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ARTICLES

Joint Ventures in the Socialist Republic of Vietnam: The First Six Years

PETER J. BUCKLEY AND NICK J. FREEMAN

This article aims to depict briefly the foreign investment environment in Vietnam, before proposing how the joint venture (JV) form of foreign direct investment (FDI) may help Western companies best tackle market entry in this very challenging-yet potentially highly rewarding-developing host country. The progress of JVs in Vietnam is also discussed, citing two successful case studies. While no ideal formulaic JV policy emerges from the empirical evidence, there do seem to be ways to guard against likely problems, and conversely, better harness the potential advantages of the JV format.

Competition and Growth: Changes in Indonesia's Banking Sector since 1988

KATHRYN G. MARSHALL

This paper investigates the consequences of financial deregulation on Indonesian commercial banks, with a special emphasis on the effects of the 1988 reforms. These reforms moved Indonesia into a laissez-faire expansion of private banks at the expense of the once-dominant state bank oligopoly. Indonesia's private banks proved capable of mobilizing untapped resources by attracting new small-scale savers and by increasing borrowing offshore. These innovations sustained a rapid growth in bank assets in spite of the central bank's efforts to reduce loan refinancing programs at state banks. Still, many observers were concerned that the expansion was fueled by unsound lending practices motivated by moral hazard in the presence of implicit deposit insurance, and might eventually lead to widespread bank failures and financial contraction.

This paper examines whether Indonesia's reforms have caused symptoms similar to the disastrous experiences with financial liberalization of several Latin American countries. It concludes that in Indonesia increased competition has had the intended effect of lowering high industry profits, suggesting that banks have been unable to counter the reforms with profitable but risky lending strategies.

The Patterns of Role Structure in Family Decision Making in Malaysia

SAMSINAR MD. SIDIN

The major objectives of this paper are to uncover the patterns of family decision making in Malaysia and to investigate whether the influence of wives varies with factors such as social class and cultural groups. Two hundred and forty couples in four different cities in Malaysia were interviewed regarding their roles in decision making for purchases of furniture, electrical appliances, groceries and eating out. Role structure was found to be product specific. Wives' influence in the decision making process was found to vary across social class and cultural groups for the purchase of groceries.

RESEARCH REPORT

Possible Directions of the Asia Aircraft Manufacturing Industry

PETER SCOTT AND KEVIN CREIGHTON

As the newly industrialized economies of the Asia-Pacific region continue along the path of economic development, they are looking for ways to revolutionize their industrial development. One way to do this is to promote and encourage a large commercial aircraft manufacturing base. This research paper combines the effort of previous studies to determine what are the competitive drivers in the aircraft manufacturing industry, what the current capabilities of the NIE's in the Asia-Pacific region are, and then draws conclusions on possible future directions of the aircraft industry in Asia.

RESEARCH NOTE

The Increasing Importance of Venture Capital in Singapore

WILLIAM J. SCHEELA

This paper analyzes the newly developing venture capital industry in Singapore. Case studies of four Singaporean venture capital firms were developed. These are of two types: partnership and corporate. Each type has a different investment strategy with the partnership venture capital firm being similar to the U.S. model of venture capital firm, focusing primarily on generating high returns for investors. By contrast, corporate venture capitalists are more interested in expanding their businesses through technology transfer from their portfolio companies. Both types are international in their operations and investments and are beginning to play a significant role in the new venture creation process in Singapore.