

RESEARCH PROJECTS 2013

Project Title

Corporate Risk Management in Emerging Markets: Challenges and Opportunities in the BRICS Countries

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Abstract

Firms operating in emerging markets (EM) face more risks. Even when the risk factors are known (e.g., FX rates, commodity prices), corporate risk management (CRM) in Ems is uncertain (“unknown unknowns”), adding to the costs and indeed the risks: Derivatives markets are less developed and less liquid, counterparties are less trusting, disputes are more likely and their resolution is less predictable (legal and judicial risks). DM-firms active in Ems may face the same issues. But the extent and consequences of these issues is unknown, as is the scope for value-adding improvements.

