

FEBRUARY 2019

Member News

- ✧ [Erramon I. Aboitiz](#) of Aboitiz Equity Ventures spoke at the Aboitiz Leaders Conference about the importance of nurturing a culture of innovation in sustaining business growth.
- ✧ [Hussain J. AlNowais](#) of AlNowais Investments discussed potential cooperation in renewable energy with the President of Armenia.
- ✧ [Dominic Barton](#) of Teck Resources shared his experience about succession planning at McKinsey's & Co. with *Forbes*.
- ✧ [Ronnie C. Chan](#) of Hang Lung Properties spoke to *Bloomberg* about a cyclical slowdown in Hong Kong's property market and the resilience of luxury retail in mainland China. He [commented](#) on the Sino-U.S. trade war, saying that the U.S. would have more influence over China as a friend rather than a foe. He was also [recognized](#) as a "friend of diplomacy" at the Chinese Foreign Ministry's inaugural award presentation held in Hong Kong.
- ✧ [John McFarlane](#) of Barclays plc officiated the opening of a new aviation technology hub at Cranfield University, a move to support aerospace and aviation entrepreneurs in the U.K.
- ✧ [Tony Fernandes](#) of AirAsia noted that the Malaysian government should do more to promote competition and boost investment in aviation and tourism.
- ✧ [Jamshyd N. Godrej](#) of Godrej & Boyce Manufacturing expressed pride in manufacturing one of the world's tallest catalytic regeneration reactors; the reactor will be used in an oil refinery in Nigeria.
- ✧ [Hiroaki Nakanishi](#) of Hitachi, also Chairman of Keidanren (the Japan Business Federation), talked about the need to abolish outdated employment practices in Japan's corporate culture. He also [spoke](#) to *Bloomberg* in an interview about risks of the Sino-U.S. trade war, the impact of Brexit on Hitachi's business, and railways as a growth business in Asia and globally.
- ✧ [Amin H. Nasser](#) of Saudi Aramco said in a *Reuters* interview that his company hopes to increase its U.S. investments in the gas sector as it looks to become a global gas player.
- ✧ [Takeshi Niinami](#) of Suntory Holdings told *Bloomberg* how waning consumer confidence in China has affected demand for alcoholic beverages, assessed prospects for Sino-U.S. trade talks and his plans to grow Suntory's footprint in India and China.
- ✧ [Penny Pritzker](#) of PSP Partners discussed with *Bloomberg* her views on key policy issues, including the need for the Democrats to focus on jobs for average Americans as they gear up for the 2020 elections, the U.S.'s responsibility to take leadership on multilateralism regarding trade relations with China, and solutions to stop gun violence including engagement of the philanthropic community, government, and police, as well as creation of opportunities for young men. She also [pledged](#) support to a \$3.2 million apprenticeship fund designed to help U.S. workers adapt to challenges from new technology.
- ✧ [Weijian Shan](#) of PAG Group published *Out of the Gobi: My Story of China and America*, a memoir of surviving Mao's China with his views on China's market transformation. He [gave](#) a presentation of his new book at Asia Society in New York. He also [wrote](#) in the *New York Times* about the importance of Chinese consumers to U.S. firms, citing the example of Apple's weaker sales amid the Sino-U.S. trade war.
- ✧ [Dong-Bin Shin](#) of Lotte Group, in his New Year address, talked about plans to develop digital technology and expand chemical production facilities in Indonesia and the U.S. He [called](#) on Lotte employees to embrace innovation and make continued and preemptive investments, in a company meeting.
- ✧ [Yuanqing Yang](#) of Lenovo Group said the company would benefit from transformation in areas like artificial intelligence and automation, and that Lenovo aims to become a leader in the data center industry.
- ✧ [Zhang Xin](#) of SOHO China talked to *Bloomberg* about China's slowing property market receiving a boost from credit easing and discussed the impact of Sino-U.S. trade talks on business confidence in China.
- ✧ Several Asia Business Council members spoke at the 2019 World Economic Forum at Davos. [Dominic Barton](#) of Teck Resources spoke on a panel about safeguarding the shared space. [Peter Grauer](#) of Bloomberg L.P., noted in a panel the role of media in raising awareness of disability inclusion. [Charles Li](#) of Hong Kong Exchanges and Clearing spoke on a panel about financial governance. [Hiroaki Nakanishi](#) of Hitachi spoke on a panel about business leadership in the Fourth Industrial Revolution. [Zhang Xin](#) of SOHO China, in a breakfast session, suggested the use of quotas to boost female representation.

