

GLOBAL PANEL 1996



The Need for a Grand Design Multiple Perspectives on a Changing World



Proceedings of Global Panel 1996

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Preface

The theme of Global Panel 1996, 'The Need for a Grand Design,' proved to be thought provoking for both speakers and participants. In part, this publication will underscore this theme. The word 'Grand' also comes to mind when considering the conference itself: Global Panel 1996 was the largest and most complex in its nine-year history.

More than ever, we wish to express our deep indebtedness to all the Global Panel supporters, speakers, and participants. They truly formed the backbone of the conference.

The concept of an international forum where people can meet, discuss, and do business has always been the foundation of Global Panel. The very existence of the conference and its underlying concept are increasingly recognized by governments, companies, universities, and other organizations worldwide. Furthermore, the network of Global Panel supporters and participants has been formalized through the Global Panel Membership System. The support of the initial Members was crucial for the making of Global Panel 1996. In the future we intend to make the working relationship even more instrumental, as we turn to our Members for guidance and input for Global Panel 1997 and other meetings ERC will organize.

In 1997 Global Panel will be held for the tenth consecutive year. We look forward to seeing you at what should be a grand and festive Global Panel.



Conference participants having a drink at one of the Global Panel receptions.



Dr Mahathir bin Mohamad, Prime Minister of Malaysia, and Ricardo Lagos Escobar, Minister of Infrastructure of Chile, meet in the speakers room.

List of Speakers at Global Panel 1996

Honorary Speakers

H.R.H. El Hassan bin Talal	Crown Prince of the Hashemite Kingdom of Jordan
H.E. Cassam Uteem	President of Mauritius
H.E. Dr Mahathir bin Mohamad	Prime Minister of Malaysia
H.E. Benjamin Netanyahu	Prime Minister of Israel
H.E. Ruud Lubbers	Former Prime Minister of the Netherlands
H.E. Anneke van Dok-van Weele	Minister for Foreign Trade, the Netherlands
H.E. Ibrahim Ferradaz Garcia	Minister of Foreign Investments and Economic Collaboration (MINVEC), Cuba
H.E. Ricardo Lagos Escobar	Minister of Public Works, Chile
H.E. Hans Wijers	Minister of Economic Affairs, the Netherlands
H.E. Chen Ziyang	Vice-Minister of Hong Kong and Macao Affairs, China

Keynote speakers

Paul Baan	President of Baan Investments, the Netherlands
Jim Clark	Chairman of Netscape Communications, USA
Pier Carlo Falotti	Senior Vice-President of Oracle Europe, Middle-East, and Africa, Italy
Jacob Frenkel	Governor of the Bank of Israel
Claude Fussler	Vice-President of Dow Europe, Switzerland
Cor Herkströter	Chairman of Royal Dutch/Shell, the Netherlands
Anton Risseeuw	Chairman of Getronics, the Netherlands
Muhamed Sacirbey	Ambassador to the United Nations, Bosnia-Herzegovina
Morris Tabaksblat	Chairman of Unilever, the Netherlands
Grigori Yavlinsky	MP, Chairman of the Jabloko Faction, Russia

Special moderator

Peter Arnett	Anchorman of CNN, USA
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Moderators

Heiko Thieme	President of Thieme Associates, USA
H.E. Jean-Daniel Tordjman	Ambassador at Large of the Ministry of Economy, France
Allen Weinstein	President of The Center for Democracy, USA

Speakers

Hein Albeda	Policymaker, Dutch Consumers Organization, the Netherlands
Bashir Ahmad	Senior Vice-President Commercial, Malaysia Airlines, Malaysia
Tan Sri Datuk Yahaya Ahmad	Chairman of Proton, Malaysia
R. Arthur Arnold	Chairman of the Managing Board of Rabobank International, the Netherlands
Nigel Attenborough	Associate Director of UK National Economic Research Association (NERA), UK
Paul Ayres	Director of Netscape Communications Northern Europe, UK
H.E. Dato Seri Rafidah Aziz	Minister of International Trade & Industry, Malaysia
Marcel van den Berg	Director & Senior Advisor of Van Hulzen PR adviseurs, the Netherlands
Hans Blankert	Chairman of VNO/NCW, the Netherlands
Frits Bolkestein	MP, Chairman of the Dutch Liberal faction, VVD, the Netherlands
Lucien Bronicki	Chairman and CEO of Ormat Industries Ltd; Chairman of Bet Shemesh Engines Ltd
Francisco Casanave Crombet	Director of International Relations, Ministry of Basic Industry, Cuba
Ronnie Chan	President of the Hang Lung Development Co. Ltd, Hong Kong
Nahad Dahabis	President of Royal Jordanian, Jordania
John Dawkins	Former Minister of Finance, Australia
Jin Deqin	Honorary Chairman of the Ka Wah Bank Ltd, Hong Kong
Philip Dobbenberg	Vice-President of Dutch KPN/PTT Post, the Netherlands
M.J. Drabbe	Member of the Managing Board of ABN Amro Bank, the Netherlands
Joseph Duncan	Vice-President of The Dun & Bradstreet Corporation, USA
M. Enright	Harvard Business School, USA
M. William Forquer	President and CEO of Information Dimension
Michiel Frackers	Chief Editor of Planet Internet, the Netherlands
Bas de Gaay Fortman	Chairman of Pugwash International, the Netherlands Chapter
H.E. Yossi Gal	Ambassador of Israel, the Netherlands
Rob van Gestel	Vice-President of Proudfoot, the Netherlands
D.N. Ghosh	Chairman of Philips India Ltd, Chairman of ICRA, Chairman of the Centurion Bank, India
Frits Goldschmeding	President and CEO of Randstad Holding N.V., the Netherlands
Mr Haddadin	Adviser to H.R.H. El Hassan bin Talal, Jordania

H. de Haen	Assistant Director General of the FAO
Leo Halvers	Director of Shell Research and Technology Center, the Netherlands
Willem van Hassel	Chairman of Trenité Van Doorne, the Netherlands
Ruud Hendriks	Member of the Board of Endemol, the Netherlands
John van den Heuvel	CEO of Door Training, the Netherlands
Ruud Heijblom	Accessor of the EFBQ, the Netherlands
Arend M.A. Heijbroek	Senior Sector Manager Food & Agribusiness Research of Rabobank International, the Netherlands
Maurice de Hond	Director IT & New Media of Wegener Arcade, the Netherlands
Herbert Hui	Deputy Chief Executive of the Stock Exchange of Hong Kong
H.E. Mr Samir Kawar	Minister of Water and Irrigation, Jordan
H.E. Dr Rima Khalaf	Minister of Planning, Jordan
L. Kniphorst	Country Manager of ABN Amro Bank, the Netherlands
Anton van der Lande	Vice-President of Public Affairs Interational United Parcel Service (UPS)
Joseph Lee	Director Europe of Hong Kong Trade Development Council, UK
Peter Lo	Special Representative of Hong Kong to the European Union, Brussels
Frans D. van Loon	Director Emerging Markets Group of ING Bank, the Netherlands
Jan Maas	Senior Partner of Kapteyns Maas & Becking, the Netherlands
Lynn Mathieson	Vice-President Marketing of Dun & Bradstreet Information Services, Europe, UK
H.E. Mr Prabhakar Menon	Ambassador of India to the Netherlands
H.E. Dato Mustapha Mohamad	Minister of Entrepreneurial Development, Malaysia
German Molina	Ambassador of Chile to the Netherlands
Kenneth Morrison	Co-founder of the Vision 2047 Foundation, Hong Kong
Moshe Nahum	Director of the Department of Foreign Trade and International Relations, Manufacturers Association, Israel
Jens Nielsen	Management Consultant of Price Waterhouse, Denmark
Jorge Nuñez Pereira	Trade Director of the Ministry of Tourism, Cuba
Steven Nussbaumer	Product Manager of Philips Web TV, USA
Sergio Orlandini	Chairman of European Foundation for Business Qualification (EFBQ), the Netherlands
Jacobo Peisson Weiner	Vice-President of the Central Bank of Cuba
W.R.C. Pijpers	General Manager Hong Kong of ING Bank
Raghavan Puthran	Vice-President of the National Stock Exchange, Bombay, India
S. Rial	Country Manager, China and Hong Kong of ABN Amro Bank, Hong Kong
M.S. Rabbani	Executive Vice-President of Rabbani Trading and Consulting BV, the Netherlands
Paul Rademaker	Corporate External Relations of Philips International B.V., the Netherlands
George Radwanski	Chairman of the Canada Post Mandate Review, Canada
K. Ramchand	Head of the Infrastructure Services and Northern Regional (Dehli Office) Operations, I.L.&F.S. Ltd, India
Jhr. M.H. Reuchlin	Director General of ABN Amro Bank, the Netherlands
John Rietbroek	Principal Counsellor of DG XIII, European Commission
Mauro Righetti	President of Network Computer Inc. Europe Middle East and Africa, Italy
Stephen Rogers	Director Biotechnology Projects Europe of Monsanto Corporation
Amiram Shore	Chairman of the Israeli Association of Software Houses; Managing Director of M.L.L. Computers Ltd
Analjit Singh	Chairman of Max Group, Chairman of Indo-Dutch Business Council, India
E.A. Smulders	Managing Director of Friesland Foods, the Netherlands
Roscoe Starek	Chairman of the US Federal Trade Commission and Chairman of the Working Party on Consumers Markets at the OECD
Alastair Tempest	Director-General of the European Direct Mail Association (FEDIM)
Evelio Tieleš Váldes	President of the Food Corporation, Cuba
Paul Timmers	Area Coordinator Electronic Commerce of DG III F6, European Commission, Brussels
Raúl Torres Pérez	Vice-Minister of Foreign Investment and Economic Collaboration (MINVEC), Cuba
Ed Trautig	Director of Getronics Software, the Netherlands
Geoff Unwin	COO of Cap Gemini, UK
Joseph Vardi	Principal of International Technologies Ventures, Israel
Jan Vasbinder	Director of Search Link International, the Netherlands
Berry Veldhoen	Director of Advanced Technology Services of Cap Volmac, the Netherlands
Paul Verhaegen	Chairman of Task Force MENA, the Netherlands
Rob de Vilder	Chairman of the Amsterdam Chamber of Commerce, the Netherlands
F.B. Virani	Managing Director of Gujarat Gas Company, India
Mike West	Research Director of the Gartner Group
Christian Wignall	CIO of the Equity Department of LGT Asset Management, USA
A. Windlass	Managing Director of Max Hutchison Telecom, India
Marjet van Zuylen	MP of the Dutch Social Faction, PvdA, the Netherlands

Global Panel Opening Session, December 2, 1996

Satisfying Consumer Needs in the Global Village: The Postal Challenge

In the special opening session of Global Panel 1996, on Monday, December 2, representatives of internationally operating postal and consumers' organizations discussed the liberalization of mail services. The meeting focused on business and private consumers' expectations, the impact of increased competition on the quality of delivery services, and employment. Participants in this discussion were Hein Albeda of the Dutch Consumers Organization; Nigel Attenborough, Associate Director of the UK National Economic Research Association (NERA); John Dawkins, former Australian Minister of Finance; Philip Dobbenberg of the Dutch KPN/PTT Post; Jens Nielsen, Management Consultant of Price Waterhouse; George Radwanski, Chairman of the Canada Post Mandate Review; John Rietbroek of the European Commission (DG XIII); Roscoe Starek, Chairman of the US Federal Trade Commission; Alastair Tempest, Director-General of the European Direct Mail Association; and Marjet van Zuylen, MP of the Dutch Parliament. The session was chaired by Jean-Daniel Tordjman, Ambassador at Large of the French Ministry of Economy and Finance.

Business and Private Consumers' Expectations

Alastair Tempest set the tone for the discussion with the keywords "reliability, efficiency, affordable services." Hein Albeda then stressed the need for accessible postal service in order to compete with new forms of communication, such as the fax and electronic mail. He explained that the Dutch experiment with partial liberalization has produced some good results, such as increased quality and accessibility of post offices, even in rural areas. But Albeda also pointed to the facts that prices are higher than necessary and that postal services tend to give priority to business users. "I plead for a liberalization of outgoing cross border mail and a better specified universal service," he told the audience, "with no ties between state, regulator, and operator to prevent joint interests."

Mr Tempest was supported by Marjet van Zuylen, MP for the Dutch social democratic faction (PvdA). She

underlined the need for a speed-up in the liberalization of the European postal services, which are in majority state-owned. Roscoe Starek of the US Federal Trade Commission added that the consumer is the victim of the relatively high costs of international express mail. He told his audience that the International Chamber of Commerce is now working on a project which focuses on policy issues related to cross-border consumer transactions in the light of rapid advances in communication and transportation.

Competition's Impact on the Quality of Delivery Services

Another leading item in the discussion was the impact of increased competition between postal services. United Parcel Service (UPS) is worried that the take-over of the Australian Transport Group (TNT) by the Dutch Post Office (KPN) will have negative consequences for mail delivery in the Netherlands. It suspects that future losses and necessary investments by TNT will have to be financed by the surplus profits KPN makes in traditional, national, and monopolized mail delivery. Responding to Jaap Mulders, Chairman of the European Express Organization, who claimed that the Managing Director of KPN Post had stated that the acquisition would be financed with profits generated from the Postal Monopoly, Philip Dobbenberg of KPN/PTT Post replied that KPN had borrowed two billion dollars to finance the take-over. In response to Chairman Tordjman's question as to whether the acquisition would be a clever move, a great majority of the audience appeared to support the move.

Former Minister John Dawkins then presented an evaluation of postal reform in Australia and New Zealand



Roscoe Starek (US Federal Trade Commission).

as an example for Europe. In those neighboring countries, postal reform proceeded well and quickly. The government-owned post-offices improved dramatically by preparing for and responding to a more competitive market. In this market, competitors were able to seize new opportunities. There have also been new entrants who enhance competition. Business and consumers can be considered to be the winners of this reform process. As the process continues, they will undoubtedly have access to even better and cheaper services. Dawkins concluded: "The lessons for other OECD economies are clear: reform through more competition works. Postal reform is not an end in itself. But it's worth doing because of the benefits it bestows on businesses by lowering costs. If politicians want their countries' businesses to succeed in a world market, they will have to be determined to undertake difficult matters. Postal reform is neither easy nor very exciting, but it does bring rewards."

John Rietbroek of the European Commission agreed with Dawkins' analysis. He stressed once more that the EC's proposal to improve the quality of postal services includes only a very modest introduction of competition to only 25 per cent of the market by the year 2001. This will certainly not endanger the universal postal service.

Employment in the Postal Sector

On behalf of the European Union, Price Waterhouse undertook a study on the impact of the introduction of competition in direct and cross-border mail on employment in the postal sector. Although Jens Nielsen of Price Waterhouse was not allowed to reveal the results

yet, preliminary findings indicated that the impact was almost neutral.

The UK National Economic Research Association in a recent survey estimated the impact of the liberalization of direct mail and cross-border postal services on employment. The findings were that the impact is more likely to be positive than negative. Nigel Attenborough, Associate Director of the UK NERA, presented this study, which was focused on the key markets of France and the United Kingdom. In the discussion that followed, Anton van der Lande, Vice-President Public Affairs of UPS, stated: "The findings of such studies underscore the industry's belief that the scaremongering tactics adopted by the vested interests of certain national postal authorities are unfounded. Postal liberalization will lead not only to improved service for consumers, but will also facilitate growth in employment in the entire sector. We therefore hope that, during the Dutch Presidency of the EU in the first half of 1997, its Ministers will look more closely at the benefits of postal liberalization in Europe, and will not be seduced by emotional and erroneous arguments."



Panelists of the session answering questions from the audience. Insert: Jens Nielsen (Price Waterhouse) and Nigel Attenborough (UK National Economic Research Association).



Lucille Barbosa (European Research Center) opened the Global Panel Dinner at Wittenburg Castle with a brief address to the participants.



Jacob Frenkel (Bank of Israel), Allen Weinstein, the program's moderator, Cassam Uteem, President of Mauritius, and Yossi Gal, Ambassador of Israel.



Jacob Frenkel delivered an inspiring speech on the Future of the Middle East.

Global Panel Opening Dinner

December 2, 1996

Mr Jacob Frenkel, Governor of the Bank of Israel, and Mr Muhamed Sacirbey, Bosnian Ambassador to the UN, addressed an assembly of nearly 170 Global Panel speakers, sponsors, and special invitees at the Opening Dinner on Monday, December 2. The dinner was held at the castle 'De Wittenburg' in Wassenaar, near The Hague, and chaired by Professor Allen Weinstein, President of The Center for Democracy in Washington.

Professor Frenkel was, among a variety of many other positions, Economic Counselor and Director of Research at the IMF from 1987 to 1991, and served as chairman of the Board of Governors of the Inter-American Development Bank during 1995-6. From these and many other experiences, Mr Frenkel spoke on *The Future of the Middle East: An Economic Outlook on Developing Business Opportunities as a Result of the Peace Process*.

Following, under the heading of *Peace and People's Trust: The Interdependence of Economic Reconstruction and (Inter)national Support for Peace*, Mr Sacirbey elaborated on recent developments in Bosnia and the current international financial support for the reconstruction of this country. One of the issues he focused on was the idea that economic reconstruction and growth will strengthen people's support for peace. Some even say that people will only support peace when there are signs of economic reconstruction and growth. But will economic reconstruction, supported by donor countries, be possible only after the establishment of peace? And can we look forward to real economic reconstruction when the parties are still quarreling?

Plenary Session, December 3, 1996

Our World Today, Our World Tomorrow: The Need for a Grand Design

One of the major factors in our globalizing world, modern technological infrastructure, was experienced personally by the audience which had gathered for the opening session of Global Panel 1996. In the course of the session, a satellite connection to Lisbon put the Prime Minister of Israel, H.E. Benjamin Netanyahu, on a large screen. On seeing his image, the Crown Prince of Jordan, H.R.H. El Hassan bin Talal, promptly called Mr Netanyahu "larger than life."

Global and Regional Trends

The globalization of our world and related trends in technology, communication, and finance, were the central issues during this first plenary session. The panel members elaborated on their ideas about global issues such as the feasibility of a new world security system, the value systems of multinational companies, and the need for a new institutional framework. The session was chaired by Professor Allen Weinstein, President of The Center for Democracy in Washington, who introduced the speakers as well as the themes of the session.

Mr Morris Tabaksblat, after having been introduced by Mr Weinstein as the Chairman and CEO of Unilever, added to this introduction that he would speak as "a practical businessman who is involved in the strategic direction of a company in the world as we see it today." He began by saying that, besides *global* trends which constitute the drivers in the process of globalization, other major trends are by nature *regional*: regional variations in the growth of the world's population; the shifting balance of the world economy; and the trend towards regional economic blocs such as the EU, NAFTA, ASEAN, and Mercosur.

In a company such as Unilever, said its CEO, such regional trends have manifested themselves in the development of regional operations. "Our operations are driven by our consumers' tastes and preferences. These are, in turn, influenced by local factors, more so than global factors." Therefore, Mr Tabaksblat explained, "keeping close to our consumers is of key competitive importance." Whereas at the strategic level Unilever follows a global approach, at the operational level the company has formulated a regional approach. "A variation of the old adage think global, act regional," remarked Mr Tabaksblat.

Responding to critics of regionalization, Unilever's Chairman said that regionalism should never occur at the

expense of multilateralism. It should never inspire protectionism nor bring on conflicts between powerful economic blocs. However, "regionalism is a fact of life," concluded Tabaksblat.

