

Asian Megatrends for Business

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Asia is different

Asia is changing

To begin, a story...

Hitachi's new boss, and rare earths

The moral:

*The story shows Japan's weakness
-- but also its industrial strength*

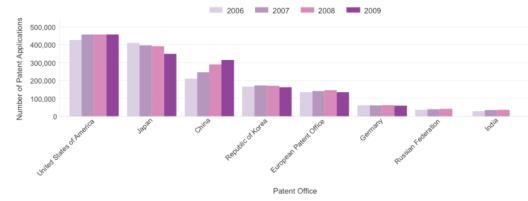
Five trends

- Innovation shifts from East to West
- The new corporate form
- Culture is destiny?
- China shakes the world
- Rise of the emerging market giants



Innovation shifts from East to West

Figure 9: Patent applications by patent office: selected offices

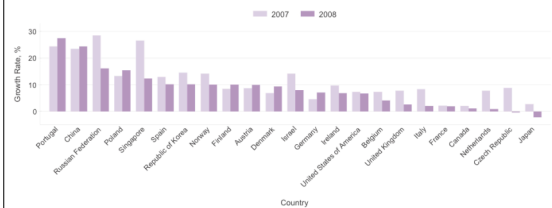


Source: WPO Statistics Database, June 2010



Innovation shifts from East to West

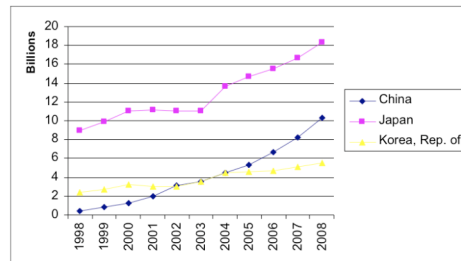
Figure 5: Real R&D expenditure growth rate (%)



Note: R&D data refer to gross domestic expenditure on R&D.
Source: WPO, based on data from the OECD, June 2010



Licensing revenue spent!



2. The new corporate form

- Corporate governance
- M&A and a market for corporate control
- VC and bankruptcy

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3. Culture is destiny?

- Trust in business
- Relationships and strenght of ties
- Managing human capital

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4. China shakes the world

- Workshop to shopping mall
- China's MNC
- Rare earths -- and trust

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5. The rise of emerging market champs

- The volume / value paradox
- New customers, new competitors
- Doing new things

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Conclusion

- Asia is different
- Asia is changing
- The smartest companies change too

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Thank you

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