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INTERVIEW

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# ASIA-PACIFIC **Business &** **Technology** REPORT

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Vol. 4, No. 3, 2012

## **Invest Madhya Pradesh** **OCTOBER 2012**

**Shri Shivraj Singh Chouhan**  
*Chief Minister Madhya Pradesh*

India and China Creating Jobs in Europe

India to Sign Major Defense Contract with South Korea

Wine Industry in Asia Pacific Region

Indian Science Congress Association Celebrates Centenary

Inside North Korea: Progress Versus Poverty

India's Growing Education Potential for Foreign Students

Booming Medical Tourism in Korea

### **SPECIAL REPORT**

**Canada-Korea Free Trade Agreement: The Forgotten Talks?**

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# Invest Madhya Pradesh October 2012: Potential of Foreign Investment in Madhya Pradesh

BY KIM CHELLO HO

**M**adhya Pradesh has a lot to offer for those who choose to invest in this state as the primary, secondary and tertiary sectors registered high growth rates of 8.75%, 11.11% and 10.08% at current prices during 2007-2012.

A report by Madhya Pradesh Trade and Investment Facilitation Corporation (TRIFAC) shows that this second largest state of India showed an impressive CAGR of 12.7% during 2005-10.

It is a well connected state and investors can leverage its mammoth road network of 99, 043 Km and railway network of 5,992 km. National Highways of 4,885 km cross Madhya Pradesh and this includes routes of Delhi-Mumbai, Delhi-Chennai, Delhi-Bangalore and Delhi-Hyderabad.

In total there are 18 National Highways and 10,249 km of State Highways.

In June 2012, more than Rs73 crore has been sanctioned for 23 road construction projects in various divisions of the State, according a report by Indian Daily Pioneer. Once completed, these constructed roads will cover a total distance of 120.91 Kms.

In addition to these roads, recommendation for the construction of two bridges had also been made by the standing finance committee of the Public Works department.

More than 400 trains pass through Madhya

Pradesh each day and about 200 trains pass through the state capital Bhopal alone. More trains are set to join the already impressive number as during the Rail Budget 2012-13, Railway Minister Dinesh Trivedi announced that Indore will get new trains and a new diesel engine factory will be set up at Vidisha.

The state is well connected by air route also with major cities of India such as Delhi, Mumbai, Ahmedabad, Hyderabad, Kolkata and Raipur. Five operational airports serve the country in the following cities: Bhopal, Jabalpur, Gwalior, Indore and Khajuraho.

Madhya Pradesh is also the first state in the country to offer air taxi services. In September last year, the state's Chief Minister Shivraj Singh Chouhan gave the green signal to the air taxi service at Bhopal's Raja Bhoj Airport.

This state is also linked to Kandla Port, Jawahar Nehru Port Trust and other ports.

There are forty three major industrial growth centers and 186 industrial areas in the state that also boasts excellent support infrastructure. It al-



A still from the business seminar on Madhya Pradesh in downtown Seoul, Korea.

## Shri Shivraj Singh Chouhan

### Chief Minister of Madhya Pradesh

**Shri Shivraj Singh Chouhan was sworn in as Chief Minister of Madhya Pradesh on November 29, 2005. He essayed the role of star campaigner for Bharatiya Janta Party (BJP) in the elections to 13<sup>th</sup> Vidhan Sabha. On December 12, 2008 Shri Chouhan took the oath of the office of Madhya Pradesh Chief Minister for the second time in Bhopal.**

**Shivraj Singh Chouhan is a gold medalist in M.A. (Philosophy) from the Barkatullah University, Bhopal. A humanitarian by nature, he has been organizing religious and cultural activities and seminars for many years.**

**Mr. Chouhan is a low profile leader who has always remained a grass root politician even after occupying the top post in the state. He himself assiduously cultivated his image as the common man's chief minister, describing himself as one among them, a farmer's son.**



ready has an installed capacity of 9,437 MW and an Ultra-Mega Power Plant (UMPP) with an installed capacity of 3,960 MW is under-way.

Support infrastructure also includes a solid pipe-line network including Hazira-Bijaypur-Jagdishpur (HBJ) pipe-line; Mallavaram-Bhopal-Bhilwara-Vijaypur pipeline network; and Kakinada-Hyderabad-Uran-Ahmedabad natural gas pipeline.

The state government has estimated the annual runoff in the state river to be 81,523 mcm and has identified the potential of 56,857 mcm for irrigation purpose.

The tele-density or (telephone connections per 100 persons) is 57.6 % and investors will find all major service providers to be present in the state.

The TRIFAC shows that project worth US\$ 10.7 million has been sanctioned for the support infrastructure category. These funds will be used to collect and treat the entire solid-waste in the state.

### Range of Investment Opportunities

There are several investment opportunities in the state that has many established and emerging engineering and automobiles sector. There are more than 800 manufacturing units in Bhopal and more than 100 auto component manufacturers in the state.

Madhya Pradesh remains the largest producer of automotive radial tires in India and the government has invested in infrastructure to further assist the industry growth.

Investors can consider putting their money in auto components, engine and engine parts, suspension and braking parts, Transmission and steering parts, electric start mechanisms, electronic components

The state government is offering 100% luxury tax and 100% entertainment tax exemptions to the potential investors. Good return on investment is expected on investments in hotels, resorts, amusement parks, religious tourism, wellness tourism, aqua tourism, rural tourism, and heritage tourism.

for consumer and industrial applications, power generation and transmission equipment and machine tools.

Madhya Pradesh recently had its second Audi showroom in Bhopal. The car already has a 50% market share in MP and expects a larger market share with this new dealership.

"I am delighted to announce the opening of Audi Bhopal showroom in Madhya Pradesh. With state-of-the-art showrooms in

both Indore and Bhopal, we are confident of offering an unmatched level of luxury to our growing customer base in Madhya Pradesh," said Mr. Gaurav Anand, managing director, Audi Bhopal (Anand Cars Private Ltd). "Audi's global leadership position, its strong No. 2 position in India and its unparalleled commitment to luxury is what has driven us at Anand Cars Private Ltd to deliver this world-class showroom"

The state is also inviting investors in the Pharma sector as Madhya Pradesh is a key Pharmaceutical hub in India with Pharma trade of INR60 billion (US\$1.2 billion) and Pharma manufacturing - INR35 billion (US\$0.7 billion).

It has more than 350 pharmaceutical units located in several industrial areas and has a total of 94 B-Pharma and 37 D-Pharma colleges. Investors are offered land for mega projects at concessional rate of 75%, 200% FSI for biotechnology units operating in biotechnology park and 100% exemption on stamp duty for Herbal and Ayurvedic based Industries.

Although Bangalore in Karnataka and Hyderabad in Andhra Pradesh are considered to be silicon hubs of India we have an upcoming IT hub in Madhya Pradesh that is responsible for software exports of INR2.5 billion (US\$50 million).

The state boasts the presence of renowned college- Indian Institute of Information Technology in the historic city of Gwalior. This educational facility had an intake capacity in Engineering and M.C.A stood of more than 100,000 in 2010-11.

Investors are encouraged to put their money in Software Technology Park Indore -1, 00,000 sq ft of space; Crystal IT Park Indore -5, 50, 00 sq ft space (first phase); Hard-

ware & Software Technology Park Bhopal, which is being developed over 200 acres of land near airport; IT Park Gwalior; proposed knowledge city in DMIC investment region; and massive infrastructure build-up across investment corridors of Bhopal-Indore and Bhopal-Bina.

Investors like IT giant Infosys has already recognized MP's potential and announced 13,000 jobs in the state earlier this year.

"We have also got a proposal from Tata Consultancy Services (TCS) for inking an MOU for setting up IT facility in the Super Corridor," Madhya Pradesh Industries Minister Kailash Vijaywargiya told PTI.

The ambitious Rs 98-crore Super Corridor connects Indore and Ujjain.

IT is not the only area that is making news in Madhya Pradesh. Tourism in the state is also increasing and according to TRIFAC, 38 million tourists arrived in MP in 2010.

The state has been decorated with many awards at the national and international level. It won the Best Professional Marketing award – ITB Berlin in 2012. It also received First Best Tourism State in 2011 and Best Publicity Material award in 2011.

Madhya Pradesh has a total of 382 tourist sites and 292 centrally and 250 state protected archeological sites. This includes many museums, heritage, wildlife and pilgrimage sites.

The state government is offering 100% luxury tax and 100% entertainment tax exemptions to the potential investors. Good return on investment is expected on investments in hotels, resorts, amusement parks, religious tourism, wellness tourism, aqua tourism, rural tourism, and heritage tourism.

In agriculture & food processing sector, Madhya Pradesh experienced an impressive growth of 10.2% in 2009-10 by leveraging more than 23 million hectares as cropped area. The state has a total of 6 food parks, about 180 industrial areas, 4 food-focused industrial clusters and 5 agri export zones.

Said to be the most agriculturally diverse state in India, Madhya Pradesh has 812 agro-

## Program for Invest Madhya Pradesh October 2012

*Day One: October 28, 2012*

- Exhibition Inauguration
- Reception/Dinner (hosted by Madhya Pradesh Govt.)
- B 2 B Meeting
- State Dinner

*Day Two: October 29, 2012*

- Inauguration: IMP – Global Investors Summit
- 5 Sectoral Seminars (IT/ITeS, Agri & Food Processing, Tourism, Skill Development and Technical Education, Engineering and Auto Sector)
- Luncheon Meeting with Hon'ble Chief Minister
- One-on-One meeting with Hon'ble Chief Minister and Minister of Industries
- CEO Conclave
- Cultural Programme followed by Networking Dinner

*Day Three, October 30, 2012*

- Five Sectoral Seminars (Biotechnology & Pharma, Textiles & Apparels, Infrastructure Development, Non-conventional energy)
- One-on-One meeting with Honorable Chief Minister
- Networking lunch
- Concluding Session

based food processing companies that give employment to about 18% of the state's total industrial workforce. The government is offering attractive policies to the investors such as 5% interest subsidy, 100% mandi tax and entry tax exemption and land at concessional rates of 75%.

Investment opportunities are available in the areas of direct procurement, infrastructure development, food processing and value addition.

Madhya Pradesh is focused on achieving an annual farm growth of 12 percent in the current five year plan (2012-17).

"The agriculture sector in the state had grown on an average rate of around 10 percent in the 11th Plan," Madhya Pradesh Agriculture Production Commissioner N N Upadhyay told reporters of Jagran. "We target to achieve 12 percent annual growth rate in 12th Plan."

TRIFAC report also suggests mines & minerals sector in Madhya Pradesh as an interesting opportunity for the investors because this state is the number one producer of Diamonds, Pyrophyllite, and one Copper Ore. It is the number two producer of Rock

Phosphate and number three producer of limestone and manganese ore.

Good return on investment is expected for those putting their money in dimensional stone industries/stone parks; limestone based industries; zinc-lead based industries as well as alloy and super alloy industries; cutting and polishing units for sandstone/marble; and copper ore refineries.


Madhya Pradesh is also a traditional hub of Textile Industry in India and recorded exports of about INR16.25 billion (US\$325 million) in 2009-10. Investors are encouraged to put their money in readymade garments and make use of Indore SEZ that has ready available infrastructure for large units. The state government points out that its textile industry aims to have

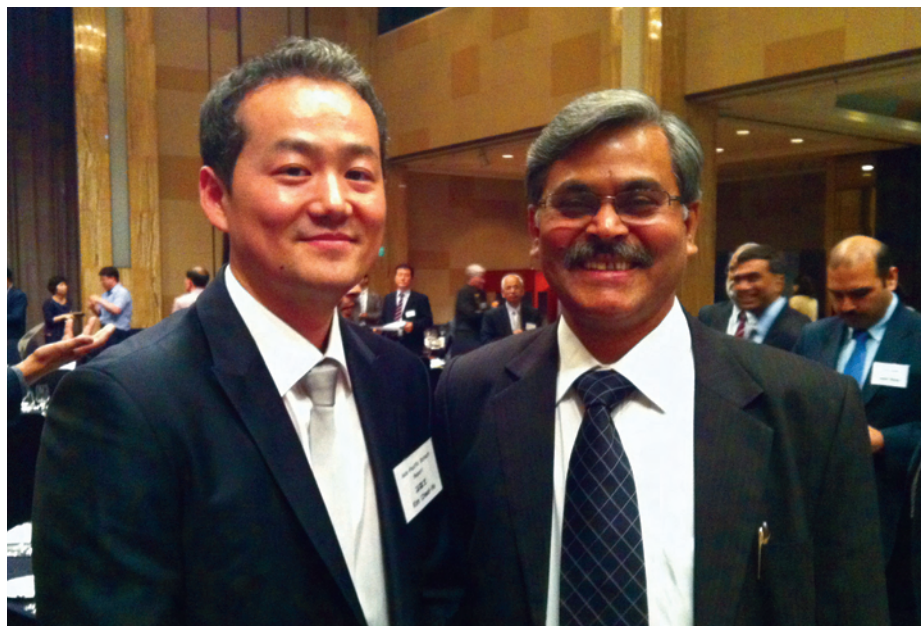
7 percent of spindle capacity in the country by 2020. The industry offers a range of opportunities for cotton ginning and yarn spinning mills, power looms and hand looms, apparel designing and retailing, technical textiles and dyeing and coloring units.

Power is also one area that promises good return for the investors. The state's total installed power generation capacity stood at 8998 MW on March 2011. It also has the first domestic coal based Ultra Mega Power Project (UMPP) awarded in the country and posses various sites that are ideal for harnessing wind energy.

Investment opportunities in the power sector include merchant power plants; transmission & distribution metering; captive power plants; switchgear and transformers; logistics development for fuel supply linkages; and power equipment such as transformers, boilers, turbines and others.

In May 2012, India's largest solar power developer Welspun Group won a 125-MW solar photovoltaic project in Madhya Pradesh. The company will now put up one solar photovoltaic project of 100 MW and another of 25 MW capacity.

"We bid Rs 8.05 per unit to bag the 125 megawatt (MW) out of 200 MW that was auctioned by the Madhya Pradesh Government," said Welspun Energy Ltd managing director, Mr Vineet Mittal. "Solar energy will become a game-changer and I expect it will reach grid parity by 2015." 



Mr. Kim Chello Ho, Business Editor of Asia-Pacific Business and Technology Report, with Mr. PK Dash, Additional Chief Secretary of Commerce, Industry and Employment Department Government of Madhya Pradesh India, at a Business Seminar on Madhya Pradesh in downtown Seoul.

**Below are excerpts of the interview Shri Shivraj Singh Chouhan had with Dr. Lakhvinder Singh, managing editor of Asia-Pacific Business and Technology Report, during his recent visit to Korea to promote Invest Madayah Pradesh 2012.**

**Can you please introduce your state for the benefit of our readers? What are the main attractions and strengths of your state?**

Well, first of all, Madhya Pradesh has a population of 73 million, which is 1.5 times the population of South Korea. It is also the second largest state in the country in terms of area. The economic growth rate is 10.2 percent per year. And we have a lot of raw resources. Our land is full of minerals and natural resources such as limestone, pyrophyllite, copper, diamonds, manganese, iron ore, bauxite, dolomite, and other mining resources. There are a lot of industries based on mining resources and they are coming to Madhya Pradesh now. The agricultural sector is also growing at 9 percent per year, which is higher than average for India. We are the most agriculturally diverse state with 5 different crop zones. We produce 60 percent of the entire country's soybeans, for example. We are number 2 in wheat production as well. In addition to our food, we also produce a lot of cotton, which supports a healthy textile industry in the state. We are interested in creating more value in our state, which will in turn facilitate more exports. A lot of food processing companies are coming to our state in order to take advantage of all of our resources.

Tourism is also a very important sector. We have many hotels, resorts, and amusement parks. We have many sites of religious tourism such as Sanchi, Ahakaleshwar, Sonagiri, Amarkantak, and Maiher. We also have a healthy wellness tourism industry with a focus on Ayurvedic treatments in naturopathy centers in Bhopal and Indore. We have many different famous bodies of water such as the Tawa reservoir, Halai Dam, and Gandhi Sagar. We have any different small villages focused on arts and crafts such as Chanderi, and Maheshwar, which people can visit to buy and also learn of these crafts. We also have a very strong ecocultural heritage tourism industry with safari tours, the Khajuraho Dance Festival, and many different forts and gharies being converted into heritage hotels to preserve our history and educate the curious. We also have 9 different national parks, complete with wild tigers.

Madhya Pradesh is focused on becoming the power capital of India, looking into creating thermal power generation facilities. We are also looking very closely into green energy and solar energy. Since we get more than 300 days of sunlight every year, solar energy is very important for the state. We also have a geographic area that is useful for solar power generation. The investment in infrastructure



*Shri Shivraj Singh Chouhan with members of his team interacting with local media in Seoul.*

**Our first objective is to make Madhya Pradesh known throughout the world. Madhya Pradesh has an expectation to grow 12% in the next 4 years.**

will definitely be appreciated by the number of factories in the auto, pharmaceutical, engineering, textile, and cement sectors that are already present. We do not have a power generation problem now, but it is best to be prepared for growth.

**What are the investment opportunities available to foreign investors?**

Infrastructure is a major possibility in the state. We could always use more highways, more power generation. Being in the center of India, Madhya Pradesh is the site of many travel corridors. We have the Delhi-Mumbai corridor, the Delhi-Chennai, Delhi-Bangalore, and Delhi-Hyderabad running through the state. The state government is promoting these corridors for industrialization and increased infrastructure development.

**What was main purpose of your visit to Korea? And what expectations did you have for this visit?**

The main aim of coming to Korea was

to invite investment to the state of Madhya Pradesh. We are already getting investment from inside the country but we want additional investment from outside as well. We want to provide opportunities for international investors to come and visit our state, and perhaps create a joint venture. We know that Korea is quite strong in electronics. We visited Samsung yesterday. We would like to have an electronics park in our state as well. We would like to invite Korean companies to come to our state, whether in electronics or even other sectors.

Our total focus is not Korea-specific, though. If companies from other countries come, we'd like them all to be located in that particular area. So, for instance, if Korean companies come, we'd like them to be together in one particular place.

**What other sectors apart from electronics are you interested in attracting?**

Actually, organization is happening rapidly in our state. In 4 or 5 major cities we would like the Korean concept to



Shri Shivraj Singh Chouhan with Dr. Lakhvinder Singh, Managing Editor of Asia Pacific Business and Technology Report.

come to that particular area. We are building roads and other types of infrastructure now, so we could really use some help from Korean experts in infrastructure to come to our state. We toured one facility that recycled wastewater, and we visited the Cheonggyecheon in the city during our stay here. We would also like to see similar technology and similar products come to our state.

Also, as I have already mentioned, tourism is important in our state. We have a lot of islands. We would like the Korean people to explore the possibilities of converting those islands into tourist attractions. They are welcome to have public or private partners in such a venture. We welcome work on this model of tourism.

### What about the pharmaceutical sector?

We actually have a thriving pharmaceutical sector already, doing a trade of about US\$1.2 billion per year. We have more than 350 pharmaceutical units located in different areas of the state. Some of the most populated areas, pharma-wise, are Dewas, Pithampur, Ujjain, and Govindpura. We also have over 100 pharmaceutical-related colleges. We have many opportunities for companies who are interested in manufacturing everything from Active Pharmaceutical Ingredients (API) to vegetable color dyes to stem cell research units. We also have active clinical trial centers in the area.

### The economic situation in India is not so good. What is your take on this problem?

Actually we believe this to be a temporary case, because the core strength of our country is still there. Savings were 35 percent of total income last year. The economic base is actually quite strong. Some of the states are growing very rapidly.

Madhya Pradesh is growing at 10.2 percent each year, for instance. So while the rest of India might not be doing as well as Madhya Pradesh, we believe that this is only a temporary state.

### What about the labor market and labor climate?

When it comes to labor, Madhya Pradesh is a very peaceful state. That is, there are no protests, no lockouts, and no man is lost to strikes. That is in stark contrast to other areas of India. Labor is hardworking and honest. It is an island of peace as far as labor and labor relations are concerned. Compared to Japan and Korea, workers in India are much cheaper, and we have tried to also simplify the labor laws for maintaining peace and harmony when it comes to the industrial sector.

### What about land? Do you have a land bank program created, for instance?

We do have a land bank in the state. We have already 20,000 acres of land in various places. If somebody wants land even outside of these places, we will help them get this land. When acquiring land from the farmers, keeping the farmers in land is not a problem. We have an abundance of geography. There is no problem there.

### What would be the purpose of attracting investment to Madhya Pradesh? What are your end goals in doing so?

Madhya Pradesh is not very well known outside of India. When people talk of investment in India they often talk of Tamil Nadu, Gujarat, or other places. Our first objective is to make Madhya Pradesh known throughout the world. Madhya Pradesh has an expectation to grow 12

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We want to provide opportunities for international investors to come and visit our state, and perhaps create a joint venture. We know that Korea is quite strong in electronics. We visited Samsung yesterday. We would like to have an electronics park in our state as well.


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percent in the next 4 years. We would like to make sure this happens in both urban and rural areas. So we are encouraging small-scale sectors also. We want not only investment from our own country but we also want global investment to come to our state. Our goals are to improve our state and to create a higher income and standard of living for our own people.

### What incentives do you give to investors?

When it comes to policy incentives, we provide tax incentives, some capital incentives like for mega projects. And for certain investments, we give land and some concessions. We give some capital and interest subsidies as well. We refund taxes paid by the industry, either 50 percent or 75 percent of the tax paid depending on the total investment that particular year. These tax refund programs are in effect for a maximum of 10 years. So in case some industry invests, they soon can recover total investments through tax refunds. If investments are more than 20,000 gross rupees, then they qualify for a special package of investments.

### What about education? Koreans want to go overseas and study. But India has not been attracting students. Have you done anything about this?

We are trying to make Madhya Pradesh an education hub. We have 136 colleges, and anyone who comes to any of three different locations can convert them into education hubs. We have very good schools also. We do not have any special plans right now for foreign students, but we will think about this soon. We do have a lot of foreign students studying in our state right now from all over the world. It is a promising area to look into. 

## SPECIAL INTERVIEW

# Sunil Chordia

Managing Director, Rajratan Global Wire Limited  
Past Chairman of CII, M.P.



Mr. Sunil Chordia is the founder and Managing Director of Rajratan Global Wire Limited (RGWL), India. He holds a BSc, DCMA and MBA (Finance) from DAVV Indore. He is also the promoter and director of Rajratan Tahi Wire Co Ltd, Thailand; Swraj Technocrafts Pvt.Ltd.; Rajratan Investments Ltd. and Rajratan Resources Pvt Ltd., India.

Mr. Chordia has a vast experience of 27 years and under his leadership RGWL has made a significant growth in the tire business; in a short span of time it grew to receive international approval and has become the largest supplier of bead wire to the Indian tire industry. Below are excerpts of the interview he had with Dr Lakhvinder Singh during his recent visit to Seoul.

### What is the overall market like in India?

The Indian economy is growing at average of 7 to 8 percent and many industries are growing faster than the economy at the rate of 10 to 12 percent, such as automobiles, telecoms, consumer goods, consumer durables etc. This is because we have a huge population and many of them are converting to middle class, which is spending money now. The number of motorcycles and cars are growing like crazy. Now you don't see many people on bicycles in India. They are converting to motorbikes. Even the factory worker, or at least 60-70 percent of them, come by motorcycles. This is one example of the size and depth of market in India and opportunities for businesses.

### What percentage of Madhya Pradesh's population is educated?

I would say that 70 percent of people can read and write. The younger generation is now more educated and this ratio will improve over years. There are still, of course, old people who don't have much education.