Fresh Impetus

In his defense of regionalism, he also pointed to the difficulty of building globally effective organizations between governments. One exception is the WTO, which is one of the few post-world war international organizations which has evolved from its original form, the GATT, to its present form, to meet current world conditions. Other international organizations, such as UNCTAD, the FAO and even the UN itself, have found meeting the new realities exceptionally tricky. "If they are to meet the needs of a dynamic global society and economy, they will have to find a way forward." It is here that Tabaksblat envisions a role for regional initiatives. They may bring a fresh impetus to a whole range of issues from mutual recognition to standards and taxation. "Regional initiatives can get nation states on the 'learning curve,'" stated Tabaksblat.



From left to right: El Hassan bin Talal, Ruud Lubbers, Morris Tabaksblat, Muhamed Sacirbey, and Heiko Thieme.

Still, even with such regional initiatives, we cannot be very optimistic about the chances for success of a 'Grand Design,' remarked the plenary speaker. "Politicians and nation states do not like to give things up easily. The further you look down the path to pooling authority internationally, the more difficult it is going to be." Therefore, instead of expecting all states to come to one uniform solution and to fit into one 'Grand Design,' we should allow for a number of ways to interpret and institutionalize international affairs for a multitude of arrangements. This will meet individual country and regional needs. Tabaksblat cautioned, however, that this should always occur in an international context.

Coming back to his own organization, Tabaksblat stated that as there exists no global arrangement, and nation states and international law are reaching their limits, multinational companies are expected to fill the void. They are being asked to formulate and guarantee certain values. Thus, Unilever's 'Code of Business Principles' will have to be shared internationally. But it will have to be more than that. Originally Anglo-Dutch in terms of culture, values, and beliefs, Unilever will (have to) develop a more international approach in which all managers, employees, customers, and others will feel at home. "We cannot be seen as carriers of a model that only represents the political, cultural, and religious beliefs of the western world. This would be seen as an unacceptable form of neo-colonialism." This will result in a key competitive advantage. "The best companies will be those that most efficiently tap into the universally available talents and financial and technological sources, with no historical and nationalistic biases."

"The best companies will be those that most efficiently tap into the universally available talents and financial and technological sources, with no historical and nationalistic biases."

Mr Tabaksblat concluded on a rather personal note, saying that the idea of a 'Grand Design' makes him feel rather uncomfortable. "It is not possible to make such a design meaningful and helpful in operating responsibly. It is not necessary either. It is enough to stay close to the communities we serve, and to be in touch with their needs and concerns, while staying true to our own values."

The next speaker of this session, Ruud Lubbers, former Prime Minister of the Netherlands and Professor of Globalization, appeared to agree with his fellow speaker

on the crucial role of regionalization. According to Mr Lubbers, regionalization should be viewed as the standard twin, or perhaps even the natural counterpart of globalization.

In the process of globalization, communication technologies and computers have produced one world, "a world of less weight and more mobility," explained Mr Lubbers. Together with privatization and deregulation, economies have grown in a global context, in which 'the market,' 'democracy' and 'progress' make up the leading paradigms. Unfortunately, this does not suffice. How should we set our standards in such a global context?, asked the former Prime Minister, adding that regionalization might bring an answer.

'Glocalization'

Lubbers brought up yet a third term: besides the twin set of globalization and regionalization, there is what he has named 'glocalization.' This includes the idea that global companies have to work in accordance with local laws and traditions. "To be successful, you have to be global and local," concluded Mr Lubbers.

As globalization has made boundaries more and more permeable, weakened national governments and made them less effective, business itself will have to "practice the quality of life." According to Mr Lubbers, this does not only embrace efficiency, but also equity and ecology. Increasingly, companies' 'mission statements' and 'codes of conduct' reflect such a concern with and participation in a just and sustainable society. In this, he evidently agreed with his fellow speaker Mr Tabaksblat. According to Mr Lubbers, successful companies are more and more convinced about the relevance of win-win situations. "Let me explain," said the former Prime Minister. "Quality, labor conditions and relations, and the environment all start with costs and investments. But those who do invest increasingly feel that these expenditures support efficiency as well as the capacity to sell and to market. That is what we call win-win."

Lubbers also explained his disagreement with those who argue that the combination of weak governments and the need for national economies to be competitive will "lead to a race to the bottom." What hinders such a development is an increase in "communal identity" (local,

regional, and global), reflected in a growth in the number of NGO's and new social movements. "These people go for values; they want to belong and to cherish their roots." Global companies, the companies of the future, are more and more taking this 'revitalization of society' into account. "Not only law, but also society is setting the rules," said Mr Lubbers. "And companies are internalizing those rules. The result will be a participatory society which is inclusive and empowers people. It is about education, vocational training, sustainable growth, the prevention of violence, trust, and security."

Concluding, the speaker said that the question 'Do we need a new institutional framework?' is not really the point. "We do need institutions, but institutions with character, quality, and integrity." Therefore, NGO's will have to follow the same rules of the game as companies and governments: rules that call for transparency and accountability.

In a brief panel discussion, Heiko Thieme, President of Thieme Associates, responded to the concept of a Grand Design. Not governments, but businesses will solve global problems, claimed Mr Thieme. "The phenomenon of Internet will result in great changes in communication. It is a mega-revolution type of business." Companies will do business in a Global City, said the panelist. As an example, he mentioned the airline and hotel business: empty airplane seats and hotel rooms will soon be sold through Internet. In a similar optimistic tone, Thieme discussed the situation in the Middle East. "Before the end of the decade, Jews and Arabs will be doing business with each other. This may seem far away, but who would have believed seven years ago where we are today? Who would have believed the fall of the Berlin Wall and the vanishing of communism, without a single gunshot?"

His fellow panelist, Muhamed Sacirbey, ambassador of Bosnia-Herzegovina to the UN, similarly elaborated on the crucial developments in the economic sphere, concluding that "the political bases are way behind compared to the economic bases. The way to achieve anything is to bring economies together."

With respect to the Balkan peace process, and thus indirectly anticipating the second part of the opening session, he reported on a recent survey conducted in Bosnia, which found that ten per cent of the Serbs are

"We do need institutions, but institutions with character, quality, and integrity."



Ruud Lubbers: "A world only characterized by market and democracy? Forget it."

prepared to reconcile, 30 per cent of the Croats, and 80 per cent of the Muslims. Thus, concluded the Ambassador, reconciliation is not the victim's problem, but the aggressor's, adding that for Muslims, reconciliation will have to be connected with justice. "Peace demands a high price. For Muslims, the price is the need to embrace their former enemies; for Serbs the price is the trial of its war criminals."

A New Middle East

The second half of the opening session of Global Panel 1996 was entitled "The Grand Design Debate: Implications for the New Middle East, a Case of Global Concern." Under the title of "The New Middle East,"

H.R.H. El Hassan bin Talal, Crown Prince of Jordan, quite literally set the tone in this Grand Design Debate. With his impressive deep voice, he set out to explain why he thinks that "a New Middle East will not only participate in a Global Village, but in the Global City." His voice was, later in the session, described by the Prime Minister of Israel as "a deep voice echoing deep thoughts."

"I have been called on to speak about the 'New Middle East,'" began the Crown Prince. "But at a casual glance, it is hard to discern anything new in our region. It is disheartening at times that the new Middle East looks rather like the old one." He had recently looked at the Middle East Deal of Henry Kissinger and been impressed by his call to step away from gradualist thinking and to adopt global thinking. "I was also particularly attracted by his statement that the time had come to address the issues

of statehood for the Palestinians and the frontiers of Israel.”

According to the Crown Prince, in the 1990s there is a greater awareness than ever as to what it will take to establish peace, security, and stability in the Middle Eastern region. However, he explained, there are several inhibiting factors: the spiral of oil, arms, and debt constituting most people’s interest in the region; the inability to agree on a definition of the region; and Europe leapfrogging the region to speak directly with South-east Asia.

“We should build partnerships in the global city.”

Referring to the concept of the ‘Grand Design’ he asserted that an international idiom and standard should be brought to the conduct of affairs in the region. The Crown Prince noted that Jordan does not believe in spending too much time on all-inclusive blueprints. Moreover, if the region is to join the global economy in the free movement of goods, labor, and capital, “we must start with small, practical steps between neighbors.” As examples, he mentioned the fact that Jordanian and Israeli officials have been meeting to work out a system to ease the flow of goods across their common boundary; Jordan’s consideration of a shared investment climate with the Palestinians; attempts, with Israel, to develop an understanding of a shared investment climate by better acquainting investors with investment opportunities, as well as discussing instruments such as cumulative rules of origin.

Before Jordan will be able to go beyond trade in such a bilateral context, the Crown Prince asserted, it will have to make the MENA region an all-inclusive one, embracing all sub-regions, people, trade routes, and interdependence. “The region’s deep complementarities of capital, labor, and technology have yet to evolve into interdependence.” He also pointed out that we all know that the difficulties of the peace process may invalidate any positive plans. Still, the speaker claimed, the panacea can be found in the idea of competitiveness as an international idiom of the Global City.

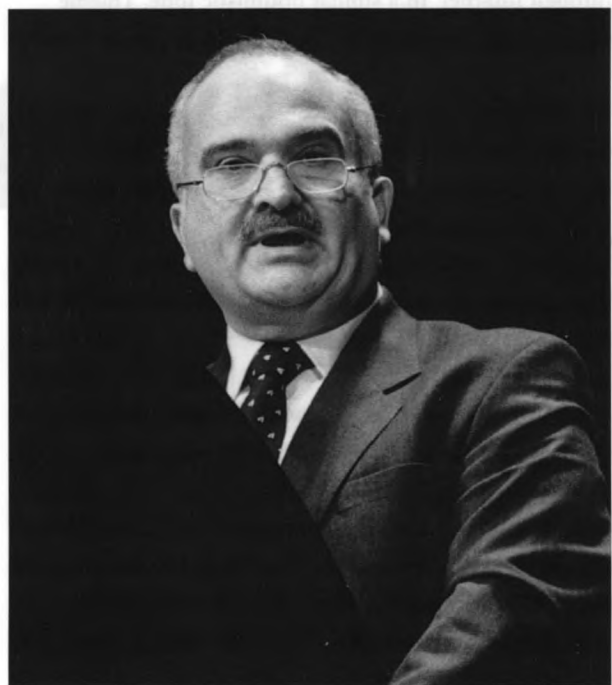
Indirectly responding to the first two speakers of this session, he then further elaborated on the issue of regionalism. The fact that many Middle Eastern countries are joining the WTO and signing agreements with the EU encourages the process of regional economic and macro-policy harmonization. “Is it not unthinkable, then,” the speaker asked rhetorically, “that these countries do not

have free trade with each other?” The region will surely need instruments of economic cooperation and regional funding in the form of Foreign Direct Investment. But for now, “irrespective of the peace process, we have put our house in order and are seeking international investment.”

By claiming that “Jordan’s commitment to regional economic operation is parallel to its strategic commitment to building peace in the region,” the Crown Prince returned to the issue of Middle Eastern peace. He asserted that an inclusive alliance should be built, aimed at reducing tensions and creating norms of reconciliation. Besides rehabilitating the region, however, subregional units will be needed to complement regional elements of the ‘Grand Design.’ Europe and Asia are not unique in their need for consultative mechanisms and fora such as the EU and ASEAN. “Regional issues need to be calmly and openly addressed whichever region is involved.”

Another highlight of Global Panel was H.E. Benjamin Netanyahu’s speech and the ensuing dialogue with Crown Prince Hassan. Israel’s Prime Minister did not appear in person, but, after some delay which raised suspense still further, ‘live’ on screen through a satellite connection.

Mr Netanyahu’s message was very up-beat. He started off by reporting on “some great news for Global Panel: a solution coming for Hebron. Furthermore, after arguing that “it is the economy that will provide peace,” he stated that Israel will become one of the richest



El Hassan bin Talal: “We have put our house in order and are seeking international investment.”

countries in the world. Per capita income, now more or less equal to that of Great Britain, will double in the next decade. Population will also double in about fifteen years, thanks to a high birth rate, and reach the ten million mark. This message, Mr Netanyahu realized, contrasted sharply with the negative picture of the situation in Israel created by the media. In spite of the fact that the peace process is floundering, at least according to the press, foreign investment had already attained a level thirty per cent above that of 1995 as a whole. And investment by Israeli enterprises had increased by twelve per cent. This would not have happened if firms had no confidence in the future of Israel, Mr Netanyahu added.

The Prime Minister then elaborated on Israel's information technology. "Future income growth will not come from growing more oranges or turning more desert into farmland, but from a fantastic development of the information technology sector," claimed Mr Netanyahu. "In ten years Bill Gates, top man of Microsoft, has become the second richest man in the world. This he achieved by devising software, a brain product. This is exactly what the Israelis are very good at. A lot of our brainpower comes from Soviet immigrants who have brought it along." At this moment, Mr Netanyahu claimed that already 60 per cent of Israel's exports are high-tech based. "New firms in this sector are created at an enormous rate," Israel's Prime Minister added. Knowledge is power, and it also means wealth, said the speaker. Israel can export the labor of engineers and scientists. And by using the information highway, Palestinians and Jordanians will be able to participate in this technological process.

Larger than Life

Reacting to Mr Netanyahu's "rosy picture of the future," the Jordanian Crown Prince again stressed politics rather than economics. Focusing on the partnership for peace, against the background of feeling that there are groups opposed to peace both in Israel and Jordan, he voiced the hope that a breakthrough in the stalled peace process will be realized. Referring to Mr Netanyahu's image on the screen, he said: "I don't need this enormous picture of Bibi Netanyahu behind me to engage in direct conversation with him. I know that he is larger than life, but of course that is all a matter of scale."

Prime Minister Netanyahu replied in a very positive



Although not physically present at Global Panel, Benjamin Netanyahu delivered a keynote address--an online connection with Lisbon, bridging the distance with Portugal.

"Future income growth will not come from growing more oranges or turning more desert into farmland, but from a fantastic development of the information technology sector,"

way, saying, "We are fortunate to have leaders like him and like his brother [King Hussain]." He did recognize that some politicians are opposed to peace, but he promised "never to sever the dialogue and never to cease

our quest for solutions. There will be obstacles to overcome. That is why a framework must be created in order to allow dialogue and participation instead of domination."



After the plenary session, attendants gathered in the foyers to have a cup of coffee and meet other participants.

Competition through Cooperation

Small Firms Should Maximize Advantages

In order to survive in a globalizing and competing world, companies will have to adapt and adjust more than ever before. How can small and medium-sized companies operate successfully in this environment? How do they feel that they are affected by the process of globalization? What are the advantages and the disadvantages of smaller players in a competitive global market? These and other questions were discussed by two prominent speakers: Mr Joseph Duncan, Vice-President of the Dun & Bradstreet Corporation (USA), and a well-known strategic economic advisor on international business issues, and Mr Jean-Daniel Tordjman, Ambassador at Large of the French Ministry of Economy and Finance.

Mr Duncan began with a brief impression of corporate history since the fifties. In the fifties and sixties, multinational corporations became increasingly important. The seventies were mostly characterized by vertical integration: large international firms wanted to control all phases of production. Then, in the eighties, and especially in the nineties, firms globalized with an even greater speed. In order to be more competitive, large companies are now in the process of restructuring. They are looking around the globe for inputs and new markets. Technological forces, such as the IT revolution and the rapid development of telecommunications, have stimulated this economic globalization. The so-called 'Information Revolution,' has stimulated international contacts which are the necessary pillars of globalization.

Although large international firms are gaining influence, the market is still dominated, at least in the USA, by smaller firms. They take part in the globalization process, if not as direct exporters, then as intermediate suppliers. With the need for cost containment and quality control--key concepts for global competition in the 1990s--lies a chance for the smaller firms. Second, they can be early adopters of new technology and are able to give flexible responses to changes. This gives smaller businesses the advantages which the mammoth companies do not have. Finally, in order to overcome any disadvantages inherent to their size, smaller firms have the possibility of cooperation. By working together with large international companies, they will be able to reach the international market.

Ambassador Tordjman remarked that more and more small firms are investing abroad. They do so either by themselves or in cooperation with large companies. Through cooperation, small firms enjoy the advantages of both large and small firms. However, the crucial problem with this sort of cooperation is the possible lack of trust between the varying businesses, especially if they come from different cultures. Therefore, it is essential to try to understand each other's business culture. Within Europe, let alone between continents, the differences can be considerable.

During the discussion, Joseph Duncan voiced an interesting opinion: that one of the restrictions on the growth of small firms is that many owners do not want to be responsible for the well-being of a large staff. A Jordanian guest expressed his concern about unfair takeovers by foreign multinationals. Concluding the session, Mr Duncan noted that the cooperation of small firms with larger ones is an example of competition through cooperation.



Joseph Duncan and Jean-Daniel Tordjman.

Modern Entrepreneurship - Changing the Standards

The room was filled to capacity for this one-hour session, with many 'modern entrepreneurs' standing in the back. This great interest was occasioned by the opportunity to hear five experienced entrepreneurs give their views on the topic.

"Follow your customers and satisfy your employees."

John van den Heuvel, CEO of Door Training, opened the session by advising a new market approach: follow your customers and satisfy your employees. "Your image is your best amigo," he said.

With eyes set on the future, Sergio Orlandini, Chairman of the European Federation for Business Qualifications (EFBQ), compared entrepreneurship of the forthcoming third millennium with that before the first. He quoted the Greek poet Homer on ambition: "Be always the best, outclass others and never bring shame upon thy ancestors." Mr Orlandini concluded with: "Globalization, nor any fashionable trend, will change the basics of sound entrepreneurship."

Willem van Hassel, Chairman of Trenité Van Doorne, stressed the importance of paying attention to human development, especially of employees. This should be a concern of every entrepreneur--especially those in developing countries. Defective company behavior in far-away countries can directly affect sales at home.

Jan Maas, Senior Partner of Kapteyns Maas & Becking, punctuated his presentation with printed statements, beginning with "it all starts with a dream." Beyond this dream are two missions to choose between: the quality route and the quest for truth. At the end of each mission should lie success.

Rob van Gestel, Vice-President of Proudfoot, spoke in favor of a new socio-economic approach, reckoning with emerging regional players in Europe and with the learning curves of people, linking past and renewed initiatives for added value, in order to gap between strategic intent and operational implementation. Finally, Van Gestel stressed the importance of value capital creation by using operational and financial leverage.

During the ensuing discussion, a participant from Unilever reminded the audience that through non-profit organizations, for instance in the environmental field, society exerts an enormous influence on companies. Modern entrepreneurs cannot ignore that. On one idea, all panelists agreed: modern entrepreneurs should know that consumers are no fools. Orlandini commented: "A malfunctioning product lacking quality will not sell."



Changing the standards in a Vietnamese environment.

New Directions on the Information Highway

In this session, new IT developments were discussed, related to issues such as: the (in)accessibility of hardware, the handling of information, competition in the communication world, the integration of communication, and business implications of IT developments.

Mauro Righetti, President of Network Computer Inc. Europe, Middle East and Africa, opened the session with the question: "Will the Microsoft pc be the last computer?" Mr Righetti believed very strongly in a global computer network that is accessible to everybody. But according to him, this will only succeed when there is available a single standard, such as the Internet, instead of double standards such as IBM and Apple. He also strongly approved of one standard architecture for the network computer (nc), with connections to telephone, tv, and notebook.

Mr Righetti considered a global network possible only when the costs of ownership are dealt with: a minimum price reduction for nc's of 50 per cent will be necessary. He also admitted that the nc's structure can be very complicated for non-skilled individuals, the target group for the future. Mr Righetti also thought that attention for the nc must concentrate on the home and office markets first. That is why CIO's right now will have to care about the nc. The speaker concluded that in the year 2005, penetration of the nc will be close to that of the telephone and television set.

