international bodies. But many of the biggest challenges are domestic. The ability to attract and absorb investment and to win export markets depends on developing adequate infrastructure and know-how. That does not just mean basic utilities and transport infrastructure, but honest courts and an effective police service, ports and customs bodies which are efficient and do not deter trade with expensive bureaucracy, and new stock markets with the standards, payment systems and liquidity that they need.

And because outdated stereotypes hold successful reformers back.

Even doing all the right things is not always enough to succeed in global trade and finance. International investors and customers often rely on stereotypes as well as economic realities. Hence the 'national branding' programmes of countries like Australia and Britain which needed to overcome outdated perceptions. This presents a particularly damaging problem for developing economies even as they overcome 'real' problems of political and economic fundamentals and stable policy frameworks.[15] If an 'Asian crisis' is in the offing, investors may pull out of all Asian countries, whatever their disparate economic fundamentals. This may even be rational for investors – as Keynes observed of stock markets over 60 years ago, what actually happens depends on what average opinion thinks average opinion will do next.[16] Today, the costs of collecting information about emerging markets increases 'herd behaviour'. This can set development back, through apparently unnecessary macreconomic crises and the costs of