

**Engaging The Asian Economies –  
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By  
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Ladies and gentlemen,

The majority of Australians (57%) believe “*globalisation brings more problems than it solves*” but then if there were no problems very few of us here would have jobs.

We are all here because we recognise one simple reality: Asia will hold the key to the economic future of the human race, for some time to come. For us in Australia, the old tyranny of distance has now become our biggest blessing, of proximity. A tectonic shift is taking place, right before our eyes, a shift that will affect us in just about every aspect of life.

Enough has been said about the opportunities that lie before us in Asia, so we won't spend any more time on it. But we would like to leave behind a few thoughts that you may wish to consider as you embark on your own Asian adventures.

First, and perhaps most importantly, we would urge you not to look at Asia as one homogenous whole. Nothing could be further than the truth. Whichever way you wish to look at this gigantic continent above us, it is a set of complex differences and innumerable contradictions. Politically for example, there are any number of stress-points: China and Japan, China and India, China and just about every neighbour. Then there is India and Pakistan, Pakistan and Afghanistan and more. We have two of the world's biggest democracies, in India and Indonesia, but also the last of the Communists, in China and Vietnam, and the last of the dictatorships, in Burma and North Korea.

**Socially and culturally**, Asia is just as diverse. Costumes and cuisines are unimaginably different, as are social mores. On the religious front, we have the Islamic Republic of Pakistan and an almost Catholic Republic of the Philippines. In between, there are the more benign Hindus, Buddhists, Taoists and Shintos. And who can forget our immediate neighbour, Indonesia, home to the world's most moderate as well as the biggest Islamic population. To add to the kaleidoscope, there are more races in Asia than there are in the Olympics! There is no other continent on the planet with greater racial-diversity, or race-consciousness.

**Historically**, Asia is unique in its multiplicity of differences. Many have traded for thousands of years, some have invaded, stayed and influenced each other over the centuries. Then came the more recent colonisers, the English, the Portuguese, the French, the Spanish. And they have left their own legacies, their ‘baggage’, their indelible influences. These can never be ignored.

**Industrially**, there is such amazing diversity as well. Right next to China, the factory of the world, lies North Korea, constantly struggling with famine. To the south is the other Korea, the most wired society in the world and to the West, India, which last week launched the \$35 ‘tablet’. That’s not a vitamin tablet, but a real Android-enabled touch-screen tablet computer. And we at Roy Morgan Research just bought hundreds of ‘tablets’ for our interviewers here, for \$3,500 apiece. Yesterday’s wizards for just about every kind of consumer durable, the Japanese, are now struggling to stay commercially ahead of their neighbours, the Koreans and the Taiwanese.

**Militarily**, Asia is now by far the fastest growing arms market. Some of the largest arms forces in the world are modernising rapidly, a few are expanding their geographical reach beyond the continent. China and India both have blue-water navies, and ever-expanding aerial reach. China and Russia have always been Permanent Members of the Security Council. When India gets on board, and it is just a matter of time, the old order of the world as we knew it will have changed forever. Three of the world’s “great powers”, China, Japan and India are all from Asia. (We all know that Russia isn’t really Asia, though they would make the fourth).

Enough about the differences, our purpose has been to underline the fact that Asia is indeed diverse, for a myriad of reasons. This means going in, one country at a time, we must **not** assume we know “Asia”. We need to do our homework. We need to study each country, its history, its culture, its society...not only the legal frameworks within which businesses exist. Frommers and The Lonely Planet can be helpful, if you want to turn tourist. But for Australian businesses setting up in the different countries of Asia, I would recommend a visit to the local Austrade offices, after you’ve done some essential reading.

The second thought we want to leave behind for you to consider are those **commonalities that unify Asia**. At least to a degree, the economic prospect of Asia is the greatest unifier of all, for each of its nations. The nations may well compete with each other, but they all know that this is their great collective opportunity. Everywhere you go, boardrooms and dining rooms are abuzz with talk of “the Asian century”, “our time has come”, “we have a common future”. When you set aside the jingoism, the frenzy and the emotion, you will see that bilateral and multilateral ties are being strengthened as we speak, within the region. Perhaps these things are not happening as fast as some may like, but they are happening nonetheless.

Every single country in Asia is an attractive market from one or another Australian perspective. But in real terms, Big 3: China, India and Indonesia, will drive the region and the world forward. It is the rapid change in these developing market - where new consumers are emerging out of poverty by the millions, where electricity and sanitation, roads and bridges, hospitals and schools, dams and power plants, are all still in short supply - where the appetite for just about everything is nothing short of voracious. These three will be the centre of attention for other Asian giants like Japan and South Korea, the old “tiger economies” of Thailand, Malaysia and Singapore. Increasingly, they will all feed and feed off each other. They aren’t just talking about it. Slowly but steadily bilateral trade within Asia is growing, as new consumers multiply.

These are the millions of new consumers who will help keep the big wheels turning, around the world. Without their growing numbers, Asia and the world would slow down.

**For Australia, these are challenging times.** And this brings me to my third and final thought for you to take away and do with it as you wish. The biggest mistake we can make as a nation, as a company, as anybody interested in Asia, is to **continue doing what we have always done.** If we do, we run the risk of being met with open rejection, **against the way business was done even a decade ago.** We know what we know and we therefore have a lot to offer. We have what we have, and much of it is in great demand right across Asia. I don't just mean our mineral resources.

We have a lot to offer Asia, but “take it or leave it” and “my way or the highway” can no longer be the way to do business there. Regardless of content, it is the tone we will need to be most conscious of. Anything that sounds remotely patronising will get us grief, regardless of where in Asia we go from here on. Confidence and charm, not arrogance and bullying, will win us business and keep us friends as well.

Every time we at Roy Morgan Research have run a survey regionally, we find that Australians are liked as a people and respected as a producer of quality goods and services. Those are our best building blocks as we increase our presence in Asia.

It is now truly time for this “lucky country” to transform itself into the “clever country”. Not wily or devious, but clever in every possible way. Clever means knowing **where** you are, **who** you are selling to, not just **what** you are selling. That requires an adequate study of facts hard and soft: about the market, the consumer, the lie and the law of the land. In other words, this researcher is advocating good research, before you jump in to any country or encourage your clients to do so. If we seem to be stating the obvious here (it is always important to have good research) then we should say we are underlining it because we are talking of Asia.

We say this to you based also on our own experience. The way we entered Indonesia six years ago is very different from the way we are entering India today. And different again from the way we have begun the dialogue in China.

**Regardless of how we enter each market, our goal is the same, to create a large ongoing population survey that will provide an encyclopaedic understanding of life in each market** – societal attitudes and usage of products and services, media, technology, economic profiles and perspectives, engagement with politics and travel etc – a 360 degree view of life in the Region.

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