Paul Ayres, Marketing Director Northern Europe of Netscape Communications, had some doubts concerning the high expectations of the nc as discussed by his fellow panelist. Mr Ayres summed up the European reaction to



Paul Ayres (Netscape)

the phenomenon of Internet as follows: "The Americans have Internet. So Europe asks itself, Do we have to have Internet? We have a lot of infrastructure." In Ayres' opinion, consumers are always a bit suspicious of new technologies, and this will certainly delay a quick penetration of the nc. On the other hand, he was rather positive about the nc. The Internet is developing rapidly. For instance, in 1996 a billion dollars have traversed this global network.

Ed Trautig, Director of Getronics Software, noted similarly that the majority of consumers responds conservatively to new trends and developments. In particular, they do not want to be overwhelmed with information. According to Mr Trautig, the Internet has a great impact on society. It splits the market into 'haves' and 'have-nots': all that counts is whether you possess an nc or not. "A sure advantage," Trautig concluded, "is the possibility of establishing a virtual organization. It doesn't matter anymore where you are or what time it is."

Steven Nussbaumer, Product Manager of Philips Web TV, discussed the phenomenon of the Web TV. He argued that "Philips is going to concentrate especially on families with children, because they constitute 60 per cent of the market that doesn't yet have a pc." Reiterating Mr Righetti's conclusion, he stated that "in order to achieve a high penetration among this group, the costs should decrease enormously."



Mauro Righetti (Oracle) contributing to the discussion.

Monetary Matters

In this parallel session, speakers debated the need for monetary control and the role of Central Banks in global trade. Frans van Loon, Director, Emerging Markets Group of ING Bank, also elaborated on the foreign investment strategies of his organization. Ruud Lubbers, former Prime Minister of the Netherlands and Professor of Globalization, presented his view on 'European Unification.' The session's chairman was Heiko Thieme, President of Thieme Associates, USA.



Ruud Lubbers, Jacob Frenkel, and Frans van Loon at the session on "Monetary Matters."

"Talk is cheap, action is what we are looking for." With this rather provocative remark, Mr Thieme opened the session's discussion. The first question, about the need for global control, was directed to Jacob Frenkel, Governor of the Bank of Israel. "Globalization of trade is a reality, there is no choice," Frenkel answered. "The problem is to adjust your strategy." Stating that there are many aspects to be taken into consideration, he explained: "In the long term, the policy of the Central Bank should be transparent. We must be aware of new forms of protection because global trade is a highway, and you will not fight car accidents by blocking roads but by widening them. Foreign capital inflows will create inflation, unless there is monetary control." Mr Frenkel concluded by saying that "rules are needed, but we've got to make sure that they are realistic in terms of market and economy. The exchange rate used to be determined largely by the balance-of-payments situation, but now the financial markets look almost exclusively at a country's monetary policy."

"Foreign capital is a mixed blessing," Van Loon responded. "Without domestic capital it will create inflation, as happened in Mexico. The disappearance of social security is most worrying. Our key function must be to provide for the financing of social security

privatization. Only then can we create stability, and that's what investors are looking for. We must pay attention to developments in the longer term."

How do we use surveillance? Should the Central Bank bail out? These two questions, coming from the audience, were addressed by Mr Frenkel: "If everything is owned by the government, there will be no supervision. And if the losers don't fail, you will destroy the market mechanism. Central banks must refocus their policies: there should be no intervention. Openness is what we are looking for. We must try not to create a time-bomb. In a free market there is no place for trust-forming."

"Will the Euro pay off?" appeared to be another burning question during this session. Lubbers, in his reaction to this issue, called Europe "a success. The first pillar is to realize a European Monetary System. In this, we are looking for total integration. If a country is too small for global trading, it will have to cooperate with its neighbors. Regionalization exists because of globalization. But we are spotting a new type of problem because of globalization: in Spain the capital inflow created inflation. Instead, it should be in balance with domestic savings. Governors must cope with the problem of success."



Global Panel participants listening to the words of Heiko Thieme.

Designing a New World Security System

Mr Muhamed Sacirbey, Ambassador to the United Nations for Bosnia-Herzegovina, made a return visit to Global Panel 1996. Last year, Sacirbey, in his role as Minister of Foreign Affairs of Bosnia-Herzegovina, and fresh from the negotiations in Dayton, explained the importance of the ensuing peace treaty for former Yugoslavia. In his view, the UN played an important role in obtaining peace. One year later, he had an even clearer vision on the good and bad qualities of the UN.

In his opening statement, Sacirbey again spoke of the importance of the UN. In his opinion, the UN deserves and needs our support. Although the Ambassador considers the UN not a flawless organization, he stated that it showed the best and the worst in former Yugoslavia. The primary reason for this is that the UN does not approach regional problems multilaterally. "We risk myopia if we, as a world-community, continue to do so." Mr Sacirbey illustrated this as follows: "The United Nations Protection Force (UNPROFOR) in Bosnia-Herzegovina mitigated between the parties and saved hundreds of thousands of lives. But in the process of saving lives, UNPROFOR prohibited the remedy for the problem." According to the speaker, part of the problem laid with the Secretary-General, Mr Boutros-Boutros Ghali, and his perception of his post within the UN. The Secretary-General tried to elevate the position of Secretary-General, but at the same time failed to live up to this elevation. However, in Sacirbey's opinion, the permanent members of the Security Council are part of the problem as well. With their special rights as

superpowers, they do not undertake any additional responsibilities.

"Economic security is one of the pillars that lead to personal security, food and human security."

Mr Bas de Gaay Fortman, Chairman of the Dutch Chapter of Pugwash International, emphasized the importance of economic security to obtain world security. "Globalization is an economic process. With thirty per cent of the global workforce being jobless, relative poverty is now global. Economic security is one of the pillars that lead to personal security, food and human security." De Gaay Fortman sees an important role for non-governmental organizations (NGO's), such as Amnesty International, in realizing personal security, "not only on national levels but increasingly so on an international level." Although there are thousands of NGO's worldwide and although their importance is growing on an international level, NGO's, in the view of De Gaay Fortman, can never replace intergovernmental organizations. Instead, they should complement IGO's. De Gaay Fortman added that this principle is not only important in human right issues, but in each field where NGO's are active, such as ecology and social rights.

The Chairman of the session, Professor Allen Weinstein, President of The Center for Democracy, then gave the members of the audience an opportunity to enter into discussion with the panelists.



Allen Weinstein, Bas de Gaay Fortman, and Muhamed Sacirbey.

Cap Volmac Executive Lunch

In December 1996 Cap Volmac, member of the Cap Gemini Group, organized for the fifth time its yearly Executive Lunch. During this event some 90 top managers discussed the strategic business impact of current developments in Information Technology (IT). Some of them combined the Cap Volmac Executive Lunch with their attendance to Global Panel.

The Cap Volmac Executive Lunch focused on one common theme, the Internet, highlighting its different aspects from various perspectives.

Introductory speaker Berry Veldhoen, Director of Advanced Technology Services of Cap Volmac, the Netherlands, reported that, also based on findings of the Gartner Group, there are at least 15 million sites on the Internet. He concluded that 80 per cent of the Fortune 500 companies are present on the WEB. Some 28 per cent of these sites are more or less interactive, while five per cent offer the possibility of online transactions. Still, he argued, electronic communication has its price like the rest of the costs connected with the ungoing use of IT. Total IT costs may well rise from six to nine per cent of the turnover of an average company in the coming 3-5 year period. Veldhoen: "There is also a rising interest for enterprise-wide-webs, the so-called 'Intranets'. In this respect knowledge management is a strongly emerging theme, also in relation to Intranets."

Paul Ayers, Managing Director of Netscape in Northern Europe, then presented his company as the fastest growing company in history: 35 million users since its start two years ago. He stated that the Internet now has over 65 million users, and no less than 32 per cent of them are said to have already bought products on the WEB. It is estimated that, just in the US, there will be 25 million people on the Internet by the year 2000, and within five years commerce will exceed 30 billion dollars. A challenge is the heterogeneous mix of computers and systems presently in use, said Mr Ayers. They form islands of automation within one organization. "The application of new technologies can be very costly and time-consuming. However, with the Internet companies can bring new concepts and ideas to the market quicker than ever before. The opening up of Intranets to external partners such as subcontractors or clients ("Extranets") will also produce an enormous increase in productivity," concluded the Netscape representative.

The next speaker, Mike West, Vice President of the Gartner Group, discussed some of the challenges involving using the Internet for commercial purposes.

One of these is the problem of security. However, Mr West considers the security problem to be partly a "problem of perception" and partly a reflection of a change in purpose for Internet technologies and the World Wide Web, which originated not in commerce but in academic sharing of research. Another challenge is content. Traditional IT-applications have primarily been about logic, with very little content. Internet applications, on the contrary, show a lot of content, but little logic. Mr West expects that there will be increasing barriers for entering the Internet. Companies with dynamic applications on the Internet will, in the next few years, have a competitive advantage.

The presentation of William Forquer, President and CEO of Information Dimensions was focused on the phenomena of Intranet and the World Wide Web. Intranet, he stressed, is not a physical thing, but a concept that takes advantage of the existing computing infrastructure within an organization. He proceeded with a number of examples of Intranet applications and concluded his presentation by stating that Web technology radically changes the information-sharing potential inside organizations. Still, said Mr Forquer, this potential can only be realized if the underlying information is well-managed. Maurice de Hond, Director of IT and New Media at Wegener Arcade, presented the importance of Intranet. "Intranet offers a more fundamental change than the computer itself.

Whereas the computer improved the mechanization of the production process, Intranet will radically change the communication process worldwide, as well as the functioning of companies," said De Hond. "The technology is still in its infancy, although it will certainly develop very fast." This was vividly yet unintentionally illustrated when De Hond tried in vain to get connected to the Internet. Nevertheless, during the following discussion, all panel members agreed that Internet is not a passing fashion. Arguments used to support this view were: the user-friendliness of the Internet, the fact that it is already an established universal platform, and the sharp growth-rate of the number of Internet users.

EFBQ Executive Lunch

The working lunch with Mr Frits Bolkestein, MP and Chairman of the Dutch Liberal Faction (VVD), was opened by Mr Sergio Orlandini, Chairman of the European Foundation for Business Qualification (EFBQ). According to Mr Bolkestein, the EFBQ is a very good initiative, and he congratulated in advance the winner of the 1996 European Business Award.



Frits Bolkestein addressing the EFBQ Executive Lunch.

Mr Bolkestein also had a few cautionary words for the future. He quoted the authors of the book *In Search of Excellence*, Peters and Waterman, who had identified 40 companies which in their view had reached a state of excellence. Still, in subsequent years a number of these companies, such as Delta Airlines and IBM, got into serious trouble. This means that excellence is a rather illusive phenomenon, concluded Mr Bolkestein. He added another note of caution, related to the issue of *strategic*



Frits Bolkestein and Sergio Orlandini.

choices. Mr Bolkestein confirmed that this is indeed a very important issue, which is dealt with on the highest company level and enjoys a high prestige and esteem. Nevertheless, he added, "we must not overlook the vital importance of the more down-to-earth activities of the shop-floor, because they may be decisive for the success or failure of an enterprise."

A Dangerous Belief

Then Mr Bolkestein elaborated on developments in European and Asian companies, using a recent study. According to popular belief, he said, the West can stay ahead of Asia, because it is better in R&D, or because its industry has a higher productivity. All in all, we like to believe in the West that we are smarter than they are. Mr Bolkestein thinks this is a dangerous belief, as research proves the opposite: in many aspects Asian industries outperform western ones, and where this is not the case, they have proven to learn very fast. Another important aspect that Mr Bolkestein quoted from the same study was the identification of weak points in factories, such as ineffective bureaucratic overheads, poor product flows, and insufficient multidisciplinary teamwork. The alarming outcome of the study was that the average performance of western industry is inferior to that of its Far Eastern competitors. Mr Bolkestein therefore warned: "This means that there is absolutely no reason to indulge in self-congratulation."

Positive Dimension

Mr Bolkestein expressed his high approval of the process of globalization, and named the Asian world as an example. "Experience shows that countries which have exposed themselves to globalization are now achieving rates of economic growth which are far superior to those of the developed countries. They are now in a process of catching-up. It's for the first time in history that billions of Asians now have a clear prospect of gaining a decent standard of life. Globalization played a major role in that, and this is a very positive dimension which we should not overlook."

Israel and Its Global Environment

"After hearing Israel's policy-makers speak, we will, in our turn, focus on business opportunities in Israel." Referring to the plenary speech of Prime Minister Netanyahu and the dinner speech of Jacob Frenkel, Governor of the Bank of Israel, Yossi Gall, Ambassador of Israel to the Netherlands, introduced the Special Israel Lunch Program.

Lucien Bronicki, Chairman and CEO of Ormat Industries Ltd, and Chairman of Bet Shemesh Engines Ltd in Israel, briefly explored the history of the Israeli economy, concentrating on the development of the high-tech industry, one of the greatest sources of employment in Israel. The maturation of this industry, combined with the start of the peace process, has already resulted in the establishment of an increased number of multinationals in Israel. Mr Bronicki then explained his idea that most employment in Israel, as in many other countries, is created by small business. The Chairman of just such a small company concluded his speech by stating that small companies should collectively move into the outside world, and "find room under the sun."

"Israel will be the Hong Kong of the Middle East."

The reasons why Israel is doing so well in the software industry were elaborated by Amiram Shore, Chairman of the Israeli Association of Software Houses, and Managing Director of M.L.L. Computers Ltd. Israel has extensive programs for the education of software and electronic engineers. In addition, a large group of scientists, many of whom have immigrated from the former Soviet Union, work in Israel's high-tech and software industries. Compared to the United States, Germany, and even the Netherlands, Israel has lower labor costs. Moreover, according to Mr Shore, the Israeli government has worked out a brilliant idea for stimulating the country's software industry. In order to motivate people to invest in start-ups, the government is willing to give up to 40 per cent in loans, if the new enterprise itself can contribute 12 million dollars and demonstrate its high-quality management. At this moment, Israel has more than 100,000 starters. Except for the United States, no other country shows such a score. Finally, according to Shore, Israel's current high-tech environment benefits from the country's improved political climate. "Israel will be the Hong Kong of the Middle East," he concluded.

With an overview of the schemes which Israel



Lucien Bronicki.

proposed, respectively, at the Casablanca, Amman, and Cairo meetings, Joseph Vardi, Principal of International Technologies Ventures, and Special Advisor to Israel's Ministers of Foreign Affairs and Finance, illustrated the possible cooperation between Israel and its neighbors. The ventures he mentioned related to water and gas, projects which "take a long time."

The following speaker was Moshe Nahum, Director of the Department of Foreign Trade and International Relations of the Manufacturers Association of Israel. He underscored the idea that a "transformation of Israel" demands "a strategy directed to reducing disparities and raising the standard of living through economic development." Mr Nahum, therefore, called the following conditions of vital importance: an implementation of the declarations of both Prime Minister Netanyahu and Prince Hassan; political stability through a continuation of the peace process; a commitment of industrial countries to the economic development of the Middle East; an elimination of trade barriers; the creation of a free trade zone in the Middle East; and the transformation of political boundaries by creating common industrial areas. Mr Vardi concluded with reporting the implementation of one of the many planned which shows that the countries of the region can be successful when working together.

Jordan: Gateway to the Middle East and North African Regions

From far away you could hear them: the bagpipers in their beautiful costumes playing traditional Jordanian music. This performance announced the Jordan Lunch Session, where various aspects of the economy of that country would be discussed. The cultural dimension of this session was further given shape by traditional Arab coffee and sweets served by Jordanians in special Arab dress.

The first speaker was Mrs Rima Khalaf, Jordanian Minister of Planning. She focused on Jordan's investment environment and development strategies. These strategies are directed not only toward Jordan's economy, however. As the Minister explained: "We are seeking a growth that will lead to more employment, to an equitable distribution of income, one that promotes democratic freedom, one that is sustainable. Economic tools have proved to be limited. That is why we have approved of a comprehensive program that focuses not only on economic growth, but also on development and human participation." This comprehensive program involves two components: political reform and economic reform. The first pursues a policy of inclusion that will enable all political forces in the country to operate legally. "The country has been very successful in broadening, in a meaningful way, popular participation in the decision-making process at political, economic, and social levels."

"We have achieved substantial improvements in our business environment. It is extremely competitive at this stage."

Regarding the second component, the Minister reported that in 1989 the Jordan government launched its Economic Reform Program. This program, which aims at the integration of the Jordanian economy, has proved to be a fruitful one. According to Mrs Khalaf: "We have achieved substantial improvements in our business environment. It is extremely competitive at this stage. We have reinstated macro-economic stability. We were able to reduce our budget deficits and have also managed to contain inflation, with price increases less than four per cent annually. On average, growth was over six per cent." The level of investment has also increased substantially. Investment currently constitutes around 33 per cent of GDP. "At this moment we have an excellent business environment. We also have ambitious objectives for the future to make the business environment even more interesting," she concluded.

Mr Samir Kavar, Jordan's Minister of Water and Irrigation, began by underscoring the importance of a very scarce resource in the Middle East region: water. "Today it is in high demand for Jordan and its region." Therefore, the Jordanian government has initiated some programs aimed at addressing this great urgency. Before the year 2010, investments in water programs will comprise 2.7 billion dollars. One important project is the construction of a canal linking the Red Sea with the Dead Sea.

"Jordan has a great deal to offer."

Telecommunications and transportation also constitute important sectors of the Jordanian economy. In order to encourage private sector investment, the government has introduced new laws on telecommunications. As to transport, Mr Kavar reported that it accounts for eleven per cent of national GDP. Jordan is geographically situated at the crossroads of the Middle East. The expected benefit of the peace process, enhancing the economic development and integration of the area, will particularly expand Jordan's role in transportation. Mr Kavar concluded his presentation by



The bagpipers of the Royal Jordanian Army.

inviting investors to enter the Jordan market, promising that "Jordan has a great deal to offer."

Tourism in Jordan was the focus of the remarks by Mr Nahad Dahabis, President of Royal Jordanian. Tourism is very important for Jordan and makes up over ten per cent of the country's total GDP. After the signing of the peace treaty between Jordan and Israel over two years ago, the tourist sector has grown considerably. Together with its neighboring countries, Jordan has initiated several projects--for instance in the Red Sea Riviera at the Gulf of Aquaba and in the Jordan Left Valley. Facilities for tourists are now being developed and improved.

The moderator of the this special session, Mr Mohamed Rabbani, Executive Vice-President of Rabbani Trading and Consulting BV, concluded the program by announcing the establishment of a Dutch Jordanian Business Council. This is a joint undertaking of the



El Hassan bin Talal and session chairman Mohamed Rabbani.

Jordanian Businessmen Association, the Chambers of Commerce of Rotterdam and The Hague, and the Netherlands Center for Trade Promotion (NCH).

Lunch Session

A Follow-Up on the Cairo Summit: An Evaluation of the Recently Held Middle East and North Africa Conference (MENA)

The Special Lunch Sessions on Israel and Jordan were continued in this afternoon program, hosted by the largest employers' organization in the Netherlands, VNO/NCW. "Thanks to the organizers of Global Panel, the Business Task Force Middle East and North Africa (MENA) will have the opportunity to evaluate the results of the economic summit in Cairo, held in November. In addition, this program will be able to look for a concrete follow-up on the results that were achieved during the successful summit." With these words, the chairman of this session, Paul Verhaegen, Chairman of the Dutch department of the Task Force, opened the session.

