

"BRIC countries are opaque"

George Vojta on transparency for financial investors

Mr. Vojta is a former Vice Chairman of the Board, director, and member of the Management Committee of Bankers Trust Company Bankers Trust New York Corporation. Founder and Chairman of eStandards-Forum, Inc., Chairman of the Yale International Institute of Corporate Governance and also Distinguished Fellow of the Center for the Study of Public Scholarship at Emory.

Media Tenor: Even within the BRIC States one cannot say that all three are on the Media Agenda, not mention developing countries. What could be the reason for this salience?

Vojta: My sense is that the four BRIC countries are rising in media visibility as they become more significant players in the global system. Very shortly these four countries will surpass the G7 countries in annual absolute growth results.

Media Tenor: From a business perspective: It is common wisdom that in developing markets the margins can be much higher than in developed ones. Why are even the business elites so cautious?

Vojta: The investment climate in the BRIC countries is not as positive as it could be. Particular problems include corruption, weak best practice standards, infrastructure deficiencies and a lack of transparency.

Media Tenor: Could it be a lack of information?

Vojta: Generally the BRIC countries are opaque in many important areas. This contributes to the caution of business elites in making investment commitments.

Media Tenor: What in detail does eStandards offer?



Vojta: eStandards offers a comprehensive, current, user-friendly profile of countries operating in the global system. In particular, it offers uniquely a record of the degree to which countries are adopting and implementing best practice standards agreed to by the international community.

Media Tenor: Years ago you started the EDI. Why Emory?

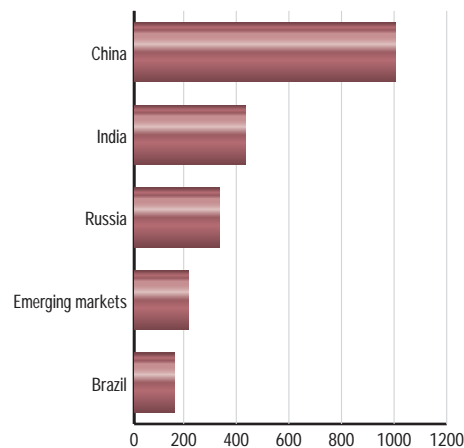
Vojta: EDI was organized at Emory University to focus on low-income countries, particularly those which are not participating meaningfully in the global economy. It is important to support processes that can lead these countries into more active involvement in the global system.

Media Tenor: What was achieved so far?

Vojta: The University community, together with important allies such as the Carter Center, Care, the CDC and the Coca Cola company, are very active in the low-income countries and share a commitment to improving the collective effort to accelerate progress in sustainable development. eStandards has the mission of becoming the principal recorder of the globalization experience and an effective advocate for transparency in the conduct of economic and political affairs.

Interview: Roland Schatz

Analyst quotes on economies: Selected countries



Importance of the topic in political coverage from/on Germany

Source: Media Tenor
September 2006-March 2007

Basis: 22,588 statements in 5 selected
international business media



What is eStandards?

There is general agreement that by adopting best practice standards countries become better risks for international investors and create the best opportunity for growth and development for their citizens. Since 2000, eStandards has been working on developing a utility to fill in this gap. eStandards provides investors, financial institutions and governments with comprehensive monitoring of the efforts now being made by 83 countries to comply with international standards and codes established by the global standard setting authorities in 12 key areas grouped into three broad areas: Macroeconomic Policy and Data Transparency, Institutional and Market Infrastructure, Financial regulation and supervision.

eStandards has three primary aims: To raise awareness of international financial standards and codes within the public and private sectors; To provide investors and governments with a new means to assess the potential risks of foreign investment or lending; To encourage countries to increase the scope, transparency and integrity of the information available about their economies and financial systems, while moving towards compliance with international standards and codes.

eStandards' assessments rely exclusively on publicly available information. No proprietary or confidential sources are used in making our assessments. eStandards hope that this approach will promote the release of information into the public domain, and thereby enhance the quality and level of dialogue between governments and the international community.

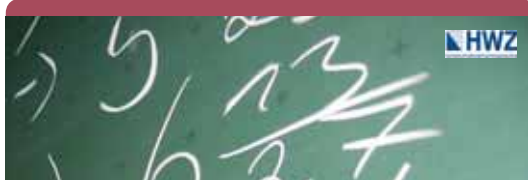
See also: www.estandardsforum.com

Public Affairs: First training course in Switzerland

Zurich. For the first time in Switzerland, the University of Applied Sciences in Business and Administration Zurich (HWZ) is introducing a course in Public Affairs Management, thus responding to the Europe-wide trend towards the professionalization of this new field. The certificate program takes one semester and will rely on the competence of leading public affairs consultants, lobbyists, politicians, entrepreneurs, representatives of associations and scientists as instructors and visiting lecturers.

“Companies, associations and NGOs need experts with the corresponding inter-disciplinary competencies”, explains Ronny Kaufmann, Director of Studies. “And we want to contribute to professionalizing this Anglo-Saxon management branch in Switzerland.”

The course “CAS Public Affairs Management” is directed at managers of corporate or association communication departments as well as at executives that want to further educate themselves on political decision processes and tactical-strategic analysis.



Financial Engineering with Media Analysis

Berlin. JRC, a financial company, is opening a center of excellence for the financial sector in Berlin. The “Financial Engineering” research field is seeking to improve prognosis models, which have been exclusively based on numerical market data up until now, by integrating qualitative data. The resulting model could be transferred to other areas. Managing Director Jannis Raftopoulos thinks that it can also be used in established fields such as market and opinion research, or in newly emerging disciplines such as “Issue Forecasting” or “Reputation Management”, which deal with topical forecasts.