### Madhya Pradesh is not known for investment. What is the story behind the sudden change?

Yes, Madhya Pradesh was not much known for foreign investment, and our state economy was mostly agriculture-based. But slowly the mindset of people there and especially that of the government has changed. Now the current state leadership realizes the need of foreign invest in manufacturing, IT and other sectors to create more jobs and bring prosperity to the people. They want to promote and develop Madhya Pradesh. This is not sudden, this is a natural progression of the state. If they don't tell anybody then who will come? That is how this delegation in the leadership of our Chief Minister and Industry Minister has come to Korea.

### This is the third Indian head of state to come to Korea. It is quite unusual.

There are sick states in India that will

never develop and think they will never make it. We used to think Madhya Pradesh was one of those, but now we know it is not true. The thinking of our leadership is very modern. The state leader wants to follow the development track. If you talk of development in a place like Korea, this country

Businessmen always see opportunity in underdeveloped regions for development. Madhya Pradesh is such a state, which is already undergoing development, so this is the right time for investment.

has a per capita income of US\$20,000, but that of Madhya Pradesh is only US\$2,000. So, there is a huge potential for growth and therefore profitable investment. We believe that only 10 percent of the state's potential is currently being used, with 90 percent still waiting to be tapped. It is a beginning. When we come and see advanced countries like Korea and Japan, as businessmen we see that there is a huge potential. There is a base ready to be utilized in Madhya Pradesh.

### What about Madhya Pradesh's natural resources? Is the plan to simply sell the resources?

No, that is not the plan. The plan is to find out how to utilize the resources in the best possible manner. Our policies state the same message. One is a balanced approach between exploitation and environmental friendliness. And the other is knowledge and tech transfer. Once the development and value addition is done then the product can be exported to anywhere in the world.



Top: Plant view. Above: Finish wire drawing machine.

### There is an energy crisis. How does that affect Madhya Pradesh?

There is no energy crisis in Madhya Pradesh, as compared to many other states in India we are better off. There has been no power cut for industry, for example. But with growing demand our state will need to generate more power and strengthen the distribution system, so that power reaches to every corner of the state and good quality power is available to industry. Many new power projects are in the pipeline and there is more potential of investment in this sector as well. There are a lot of issues to be sorted out, but these are natural phases of development. There is enough coal available in the state and many locations for Hydel locations for generating power.

Businessmen always see opportunity in underdeveloped regions for development. Madhya Pradesh is such a state, which is already undergoing development, so this is the right time for investment. Investment in India in general is promising, but in Madhya Pradesh in particular is better. If someone wants to come from India to Korea to invest, it's hard. Everything is developed. Will he make bridges, roads, metros, airports? No, they are already here. But in Madhya Pradesh these things are not available. New electronics companies don't have opportunities in Korea. How can they fight with Samsung and LG? It is not possible. But if they come to Madhya Pradesh they have 20,000,000 people who can become their potential customers in a fresh new market. ☒

# China's Growing Space Program and its Implications for Regional Strategic Balance

BY ANURADHA SHUKLA

**T**he Shenzhou-9 spacecraft, which took off on June 16 with three Chinese astronauts aboard, is seen as a landmark achievement in China's space program and has excited people all around the globe.

The whole world watched as the spacecraft carrying China's first female astronaut docked manually with an orbiting module, inviting global praise for the nation. Hand levers were used to control Shenzhou 9 and position it to dock with the orbiting module, according to Wu Ping, spokeswoman for China's manned space program. Ping told reporters in Beijing that the maneuver was "precise and perfect" and the three astronauts carried it out "calmly and skillfully."

Zhou Jianping, the main architect of China's manned space program, told Chinese media that this successful docking will ensure that China's spacecraft can be used as a manned shuttle tool between space and Earth. The spacecraft will be able to send human beings to space stations or space labs, bringing accolades to the Chinese government, which has invested about 35 billion Yuan (US\$5.4 billion) from 1992 to 2011 in its manned space program.

The China Manned Space Engineering Office has also announced that it is one of only three nations that have independently mastered the technology required for manned space missions, space walking, and orbital docking.

But China is not the one to simply sit on its laurels. It is also toying with the idea to send a man to the moon in future, and it has ambitious plans to launch another manned mission this year to replace the Tiangong 1 space station test platform. Tiangong 1 was launched last year and is said to be slated for replacement with a permanent space station around the year 2020.

Weighing about 60 tons, this permanent station is roughly the same size of NASA's Skylab launched in 1970 and about one-sixth the size of the 16-nation International Space Station that is floating about 390 kilometers above Earth's surface while hosting a rotating international crew since November 2000.

The Shenzhou 9 spacecraft mission is China's fourth manned mission and the country plans to join the league of Russia and the United States by sending independently maintained space stations into orbit. China also is amongst very few countries that have successfully launched manned spacecraft on their own. The country started late in the area of space exploration but is now going full speed ahead and has already launched commercial satellites and



Chinese cz-2f space rocket launching. © Hupeng | Dreamstime.com

put both men and missiles in space.

China is marching ahead with its space programs to strengthen its position as a technological power in the world. Its march, however, is being criticized by social activists who think the money used for space programs could better be spent to improve the lives of people living in the country. An article in Qilu Evening News says that, despite its expensive nature, the Chinese space program will improve the daily lives of its people and is very good for the long-term national interest and the common interests of people on this planet.

A number of popular goods such as microwave foods and services such as weather forecasts are the result of space exploration. The article also notes that the Apollo moon landings by America cost US\$240 billion but transferred into 3,000-plus technical achievements, which benefited all of humanity.

China wants to establish a permanently manned presence in Low Earth Orbit to get ahead in its quest for scientific research, as this will ensure the country has constant access to weightless conditions for biological and chemical experimentation. The space program is also focused on exploring and tapping potential economic opportunities of outer space, including space tourism and extracting valuable minerals from asteroids.

## Space Programs in Asia

Although China is competing with Russia and the United States in space exploration, it may get some competition from India and Japan in the future as both the countries are working hard to develop their own space programs. South Korea is also steadily expanding its orbital ambitions, according to James Clay Moltz, an Associate Professor in the Department of National Security Affairs at the Naval Postgraduate School in Monterey, California. In an interview to

Denise Chow from Space.com, Moltz added that Japan, a member of the International Space Station, has successfully completed 15 manned missions since 1992.

India is launching satellites and space observatories and aims to launch its own astronauts into space by 2016. Amongst Asian countries, China, Japan and India have all conducted independent robotic moon missions to study the lunar surface. All three are deploying satellite constellations for both civilian and military uses.

The annual space budget for Japan is US\$3.8 billion and employs about 8,300 civilian space personnel. It is building the Quasi-Zenith Satellite System (QZSS), which is a three-satellite augmentation to GPS to cover the South Asia region. The country is working on military and civilian space technologies and planning for manned stations on the moon. It has not yet developed its own manned spacecraft but the JAXA manned spacecraft project is expected to launch by 2025 as part of a plan to send manned missions to the moon.

Japan succeeded in an orbital launch but the credit of its first launch goes to a university institute instead of a national space agency. Many Japanese satellites were launched for the purpose of scientific exploration and resulted in a number of discoveries.

The Shenzhou 9 spacecraft mission is China's fourth manned mission and the country plans to join the league of Russia and the United States by sending independently maintained space stations into orbit.

In May this year, Japan successfully launched a South Korean satellite and is now officially in the commercial space launch business. The country also wants to win bids for entire space programs from emerging-market nations that are searching for both launch services and ground-control systems like radars.

"We need to be creative and try to offer packaged solutions to governments elsewhere in Asia and in other developing countries," said Naohiko Abe, head of the space business development at Mitsubishi Heavy, to the Wall Street Journal.

China's space program budget is US\$2.2

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# Inside North Korea: Progress versus Poverty

BY DONALD KIRK

**T**he skyline and traffic patterns of the North Korean capital of Pyongyang were not quite the same during my most recent visit in July as when I was last there four years earlier.

This time, on a 12-day tour, I saw people preparing to move into their brand new homes in a row of glistening high-rise apartment blocks in the center of the city. There were jokes about electricity failures stopping elevators in the 42-story towers, but there was no doubt those with rank, privilege and connections were living fairly comfortably. Other signs of the times were a few traffic lights – though uniformed traffic ladies were still much in evidence – and occasional brief traffic jams. In my four previous visits, I don't recall the tour bus ever having been delayed by other vehicles on mostly empty streets.

Appearances of real change, however, might be deceiving. Crowded trams, made in East Germany years before the fall of the communist regimes of the old Soviet Union and its eastern Europe satellites, still lumber slowly beside avenues off which slum-like alleys run by decaying buildings largely hidden from view. Beyond the new apartment buildings, away from the avenues, people here as everywhere seem to be barely getting by.

Rushing to approved tourist sites, it's difficult to disguise the reality of a country riven by class and social differences – and the danger that eventually the have-nots will not be quite so submissive to the will of the haves. You hear no such counter-revolutionary talk, however, while still in North Korea. You're blocked from making local phone calls to anyone but diplomats and representatives of international organizations. You have to deposit your cell phone at the airport on arrival, retrieving it just before you leave. You can't go on the internet or receive e-mail. Outgoing calls are extremely expensive, and presumably monitored, and you have to plan any itinerary far in advance.

The rules are just as tough on foreign embassies and companies as they are on short-term visitors. They're unable to call even their own local staff members, all of whom are paid directly by the government, not their ostensible employers, and are assumed to inform for the multi-tentacle security apparatus. Much of the country, moreover, is closed to diplomats just as it is to short-term visitors. Diplomats when they do travel come back wondering about another issue – how long, they ask themselves, will people remain so supine, amenable to the will of the center, before they seriously complain? Nowhere, however, do you find the least sign of protest.

The contrast between life in Pyongyang and elsewhere is blatant. Cars are more common there than elsewhere, and most of the country's one million cell phone users live in the capital and a few other ma-

yor centers. The disparity between life in Pyongyang, population 3 million, and the rest of North Korea's 24-25 million people is evident as you bump along cracked and buckling roads over mountains, sometimes stripped of trees, past farmland where bicycles and oxcarts are standard modes of transportation. The scenes appear deceptively bucolic – an image of how the countryside might have appeared a century ago. Corn and vegetables fill "private plots" around small homes fashioned from white-washed cement, supplementing harvests from "cooperative farms" that never leave enough for the tillers of the soil who are supposed to get a percentage of the crops.

Black smoke spewing from dilapidated trucks powered by wood-burning stoves in the open rear cargo sections blemishes the impression of rustic simplicity. Guides ban photographs of these old wood-burners – they may be a tribute to ingenuity in a time of need but are still an embarrassment to a country that looks more like a backward third-world enclave than the regional power player fantasized by its leaders.

On the road to Hamhung, population 800,000, the country's second largest city and main industrial center, near the east coast 100 miles northeast of Pyongyang, our guides – we call them "minders" – suddenly advise there is to be no picture-taking. "This city was opened just two years ago," a minder explains, and the city and region are believed to harbor too many tales of poverty and starvation from the darkest days of the famine of the 1990s when two million people died. Many, we hear, passed away here while an elite class of officials, their cronies and relatives close to authorities in Pyongyang clung to enough food and medicine to survive.

Hamhung was finally opened to occasional foreigners only two years ago, and the city's decaying factories and decrepit apartments betray the hardships of people still struggling to recover. Inside the Hamhung industrial zone, an ancient narrow-gauge railway, a relic of the Japanese colonial era, is supposed to carry workers commuting to factories dating from the years after the Korean War when the city was pulverized by bombing. I see one train on a distant siding, but none are moving when we're there.

Our minders tell us one of Hamhung's main products is a uniquely North Korean fabric called vinylon, made from limestone, but they don't want anyone photographing the vinylon factory – whether because of the run-down look of its ramshackle old buildings or the presence of another factory in the complex that's said to produce "machinery," perhaps military hardware, nobody knows.



© Donald Kirk



© Donald Kirk

Top: A view of glistening new apartment buildings in Pyongyang.  
Above: school kids on Kim Il Sung Square, Pyongyang.

There is, however, one showcase – a fertilizer factory. Manager Lim Hung-nam skips the plant's Japanese origins but says it produces 700,000 tons a year, maybe a third of the country's needs. Another factory on the west coast, he says, produces 600,000 tons while aid, mainly from China, make up for the glaring shortfalls. Glistening machinery, some of it fairly new, testifies to the potential for other factories to shine as well. "All this equipment we made by ourselves," says Lim. Asked whether "eternal" President Kim Il-sung or his son Kim Jong-il, now "eternal" general secretary of the ruling Workers' Party and "eternal" chairman of the national defense commission, ever visited, he points at two bronzed tablets whose inscriptions testify to their "on-the-spot guidance."

The deification of Kim Il-sung and Kim Jong-il is so total that it's not clear if third-generation heir Kim Jong-un, not yet 30, showered with all the requisite titles including "marshal" of the country, with no previous experience in governance, can or even wants to reverse the pattern. Life may be marginally more open than a few years ago, but you can't talk to ordinary people, and you can't walk into stores or markets to see if the shelves are as empty as they appear from quick looks through the windows.

Superficially, the North Korean media venerates Kim Jong-un in superlatives that place him on nearly the same level as his forebears while he pays lip service to the policy of songun, "military first," often in fiery rhetorical blasts against South Korea. "If the U.S. side wants another war, they will have to sign a document of surrender, not an armistice," an army captain at Panmunjom, the "truce village" where the Korean War armistice was signed in July 1953, dutifully quotes the "supreme commander" as having said during a visit in March. "We

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Young Dancers at Water Festival 2012 in Myanmar.

© Chrispyphoto | Dreamstime.com

## U.S. Allows Coke to Sell Drinks in Myanmar

BY RASHMI GUPTA

**M**yanmar will finally get to drink the famous Coca-Cola drink thanks to a decision by the U.S. government to allow investments in the Southeast Asian country.

Once the government issues a license, Coca-Cola will begin importing its products from neighboring countries. The soft drink maker also plans to establish local operations in Myanmar but it may take some time as they are in discussion with potential partners in the country.

Actual operations in the country may begin over the next three to five years as Coke officials will be careful with whom they partner and may even decide to go alone in case they don't find a right fit. Siem Reap from Cambodia told Reuters that Pinya Manufacturing Co, Myanmar Golden Star (MGS) and Loi Hein Company are being considered for partnership in Myanmar.

Coca-Cola began operation in Burma in 1927 but stopped its operations in 1960 after the military seized control of the country. Even PepsiCo Inc. (PEP), Coke's competitor stopped its operations in Myanmar in 1997 to protest human-rights violations under the military dictatorship.

Coca-cola is currently present in more than 200 countries across the globe but the nation doesn't do business in Cuba and North Korea. The company has never entered North Korea but Cuba was one of the first countries it served. Despite its success there, Coke had no choice but to make a quick exit after the Cuban Revolution, and the political climate has since prevented its return.

However, its return to Myanmar will not

be the first time Coca-Cola has re-entered a market. For instance, it re-entered India in 1993 and China in 1979. Both proved very successful and thus Coke has high hopes it will enjoy the same success in Myanmar.

"The Coca-Cola Company has always stood for optimism at times of change and progress around the world," said Coca-Cola chairman and CEO Muhtar Kent. "From the fall of the Berlin Wall to the establishment of normal U.S. relations with Vietnam to the positive changes we are seeing today in Myanmar, Coca-Cola has proudly been there to refresh, invest, partner and bring hope for a better tomorrow."

Although still in infancy, Myanmar's democracy has attracted investors such as Coke to start business in the nation and gives hope to millions in the nation who want to live in a strong economy. The company has also announced a grant of US\$3 million to support women's economic empowerment job creation initiatives throughout Myanmar.

Dedicated to helping local communities in the regions it operates, Coca-Cola is supporting the development of a WORTH program in Myanmar. The company has partnered with a non-governmental organization called Pact to this end. Through this alliance Coke will develop community banks that lend money to fund business start-ups and entrepreneurial efforts.

"Coca-Cola's planned social and economic investments represent exactly the kind of responsible actions we need our American companies to take to be good corporate citizens and create much-needed opportunity and positive change for the benefit of all the people of Burma," said Melanne Verveer, U.S. Ambassador-at-Large for Global Women's Issues.

"We applaud Coca-Cola for its efforts to bring economic opportunity to the women of Burma and for putting the needs of women at the forefront of its future plans to do business in this market," added Verveer.

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billion and it employs 80,000 civilian space personnel. It is also building its own supplement to the US-maintained Global Positioning System (GPS) satellite network and has already deployed one third of its planned 35-satellite BeiDou network.

India's budget is US\$1.3 billion and it employs 32,000 civilian space personnel. The country is working towards launching a South Asian satellite network, called the GPS-Aided Geo Augmented Navigation (or GAGAN) System. The country is actively involved in space programs, and it first launched a small rocket above Kerala in the 1960s. Vikram Ambalal Sarabhai, the father of the Indian space program, was, however, more focused on increasing the standard of living of people through the practical uses of space. The country's scientists were encouraged by Prime Minister Atal Behari Vajpayee to work towards sending a man to the moon. That was in 2003. India has now achieved several goals in this field and aside from sending remote sensing and communications satellites into orbit, it also sent the Chandrayaan-1 probe to the moon in October 2008. In fact, India had a total of 10 satellites launched in 2008 alone.

Other space plans for India include a second moon mission and launching Chandrayaan-2, in 2013. The Indian Space Research Organisation (ISRO) is also planning a manned space mission after 2016, and a mission to Mars is also in the pipeline.

Despite their keen involvement with the space programs, these three Asian countries prefer to work independently rather than as a team toward achieving a common goal. This is very different from the European Space Agency (ESA), which was established in 1975 and is comprised of 18 member states.

"Where there's close cooperation in ESA, there's very little peer-to-peer cooperation in Asia," Moltz said. "Asia really stands out as countries that are pursuing nationalistic policies in space. The major space-faring nations of that continent simply don't cooperate, and I think that's a real problem. They also don't have a tradition of engaging in regional security dialogues and arms control."

Other nations in Asia that are currently expanding their space capabilities include Indonesia, Thailand, Vietnam and Taiwan. All these nations are building their own satellite-communications networks but are not cooperating with each other for any of the space projects.

Maybe these small nations can begin to cooperate if they see collaborative working of India, China and Japan. Some efforts towards teamwork have been made in the past. China and Japan took the initiative to form two regional space groups. They formed the Asia-Pacific Space Cooperation Organization (APSCO) and Asia-Pacific Regional Space Agency Forum (APRSAPF).

But these two groups have not cooperated with each other either and also the members of these groups are from less-developed nations such as Bangladesh with limited resources.

"I've spoken with officials in multiple countries, Moltz told Space.com, "and it's very clear that, even if they're not willing to say so, they're watching what their neighbors are doing very carefully, and they're concerned about relative prestige."

## Social World! Social Power! She has the KEY!!!!

**Rosa Lee**

*CEO of CBK Solution*

**BY DR. LAKHVINDER SINGH**

**R**osa Lee is CEO of CBK Solution, one of the fastest growing Social Business Ecosystem consulting companies in Seoul. She also serves as director of Neo Cultellects (Culture + Intellects) Global Network. Before founding CBK Solution she worked as a consultant at Samsung Economic Research Institute's Planning Forum. Here are excerpts of the interview she had with Dr Lakhvinder Singh, Managing Editor of the Asia-Pacific Business and Technology Report, in her office in downtown Seoul, Korea.

**What does CBK Solution stand for, and what is your company's mission?**

CBK Stands for Cross-way-win-win, Benefit all the world, and Knowledge sharing. CBK Solution is specialized in developing ethical business model for multi-cultures, Korean culture, eco-friendly and social enterprise. Our mission is to create action plans for "Social Business Ecosystem."

**What is the "Social Business Ecosystem" (you think)?**

First of all, I would rather to talk about "Social Business." Someone says "Social business" is a business to create social values. The others say it is business that uses social network. I want to take both of them. In terms of the "Business Ecosystem", it is simply collabonomics (collaboration + economics) network system.

Therefore, the "Social Business Ecosystem" is the socially valuable business system using collaborating network.

Until now, governments, companies, NGO/NPOs, and people have done many efforts for creating social values. However, the problem is that those efforts have been overlapped, unconnected, ineffective, and even uncirculated.

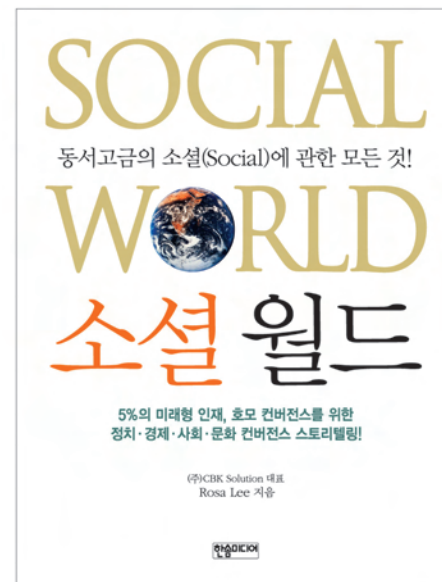
I think, just like environmental ecosystem, social businesses also need business ecosystem for sustainable development. In order to build the social business ecosystem, creating business models is necessary but not easy. That is why I have spent ten years to study about it.

People expect that this social business ecosystem will be the solution in not only bringing synergy and cost-effects among those all sectors (governments, companies, NGO/NPOs, and people) but also creating social values at the same time.

**What differentiates CBK Solution from other consulting firms?**

CBK Solution is a very unique company. The first uniqueness of CBK Solution is that we are having our own 42 ethically profitable projects called "WORLD-UP Social Projects" that are ready to launch.

Second, we are having settled plans to build "WORLD-UP Social Platform" that will be the matching places for collaborating among governments, companies, NGOs/NPOs, and people in running our "WORLD-UP Social Projects."



Front cover of Ms. Rosa Lee's latest book, "Social World." This book is creating waves in Korea's business and social sphere.

Third, we are holding a patent for P2P global language translating social network service (SNS) called "CBK TALK (www.cbk-talk.com)." This service will be not only a useful tool for actualizing the "WORLD-UP Social Projects" but also a revolutionary translating program in this multicultural society era.

For the most, as CEO of this company, I am so proud of that a just-started company,



Ms. Rosa Lee, CEO of CBK Solution, speaking on her latest book "Social World" in downtown Seoul.

CBK Solution, is holding capacity for running all three of them, and I have confidence that this company will be the leader in this global blue ocean market.

**You also mentioned that "C" of CBK Solution stands for "Cross-way-win-win," how is this related with CBK Business model, and how does this model helps small and medium enterprise?**

CBK Solution's business model is fostering a global social business ecosystem that helps enterprises move towards sustainable development. As mentioned earlier, to build a social business ecosystem is possible only through collaboration among different sectors. Here, the big companies' role is creating the platform, and the small and medium companies' role is providing the contents that fill the platform. Always, what matters is to build networks and distribute benefits. CBK Solution will be a mediator that encourages positive communication, builds connection, and shares all benefits fairly among all those companies involved in the "Social Project". We will also try to share not only monetary benefit but also secondary benefits such as ideas, talents, and advanced tactics too. Currently governments tend to unilaterally require big companies to have social responsibility. I don't think this is a sustainable way, and I am worried if it will harm both big and small companies. Therefore, creating the conditional cross-win-win relationships among companies just like a Silicon Valley in the U.S.A. is very important. We already have 42 projects that can create this relationship, and each project has a different model based on a different target customer.

**Then, after you started CBK Solution this year, did you make any performance that you are proud of?**

There are two main works that I accomplished. I wrote the book called "Social World," and I also held the convergence storytelling event called "Knowledge Show."

**Can you tell us more specifically about your book "Social World"? What inspired you to write the book and what do you want to tell us through it?**

In a word, the book "Social World" is a storytelling book about "Social" for all ages and countries. For example, in Korean history, "Social" is a key word. The three Korean traditions – Doore (farmers' cooperative group), Hyangyak (Korean community rules for mutual help), and Gye (a kind of traditional private fund) – that I introduced in this book share the same type of social service that "Grameen Bank" and "Time Bank" are providing. Also, the (弘益人間,) humanitarian idea which is benefiting all mankind, a founding principle of Korea, shares the values of multiculturalism and eco-friendly attitudes.