Mr Verhaegen explained that the ongoing peace process in the Middle East needs business investments and economic development as a prerequisite for a lasting and stable political and economic development in the region. "Israel and Jordan play very important roles in Dutch economic relations with the Middle East. This fact, and the effective peace treaty between Jordan and Israel, form an excellent base for further and intensified cooperation." According to Mr Verhaegen, Dutch expertise and know-how can be used in establishing the necessary infrastructure in the Middle East. "Through the economic development process, important new markets are being created, which open further opportunities for investment in production, distribution, and marketing

facilities. Especially because of the growing market-to-market relation, entrepreneurs and businessmen attach great importance to the outcome of the ongoing international economic analysis, as moderated by Michael Porter and facilitated by the Dutch government." Verhaegen concluded by saying that structural relationships should be established. "Both the business community and governments will have to move in, setting up joint business consultations."

"It is from the progress of the peace process in the Middle East that we develop the energy to jump forward."

"What is next after the Cairo Summit?" With this question, Mr Haddadin, adviser to H.R.H. El Hassan bin Talal, summarized the topic of the meeting. "There is a lot of work waiting for us. We all have to work to reduce asperity, and, in this way, to realize regional peace. In order to enhance regional cooperation and achieve a growth in the regional economy, it is important to gain mutual trust and mutual confidence. Jordan can offer a valuable contribution to this," said Mr Haddadin. Business investments and a development of the economy and infrastructure will advance the stabilization in the region, added the speaker. He characterized Jordan's desire for globalization as follows: "It is from the progress of the peace process in the Middle East that we develop the energy to jump forward."

According to Mrs Anneke van Dok-Van Weele, the Dutch Minister for Foreign Trade, the Middle East offers a promising future. She shared the vision presented by President Mubarak at the opening of the MENA conference in November. "The North African and Middle Eastern countries are part of a global economy. They are no longer island economies. The principles of globalization now govern the order of our planet." According to Van Dok-van Weele, the EU and the Netherlands actively support this view. The members of the MENA Task Force will continue to try to get involved in the variety of national projects as they were presented in Cairo. Among other projects, private Dutch companies have developed an innovative concept for financing the Light Rail Project Amman-Zarqa. There are plans to set up a Joint Business Council (JBC) between Jordan and the Netherlands to underline the importance of the private sector. "This Council will increase the chances of the private sectors of both countries to do more than talk about business, that is: to do business."

According to Mr Joseph Vardi, Principal of International Technologies Ventures in Israel, more than 85 per cent of the peace agreement between Jordan and Israel deals with economic cooperation. The countries together have created fourteen working groups on every imaginable subject, such as water, energy, and transportation. More and more Jordanians and Israelis are joining them. "Now it is time to put some content into the framework," argued Mr Vardi. In explaining this, he came up with two examples. The first is a framework developed in Cairo by both Jordan and Israel, consisting of seven different projects to save marginal waters from rivers in Israel which flow into the Jordan River. The issue is very complicated, as it affects an area which forms a



Joseph Vardi at the follow-up program of the Cairo Summit, hosted by VNO/NCW.

joined border between two countries that were enemies for a long time. Although there were many obstacles to overcome, after two and a half years, matters have advanced, reported Vardi. The second example is a set of cooperative projects involving Egypt, Israel, Jordan, and Saudi Arabia—a logistical undertaking which includes a joint airport, a railroad to the Dead Sea, crossroads in the region, and several inland ports which are connected with the harbor of Aquaba. In summing up the significance of these forms of cooperation, Vardi remarked cryptically: "With such enemies, who needs friends?"



Mr Haddadin.

Malaysia: A Model for Growth

The contribution of H.E. Dato' Seri Rafidah Aziz, Minister of International Trade & Industry of Malaysia, during the Malaysia lunch hosted by the ABN Amro Bank, proved to be both constructive and uncompromising. Her speech was also highly informative and, explaining government policies, it offered guidance to potential investors--all delivered with a delightful sense of humor. There was no doubt about it: the Minister had everybody's full attention.

"The ABN Amro Bank is the largest bank in the world with its headquarters below sea-level." With these words, Mr M.J. Drabbe, Member of the Managing Board of the ABN Amro Bank, the Netherlands, and host of the session, jokingly characterized his bank during the Malaysia lunch program. The bank started its activities in Asia some 157 years ago. Today, the Asian network of 43 offices in seventeen countries, including Malaysia, forms a vital part of the bank's international network covering 70 countries around the globe. "Malaysia is firmly on its way to reaching a self-formulated goal as a fully developed nation by the year 2020--the so-called 2020 deadline." In Drabbe's opinion, this growth is sustainable because of the combination of a very good infrastructure, vast energy resources, and an expanding manufacturing base. The role of Malaysia in the economic development of the region will therefore be prominent. "ABN Amro is in the process of expanding its investments both in terms of physical presence as well as in terms of specialist financial knowledge," concluded Drabbe.

The 'Malaysia Incorporated' strategy has been one of the most successful features of the government policies directed towards attracting foreign investments, facilitating Malaysian investments abroad, and the development of Malaysia at large. Mrs Aziz elaborated on this strategy: "The policies have become more and more market driven, and the government has adopted a pro-business approach in economic governance." This makes Malaysia a profitable manufacturing and export country based to competitively serve regional and global markets.

Second Industrial Master Plan

"Today," said the Minister, "we see Malaysia's transition from a base for cheap-labor manufacturing activities focused on labor-intensive industries, into a viable location for export-oriented capital, technology, and skillsintensive industries that require global competitiveness. This transition is now gaining momentum with the recent launch of the Second Industrial Master Plan, a rolling Plan that will cover the

period between 1996 and 2005. The plan has identified the areas of future growth and development in the manufacturing sector and reflects the need for Malaysia to move rapidly into the era of capital, technology and skillsintensive industrialization."

Mrs Aziz added that "with the increasing interest of Europe in the East Asian and Asian region, in the context of economic opportunities especially in the area of trade industry, it would be a viable proposition for Dutch industrial companies to base their off-shore manufacturing and distribution facilities in Malaysia, combining your technology and manufacturing know-how with Malaysia's competitive advantages." The Minister emphasized that the pro-business policies of the Malaysian government will provide foreign investors the necessary edge to be competitive both regionally and globally.



Investments abroad are important for Malaysia. "From 1994 our annual increase in investments abroad have been 44 per cent, mainly to Europe and Latin America. We recently saw a change in destination to the Asian Pacific region, as well as a change in sectors: from real estate to equity investments," explained Minister Rafidah Aziz. Malaysia sees a growing market for foreign investors, especially European companies. "Holland is very strong in transportation. We are strong in agriculture but weak in distribution," said Minister Mustapha Mohamad during a later session. There is also a big potential in environmental projects, water treatment, and multi-media for which the government has reserved a large sum of money.



Malaysia is a little disappointed in Dutch investors. "Holland should be in the top ten of foreign investors, but they are only sixteenth," said H.E. Dato' Mustapha Mohamad, Minister of Entrepreneurial Development, in his opening speech.



Bashir Ahmad, Senior Vice-President of Malaysia Airlines.



Malaysia Airlines presenting Global Panel participants with a kind gesture.

In order to make matters extra attractive for Dutch investors to come to Malaysia, the Malaysian-Dutch Business Council has been founded. Mr L. Kniphorst, Country Manager of ABN Amro Bank, the Netherlands, who resides in Kuala Lumpur, said: "In order to really know the do's and don't's, it is best to find a good local partner. That's what Makro and Ahold have done, and they are doing fine." The government rewards joint-ventures with tax reductions for five to ten years, Kniphorst added.

He also remarked that the political situation is stable. "I have seen no major shifts in government policies, and none are to be expected." Malaysia has inflation well under control; it amounted to about three to four per cent in the last four years. Together with its well-developed infrastructure, all of this should attract more foreign investors.

Working Together for a "World Century"

Dr Mahathir bin Mohamad, Prime Minister of Malaysia

H.E. Dr Mahathir bin Mohamad, Prime Minister of Malaysia, is widely known for more than the competent leadership of his country alone. He also is a powerful "ASEANist" and has been described as a spokesman for the developing world and an advocate of Asian values. At Global Panel 1996, the Prime Minister presented himself as the realist advocating the coming of a "World Century" - as opposed to the coming of an Asia-Pacific century. Following are excerpts from a well-versed speech that was both thought-provoking and critical in a constructive fashion.

"Let me plead for a new beginning, for a concerted and determined effort by Asia, by Europe, by the Americas, by Africa, by all of mankind, to build for the first time in world history a single global commonwealth of common wealth and co-prosperity, where the full dignity of all the children of Adam will be catered to and nourished."

"What we must work for in the 21st century is not the century of Asia but the century of the world."

"There are now many, especially from my part of the world, who fervently believe that the twenty-first century will be the century of Asia and should be the century of Asia. [...] I believe that this is a mirage wrapped in incredible arrogance. The century of Asia will not come. The era of Asian dominance over this planet will not arrive. This will not happen. Nor should we in Asia aspire to a new hegemonism. The age of imperialism is long gone. The age of hegemony has passed. They must be buried and their burial celebrated. [...] The damnation of domination will be no lesser if it is Asian domination. What we must work for in the 21st century is not the century of Asia but the century of the world. [...] A World Century is now possible for the first time. The constraints have removed themselves. We must make it our mission in the new millennium."

"Please do not get me wrong. By all this, by speaking against 'the Asian Century,' I do not mean that Asia is not rising or should not rise or that it will not go far, very far. [...] Despite the predictions of many who cannot see how we can continue to run at such sizzling speeds over such a long time without losing steam or collapsing from over-heating and sheer exhaustion, I believe we will persevere. [...] We will continue to patiently build the East Asian Peace, the East Asian community, the web of East Asian cooperation which we must have in order to ensure that we can continue with our rapid march towards a better life for our peoples. [...]"

I cannot see so far into the Asian future. And my optimism does not stretch to such lengths. But I do know that we are only seeing the beginning of the new Asia. That beginning has been dramatic enough."

"I need not cite how many telephones East Asians will be buying and connecting over the next ten years, how many cars we will drive onto how many miles of new roads, how many trains we will put on the rails, how many aircraft we will hurl into the skies from how many dozens of airports, how many Pierre Cardin suits we will be putting on our backs, how many pills we will swallow. I do not know. God only knows. I know enough to know that the figures are huge. And there has never before been anything quite like it."

"I believe that the single most important thing to do is to ensure one single change of thought. Just as Adam Smith stressed one single factor, the invisible hand, in the process by which nations create wealth, let me stress one single mind-shift in prescribing the means by which the Global commonwealth I speak of can be actively pursued. Let me call this the 'invisible shoulder.' [...] Imagine the incredible results if the whole world is in the grips not of



Dr Mahathir bin Mohamad, Prime Minister of Malaysia.

'beggar thy neighbor' impulses but is given the push of 'prosper thy neighbor' attitudes and policies. Is this unrealistic idealism? If this is unrealistic idealism, come to our region to see how unrealistic we are. We persevere because we have seen the wonders by this invisible shoulder in East Asia. The boats have been pushed to sea and all have risen with the rising East Asian economic tide. And we, even the tiger cubs, are going abroad, to places which western socialism had destroyed, to put our shoulders to the wheels and to achieve the same unrealistic miracles."

"It is now time for Europe to venture forth out of the secure confines of its small continent to once again conquer the East - not our lands, not our peoples, not our pride and our faith, but our markets; not to dominate our societies and economies but to be an indispensable co-venturer in the renaissance of the people who had been once the creators of great civilisations and religions. [...] Venture forth. Help us build the new Asia. Contribute and profit fully from the making of the new world, the Commonwealth of the world where the wealth is truly common."

Viewpoints: Three Subsessions

Food for Thought

Mr H. De Haen, Assistant Director General of the FAO, opened the session on global food supplies. According to him, undernourishment has increased dramatically. The number of poor people has persistently been high, and they cannot spend more than a dollar on food each day. The high rate of poverty, in Mr De Haen's view, is often a consequence of political shortcomings, such as unstable economic policies, social failures, a neglect of poverty issues, and of infrastructure and agriculture.

Looking at the future, Mr De Haen sees further population growth and income growth, primarily in East Asia. This will require an increase in cultivated land and in water resources. Most of the available land is located in Africa, Asia, and Latin America. At the same time, biodiversity is being lost by a rapid specialization; the resources on which agriculture depends are being overexploited and misused; and domestic animal diversity is at risk. Even though food production is growing, there are still 700 million people who are suffering from hunger.

Therefore, Mr De Haen called it foolish to be optimistic about future prospects. World leaders are going to have to be aware of food insecurity. However, agriculture is losing ground as a development priority. The number of

commitments of bilateral and multilateral assistance to developing country agriculture is shrinking. Agriculture's share in total official development finance is on the decline, from 24 per cent in 1985 to ten per cent in 1992. Therefore, De Haen ended his speech by stating that, in order to prevent food insecurity, it is necessary that the leaders act as rapidly as possible.

Stephen Rogers, Director of Biotechnology Projects-Europe of the Brussels department of the US Monsanto Corporation, held a different view. According to him, the world has an abundance of food and a healthy environment. There are several factors affecting food shortages. Population continues to grow while crop lands diminish. However, innovation and agricultural technology can be applied so that we will not have to destroy our world's wilderness. One solution can be found in biotechnology. Some of the agronomic benefits of biotechnology mentioned by Mr Rogers were: herbicide tolerance, insect protection, and disease protection. These should be used not only industrially, but also employed by the local farmer.

Mr Arend Heijbroek, Senior Sector Manager, Food & Agribusiness Research of Rabobank International, appeared to hold a view somewhere between those of Mr De Haen and Mr Rogers. In the developed part of the world, a saturation of overall food demand has created a buyers' market where demand factors of the consumer and the retailer are decisive. Worldwide, however, the question



Ahrend Heijbroek (Rabobank International), Stephen Rogers (Monsanto Corporation), and H. de Haen (FAO) engaging in a discussion...

currently is whether future production capacity will be able to respond to the effects of increasing consumer power in major population centers in South East Asia and Latin America. For instance, cereal production shows a reduced rate of growth. If the total world's population will increase, as expected, by 7.5 per cent during the next five years, this will represent a level of growth three times higher than that for cereal production during the last five years. Looking ahead even further, Mr Heijbroek thinks that the availability of water might become one of the major challenges for the world during the next century. He guesses that water consumption can only continue to grow in the next 30 or 40 years.

All of this, Mr Heijbroek concluded, will require rather considerable investments in new technologies, such as biotechnology and improved water efficiency. The speaker also stressed the need for establishing reliable food chains. They will compensate for the costs involved in the investments required, as the consumer will pay more for food whose quality can be guaranteed. Consumer expenditure on added value--food trade and retailing, and food servicing--is already three times higher than the farm value and is said to increase further. Mr Heijbroek therefore advised individual companies to create complete food chains of highly reliable partners. They cannot, in his view, survive as individual islands.

Viewpoints: Three Subsessions

Quality of Management

After an introduction by Mr Sergio Orlandini, Chairman of the European Foundation for Business Qualification (EFBQ), Mr Paul Timmers, Area Coordinator, Electronic Commerce of DG III of the European Commission, opened this session.

Mr Timmers began by saying that the European Commission supports the use of Internet by small and medium-sized businesses. As 95 per cent of all European companies have fewer than 50 employees, they are suppliers and users at the same time. The main reasons for the EC's support of the use of Internet is that the communication system stimulates cooperation, it is cheap and fast, and it is able to leapfrog local and regional barriers without the necessity of global production and representation. Furthermore, Internet has a very open structure: users can learn from one another. Following his plea for the use of Internet in small and medium-sized businesses, Timmers officially opened the WEB-site of the EFBQ.

Mr Ruud Heijblom, Accessor of the EFBQ, focused his remarks on the role of the "invisible phenomenon called intuition." Many people, especially those in boardrooms, block their intuition and hide themselves from it. Since intuition is considered to be irrational, there is a taboo surrounding it, Heijblom asserted. The key words to open one's intuition are relaxation and fun. Explaining that intuition is a hidden power, he said that we should mobilize it for business.

In a world of complexity and rapid change, strategic management is of great importance, the speaker went on. Therefore, he has coined the term

raplexity, calling it a global phenomenon. In this context, Heijblom explained, intuition can be defined as "a way of knowing spontaneously without conscious use of logic or analytical reasoning." Intuition must be seen as complementary to logic.

In addition to total commitment and confidence, many managers have a mystic residue. They are successful in business because they have a hidden potential, a sharp *coup d'oeil*: they look quickly, oversee and decide. However, the organization they work for must make room to give such intuition a chance.

According to Heijblom, intuition is the key to successful entrepreneurship. Every manager must take time to do his homework, such as studying surveys. "A good entrepreneur knows sooner than others." Heijblom believes that there is actually more intuition in boardrooms than in theaters and pubs. But an openness must be created to release this intuition. In business, we should decide with heart, soul, and wallet. However, he also warned against mis-intuition. In order to be able to rely completely on intuition, one has to be skilled, experienced and informed about the subject. Mr Heijblom closed his speech with the following statement: "Success is a journey, rather than a destination, and there is also fun during this journey. We should nurture and cultivate our intuition."

Information Technology: Strategies for Corporate Communication

"How do new products and developments in the field of information technology contribute to better internal and external communication? Will the Internet experience an early demise as infrastructural innovations cannot keep pace with the increasing use of the Internet? Can today's managers cope with the available information? How can the Netherlands gather its forces to lead in the European information and communication industry?" These and other questions were addressed by Berry Veldhoen, Director of Advanced Technology Services of Cap Volmac.

"Of course everybody knows that the Internet is growing every year. At this moment, there are more than 64 million users all over the world. Yet, for professional users in corporations, the efficiency in general is still low," claimed Paul Ayres, Director of Netscape Communications Northern Europe. His fellow speaker, Mauro Righetti, President of Network Computer Inc. Europe Middle East and Africa, also expressed his scepticism about the Internet. "Its influence in the corporate market is still low, and the problem is high cost. The business market is looking for much lower costs." Still, Steven Nussbaumer of Philips Web TV remarked that the Internet will be the fourth mass media, besides television, radio, and newspapers. "In the future the Internet will be the largest," he claimed. "I disagree with Steven," said Mr Michiel Frackers, Chief Editor of Planet Internet. "I don't see the Internet as a workable information force. What does a manager do with Internet? It doesn't work for this group of people. You have to know how to use Internet, before you can get profit out of it."

"There will be more and more corporations and information services coming to the Internet, and the consumer will be able to do more with it."

Mr Frackers did agree with Mr Ayres that connecting businesses via Internet should be an important issue in the future. Within five years Internet will be an easy machine, as easy as a television set. "There will be more and more corporations and information services coming to the Internet, and the consumer will be able to do more with it. It will be much easier to know the ways of Internet by then," said Mr Nussbaumer. Mr Righetti added: "You have to make the service cheap and make programs for educational purposes. The progress of Internet starts with educating children."



Mauro Righetti: sceptical about the Internet...

The problem of the Internet is transparency. "The editors of Planet Internet filter like journalists," said Frackers. "When you ask for a product, somebody's taking care of you. They don't give you the complete picture, because that will make it more difficult for you." Concluding the discussion, he added: "People want Internet; the religion is there. Now, how can they get there?"



Mauro Righetti (Network Computer Inc.), Steven Nussbaumer (Philips Web TV), Michiel Frackers (Planet Internet) and Berry Veldhoen (Cap Volmac) discussing strategies for corporate communication.

Presentation of the First European Business Award

The European Foundation for Business Qualification stimulates the quality of general management, boosts objectives-driven business operations, and qualifies sound entrepreneurship based on strategic planning. During this year's Global Panel, the Foundation's European Business Award was presented for the first time. A distinction for management performance is no longer an unknown phenomenon in the world of business. Japan has its prestigious Deming Award, the USA its Baldrige Award and, from 1996 onward, Europe has the European Business Award. This Award is presented to a company which is selected out of a group of qualified companies. The nominees studied two compulsory and four optional topics, and were interviewed on these topics by certain assessors, experts from the EFBQ. Based on the report the assessors compiled, the EFBQ Award Jury selected the winner.