Media Tenor has also been working on an index for assessing analyst ratings since mid-2006, aiming to establish a preceding indicator of share prices. The backtesting of a renowned financial service provider with the help of Media Tenor’s data has confirmed that systematic media analysis bears a considerable potential for establishing an analyst index. Currently the methodology is being refined.



Siemens: Unmanageable Reputation Risk



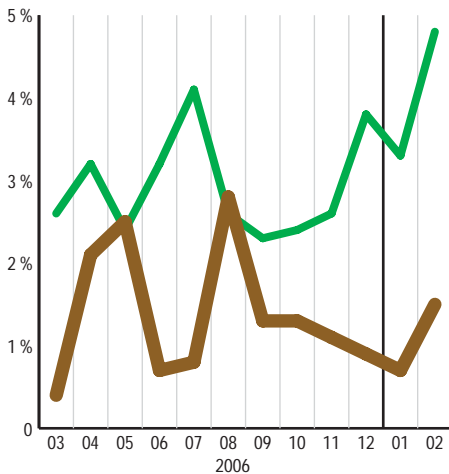
Johannes Feldmayer

Munich. Siemens board member Johannes Feldmayer was arrested on March 27th in connection with the scandal involving payments to the labor organization “Arbeitsgemeinschaft Unabhängiger Betriebsangehöriger” (AUB). According to many financial analysts, the already damaged image of Siemens could suffer another setback. The **Kölner Stadt-Anzeiger** (28.3) even sees a danger for all of Germany: “When a company with a long tradition and of such dimension and reputation fishes in muddy waters, it not only impacts its own image but also that of the whole country.”

Abstract threat preferred

Opinion leading media and topic cycles

1) Topic cycles in comparison



Importance of the topic in political coverage from/on Germany

Source: Media Tenor
03/01/2006 – 02/28/2007

Basis: 107.546 stories on Germany

German opinion leading media prefer abstract threats to specific ones. “The environment” is, on average, covered twice more often than “extremism/terrorism”. Compared to “the environment”, the topic cycle regarding “extremism/terrorism” is more event-driven (**chart 1**): Before the World Cup, the topic “extremism” gained considerable dynamic. The coverage of German opinion leading media identified no-go-

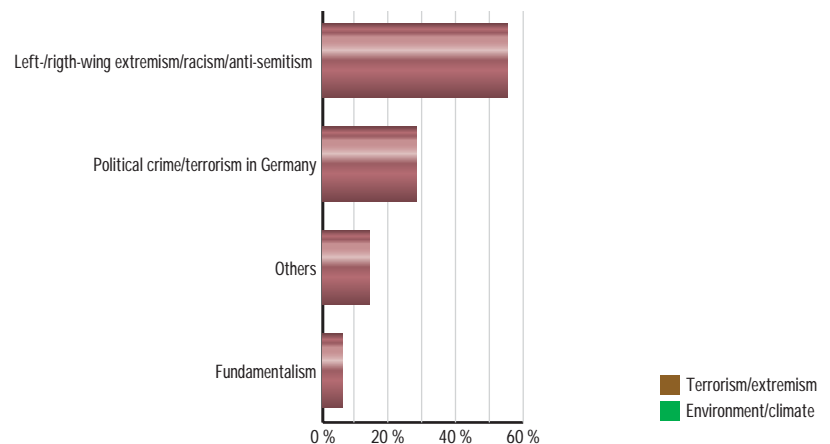
areas in Germany as well as outbreaks of German nationalism. In April 2006, a brawl at a bus stop in Potsdam fueled coverage.

Not even the German Attorney General Kay Nehm was able to take cover from the maelstrom. He practised classical “Agenda Surfing”, quickly taking over the investigations from local authorities: To achieve a political edge appeared to be the name of the game in the run-up to the World Cup. His commitment ended swiftly in a “surrender before the truth” (*Welt*, 27.5.2006) and the return of responsibility to the local authorities.

The peaceful World Cup which, to the surprise of the opinion leading media ended in a harmonious joining of nations in a sea of German flags, practically let the topic of “extremism/terrorism” be smothered by the celebrations. Not until after the World Cup did the media take up the topic of “extremism” again – albeit shortly. At the end of July, two suitcase bombs were found in trains in the North Rhine-Westphalia region (**graph 1**).

Compared to this, coverage on the topic of “the environment” intensified until February 2007. The preliminary peak resulted from the rising criticism by political

2) Topical structure “extremism/terrorism”



Topical structure “extremism/terrorism”

Source: Media Tenor
03/01/2006 – 02/28/2007

Basis: 1.456 stories on political violence/extremism/terrorism

stakeholders of the German automobile industry’s weak ecological performance, as well as the accelerated sequence of disaster scenarios, portrayed with growing alarmism.

Almost 50% of coverage on the subject of political crime relates to right-wing extremism and racism as opposed to religious fundamentalism and international terrorism (**graph 2**). The topical structure corresponds to reality: According to a report by the German Federal Criminal Police Office (BKA) at the end of March, the number of right-wing extremist criminal offenses reached a new peak level in 2006. The number of felonies rose by 14% to more than 18,000, thus exceeding the previous record from 2005 (15,914 felonies). Compared to 2004, it has increased by almost 50%.

From the perspective of news value theory, the level of concern, about and the existential significance of, environmental issues have so far been greater than in the case of “extremism/terrorism”. Among others, there has not been an acute terrorist threat or activity aimed at Germany. Religious fundamentalism in Germany usually takes place below the felony-threshold. Correspondingly, coverage on the topic of “the environment” has clearly been more continuous, while that on “extremism/terrorism” has been more volatile and event-driven. (ph)