These examples are closely related with what SR (Social Responsibilities) and ER (Environmental Responsibilities) are in the present day business world.

It is very surprising to know that the content of "Chun Bu Kyung", a Korean bible, includes not only the theme of social enterprise but also specific strategic plans for building social business ecosystems such



Ms. Rosa Lee in her office in downtown Seoul.

as "Open Platform" and "Collective Intelligence." It is very sad that not many people, including many Korean people, know about this Korean culture treasure.

I wrote this book to share this knowledge with the world so that people can use it in politics, economics, and society and culture development. Also, I believe it is important to build a global network for "Social Projects" which peruse both the social value and social revenue at the same time.

**You frequently mention "Social" in your book. Can you please explain the concept of "Social" and how it influences the business world in its present day context?**

The definition of "Social" is 'Collective Power' and 'Responsibility', and the opposite meanings of "Social" are 'Individual' and 'Selfish'. There are two big issues about "Social" these days; namely, economical

## Knowledge Show Convergence Storytelling

**C**BK Solution's planned Knowledge Show was held at Munwha Station, Seoul, a place that has historical significance for all Koreans, on July 7th, 2012. The Knowledge Show, a lecture plus a show, was called "Convergence Storytelling Show" for its new concept of storytelling.

Organized under the theme of "Social World", the show addressed four serious social issues of our times: 'Multiculturalism', 'the Korean Culture and its Similarities with other major World Cultures', 'Eco-friendly Business' and 'Social Enterprise.'

Musical fusion performances of Korean traditional culture with foreign cultures including flamenco, tap dance, Korean drum, Korean flute, and classic guitar entertained the excited audiences during interludes of the lecture by Rosa Lee.

Most of the attendees consisted of intellectuals from politics, economics, and the social and cultural elite of Korean society. The show also attracted large numbers of foreigners living in Korea. All seats were booked within two days of the show announcement.

In addition to highlighting social issues through this new concept of convergence storytelling, the show also celebrated the publication of the book "Social World" by Rosa Lee.

The book, "Social World," is a "very delicate convergence storytelling about politics, economy, society and culture for the homo-convergent, who are about 5 percent of the total population." The book is all about "Social" which is a hot trend in present day society, and it introduces future plans and alternatives by using useful examples from human history.

There are three main take-aways from the book, "Social World." First, you get deep insights into current social trends such as 'SOCIAL NETWORK', 'SOCIAL MEDIA', 'SNS (SOCIAL NETWORK SERVICE)', 'SOCIAL COMMERCE', 'SOCIAL ENTERPRISE', 'CSR (CORPORATE SOCIAL RESPONSIBILITY)', and 'SOCIAL BUSINESS ECOSYSTEM'. Second, you get some tips for wise and social based living. Last but not least, it gives you some insight into a future social world, what it will be and how we can prepare ourselves for it. Using a very effective way of storytelling, the book provides very valuable information which could be very useful for people from

all countries and of all ages and creeds. In this context, "Social World" appeals to a wide class of readers from all sections of society.

The work covers a wide range of topics from east to west, from information technology to philosophy, and from past to future. Author Rosa Lee describes herself as homo-convergent, "Homo-convergence is a combination of word of 'homo' (a human) and 'convergence (cross-over)' which is identified as a person who has diverse careers, experiences and abilities." The homo-convergence attempts to touch all important issues concerning the present day society in one go.

"These days, homo-convergence is considered to be the future sought after talent, and it is becoming very popular among university students in Korea and abroad." "Social World" meets this growing need, says Rosa. "The concept of homo-convergence can also be embedded with business development in traditional business areas." Currently she is working on 42 social projects based on her concept of homo-convergence.

So what is a social project? "Social project means making profit and creating social value at the same time through collaboration among different organizations, and it also symbolizes cross-way-win-win relationships". Four elements of social projects include multiculturalism, the Korean culture, eco-friendly business, and social enterprise. Based on this model the social projects at CBK Solution are categorized into seven different kinds of areas, namely; Well-earning, Oasis, Rainbow, Learning, Design, Ubiquitous, Pro-bono. The combining of the first character of

and ethical issues. The power of “Social” can make positive economic effect such as cost reduction and synergy effects, but if it is used immorally, it could be abused and end up collapsing the world social system. So, it is very important to find a right way to use the power ethically.

The power of “Social” is amazing. For example “INNOCENTIVE” is a website that finds people who have solutions for business problems. Surprisingly, the general public provides many answers for unsolved problems. This innovative “Social” concept leads to enormous economic growth. There is another example. Once Starbucks was under threat of shutting down 600 shops, but it made a website called “ilovestarbucks.com.” This site comprised a community of people who love Starbucks and share their information and ideas for making the Starbucks franchise better. In the end those collective ideas saved Starbucks from bankruptcy.

Contrary to this, Nike, which is one of the most successful global companies, met with huge crisis due to its subcontracting to factories which use child labor. As we know, the company was reprimanded from society because of its lack of social responsibility. So, that is why I say, “Social” has a power to make people or companies “live or die” in this social world.

### You answered that your company held a unique show

### called “Knowledge Show” with convergence story telling format. What is the convergence storytelling and why did you use this format for this show?

Convergence storytelling is the multiple crossover between ‘Lecture and Show’, ‘History and Future’, ‘Human and Environment’, and ‘Korean wave and Multiculturalism’, and its theme is corresponding with the value that emphasizes diversity.

The reason that I use this special format of lecture-plus-show is for fun and emotion combined with high, tough marketing. The topic of knowledge could be heavy and too serious for some people, so I try to create a way that makes people feel comfortable and easy while having fun, but at the same connected in learning something new in this competitive and stressful society.

### What were the main contents of the show and what message did you want to bring through it?

As the topic of the event is “Social”, the Knowledge Show consists of lectures about new wave and new business along with exciting and unprecedented culture shows that present the harmony of yin and yang (Korean culture and Western culture). The show has three acts. The first act is a fusion-performance of Korean traditional drum and Spanish flamenco. The second act is the cross-performance of tap dance, magic,



Ms. Rosa Lee in traditional Korean dress hanbok.

these seven projects, “WORLD-UP”, gives new energy to new social business models.

“Seven social projects are further divided into 42 sub-groups in each group category. Four sub-projects out of these sub groups are going to be run in the year 2012”, says Rosa Lee.

The first project to be run this year is the “Rainbow Town” project which is a multicultural convention hotel. Built and run under a new concept of social business and ecosystems, this new age hotel will provide 24 different countries’ food services, art exhibition, culture performances, and education consulting, immigration services, business and travel services. Conferences and award ceremonies, festivals, forums, and seminars can be conducted all under one roof and one concept domain. The “Rainbow Town” concept comes very close to the MICE industry (Meeting, Incentives, Convention, and Exhibition) that is currently popular in the service industry.

The second project to be run this year is “3R FUN TOWN.” 3R means Recycle, Recreation and Reborn. The town (village) will have many programs that help not only save nature but also heal people. The programs include recycling, art exhibitions, art-culture therapy, life counseling, and various creativity developing activities.

The third program to be run, “WORLD-UP” is a social venture survival TV program.

This program matches people who have good ideas for social venture with the successful social entrepreneurs, and shows the process of how new social ventures can be created based on mentor-mentee relationship. The show will provide examples of successful social entrepreneurs and their personal qualities and talents behind



A still from recently held knowledge show organized by CBK Solution.

their success. The audience of this show will actively participate by sharing their ideas and suggestions, while learning ways to make money that also give social value to work they do at the same time.


“Knowledge Show”, the last project being run this year, is a cross-culture convergence storytelling show. “I have found unique Korean cultural DNAs, and I attempt to introduce these DNAs through the combination of lectures and shows”, says Lee. This show elevates the conventional lecture and show format into a

crossover-synthetic-knowledgeable-art form. Presented under the title “Rainbow

Code”, the show is divided into three topics; D(Heaven), D(Earth), and D(Human). The three topics are further divided into 8 themes. This “Rainbow Code” will be introduced through books, TV documentary programs, and convergence shows. The goal of this show is to build global

friendship among different cultures while playing a role as a useful tool for cultural diplomacy and trade.

In order to realize those projects, the CBK Solution is communicating and making plans with big companies who are interested in creating social value. Also, the CBK Solution is expecting financial support from the Korean government in the successful conclusion of these projects.

The WORLD-UP project is briefly introduced in the just-released book “Social World”, but it will be dealt with extensively in Rosa Lee’s next book called “WORLD-UP SOCIAL LEADERSHIP.” This new book will introduce success cases of global leaders around world based on “WORLD-UP categories.” Rosa Lee expects that this book will show us that there is enough possibility of “WORLD UP Social Projects,” further; she hopes this book help “WORLD-UP” Campaign spread all over the world. 



Ms. Rosa Lee with Dr. Lakhvinder Singh, Managing Editor of Asia Pacific Business and Technology Report.

CBK Solution will be a mediator that encourages positive communication, builds connection, and shares all benefits fairly among all those companies involved in the “Social Project”. We will also try to share not only monetary benefit but also secondary benefits such as ideas, talents, and advanced tactics too.

Pansori (Korean dramatic song), and traditional drum rhythms. These two acts highlight the beauty of harmony among diverse cultures. The last act gives the audience lessons about the importance of eco-friendly attitudes through a convergence show merged among media projection that introduces human communication with nature, classic guitar performance, and Dae-keum (Korean flute) performance.

**According to your answers and past performances, your business idea is very new and refreshing. Who is interested in your business model now, and how will you enlarge your partnership in the future?**

It is true that the government, local government, private organization and companies are interested in my business ideas. They already set aside enough in their budget for social business, but they are lacking in ideas and contents for using their money. The one thing that we do not have enough of is time. We currently do lots of paper work for preparing social projects with different local governments and big companies. According to them, they consider us as the key holder for Social business in the current and future world. We will take the necessary steps along the way. Stay with us until we reach our goals.



**What are your future plans, and how do you see your business growing in the next the years?**

As I mentioned earlier, we have 42 projects. I dream to have 42 talented project managers in the future. Also, I have tried to find successful Korean DNAs, and I have developed (cross-way-win-win) projects that connect the entire world. If everything moves forward as planned, I would like to resign my place to those project managers and travel to other countries which could use my help.

**What would you like to say as the last comment?**

Only a few years ago, I was just a dreamer. However, later I met with people who share my dreams about the future. Thanks to their helps, I founded my company, and published my book to realize my ideas. Sometimes, I meet a person who makes changes that one million people cannot make. Also I know that 3 percent of salt can purify all the sea. People say there are not many good people, but I believe that those small numbers of people share good ideas and those good ideas make good relations. One's dream is just a dream, but if we all

have the same dream, the dream comes true. In other words, if we gather our efforts and build networks, we can change the world. If you notice that the social projects of CBK Solution are one such effort for this positive change, please do not hesitate to lend us your support.

I dream of a world that respects cultural diversity in race, ethnicity, religion, ability, sexual orientation, social class, ideology, and age just like the rainbow. However, it will not come of its own, and we must work together to make it happen.  





# Canada-Korea Free Trade Agreement: The Forgotten Talks?

BY VICTOR FIC

**I**f the Americans sometimes call the Korean War their “forgotten war,” then the Canadians might label the proposed free trade agreement (FTA) with South Korea the “forgotten talks,” considering how long they have languished.

In 2004, Ottawa first broached the idea. But that seed has yet to bear fruit. Several of Canada’s leading experts on their country’s economic links with South Korea explain the issues.

To start, on November 19, 2004, Prime Minister Paul Martin of Canada and his Republic of Korea (ROK) counterpart, Roh Moo-hyun, announced that their countries would aim for an FTA. Then on July 15, 2005, trade ministers from Ottawa and Seoul formally launched the talks. The media in Canada was initially eager, but progress stalled in 2008, causing the issue to fade from public view here. By 2011, South Korea was the seventh largest export market for Canada, while the latter ranked only as the 22nd largest export market for the former.

Watching this loss of momentum was Professor Yves Tiberghien, a political economist at the University of British Columbia who specializes in Northeast Asia, spanning the US-Korea FTA and Canada’s attempt. Recently, the Canadian parliament recognized his talent when it invited him to testify on the ongoing Canada-Japan Economic Partnership Negotiations (EPA). He often holds discussions with Canadian government officials or in Asia and was last in Korea a year ago as an East Asia Institute (Seoul) research fellow.

Tiberghien explains that developments boiling across the Pacific had the Canadians asking, “What’s your beef?!” He asserts, “This is a key story. In the spring of 2008, massive grassroots protests erupted in South Korea against US beef. They engulfed even middle and high school students. Many students and non-governmental organization leaders held candle-light vigils. Protesters had huge public support and President Lee Myung-bak’s approval rate collapsed to below 30 percent.”

The specific issue was “concerns in South Korea for health questions, triggered by the bovine spongiform encephalopathy (BSE) crisis. But an earlier crisis was about opposition to genetically-modified foods where the concerns were both health and environment-related. But lacking proof of danger, “the movement was more a diffuse opposition to the opacity of beef approval regulations and to industrial and feeding practices that led to the BSE crisis.”

Tiberghien recalls, “As the government

tried to handle the crisis rapidly for national security and owing to the crucial importance of relations with the US, the protest movement amplified...against the lack of consultation in the Lee administration and its autocratic top-down ways. It became a clash between the young civil society of South Korea and the old bureaucratic apparatus.”

Therefore, “US beef was held up for a long time. Then, finally, as the government did everything to finish the South Korea-US free trade agreement, which hung in the balance, it forced a beef agreement in parliament with a few concessions on the age of cattle to reopen the market. Canadian

Looking ahead, the key variable for the success of the Canada-Korea FTA will be the December elections in Korea. If the DUP wins, prospects for the FTA will be dimmer. If Park wins, the prospects will be quite strong. Right now, Park is the favorite, but the situation is volatile.

beef suffered collateral damage – caught in the larger battle, Ottawa submitted a complaint to the World Trade Organization (WTO) in 2009. By 2011, it became clear that South Korea would lose that case. So South Korea entered into bilateral negotiations to preempt a WTO decision and reopened Canadian beef imports in January 2012.”

John Masswohl is the Director for Government and International Relations with the Canadian Cattlemen Association. He recounted, “It was in 2003 that we were shut out after Canada discovered a few domestic cases of BSE. South Korea stopped imports, as did all other buyers. The difference is that South Korea did not resume imports as other countries did after the World Animal Health Organization acknowledged the safety of Canadian beef in 2007. In 2002, we sold some US\$40 million worth of beef in South Korea” – i.e., the years of losses were huge.

In 2008, emphasizes Masswohl, when the ROK reaccepted US beef, it failed to follow through on similar plans for Canada’s meat



Backside of Parliament Hill in Ottawa, Canada.



because the vigorous protests had spooked officials. As for the opening in early January, Masswohl evaluates the resulting trade as “smaller than it should be.” Now, as Canadian beef faces a 40 percent tariff in South Korea, the KORUS provides a preferential rate of 37.3 percent on US beef heading toward 34.6 percent next year and finally zero” in 2026. Canada, insists Masswohl, needs a “defensive FTA with South Korea just to maintain its presence or it risks being shut out. If we get the same tariffs as the US enjoys, we can do at least US\$40 – 50 million of business a year.”

Overall, says Tiberghien, Canada still wants an agreement. “South Korea is one of the most dynamic economies in Asia, still growing around 4 percent a year. Canadian exporters need to have secure long-term access to this market, the third largest Asian market for Canada, for opportunity reasons [and] for defensive reasons, as South Korea is home to some effective competitors to Canadian firms, e.g. nuclear technology, autos, electronics, etc.”

Finally, Tiberghien underscores the “large geopolitical dimension. FTAs today in East Asia are the main instrument for geopolitical competition. For example, the booming region of East Asia is now the scene of intense competition between a Chinese-led effort to develop Chinese-centred FTAs and the US-led TPP (Trans Pacific Partnership), which is meant, to a large extent, to counter the Chinese offensive.”

It is a big game, insists Tiberghien, and “countries that are nimble, smart, and able to develop an active FTA program with key trading nations will develop a great com-

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# Canada-Korea Relations: Building on the Past and Capitalizing on Complementarities

BY DEAN J. OUELLETTE

**I**t's a fact that Canadians and Koreans together can produce pinnacle achievements and earn international acclaim. The athlete-coach collaboration between Korean-born women's figure-skating champion Kim Yuna and Canadian figure-skating icon Brian Orser proved that, achieving ultimate glory by winning gold at the 2010 Vancouver Olympics.

Surprisingly, their seemingly perfect pairing ended curiously and sharply months later, in acrimony, as the two split and went their separate ways.

Thankfully, international amateur sport is not the gauge to assess relations between two countries.

Indeed, the relationship between Canada and Korea has been much longer-lived, less front-page headline grabbing, yet promises to be more vibrant and prosperous in the years ahead.

## Early Canadians in Korea

Canada and Korea share a history that dates back to the late 19th century, when Canadian missionaries arrived on the peninsula, introducing Western medicine and education, and organizing and fundraising to build hospitals and schools.

The Reverend James S. Gale is one of those well-known early Canucks to have crossed the Pacific and landed in Korea. He is credited with creating the Korean-English Dictionary and one of the first Korean language translations of the Bible.

Considered by many scholars as the founder of modern medicine and medical education in Korea, Dr. Oliver R. Avison, a pharmacist turned physician, came to Korea in 1893, became superintendent of Jeungwon (Royal Hospital), and even served as one of King Gojong's personal doctors.

Another Canadian to make an early impact on the land of the morning calm was Dr. Frank William Schofield, who actively helped Koreans during the March 1, 1919 independence movement. After his year-long imprisonment by the occupying Japanese authorities, Schofield was deported back to Canada. He returned after Korea's liberation from Japanese rule to teach pathology at Seoul National University in 1958. He was awarded the ROK Medal of Culture Merit, and received the Key to the City of Seoul. He also holds the distinction of being the only non-Korean buried in the Patriots' Plot in the Seoul National Cemetery.

## The Korean War: Canada's Reluctant but Laudable Involvement

Official Canadian government involvement in Korea did not begin until 1947 when Canada participated in the United Nations Commission supervising liberated Korea's then free elections. Canada later formally recognized South Korea in 1949.

However, Canadians would take a more

than supervisory role in the conflict that would erupt on the Korean peninsula the following year.

Referred to by many as "the forgotten war," the Korean War (1950–1953) was a conflict that Canada was at first reluctant to get involved in. When the North Korean communist forces stormed across the 38th parallel in June 1950, catching the international community by surprise, Canada herself did not have enough fighting men (with merely 20,000 soldiers in uniform) to support an international troop dispatch to Korea.

Part of that increased effort should include getting the Canada-Korea FTA negotiations back on track. The two countries had been formally negotiating a free trade agreement since July 2005 until talks stalled in 2008 after their thirteenth round, largely on the issue of beef.

Though hesitant, the Canadian government eventually gave in to public opinion and external requests, and hastily recruited a "Special Force" to fight in support of the United Nations' contingent—led by the United States—already engaged in combat operations on the peninsula. A force of battalion strength—The Princess Patricia's Canadian Light Infantry—was initially sent, and was luckily able to train in Korea's mountainous terrain in Miryang before eventually seeing action in February 1951.

Most of the soldiers that came knew embarrassingly little—or nothing at all—of Korea, its history, people, culture, climate, or geography. Nevertheless, at the battle of Kapyong in April 1951 they would distinguish themselves, heroically holding out against three-to-one odds, becoming the only Canadian battalion in history to be awarded the U.S. Presidential Citation. The very next month, Canadian forces in Korea would be augmented to an entire brigade—the 25th Canadian Infantry Brigade.

In 1953, when the armistice negotiations



Three young girls celebrating Canada Day.

ended the fighting (but technically not the war) Canada had sent a total of 26,971 military personnel to the Korean peninsula, the third largest contingent of the UN forces. In the end, 516 Canadian soldiers laid down their lives fighting to repel the communists—although only 312 were killed in action; the others died of disease and other causes. While Canada's loss seems a small number in comparison with the over 840,000 South Korean war-time casualties—half being fatal—the war experience enabled Canada to acknowledge the stark reality in Korea early on in the post-World War II era.

If Canada learned anything from the Korean War, it was, as renowned Canadian historian Pierre Berton recounts, to stay out of them, and concentrate on peace and international peacekeeping.

## Strong Partnership and Cooperation

Canada and South Korea eventually normalized relations in January 1963. Two years later, in 1965, South Korea opened its first embassy in Ottawa. Canada followed suit eight years later, opening its embassy in Seoul in 1973. The year 2013 will mark the 50th anniversary of Canada-ROK diplomatic ties.

Despite this diplomatic activity, economic interaction between the two countries during the 1960s and 1970s did not amount to much.

That would soon change. In the 1980s, Korea expanded its international relations, and Canada's eye turned with interest toward the then booming Asia Pacific economies. Bilateral trade volume between the two countries would increase to over sevenfold from that of the previous decade.

Seeking to diversify their bilateral relations, in 1993 at the first Asia Pacific Economic Cooperation (APEC) summit, Prime Minister Jean Chretien and President Kim Young-sam conceived of the idea of a "Special Partnership" between Canada and Korea. The Special Partnership sought to improve market access for each country's products and to develop improved cooperation between the two countries in trade, investment, and political dialogue. The

partnership deal effectively also expanded Canada-ROK relations from traditional economic interchanges to nontraditional ones in areas including culture, education, media, and sports.

Then, in 1996, South Korea joined the Organization for Economic Cooperation and Development (OECD), opening new opportunities for the two countries to cooperate on major international economic issues.

Today, the two nations share memberships in several multilateral economic organizations. South Korea and Canada are two of the twenty-one founding members of the APEC. Both are also active members in the G20—Canada and South Korea co-chaired the summit in 2010—OECD, and the World Trade Organization (WTO). They also share similar views on many global issues, including trade liberalization, strengthening the multilateral trading system of the WTO, UN Security Council reform, and nuclear nonproliferation and disarmament, among others.

Overall, Canada and Korea do share similar international policy objectives based on their shared political and democratic values. However, going forward, greater diplomatic cooperation will be needed between Ottawa and Seoul at the multilateral level for these two middle powers to improve their success at forming a unified voice on important issues on the international stage.

### Healthy and Balanced Bilateral Trade, with Great Potential

According to International Monetary Fund statistics for 2011, Canada and South Korea are the 10th and 15th largest economies in the world, respectively. The estimated GDPs for Canada and South Korea were roughly 1.7 trillion USD and 1.1 trillion USD, respectively.

The two countries are established trade and investment partners, maintaining a rough trade balance. Canada's main exports to South Korea include mineral fuels and oils, mineral ores, aluminum, wood pulp, and pork. South Korea's main exports to Canada include automobiles, electrical and electronic equipment, machinery, mineral fuels and oils, and iron and steel.

South Korea ranks as the world's 12th largest merchandise trading nation, and Canada's 7th largest merchandise trading partner. Canada-ROK two-way merchandise trade reached more than \$9.8 billion in 2010, with Canadian merchandise exports to South Korea totaling \$3.7 billion and Canadian merchandise imports approximately \$6.1 billion. In 2011, bilateral trade volume surpassed USD \$10 billion. Canada's 2011 imports from the ROK were an estimated \$6.6 billion, and exports slightly under \$5.1 billion. Overall, foreign direct investment in each other's economies is nearly equal, as is their trade volume.

But considering various global trends, for their bilateral trade and FDI to continue to rise, policymakers and business leaders in both countries will have to do more to stimulate cooperation and work together to capitalize on the two countries' strengths and complementarities in areas ranging from energy (especially oil and gas), nuclear power, green growth development strategies and technologies (such as solar and wind power), to banking, smartphone technologies, and so forth.