The *compulsory* topics were both *qualitative* (about vision, a daring strategic plan, inspiration, flexibility, communication, animations, values and mission) and *quantitative* (about budget allocation and the effectiveness of managing the product/market matrix).

The *optional* topics were focused on *implementing plans* (new process engineering), *networks* (use, scope and maintenance), *status of technology* (the development of business and technology, the strategic focus and the planned options) and *dealing with the stakeholders* (identification, objectives and results).

The members of the Award Jury are: Prof dr mr P. van der Zanden, Professor at the University of Tilburg and Nijenrode; Prof dr A. Heene, Professor at the Vlerick School for Management, Gent; G.L. Slot, Treasurer of the EFBQ Board; and G.J. Kuperus, Initiator of the EFBQ. This year the EFBQ Award Jury nominated six companies for this prestigious award, as follows:

1. EMI COMPACT DISC (HOLLAND) BV, Uden
(Manufacturer and distributor of sound carriers for the European market)
2. GREY ADVERTISING BV, Amsterdam
(Advertising agency)
3. HAGO NEDERLAND BV, Heerlen
(Cleaning services)



Hans Blankert (VNO/NCW) presenting the first European Business Award to Hans van Luit (EMI Compact Disc Holland).

4. PINK ELEPHANT NEDERLAND BV, Voorburg
(The technical, organisational and corporate management of computer and information centres at the client's location)
5. TISSOT BV, Vaassen
(Design and realisation of shop formula and equipment. Design and realisation of front offices and reception areas)
6. WOLFF VLEES NEDERLAND BV, Twello
(Wholesale, production and distribution of beef)

After an inspiring speech, Mr Hans Blankert, Chairman of VNO/NCW, the largest Dutch employers' organization, presented the first European Business Award to EMI Compact Disc (Holland). According to Mr Blankert, EMI has been shown to possess particular strategic qualities and display exceptional services in the field of good entrepreneurship.



The booth of the European Foundation for Business Qualification (EFBQ).

Global Panel Dinner, December 3, 1996

Where (Inter)national Businessmen, Politicians, and Global Panel Members Meet



Frank Fernandez, a world class Cuban pianist, playing at the dinner.



Dirk Goedhart (Philips International) discussing with Joep van den Nieuwenhuyzen (RDM Submarines BV).



El Hassan bin Talal and Mrs Anneke van Dok-van Weele.

For several reasons, the Global Panel Dinner was a truly exceptional occasion, but primarily because of the three remarkable guests of honor: H.R.H. El Hassan bin Talal, Crown Prince of the Hashemite Kingdom of Jordan; H.E. Cassam Uteem, President of Mauritius; and H.E. Mahathir bin Mohamad, Prime Minister of Malaysia. The evening program was also special because of the participation of hundreds of other guests, including speakers and the Cuban piano virtuoso Frank Fernandez. Of course, the stunning location added to the distinctive nature of the evening. The next day, recalling the enormous glass atrium of The Hague's new City Hall,

Crown Prince Hassan remarked: "I would not wish to be the window cleaner there." Hosts of the dinner program were the City of the Hague represented by its new mayor Wim Deetman, Rabobank International, Curef BV, Niref BV, and the European Research Center.



Dr Mahathir bin Mohamad, Prime Minister of Malaysia, in discussion with Wim Deetman, Mayor of the City of The Hague, and Arthur Arnold (Rabobank International).



Morris Tabaksblat (Unilever) and Ricardo Lagos Escobar, Minister for Public Works of Chile, enjoyed the friendly atmosphere.



The Global Panel Dinner hosted 350 participants at the City Hall of The Hague.

Plenary Session, December 4, 1996

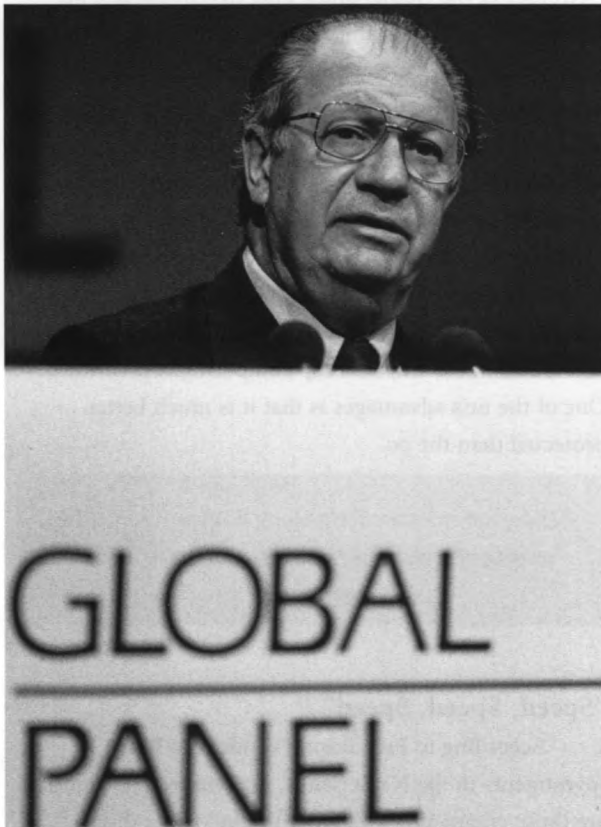
New Scenarios in Global Business

Changing the Ways of Communication

Heiko Thieme, President of Thieme Associates, USA, opened the meeting by saying that one challenge the world is facing is that people must make a start to live in peace with each other. According to Mr Thieme, the cybermarket could help to fulfill this wish. A major condition, however, is that people should become acquainted with this new phenomenon. If that happens, many things will change.

A World Opens Up For Chile

One of the countries that changed after it got in contact with the cybermarket was Chile. As Ricardo Lagos Escobar, Minister of Public Works in Chile, stated in his speech, Chile used to be an isolated country with a small economy. This was mainly due to a lack of communication with other countries. Then, a few years ago, the government decided to do something about this situation and improve its telecommunications. For Chile, this meant an enormous change—especially economically.



Ricardo Lagos Escobar, Chile: "Telecommunication helped us change from an isolated into an open country."

Chile's small economy has now developed with an international orientation, which in its turn has led to a more modern infrastructure. Since 1994 Chile has a 100

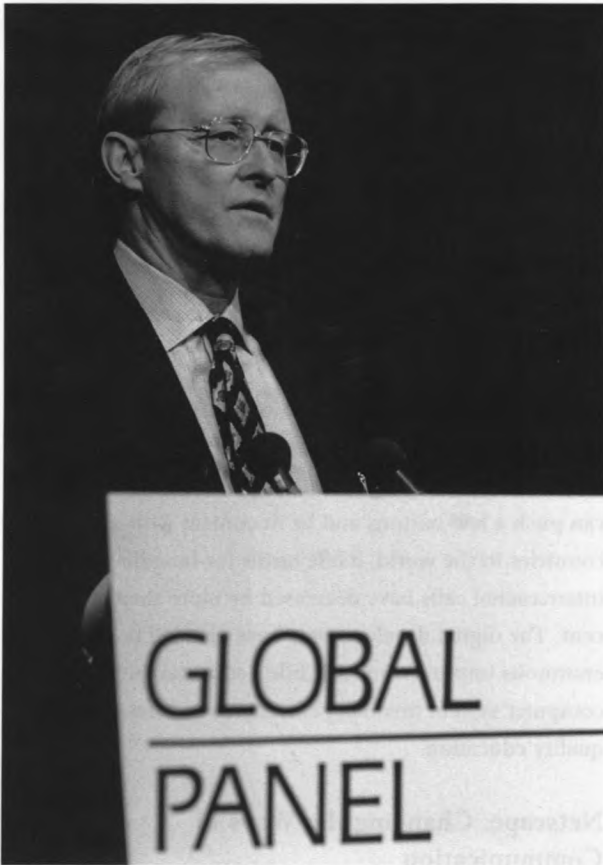
per cent digital telecommunication network. The government has also introduced competition in long distance calls. At this moment, anywhere in Chile, you can push a few buttons and be in contact with all countries in the world, while tariffs for long distance and international calls have decreased by more than 50 per cent. The digital developments have also led to an enormous improvement in Chile's educational system. A computer system involving all schools ensures a high-quality education.

Netscape: Changing the Ways of Communication

The next speaker was Jim Clark, Chairman and co-founder of Netscape Communications, USA, a company which started in June 1994 and released its first product in December of that year. Netscape wanted to change the ways of communication, and, as more and more people are now using the Internet, we can say that this plan has certainly succeeded. In the beginning, the Internet was especially used by business people. To them, the Web and Internet were ways of internal communication. Sending e-mail appeared to be an easy, and the most efficient way of sending a message.

"Internet offers the solution to the world's education problems."

Yet, this form of telecommunication does not really exceed its original concept, 'making contact with another individual.' It was this realization that led to the beginning of the Internet, and which still exerts influence on it. But the Internet itself also has its effects on communication, as Clark explained; the entire electronic industry is influenced by it. Moreover, when television becomes available on the Internet, people will be able to do their shopping, as well as book their vacations and efficiently organize their banking affairs. According to Clark, the Internet offers the solution to the world's education problems. When a school



Jim Clark (Netscape Communications).

buys a computer as well as an Internet connection, and teaches its students how to handle a computer, the children will be able to learn from the information offered on the Net. Still, acknowledged Clark, many things will have to happen before this reality is achieved.

The NC--The Future?

Pier Carlo Falotti, Senior Vice-President of Oracle

Europe, Middle East, and Africa, Italy, devoted his presentation to the network computer (nc), a simple device that can communicate with intelligent computers. Nc's can do most of the work of pc's at one tenth of the price. Indeed, argued Falotti, they can help restore competitiveness in Europe. As nc's are very easy to use, they are suited for a very wide application.

Indirectly referring to Jim Clark's conclusion, the Oracle representative said that nc's can be used in schools as a means of improving education. "Years ago, I wanted to give schools a computer. Most of them did not want one. According to the teachers, a computer was difficult to work with. As they did not understand how it worked, the children would never learn how to use it either." Now, with the nc, Falotti plans to give it another try, because nc's are much easier to work with than 'ordinary' pc's.

A New Revolution

The next speaker was Anton Risseeuw, Chairman of Getronics in the Netherlands. Like his colleagues, Mr Risseeuw spoke about the advantages of the nc as opposed to the pc. For a long time, he explained, central IT departments controlled users' communication. Then the advent of the pc put an end to the hegemony of these departments. Individuals beginning to use pc's discovered their freedom, but at a high financial cost. Risseeuw pointed out that the use of a pc implies high hidden costs, such as the time employees spend on managing their individual pc's. The phenomenon of the nc means a new revolution in the way desktop computing is performed. One of the nc's advantages is that it is much better protected than the pc.

"Today information technology is often a constraint instead of a catalyst for change, because it is too complicated."

"Speed, Speed, Speed"

According to Paul Baan, President of Baan Investments in the Netherlands, the winners of tomorrow are those companies which use the following three weapons: "The first one is speed. The second one is speed. And the third is also speed." As speed means ongoing innovation, Mr Baan continued, the winners are those companies which can anticipate the future. "Today information technology is often a constraint instead of a catalyst for change, because it is too complicated. More



Pier Carlo Falotti (Oracle) and Jim Clark (Netscape Communications) gave their opinions on the theme "Competition in the Cybermarket."



Paul Baan (Baan Investment) and Pier Carlo Falotti (Oracle).

flexibility is therefore needed. Function-driven companies need to turn into customer-driven companies. Because complexity hinders flexibility, it will have to be driven out.”

International Trade Agreement

Mrs Anneke van Dok-van Weele, Dutch Minister for Foreign Trade, devoted part of her speech to the International Trade Agreement and its section on intellectual property rights, as concluded a few years ago in the Uruguay round of trade negotiations. The first objective regarding this agreement is to ensure its full and timely implementation. As developing countries have been awarded longer transition periods, there is still a long way to go. Since the agreement was concluded, new technological and commercial developments have taken place. For instance, in the area of authors' rights, the emergence of the 'Information Society' has led to a call for an adjustment of the rules governing international copyright. New regulations should ensure the digital transmission of protected subject matter over global networks. Second, the need for international provisions concerning the protection of databases has become a major topic of discussion. In addition, the Information Society requires international provisions for the legal protection of technical devices designed to prevent or inhibit the infringement of copyrights. Negotiations on these issues are well underway in the World Intellectual Property Organization and will hopefully lead to the conclusion of new treaties soon.

Mrs van Dok-van Weele also referred to the chances of reaching an international agreement on basic telecommunications. The negotiations should be concluded by February 15, 1997, and the latest developments have been encouraging. "The European Union and the US recently took the initiative with an improved plan for market access," reported the Minister.

"If other countries will come up with new and revised ideas, we may expect to meet the deadline." If the momentum can be sustained, it will indeed be possible to bring the global telecommunications market, including satellite services, under the discipline of the World Trade Organization.

The Minister's last point concerned the possibilities for an international Information Technology Agreement, which recently has become much more promising. It was at the meeting of the Asia-Pacific Economic Cooperation, held in Manila November 1996, that a breakthrough was achieved towards an agreement on trade in IT. However, such an agreement should not focus exclusively on the elimination of tariffs, she argued. It should also aim at lowering technical barriers to trade such as standards which, for some countries, are much larger barriers to effective market access than tariffs.

Eco-innovation

The last speaker of this plenary session was Claude Fussler, Vice-President New Businesses of Dow Europe in Geneva, and author of *Eco-Innovation: A New Corporate Strategy*. Fussler focused on the need for environmental pollution restrictions and for an "energy efficiency revolution." Energy efficiency is extremely low at the



Claude Fussler (Dow Europe).

moment, and the achievement of greater efficiency will take a while. Therefore, Fussler cryptically said, "you have to move before you have to." That is where his concept of 'eco-efficiency' comes. This idea was created by the member companies of the World Business Council for Sustainable Development (WBCSD). It aims at achieving a triple balance: creating more value, providing more quality for life, and obtaining a better environment.

"Companies with normal planning cycles are easy prey for companies with vision. This is natural selection in the business realm."

According to Fussler, the themes of innovation and environment marry well. The need to operate the global economy at levels where society exists of the earth's dividend, and not its resource capital, will induce profound changes in existing markets. Business is and will become an increasingly important factor in the sustainable development equation. "Your business success depends on how well you serve your customers. But you do not know what these customers will need five or ten years from today," argued Fussler. "How can you design new plans to solve a future problem when you and most of your customers are satisfied with a stable, efficient and profitable current relationship? The initiative is yours to take. You can anticipate the changes that will delight your customers, enhance your competitiveness, and increase return profits from *your* skills, *your* time, and *your* capital. Change is fundamental to business success." Fussler continued by explaining that "new trends will shake up your customers and your business during the next 30 years. Thirty years is well beyond your normal business planning cycle. But companies with normal planning cycles are easy prey for companies with vision. This is natural selection in the business realm."

"The best skippers win when the wind gets difficult."

Fussler agreed that the notion of sustainable development is not yet included in day-to-day business language, but it continues to gain attention. Eco-efficiency now finds its place on some business agendas. "It translates sustainable development at the operational level--provided that it is linked to radical goals of improvement. We expect to create wealth with four-fold to ten-fold less resource intensity within a generation. This is a bold claim. Recent developments that best prove our innovation power still took 20 years or more from

discovery to first market impact--from DNA decoding to man-made insulin, from transistors to integrated circuits, from lasers to optical compact disks." The speaker concluded by saying: "The seas ahead will be rough. We will be tossed more and more among these three currents in business: shortcuts in our traditional value chains, information intensity, and an environmental overload. Steering forth is imperative and possible. Those entrepreneurs with novel solutions will thrive. The best skippers win when the wind gets difficult."

Panel Discussion

The discussion kicked off with Berry Veldhoen, Director of Advanced Technology Services of Cap Volmac, the Netherlands. His point was that telecommunication networks have created an enormous information-sharing potential, but people still have to learn to share information. The issue is not 'to know' but 'to know who knows.' Further in the discussion, Hella Voûte, Member of the Dutch Parliament, stressed the need to liberalize the rules for telecommunication not only nationally but internationally.

As a finale, Heiko Thieme asked every Global Panel participant to express his or her personal and innovative idea for the future. Fussler foresees computer power as creating a common consciousness. Van Dok-van Weele wishes for a liberation of trade. Chile's Minister, Lagos Escobar, is looking ahead for more education. Veldhoen urged the participants to profit from the possibilities of the computer. Risseeuw wants lower costs worldwide. Clark views secure networks as the biggest challenge. Falotti wants to solve the communication problem of an individual in the audience who asked for help because he, his wife, and his children all have different computers and therefore are unable to talk with each other.



The speakers' panel during the session "New Scenarios in Global Business."

Cuba: Trade and Investment Session

An Isolated Country Opens Its Borders for Foreign Investors

"There are only two reasons for not investing in Cuba," Raúl Torres Pérez, Cuba's Vice-Minister of Foreign Investment and Economic Collaboration (MINVEC), began his speech: "hurricanes and the bad relationship with our large neighbor." He then elaborated on the fact that, for 35 years, Cuba has been isolated from the West. After the collapse of the Berlin Wall and the former Soviet Union, Cuba lost 80 per cent of its export. "But the country itself is far from collapsing," said the Minister. It has even opened its borders for foreign investors. Partners from five continents, but mainly Europe, have already set up joint-ventures with local partners.

Mr Torres also stated that the Foreign Investment Act of 1995 makes it extra attractive to invest in Cuba. The Act states that the government shall supply local entities with capital and real estate. These joint-ventures can be tax-exempted for the first twelve years, and obtain a tax reduction of 50 per cent for the next twelve years. The Act also guarantees a full protection and the free transfer of profits and foreign currency. Investment is free in every sector, except for health projects and the armed forces.

According to the following speaker, tourism is to be considered a great future source of income. All over the country, projects are being started to ensure more tourists a happy stay. "With 300 kilometers of beaches, the many historical sights, and the friendly nature of the population, Cuba's resources are ready to be used," said Jorge Nuñez Pereira, Trade Director of the Ministry of Tourism. He also reported that "in 1987 the income in this sector totaled 125 million dollars, whereas in 1996 the figure was 1.1 billion dollars." Thus, concluded the speaker, "a major growth is taking place."

"There are only two reasons for not investing in Cuba, hurricanes and the bad relationship with our large neighbor."

Cuba is also rich in minerals such as nickel, chrome, silver, and copper. Yet, huge areas are not yet explored and are waiting for capital investments. This was the main point of a presentation given by Francisco Casanave Crombet, Director of International Relations at the Ministry of Basic Industry. Cuba's heavy chemical industry sector produces glass, paper, paint, rubber, and fertilizers. In order to increase export of products in this sector, Cuba is now looking for investors. "Pharmaceutical products are still being imported, but we



Willem van 't Wout (Niref/Curef) and Francisco Casanave Crombet, Ministry of Basic Industry, Cuba.

are looking for national producers in order to be able to export these products," the Director added.

In ending the session, Torres Pérez explained: "Foreign capital is important to further expand Cuba's economic capacity. With our healthy labor force, we are much more favorable than a Third World country." He added that Cuban schools are free, and Cubans use English as their second language. The strategic position of Cuba, combined with cheap, healthy labor, makes Cuba a potential economic power in the future, concluded the Vice-Minister.

Special Lunch Meeting

Cuba Lunch Program

The Chamber of Commerce Amsterdam-Haarlem hosted an informal lunch with Global Panel's Cuba delegation. In the well-occupied room, members of the delegation and business people interested in the Caribbean island enjoyed the velouté solferino and filet d'agneau.



