

JOURNAL OF ASIAN BUSINESS

Volume 13 · Number 2 · 1997

ARTICLES

Hong Kong and Singapore: A Tale of Two Asian Business Hubs

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As Hong Kong and Singapore continue to expand aggressively their roles as Asia's twin hubs for trade, financial services, transport, and communications as well as regional headquarters of multinational corporations, there is now a growing perception of intensified contest between these two dynamic economic "tigers." However, allegations of zero-sum rivalry between the two city-economies have grossly exaggerated the nature of their competition; and with the change of sovereignty in mid-1997, rising uncertainty about Hong Kong's political future appears to be magnifying this increasingly popular misperception. This paper aims to put the Hong Kong-Singapore relationship in proper perspective by shedding some light on: (1) the parallel development of Hong Kong and Singapore; (2) the rising economic interdependence and complementarity between the two city-economies; and (3) the non-zero-sum nature of competition between the two regional business hubs. It is found that the web of mutually beneficial relations between Hong Kong and Singapore is so intertwined now that the decline of one economy would inevitably inflict substantial financial losses on the other. Furthermore, there is strong evidence to suggest that, even in business arenas where they do compete directly, both parties can still grow and profit together without doing so at each other's expense. More importantly, as economies which espouse arguably the world's most open trade and investment regimes, Hong Kong and Singapore could join hands in multilateral forums such as the Asian Development Bank, Asia-Pacific Economic Cooperation (APEC) and Bank of International Settlements to assume a more activist role in fostering a freer environment for intra-regional trade and capital flows.

Capacity Development for Managing Telecommunications Reform and Restructuring: A Corporate Approach from Indonesia

MOSES N. KIGGUNDU

In order to exploit emerging opportunities, most countries are actively reforming and restructuring their telecommunications sectors and constituent organizations. This paper reports on the results of a field study undertaken to investigate the operational and strategic management challenges resulting from an ambitious corporate plan of Indonesia's national telecommunications provider. Using an organizational conceptual framework, the paper identifies the critical operating and strategic management tasks resulting from the corporate plan and its implementation. Results suggest that the corporation lacked the institutional capacity to effectively operate, manage, and commercially exploit the challenges and opportunities resulting from the sectoral reforms and restructuring. The results are discussed in terms of contextual, structural, and process impediments to the effective implementation of the corporate plan and effective utilization of the new infrastructure. As well, recommendations are made for the development of the corporation's operational and management capacity. The paper concludes with a brief discussion of the possible implications of the findings for telecommunications corporations in other developing or modernizing economies.

Understanding the Strategic Orientation of Thai Executives

DAEWOO PARK AND HEMA A. KRISHNAN

Using survey responses from more than one hundred Thai executives, this study examines the effects of Thai executives' decision styles on strategic decision models. The significance of differences in Thai executives' educational and work backgrounds on strategy was also studied. The results, which indicate substantial differences between Thai and U.S. executives, provide important implications for managing global strategic alliances and international subsidiaries or divisions.

The AWA Case: Implications for the Hong Kong Director

CHEE KEONG LOW

The recent decision of the New South Wales Court of Appeal in *Daniels v Anderson* (1995) 16 ACSR 607, commonly referred to as the AWA Case, provides an opportunity for the legislature in Hong Kong to consider the numerous deficiencies of its existing antiquated structure of corporate governance. In particular, it highlights the need for a review of the common law duties expected of directors, and the urgent need for a higher, more exacting standard of care and skill to replace the current supine indifference.

This paper analyses the wider implications of the AWA Case upon the Hong Kong director, and draws attention to the changing judicial disposition with respect to the issues of accountability and corporate governance. It thereafter concludes with some recommendations for legislative reform which corresponds with the increasing public demand that corporate officers exercise a higher duty of care.

RESEARCH NOTE

Opening Attempt: North Korea and the Rajin-Sonbong Free Economic and Trade Zone

MARCUS NOLAND AND L. GORDON FLAKE

In response to its economic crisis, North Korea has intensified efforts to attract foreign investment to its Rajin-Sonbong Free Economic and Trade Zone. While this effort to promote the zone represents an important start, the zone clearly has a long way to go before it will be able to attract the type of investment envisioned by its supporters. Lack of infrastructure appears to be a severe impediment to the development of the zone. If the infrastructural hurdle is to be surmounted, it will likely be due to Chinese interest in developing the zone for transshipment trade associated with the economic development of its Jilin Province which borders the Rajin-Sonbong Free Economic and Trade Zone. Small scale investment in light industry might also be possible. With the development of these two areas relatively small investment in service industries such as hotels and entertainment might also be feasible. Large scale investment, however, will likely remain elusive. If the Rajin-Sonbong Free Economic and Trade Zone ultimately is a success, this is more likely to be due to its demonstration effect and encouragement of further economic opening, than to its direct impact on the North Korean economy.