

Today's emerging-market opportunities in 3 key growth areas

A look at tech, the consumer, and renewable energy

Q. Which growth industries or trends in emerging markets you feel offer the greatest potential as you pursue long-term, sustainable investment opportunities?

The growth industries and trends which we feel offer greatest potential, sustainable investment opportunity in emerging markets lie in three key areas. First of all, technology. Secondly, the consumer. And thirdly, renewable energy.

We think of the leading-edge globally dominant semiconductor businesses of North Asia when we're thinking about technology, but we also think about the implications of the convergence of new technologies. This is focused in China, where the accelerated rollout of 5G is leading to a raft of new investment opportunities in areas such as factory automation, industrial robotics, as well as data analytics, which leads to opportunities in online education and healthcare diagnostics.

The second area is consumption. Now, we're interested not just in China, which is the fastest-growing and the largest consumer market in the world, but across emerging markets. There are new generations of affluent, tech-savvy consumers who are engaging with new brands and new channels.

Thirdly, in the area of renewable energy, the world's major emerging economies are now moving center stage in terms of the clean energy transition, and we are trying to identify the best-quality businesses in that area. These are themes which will be the defining features in terms of our structural positioning, but we will always remain focused on identifying best-in-class, quality growth businesses across emerging markets that are capable of sustaining long-term superior returns on invested capital.

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