The speakers' panel during the "Cuba: Trade & Investment Session."

Rob de Vilder, Chairman of the Chamber of Commerce Amsterdam-Haarlem and Vice-Chairman of the Dutch-Cuban Center for Promotion of Trade (NCCH),

previewed the upcoming mission to Cuba. Scheduled for March 1997, the mission aims to explore Cuba's many opportunities for cooperation.

De Vilder stated that Cuba, the largest island of the Caribbean, is attracting more and more foreign companies. Its commodities, positive strategic position, well-educated people, and its cautious steps towards an open market economy stimulate many businessmen to invest in this beautiful island. The speaker invited all the luncheon guests to join him on the mission. "You really should take advantage of this occasion to find or expand worthy relations," he concluded.

Ibrahim Ferradaz García, Cuban Minister of Foreign Investments and Economic Collaboration (MINVEC), expressed his thanks to the people of Holland for the hospitality that he and the other delegation members had experienced. He felt that the Cuban visit to Global Panel had "opened up a space" between his country and the Netherlands.

After discussions and lunch, the session came to an end with the exchange of business cards and the gift of those famous Cuban cigars.



Members of the Cuban delegation presenting their country.

Parallel Session

Hong Kong: Towards 2047

”Pearl of the Orient Will Be Shining Brighter After 1997”

The first part of the Hong Kong session was chaired by Mr Joseph Lee, Director Europe of the Hong Kong Trade Development Council in Hong Kong. In his opening speech, he elaborated on "Hong Kong worries" of investors all over the world. As would be reiterated in the other presentations, these worries are seen to be mostly unfounded by Mr Lee.

Following his introduction, the Chairman called on the Special Representative of Hong Kong to the European Union, Mr Peter Lo, to speak. Despite the positive statistics provided by both Lee and himself, Lo made clear that he was aware that much needs to be done to ensure a good use of opportunities. Although it will not be outright secure, he sees a bright future for Hong Kong, and expressed his belief that the Chinese government will not try to alter the natural flow of capital from Hong Kong nor will it levy heavy taxes. Hong Kong will remain, according to Lo, a friendly business center. He said that both businessmen and most people on the street in Hong Kong are positive about its future.

The following speaker was Mr Chen Ziyang, China's Vice-Minister of Hong Kong and Macao Affairs. He summed up the basic principles of the Chinese government regarding Hong Kong: besides the need to formally exercise sovereignty over the territory, China

must maintain Hong Kong's prosperity and stability. Hong Kong is of vital importance to China, so it will do its best to make investors feel at ease. China invented the 'One Country Two Systems' principle. It means that Mainland China will continue to be a socialist country, while Hong Kong remains a capitalist area. The basic policies, such as those related to the free flow of money and goods and an independent financial market, will remain unchanged for 50 years. Hong Kong will continue to have a high degree of autonomy. The Vice-Minister ended his speech by saying that Hong Kong, 'Pearl of the Orient,' will be shining brighter after 1997.

The next speaker, Herbert Hui, Deputy Chief Executive of the Stock Exchange of Hong Kong, viewed the Hong Kong issue from the perspective of the stock exchange. He considers the figures to be very positive, but also stated that not everything is "rosy." The Chinese companies that want to be listed on the Hong Kong Stock



Herbert Hui (Hong Kong Stock Exchange) and session chairman Joseph Lee (Hong Kong Trade Development Council).

Exchange, for instance, will have to be prepared to give more information than they now provide. Mr Hui also stressed the necessity of investors feeling at ease; they should not feel trapped in their investment.

The fifth speaker, Mr Jin Deqin, Honorary Chairman of the Ka Wah Bank Ltd in Hong Kong, talked about maintaining the freedom of trade and the free flow of goods. He also talked about the high level of autonomy of Hong Kong. According to Mr Jin, Hong Kong will remain the financial center of the East, and the mainland will not interfere too much in its affairs. "Hong Kong's prosperity and stability will be supported by the Chinese government."

The first portion of this session ended with a presentation from Ronnie Chan, President of the Hang

Lung Development Co. Ltd in Hong Kong. He made two basic points: first, he expressed his confidence that Hong Kong will be [remain] a success. "China is moving in the right direction. Its more open policies are irreversible." Second, what could ruin Hong Kong? According to Chan, corruption is one of the things that could ruin it. But this is something that the local businessmen can control themselves. Chan said that if the businessmen do not offer bribes, corruption will not take over. The criticism that Hong Kong is not a democracy was refuted by Chan, who said that Hong Kong had not been a democracy in 150 years and had done a pretty good job so far. The speaker concluded by saying that, in contrast to what the papers say, if you do not want to lose money, you should come to Hong Kong.

Special Lunch Meeting

Hong Kong: Towards 2047

The Hong Kong lunch program was hosted by the Vision 2047 Foundation. The theme of this meeting was 'The Potential of Hong Kong Under the Chinese Flag.' To a large extent, Hong Kong will preserve its autonomy. As was agreed in the Joint Declaration of 1984, the economic, financial, and monetary system will remain unchanged for at least 50 years.

The meeting opened with Professor M. Enright, author of the recent study *The Hong Kong Advantage*. Hong Kong is often referred to as the gateway to China. According to Professor Enright, Hong Kong is more than a gateway. It is a nerve-system: not just an intermediary but a full business partner. "Hong Kong is not only the center of East meets East, but also the center of East meets West." He stated that if one wants to get an idea of what the future world economy will look like, a visit to Hong Kong is an opportunity to see it already happening.

When he first came to Hong Kong, Professor Enright was convinced, like many Westerners, that the place was a dying entity. Nothing turned out to be further from the truth. It is the world's freest economy and fourth leading financial center. During the last 20 years, the economy in Hong Kong has grown by an average of 7.5 per cent per year.

Throughout the lunch meeting, many of the speakers encouraged the West to look beyond the political implications of the change-over in 1997. For instance, it is

Professor Enright's strong belief that one cannot understand the politics of the transition without understanding the economic situation of Hong Kong and its economic relationship with Mainland China.

There is a strong link between Hong Kong and China. Mainland firms have been prominent in Hong Kong for decades, and Hong Kong is the largest external investor in Mainland China. As China is well aware that Hong Kong has the financial, professional, and managerial resources, it has guaranteed that Hong Kong will continue to have a capitalist system. That this link can be extremely profitable became clear in the remarks of Mr Smulders, Managing Director of Friesland Foods in Hong Kong, who based his view on his own successful experiences. Smulders also struck a critical political note, but not directed against China. He pointed out that he believed that the policies of the last British Governor of Hong Kong had done a lot of damage.

Towards the end of the program, participants and panel members, among whom were Mr Hui of the Hong



Mr S. Rial (ABN Amro Bank) addressed the participants of the "Hong Kong Lunch Program" at the Holland Casino.

Special Lunch Meeting Continued

Kong Stock Exchange, Mr Rial of the ABN Amro Bank (HK), and Mr Pijpers of the ING Bank (HK), readily entered into lively discussion on financial topics. As the dialogue ended, the positive prospects aired by the speakers were summed up by Mr Morrison of the Vision 2047 Foundation, and chairman of the panel: "We all



Mr Morrison (Vision 2047 Foundation).

have the option to leave, but we choose to stay because we are all very positive about Hong Kong's future."



Speakers from the Hong Kong program. From left to right: W. Pijpers (ING Bank), Herbert Hui (Hong Kong Stock Exchange), Joseph Lee (Hong Kong Trade Development Council), Chen Ziyang (Hong Kong & Macao Affairs Office, China) and Peter Lo (Hong Kong Representative at the European Union).

Parallel Session

India: Pushing the Changes Forward

After opening the India program, its chairman, Mr. D.N. Ghosh, Chairman of Philips India Ltd, Chairman of ICRA, and Chairman of the Centurion Bank in India, introduced the first panelist of the day: H.E. Mr Prabhakar Menon, Ambassador of India to the Netherlands.

The Ambassador, an eloquent speaker, gave an overview of governmental policies and intentions, as well as the state of the Indian economy. "The new Government of India has made a public commitment to liberalization. The Government's budget of this past July was a clear indication in this regard. The thirteen-party coalition that rules India today has a Common Minimum Program to which all the coalition partners have subscribed."

Among other things, this program aims at achieving seven per cent of GDP growth annually, bringing the fiscal deficit down to four per cent of GDP and attracting \$10 billion in foreign investment every year. In addition, a twelve per cent growth rate in industrial production has been targeted. "There is no doubt that economic liberalization in India will continue."

The Ambassador also presented the government's targets. Among them were the following: continuing economic reform and liberalization with a view to accelerating economic growth; achieving high employment through a broad-based growth in agriculture, industry, and

services; ensuring fiscal prudence and stability; enhancing investment, especially in infrastructural areas like ports, highways, telecommunications, and power generations; and strengthening the balance-of-payments position through enhanced exports and greater foreign investment flows.

"The philosophy and practice of liberalization also filter down to our states," the Ambassador continued. "States like Karnataka, Maharashtra, and West Bengal have shown, in their welcome of foreign collaboration and investment, that they are as interested as the Central Government in liberalized economic policies." Concerning trade and other commercial activities between the Netherlands and India, the Ambassador stated that the relationship had not reached "the zenith of achievement; more can be done and should be done by both sides to exploit the many opportunities available to make the relationship deeper, more extensive and of greater mutual benefit."

The second presentation in this session was delivered by K. Ramchand, Spokesman of the Infrastructure Leasing

& Financial Services Ltd in India. His speech focused on India's infrastructure requirements and the need for a sustainable infrastructure financing system. Mr Ramchand also proposed reforms to activate the capital market. This, in his view, can be done by expanding the market size and scope, ensuring smooth functioning, and by institutionalizing innovations. Further steps to be taken to build a healthy economy were mentioned, such as rejuvenating contractual savings, promoting infrastructure funds, and achieving access to the debt market for local governments. Mr Ramchand ended his speech by saying: "We are looking for investors who want to invest for the long term."

Finally, Mr R. Puthran, Vice-President of the National Stock Exchange (NSE) in India, gave a presentation on the changes in the Indian capital market and the role of the NSE. "The Indian Capital Market has seen a significant change in the past years to upgrade to global standards," said Mr Puthran. There was, for example, a lack of transparency and liquidity, and an absence of risk containment measures. To improve this

situation, the NSE put forward some objectives, such as realizing a nation-wide trading facility. This would provide for a fair, efficient, and transparent market, and meet current international standards. Nowadays the NSE forms the largest exchange of India. The number of operations has grown: there are over 1300 equity and 450 debt securities, approximately 950 trading members trading out of 50 centers. Therefore, the impact on the market has increased enormously.



Mr K. Ramchand, spokesman of the Infrastructure Leasing & Financial Services Ltd in India.

Special Lunch Meeting

India: Pushing the Changes Forward

The India program continued during lunchtime. Chairman D.J. Ghosh gave an introductory speech in which he mentioned the tremendous increase in the number of television channels as an example of modernization in India. Seven million US dollars have already been invested in several projects. "It is not much to write home about, but it is a beginning. On the other hand, we should not push changes too hard," said Ghosh.

"The government is changing its policy in order to liberate the market. This way, it helps to create a market-driven pricing structure, a transparent market which is investor friendly."

Mr F.B. Virani, Managing Director of the Gujarat Gas Company, talked about the opportunities and challenges of the gas industry in India. In the past, this industry could not grow rapidly, because there was too much governmental control. Now, the gas industry is the largest private sector. It even expects to become three times as big as it is now. As

energy drives economic development in other countries, it is necessary for the Indian energy sector to move fast. To support such growth, it is important to improve the country's infrastructure with an investment of 125 to 150 billion US dollars. According to Mr Virani, the government is changing its policy in order to liberate the market. This way, it helps to create a market-driven pricing structure, a transparent market which is investor friendly.

Mr A. Windlass, Managing Director of Max Hutchison Telecom, then spoke about telecommunication in India. According to him, the country offers great opportunities for the exploration of telephone lines. In 1985 India's development of telecommunication began; at that time only six per cent of the population had telephones. Investments in India's telecommunication industry are attractive because of the country's strong economic growth and its strong liberalization of the market. Windlass feels positive about the future. He hopes, for example, that all future telecom services and manufacturing will be in the private sector. Secondly, he hopes for an enabling, customer-friendly initiative, and wishes India to have 25 million direct exchange lines in the year 2000.

The session's Chairman, Mr Ghosh, concluded the meeting by saying that he hoped all participants had enjoyed the program and that many will come and invest in India.

Cuba's Own Path of Economic Development

Fostering Foreign Investment

"Developing a dialogue is more important than confrontation and criticism. If we want to give the world some perfection, we will have to start talking to each other. Cuba's willingness to change is shown in its agreement to hold an open dialogue here." With this statement, Heiko Thieme, President of Thieme Associates, USA, and moderator of the first plenary session on December 4, introduced the delegation of the Cuban Republic, including Ibrahim Ferradaz García, Minister of Foreign Investment and Economic Co-operation. In a sense, this forceful speaker personified the Cuban contribution to Global Panel 1996. At the beginning of the session, he announced that he would not make use of his prepared speech, but would try to develop a dialogue. He would also give the audience an opportunity to ask questions about Cuba's current policy and economics.

According to Minister Ferradaz, despite the geographical benefits of his Caribbean country, there are two geographical problems for Cuba: hurricanes which destroy many of the crops and natural resources and the close proximity of the United States. Regarding economic problems, he presented a survey about the consequences for Cuba of the fall of the Berlin Wall. Due to the fact that Cuba's economy had been strongly linked with the Soviet and Eastern European economies, the effects of the loss of these long-standing economic partners were quite shocking for everyday life on the Caribbean island. In spite of ensuing difficult moments for the Cuban people,

the government did not close its schools, hospitals, and other organizations. Therefore, the Cuban Republic has decided to implement a program of cultural change and agricultural reform and to encourage foreign enterprise.

The Minister explained his participation in Global Panel as follows: "If Cuba today draws everyone's attention, it is precisely because in the midst of this globalized world in which we live, it has opened up a development prospect, of which the cornerstone and final objective is social justice, real equality of possibilities for all its citizens, and the provisioning, by our society, of the basic requirements that may guarantee the population's



Ibrahim Ferradaz García: "Cultural change, agricultural reformation, and an encouragement of foreign enterprise..."

survival and progress. We have no intention for the Cuban experience to be taken as a model to be followed in any other latitude, but we do want this experience to be known and respected. It is, first and foremost, the product of our own historical conditions and the result of a nationwide effort."

In addition to informing others of the Cuban experience, the Minister mentioned a second reason for Cuba's participation in Global Panel: "the fostering of foreign investment." Investments by European countries such as Italy, France, England, and the Netherlands have already had some effect on Cuba's recovering economy, he stated. The growth in tourism, especially, has had a remarkable influence on the country's economic recovery. Indeed, tourism may be said to have become the economy's main source of foreign exchange.

Rob de Vilder, Chairman of the Amsterdam Chamber of Commerce, in his improvised response to the Minister, congratulated Cuba with the first steps taken toward the free market. He emphasized that with respect

to tourism, Cuba should become destination number one in the Caribbean area, as more foreigners would thus have an opportunity to get to know the country and to buy Cuban products. However, De Vilder added that tourism should not be the only sector on which Cuba focuses. The development of small and medium-sized firms should be a primary goal in its economic development policy.

In responding to several questions from the audience, Minister Ferradaz explained Cuba's favorable tax situation for investors. He also elaborated on inflation rates and the non-existent restrictions on export. In conclusion, he stated that in his opinion, the fall of the Berlin Wall meant the end of an era of confrontation. "There were high expectations, but, unfortunately, there are still wars being fought all over the world. Mankind has to struggle for a lasting peace. The money previously spent on armies should now be spent on the betterment of the people. That has not happened so far; our expectations have been too high."

Special Lunch Meeting

Media and Global Realities: "Media is Power"

At a special lunch meeting, several mass-media representatives were present to talk about the media's role in the world and any changes that are expected to occur in the future. Although CNN's Larry King had been scheduled to preside over the meeting, his similarly well-known colleague, CNN foreign correspondent Peter Arnett, took his place and gave an interesting and amusing speech on the role of global media.

Arnett tried to make clear the influence of the media by citing examples from his own experience. Arnett joined CNN right at its start. The highlight of his career--"at least, so far!"--was his reportage from Baghdad during the Gulf War. "For two and a half months the world was entertained by live reports from the War. I was the first journalist to report from an area in the hands of the enemy. But I had no choice. The bombardments started while I was staying in Baghdad. I thought I had better leave, but Ted Turner called me and told me to stay. So I did. Saddam wasn't happy about that."

Media is Power

During the Vietnam War, it was unthinkable for a correspondent to remain at his or her position on enemy ground, like Hanoi was at that time. "In these years, there were no television images or coverage of American bombardments on innocent civilians in hostile cities.

Correspondents stayed on their sites and covered wars and incidents from their own point of view on the 'good' side. That was the way the public wanted it and what they expected. The people were familiar with the image of the 'good ones' and the 'bad ones.' The media just kept that image going in the coverage of the news." It is no longer so simple, explained Mr Arnett. The more the media knows about issues, the better it can and should handle those issues. "Therefore, it is important to be as objective as possible and to show both sides in matters of war or in other issues where there are two or more parties involved. The media can raise us to a level where we can understand what happens, to make the world care." Mr Arnett also pointed to the dark side of the enormous influence of the media. "In national crises, governments want to control the flow of information. Media is power."

Mr Arnett concluded his contribution with some thoughts on future trends concerning the media. He



Ruud Hendriks (Endemol)

foresees that a few people in the world of the media are going to be very wealthy. There will be a strong media, but how is it going to be delivered? The quality of the news should be watched. With the growing spread of the media, more people will be talking about the news.

"There will be a speed-up in information and hopefully a speed-up in the democratic spread of news."

More Important Than the Telephone

The next speakers, Ruud Hendriks, Member of the Board of Directors of Endemol, and Maurice de Hond, Director of IT & New Media, Wegener Arcade, also spoke of the important role of the media and its future. Mr de Hond explained that broadcasting must be examined from the point of view of the users, as they select what is important in the media. He also foresees a strong influence of the new media on all other forms of media. "The new media are going to be more important than the telephone."

Marcel van den Berg, Director and Senior Advisor of Van Hulzen PR Adviseurs, was the final speaker at the lunch meeting. His presentation was entitled: 'A Grand Design for Communication.' He focused on grand design not in the technical sense, but in a social sense--the way it is used and served by people. He addressed, among others, the following questions: How will the digital revolution affect communication? Will the digital revolution affect attitudes towards communication negatively? How will the digital revolution affect corporate communication? In his conclusions, he stated that it is not the organization of technology that is important, but the ability to use digital communication on a worldwide level.



During the "Media Lunch," a significant number of participants attended to listen to the views of Peter Arnett (CNN), Ruud Hendriks (Endemol), Maurice de Hond (Wegener Arcade), and Marcel van den Berg (Van Hulzen PR) on the future role of the media.

Economic Forecast for 1997

Expectations for Our Economy

In 1997, most businesses in the developed countries will continue to be optimistic about economic growth. This was one of the major conclusions during the session 'Economic Forecasts 1997,' where discussion was based on several economic surveys reported by the session's speakers.

By way of introduction, the session's moderator, Jean-Daniel Tordjman, Ambassador at Large of the French Ministry of Economic Affairs, elaborated on the significant role of such surveys, as they show us, for instance, not only how the process of globalization has resulted in an increase in global investments, but also where these investments are taking place.