Canadian flag flying in downtown Vancouver.

### FTA Talks Back on Track

Part of that increased effort should include getting the Canada-Korea FTA negotiations back on track. The two countries had been formally negotiating a free trade agreement since July 2005 until talks stalled in 2008 after their thirteenth round, largely on the issue of beef.

However, both parties have been working to restart the negotiations. The most encouraging sign came last June 2012 on the sidelines of the G20 summit in the resort city of Los Cabos, Mexico, where Canadian prime minister Stephen Harper and South Korean president Lee Myung-bak verbally agreed to coordinate efforts to strengthen the Special Partnership and to reengage in bilateral FTA talks. The stalled negotiations were said to have resumed officially soon afterward in mid-July.

Despite coming closer to common views in sensitive areas such as beef and automobiles, challenges can be expected in the negotiations ahead. For Canada, gaining fair market access for Canadian agriculture products, especially pork and beef, and automotive products likely still will be a hard fight. Protecting their respective auto manufacturing industries could also create bumps in the road. Both sides will also have to negotiate carefully so as not to upset industry balances reached through the signing of other FTAs already in place (such as NAFTA for Canada and the KORUS FTA for Korea). And considering the controversy and unpopularity among the Korean public with the recently finalized Korea-US FTA, and the ongoing trade imbalance in automotive parts that could jeopardize the livelihoods of Canadian auto workers, one can assume that both sides will be listening closely to their domestic publics, pressing hard their positions and remaining wary on making concessions.

But both countries should still be driven to diversify their markets in order to prepare for economic challenges in our increasingly uncertain global economic future. Needless to say, over the next few months, both Canadian and Korean negotiators will be looking conscientiously to identify creative solutions that can lead to a breakthrough and improve the bilateral economic partnership through this deal.

The average Canadian and Korean, too, is encouraged to be optimistic about the potential benefits an FTA would bring to both economies in terms of greater market access opportunities for companies, lower costs for consumers on imported products, and potential people-to-people exchanges and employment opportunities in certain industries.

If an agreement can be reached, and an

FTA implemented, it will mark Canada's first FTA with an East Asian country, and a significant step forward for Canada-Korea economic cooperation in the decades ahead.

### Canada-North Korea Relations: Cold as Ice, Going Nowhere

While the branches of the Canada-South Korea relationship look to grow wider and bear more fruit, the same cannot be said of Canada's relations with North Korea (Democratic People's Republic of Korea, or DPRK).

Of course, the two countries' soldiers were combatants during the Korean War. But like several other western nations, Canada was encouraged by the inter-Korean rapprochement following the first-ever inter-Korean summit in June 2000, and soon afterward normalized relations with North Korea in February 2001.

Their bilateral relations, however, are an ocean-crossing from normal.

North Korea's October 2002 admission that it was pursuing a secret uranium-enrichment program derailed intensification of the relationship, as Ottawa responded to the revelation by placing bilateral relations on a "not business as usual" footing.

After witnessing North Korea's 2006 and 2009 missile launches and nuclear tests, 2009 withdrawal from the Six-Party Talks—the multilateral forum tasked with resolving the North Korean nuclear issue (however, Canada was not a party to the talks)—and 2010 military provocations against the South Korean navy, in October 2010, Ottawa announced the adoption of a 'Controlled Engagement Policy' toward the DPRK. This policy severely limits official bilateral contact with the North Korean government. Regional and humanitarian situation in the country, inter-Korean relations, and consular issues are basically all officials are permitted to talk about. All government-to-government cooperation and communication on topics not covered under the policy was stopped.

As relations stand, Canada has no embassy in Pyongyang, nor North Korea in Ottawa. Canada's ambassador to Seoul serves the dual role as Ottawa's representative to the DPRK; under the current situation, however, Canada's incumbent ambassador has yet to present his credentials in Pyongyang.

However, icy relations at the official level have not prevented Track II (i.e., nongovernmental) exchanges and outreach from taking place. Just this past July, six North Korean economics professors arrived in Vancouver, Canada to partake in a six-month program at the University of British Columbia where they are scheduled to attend classes in international business, economics, finance, and trade. The program is part of the university's Canada-DPRK Knowledge Partnership Program, which began in 2011.

Other significant Canadian Track II contact comes in the form of nongovernmental humanitarian aid programs to prevent child malnutrition in the DPRK. Two Canadian NGOs, First Steps and Global Aid Network, provide aid shipments that include soymilk, soup mix, and knitted clothing to orphanages and hospitals in North Korea.

While the people-to-people exchanges are few and severely limited, they at least provide some contact between the two countries. A-B

# Business

## India and China Creating Jobs in Europe

BY LYNETTE WU



Street in Europe.

© Sang Lei | Dreamstime.com

**W**hile most European companies had to lay off their employees during the past three years, Indian and Chinese investors created plenty of jobs in the region in 2011. Ernst & Young's 10th annual European Attractiveness Survey shows that India and China together accounted for 95 percent of job creation and 82 percent of projects in the European Union.

Indian companies created jobs in business services and the software segment, while China focused primarily on the clean technology sector including the solar power industry.

Ernst & Young's 2012 European Attractiveness report analyses international investment into Europe over the last year and is based on a survey of more than 800 global executives. These professionals have expressed their views about how and where global investment will take place in the next decade.

Findings from the survey show that US-based companies are creating about 26 percent of new jobs (providing a total of 1,028 projects) while India and China created much of the remaining opportunities.

Overall Europe experienced a 2 percent increase in projects to 3,906 in 2011, compared to 3,757 in 2010. The majority of those surveyed (80 percent) expressed their confidence in Europe's ability to overcome the ongoing economic crisis, and respondents are quite optimistic about investing in the region in the medium-term.

However, the Eurozone economy is still very fragile and one can't blame the investors for being reluctant about pouring more money in the region. Survey findings show that only 26 percent of the 840 global executives surveyed intend to establish opera-

tions in Europe through 2013. This represents a decrease as 33 percent had planned to invest in the 2011 Ernst & Young's European Attractiveness Survey.

The infamous economic meltdown hit the world in 2008 and investment by BRIC (Brazil, Russia, India and China) economies fell sharply in 2010. However, this dip passed and the number of jobs created by BRIC investors in Europe rose to 9,385 in 2011. The combined BRIC economies accounted for 6 percent of the total job creation in Europe, said the Ernst & Young's report.

"Despite the current turmoil in Europe, its fundamental strengths continue to endure. While the spotlight has focused on the world's rapid-growth economies, Europe, too, remains a key destination for foreign investors," according to Ernst & Young's head International Location Advisory Services and author of the report, Marc Lhermitte.

"It remains the world's largest single economy, and the attraction of its 500 million high-spending consumers, together with a stable and transparent legal and regulatory environment, remains a powerful draw for investors."

Earlier this year, HCL Technologies announced 10,000 jobs for locals in the US and Europe, indicating that Indian IT firms are creating jobs in western economies. The

Times of India also reported a message from British Prime Minister David Cameron, who advised the European Union (EU) that it should not see emerging economies like India as a threat but rather as a potential help

Indian companies created jobs in business services and the software segment, while China focused primarily on the clean technology sector including the solar power industry.

to Europe in a significant manner.

"We need to have a check-list to tackle the euro crisis. There have to be FTAs, bilateral trade agreements and EU trade agreements with countries like India and Singapore, among others, by the end of the year," he said.

China has also established an alliance of private-sector companies that will work towards setting up offices in Europe. This strategic move will facilitate Chinese companies to invest in the continent. The alliance is comprised of 100 members and many more are expected to join the organization that includes companies that have already set up an overseas presence. **A-P**

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petitive advantage. In Asia, the two best nations in this game are South Korea and Singapore." Ottawa was slow to join the game in the 2000s. "But, since winning a majority government last year, Prime Minister Stephen Harper [wants] a long-term strategy toward Asia" that incorporates a very active trade strategy. A potential South Korea-Canada FTA [is] a good geopolitical move."

An oft-quoted naysayer is Jim Stanford, an economist spewing discouraging numbers at the Canadian Auto Workers (CAW),

the biggest private sector union in Canada. He worries that, "Canadian agricultural producers, especially pork and beef, are the only sectors that would enjoy significant export growth to South Korea after an FTA."

Stanford rejects the protectionist label. True, his goal is partly "to retain a 6.1 percent tariff" on car imports, especially since that tariff has not stopped an enormous one-way inflow of automotive products and other manufactured goods from the ROK. More broadly, he explains that, "a sector by sector comparison of current trade

flows with South Korea" shows that an FTA "would widen the already-substantial bilateral trade deficit by as much as US\$10 billion, and cause the loss of up to 33,000 jobs, including up to 4,000 in the auto and parts industries." As for the overall bilateral trade deficit, it has averaged about \$2.5 billion in recent years, but fell to \$1.5 billion in 2011 due to increased commodity exports.

Stanford criticizes South Korea's "much lower import penetration" compared to other industrialized countries "in key

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# Growing India China Business Co-operation and its Implications in Economic Community Building in Asia



The Chinese New Year celebration in Kolkata-India.

© Samrat35 | Dreamstime.com

**BY CHUNG -YEON CHO**

**C**hina and India are both ancient civilisations and major developing countries of this century. Better economic relations between them will of course create harmony between the two countries and will also make an economic impact in Asia and elsewhere.

While the West is still recovering from global economic meltdown, these two neighboring countries are on their way to becoming the largest economies of the world. If both nations cooperate, they will be well positioned to consolidate their position in world economic affairs.

"We need to expand the scope of bilateral business relations if we want to achieve the target of US\$100 billion worth of trade with China by 2015 from the current annual level of \$70 billion now," said former Indian ambassador to the United States Ronen Sen in an interview with the Times of India.

## Economic Co-dependence

India looks toward China for its requirements in the telecom and power sectors, as the country offers products at very competitive prices. India's Reliance Power recently secured US\$1.1 billion in loans from China. A total of three Chinese banks (the Bank of China Ltd., China Development Bank Corp. and Export-Import Bank of China) have funded a power project in central India as per a July 2012 report from the Wall Street Journal.

The money secured through the financing will be used to build a coal-fired power project at Sasan in India's centrally situated state of Madhya Pradesh. Once completed, the plant will produce power in January 2013 and is expected to generate about

4,000 megawatts, benefiting scores of people in the country.

"This is a unique transaction, as we have substituted Indian lenders of the project with Chinese banks to reduce the cost of funding and get better maturities," said Reliance Power Chief Executive Jayarama Prasad Chalasani.

Apparently, cooperation between India and China in the energy sector is gradually increasing as this year India's Oil and Natural Gas Corp. (ONGC) has signed a Memorandum of Understanding (MoU) with the China National Petroleum Corp. (CNPC) for strengthening existing exploration and production (E&P) operations in Burma, Sudan, and Syria.

Both nations have also agreed to cooperate on making joint bids on foreign oil and gas fields for exploration and production in the future. In July this year Chinese telecom gear firm ZTE was chosen to supply equipment to Indian telecommunications company BSNL for network expansion. ZTE in a statement said that it is pleased to support 10.15 million of BSNL's GSM lines across the country.

China depends on India for primary products, raw material and intermediate products. The country is currently eyeing the state of Gujarat for investment and plans to make the state as its manufacturing base. Gujarat has a lot to offer to invest-

tors such as world class infrastructure, road, rail, air and port connectivity. It also offers 24-hours quality power supply and has plenty of skilled manpower.

All these factors are attracting Chinese companies in the auto, infrastructure, heavy engineering, and textile segment and they are actively searching for partners in Gujarat.

Chinese women entrepreneurs also find India an attractive destination, and software entrepreneur Liu Xing, the general manager of Beijing-based software firm New-Trend, told IANS that she saw tremendous opportunities in India's lucrative information technology sector that promise high rate of return.

"We see the Indian IT sector as a platform for huge collaborations. We require software to help our companies do business in China, in India and elsewhere. We believe we can have a win-win partnership in this field," said Liu.

IANS also interviewed a representative from Shenzhen-based designer jewellery firm Kela's who looks forward to familiarising customers about products from the two countries.

These women entrepreneurs came to India to attend the Dell Women's Entrepreneur Network (DWEN) event. Currently, these entrepreneurs use popular internet websites such as Alibaba.com to promote their products in India and in the future they will enter the market directly.

India and China have signed a Memorandum of Understanding that encourages mutual economic cooperation and the show-casing of Indian products in the Chinese market. Requests for greater import of IT and ITES by China from India were also made during the Eighth Session of the India-China Joint Group on Economic Relations, Trade Science and Technology (JEG).

The trade volume between the two countries has experienced a 20-fold increase in the past ten years and the year 2011 was the 'Year of China-India Exchanges.' About 500 Indian youths visited China last year and according to Dai Bingguo, the State Councilor of the People's Republic of China, who also said his country aims to help build a harmonious world of enduring peace and common prosperity.

Bingguo visited India earlier this year for the 15th meeting of the Special Representatives on the China-India boundary question. During his visit he emphasized the importance of relations between the two countries and its positive impact on Asia and the whole world.

"China and India can join hands, seize the historic opportunity, and work together to further advance our friendship and cooperation. Together, we will bring benefits to our two countries, two peoples and the whole of mankind," said Bingguo.

China has now become India's largest

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# Growing China-North Korea Cooperation: China to Employ Another 20,000 North Korean Workers

BY KIM CHEOL HO

About 20,000 workers from North Korea are about to get employment in China. This announcement marks the close cooperation between the two neighboring nations and offers employment opportunity in factories that manufacture clothes, food and IT products.

Some workers may even get employment in mines, according to reports from local newspapers.

These workers will be employed in the Dandong area of Liaoning Province following an agreement between the Liaoning



Heavy machinery moving in the streets of Pyongyang.

© Donald Kirk

government and North Korea's Committee of Investment and Joint Venture.

Industrial training visas will be provided to all the North Korean workers who will be hired at a monthly salary. The pay packet will depend on the nature of work and

will be between Chinese 1,300-1,700 Yuan (US\$205 - \$270).

This is not the first time China has offered employment to workers from North Korea. The country also employed 20,000 North Koreans to work in Tumen and Hunchun in Jilin Province who had become jobless following the end of trade between South Korea and North Korea. About 8,000 North Korean workers are also gainfully employed in Beijing and other parts of China. These workers work at the construction sites and are also employed at North Korean restaurants in China.

This latest entry of North Korean workers into China brings the total number to about 50,000. The news has been received well by the Chinese. "The North Korean workers are relatively hard-working, effective and affordable, and this will legalize the practice of employing North Korean workers in many northeastern Chinese cities," a factory owner of a clothing factory in Dandong told a Beijing-based weekly Economic Observer. [A-B](#)

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should defeat them using the Korean style of repelling them."

At the base of the 150-meter-tall tower in Pyongyang honoring *juche*, "self-reliance," symbolized by a hammer, a sickle and a writing brush on top, a woman explains its significance in terms of "threats" by the country's enemies, the United States, South Korea and Japan, which ruled the Korean peninsula as a colony for 35 years before the Japanese surrender in 1945. "Our goal is to keep our sovereignty," she says. "By investing in the economy we could be better off, but to be independent is more important."

No one in North Korea would dare question that principle openly, but Kim Jong-un is believed to want to bring about change, at least in emphasis. He is assumed to have been the one who convinced his father four years ago of the need for cell phones. Configured to make international calls impossible, they're widely seen as a sign of the desire to modernize but not break with the past. Kim's appearance with a mystery woman later revealed to be his wife at a performance featuring Walt Disney characters was shown by the North Korean media just as he faced the top military leader who owed his career to his father's "military first" policy.

Reportedly, conflict over economic policy was why General Ri Yong-ho was stripped of all his posts while Kim removed the armed forces from control over the economy. Could it be that the new leader by now is aware that life for many, even in the best of times, is harsh - and totally unbearable for those still dying of untreated diseases and starvation?

Down the east coast, on the way to the Mount Kumgang tourist complex just above

the North-South Korea line, thousands of "volunteers" hunker over portions of a rusted single-track rail line, hammering at rocks for the rail bed. No modern equipment in sight. They're dedicating their muscle power to restoring the line so trains can bring Chinese tourists to the Kumgang region.

Inside the Kumgang resort, at the foot of stupendous granitic peaks, the scene is one of desolation. Business shows no sign of recovering since South Korea's President Lee Myung-bak four years ago banned tourists from entering from the South after a guard shot and killed a middle-aged woman who'd ventured from the tourist zone to gaze at the sunrise. A minder, normally polite and cheerful, rationalizes the incident on the grounds that the woman ignored shouts and a warning shot and was wandering toward "an army base." As for President Lee, he echoes the official North Korean media, declaring angrily, "I would like to kill him not by shooting him but with my bare hands."

At the duty-free shop at the Kumgang resort, clerks hired on short-term contracts from China are more concerned by the lack of business, not politics. Sales, they say, range from slow to non-existent. What about those tourists whom North Korea wants to lure from China? Kevin Ho, the Hong Kong manager, smiles. "The Chinese don't want to spend," he says. "You're the only ones here today."

On the trail to Guryong falls, tumbling down one of Kumgang's many rock faces, you see reminders of hero-worship of the Kim dynasty. Statements and blessings from "eternal" President Kim Il-sung and Kim Jong-il are carved for eternity into the granite, but Kim Jong-un goes unmentioned.

One of our minders, in an unscripted break, explains he's been "too busy" to make the trek. Is the new "supreme leader," much overweight, suspected of being not physically fit for the hard two-hour hike to the falls? The minder prefers to go on defending the policies of the regime, arguing passionately that nukes and missiles are needed to stave off the constant threat of invasion by enemies near and far.

In Pyongyang, at the martyrs' cemetery honoring those who died fighting with Kim Il-sung against the Japanese, an inscription reads, "The noble revolutionary spirit will live forever in the hearts of the people." The cemetery memorializes each hero with a bust and an inscription on a slope ascending to a monument in red marble showing the victorious struggle against the Japanese. Far below, by the Daedong River, looms the spacious Kumsusan memorial hall where the bodies of Kim Il-sung and Kim Jong-il rest in state.

During my visit, hundreds of soldiers file in columns through the cemetery. They're 18 or 19 but look 12 or 13 - the result of the pervasive hunger that has stunted the growth of much of the populace. Some grin as they stand in line waiting to bow before the memorial. A few wave good-naturedly despite the presence of grizzled sergeants accompanying them. Judging from the appearance of these young soldiers, it's hard to believe North Korea's 1.2 million troops, many actually working on farms or in factories, not in military outposts, are ready or eager to fight another Korean War. The inherent tragedy is that of a country ruled by a regime that prefers to stage spectacles venerating the new leader and his forebears while wasting its resources on nukes and missiles. [A-B](#)

# IKEA to Open 25 Stores in India

BY ANURAG SHUKLA

**S**wedish homeware company IKEA has announced plans to open 25 stores across various cities in India.

The company is set to invest a whopping amount of Rupees 10,500 crore (US\$2.25 billion) in India over the next few years. It will invest 4,200 crore in the first phase and 6,300 crore in the second phase of the project.

IKEA will also set up a 100 percent subsidiary in India and will have to follow the mandatory 30 percent domestic sourcing clause set by the Indian government.

"Currently, we are working closely with 70 suppliers and 1,450 sub-suppliers, including many small industries. Based on our analysis, we will source at least 30 percent of the purchase value of products sold in India from our direct and indirect supply chain comprising Indian small industries," IKEA told the Economic times.

IKEA has agreed to source 30 percent of the value of goods sold in India from domestic small industries, but the company has reservations about this agreement working in the long term.

The Swedish furniture manufacturer claims it is able to offer products at a low price due to its sourcing strategy. The com-

pany purchases about one third of its raw products from China and the rest from European nations. Based in Älmhult, IKEA of Sweden AB (IoS) develops and makes the IKEA range for its global customers. Currently, the company delivers products through its 31 distribution centers in 16 countries.

Customers appreciate IKEA's concept of do-it-yourself (DIY) furniture. Once the purchase is made, the customer takes the un-assembled product home and typically enjoys assembling the different pieces of the product at their leisure.

The group's decision to invest in India has made global news and India expects similar foreign investments in the future. This definitely brings cheer in a still recovering global economy and showcases India as a lucrative place for business.

The deal was signed in St Petersburg this June following a meeting between

IKEA's CEO Mikael Ohlsson and Indian commerce and industry minister Anand Sharma.

The Swedish company has high hopes of attracting India's urban middle class buyers that are keen on decorating their homes with stylish international brands.

IKEA is also committed to social causes in India. In May 2012, the IKEA Foundation and Save the Children expanded efforts to fight child labor in the cotton industry.

Both organizations have announced relevant programs in the Indian states of Punjab, Haryana and Rajasthan.



Indian shopping.

This initiative will deliver several benefits such as improving the quality of education. It will also make sure that children complete school and do not leave their education midway.

Steps will be taken to enhance family incomes through access to government social security and rural work schemes. The initiative also includes increasing awareness in cotton-growing communities of children's rights. Children will be educated about the dangers of working in cotton fields and factories.

"This is a natural step in our long collaboration with Save the Children to strengthen children's rights in India," said Per Hegggenes, CEO of IKEA Foundation. "If we can create more opportunities for children in developing countries by improving education and awareness of children's rights, we can help these children break the cycle of poverty and build a brighter future for themselves, their families and society at large." (A-P)

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high-tech products, including automotive products, where there is virtually none. So calling us protectionist for opposing a free trade deal with a country that buys virtually nothing from us other than resource and agricultural products is clearly misplaced."

He continues that, "Until 1997, bilateral trade was broadly balanced. Since 1997, Canada's dollar value of exports to South Korea grew to 2011 by 68 percent, mostly resources, mainly reflecting higher commodity prices, not higher volumes. Canada's imports from there expanded about twice as much at 133 percent - all manufactured ware." In that sector, the situation is much worse, laments Stanford. "Canada's exports to Korea grew 1.5 percent from 1997 through 2011, our imports grew by 132 percent or about 90 times as fast. The result is an enormous one-way deficit in manufactured goods that reached US\$4.5 billion last year, the biggest ever. Canada buys over \$3 in manufactures from Korea, for every dollar we sell there."

Specifically in automotive products, "the imbalance is ridiculous. Canada's exports to the ROK fell by 95 percent since 1997, representing the effective closing of the South Korean market, while our imports from South Korea exploded by 746 percent. The automotive trade deficit is now US\$2 billion per year."

"These imbalances destroy thousands of Canadian jobs, and will only get worse if Canada removes its tariffs and further opens its market. There is no realistic ex-

pectation that South Korea will buy more manufactured products from Canada after an FTA of any sort." The author gets workers' attention because their union is strong. But others, rues Stanford, "such as machinery and electronics would be hit even harder, but lack a voice."

Stanford warns that the ROK's workers would also lose under a FTA "because it gives both South Korean and North American corporations more freedom to move capital around, threaten workers with job loss, and negotiate down wages...South Korean auto companies are now using ultra-low wages in union-free states like Alabama to threaten South Korean workers with job loss. We feel common cause with them." His CAW started a large scale "community campaign in auto-dependent communities in 2006 and 2007 about the proposed FTA, and we got a lot of support from city councils, local small businesses, etc."

But Ottawa is more positive. Reports Tiberghien, "The strategy is now pushed by the prime minister, the trade and the agriculture minister. It seems to have cross-party support at least from the centrist Liberals. Even many left wing New Democratic Party politicians are not opposed in principle, but will examine the impact on jobs." The FTA can win cross-party support if it stresses "win-win gains and South Korean investments in Canadian higher end industry."

As for boosters in Seoul, Tiberghien observes that the trade agreement is the goal of Lee Myung-bak and his party. But the

president is now in a lame duck position. The party is now more under control of the new leader Park Geun-hye. She "seems to be shifting to the center-right and to be more cautious on free trade, although still pro-free trade. The party just won a thin majority in the April 2012 election, 152 out of 300 seats, making it harder to force unpopular measures. The opposition Democratic Unity Party (DUP) is mostly opposed to more FTAs, but the Canadian FTA is probably the least controversial one. Still, it is a difficult political climate to get a FTA agreed and passed. The window may have been greater a year ago."

