

New MasterCard Research Ranks 65 Cities in Emerging Markets Poised to Drive Long-Term Global Economic Growth

Purchase, NY – October 22, 2008 – With global economic growth expected to be driven primarily by emerging economies at an unprecedented rate of 12 to 1 compared to rich-world economies (according to the International Monetary Fund), emerging markets are becoming increasingly important investment and business centers. Responding to this reality and providing guidance in today’s economic environment is a new study from MasterCard Worldwide, the Worldwide Centers of Commerce™: Emerging Markets Index.

The Index provides valuable insights into the 65 leading cities driving growth within more than 30 emerging markets. Cities are generally considered to be leading indicators for national economies, making the study an important barometer of larger global economic trends and growth potential over time.

“Given the current economic climate, MasterCard is focused on providing valuable insights that assist our customers in identifying new market opportunities for the future. The Emerging Markets Index is key to that commitment,” said Walt Macnee, President, Global Markets, MasterCard Worldwide. “By evaluating 65 emerging market cities and their increasingly important roles in global commerce, the Index offers companies a roadmap for where commerce is headed next.”

The Index evaluates 65 cities on eight dimensions related to their business climate, political environment, economic growth, commercial connectivity, quality of life and other areas, and explores the compelling global and regional economic trends that distinguish these cities as future development hubs.

Some key findings from the study include:

- China led the Emerging Markets Index ranking overall, with 15 of the top 30 cities. Shanghai and Beijing held the number one and two spots respectively.
- Budapest ranked third overall, helped by its heritage as one of the first eastern European countries to initiate trading with the West following the Cold War.
- South Africa had more cities on the list than any nation outside of Brazil, Russia, India and China (the BRIC nations), suggesting that Africa may be entering an era of growth in the global market.
- Latin American cities held two of the top ten spots, and five Brazilian cities placed among the top 50.

“As the current financial environment shows, globalization is a part of today’s economic reality – capital, talent, technology and even intellectual property now move seamlessly across borders and nations,” said Dr. Michael Goldberg, Program Director, MasterCard Worldwide Centers of Commerce. “Emerging market cities will play an increasingly important role in global commerce and may provide unique market opportunities for businesses in the face of changing economic times.”

The Index, developed by a panel of nine independent experts in economics, sociology and urban studies, is part of the broader MasterCard Worldwide Centers of Commerce™ program – a global initiative to examine the role of cities in performing critical functions that connect markets and commerce around the world.

The full report and ranking are available at www.mastercardworldwide.com/insights.

Key Findings

Asia Pacific, Middle East and Africa

Chinese Cities Dominate the Index. With 15 cities ranked in the top 30 and four in the top ten including #1 Shanghai, #2 Beijing, #6 Guangzhou and #10 Shenzhen, China outshone all other countries in the Index. Chinese cities placed among the top ten within the Index in measures relating to their commercial climate, economic growth and business connectivity, and held all top ten spots in the area related to education and IT connectivity. China's national economy played a key role in its city rankings, as has the visionary leadership of Shanghai, an important global commercial center.

Outsourcing Engine India Second Only to China. Led by Mumbai, the number one city in a critical dimension related to financial markets, eight Indian cities appeared in the Index, more than any country other than China. Scoring well in measures related to security and risk and connectivity, this showing reflects the leadership of cities like Chennai, a global center for automotive and film production.

South Africa a Gateway to a Continent. With the most cities in the Index outside the BRIC nations (Brazil, Russia, India and China), South Africa's strong showing may reflect the ongoing opening of Africa to Western products, services and companies. It is clearly a place to watch carefully for new business opportunities.

Latin America and the Caribbean

Stable and Safe Santiago Leads the Region. With high scores in dimensions related to economic stability, the business climate and quality of urban life, Santiago places #5 overall and first among its regional peers.

Rich in Resources, Brazil Is a Leader in LAC. This fast-growing nation has five cities appearing in the Index, including Sao Paolo (#12 overall) which scored in the top ten in dimensions related to financial market volumes and business connectivity.

Santo Domingo the Only Caribbean Island City on the Index. At #51, the city proves itself an important locale for the Caribbean, as well as Central America and northern South America. It is a center worth keeping an eye on.

Europe

Commercial Heritage Helps Propel Budapest to #3 Spot. The number one city in the Index for dimensions covering quality of life and risk and security, Budapest also scores among the top ten for its economic and commercial environment and its business climate. A former world capital, Budapest was among the first Eastern European cities to trade with the West following the Cold War and is benefiting from its first mover initiatives.

Where East Meets West, Istanbul Is a City to Watch. With high rankings for its financial markets and quality of life, Istanbul also places among the top ten cities in commercial connectivity, befitting a large, growing nation with easy geographic access to many other growing markets.

Moscow, Russia’s Most Connected City, Places Within Top 15 Cities. Among the top five cities in the Index in dimensions related to air passenger, cargo volume and other measures of connectivity, as well as financial market volumes, #14 Moscow leads the four Russian cities ranked in the Index.

Methodology

The MasterCard Worldwide Centers of Commerce™: Emerging Markets Index is compiled from research by a panel of nine independent economic, urban development and social-science experts from leading academic and research institutions around the world, led by Dr. Michael Goldberg, Program Director, MasterCard Worldwide Centers of Commerce Program.