Dun & Bradstreet Survey of Business Expectations

Dr Joseph (Joe) Duncan, Vice-President of the Dun & Bradstreet Corporation, USA, began by predicting that, through the end of 1997, economic growth will persist. "In every region surveyed, there are reasons to be optimistic about the world economy," said Dr Duncan.

"Especially the Netherlands, Belgium, Great Britain, and Italy are hopeful with respect to profits and turnover." As the representative of an organization which houses excellent experts in business information, Dr Duncan should know. He founded his conclusions on the Dun & Bradstreet Survey of Business Expectations. This quarterly survey, which has been issued since the 1940s, is based on company research in no less than 37 countries and outlines the direction of the economy. In the past few years, the 'optimism index,' as it has been called, has demonstrated striking similarities with economic realities. Trends that can be drawn from it even indicate turning points before they actually happen. The secret of this high-quality indicator lies in its research method: instead of using abstract models, or employing all kinds of statistics, entrepreneurs are just being asked about their expectations regarding sales, profits, prices, employment, inventory, and new orders. Do they anticipate an increase or decrease, a rise or fall? This way, a reliable picture of the economy can be created. As Dr Duncan explained, "opinions about companies and our own businesses really make up the real world, the economic world that is being measured."

The UPS 1997 Europe Business Monitor

Expectations of entrepreneurs are also the main focus of the UPS 1997 Europe Business Monitor. The Monitor, an annual business survey of Europe's top 500 business leaders, complemented the perspectives of the Dun & Bradstreet survey. "Corporate leaders feel confident," concluded Anton van der Lande, Vice-President of the UPS Public Affairs International, who presented the Monitor's findings. Although UPS has sometimes been incorrectly called the 'United Polling Service,' Mr Van der Lande clearly demonstrated the significance of UPS research and surveying. He showed several impressive results, one being that more than 51



From left to right: Lynn Mathieson and Joseph Duncan (Dun & Bradstreet), Jean-Daniel Tordjman, Ministry of Economy, France, Anton van der Lande (UPS), and John Dawkins, Former Minister of Finance, Australia, after the lunch program on "Economic Forecasts for 1997."

per cent of business leaders believe that the economic position of their company will improve over the coming year.

The theme of this year's Monitor was 'Europe: Towards the Year 2000.' Among the questions asked were: 'In the next three years which western European countries do you think will show the strongest economic growth?' (Germany was the unmistakable winner); and 'Do you think that the work of the European Commission in Brussels helps companies such as your own to compete in global markets, hinders them, or makes no difference?' (The respondents did indicate support for the aims of the EU, but also consider the EU's institutions to be either obstructive or ineffective).

Crossing Your Fingers

Subsequently, John Dawkins, former Minister of Finance of Australia, explained that Australians "look at the world slightly differently. For one thing, we feel more connected to Asian than to European developments." Therefore, he elaborated on the implications, in terms of human resources and infrastructure, for Asian countries moving out of low-wage industries into more sophisticated ones. Then he focused on the forthcoming growth in world trade, which will undeniably determine the course of economies within the entire world. "Which economies will benefit from this growth?" Mr Dawkins asked. "And which opportunities are available to be able to join in this process?"

Referring to the UPS Monitor's finding that the overwhelming proportion of capital investment is going to be within Europe, he argued that this investment will [have to] be part of a restructuring process, which will change historic investments and rebuild the competitive capacity of some traditional industries. Responding to a question from the audience regarding this restructuring process, Mr Dawkins noted Europe's preoccupation with employment issues, for example with regard to developments in the field of Information Technology. "You can analyze these things to death, about what are the labor consequences of restructuring. But I think you're better off crossing your fingers and going for both the new and traditional areas of employment. As a consequence, you will get faster growth and more participation in the world economy through an expansion of trade. As the mature economies grow, their service sectors will grow to an even higher proportion." And this sector, constituting a labor intensive part of the economy, will result in more employment."

"Predicting and forecasting those businesses that are likely risks of failure is more complicated than we think because of regional differences, the (un)availability of data, and businesses' age."

The service sector, however, is relatively risky, argued the last speaker of this session, Lynn Mathieson, Vice-President of Marketing, Dun & Bradstreet Information Services, Europe, UK. Having begun with: "This is all very fascinating, all this macro-economic data, but how do I actually use it in my own business life? How can I use it in my trading life?," she proceeded to take matters down to the micro-level. Using information she acquired from the attendees of Global Panel 1995, she presented her analysis of companies' risk profiles. Predicting and forecasting those businesses that are likely risks of failure is more complicated than we think, concluded Mathieson, because of regional differences, the [un]availability of data, and businesses' age. She also found that four businesses which attended Global Panel in 1995 have now failed. Nevertheless, she was able to assure her audience that there is no correlation between attending Global Panel and an increased risk of business failure.

In the concluding discussion, many issues were taken up, varying from the necessary translation of research into business, to shipping and ports, to the growth of an unskilled underclass.



Anton van der Lande (UPS): "Corporate leaders feel confident."

Special Lunch Meeting

”Religious Differences No Obstacle for Peace.”

Global Panel Executive Lunch

During the Global Panel Executive lunch, hosted by Randstad, representatives of Jordanian and Dutch companies met in a rather informal setting. Speeches were delivered by both H.R.H. El Hassan bin Talal of Jordan and the President of Mauritius, H.E. Cassam Uteem.

As the Crown Prince had told his audience during previous sessions of the conference, his conviction is that, with the improving political situation in Israel and political stability in Jordan, a stable environment for business is being created. His Royal Highness also stressed his idea that peace is not only a matter between governments, but also between 'ordinary' people. "Even if the peace process between officials crawls, it is crucial to appeal to those men and women who can find ways and means of promoting the dialogue." Religion, in the Crown Prince's view, should never be an excuse for failing to overcome barriers between people.

H.E. Cassam Uteem's speech was aimed at informing the audience about his African country. The President gave a concise overview of the geography, demography, and political institutions of Mauritius, as well as of its foreign, economic, and environmental policies. He elaborated on the economic transformation of his country, which has broadened its economic base, and characterized Mauritius as "an experience of peaceful coexistence between different religious and ethnic groups."



Cassam Uteem, President of Mauritius, elaborating on the history and situation of his country.



El Hassan bin Talal, Crown Prince of Jordan, addressing participants at the Randstad Lunch.



Ed Bolk (Randstad) during the Randstad lunch.

"Russia Is Open for Investors."

Round Table Meeting with Mr Grigori Yavlinsky, MP and Chairman of the Jabloko Faction, Russian Federation

Mr Grigori Yavlinsky, a Member of the Russian Duma, Head of the democratic faction Jabloko, and a candidate in the presidential elections (1996), is not the sort of man who writes down his speeches. Neither does he wish to discuss only the opportunities for Dutch companies to enter the Russian market. Preferring a lunch session which offers an open debate, he noted, "I'm much more interested in your questions than in my stories."

However, after John Heck, President of the Platform of Central and Eastern Europe in the Netherlands, and moderator of the session, had opened the meeting, Yavlinsky began by reporting the dramatic reduction in the Russian inflation rate over the past four years. "From 2500 per cent in 1992, the rate dropped to 70 per cent in 1995; one year later, inflation stands at zero. That's extremely important. We trust that 1997 will show us a zero per cent inflation as well." Then the MP stressed Russia's successful relations with international organizations. "In Russia there are some major international financial companies."

Vote for Democracy

The recent elections proved to be momentous. "These elections for Head of State were the first in Russian history, and resulted in the first non-communist vote ever. Yet, it was not a vote for Yeltsin; it was a vote for democracy. With this vote, people chose the statement: 'We need foreign investments.'" It was with this motto that Yavlinsky had travelled all over the country campaigning. With seven per cent of the vote, he came in fourth.

He further elaborated on the situation in Russia. "In every area you will find the Mafia, corruption, and criminality. We are not yet very prepared. But legislation has been written which can open our doors for investors. If you start a business in Russia, you can win billions and lose millions." According to Yavlinsky, there are three golden rules for doing good business in Russia: find a reliable partner who knows all about Russian reality; talk to the original authorities and the authorities in Moscow; and create a special attitude towards Russian people.

Ups and Downs

At this moment, Russia is open for investors. It has

a proper infrastructure and transportation system, valuable natural resources, and a developed food processing and high technology industry. Moreover, extremely high-skilled labor is available for successful and effective projects. So, the speaker concluded, these provide for great possibilities. Why then, he asked, is business interest in Russia so low?

Mr Yavlinsky then enumerated Russia's problems: the government is not able to collect or control its taxes; there is an eighteen per cent decline in GDP; and privatization appears to be a troublesome undertaking. For these reasons, Russia is unable to offer a better investment climate than it does. "The truth is," said Mr Yavlinsky, "that Russia has to deal with all these problems. They cannot be denied. But that's reasonable. Russia does not have to deal with 40 or 80 years, but with thousands of years of communism. So, there will be ups and downs, indeed. But the problems are not that tragic. They can be solved. The best thing is to have a cool head and a warm heart."



Dr Yavlinsky: "If you want to do business in Russia, find a reliable partner who knows the Russian reality."

"Just do It!"

After the Russian MP's speech, many questions were raised. "What about the absence of property legislation?" asked a participant. "There is no legislation on property. That's very simple," responded Yavlinsky. "So you should be aware of this problem!" In order to find a solution, he explained, property will have to be split up into city property, foreign property, Siberian property, etc. "This

will take a long time," added the speaker.

"What about the high taxes?" asked another participant. "If Jabloko comes to power," promised Yavlinsky, "I will lower the tax on trading results, which is now 35 per cent, and raise the tax on property." He closed the session with one of his rhetorical quotes: "I have a pessimistic attitude, but an optimistic will: Just do it!"

Special Lunch Meeting

"A Bridge Between Far East Countries and the Atlantic"

Chile: A Country that Flourishes

In his introductory speech at the Chile Lunch Session, held in the Kurhaus Hotel on December 4, Germán Molina, Ambassador of Chile to the Netherlands, reported on that country's contribution to a range of international treaties. He also elaborated on some of the benefits of Chile's rapidly growing economy.

Christian Wignall, CIO of the Equity Department of LGT Asset Management in the USA, then spoke about investments in Latin America, comparing Chile with the 'Asian Tigers,' because of the country's economic growth. He presented a summary of Latin America's recent history and Chile's specific role in it. After 1990 there occurred a sort of ideological revolution in Latin America. Chile, Argentina, Peru, Brazil, and Venezuela abandoned their policies of protectionism, statism, and heavy government in favor of free enterprise, privatization, and open

markets. This resulted in a boom in trade that produced the proper conditions for building up reserves, positive real interest rates, and controlled inflation rates. There also occurred a reform in social security. Thanks to all this, Chile's prosperity rose and its economy stabilized.

"The Chileans are really coming over the Andes,"

But above all, the stability of the free market redirected people's energy away from short-term speculation and toward longer-term productive enterprise. Nowadays, the country's companies are far better run than five years ago. "The Chileans are really coming over the Andes," cheered Wignall. Nevertheless, he also voiced concern about Chile's high real wage increase.

Ricardo Lagos Escobar, Chile's Minister of Public Works, complemented Mr Wignall's observations by speaking about recent and coming changes in his country. The infrastructure and transportation are set up well, he argued, but still need investments. Also, water companies are going to be privatized in a couple of years. "Chile can be a bridge between the Far East countries and the Atlantic," was Escobar's firm statement about his country's global position. "If we can compete in Europe, we can compete all over the world," he added, demonstrating that he had the real spirit of a 'Latin American Tiger.'



The "Special Chile Lunch", with Paul Go (LGT Asset Management) and Ricardo Lagos Escobar, Minister of Public Works, Chile.

Special Lunch Meeting

Oracle Lunch Meeting

This meeting took the form of a round-table discussion, with special guest Pier Carlo Falotti, Senior Vice-President of Oracle Europe, Middle East, and Africa, Italy, as well as renowned representatives of the Dutch business world.

"We help you with some crazy idea."

To begin, Mr Falotti presented a useful update on the history and current state of his organization. Oracle is the world's leading supplier of software for information management. It is also the world's second largest software company and the first to make full-featured products available electronically on the Internet. The Senior Vice-President elaborated on Oracle's processes of change, arguing that the company is a very dynamic organization. According to Falotti, "Business people assume too much. The customer deserves priority. We help you with some crazy idea."



Pier Carlo Falotti (Oracle).

During the discussion, a question was asked regarding the influence of the digital revolution on small or medium-sized companies. In response, Mr van Dijk of Staal Bankiers said that small companies can certainly profit from this new technology. Adding to Van Dijk's explanation, a Robeco representative said that it is relatively simple to start a company starting from ground zero. "Large companies can change very fast, but it is the company's culture rather than its size that matters in this case."

Falotti illustrated this point as follows: "If you help a child, the child will help you in business 25 years later. And when you are incompetent, don't be afraid to ask for help." Regarding the international IT discussion, Mr Falotti said that if you know what the Internet can do, you can relate it to business. "Innovation is the only solution." In response to the question "What to do with Internet?" Stef Hofman of IBS answered by telling an anecdote about a young man who came to see him carrying a lot of papers. The man told Hofman that he had an idea for a bank without any branches. Then, the IBS company advised him how to achieve this with the help of the Internet. "This guy didn't know anything about IT, but now he has his own company," concluded Hofman.



Oracle at Global Panel 1996.

Multiple Perspectives on a Changing World:

Continents in Debate

The closing plenary session of Global Panel 1996, on Wednesday December 4, focused on the issues that had also been central at the opening session two days earlier. This time, by way of re-introduction, the issues were briefly discussed by Peter Arnett of CNN. Six panel members, representing almost every continent, considered the design of a new world security system: global values of the social, cultural, and political kinds, and the need for a new institutional framework for the 21st century.



Herkströter (Shell): "No global agreement on political and cultural values..."

Cor Herkströter, Chairman of Royal Dutch/Shell, delivered a fine kick-off speech, in which he argued that because of the rapidly changing expectations of enterprises, there can be no global agreement on political and cultural values. In the opinion of Mr Herkströter, these companies will have to face a demanding dilemma: on the one hand, they should consider the feelings of consumers who want to be sure that they are not buying any goods of producers who are engaged in illegal practices. On the other hand, there is the question whether multinationals will be able to work in a country that stands in opposition to the rest of the world. Shell's solution in this case is to study a variety of angles, to set up a dialogue, and to explain practical problems. "People have to know where we stand and what we will and won't do," remarked Herkströter.

"Now the time has come for security."

H.R.H. El Hassan Bin Talal, Crown Prince of Jordan, emphasized that the Middle East should be transnational and open and pleaded for humanitarian positive action. "We know what we are doing in Jordan." He also stressed that there has been too much violence. So far, \$200 billion has been spent on weapons, \$45 billion for the peace process, and \$30 billion for food. "Now the time has come for security."

The Chilean Minister of Public Works, Ricardo Lagos Escobar, pointed to the ethical side of doing business by suggesting a decrease in the differences between the rich and poor: "As you want to be part of the global village, you will have to take measures in your own country."



*Ricardo Lagos Escobar, Minister of Public Works, Chile:
"The decrease of differences between the rich and the poor is crucial."*

Chen Ziyang, Vice-Minister of Hong Kong and Macao Affairs, indicated his country's priority is preserving world peace. With the words, "The world needs China, and China needs the world," he expressed his country's willingness to seek global contacts. The

current political situation in China continues to relax. It has entered a new era, and last year China was able to sustain rapid economic development. "China has been and will continue to be an important force for world peace and stability."

After summarizing Russian developments around the figure of Gorbachev and the concept of Glasnost, and after saying that "the wonderful country of Russia needs continuing support," Grigori Yavlinsky, MP and Chairman of the Jabloko Faction, gave a summary of the problems his nation has to face. Although inflation has been reduced from 2500 per cent in 1992 to zero in 1996, the Russian politician reported that "as they say in France, the devil is in the details." The details in Russia are: the aftermath of the Chechnyan war with approximately 100,000 victims and political instability to be dealt with by the Russian government. The presidential administration is not clear, and competition exists between the government and the president. Mr Yavlinsky then expressed his special concerns about the unemployment of the well-educated. In his view, this will lead to a "soul of terrorism." Concluding, he said that there are two main problems: the danger that Russia will become an oligarchy, and the lack of security reflected in the existence of nuclear arms, terrorism and ecological problems.



Peter Arnett (CNN), Cor Herkströter (Shell), and Chen Ziyang, Hong Kong Macao Affairs.



Mauritius' President Cassam Uteem: "Let's pay more attention to Africa."

Representing the African continent, H.E. Cassam Uteem, President of Mauritius, was introduced by Peter Arnett as coming from the world's most beautiful country. Mr Cassam Uteem expressed his worry that the economies of several African countries are dependent on external factors. Widespread disease and the extremely high numbers of refugees were also reported to be quite scary. Nevertheless, the President called his continent an area of opportunity and appealed to the assembly to expand African participation in next year's Global Panel.

In his concluding comments, Moderator Allen Weinstein expressed doubt that there was such a thing as a new framework for the 21st century. The participants of Global Panel may not have found a grand design, he said, but they have truly found a dialogue. "What binds us is the mission of further perfecting an international system, maximizing creative energy," he concluded.

Press Conference

Mr Grigori Yavlinsky: "It's Spring in Russia."

"At this moment, the biggest threat to Russia is that it may become a criminal oligarchy." With these words, Mr Grigori Yavlinsky summed up his view on the political problems with which Russia is struggling. At a press conference on the second morning of Global Panel 1996, the prominent Russian economist spoke with journalists from TASS, *Het Financierle Dagblad*, and the *Haagsche Courant*.

According to Mr Yavlinsky, Russia is heading towards an oligarchy. "There is a small group of rich people trying to control Russia's monopolies. If we do not de-monopolize our enterprises, a criminal regime will be created." He also openly criticized Anatoli Chubais, leader of Yeltsin's personal staff, for having created this system. "Because of his strategy 'the-purpose-justifies-all-means,' Russia is now to be found at 47th place on the list of corrupt countries," claimed Yavlinsky.

President Yeltsin and Prime Minister Chernomyrdin also account for part of the problem, according to Yavlinsky. "The last elections were very important and successful. In Russia's history, they were the first elections for Head of State. It was also the first

non-communist vote. This was not a vote for Yeltsin, but a vote for democracy and foreign investments." Yeltsin, however, has not pushed for any reforms. Thus, at this moment, there are three governments: one of Chernomyrdin, one of Chubais, and one in exile, represented by Lebed. "That doesn't work. This is an absolutely obscure situation," stated the speaker.

Yavlinsky is a convinced believer in the possibility for Dutch companies to do business in Russia. "We are not fully prepared yet. Still, if you start a business in Russia, you cannot only lose millions, but also win billions. It depends on how lucky you are." He concluded the interview by saying: "I will be open with you. We are facing many problems. We know we have to solve a lot of them, and sooner or later we will solve them." A frequent user of eloquent quotes, he ended with: "When it rains in spring, it's still spring. Now, in Russia there's a bad climate, but it is spring!"



"Knowledge Is Power, But Shared Knowledge Is More Powerful"

On the evening of December 4, a special program was organized around the issue of the Netherlands' position in the international field of knowledge. Following a keynote speech by Mr Hans Wijers, the Dutch Minister of Economics, several Dutch and foreign experts conducted a rather heated debate on topics such as investment in research, the accessibility of information, and global competition in innovation. This discussion was chaired by Paul Rademakers, Corporate External Relations of Philips International. The program was sponsored by Cap Gemini and Randstad.