Looking ahead, the key variable for the success of the Canada-Korea FTA will be the December elections in Korea. "If the DUP wins, prospects for the FTA will be dimmer. If Park wins, the prospects will be quite strong. Right now, Park is the favorite, but the situation is volatile."

As for South Korea's motives, Tiberghien explains that, "After a careful and defensive approach since the 2008 beef crisis...Korea seems to be warming up again to an FTA with Canada. The top level meeting between Prime Minister Harper and President Lee Myung-bak on the sidelines of the G-20 meeting in Los Cabos on June 18-19...seems to have cleared the air. The two leaders committed to give priority to the FTA negotiations. Korea has gained interest in Canadian shale gas resources and technology. With the removal of negatives on beef and appearance of new positives on energy, there could be positive momentum." (A-P)

# Growing India-China-Japan and South Korea Cooperation in Anti-Piracy Patrols

BY ANURADHA SHUKLA

Last year thirty five innocent people lost their lives after being taken as hostages by Somali pirates. The International Maritime Bureau also recorded high levels of violence in coastal waters around East Africa and the Gulf of Aden.

The total amount of goods succumbing to piracy in this region was about US\$160 million in 2011 alone, and according to the One Earth Future Foundation that reported, much of this cash was used to build sprawling new villas and purchase swanky 4x4 vehicles. Somali pirates now have huge parties and can spend thousands of dollars on weddings in their communities.

It has been calculated that more than 20,000 ships pass through the waters in the area vulnerable to attacks from Somali pirates. All those involved in the shipping business are unhappy with the fact that international law is not clear on how much force can be used to stop the often brutal attacks by these plunderers. The situation has become more grim as these pirates have begun to kidnap innocent people and do not hesitate to attack the tourists and journalists in Somalia and Kenya.

It is estimated that the global shipping industry lost about US\$5.6 billion last year due to maritime piracy of the Somali coast. Figures available from European Union Naval Force Somalia, ICC International Marine Bureau, indicate that pirates earned an average of \$4.87 million per ship in 2011.

About 3,000 to 5,000 pirates actively operate in the region. One thousand have been captured and are going through complex legal processes in 21 nations. The plight of ships has raised a global alarm, and in addition to the navies of several countries, new private security companies have come up in the market to offer protection to those who pass through the region. Ships willing to pay anything between US\$20,000 – \$30,000 are provided with private security services delivered by experienced and well equipped ex-Navy troops.

## Fight Against a Common Goal

India increased its anti-piracy efforts in 2008 and is now committed to fight the pirates. It has deployed a warship in the Gulf of Aden to provide protection to both Indian and foreign ships that pass through the area. The Indian Navy is also dedicated to this cause and has ships in place near Mauritius, the Seychelles and the Maldives.

Deployment of more ships is on the cards and an Inter-Ministerial Group has been formed by the Indian government that negotiates with the hijackers. This group also coordinates with vessel owners and other



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China, India, Japan and Korea Flag.

countries, as well as making efforts to free Indians who are taken hostages by Somali pirates. Last year, the Indian Navy succeeded in intercepting a pirate mother ship, and managed to rescue 13 crew members in a major operation. 61 arrests were made about 600 nautical miles off the western coast.

Somali pirates held more than 60 Indian sailors as hostages in the summer of 2012. The attack created a furor in India, driving President of Puntland state Abdirahman Mohammed Mohamud Farole to come to India to discuss a naval capacity building deal with key personnel. The Puntland state supported the military rescue operations to free the Indian hostages and fight piracy as best as they could.

"I always support military operations to fight piracy," Farole told reporters at the Indian Council for World Affairs (ICWA) at Sapru House in New Delhi. "The Puntland government strongly and consistently rejects ransom payments, believing them to be the primary factor fuelling piracy attacks. We believe that expensive naval patrols off the coast of Somalia cannot eradicate piracy alone, as long as the world continues to neglect the domestic conditions that produce piracy."

China joined the Gulf of Aden anti-piracy patrols in late 2008 and has guarded Chinese ships as well as escorted ships of all nationalities. It now closely cooperates with the navies of both Japan and India in anti-piracy patrols off the coast of Somalia. The country is very willing to work with other countries to safeguard global trade through its two warships and a fleet tanker in the Gulf of Aden.

Earlier this year, Somali pirates hijacked a Chinese cargo ship in the Sea of Oman. Rescue ships from the China and Iran Navy managed to save all of the ship's 28 crew members in a joint operation. Yu Hongyang, Chinese ambassador to Iran, said, "Thanks to joint efforts of China and Iran, the freighter Xianghuamen was successfully rescued at about 18:30 local time and all 28 Chinese crew members aboard are safe and sound. The hijacking was a surprise and occurred far from China, which made our rescue efforts difficult."

Japan also joined India and China to combat Somali pirates mainly because most of its oil is imported from the Middle East

and its economy is heavily dependent on its exports. It works with the two countries and has deployed its warships to patrol the 890-km-long and 92-km-wide zone that extends eastwards from the Red Sea to the Arabian Sea. Two Japanese warships and a maritime patrol plane operate off Djibouti close to Somalia.

Japan has considerably suffered in the hands of Somali pirates. The country has been challenged with this issue for a long time now and even had to pay a significant amount in ransom to get its ships released. The situation took a bad turn in 2008 when Somali pirates captured a total of five of its ships. All these episodes have shaken the Japanese shipping companies, and all have welcomed Japan's decision to fight piracy.

It has been calculated that more than 20,000 ships pass through the waters in the area vulnerable to attacks from Somali pirates. All those involved in the shipping business are unhappy with the fact that international law is not clear on how much force can be used to stop the often brutal attacks by these plunderers.

## The Fourth Partner

China, India and Japan are now joined by South Korea, which had previously been operating independently in the pirate-infested waters. Now all four nations will coordinate anti-piracy patrols in the Gulf of Aden off Somalia. These nations will use their warships to escort cargo vessels in the danger area.

Like other countries, South Korea too has had its share of attacks from Somali pirates who have targeted about eight Korean vessels since 2006. "South Korea has indicated its interest in join the tri-nation effort that was launched in February this year," a senior Indian Navy officer told the press. "The proposal from Seoul is likely to be approved

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# India to be Linked with Central Asia through Gas Pipe Line

BY KEVIN LIU

**I**ndia will be linked with Central Asia through a gas pipe line, which will lower the gas tariff for users in the nation.

The transit or security costs of gas has become very low, with India's participation in the Turkmenistan-Afghanistan-Pakistan-India (TAPI) 1,700-kilometer pipeline deal. The idea to lay this pipeline was first proposed as early as the 1990s, and once completed it will ensure the delivery of 33 billion cubic meters of oil each year. The pipeline is scheduled to be operational by 2016.

India has to spend vast sums of money to import oil, and this has driven the government to search for options to secure supplies of oil for its consumers. One way this problem can be addressed is through a pipeline which is now a very viable option thanks to advancement in offshore technologies.

Turkmenistan is known to have the fourth largest reserves of natural gas in the world after Russia, Iran and Qatar, and both India and Pakistan are joining hands



Gas pipeline.

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to leverage this source of energy through a pipeline via Afghanistan. India's neighbor China is already using Turkmenistan's gas reserves; in 2009, a 1,800-km pipeline was laid to connect China, Uzbekistan and Kazakhstan. This pipeline reaches China's western region, and also connects it to Shanghai through a domestic channel.

Another option India has to consider is the use of deepwater pipelines, which now look feasible due to the growing capabilities of the Indian navy

"This is India preparing for the future. It signals that we are there to take advantage of the energy resources of Central Asia," said Kanwal Sibal, a former foreign secre-

India has to spend vast sums of money to import oil, and this has driven the government to search for options to secure supplies of oil for its consumers. One way this problem can be addressed is through a pipeline which is now a very viable option thanks to advancement in offshore technologies.

tary in a statement to the press. "So far, Turkmenistan has been selling gas to China. This shows that they would like to diversify their customer base and include us as well. It also signals that we are looking at Afghanistan in the long term." (A-P)

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trade partner in South Asia and the bilateral economic cooperation has witnessed a sustained growth over the past few years. Both countries have identified certain points to improve bilateral relations, including increasing political mutual trust and strengthening strategic communication. Looking forward, the companies will focus on enhancing economic policy coordination and synergizing their energies in various sectors, including information technology and environmental protection.

China and India will also expand cultural and people-to-people exchanges for promoting mutual understanding; they will also enhance coordination and cooperation within the frameworks of the United Nations, the Group of 20 and Brazil, Russia, India, China and South Africa (BRICS) among others.

## Influence of India, China on their Neighbors

Synergy between China and India will also strengthen Asia's economic development and its strength on a global level, according to the Asian Development Bank (ADB), which has put forward steps required to create such a community.

ADB notes that although East Asia's economic development is driven by international trade and investment through production networks, the region's economic integration is weak, especially in the areas of finance and migration, and especially in Central Asia and South Asia.

ADB suggests establishment of a strong and outward-looking economic commu-

nity, which is regionally integrated and connected with global markets. A single regional market should be connected by integrated infrastructure networks so that free movement of trade, investment, and people is encouraged.

"The creation of such an economic community requires Asia to evolve toward a new regional architecture made up of stronger institutions for regional integration (IRI) with greater powers delegated from their member countries and closer links with each other."

According to ADB, Asia's institutional architecture for the creation of an Asian Economic Community can be shaped by organizations such as ASEAN in Southeast Asia and SAARC in South Asia. These organizations should have stronger agenda-setting and surveillance powers, and build stronger links both with each other and with national agencies in order to promote closer integration among Asia's sub-regions.

Creation of an Asia currency unit (ACU) representing the currencies of the countries in the region can also facilitate economic surveillance and regional exchange rate coordination. Asian countries should also work towards establishing new pan-Asian institutions and empower existing ones to effectively address issues such as natural calamities, climate change, and health concerns.

ADB has suggested economic reforms, and these are in line with the efforts made for regional integration by 2015 under the ASEAN Economic Community initiative that are focused on the economic benefits

of building closer transport, trade and investment links. However, Mari Elka Pangestu, the Indonesian Tourism and Creative Economy Minister, thinks that the ASEAN community should not overlook cultural integration because it could be developed further to help add value to the region's economies.

"The economic pillar is the first one that we think of, and the cultural issue is the last pillar. But economic integration is not the only issue when we think about the implementation of the ASEAN Economic Community," she said.

The countries of Asia have cultural similarities, and Fernandez-Ruiz said that cultural integration could be developed further to help add value to the region's economies as art, which can help forge links between people within the region. "We should think about how culture can create economic value," she said.

Despite the several advantages of cooperating for economic community, it is thought by some leaders the influence of India and China on their neighbors is actually very limited. An article in the Global Times noted that the two nations are not in the same geopolitical region and thus neither is able to exert as much strategic influence as that of the other's neighbors.

India plays a very limited role in the Asia-Pacific affairs and it indicates there is not much strategic competition between China and India. "China and India should learn a lesson from this history and find more creative ways to deal with their bilateral relations", the paper said. (A-P)

# Wine Industry In Asia Pacific Region

BY MEENAKSHI SHANKAR

**W**ine has become a popular interest worldwide. Global wine production is showing a stable growth and France keeps its position as the world's top wine producer.

Wine trade in the Asia-Pacific region has grown significantly, accounting for nearly 25-30 percent of all global trade. More than one-fifth of global wine trade is now conducted there. China, India and Japan are a few of the countries showing growth in the vineyard area. Experts are reporting that the Asia-Pacific region will continue to drive wine sales, and China, the most promising market, is likely to contribute to nearly 15 percent of the global wine industry growth by 2015.

Wine consumption dates back to the Harappa and Mesopotamian civilizations. Wine grapes are mostly grown between the 30th and the 50th degree of latitude, in both the Northern and Southern hemispheres. France, Italy, Spain, USA, Argentina, Germany, Australia, South Africa, Chile and China are the major wine producing countries in the world. Spain, France and Italy account for 55 percent of total world vineyard area.

The wine market consists of retail sale of champagne, fortified wine, sparkling wine and still wine. Major players in the global wine market include companies such as: Consellation Brands Inc. (the largest wine producer in the world by volume), Pernod Ricard, a global leader in the production and distribution of wines and spirits, and Chateau Mouton Rothschild, one of the oldest and most prestigious wine labels in the world.

The Australian wine industry is the world's fourth largest exporter of wine. Australia's wine regions are mainly in the southern, cooler parts of the country, with vineyards located in South Australia, New South Wales, Victoria, Western Australia, Tasmania and Queensland. Australia has rapidly become a world leader in both the quantity and quality of wines it produces.

Australia has practically every climate and every soil type can be found there, which allows it to produce all of the major wine types, from reds to whites, fortified wines and sweet wines to sparkling wines. South Australia is forecast to remain a dominant wine grape producing state, accounting for around half of the national projected production in each year.

Wine festivals in the major wine producing regions of Australia draw many Australian holidaymakers and international visitors each year. The largest such festival is the biennial Tasting Australia. Australia's exports in wine have grown at an extraordinary rate in recent years. In the global scene, Australia is now the fourth largest wine exporter after France, Italy, and Spain, and its wines are exported to more than 100 countries.

The New Zealand wine industry is a very important contributor to the New Zealand economy. This region has established itself as a premium producer of wine, with a large variety of wines enjoyed both locally and overseas. Northland, Auckland, Waikato/Bay of Plenty, Gisborne, Hawke's Bay, Wellington, Nelson, Marlborough, Canterbury/Waipara and Central Otago are some of the largest wine growing areas in New Zealand. Small wineries represent over 80 percent of New Zealand's total producers and are located throughout all wine regions. The wine industry in New Zealand wine is set to continue its growth. New Zealand's wine exports have grown at 23.8 percent over the past two years, four times the rate of other all goods. Wine exports represent 2.2 percent of total goods exports. Wine is now the 11th largest export, behind dairy, meat, fruit and fish amongst foods.

Asia-Pacific is predicted to be the fastest-growing region for alcoholic beverage markets over the next five years, according to the IWSR Forecast Report – 2011-2016. It will overtake the Americas as the second-largest region for consumption and will shortly surpass Europe.

In India, Commercial wine production started with the first commercial grape wine plant being set up only in the 1980s. Since then, three major players – Chateau Indage, Grover Vineyards and Sula Vineyards – emerged in the domestic winemaking scene and the last few decades saw vineyards cropping up all over the country.

Today India has 123,000 acres of vineyards. The present wine market is expanding at the rate of 30 percent for imported wines and 35 percent for domestic wines. With little relaxation in the policies, the status of wine will definitely get a great boost in the Indian scenario.

China's wine production is growing very rapidly and experts believe that it could overtake Australia in the next three years. A report by French wine exhibition organizers Vinexpo indicated that China produced 72 million cases of wine in 2009, up 28 per-



Winery industry.

cent from the previous year. The increase was driven by growth in the Chinese domestic market.

China is both a country with an ancient wine tradition and a new and emerging wine-producing nation. Wine production in China has thousands of years of history. Grape wine is a decidedly small portion of the total but this is slowly changing. China already produces more wine than Spain and Portugal combined and some of its brands are already stocked in supermarkets in the West.

One of the main features of the China wine market is the predominance of red over white wine. Around 80 percent of the wine in China is estimated to be red.

The major wine producing areas of China include Shandong, Hebei, Henan, Liaoning and Xinjiang provinces. At present, vineries and wine production centers have been set up in Xinjiang, Gansu Province, the plain along the bank of Bo Hai, the ancient reach of Yellow River, the area of Huangtu Plateau, Huaihe River valley and the Changbai Mountain area of Northeast China.

In China, several major wine brands will continue to maintain rapid growth rate, and a few big brands account to the major share of the domestic wine market. At present the four major wine brands include Changyu, Great wall, Dynasty and Veyron, all of them accounting for nearly 50 percent of the total wine production in China.

Demand for wine in mainland China has grown rapidly over the past few years, and Hong Kong acts as a pre-eminent global wine hub even as global economic uncertainty cuts demand for luxury goods.

In Japan, wine consumption has experienced significant growth since the 1960s, but wine as a share of total alcoholic beverage consumption is relatively low, accounting for approximately 3.2 percent of the total. Most market observers remain confident, however, that future growth in the wine market will outpace that of the overall alcoholic beverage market. With decades of

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by the three nations and the Korean warships may join the coordinated patrol from July.”

Although South Korea has showed interest in cooperation this year, it has been fighting a war against Somali pirates for some time now. In 2011, it assigned special forces to stage an early morning rescue operation of a hijacked freighter hundreds of miles off the coast of Somalia.

“This operation demonstrated our government’s strong will that we won’t tolerate illegal activities by pirates anymore,” said President Lee in an article by the Yonhap News Agency. “Our military carried out the operation perfectly under difficult circumstances. I appreciate it and send a message of encouragement.”

**Root of the Problem**

Somali pirates know they are being searched by war ships out in the water and they now do all they can to avoid being tracked down, constantly moving around, changing phone numbers, etc. It is difficult to trace them and they typically avoid discussing their lives with journalists.

Despite all the odds, Jay Bahadur, the author of ‘Deadly Waters: Inside the Hidden World of Somalia’s Pirates’, met just such a pirate, named Abdullahi Abshir. This man claims to have hijacked more than 25 ships in the Gulf of Aden, and he talked to Bahadur, emphasizing that despite all that has been written about them, Somali pirates are not murderers, but rather they only attack ships for the money. It is hard to believe when a pirate says he is not a murderer, but the growing rate of piracy in the regions has made many countries sit up and try to figure out and correct the root cause of the problem of Somalia’s pirates. A MaritimeSecurity. Asia article says that this military operation is only tackling the symptoms and efforts should be made to help Somalia get back on its feet and develop normal political and social structures.

Apparently, there are some who can see the other side of the story as the European Union has already invested about 400 million Euros (\$US480 million) into long term aid projects in Somalia meant to be used for education and setting up a functioning legal system there. The situation of the country is also expected to be improved by political efforts and the establishment of a new constitution.

In an interview to GlobalPost earlier this year, Abdiweli Mohamed Ali, Somalia’s prime minister, said that the Somali pirates are driven to do these deeds because of plunder by international trawlers, which has taken away the means of livelihood from the country’s fishermen. They are, in turn, pushed to take desperate measures because of the illegal, unreported, and unregulated fishing off the coast of Somalia, said Ali.

“This is a fact, this is not something we are making up. And this is how piracy started,” said Ali. “I’m not condoning the hijacking of ships off Somalia but ... if we’re going to address piracy we should address both piracies.” Ali also criticized “the toxic waste dumping in our coastal waters.” (A-P)



## Hankook to Sell One Hundred Thousand Tires in India this Year

BY JEON-DONG HEE

**S**outh Korean tire maker Hankook – the highest brand sold in Europe and the Gulf – is eyeing the lucrative Indian market and is expanding its activities in the country.

The company aims to sell one hundred thousand tires there and will double its network of dealers from the existing 250 in the current fiscal year. Hankook has also planned to strengthen its product line to address the needs of the customers and aims to have sales revenue of US\$10 million dollars by the end of the current year.

J.B. Park, vice-president of the Asean-India marketing and sales department of Hankook, recently visited India and told Business Line that it will sell three hundred thousand units in India in the premium segment in the next three years.

Although the world is still recovering from economic crisis, Park is confident that it has not made any negative impact on the sale of premium cars in India.

The company aims to tap the 23 million unit tire market in India that includes replacement tires as well as OEM. Park was in India for the launch of ultra high performance car tires in the Kerala market, which boasts the highest number of premium cars compared with other states.

Park said people in Kerala are more exposed to the international market and the tire information awareness among the public in this state has been found to be higher than in other places in India.

“The market size for premium segment passenger car tires in Kerala is estimated at 6-7 hundred thousand per year and the company is looking at selling 16,000 tires in the first year,” said Park.

Park certainly has a positive outlook considering a recent report from The Economic

Times indicating slow growth for India’s tire industry over the next few months. Car sales grew 2.78 percent and truck and bus sales dropped 11 percent in May 2012, according to the Indian tire industry organization ‘Automotive Tyre Manufacturers’ Association’.

Hankook specially designs and produces tires for Indian roads and already has 50 sizes of ISI mark tires in the market. This figure will soon touch 80, thanks to its 7 global factories supplying tires to 185 countries.

The tire maker also plans to increase its prices by about 5 percent in 2012 due to the higher cost of rubber. President Cho Hyun Bum said in an interview that this 5 percent rise will help Hankook to gain better financial reward in the current fiscal year. Hankook is not the only international seller that is increasing prices of tires this year. Companies such as Aeolus Tyre Co. have also raised prices following a 26 percent increase of cost of rubber in 2012.

Hankook has strategic plans for other Asian countries also. The company has announced plans to launch operations at its Indonesia plant in Lippo Cikarang, Bekasi, West Java in the fourth quarter of 2012. The company poured US\$353 million into construction of its Bekasi plant last year that is scheduled to produce 30,000 tires by the end of this year, according to Hankook’s ASEAN and India marketing and sales vice president, Jae Bum Park.

Park told The Jakarta Post that this plant will increase its output to 4 million tires in 2013 and 6 million in 2014.

“The tires produced this year will be exported to the United States, but from next year, our products will be sold in other countries,” said Park.

Yong Seop Hyon, Hankook’s senior manager for plant management, added that the company plans to continue with the next phase of the facility’s construction in Bekasi. This move is part of a total investment of US\$1.1 billion until 2018 – the time when Hankook targets production of 16 million tires annually. (A-P)

# India to Sign Major Defense Contract with South Korea

BY ANURADHA SHUKLA

**T**he Indian Navy is set to sign a Rs 6,000 crore (US\$1.3 billion) defence contract with South Korea, which will deliver eight advanced minesweeping and hunting warships to India as per the contract that is being finalized by both the countries following the discussion of the commercial terms.

This deal further seals the growing alliance between the two nations, giving India underwater mines – typically cheap weap-

ons – used for high-impact incidents. Two of the mine counter-measures vessels (MCMVs) will be provided by the South Korean firm Kangnam Corporation. The technology will be transferred to Goa Shipyard, which will then manufacture the other six warships.

India requires advanced MCMVs for detecting and destroying underwater mines. Featuring high-definition sonars and acoustic and magnetic sweeps, these advanced warships are designed to detect dangerous marooned and drifting mines. Once detected, the warships will detonate them at safe distances through a remote-controlled system.

“Underwater mines are cheap weapons that can be used for high-impact incidents. It’s relatively easy for someone to lay mines at the harbor approach or departure routes. There is need to step-up the protection of our harbors and offshore installations,” according to an official who talked to The Times of India.



Indian Navy Officer.

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Earlier this year, a fleet of Indian Naval warships conducted a joint training exercise with its South Korean counterparts to further strengthen bilateral relationships between the two countries.

The Indian Navy is also going to buy two used Osprey-class minesweepers from the US in the near future. [A-P](#)

# North Korean Drought and Food Security



Fertilizer factory in Pyongyang.

BY JEON-DONG HEE

**N**orth Korea is facing the country’s worst drought in 60 years that has impacted about 20,000 hectares of farmland in the western coastal areas.

This natural calamity has resulted into severe food shortages affecting three million people in North Koreans who are looking towards the government for food assistance.

The reservoirs have also dried up, and the prolonged dry spell has left vast tracts of agricultural fields unattended. This year the temperature in May and June was about eight degrees higher than usual, leaving all rice fields parched. Shortage in summer crops is expected to bring even more shortage of food in the winter, a season which is always severe in North Korea.

“I have been working at the farm for more than 30 years, but I have never experienced this kind of drought,” Song-min, a farmer at the Tokhae Co-operative Farm in the Nampho area, told the AP.