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Globalization Woes have World at Crossroads

As technological advances continue to disrupt businesses and change the nature of human jobs, a new phase of globalization marked by rising inequality is emerging. These are the challenges in the era of "Globalization 4.0" according to Klaus Schwab, founder of the World Economic Forum (WEF), who wrote in *Foreign Affairs* to call for a more inclusive and sustained dialogue to rebuild a fractured world. But questions grew about whether a multilateral platform like the WEF had offered real solutions to the fallouts of globalization. Michael Hirsh in *Foreign Policy* argued that the forum was in some ways fueling global problems it was trying to solve, citing the record number of private jets landed at Davos (where elites discussed climate change). Heather Long of *The Washington Post* observed that while many Davos attendees agreed on "upskilling" people as a solution to inequality, they opposed the idea of taxing the rich more to pay for re-education. However, OECD Secretary-General Angel Gurría wrote in a [WEF website](#) article that turning away from multilateralism would be a mistake

as international cooperation is needed more than ever to deal with issues like digital transformation and climate change that transcend national borders.

What Makes or Breaks China's Belt and Road Initiative

Malaysia's move to shelve a Chinese-backed rail project marked the latest setback for the Belt and Road Initiative (BRI), following decisions by several Asian countries to scale back or terminate projects amid concerns over growing debt and Chinese influence on local economies. Anu Anwar noted in [Asia Times](#) that China's vision to build a vast network of infrastructure in countries along strategic trade routes would inevitably alter the geopolitical balance of the Indo-Pacific region. A [Foreign Policy](#) commentary cast doubt on the transparency records of BRI projects and argued that the initiative has enabled corrupt and autocratic regimes to flourish. However, Nadège Rolland argued in [Foreign Affairs](#) that reports of BRI's failure have been exaggerated as the sheer scale and growth of BRI – some 3,100 projects in five years – deserves attention as much as the number of stalled projects that have come to public scrutiny. Phidel Vineles wrote in [East Asia Forum](#) that Southeast Asia would stand to benefit from BRI if China could take steps to heed its neighbors' concerns by setting up a joint mechanism to assess the risk of BRI projects and partnering more with local companies to provide domestic jobs.

Risk of No-Deal Brexit Stokes Anxiety in Asia

The parliamentary defeat of Prime Minister Theresa May's Brexit deal in mid-January has created fresh uncertainty for Asian businesses. The [Nikkei Asian Review](#) wrote that the U.K.'s departure from the European Union under a "no-deal" Brexit would negatively affect Asian multinationals with operations there as market access to Europe will become more costly. [Bloomberg](#) summarized how 10 major Asian companies would weather Brexit, noting some automakers might halt production in the U.K. Sony is [reportedly](#) moving its European base from the U.K. to the Netherlands. To reassure the business community, governments in Japan, South Korea, and Australia have pledged to seek clarity on the outlook and prepare to negotiate new trade deals with the U.K., according to the [BBC](#). Nonetheless, Du Nhat Dang argued in the [Diplomat](#) that Brexit could work to Vietnam's advantage in the South China Sea as the country was increasingly seen by the U.K. as a promising partner in Southeast Asia thanks to increased cooperation in trade and security.

Upcoming Forum Dates

2019 Spring Forum: Yangon, February 28-March 2

2019 Autumn Forum: New Delhi, September 26-28

2020 Spring Forum: Tokyo, March 26-28

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