The New Knowledge-based Economy

Mr Wijers spoke of his ambition to transform the Netherlands from simply a "spot" to a "hot spot" on the globe. In achieving this ambition, it is not only individual companies which have a part to play, the Minister said, but the government as well. As a consequence of our high standard of living, Wijers explained, we are no longer able to compete merely through low costs. "Our competitive edge will result from the last product factor: knowledge." In order to be able to compete in the global market, he

said, we need to concentrate on modern products with a high added value. "As they say at the Shell company, 'TINA: There Is No Alternative!' We will have to derive our economic strength from knowledge," argued the Minister. "Knowledge will increasingly have to become an integral element of our strategy, both in business and the government."

"The government should play the role of booster for new digital services."



Wijers: "Knowledge is the key to qualification for global competition."

In elaborating on the role of government, Mr Wijers said: "The government's major task is to provide a competitive macro climate. The country's macro-economic conditions must be sound. But more than that, a more active government role in the field of knowledge is also possible." The speaker then pointed out how current developments in the field of knowledge reflect three main points of the policy document *Knowledge in Action (Kennis in Beweging)*: an improvement of the basic conditions for innovations; an improvement of the match between the supply and demand of knowledge; and a strengthening of the role of government as initiator. "The government has a role as initiator," the keynote speaker explained, "when there is a significant return to be gained for society as a whole, as in the area of environmental technology. Also, for those investments where the risks will exceed the capacities of individual companies, the government must play an active part. Take the electronic super-highway. Here the government should play the role of booster for new digital services." In this respect, the government has selected a small group of leading technological institutes, which have proven their high-quality research. Investments for these top institutes will come not just from the government, but also from the field of business.

Concluding, Mr Wijers said: "The government must take the lead and should not breathlessly stumble behind developments. It should help anticipate and steer developments when possible. This calls for an alert and active government which is aware of the pressure of the market--a government which itself is able to compete against neighboring countries."

Peter Arnett Interviews Hans Wijers

After his portrayal of the Dutch government's role in the field of knowledge, Wijers was briefly interviewed by one of the world's most celebrated journalists, Peter Arnett.

One of the bones of contention was the need for a qualified and knowledgeable work force. Wijers: "I do agree that unemployment is rather high. Still, in a number of fields we cannot find qualified personnel. The Dutch government has undertaken many campaigns and other actions in order to solve this problem. However, what appears to be a fundamental dilemma is the negative perception of the jobs concerned, with respect to salaries, security, and so on."

"The quality of life will improve when knowledge is accessible to all."

Asked about the possibility of sharing knowledge with EU-partners, the Minister said that the problem is that in the fields of technology and the sharing of knowledge, Europeans continue to think in terms of the nation-state. "What about the advantage of low-cost countries in global competition?" asked Mr Arnett. "The low-cost countries," answered Wijers, "are the high-tech competitors of tomorrow. If we wish to maintain our high standard of living, we should focus our attention not only on low-income labor, but also on differentiation and specialization."

"But still," Arnett asked quickly, "why invest in Dutch universities when today's businesses can easily buy knowledge abroad?" In answering, Wijers remarked that the education of qualified personnel should function as an anchor, keeping companies in the Netherlands. Other thought-provoking statements of the Minister were: "The quality of life will improve when knowledge is accessible to all" and "Knowledge is not just high-tech, but all state-of-the-art technology. Dutch knowledge is also represented by the steel industry of Hoogovens which is

now investing in Eastern Europe, and in our retail businesses; the largest foreign retailer in the US is our Albert Heijn."

Geoff Unwin: Knowledge Revolutions and Other Changes

In the course of a brief presentation by Geoff Unwin, COO of Cap Gemini in the UK, the audience heard some more inspiring statements: "Knowledge is power, but shared knowledge is more powerful"; "Countries do not compete, companies do. Countries compete in the environment that companies are being attracted to"; and "What we see is a clear change from a social division between the haves and have-nots to one of the knows and know-nots."

To explain these and other statements, Unwin elaborated on what he calls the 'knowledge society.' He distinguishes four factors for judging whether a society is a 'knowledge society' or not: education, infrastructure, major investments in computers/computer ability, and the sharing of knowledge. Not too long ago, while surfing on the Internet, he discovered the findings of a survey about the 'knowledge society.' The survey, carried out in Hong Kong, was based on the four factors mentioned above. It distinguished between four groups: joggers, sprinters, strivers, and rollerbladers. The Netherlands is not included in the last group, the most advanced in the field of knowledge; only the USA and Sweden qualify as 'rollerbladers.' According to the study, the Dutch are 'strivers.' At the end of his presentation, Mr Unwin refuted Wijers' statement that the Netherlands may be too small to be a knowledge-based economy. "In such an economy," Unwin claimed, "size is not the issue at all. The small size of a country may even prove to be more attractive."

Leo Halvers: There Is No Alternative

Leo Halvers, Director of the Shell Research and Technology Centre in Amsterdam, introduced his organization's idea called 'TINA.' "Over the last quarter-century, a consensus has formed regarding the value of open markets and the principles of macro-economic prudence. This consensus has gained strength through the globalizing influence of technology, especially information technology. Technological change is one of the forces which has created a world that is clearly global and



The panel during the session "Survival of the Smartest."

embraces liberalization. At this moment, there is no alternative ideological or economic model. There Is No Alternative. As we say, the strong winds of TINA have blown away all the opposition."

His rationalization for Shell's 'TINA' concept was made clear in his response to the question, "How strong is the Netherlands in the field of knowledge?" According to Halvers: "This is a very simple question, but nevertheless difficult to answer. If we compare our R&D spending within the context of the OECD and the EU, we are doing okay. But 50 per cent of this R&D is done by the research labs of our five large multinationals. This implies that the benefits of the R&D done in the Netherlands may well end up somewhere else in the world. So, I can say: 'There Is No Alternative'."

"Therefore," Halvers continued, "the issue is not whether a country or a company can refuse to play the game--but what is the best way to play it. What are the strategies necessary for success?" The primary role of the government is to keep the (technical) education system, and the accompanying scientific infrastructure, alive and at a high level. The objective of universities' research efforts should be to underpin and create an environment within which students will be educated at the frontiers of science. The main products of a university are the graduates it delivers to society."

Jan Vasbinder: The Government Should Invest In the Excellence of People

"Our problems will become our sources of strength if we have the guts to solve them"; "Our competitive position is not dependent on how much knowledge we produce, but on how much knowledge we put to use"; "Our most talented people should know how and where to find knowledge and turn it into business." These statements, made by Jan Vasbinder, Director of Search Link International, illustrate this panelist's views on the session's topic.

Vasbinder also stated: "The government should not shift its responsibility for investing in the future to industry, nor prostitute its universities for this purpose. The products of universities are educated people. The better educated those people are to face the problems of our knowledge-intensive future, the brighter that future will be. Our government is responsible for investing in this educational system, and thus responsible for the excellence of its people. In addition, the government must establish long-term programs to develop industry, university cooperation, and small business innovation. It should commit itself to enlarge and professionalize the group of people that knows how to develop university cooperation, and to link it to business development."

Frits Goldschmeding: Development of 'High-marketing'

Frits Goldschmeding, CEO of Randstad, demonstrated a view that diverged somewhat from that of his fellow panelists. He began by explaining how, in the course of the past two centuries, economic developments have demonstrated a variety of scarce production factors--respectively, capital, knowledge, and management qualities. As to management qualities, the CEO said: "The Netherlands is lacking in management expertise. At the same time, the training of current and future managers is of the most vital importance. Managers collect all sorts of information, of which knowledge is being made. This, in turn, is put to use in the organization in order to compete in the market."

"You do not have to possess all knowledge yourself. What matters is how you handle the knowledge that you possibly acquire from others."

The speaker added that "you do not have to possess all knowledge yourself. What matters is how you handle the knowledge that you possibly acquire from others." As to the economic development of the Netherlands, he said that it would be better "to do exactly that in which we have been strong for centuries, namely distribution and marketing. This implies that a development focused on high-marketing is to be preferred over one focused on high-tech." Goldschmeding qualified this statement with: "This is not to say that research and development is not a significant item for the Netherlands. But it is better to concentrate on a few technologies than to be concerned with too broad of a spectrum."

Michiel Frackers: People Judge Innovations by the Value Systems of Their Time

Michiel Frackers, Chief Editor of Planet Internet, then posed this question: "What should the Netherlands do in order to be one of the leading 'knowledge countries' in the year 2010?" As a member of the Dutch Knowledge Debate (Kennis Debat), he described this project's aim as "life-long learning." He then stated that there are simple ways to solve the infrastructural problems in the field of knowledge. "Why are public spaces, such as schools, not put to use 24 hours a day? Outside of regular classroom

hours, we could organize programs for the so-called know-nots." He added that the virtual school, via Internet, offers plenty of easy opportunities for new kinds of 'correspondence courses.'

Frackers elaborated on the issue of 'knowledge sharing.' Both the public and private sectors will have to share knowledge, he said. "But what does that mean for intellectual property, and for recovering the costs on R&D? Also, where do we draw the ethical lines?" Another question relates to democratization in the field of knowledge. "Knowledge is more than TNO's technological expertise, stated Frackers. "Knowledge should be public. The so-called lower-skilled should also be able to benefit from the successes of our knowledge society. Their education may very well be crucial in our ability to compete in the world market."

"Out of 'useless knowledge' a whole lot of useful products have been developed."

The computer expert from Planet Internet also asserted that "so-called 'useless knowledge' broadens the mind. Out of 'useless knowledge' a whole lot of useful products have been developed. For instance, at first, the pc was portrayed as a useless item; the fax machine has taken years to prove its use." In concluding, Frackers said that we are finding ourselves in the middle of a transition from an industrial to an information society. In this process, information can be an "equalizer" or a "killer." This may lead to larger differences in society between the knows and the know-nots. "But the question is whether the last group will accept this."

Discussion: TINA Turner

In the following discussion, Dr Holtgreffe, Professor at the Free University in Amsterdam, again brought up the notion of 'TINA.' Unlike Mr Halvers, the Professor stated that there is, indeed, an alternative to TINA: no TINA. "TINA can only lead to an unmistakable division in society. This is socially unacceptable. If we do not follow the TINA concept, we will have less economic growth. But so what! We will have a more pleasant society in which the 'weak' will also be able to benefit." A heated debate followed, in which Halvers and the Professor were unable to resolve their disagreement. According to Halvers, there is no alternative to the rat race of today's world. Holtgreffe, however, said that he had found a solution: "We can turn TINA around: TINA Turner."

December 4, 1996

Global Panel Aachen

It was an honor for my town to host, once again, the speakers, chairmen, and other participants of Global Panel. In 1995, Global Panel came to Germany for the first time. Special guest of honor, former United States President George Bush, accompanied by his wife Barbara, gave a memorable speech in which he presented valuable background information related to the German reunification process.

In 1996, I had the pleasure to welcome Global Panel to Aachen not only for a Gala Dinner as in 1995, but for an entire day of meetings between German entrepreneurs, politicians, and other interested individuals with delegations from China, Cuba, Hong Kong, Jordan, Mauritius, Zanzibar, and Russia.

In Aachen, Global Panel was a top international event. It was broadcast on television and radio, and reported in a number of newspapers. Interviews with various delegation members provided the German public with useful information on their countries. Among the prominent guests in Aachen were the President of the Republic of Mauritius, accompanied by his Ministers of Industry and Foreign Affairs; the Minister of Foreign Investment of Cuba; the Minister of Water Irrigation of Jordan; the State Planning Minister of Zanzibar; and Mr Yavlinski, who ran third in the race for the Russian presidency in 1996. Never before had Germany received such high ranking and prominent delegations from Mauritius, Cuba, and Jordan.

The logistics required to hold a large conference such as Global Panel in The Hague, and in Aachen for a single day, were mastered professionally. It was also made possible thanks to NATO, which opened its AWACS airport in Aachen for the airplane carrying our guests. This was a unique privilege that has also been promised for future endeavors related to Global Panel. I also wish to thank the many sponsors, who have made Global Panel possible by granting the required funding.

I want to thank the many guests from abroad, who came to Germany to benefit from the truly international nature of Global Panel. Both Germany and the Netherlands brought together international guests who operate in a worldwide setting. The opportunities to connect and communicate at both locations, The Hague and Aachen, certainly offered the chance to meet the global competition for information and markets. On top of that, it provided for worthwhile visions on our future global community, as seen by today's leaders.

I was delighted to hear from many of the 400 German participants that they were very satisfied with the results of Global Panel 1996 in Aachen.

I hope to see you at Global Panel 1997, in The Hague, Aachen, or both.

Dr. Ulrich Daldrup

Mayor of Aachen

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December 5, 1996

Workshops in Aachen

Global Panel Aachen 1996 offered several workshops on the following issues: Cuba's focus on a free market economy and privatization; trade and investment opportunities in Mauritius; business and investment opportunities in Jordan; the future of Hong Kong; a national project of human resources development in Zanzibar.



The Global Panel Dinner in Aachen, Germany.

Cuba

The Cuban Minister of Foreign Investment and Economic Cooperation, H.E. Ibrahim Ferradaz García, keynoted the Cuba session with a depiction of Cuba's current financial and socio-economic situation. Cuba has left behind a very difficult economy and is now focusing on the development of its private sector. In this, it is slowly entering a free market economy. More than 260 foreign private investments have been realized in Cuba, many coming from the European Union, especially Spain, Italy, and the Netherlands. Cuba is accessible for more investment and is still seeking the first German investor. In 1996, however, Germany and Cuba signed an Investment Promotion Agreement. The Minister concluded by explaining the difficulties in Cuba due to the American Helms-Burton Law and expressing his hope to find allies in Europe.

The Cuban delegation to Global Panel was the highest ranking ever to visit Germany. The Minister of Foreign Affairs and the Minister of Foreign Investment headed a delegation of fourteen, including the Vice-President of the Central Bank in Cuba, the Vice-President of the Investment Bank, and Directors of Ministries and Federations.

Following the session, the keynote speaker was interviewed by representatives of several German newspapers. Thanks to Global Panel, the German public had the opportunity to acquire first-hand, useful

information on Cuba. Undoubtedly, Cuba's presence at Global Panel Aachen has opened the door to further contacts and new political and economic interest in that island country.

Mauritius

Although H.E. President Cassam Uteem had traveled to Germany many times as a private citizen, for the first time in the history of Mauritius, the country's President has now paid a visit. Upon his return to Mauritius, the President wrote to Mayor Daldrup, host of Aachen's Global Panel, that the Mauritius workshop had been the most efficient and best ever cooperative event for Mauritius and Germany. With the assistance of the Media Office of the Government of Mauritius, based in Düsseldorf, some sixty German and Austrian industrialists visited Aachen to hear all about Mauritius and to discuss business. To follow up, a sizeable group of entrepreneurs will visit Mauritius in the next few months in order to examine and continue a discussion of business opportunities.

Jordan

With the assistance of the Technical University of Aachen, a major German workshop on Jordan's business and investment opportunities was organized. The Jordanian delegation, headed by the Minister of Water Irrigation, Mr Samir Kawar, consisted of 46 presidents of leading companies and financial institutions. In the context of this workshop, they met with their German counterparts. Prof. Dr Werner Gocht, a well-known professor at the Aachen University with an excellent reputation in Jordan, chaired the session.

The German participants included representatives of the Ministry of Economic Cooperation, the City of Bonn, and major state-owned institutions such as the KfW, the GTZ, and the DEG. In total, nearly 80 persons listened attentively to the challenging opportunities as presented by the Jordanian delegation. The German interest in doing business with Jordan is focused on trade, tourism, water management, and the development of human resources--

particularly vocational training. Undoubtedly, the future holds new bilateral projects. H.R.H. El Hassan bin Talal, the Crown Prince, wrote a letter to the Mayor of Aachen, inviting him to a follow-up meeting in Amman in the Spring of 1997.

Hong Kong

The Hong Kong workshop was led by Dr Arno Morenz, President of the ERC Aachen Münchener Versicherung, and held in the head office of this leading insurance company, a castle in an Aachen suburb.

German bank managers and presidents of international companies showed their strong interest in learning from the Chinese Vice-Minister in charge of Hong Kong Affairs, Mr Chen Ziyang. The central question of the session was: what will become of Hong Kong in 1997, when it will definitely be a part of China? The picture, as presented by the Minister, was rather optimistic. In his view, not much will change, and Hong Kong will continue its business as usual. However, many of the German companies represented at the workshop, which are active in Hong Kong, were rather skeptical. The Minister asked them to continue to have faith in the future of Hong Kong.

Zanzibar

The major interest of Zanzibar's representatives at



The Mayor of Aachen, Dr Ulrich Daldrup, offered Dr Grigory Yavlinski a medal with an image of the parton of Aachen: Charlemagne.

Global Panel was to find partners for a national project of human resource development. Zanzibar, in trying to develop its vocational training system, is looking for a partner to assist in the realization of a vocational training center and a number of training programs. Mr Jürgen Heyne, President of the Chamber of Handicrafts of Frankfurt (Handwerkskammer Frankfurt), proposed a partnership. Mr Shamuhuna, Minister of State Planning, upon his return to Zanzibar, has taken immediate action to implement the venture with this new German partner.



Chen Ziyang (Hong Kong & Macao Affairs Office, China) and Dr Arno Morenz (ERC Aachen Münchener Rückversicherung AG) enjoying their dinner.

Press Coverage at Global Panel 1996

During Global Panel 1996, a variety of (inter)national reporters gathered to cover its activities, to attend the special press sessions, or to interview the speakers of Global Panel. The European Research Center offered the reporters, as well as general participants, its facilities at the Conference Business Center. The Center's



Former Dutch Prime Minister Ruud Lubbers is being interviewed by a group of journalists during Global Panel.



Online with the world: Global Panel service for journalists



International press gathering at the Conference Business Center to interview Jim Clark (Netscape).



The "Document Company" at Global Panel 1996.

copy facilities were offered by Rank Xerox, and computer facilities were offered by RAM Mobile Data.

Oracle Press Lunch

One of the special press sessions during Global Panel was organized by Oracle. In the historic Kurhaus Hotel in Scheveningen, Oracle held a press lunch for a group of journalists from the computer field. The chairman of the meeting was Mauro Righetti, President of Network Computing Incorporation (NCI) EMEA in Italy.

In his brief presentation, Righetti addressed two main issues: the impact of the network computer (nc) on modern society, and the question of how the nc fits into Oracle's strategy. One of NCI's main competitors, Microsoft, only last year realized the importance of the nc, Righetti said. This computer has many benefits over a conventional personal computer (pc) when it is used to operate in a computer network. As these networks are becoming increasingly important to business and private operators alike, the big advantage of the nc lies in its user-friendliness. Righetti claimed that "the people of Oracle will leave you with the nc, and within five minutes you will be Internetting."

The chairman also discussed the increasing competition in the telecommunication industry. This industry owns the cables through which data is being transmitted, and as a service to their customers they want to offer a package deal which includes the network computer. According to Righetti, several major European telecom companies are testing nc's. "We can expect the first nc very soon."

Throughout this year's Global Panel, a number of speakers stressed the importance of computer networks, and it appears that NCI and Oracle have found a way to make these facilities accessible to a larger public. The new users should not have to study difficult manuals or experience great difficulty when they want to hook their pc's on the Internet. Instead, all they actually need is a telephone line and a network computer to surf the Net.

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The European Research Center (ERC)

Verploegh Chasséplein 4

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The Netherlands

Tel.: +31 10 234 01 55

Fax: +31 10 460 49 69

E-mail: erc@pi.net

Editor:

Juul Muller

Final Editing:

Babs Boter, Donna Gold, Margriet Hagenaars,

Evert Loen

Co-editors:

Bas Boorsma, Babs Boter, Richard van der Eijk, Evert

Loen, Adriaan de Man

Contributing Editors:

Anne van Galen, Renske Altink, Willem Beesems,

Claudine van den Bergen, Eric Beukema, Minke

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