

INTERNATIONAL: Funds focus on emerging markets

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Investors expect private equity funds focusing on emerging markets to outperform those investing in advanced economies in coming years, according to a global survey from the Emerging Markets Private Equity Association (EMPEA) today. A total of 77% of private equity investors surveyed said they believe annual returns from their developing-country portfolio will reach at least 16% over the next three to five years. In contrast, only 29% have similar expectations for their global private-equity portfolios. In addition, 57% of investors surveyed said their new commitments to developing-country private equity funds probably will increase in 2010-11. China is cited as the most attractive emerging market for private equity investment, followed by Brazil and India. **While emerging markets funds are increasingly attractive for investors, developing countries remain concerned about strong currency appreciation and potentially destabilising effects of massive capital flows. Hence, governments are likely to maintain or implement capital controls in the foreseeable future.**

See INTERNATIONAL: Capital controls are likely to expand - March 10, 2010.

Primary Keywords: INT, Brazil, China, India, economy, capital flows, foreign investment