Maria Siow from channelnewsasia.com reports that a German NGO, World Hunger Aid, has warned the nation against an up-

coming famine if this severe drought continues. Several international relief agencies also say that North Korea should make efforts to attract investment and address its structural problems if it wants to overcome its ongoing food shortages.

This year the temperature in May and June was about eight degrees higher than usual, leaving all rice fields parched. Shortage in summer crops is expected to bring even more shortage of food in the winter...

According to Dr Wolfgang Jamann, Secretary General of World Hunger Aid, the tractors used in North Korea for agriculture purpose are very old and the farmers are unable to use modern machinery as the nation does not have enough spare parts and fuel to run them.

North Korea will have to work hard towards overcoming its chronic food shortages in order to prevent another famine such as the one in the 1990s which took the lives of perhaps two million people. [A-P](#)

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stable expansion, the Japanese wine market has experienced multiple surges in consumption. Two of the most significant booms involved Beaujolais Nouveau in the late 1980s and a boom in red wine in 1997 and 1998. The Beaujolais brand is now strongly established among consumers with imports having peaked at 1 million cases in 2004. A major boom in imported red wine occurred in 1998 following a series of studies linking health benefits to consumption.

Although the global wine market is projected to reach 27.5 billion liters by 2017, the market growth is being mainly driven by factors such as rising affluence, the growing shift towards premium alcoholic beverages, increasing consumption of wine, and adoption of western lifestyles in developing markets. The future of the global wine market portrays a bright picture as wine is set to make gains in both developed and emerging markets at the cost of other alcoholic beverages, including beer and spirits.

In relation to health benefits, some of the most important developments have recently shown that drinking moderate amounts of wine may reduce a person's risk of having a heart attack or developing some sort of heart disease. These health benefits go way beyond mere superstition, having been verified through experiments.

Asia-Pacific is predicted to be the fastest-growing region for alcoholic beverage markets over the next five years, according to the IWSR Forecast Report – 2011-2016. It will overtake the Americas as the second-largest region for consumption and will shortly surpass Europe. Seventy five percent of the growth forecast for wine consumption comes from China, which is expected to add over 240 million cases by 2016. Total wine consumption is predicted to rise from 3.32 billion to 3.65 billion cases – a rise of 326 million cases by 2016.

Thus, Asia as a whole is believed to be the driving force of the world wine market growth, increasing in its consumption along with its growing middle class purchasing power and considerations of health benefits and status symbols. Markets in China, India and South Korea, along with Singapore and Japan, have managed to take the region to a new height in the global wine market. All this is making wine producers around the globe increasingly look to Asia.

Consolidation will be the key to the present and future success of the global wine market. Many players in the market are on the lookout for growth through mergers, acquisitions and joint ventures. Though French wines will continue to command a premium, wine enthusiasts are keen to taste wines from other countries and start to appreciate them. Also, it is important for all countries to maintain access to other international markets to maintain the viability of the wine industry. Asia-Pacific is catching this momentum and gaining a good place in the global wine market. But, there is a range of country-specific requirements for the packaging, marking and labeling of wine imports and exports. Lot more lies in understanding the trade barriers!  

# India and Korea Collaborate on Serving Overseas Power Markets

BY VIBHU SAXENA

**P**ower Exchange India Ltd (PXIL) and Korea Power Exchange (KPX) have joined hands to serve the power markets at the national and international level.

Both organizations have signed a memorandum of understanding to this end that aims to synergise exploring business collaboration for strategic initiatives in overseas power markets. The MoU was signed by PXIL Managing Director and CEO Rupa Devi Singh and KPX Chairman and CEO Ho-Ki Nam.

“We are hopeful that this association will help our objective of transforming the Indian electricity market. This MoU will bring in a global perspective which will help us to create a benchmark in the areas of operations and product offerings,” said Rupa Devi Singh.

PXIL said that it will work with KPX to share useful information related to a range of areas in power markets including improvements of competitive electricity markets and training employees to enhance their understanding of the electricity markets. They will also provide guidance related to the new business initiatives like renewable energy certificates (REC) trading.

“As a neutral entity, KPX has played an important role in developing the electricity market in South Korea. With this MoU in place, it will broaden the area of mutual co-operation between KPX and PXIL,” said KPX Chairman and CEO Ho-Ki Nam. “We hope this collaboration and PXIL's high performance will help us understand the operations of the Indian electricity market.”

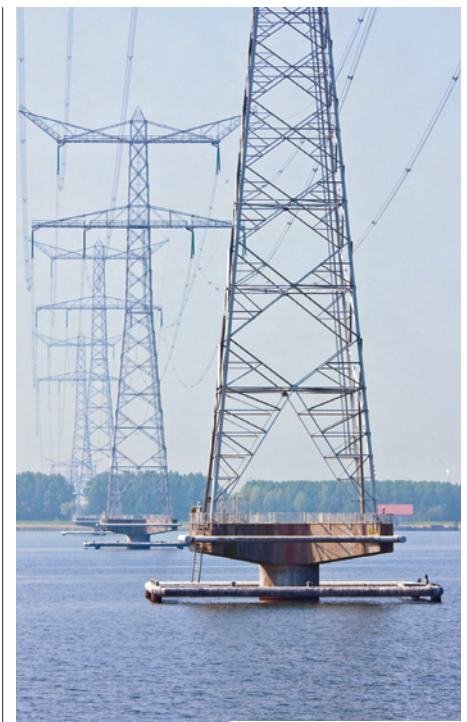
India and Korea are discussing other power projects as well. Kepco (Korea Electric Power Corp.) is negotiating with GVK group in India for possible acquisition of stakes in the power generation business of GVK Power and Infrastructure Ltd.

A senior GVK executive confirmed meetings between Kepco and GVK to Utpal Bhaskar from The Wall Street Journal. However, the companies have not made any formal announcement and will probably make it official once they reach an agreement.

Kepco has a broad product portfolio that includes nuclear, resource exploration, thermal and renewable generation sectors. It has been eyeing the Indian power sector for a while along with power companies from countries such as France, Germany and Malaysia.

Kepco runs an office in India to manage business in the nation as well as in Nepal. Bhaskar points out that GVK Power has 914 megawatts (MW) of power generation capacity under operation, and around 4,000MW under development.

GVK is the largest stakeholder in the Mumbai and Bangalore airports and may sell a stake sale to fund the expansion of its oil and gas business. Kepco is waiting for op-





Electricity transportation. © T.w. Van Urk | Dreamstime.com

portunities presented by GVK that require funds at the moment, according to a May 10th ICICI Securities Ltd report.

ICICI report indicates that GVK Power (GVK) is continuously reporting losses on account of lower PLF (plant load factor) across power projects. It is challenged by factors such as restricted gas availability and additional interest costs on account of debt taken for acquisition of stake in Mial (Mumbai International Airport Pvt. Ltd) and Bial (Bangalore International Airport Ltd).

“While we highlight that near-term pain (both operating and financially) is likely to remain for GVK for some time, it is looking for PE (private equity) deals at the airport and road division, which is likely to partially allay investors concern over the funding gap across the business verticals,” the report said.

Finally Sahara India Power Corporation Ltd., has also partnered with Korea East-West Power Co. Ltd., a government of Korea undertaking, to set up 6000 MW of power plants through mega projects in India. Both companies will collaborate on tariff-based bidding for Ultra mega Power Projects (UMPPs) and other opportunities in India which will add up to a total capacity of 6000 MW.  

By Chung-Yeon Cho

## For a Rich and Prosperous Life for Everyone, We Need One Asia

**S**ato Yoji is the founding chairman of 'One Asia Foundation', based in Japan. After graduating from Waseda University he worked at his father's distribution company in Japan before starting his own company.

Considered to be one of the richest businessmen in Japan and also one of the most talented, he developed his company Dynam into one of the nation's biggest in a very short span of time, with the slogan of "Along with the Consumer".

He has devoted his whole life to his vision of "One Asia."

Here are the excerpts of the Interview he had with Chung-Yeon Cho, senior business editor of Asia-Pacific Business and Technology Report.

Sato Yoji, Chairman of One Asia Foundation.



### What is the purpose and objectives of One Asia Foundation?

The purpose of One Asia Foundation (OAF) is that everyone in Asia enjoys a rich and prosperous life. The foundation offers abundant volunteering opportunity for citizens in Asia to work towards that goal.

The One Asia convention, held from July 6 to July 7 of this year at the Hyatt Regency in Incheon, Korea, explored the potential for the formation of One Asia. It evaluated the steps which can be taken towards this goal in the near future. More than 29 scholars from more than 14 countries participated in the convention. Some of the guests which participated were Jeo-hoon Park, president One Asia, Incheon club, Yoeng-gil Song, Inchoen mayor, Professor Chul Park, Hankuk University of Foreign Studies, Hak-su Kim, ex-UN ESCAP secretary general, and Professor Lin Wa-shung of Waseda University.

### What does "One Asia Foundation" do, and what are the main activities of the foundation since its establishment in 2003?

One Asia Foundation was set up to give our hands to form a One Asia community. To achieve this goal, the need was felt to create a network of like-minded people. One Asia Foundation was thus set up with the purpose to create this network and provide platforms to scholars from different countries to exchange their views on a potential One Asia Community.

All my life as a human being I have been thinking of what life is, what the real purpose of the universe is. Finally I realized the purpose of life is to work for happiness and prosperity of all.

These days many companies and organization pursue only profits and self-interest. This is not good. Eventually I realized that we need an Asian Community to achieve this goal here.

### How would you like to compare your One Asia community with the European Community?

The European Union unified European countries for profit in the financial domain. But our concept of One Asia is bigger and broader, though we take the EU as a good model for the Asian community. This is important for the Asian community...to have a role model. For developing technologies jointly, and exchanging experience and knowledge of different countries, a unified network of Asian countries is very important. The European Union serves as good model in that sense.

**One Asia Foundation stands for supporting the universities which are promoting the One Asia concept. Some of the universities which have been supported by your foundation are the University of Tokyo, University of Beijing, Yonsei University, Korea University, Incheon University, Inha University and Je-ju University. You already have classes on One Asia in 125 universities in 20 countries and are also currently preparing for more classes in**

### more universities throughout Asia. What is the reason of this expansion?

We are not only making classes on One Asia but are also supporting scholarship for over 500 students. More than 300 universities and over 4000 professors are planning to participate in this program in the near future.

Until now many Asian organizations and companies have been crushing each other in a race to make more and more profit for themselves. Members of national parliaments and high government officials care only about national interests. But our focus is different. We focus on how to lower the wall between different countries. The foundation expects to involve top academics from the wider Asian community who are without any support from their national governments or other public and private organization in their countries and who are interested in promoting the One Asia concept.

Our university class project is one of the most successful projects of our foundation. Under this program, professors and researches get the chance to put out their point of view to the students and the nation at large. Through this we expect to reach out to the core of university students' activity. The foundation expects that many talented students who wish to

As for solving the problems of territory and history, academics and researchers should share their ideas with open minds. After putting forth their best they should leave the result to the decision of history, not worrying too much about the result.

pursue public welfare, in stark contrast to private profit pursued by many, will come out and join this program. In this regard, Je-ju University in Korea is the most exemplary model which has voluntarily established an Asia community laboratory on its campus. This is a very encouraging phenomenon for us as it helps us spreading out talent for One Asia.

**Now I would like to talk about your personal life...**

Talking about oneself could be quite fun, but I think it may not be helpful for the One Asia Community (laughs).

Rather, we should focus on what the fundamental issues are in Asia today. What I want is that experts from all over Asia pursue the main theme – the human community (that is, the oneness of the whole of mankind). I hope young students focus on positive aspects of the Asian community, dreaming about their future as members of One Asia.

**These days Northeast Asia is very noisy. According to your**

One Asia Foundation was set up to give our hands to form a One Asia community... One Asia Foundation was thus set up with the purpose to create this network and provide platforms to scholars from different countries to exchange their views on a potential One Asia Community.

**thinking, what is the wall that must be brought down, and what should we do for removing prejudice and conflict among countries in the region?**

Yes. Prejudice and conflict is a problem in Northeast Asia. As for solving the problems of territory and history, academics and researchers should share their ideas with open minds. After putting forth their best they should leave the result to the decision of history, not worrying too much about the result.

When we share our ideas with honesty and sincerity, we can leap deep into the future together with success. Even though the role of politicians is very important in nation building, these days politicians grasp power mainly to enjoy the fruits of authority and influence. In this scenario, the role of the scholar is the most important, since he has no desire for power and authority. Thus scholars could become part of the solution of the history question in this part of the world.

**Would you like to emphasize any special point in this regard?**

In the past the power of media was concentrated in the hands of the rich and

powerful. But nowadays that condition is changing with the appearance of new mediums such as the Internet and other social media.

The emergence of this new medium is expected to play a significant play in the creation of One Asia. As for forming an Asia community, it is very important to expand contacts among Asian countries through various kinds of culture and academic exchanges. At this point the role of media is more significant than ever before.

The Asian community is very complex and consists of very different cultures, unlike the Europe community, and there are especially many countries which have experienced colonialism, civil wars and slavery, unlike European countries. So the key words for One Asia community are “understanding and mutual respect.”

As we realize the idea of an Asia Community and narrow down these sorts of different views, the role of the media will grow to be more significant. But unfortunately, so far much of the Asian press has not been playing a constructive role and has been highlighting flash points which have been enhancing tension. This has to change. (A-P)



From left: Sato Yoji Chairman of One Asia Foundation, Joon-kon Chung Senior Researcher of One Asia Foundation and Chung-Yeon Cho President of City Media.

**One Asia Foundation: Purpose and Objectives**

1. To financially support organizations and groups which share goal of contributing to the formation of an Asian Community in the near future.
2. To financially support colleges, including their teaching staff, in Asian countries for the project of establishing a department, a course of study or a subject relating to the formation of an Asian community in the near future.
3. To encourage political dialogues among Asian countries from a viewpoint of promoting the formation of an Asian Community in the near future.
4. To financially support institutions and scholars specialized in research work concerning taxation, financial or monetary systems, or some other fields, which will be useful for the formation of Asian Community in the future.
5. To establish a scholarship for students enrolled in the college departments or courses in Japan, and who are studying the subjects mentioned in the above section two.
6. To support academic, cultural and sports exchanges in order to promote the formation of Asian Community in the future.
7. To carry out any other projects necessary to achieve the aim of the Foundation.

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# RIMS – Remote Infrastructure Management Services

BY SHAMILA JANAKIRAMAN

**M**any used to wonder years ago, when visiting banks, how bank officials had only a monitor and keyboard in front of them but no CPU. They did not know that all the data comes from servers stored in a special server room with necessary cooling arrangements.

The bigger the organization, the bigger the server room becomes, and it is called the data center. Engineers man it to keep it running efficiently, but now even this infrastructure can be managed by people stationed half way across the globe. Service providers render network services, helping with desk support, server maintenance and desktop management, network monitoring, database administration and mail server maintenance, to name but a few of the infrastructure management services that can be performed from a network operations center, or NOC, located anywhere on the map.

Nowadays infrastructure is usually managed remotely, and such work is often outsourced where engineers do not sit in a data center of any organization to keep the infrastructure up and running. They generally work from a different building, city or from their homes if need be. Hence the same work done offshore should not pose a problem for anyone.

Remote Infrastructure Management Services, or RIMS, allows for outsourcing IT Operations by leveraging a cloud infrastructure. The two models in which RIMS is delivered are As-a-Service offering and enterprise services. The open technology and business environment enabled by cloud computing have optimized RIMS delivery, which nowadays has come to be known as Infrastructure Management Services, or IMS.

Advantages such as low operational costs and enhanced operational systems have resulted in a RIMS worldwide market size of about US\$95 to \$108 billion, with continuing annual growth envisaged at 20 to 30 percent. The entire RIMS global market is forecast to be worth US\$355 billion by 2016. Emerging markets will count for about 31 percent of the worldwide market, encompassing Asia-Pacific, Latin America, the Middle East and Central and Eastern Europe regions.

Recent growth has been due to improvement in offshore delivery capabilities of global IT service providers, data center transformation, and utility-based cloud computing, along with initiatives taken to cut costs in infrastructure management.

A competitive IT business environment and the economic downturn have forced organizations to cut expenditures by avoiding purchase and maintenance of infrastructure resources internally and employing additional staff. Additionally, the fast evolving IT environment has become too complex

for organizations to manage by themselves.

RIMS allows organizations to focus on their core competencies instead of worrying about IT infrastructure management

RIMS delivery will be a major source of revenue for service providers as offshore application development markets mature. Legacy U.S. and European RIMS providers also prefer offshore delivery to widen their profit margins.

making sure that there is an uninterrupted flow of real time information.

RIMS providers leverage Information Technology Infrastructure Library, or ITIL, frameworks for service delivery and service support to deal with customer requirements. A unified solution with monitoring and management services is delivered using processes like ITIL for managing services and Cobit for governance. Service providers manage IT operations for several customers at less cost, as delivery cost is divided among several customers and amortized over a period of a decade or more.

RIMS has proved beneficial to IT service providers as well. They are able to earn extra revenue by running their Network Operation Centers during the night time when they are otherwise idle after a day's work, leveraging time differences and delivering infrastructure management for customers half way across the globe.

RIMS is delivered via Remote Infrastruc-



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Content Management System on Document in 3D.

ture Management Outsourcing (RIMO) and traditional Infrastructure Outsourcing (IO) models. The RIMO model is popular, which has resulted in rapid growth of the RIMS market. The pay-per-usage model for short term assignments serves the needs of most organizations.

Traditional IT service providers like IBM are feeling the heat from offshore providers. When legacy service providers like IBM are involved, the infrastructure outsourcing deal will result in the taking over of data centers, machines and even people. But offshore providers do not disturb the customers, only delivering required services.

## RIMS Offshoring

RIMS delivery will be a major source of revenue for service providers as offshore application development markets mature. Legacy U.S. and European RIMS providers also prefer offshore delivery to widen their profit margins. Previously the reliability of offshore telecom services was prohibitive for critical work, but rapid development in power and telecom sectors in most countries has helped the industry.

In spite of numerous advantages for providers and customers, RIMS may not be suitable for every type of organization. Organizations have to consider the risks and additional management overhead that they will have to pay when 'off-shoring' projects. Application development work also increases when off-shoring real-time operational support, as training and governance become critical. Irrespective of cost savings, RIMS may not benefit some IT companies owing to compliance and political issues. Company heads have to analyze cost savings, optimization, transformation and efficiency factors before implementing RIMS in their organizations, advise experts.

## Global RIMS Scenario

The penetration of infrastructure management services in the Asia-Pacific region is not very high compared to other regions of the world. However, owing to the economic downturn in Europe and the Americas many companies are looking at the emerging Asia-Pacific region as a lucrative market to grow their RIMS business.

Unlike with Western customers, RIMS providers have to introduce immediate changes for Asia-Pacific customers. This is made possible by system integration business. In this region RIMS is offered in a co-

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# India's Media & Entertainment Industry

BY ANSHU SHRIVASTAVA

**I**ndia's economic growth rate may have slowed recently but its Media & Entertainment (M&E) industry hasn't lost its 'attractive' and 'tremendous potential' status. It's still one of the fastest growing industries in the country and is poised to achieve a growth rate of 13 percent in 2012.

The industry is witnessing growth across all its mediums and whatever the time and mood, entertainment is always in demand. According to market reports, M&E industry is rapidly evolving and new opportunities are emerging to fuel its spectacular growth rate.

Jehil Thakkar, head of media and entertainment at KPMG, told the media earlier this year that, backed by the strong consumption in Tier 2 and 3 cities along with continued growth of regional media and fast increasing new media business, the Indian Media and Entertainment industry grew by 12 percent in 2011 to Rs 72,800 crore (\$US15 billion).

He also said that the landscape of this industry is undergoing a significant shift that is attributed to factors such as expanding customer base, cable digitization, wireless broadband penetration, increasing direct-to-home (DTH) penetration, digitization of film distribution and growing Internet usage. Also, the industry is becoming highly fragmented because of new customers based in the smaller pockets of India, the entry of new players who are increasing the competition in the market, new regions becoming target markets for the new as well as the existing players, and also the growing popularity of regional media channels.

In addition to the main components such as television, print, film, radio and music, the Indian M&E industry is now comprised of new age mediums such as out of home, animation and VFX, gaming and digital advertising. Up until 2015, the industry is likely to be dominated by TV, print and films, according to the paper "Digital Transformation in Entertainment and Media" published by PWC and ASSOCHAM. It noted that the constituents of the industry are presently dominated by segments which have not been widely affected by the rapid digitization as experienced across the world.

Television has contributed significantly to the growth rate of this industry and it's the preferred choice of entertainment for the majority of Indians. It has a share of around 47 percent in the Indian M&E industry's pie, and according to market reports, it is expected to grow to 50 percent by 2015. India is the third largest market for TV after the U.S. and China. It's estimated to be



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News channel covering an Art fair in India.

around Rs. 329 billion (US\$6 billion) and forecasted to reach Rs.735 billion (\$13 billion) by 2016.

In comparison to five channels in 1991, today there are nearly 623 TV channels available in the country. The total number of television households in India is 146 million with a TV penetration of approximately 60 percent. This is expected to grow to 70 percent by 2016, according to a report published by KPMG and FICCI, entitled "Digital Dawn – The Metamorphosis Begins: FICCI-KPMG Indian Media and Entertainment Industry Report 2012." Additionally, cable and satellite penetration of television households is nearly 80 percent. Moreover, during the past few years, the DTH TV industry has also seen an incredible growth rate thanks to investments by the existing and also new players.

The print media continues to be the second largest medium in the Indian M&E landscape after TV. In the West, the market for print media has stagnated and new mediums such as the Internet are rapidly eating up its share. But in India, print has a considerable market share and it's still growing – albeit somewhat more slowly now. FICCI-KPMG's report noted that there are 82,000 newspapers that have a readership of 181.91 million; and the newspaper industry is worth Rs.197 billion (US\$3.5 billion) while the magazine industry is Rs.13 billion (\$231 million).

For customers outside of India, the Indian M&E industry is mostly about Indian films that feature songs and dances. This year, the country is celebrating 100 years of Indian cinema. In recent years, Mumbai-based Bollywood, the Hindi film industry, has caught the attention and interest of the international audience as well as the international media. Indian film industry, however, is not limited to just Bollywood but also includes regional film industries. Annually, the country produces nearly 1000 films in 20 languages, including Tamil, Telugu, Kannada, Malayalam, Punjabi, Bengali, Marathi, and more.

According to industry reports, the self-sustaining Indian film industry not only is the largest film producer but also has the largest number of film watchers in the world, with annual admissions exceeding 3 billion tickets. The Indian film industry

is expected to grow from US\$3.2 billion in 2010 to \$5 billion by 2014 – at a CAGR of 14 percent.

In the year 2002, the government of India removed restrictions on foreign direct investment (FDI) in the film industry. The Indian government now permits up to 100 percent FDI in all activities associated with films such as film production, financing, distribution, exhibition, marketing, and more – for all companies under the automatic route. The long term attractive potential, a growing middle class and increasing disposal income levels are making the film industry a profitable destination for FDI. Earlier this year, Disney acquired a controlling stake in UTV, one of India's biggest media companies.

Radio, through a stabilization process, has re-entered into a growth phase. In the late 90s, there was a big question mark against radio's long term prospects and whether it would survive in the 21st century, but this medium got a new lease of life thanks to the advent of new technologies, including cell phones. Last year, it grew at a rate of 15 percent. At present, according to reports, it covers 30 percent of India.

...the landscape of this industry is undergoing a significant shift that is attributed to factors such as expanding customer base, cable digitization, wireless broadband penetration, increasing direct-to-home (DTH) penetration, digitization of film distribution and growing Internet usage.

