

Spotlight Asia – Riding the Growth

Panel Members

Moderator

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Panellists

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Key Issue 1: Economic Growth in China and Asia

1. Asia is a very big continent and is still where most of us will get economic growth in future.
2. 60% of the world's population lives in Asia, and Asia contributes 50% of the world's GDP. This is where the action is going to be in the next 20 to 40 years.
3. By 2030, 54% of world's working population will be registered in Asia.
4. Huge demand for everything, from infrastructure to homes, to offices, to hotels, to buildings, to consumer goods.
5. China is still doing very well at between 6-7%. The current economic growth numbers do not show the dynamics in some of the cities. In Tier 1 cities, exports and consumption are increasing.
6. India is going to be a huge market, almost the same as China.
7. ASEAN is also growing extremely well.
8. Huge opportunity with China externalising its infrastructure development; the sector is growing well all over Asia, given impetus by OBOR initiative.
9. Consumption demand remains continuous.
10. Middle class and purchasing power is increasing.
11. Japan and Korea – 2 other powerhouses. Even though their growth is not as fast, they are some of the most sophisticated economies of the world.
12. In SE Asia: 600 m people. Provides a massive market across different businesses and sectors, high tech, etc.

Key Issue 2: Are there differences in Doing Business in Asian Countries?

1. Like Africa, Asia consists of many countries and they differ fundamentally, such as India and China.
2. Political systems are different (major difference); fast to implement in China due to central control. In India it takes longer as it is a democracy.
3. In India they speak English; easier to do business for foreigners. Opening up very quickly.
4. In terms of doing business in Asia, appoint local people at heads of office – experience and expertise is global, but business is a local thing and therefore locals should run the business.

Key Issue 3: Current strategies for Entering Asia

1. Organic growth is prominent.
2. Some of the times, especially in new markets, acquisitions are used.
3. Partnerships also do well.

Key Issue 4: Advice for Africa-based Companies coming into Asia

1. Scale of opportunity is very large: both the market size and population.
2. Cost control is crucial.
3. Engagement and price points differ from country to country. Choose country correctly, choose product, choose clients; have a long-haul point of view; must be here to stay.
4. Look for like-minded partners with the right connectivity. Make sure you do your homework and develop a long-term outlook as it is a long-term game.
5. This is a dynamic part of the world; the dynamics change quickly.
6. Africa is less competitive, and the scale is smaller; Asia is much more competitive and the scale is much larger, opportunities much bigger.
7. Find the right niche for your business. Pick your service lines – you cannot do everything. Pick your verticals you want to focus on from a client's perspective. Focus is important. Remember there are different levels of maturity and market size.
8. Do not be too hasty – walk before you can run.
9. Africa is not homogeneous – cannot treat them as one country. Similarly, Asia is not one country. Countries are different from market to market.
10. Expect high quality throughout the region.
11. As you start operations – focus on execution. It is about reputation to deliver.
12. Invest in human capital – it is crucial. Develop the local talent. May take time.

Key Issue 5: Challenges of Singapore for African Companies

1. Costs in Singapore are very high.
2. Lack of people; low birth rate; need for importing people from outside as Singapore is a small country.
3. Must find ways to be more productive and increase productivity without increasing people.
4. Singapore represents a small market.

Key Issue 6: Corruption is a major problem in Africa. How did you deal with corruption in Africa?

1. You walk away where it does exist.
2. Not a major problem – getting currency out is a bigger problem.
3. Corruption as big in Asia as in Africa.
4. Asia has been better with leadership – towards developing people and not just leaders.
5. Just say no. if government is corrupt – don't deal with them.
6. In some Asian countries, corruption is a serious problem; don't engage with it. Takes time, but the people get the message. You must take a stance. It will not be solved overnight. Change must come from people themselves.

Key Issue 7: There is so much disruption. What keeps you awake at night with the new millennials and the new technology?

1. Challenges grow and countries become more competitive; you must find new markets.
2. You must work on the development of your people to cope with changes in technology.
3. Embrace technology as a major cause of change and do not see it as a threat.
4. Loyalty goes to technology platforms and not necessarily brands. Uber will have a problem at some time.
5. Technology is a wonderful opportunity. Make sure you are relevant.
6. Millennials: reward system for them needs to be different. Not money but flexibility is important for them.
7. Change is a way of life: Organisations must be resilient.

Key Issue 8: The 4 T's of the Moderator

1. **Trust:** Build trust and take note that it takes time. There is room for trust.
2. **Technology:** Technology is going to disrupt and technology can be leveraged. Will allow many African countries to jumpstart the first, second and third industrial revolution, straight into the 4th Industrial Revolution. Technology can be a driver of growth.
3. **Talent:** we need people. Focus on developing skills; retraining. You keep coming back for constant life-long learning.
4. **Transformation:** without trust, tech and talent you cannot transform.