swelling ranks of China's affluent.
Some countries are going out of their
way to lure the Chinese hordes. Singapore
and Malaysia have declared ambitions to
welcome at least 1m Chinese next year.
Singapore has negotiated more flights
to more cities, both in booming coastal areas
and in inland centres such as Chengdu.
Meanwhile, western countries such as
Canada, Finland and Switzerland are look-
ing into ways to make it easier for the Chi-
inese to get tourist visas. The main worry is
that "tourists" might overstay or claim ref-
ugee status on arrival. So these countries
are negotiating with China's government
to join Australia, New Zealand, Germany,
Turkey, Hong Kong, and most of South-
East Asia in getting Approved Destination
Status (ADS). Under ADS, Beijing sets out-
bound quotas for package tours organised
by state-owned travel agencies, whose func-
tion is to ensure that nobody in their
free world is left behind.
The Chinese are leaving their mark on
places. Macau rarely brags any more about its
hidden Portuguese façades, but talks in-
stead about turning its casino industry,
Asia's biggest, into a Las Vegas for main-
landers—complete with a spewing plastic
volcano in the harbour. Hong Kong's
hopes are hitched to a forthcoming theme park by Disney. And Thailand's girly bars
will never be the same again.

AIDS and South African business
Strategic caring

Johannesburg
Firms strategise about AIDS

GREATER transparency for American
firms may mean little more than de-
scribing what outlandish perks the boss
gets. In South Africa, the disclosures will
make much grimmer reading. Johannesburg's
stock exchange is currently "consid-
ering whether to make an accounting standard is
needed from listed companies". Trans-
lated: in six months, firms listed on the ex-
change will probably be required to pub-
lish anti-AIDS policies. Before long, they
will have to spell out how AIDS affects
their business, market and workers, and
show how they are fighting it.

Elsewhere, say in America, such re-
quirements would probably be seen as a
triumph for "corporate responsibility" move-
ment, and as a burden by firms and
investors. In South Africa, at least some of
the demand for disclosure has come from
investors, and many corporate bosses
have long been planning anti-AIDS stra-
geties in part because it has become impos-
sible to make informed decisions without
considering the impact of the disease.

Investors are worried that firms are
keeping quiet about what AIDS will do to
their business, and thus their value. Earlier
this year, the King report, a widely wel-
come study on corporate governance,
called on firms to disclose their exposure
to AIDS—there are now 5m people in South
Africa infected with HIV and many more
in other parts of Africa where South Afri-
can firms operate.

A survey by Deloitte and Touche earlier
this year found that roughly half of South
Africa's bigger firms had adopted a formal
HIV/AIDS policy. In the past three months
several mining companies, including Ang-
go American, AngloGold and De Beers,
have announced that they would give in-
fected workers free anti-retroviral drugs.

Tens of thousands of workers are likely
to take up the offer. On September 10th, Old
Mutual, a finance firm, followed suit for
the 5% of its workforce it says are infected.

Daimler Chrysler and Transnet, a transport
utility, have made similar promises. On
September 26th Coca-Cola's Africa Foun-
dation said it would roll out an anti-AIDS
medical programme, including some
drugs, for 40 bottling firms in Africa.

As the number of people with full-
blown AIDS soars, firms are beginning
to see a loss of productivity, low morale,
absenteeism, and the death of workers aged
between 20 and 40. As skilled and ex-
perienced workers die, their firms face ris-
ing retraining costs and the loss of valuable
know-how, as well as the need to deal
with grief-stricken colleagues. Even for un-
skilled workers, there are extra hiring costs
and sick-leave payments. AngloGold, for
example, estimates that the virus adds as
much as $5 to the $170-180 cost of producing
an ounce of gold.

Providing drugs, educating workers
treatment and treating infections may some-
times be a firm's cheapest option. "It now costs
more not to treat than to treat," argues
Clem Sunter, a business analyst who stud-
ies the impact of AIDS. Yet many smaller
firms are likely to decide it is too costly to
help workers, beyond paying for any basic
medical insurance that is available.

Big company bosses are also acutely
aware that being seen to do something
about AIDS may transform their corporate
image, especially with foreign investors.
South African executives travelling abroad
find any conversation turns quickly to the
AIDS problem, and the uselessness of the
South African government's response to it.

South Africa has more people infected
with HIV than any other country, but the
government is loath to dispense anti-AIDS
drugs at state hospitals. Notoriously, Pres-
ident Thabo Mbeki doubts their usefulness
and safety and fears the cost. Given that,
foreign investors ask, why doesn't the boss
do something through the firm? Now, many
are.

The danger is that politicians will sim-
ply try to shift the burden of tackling AIDS
on to the corporate sector. On September
28th, ex-president Nelson Mandela praised
those firms with AIDS plans, pre-
viously saying that "there can be no excuse for
a South African corporation not to be at
the forefront of the battle against HIV/
AIDS by making anti-retroviral drugs avail-
able to your staff".

Clearly, the long-term interest of most
firms is for South Africa to have as many
workers and consumers as possible. But in-
vesting in long-term population manage-
ment does not make sense for a lone firm,
given the large up-front costs and highly
uncertain long-term benefits. This is the
sort of investment decision that only a
government is properly equipped to take.

True, firms can work in partnership
with government, so long as their costs are
not excessive. This makes particular sense
when a company dominates a local com-
community, as De Beers does Kimberley and
Daimler Chrysler East London. In a 1996
experiment in Virginia, the local mining
firm offered staff and the public, especially
sex-workers, medical care (notably for sex-
ually transmitted diseases); the spread of
HIV slowed sharply. This cost $20,000
(£63,000), but stopped perhaps 285
people catching the disease—cheaper than
treating them later.

Yet in South Africa, for all their current
goodwill, firms are increasingly facing a
fight against AIDS on two fronts: the effort
to withstand attempts by the government
to make them responsible for fighting
AIDS in the population at large—and their
own struggle to care for their workers.