To form the Index, the panel rigorously identified 65 cities around the world that met their initial stringent criteria. Cities were then rated on eight key dimensions as follows:

- Economic and Commercial Environment
- Economic Growth and Development
- Business Environment
- Financial Services Environment
- Commercial Connectivity
- Education and IT Connectivity
- Quality of Urban Life
- Risk and Security

The process entailed measuring a number of carefully weighted, relevant indicators and sub-indicators that aggregate available data relevant to each dimension. The panel evaluated a total of eight dimensions comprised of 65 indicators and 89 sub-indicators to derive an Index score for each city, a process that goes well beyond traditional measures used to gauge worldwide financial and business activity.

About the Worldwide Centers of Commerce: Emerging Markets Index Research Team

Leading the Worldwide Centers of Commerce program is Professor Michael Goldberg, Program Director. With more than 40 years of experience, Professor Goldberg has consulted for businesses and governments in Canada, the U.S. and Asia, lectured at 50 universities and research institutes in 16 countries and

authored or co-authored nine books and more than 200 academic and professional articles. To assist him in this research, Dr. Yuwa Hedrick-Wong, Economic Advisor for MasterCard Worldwide, APMEA Region, initially assembled and chaired a panel of leading experts in economics, urban development and social-science from around the world, including the following:

- Professor Fan Gang, Director, National Economic Research Institute, Beijing
- Mr. Manu Bhaskaran, Partner/Head, Economic Research, Centennial Group, Singapore
- Professor William Lever, Emeritus Professor of Urban Studies, University of Glasgow
- Professor Maurice D. Levi, Chair of Bank of Montreal Professor of International Finance, University of British Columbia
- Dr. Anthony Pellegrini, Partner/ Director of the Urban and Infrastructure Policy and Finance Practice, Centennial Group, Washington, D.C.
- Professor Saskia Sassen, Helen and Robert Lynd Professor of Sociology, Committee on Global Thought and Department of Sociology, Columbia University
- Professor Peter J. Taylor, Director, Globalization and World Cities (GaWC) Research Network, Loughborough University, UK

2008 MasterCard Worldwide Emerging Market Index Ranking

Rank	City	Country
1	Shanghai	China
2	Beijing	China
3	Budapest	Hungary
4	Kuala Lumpur	Malaysia
5	Santiago	Chile
6	Guangzhou	China
7	Mexico City	Mexico
8	Warsaw	Poland
9	Bangkok	Thailand
10	Shenzhen	China
11	Johannesburg	South Africa
12	Sao Paulo	Brazil
13	Buenos Aires	Argentina
14	Moscow	Russia
15	Istanbul	Turkey
16	Xiamen	China
17	Chengdu	China
18	Dalian	China
19	Mumbai	India
20	Tianjin	China
20	Nanjing	China
22	Hangzhou	China
23	Wuhan	China
24	Chongqing	China
25	Qingdao	China
26	Xian	China
27	Harbin	China
28	New Delhi	India
28	Monterrey	Mexico
30	Sofia	Bulgaria
31	Montevideo	Uruguay
32	Bucharest	Romania
33	Cape Town	South Africa

Rank	City	Country
34	Lima	Peru
35	Bogota	Colombia
36	Rio de Janeiro	Brazil
37	Durban	South Africa
38	Bangalore	India
39	Chennai	India
40	Tunis	Tunisia
41	St. Petersburg	Russia
42	Brasilia	Brazil
42	Jakarta	Indonesia
44	Cairo	Egypt
45	Manila	Philippines
46	Hyderabad	India
47	Recife	Brazil
48	Kolkata	India
49	Curitiba	Brazil
50	Ankara	Turkey
51	Santo Domingo	Dominican Republic
52	Pune	India
53	Casablanca	Morocco
54	Coimbatore	India
55	Quito	Ecuador
56	Ho Chi Minh City	Vietnam
57	Kiev	Ukraine
58	Medellin	Colombia
59	Yekaterinburg	Russia
60	Beirut	Lebanon
61	Caracas	Venezuela
62	Novosibirsk	Russia
63	Nairobi	Kenya
64	Karachi	Pakistan
65	Dakar	Senegal

About MasterCard Worldwide

MasterCard Worldwide advances global commerce by providing a critical economic link among financial institutions, businesses, cardholders and merchants worldwide. As a franchisor, processor and advisor, MasterCard develops and markets payment solutions, processes over 18 billion transactions each year, and provides industry-leading analysis and consulting services to financial-institution customers and merchants. Through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard serves consumers and businesses in more than 210 countries and territories. For more information go to: www.mastercard.com.

Media Contacts:

Jennifer Stalzer, 914-249-5325, jennifer_stalzer@mastercard.com

Amy Juaristi, 212-445-8252, ajuaristi@webershandwick.com

Note: Information in this report is for informational purposes only. It is recommended that professional advice be obtained in connection with making any assessments regarding projected impacts on your business. No assurances are given that any of these projections, estimates or expectations will be achieved, or that the analysis provided is error-free. The information, including all forecasts, projections, or indications of financial opportunities are provided on an "as is" basis for use at your own risk. MasterCard will not be responsible for any action taken as a result of this report, or any inaccuracies, inconsistencies, formatting errors, or omissions in this report.

###