Recently, the Indian Government approved the Phase III auction for FM Radio privatization. This Phase III policy is expected to expand the reach of FM radio to nearly 227 cities – currently they are present in 86 cities of the country. There will be a total of 839 new FM radio channels in 294 cities. Additionally, the government has raised the cap on FDI and foreign institutional investors (FII) – from 20 percent to 26 percent. According to media reports, "the Phase III policy will result in coverage of all cities with a population of 100,000 and above with private FM radio channels."

FICCI-KPMG's report noted that the tradi-

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## SPECIAL REPORT

# Indian Science Congress Association Celebrates Centenary

BY VIJAY LAXMI SAXENA

**T**he Indian Science Congress Association has come a long way since it was established in January 1914 at the premises of the Asiatic Society, Calcutta. One hundred and five scientists from different parts of India and abroad attended the first meeting with papers numbering 35 in botany, chemistry, ethnography, geology, physics, and zoology presented.

From this modest beginning, the ISCA has today grown into a strong fraternity with more than thirty thousand members to date. The annual number of papers communicated for reading has risen to nearly one thousand.

The Indian Science Congress Association (ISCA) owes its origin to the foresight and initiative of two British Chemists, namely, Professor J. L. Simonsen and Professor P.S. MacMahon. It occurred to them that scientific research in India might be stimulated if an annual meeting of research workers could be arranged, somewhat along the lines of the British Association for the Advancement of Science.

The Association was formed with the following objectives:

- (i) to advance and promote the cause of science in India;
- (ii) to hold an annual congress at a suitable place in India;
- (iii) to publish proceedings, journals, transactions, etc;
- (iv) to popularise science.

The theme of the this year's conference is 'Science for Shaping the Future of India'. Along with the event, Women's Science Congress, Children's Science Congress and Science communicators meetings will also be organized.



ISCA Building

After Independence in 1947, the Indian Science Congress started achieving eminence as Pandit Jawaharlal Nehru, first Prime Minister of India, started showing great interest in the development in scientific temperament in the country. As a result, the 34th Annual Session of the congress was held at Delhi in January 3-8, 1947, with Pandit Jawaharlal Nehru as General President. Pandit Nehru's personal interest in the science congress continued thereafter, and there had been hardly any session which he did not attend. He has immensely enriched the activities of the congress by his sustained interest in the development of the scientific atmosphere in India, particularly among the younger generations. In 1947, under the leadership of Pandit Nehru, a special program for inviting representatives from foreign societies and academies was included in the science congress to give it wider and broader representation. This trend still continues with the support of the government of India's Department of Science & Technology.



Pandit Jawaharlal Nehru  
1947 (Delhi)

## Interaction with Foreign Scientific Academies/Associations

After gaining independence, the ISCA has been actively represented in various foreign scientific academies/associations,

namely the British Association for the Advancement of Science, the American Association for the Advancement of Science, the French Academy of Sciences, the Bangladesh Academy of Sciences, the Sri Lanka Association for the Advancement of Science, etc., all with a view to have firsthand knowledge on topics of mutual interest.

## Task Force

A major breakthrough was made in the Indian Science Congress when the Department of Science & Technology set up a permanent task force involving representatives of the ISCA and chiefs of different agencies and voluntary organizations, with the responsibility of following up various recommendations on the focal theme in 1980. Every year since, follow-up actions on recommendations made in the previous science congress are discussed at a general session organized by the DST. Through this process, the Indian Science Congress Association has been contributing to the development of science in general and national science policy, in particular.

## Young Scientists' Award Program

The Indian Science Congress Association introduced a program for young scientists from the 68th Session of the Indian Science Congress in 1981. The program enables young scientists to present their research work with opportunities to exchange ideas in the relevant scientific areas with their counterparts and other specialists. The ISCA Young Scientists Awards are given to candidates for making the best presentations. Fourteen such awards are given at present; they include Rs.25,000 (US\$500) and a certificate of merit.

## Presentation of Papers

It was decided that generally most of the contributed papers, which were accepted on the basis of a careful screening by the concerned sectional presidents, with the help of screening experts, would be presented by way of posters. Further, to encourage scientists it was decided that there would be two cash prizes along with a certificate to be awarded to the best presentation in each section.

## ISCA Chapters

The association started organizing popular science lectures in different centers in India from 1962-63. The scheme envisages constructive work for the popularization and advancement of science throughout the year. Up until 1985-86 these lectures were delivered at seventeen centers spread over the country. However, they were restructured with the formation of regional chapters from 1986-1987.

One of the major objectives of the ISCA is to inculcate a scientific temperament among the people and to encourage young

scientists to grow up steadily in this direction, involving them in the programmes relevant to fundamental, experimental and operational activities. With these objectives in view, ISCA started Chapters from 1986-1987 in different places in India. At present, ISCA chapters are located at Allahabad, Amravati, Aurangabad, Banasthali, Bangalore, Bhopal, Bhubaneswar, Bodh Gaya, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Jaipur, Jammu, Kanpur, Karnal, Kolkata, Mumbai, Manipur, Nagpur, Patiala, Pondicherry, Port-Blair, Shillong, Tirupati, Vadodara and Visakhapatnam.



Dr. Manmohan Singh, Prime Minister of India, with General Secretary Dr. Vijay Laxmi Saxena at the Innovation Ceremony held at Kolkata on 2nd June 2012

### Continued from Page 36

sourcing model. It serves the needs of large customers and optimizes the mix of cost saving and control for the customer.

Off-shoring infrastructure maintenance for Asia-Pacific companies is not typical, as they prefer services to be delivered from local delivery centers. Customers will outsource RIMS to vendors but prefer them to be done locally rather than remotely.

Indian companies like HCL Technologies offer managed services via delivery centers in Singapore, the Philippines and Malaysia to serve companies of this region in financial services, healthcare and pharmaceuticals, media, publishing and entertainment industries.

In February 2012, India's National Association of Software and Services Companies (Nasscom) published a report (compiled by McKinsey) which clearly stated that it was possible to offshore three-quarters of all infrastructure management roles. This will help realize a US\$26 billion to \$28 billion revenue opportunity by 2013. Indian companies can look forward to garnering 50 percent share of this revenue.

Some Indian providers are also offering infrastructure optimization consulting services, according to Gartner research analysts. They are striving to catch a wider market by offering insights into customer business and pricing models. This is way above what their western competitors will provide. Also Indian RIMS providers customize pricing elements in innovative ways for customers. The large margins that they are able to realize enable them to add unique services to their packages.

Indian RIMS providers may be eyeing the asset-heavy market spaces, moving from their previous asset-light offerings. This has

After Independence in 1947, the Indian Science Congress started achieving eminence as Pandit Jawaharlal Nehru, first Prime Minister of India, started showing great interest in the development in scientific temperament in the country.

### Centenary Year

For the advancement of Science in India, the ISC is the biggest scientific body in the country. Scientists and researchers can present their findings in 14 different sections during an annual session held every year during January 3rd to 7th. There are 29 ISCA local chapters. This year being the centenary year, celebrations will be held in Kolkata with Dr. Manmohan Singh Ji, (Honorable Prime Minister) as General President. As a part of the year-long celebrations, three regional congresses at Vadodara, Delhi and Coimbatore are to be organized. The proposed congresses are aimed to motivate young talent to present their novel findings at national forums in their nearest region.

The theme of the this year's conference is 'Science for Shaping the Future of India'. Along with the event, Women's Science Congress, Children's Science Congress and Science communicators meetings will also

be organized. The five-day event will see a 'Pride of India' expo and other programs. Participation of several eminent scientists, and experts from various science and technology related fields will take part in the plenary sessions and panel discussions. Scholars and school children from across the country and delegates from abroad, including NRIs and several Nobel laureates, will participate in the ISC.

Today India and Korea enjoy close cooperation in the science and technology sector. The Indian Science Congress is pleased to invite scientists, professors and researchers from South Korea to the Indian Science Congress (100th, ISC) to be organized between January 3rd and 7th, 2013, in Kolkata, India. The organizers will be happy to provide free local hospitality for the duration of your stay there. (A-P)

\*The writer is General Secretary of the Indian Science Congress.

made the market more dynamic owing to Indian providers' ability to deliver all services optimally.

RIMS allows organizations to focus on their core competencies instead of worrying about IT infrastructure management making sure that there is an uninterrupted flow of real time information.

Another lucrative market is the Middle East real estate market. With more and more IMS providers migrating from network-centric operations to customer-centric business, real estate players in the Middle East have opted for customized operating models in outsourced managed services. This helps them optimize end-to-end customer experience with cost reductions and greater efficiency.

### Future of RIMS

RIMS has been an answer to companies bogged down with increased expenditures. Globalization of IT services serves as the best answer to address economic issues which were absent some years back. The availability of highly qualified support from people across the world at less than half the

cost will surely act as an impetus to more work moving offshore.

Business organizations are more willing to move to the cloud. Cloud computing services, whether delivered locally or from the other side of the globe constitute remote services.

Managing servers in the cloud with customized services help customers maintain high uptime. Day-to-day IT operations and new implementations can be done with ease. ITIL-based personalized cloud managed services are flexible and match customer's internal services. The elimination of expenditures on servers and other hardware and software licenses is a prime advantage for RIMS customers. (A-P)

### FACTOIDS:

- RIMS allows organizations to focus on their core competencies instead of worrying about IT infrastructure management, ensuring that there is an uninterrupted flow of real time information.
- In spite of so many advantages for providers and customers, RIMS may not be suitable for every type of organization.

### OTHER READINGS

- Advantages and disadvantages for RIMS [http://www.cio.com/article/198450/Outsourcing\\_The\\_Pros\\_and\\_Cons\\_of\\_Offshore\\_Remote\\_Infrastructure\\_Management](http://www.cio.com/article/198450/Outsourcing_The_Pros_and_Cons_of_Offshore_Remote_Infrastructure_Management)
- RIMS Provider <http://www.vishwak.com/services/remote-infrastructure-management>

# Global Green Growth Summit 2012: Poor Nations Can Have Green Growth, Too

BY JENNIFER CHANG

The 2nd Global Green Growth Summit was held in Seoul on May 10<sup>th</sup> – 11<sup>th</sup> under the theme “Global Governance for Green Growth and the Green Economy.”

The Global Green Growth Institute and South Korean government hosted the event in partnership with the OECD, World Bank and UN Environment Program. At the conference, environmental policymakers and experts from across the globe discussed how all countries can adopt green growth policies in 2012 and beyond.

One of the main ideas the summit presented is that green growth is not just for rich nations. For instance, the World Bank released a report at the meeting which debunks the myth that most governments cannot afford environmentally friendly growth. Instead, the report said political motives, entrenched habits and a lack of suitable financing systems are to blame. It called on poor countries to pay attention to the environment in the course of their economic development.

The summit also explored ways to help developing nations achieve eco-friendly growth at working sessions. These included an expert panel’s discussion on how the world community can provide policy guidance and capacity-building support to such countries. The discussion was chaired by the OECD Director of Environment, Simon Upton, who said the OECD is committed to providing financial support to help developing nations attain green growth.

According to the OECD, that aid is part of official development assistance (ODA) supplied to developing countries by member nations of the OECD’s Development Assistance Committee. Last year, the committee’s member states provided a total of US\$133 billion dollars of ODA, or 0.3 percent of their combined gross national income. Also, the U.S. was the largest donor by volume with ODA topping 30 billion dollars.

One panelist was Dr. Douglas Arent, Director of the Joint Institute for Strategic Energy Analysis at the National Renewable Energy Laboratory. The think tank is the U.S. federal government’s only lab dedicated to R&D and commercialization of green energy. Arent told Asia-Pacific Business and Technology Report that “under the Copenhagen Accord, the U.S. spends substantial sums to help create low emission development strategies (LEDS) for developing countries.” He said such strategies consist of concrete policies that let developing countries boost economic growth, manage the environment better and meet development goals.

The strategies include alternative development scenarios that achieve economic



Top: Global Green Growth Institute Director Han Seung-soo shakes hands with an attendee at the 2012 Global Green Growth Summit. Above: South Korean President Lee Myung-bak gives the opening address at the 2012 Global Green Growth Summit.

goals while reducing greenhouse gas emissions. They also allow developing countries to transition to low carbon economic development, resulting in sustained growth in employment and investment. Arent explained that the Copenhagen Accord, which was signed into agreement in 2009, urges global cooperation to fight global warming and notes a low-emission development strategy is needed for sustainable development.

Another panelist was Chung Rae Kwon, Environment and Development Division Director at the U.N. Economic and Social Commission for Asia and the Pacific. Chung said developing countries in the Asia-Pacific are especially vulnerable to energy security issues. And even a developed state like South Korea is paying 11.7 percent of its gross domestic product for energy imports.

He told me that, “The Asia-Pacific is using three more times resources than the world average, so it is particularly vulnerable to resource constraints. Also, in terms of climate change the region is suffering 80 percent of all casualties from disasters and is thus especially vulnerable to global warming.”

Chung added that “South Korea is a role model to developing nations in the Asia-Pacific when it comes to setting up political leadership. He stressed such leadership means “placing green growth in the national agenda as a high priority” and called it “a unique quality Korea is presenting to them.” He also said, “So far, I have not seen any developing country or any nation in the world placing as much importance on green growth as Korea.”

Other important topics presented at the summit are Korea’s plans to take on a leadership role in the global green growth

endeavor. South Korean President Lee Myung-bak unveiled the plans in his opening speech at the summit.

For instance, Lee said that Korea’s Global Green Growth Institute would be launched as an international organization in October during a U.N. climate change meeting. The institute is a Seoul-based think tank that develops strategies for green growth. It has also hosted the Global Green Growth Summit annually. He added that, “With the institute’s transformation into an international organization, green growth that Korea has advocated is becoming a shared asset of the international community beyond borders.”

Lee also said Korea would increase the ratio of environmentally friendly projects to 30 percent of its total ODA by 2020. As one of his trademark policies, green growth aims to weaken South Korea’s dependence on fossil fuels and develop alternative energy sources such as wind and solar power. And it targets technologies that increase energy efficiency.

Other important topics presented at the summit are Korea’s plans to take on a leadership role in the global green growth endeavor. South Korean President Lee Myung-bak unveiled the plans in his opening speech at the summit.

He also promised to create a research park with a cluster of think tanks to further develop global green growth strategies. The park will be in Hongneung, an area of Seoul housing research institutions credited with triggering Korea’s economic miracle and its development of modern technologies. Lee pointed out that this would create a synergy effect by joining relevant industries and institutions.

Other key issues covered at the summit include relieving stress on freshwater

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tional media businesses saw a slow down last year. In comparison, the new media components of the M&E industry – animation and VFX, online and gaming businesses – witnessed phenomenal growth rates.

Yash Chopra, chairman of FICCI Entertainment Committee, told The Hindu Business Line that, “2011 was clearly the year when digital technologies began to deliver on their promise. Digital film distribution has helped widen film releases while controlling costs. In television, the digitization of cable will transform business models of all stakeholders and offer consumers more choice and convenience. Even as digital generates new opportunities, it also brings with it challenges that the industry must solve more urgently than anticipated.”

Industry experts believe that digital is the new “buzzword.” It’s expected to redefine India’s M&E industry. Every component in the M&E industry landscape is going to feel its impact and adopt to it in some way in the near future. As per the “Digital Transformation in Entertainment and Media” paper, the new digital paradigm is all set to restructure the working models for the television, music, publishing and film industries.

The research paper noted that movies and television shows are gradually embracing the ‘on-demand’ mode on any digital device while books, newspapers, magazines and other forms of publications are reinventing themselves on interfaces such as mobile phones and tablets. It also stated that the business potential is huge in terms of services and investments in infrastructure as the world’s largest market goes ‘digital’. As mentioned in the paper, “This is likely to open up new revenue streams.”

India’s M&E industry is not without problems and the slowing down of the economy directly affects its revenue graph. The industry relies mostly on advertisements rather than subscriptions to sustain the business. According to media reports, TV broadcasters generate 70-90 percent of revenues from advertising. Currently, Indian media companies are experiencing volatility in advertising rates, which has augmented cash flow problems. Earlier this year, Turner Broadcasting System shut down its Hindi general entertainment channel ‘Imagine TV’, which it acquired from NDTV in 2010, as it was unable to achieve the ratings consistency needed to sustain the business and support continued investment.

Piracy is a huge problem area, especially for the Indian film industry. As per an IANS report, published last year, an estimated 600 million pirated DVDs are sold in India every year compared to only 20 million original ones. “The overall impact of piracy on the entertainment business is anywhere between US\$1 and \$2 billion,” said Hiren Gada, director at Shemaroo Entertainment.

The Indian M&E industry may have its issues but Indian customers have nothing to complain about. They have immensely benefited from this evolving and growing phase of the industry and are enjoying an abundance of more choices now. 



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**BY SHAMILA JANAKIRAMAN**

## BYOD – Bring Your Own Device

**G**one are the days when high-ranking officials sported a BlackBerry, which was more a symbol of their post and perks than a device to do work with. Nowadays more and more organizations are moving towards BYOD.

Bring Your Own Device, or BYOD, is an initiative quickly gaining ground where employees are allowed to bring their own devices like laptops, smartphones and other mobile devices to their work environment. Consumerization of the IT revolution, with the advent of new devices like the iPhone and Android-powered mobile devices, has sparked a revolution of sorts where consumers are increasingly going for the latest and most advanced technology in the market. Organizations, however, tend to evolve towards new hardware more slowly as costs involved are too high.

IT departments of organizations generally lag behind consumers and employees who are well-informed and have the flexibility to change electronic devices more often and prefer to bring them to work. Although the hardware expenses are passed on to the employee, there are certain issues the organization must still address.

First of all, they will have no control over their employees’ type of IT hardware or how it is put to use. When devices are provided by the company it is protected and managed by the IT department, as minimum security requirements have to be enforced when allowing own devices to access company data and network resources. This may not be easy when employees are using their own devices.

To safeguard compliance and data ownership, PCI DSS, HIPAA, or GLBA mandates have to be enforced even if the data is on an employee’s device. This makes the data easy to be retrieved under a well-described policy when a person leaves an organization.

Once BYOD programs are introduced within companies, several advantages can be experienced. Costs incurred for hardware, voice or data services and other device-related expenses are passed on to the user, representing a big saving for the company. It has been found that employees are actually happy to spend on their own devices, which also allows them to overcome the

hassle of always handling two devices, one personal and the other company-provided.

Greater worker satisfaction can be realized with BYOD initiatives, as employees prefer to do their office work on their own device which they use at home, rather than the company-issued device. As leading edge technology featuring unique capabilities, smartphones and laptops that employees use give an indirect advantage to organizations as they help augment employee efficiency and hence productivity.


Vmware, faced with the problem of too much expense on maintaining phones, launched the BYOD program, which also

Greater worker satisfaction can be realized with BYOD initiatives, as employees prefer to do their office work on their own device which they use at home, rather than the company-issued device.

satisfied the need of employees who were not satisfied with the corporate phones. Keeping security and compliance in mind, some companies allow users to choose between a company-issued phone plus a paid data plan or the use of their own device supported by a monthly stipend.

O2 emphasizes the importance of security, supportability, legality, funding and exhaustive research before implementing a BYOD environment. A clear-cut policy of who and which devices can access a network needs

to be chalked out to benefit both company and employee. The O2 environment has three tiers for earmarking different levels of access and different devices spanning from basic needs to desktop virtualization that works between business and personal devices.

Introduced as both an HR and an IT initiative, BYOD offers numerous advantages. Besides being a cost-saver, a secure well-designed BYOD program will help improve employee satisfaction and in turn productivity. It also puts technology adoption of a company in fast-track mode. With advancement in security technology many companies are now saving on overhead and reducing their carbon footprint by letting staff work from home. No wonder then that BYOD is catching on. 

# Study in India: India's Growing Education Potential for Foreign Students

BY YASHIKA DHINGRA

**A**bout 2,000 foreign students applied for admission to Delhi University this year. Statistics from the Foreign Students Registry Office indicate that about 60 percent of the applications are for under-graduate courses. Forty percent of the remaining applicants are interested in post-graduate and PhD programs offered by the university.

These students are from various nations including Nepal, Afghanistan, Iran, Iraq, Vietnam, South Korea and China. The number of foreign students at Delhi University (DU), according to a report by Indian Express, has gone up to 700 as compared to 580 in 2011.

With 343 universities and 17,000 colleges, India is the second largest higher education network in the world and is fast becoming an education hot spot for foreign students. Delhi is not the only Indian dream destination for foreign students as eight foreign students are pursuing their PhD from the Department of Gandhian Studies at Punjab University. Out of these eight, three are from Iran and one from Thailand. A Korean couple also completed their M Phil degrees from the department in 2012.

India is also a sought-after destination by American students. India ranked in 14th position amongst countries chosen by Americans who go abroad to study, according to Open Door Survey, measuring American Educational Exchange.

Foreign students are also interested in e-learning courses offered in India. About 20 percent of the enrolment in the e-learning certificate course offered by the Center for Environment Planning and Technology (CEPT) University are from countries, including Ethiopia, Belgium, Afghanistan, Sri Lanka, Nepal and Bhutan.

There are several reasons for the flocking of foreign students to India. First, the large education system. India has a very large one indeed, and in addition to traditional courses, it offers many other vocational programs that train students for lucrative jobs in various industries.

Second, India offers affordable education. Cost is a major factor for many when making a decision to study abroad, and Indian education attracts foreign students due to its high quality at affordable enrollment fees.

Third, India has a huge English speaking population and foreign nationals find it easy to communicate with the locals as well as the authorities during their stay here. The medium of instruction in most universities and colleges is English.

Finally, there is the issue of scholarships. The government of India provides several scholarships for international students and this gives them an opportunity to study abroad without incurring high cost for education.

Perhaps all these factors have made India attractive to foreign students. In fact, India as an education destination attracts more students as compared to its neighbor China. Survey results from the Melbourne Institute of Applied Economic and Social Research – National Higher Education Systems, 2012 – reveal that India registered more international students than China in the past one year.

“Connectivity has been our advantage for we have the British education system with English as our medium of learning,” said Prof Ram Singh Nirjar, former Chairman of AICTE. “Our research has had good collaborations with foreign scholars. However, we can enhance this by providing more scholarships to students who wish to study here.”

(A-P)

With 343 universities and 17,000 colleges, India is the second largest higher education network in the world and is fast becoming an education hot spot for foreign students.



Q&A

LEADERSHIP

Choi Seung Yoon

CEO of Ogada

By Dr. Lakhvinder Singh

**C**hoi Seung Yoon is a figure of success in the Korean café and beverage industry. Within a short span of three years he has made his company one of the fastest growing in Korea. It has already got some international attention with a franchise café opened in both Japan and Taiwan. Choi Seung Yoon talked to Dr. Lakhvinder Singh in his office in downtown Seoul about his future plans to expand to global stage.



Choi Seung Yoon, CEO of Ogada.

**Can you tell me about the history of Ogada and your own background in the Korean beverage industry?**

One day, while walking the streets of Seoul, I could not fail to notice that the street was full of coffee franchise stores, but nowhere were any Korean tea stores to be seen. I thought 'why not open a teahouse selling Korean tea? It will be a great success'. That's when I started doing research about our tea. 2 to 3 years later, I decided to open a takeout store near City Hall, and that's how Ogada started.

**Why was the name "Ogada" chosen for the company? What kind of brand image does your company portray?**

The name Ogada is an abbreviation of the meaning 'Five Beautiful Korean Traditional Hanbang Teas', 'Hanbang' meaning Korean traditional medicine which helps cure one's body and spirit. Ogada also means 'to come and go' in Korean, which shows our identity as a takeout teahouse which serves beautiful Korean teas excellent in both smell and taste, and nutrition to our customers. Our logo is a figure of a drop of Korean traditional ink spreading in an indefinite form, which signifies the unlimited potential Ogada

has in expanding its brand throughout the world.

