latin American Venture Capital Association. Mr. Frank serves on the Board of Georgetown University; the International Strategic Board of Banco Finantia, S.A. (Portugal); Inter-American Dialogue; Institute of International Finance and Bretton Woods Committee. He earned a Bronze Star for his service as Captain in Vietnam. Mr. Frank holds a BS in Mechanical Engineering from the S D School of Mines and Technology and an MS from the Sloan School of Management at the Massachusetts Institute of Technology.



- **Ali Kucukcolak, Istanbul Stock Exchange**

Biography: Director, Research Department, Istanbul Stock Exchange. Graduated from the Law Faculty of the University of Istanbul and obtained an MA in "Economics Capital Market & Stock Exchange" from the same University. He also holds an MA in "Finance Law" and Ph.D. in "Policy of Economics" from the University of Marmara/Istanbul. He is a member of the Union of the Certified Public Accountants of Turkey having a "Certified Public Accountant License" and has a "Attorneyship License" from the Istanbul Bar.

Prior to joining the Istanbul Stock Exchange (ISE) as an inspector in November 1990, had an experience as a lawyer. Established a "databank and financial analyses center" for the ISE where he held the position of Assistant Director of the Listing Department mainly responsible from the evaluation of the listing applications of the publicly held companies. Mr. Kucukcolak, who was promoted to his current post as Director of Research Department in 2002, is mainly responsible for preparing development and feasibility reports to the management in developing new products and markets; research report on the sector as well as the ISE Quarterly Review. His recent research interests are on SMEs and corporate governance. He also participated in the project with OECD on the SME development model for Turkey.

He had a published book titled "Finance Solutions in Capital Market for Small and Medium Sized Enterprises (SMEs)" and over 30 articles and reports on various capital market issues published or presented in the international business environment.



- **Rumi Masih, Goldman Sachs**

Biography: Rumi is a Vice President in the Global Investment Strategies group, where he serves as an Econometrician and Research Strategist. In this role, he is responsible for servicing key central bank clients and aiding product side developments for our internal management process. Rumi joined Goldman Sachs Asset Management in 2005 after spending eight years on the broker/dealer side of Goldman Sachs & Co. Previously, Rumi was the Global Econometrician for both the Global Economics Research and Quantitative Equity Strategy groups. He was responsible for developing various quantitative models, supporting GS trading and strategy research. Along with his collaborators, Rumi was part of a team that ranked first in emerging markets currency strategy by the *Institutional Investor* for three consecutive years (1998-2000). Rumi completed a PhD in econometrics from the University of Cambridge.



- **Michael O'Sullivan, State Street Global Markets**

Biography: Michael was educated at University College Cork, Ireland and Balliol College, Oxford from where he obtained his masters and D.Phil degrees as a Rhodes Scholar. He has lectured economics and finance at Oxford and Princeton universities. Michael previously worked as a strategist for Goldman Sachs International, UBS Warburg and Commerzbank Securities before joining State Street Global Markets in 2003.

He is author of 'Ireland and the Global Question' (forthcoming in June 2006 from Cork University Press and Syracuse University Press in the US).



- **Anthony Thompson, World Bank**

- **Paulo Vieira da Cunha, ILAS, Columbia University**

Paulo Vieira da Cunha is a Visiting Scholar at the Institute for Latin American Studies at Columbia University and a consultant to the World Bank. For nearly a decade he produced and managed research on Latin America for the global securities industry first at Lehman Brothers and later at HSBC where he managed research teams in Buenos Aires, Mexico City, New York and São Paulo. Mr Vieira da Cunha is a frequent speaker at professional, academic and legislative seminars and appears regularly in Bloomberg-TV, CNN-Latin America, Globo News (Cable) and Brazilian newspapers. He is a Director of the Brazilian American Chamber of Commerce and of the Brazil Program at the Woodrow Wilson Institute in Washington DC. He is also associated with the joint Columbia University – Council of the Americas Brazil Study Group. Mr Vieira da Cunha had a distinguished career at the World Bank where he worked in close association with Chief Economist Michael Bruno. Earlier in his career he held senior positions in the government of the State of São Paulo. He participated in the preparation of the Cruzado Plan and was a researcher at major Brazilian research institutions, including IPEA in Rio de Janeiro and CEBRAP in São Paulo, in addition to holding the post of Associate Professor of Economics at the Federal University of Rio de Janeiro. For several years he was editor in chief of *Pesquisa e Planejamento Economico*, the leading Brazilian academic publication in economics. In addition to his writings for the market he has over 50 publications in areas of labor economics, the economics of inflation and macroeconomics generally, and a Ph.D. degree from the University of California at Berkeley.

4:30 pm

Closing Remarks