**How has your company modernized the concept of Korean beverage without compromising authenticity?**

The biggest reason why people these days consider traditional Korean tea as unfamiliar and distant is mainly because of its bitter taste and old image. While using similar ingredients used in traditional tea, we tried to create less bitter, and more easily approachable drinks using various fruits and berries that are more familiar to people. We also came up with menus such as persimmon ice flakes and citron slushes which use traditional ingredients but which are fresh and new as well.

**What is the organization of Ogada? What are the different divisions of your company?**

The head office and manufacturing factory is located in Yangpyeong-dong of Seoul. We consist of five divisions, including logistics, marketing, sales, administration and operation division.

Every employee's voice and opinion is appreciated. We value everyone's characteristics and ability. By respecting and learning from each other, we develop ourselves and advance forward.

**How many franchises does your company have in Korea?**

We currently have 60 stores throughout the Korean peninsula under either direct management or franchise agreement. We also have a store in Tokyo Japan, which opened in July under license agreement.

**What sets your company apart from the other Korean beverage franchises within Korea?**

Most franchise stores focus on selling drinks such as coffee and smoothies, which are mostly of foreign origin. On the other hand, Ogada can be distinguished from these franchise stores in that we make an effort to promote Korean culture around the world through our beverages and that we take deep concern about the well-being and happiness of our customers by using carefully selected, high-quality ingredients in our beverages.

We make our best effort to use domestic ingredients grown under strict supervision and management in order for our customers to feel safe and have trust in our beverages.

Juice and slush are made without any additive which satisfies both consumers' concern in health and taste. Our teas are brewed for 24hours using traditional methods. All teas are made under supervision of oriental medicine doctors.

By reinterpreting and standardizing Korean traditional tea, we managed to attract not only domestic, but also foreign customers as well. This March, we captivated the participants from up to 50 different countries during Seoul Nuclear Security Summit, and have participated in various global exhibitions and events



Ogada Tea Stall at the 2012 Seoul Nuclear Security Summit.

as a brand representing Korean food & beverage industry. Our first foreign franchise store was launched in Japan this July, and Ogada plans to open a branch in the Korean Pavilion of In-cheon International Airport.

We also think of the environment by recycling the leftovers of tea ingredients to use them as fertilizers

Ogada is not just about providing excellent quality Korean traditional tea to customers rich in flavor and taste. It is more about taking deep concern our customers' well-being & happiness, and becoming the foundation stone in the globalization of Korean culture.

**How has the Korean beverage industry changed since the founding of your company, and how has your company adapted to these changes?**

The saturation of the coffee industry is one of the greatest factors that contributed to Ogada's success. Currently, there is little room for growth for the coffee franchise stores in Korea, and they themselves have been changing their beverages from coffee-based drinks to hand-drip drinks and beverages using fruits and berries. We believe that the well-being needs will continuously grow among consumers, where Ogada has a great strength by brewing tea using high quality ingredients without any additives. Ogada wishes to present a new relaxing lifestyle full of pleasure to our consumers.

**Where do you see the Korean beverage industry heading in the next few decades? How will globalization factor into the Korean beverage industry?**

Coffee has been leading the Korean beverage



Hanbang Tea Favorites	Taste	Effect
 <b>Ginger and Dried Mandarin Peel Tea</b>	A pungent ginger goes well with good scent of dried mandarin peel.	Ginger is effective in keeping ourselves warm and dried orange peel is a sure remedy for good digestion.
 <b>Asian Pear and Bellflower Roots and Ginger Tea</b>	A sweet Asian pear harmonizes with a spicy smell of a ginger and bellflower roots.	Asian Pear and Bellflower roots protect throat.
 <b>Jujube and Licorice Tea</b>	A nice scent of a jujube is in harmony with sweet licorice.	Jujube and licorice can detoxify body and calm ourselves by having positive interactions.
 <b>Pomegranate Omija Korea traditional Tea</b>	Pomegranate and Omija are sour and robus coreanus fruit is very sweet. They are in harmony together.	Omija is high in vitamin content, pomegranate is good for our beauty and prevents aging and robus coreanus fruit is good for stamina. This is the most popular tea.
 <b>Pumpkin and Corn Silk Tea</b>	Pumpkin has a natural sweet flavor and corn silk gives off a pleasant aroma.	Pumpkin is effective in detoxifying our body as well as making swelling subside. Corn silk helps control a blood sugar level.
 <b>Quince and Citron Slush</b>	A crushed ice beverage with quince and citron that tastes sour and sweet.	Quince and citron are high in vitamin content and strengthen our immunity.
 <b>Sikhye Slush</b>	Sikhye is a Korean traditional beverage.	Good for digestion.
 <b>Persimmon Punch Slush</b>	A crushed ice beverage with a piquant cinnamon and a sweet dried persimmon.	Detoxifies our body.
 <b>Maesil Tea</b>	It tastes sour and sweet.	Effective in detoxifying, maesil tea can relieve stomach aches.
 <b>Quince and Citron Tea</b>	A sour and sweet quince and citron is in harmony together.	Both are high in vitamin content and good for our skin and helps enhance our immune system.



Every employee's voice and opinion is appreciated.

industry for nearly 15 years since the introduction of Starbucks to the Korean peninsula. There's little doubt that coffee is still the most sold beverage in Korea. However, we have certainty that the trend will change in the years to come, and Ogada will be in the forefront of the beverage renaissance. We want to be ready and prepared for the upcoming changes. Also, we believe that globalization will further bring Ogada opportunities to expand, as proven in the case of our licensed store in Tokyo. As more consumers around the world become health conscious and aware of Korean culture, we will be able to reach more consumers around the world.

### What kind of plans have been put in place for Ogada to enter into these markets?

Although Korean traditional tea is somewhat familiar to the elderly and those in their 50s, younger generations tend to find tea unfamiliar and distant. We had to come up with a modernized version of Korean traditional tea that is not only good for health, but also tasty and delicious for the rising generation.

Therefore, we teamed up with oriental medicine doctors and various experts and devised menus that we currently have which many generations from young to old enjoy.

In addition, unlike coffee which is made within each franchise store, we decided to brew and manufacture most of the teas and

concentration in our manufacturing facility located near our head office. It is mainly due to the complexity of brewing Korean traditional tea, which sometimes requires as long as 24 hours to make a single cup of tea. By doing so, we were able to maintain the high quality of our drinks in all of our franchise stores.

When brewing our tea, we made it a rule to only use unprocessed ingredients grown within Korea, in order to not only think about our customers' well-being, but also help domestic farmers suffering from foreign imports on agricultural products.

### What are some other short-term and long-term goals for your company?


In the short-term, we have plans to increase the number of franchise stores from the current 60 stores to 100 in 2012. Based on the Hallyu (Korean cultural flow) boom, we are also expecting opportunities to expand in South-eastern asia.

In the long-term, we want to expand to China and England, which are both countries famous for tea. We wish to be-come a global brand, and hope consumers recall Ogada when they think about tea, as people do nowadays with Star-bucks when they think about coffee.

To reach these goals, we will devote ourselves to our mission statement "To show utmost con-

...we make an effort to promote Korean culture around the world through our beverages and we take deep concern about the well-being and happiness of our customers by using carefully selected, high-quality ingredients in our beverages.

tribution and effort for our customers' happiness', rather than focusing on expansion in terms of quantity.

To truly contribute to our customers' well-being and happiness, we plan to take step by step in expanding our business activities, and start from the inside by providing a joyful and comforting working environment for our employees based on Ogada's philosophy. 



Omija Ice Flakes.



From left to right: Rice Cakes; Jujube and Licorice Tea; Colorful cups at takeout hanbang tea shop Ogada.

# Southeast Asia sees a Surge of Indian Tourists as Rupee Plunges

BY ANSHU SHRIVASTAVA

**E**urope's loss is Southeast Asia's gain as this region recorded a 13 percent increase in foreign tourist arrivals this summer due to the recent depreciation of the Indian rupee.

Indians typically travel a lot during the summer vacations of their school-going kids, and most prefer far away destinations such as the US and Europe. But this year all 'roads' are leading to Southeast Asian destinations, as the rising dollar has made trips to the West very expensive. The Indian rupee has remained between 52 to 56 against the US dollar for more than a month now and this has made overseas travel to Western countries 15-30 percent costlier.

Preliminary data released by Pacific Asia Travel Association (PATA) indicates the rising popularity of Thailand, Bhutan, Cambodia and Vietnam amongst Indian tourists. Over the years the tourism industry has gained importance as a significant source of revenue and employment for countries in Southeast Asia. Governments of respective countries are trying to come up with innovative ideas to attract more number of tourists from the neighboring nations.

For instance, tourism officials in Malaysia recently announced the launch of a promotional campaign focusing on Southeast Asian art to attract tourism in the country. Similarly, the Philippines is set to open a US\$1 billion casino-hotel in the gambling hub of Manila. Casino operator Melco Crown Entertainment has partnered with a consortium of property companies popu-

larly known as the "Philippine Parties" to build this casino-hotel to tap the anticipated growth in the leisure and tourism industries in the Philippines. Melco recognizes the Philippines as a popular tourist destination that is close to major sources of tourists, including South Korea and India.

The company said it wanted to "take advantage of the anticipated growth in the leisure and tourism industries in the Philippines, which will cater to an increasingly affluent and growing Asian middle class who continue to seek new travel destinations and experiences."

Tourism is thus gaining traction in the Southasian countries. "This quarter, destinations like Bhutan, Cambodia, Myanmar, Sri Lanka, Nepal, the Philippines, Singapore and Vietnam contributed a healthy 40 percent growth from Indian outbound travel," said TUI India senior vice-president Sunil Hasija in an interview to the Times of India.

Middle-class Indians want to travel but want cost effective travel packages that do not burn a hole in their pockets. Traveling to far-off destinations in the US and Europe sounds very attractive but it comes at a high price and requires more travel time. In contrast, travel to locations in Southeast Asia is very cost effective and involves less travel time. This may be the reason why 30 percent of tourism revenue in Bhutan was from India.

The Indian rupee is equivalent in value to Bhutan's currency, encouraging about 9,000 tourists to travel from India to Bhutan last year. Given the rupee's deprecia-



Elephants, Ayutthaya, Thailand.

© Charlie Milsom | Dreamstime.com

tion, this number is expected to increase to 30,000 this year.

Rising prices of domestic fares have also contributed to an increase in the number of tourists to Southeast Asia. Basheer Ahemed of Metro Travels told the Times of India that travelers find it less expensive to fly to Southeast Asian countries from Chennai than to Mumbai or Delhi in summer. "We are receiving inquiries from travelers for packages to Singapore, Kuala Lumpur, Bangkok and Hong Kong," said Ahemed.

Young couples who are gainfully employed and who have more vacation time on hand are also preferring to take short trips to Southeast Asian destinations, as they don't have enough time for vacations in the U.S. or Europe.

Expedia India's country head Vikram Malhi reports an increase in the number of young couples and individuals taking short trips to Cambodia, and Vietnam, although Thailand and Singapore remain favorites.

(A-P)

## Continued from Page 40

resources caused by sustained economic development, population growth and climate change. The media's role in raising public awareness and knowledge on green growth and the economy was on the summit agenda as well. The event also discussed ways to improve international cooperation and governance by multilateral institutions like the G20 to support efforts by states to include green growth in their economic development.

At the summit, one of the key participants was Masayoshi Sen, the billionaire founder and CEO of Japanese cell phone operator Softbank Corporation. Sen proposed a harnessing of enormous wind and solar

power in Mongolia inside the Gobi Desert and linking the renewable energy generated to Japan. He also made a plea for a global end to nuclear power following the Fukushima nuclear accident last year.

In addition, the conference examined issues such as how countries can and should take the initiative in strengthening global governance of green growth by working together. It also looked at ways to strengthen international management of ocean fish stocks to keep them from being exploited or depleted. And it talked about the possibility of a sustainable energy trade agreement between countries that would reduce barriers to trade in eco-friendly goods and services.

At the close of the summit, Han Seung-soo, Chair of the Global Green Growth Institute's Board of Directors, shared his thoughts on the event in an exclusive interview. A former South Korean prime minister, Han said he was very pleased with how it had turned out.

"We are happy about the achievements of this year's Global Green Growth Summit. There are a lot of interesting people involved, and interaction between them and the Global Green Growth Institute has been excellent. Also, on the occasion of the summit we had the initializing ceremony for the agreement on the conversion of the institute into an international organization. We are so happy about it," he said. (A-P)



Foreign patients being treated at hospital in downtown Seoul.



© KTO

## Booming Medical Tourism in Korea

BY SUNG-WOOK CHO

**K**ristine Davis, who played the role of Charlotte York in the big-hit drama ‘Sex and the City’, visited Korea in 2010 for medical tourism with many other celebrities to get anti-aging treatment. Major hotels in Southern Seoul are full of medical tourists from China who are here for various types of plastic surgeries.

It is not uncommon in major department stores in southern Seoul to see medical tourists with bandages on their face enjoying shopping. These new street scenes have been occurring here since 2007 when Korea started receiving foreign medical tourists.

Korea received only 18,000 medical tourists in 2007, but it is expected to receive 200,000 medical tourists by next year and 1,000,000 by 2020 (fig.1). This unbelievably rapid increase is attributed to Korea’s very strong competitive edge in medical tourism in areas such as Korean doctors’ medical skill level, medical facilities, medical costs, and medical tourist processing system. Korea’s medical skill level is considered at about the same level as the USA or Singapore, and its medical cost is considered as about on par with Thailand or India in plastic surgery and with Singapore in intensive care (fig. 2).

Korean government designated medical tourism as one of its 17 national strategic industries, considering these competitive edges in medical tourism industry. Korea’s strength is more visible in holistic treatment combining Korean traditional medicine and western medicine. With the big-hit Korean-wave drama “Daejanggeum and Hurjooon”, which is about two famous

Korea traditional medicine doctors, Korea’s advancement in Korean traditional medicine became very well known in China, Japan, and most of the South-Eastern nations. Hurjooon was a 16 century court doctor for King Seonjo and authored the historic Korean traditional medical bible “Dongeobogam”. Daejanggeum was also a court doctor under King Jungjong in the late 15th century.

To take a look in the current situation of Korean medical tourism, the largest number of medical tourists came from the USA, with 27,506 people occupying 22.5 percent among a total number of 122,297 medical tourists in 2011. This was followed by Japan with 22,491 (18.4 percent), China 19,222 (15.7 percent), Russia 9,650 (7.9 percent), Mongolia 3,266 (2.7 percent), Canada 2,051 (1.7 percent), Gulf Coast countries 1,821 (1.5 percent), and so on. The highest percentage of medical tourists visited Korea for a medical check-up (17.8 percent), followed by dermatological treatment or plastic surgery (17.0 percent), Korean traditional medicine treatment (13.95 percent), and esthetic skin and body care treatment (10.1 percent) (fig. 3).

The major stake holders of the medical tourism industry are medical tourists, hospitals, medical doctors, medical travel agencies, government regulators, and medical coordinators. Medical coordinators are the people who connect medical tourists to hospitals or medical travel agencies. Therefore the medical coordinators should be well versed with medical terms as well as with medical tourists’ native languages. Demand for medical coordinators in Korea is rapidly increasing with the growth of this new industry. As one can guess, demand for medical coordinators with language ability in English, Japanese, Chinese, Russian, Mongolian, and Arabic is increasing rapidly.

Korea is very well prepared to receive foreign medical tourists from all over the world. With its state-of-the-art medical facilities, highly trained medical doctors,

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With its state-of-the-art medical facilities, highly trained medical doctors, and medical coordinators who can represent the medical tourists in their mother tongue, Korea’s place in this industry will continue to sky-rocket in the near future to perhaps the top medical tourism destination in the world.

and medical coordinators who can represent the medical tourists in their mother tongue, Korea’s place in this industry will continue to sky-rocket in the near future to perhaps the top medical tourism destination in the world. (A-F)

# Backwaters of Kerala

BY MEENAKSHI SHANKAR

**K**erala – most commonly referred as God’s own country, is a most unique sketch of nature where one can encounter lush countryside, rippling waters, layers of coconut groves, the aroma of paddy fields, calm fishing villages, enchanting woods and forests, the Silent Valley and healing Ayurveda.

A destination of a lifetime, Kerala is a wonderful tourist spot of South India wedged between the Western Ghats on the East and the Arabian Sea on the West, having several enchanting attractions in its sleeves.

The sovereign of all charming aspects of Kerala is the serene wildness coating Kerala backwaters that is not to be found anywhere else in the world. Kerala backwaters are stunning, serene and mesmerizing and offer a pleasurable experience to tourists. It is a stretch of one of the most tranquil and relaxing places that one can come across.

Located in the southwestern part of the country, Kerala’s backwaters are the epitome of tranquility which adds a little mystique to the southern landscape, also presenting a destination for holistic lifestyle. Encompassing 900 kms of lakes, rivers and waterways, Kerala’s backwaters are a much sought-after destination for avid travelers, who may also take the opportunity to explore the lives of the natives living near the banks.

Also called the Malabar Coast, the backwaters of Kerala form a network of lakes linked to canals which is very often compared to the American Bayou. Here, freshwater meets the sea water of the Arabian Sea. Some of the famous backwater destinations are Alleppy, Kollam, Kozhikode, Kumarakom, Kuttanad and Kasargod. Alleppy is the most visited destination to enjoy backwater charm of Kerala. It is also the venue for the annual snake boat race, called the Nehru Trophy Boat Race, which is held in the months of August/ September.

Alleppy is also known for its beaches, canals, lagoons, coir industry and cashew nuts. Additionally, the place offers tourists the chance to cruise through the monsoon on the backwaters.

With its fascinating beauty and imperious serenity, the Kerala backwaters offer plenty of scope to explore the natural beauty and bounty of different water bodies like lakes, canals, rivers, channels, lagoons, etc. Though the houseboats form a major attraction for a stay in Kerala, many of the backwater destinations have



© Midhun Menon | Dreamstime.com  
Backwaters of Kerala country side.


a number of accommodation facilities that cater to the growing demand. There are enormous floating hotels and resorts available to stay at in the tourism destinations of Kochi (Cochin) Alappuzha, Kollam, Kumarakom, Kozhikode and Varkala, as these places form the popular starting points for the backwater cruises and tours.

The best place for hiring a traditional thatched roof Kerala houseboat is Alleppey. From there, one can go on an adventure through the various backwaters to places such as Kumarakom, Kottayam, and Alinkadavu near Kollam. There’s a wide range of destinations to choose from to suit all travel plans.

Peak season is from November to January, when the weather is cooler and dry, but it’s possible to hire a houseboat all year round. Even the monsoon season has special appeal and tourist have started choosing this period to combine their houseboat hire with an ayurvedic treatment. March to May gets very hot and humid and during such season, houseboats are available with ACs.

Soon, seaplanes will be able to take off

from the backwaters in Kochi, Alappuzha and Kozhikode, ferrying tourists to hilly enclaves like Munnar and Wayanad. “The idea is to attract tourists who are now unable to complete their trip by road and rail, due to lack of time and the distances involved. Today, it is difficult for the average tourist to see all the beautiful destinations right from north to south of Kerala in the span of a week,” KM Chandrasekhar, vice-chairman of the state planning board, told in a press release. Kerala State Infrastructure Development Corporation will now start developing facilities like jetties and small airstrips in select destinations across Kerala.

Enjoying the exceptional feeling of peaceful and tranquil environment of houseboats in the backwaters in Kerala is sure to give the visitor an experience that they will treasure for the rest of their life. 

Located in the southwestern part of the country, Kerala’s backwaters are the epitome of tranquility which adds a little mystique to the southern landscape, also presenting a destination for holistic lifestyle. Encompassing 900 kms of lakes, rivers and waterways, Kerala’s backwaters are a much sought-after destination for avid travelers...



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## Seo Jeong Ja

By Kim Cheol-ho



Seo Jeong Ja

Seo Jeong Ja is one of the fastest emerging painting stars in the Korean artsphere. She has organized more than eight solo exhibitions in Korea and two on the international stage, one in Vancouver and one in Beijing. Apart from this she has also organized dozens of group exhibitions, both in Korea as well as abroad. Her latest exhibition, organized under the theme title of "Healing", from August 29<sup>th</sup> to September 4<sup>th</sup> 2012 in Seoul received high acclamations from both art critics and painting lovers. Here are some excerpts of the interview she had with Kim Cheol-ho of Asia-Pacific and Business and Technology Report.

**Congratulations on organizing such a successful exhibition. What is the theme of this exhibition?**

This exhibition is organized under the theme of "healing". This is my eighth solo exhibition and is receiving very good response from visitors and art critics. In this exhibition paintings used are fancifully and also meditatively in various color expressions. The restrained color esthetics used in the displayed paintings should help people to relieve their stress and instill vibrant energy for life.

**Do you have any professional training in paintings or did painting come to you naturally? What led you to adopt painting as a profession?**

I studied modern art for my Masters at Hong-ik University. When I was child, I used to enjoy painting so much. I have kept going with it since my childhood. So painting comes very naturally to me, even though I had formal training and education for it. I am naturally a painter and I would not have chosen any other path for my life.

**When did you start the painting professionally. What was your first painting?**



Healing.

I have been drawing paintings since my childhood. So it is very difficult for me to recollect when I painted for the first time professionally. But I believe it must have happened sometime during my teenage years. I organized my first group exhibition in 1984. My first solo exhibition was under the title "untitled" and was organized in 1999 in Seoul.

**You have also organized international exhibitions. Can you please tell us something about your international exhibitions? How was the response of the general public abroad?**

Yes, that is right. I have organized exhibitions in Vancouver and Beijing. Both exhibitions received very positive response from the public. It also gave me a chance to meet many internationally acclaimed artists and see their works firsthand. Beijing in particular left a permanent imprint on my art and mind.

**How many group exhibitions have you organized so far? What were the main themes?**

I have organized group exhibitions over 100 times. The first one was in 1984. Since then we have never looked back. We are planning to organize one more group exhibition next year again. The main concept of my painting art form is that I reinterpret "stripes of many colors" which is reflected by Korean traditional color art forms.

**Apart from your group exhibitions you have also organized more than 8 solo exhibitions. Can you please tell us about the themes of the solos?**

My solos have been as successful as my group exhibitions. The first solo exhibition I organized was in 1999 under the title "Untitled". Since then I have organized 8 solos.

My 5<sup>th</sup> solo organized in

2006 under the title "White and White" was very well received. My "Stripes of many colors" solo organized in 2007 in Beijing received top international acclamation. So far I am very happy from the kind of response I have received from the general public as well as art lovers, art experts and critics both in Korea and abroad.

**Please tell us about your current exhibition which you are organizing here in Insa-dong. How is the public responding to it?**

The feedback from this exhibition is very good. We are seeing a large number of viewers every day. Since last year, I have been studying psychology and I think that the ultimate purpose of art is "Healing". This year's exhibition organized under the title "Healing" focuses on giving 'Healing' touch to the increased stresses in our daily lives. We believe we can help people to treat their mind through this color therapy. Also I heal my soul through my paintings as I strongly believe painting can treat not only the viewers but also someone who draws it in the first place. Through my painting I would like to convey emotional solace, while also making my viewers creatively imaginative.

**We heard your painting deals with modern contemporary art form. Can you please tell us more about your paintings?**

Picasso didn't describe painting with his eyes but rather he did it with his mind. The essence of abstract painting points to one's core characteristics. For example, "Movement" can be an abstract painting. The abstract painting is a procedure which reveals the great essentials of 'object'.

**What are your future plans? Please tell us about some of the important works you are planning to do in near future.**

In the near future I plan to be very proactive and I have planned lots of new projects. I plan to cooperate with the film industry and also modern art works which will deal with everyday life. I must say my best art work is just to come. (A-P)

For more information about Seo Jeong Ja's work please contact Noam Art Gallery at 02-720-2235.

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