How to do business in SE Asia

18th November 2010
SE Asia
GDP Percentage Growth

- China 9.10%
- India 7.4%
- Vietnam 5.3%
- Indonesia 4.5%
- Afghanistan 22.5%
Population

1. China 1,330,141,295
2. India 1,173,108,018
3. United States 310,232,863
4. Indonesia 242,968,342
5. Brazil 201,103,330
6. Pakistan 184,404,791
7. Bangladesh 156,118,464
8. Nigeria 152,217,341
9. Russia 139,390,205
10. Japan 126,804,433
11. Mexico 112,468,855
12. Philippines 99,900,177
13. Vietnam 89,571,130
14. Ethiopia 88,013,491
15. Germany 82,282,988
16. Egypt 80,471,869
17. Turkey 77,804,122
18. Iran 76,923,300
19. Congo 70,916,439
20. Thailand 67,089,500
Taiwan, China

**MAGAZINE ADSPEND GROWTH 2001-2010**

**AT A GLANCE**
- Capital: Taipei
- Population: 23,012,345 (July 2009)
- Median age: 38.5 years
- GDP: $597.4 billion (2008)
- Official language: Mandarin Chinese
- Other languages: Taiwanese (Min), Hakka
- Objects
  - Literacy: 96.1%
  - Currency: New Taiwan Dollar (TWD)

Source: Statistical Yearbook
Vietnam

**MAGAZINE ADSPEND GROWTH 2003-2012 (USD million)**

**AT A GLANCE**
- **Capital**: Hanoi
- **Population**: 88,579,798 (July 2010 est.)
- **Median age**: 27.4
- **GDP (USD)**: $193.2 billion
- **Official language**: Vietnamese
- **Other languages**: English, French
- **Literacy**: 90.3%
- **Currency**: Dong (VND)

**FIPP MEMBERS**
- IDG
- Harper
- Sunflower Media
SE Asia Territories

Who’s Hot!!!!

- China
- India
- Vietnam
- Hong Kong
- Indonesia
- Malaysia
- South Korea
SE Asia Territories

Bubbling Under
- Philippines
- Thailand
- Taiwan
- Japan
- Singapore
SE Asia Territories

The Rest

- Pakistan
- Bangladesh
- Bhutan
- Sri Lanka
- Laos
- Myanmar (Burma)
- Nepal
- Cambodia
- North Korea
- Brunei
Japan

AT A GLANCE

Capital: Tokyo
Population: 127,078,879 (July 2009)
Median age: 44.2 years
Official language: Japanese
Literacy: 99%
Currency: Yen (JPY)

Source: Zhivko-Optimedia
General Strategy

• What subject matter will work best for each territory – for example luxury, niche, mass or mass market?
• Is B2C or B2B publishing the best route to market?
• Licensing of magazines or Joint Venture/Investment?
• A country specific or a Pan-Regional approach?
South East Asian Specific Questions/Strategic Considerations

- A thorough knowledge and assessment of the local market, including:
  - Distribution
  - Advertising
  - Editorial
  - Competitors
- Knowledge of the local economy
- Benchmarking against already successful businesses
- Foreign ownership and investment laws and regulations
- Publishing license requirements
- Local business practice
- Management and protection of investments
Hong Kong gets creative

The city's best outdoor venues and event spaces for your next team building day or off-site function. Page 53

APOS Pay TV subscribers are riding the cloud service wave. Page 47
B4E United enhances the family's online experience. Page 48
Rotary Annual conference on family travel attracts China guests. Page 49

FinanceAsia
October 2010

The new face of DBS
CEO Piyush Gupta talks about his plans to create a bank for Asia, page 26

Taiwan's fifth generation: 40-somethings drive the economy, page 52

Islamic finance put to the test: Deals are getting restructured, page 60
Key Western Publishers With Asian Headquarters In Hong Kong

**Haymarket** – B2B and niche licensing, magazines, online and events

**Ringier** – B2B, magazines, online and events

**Edipresse** – luxury magazines

**Bayard** – youth, magazines and books
Why Hong Kong?

- Low taxes
- Proper company law
- Easy entry for foreign companies – Just 24 hours to set up a company
  - No restrictions on foreign ownership
  - Skilled work force
  - Is the gateway to Mainland China
  - Centrally located for almost anywhere in Asia
  - Only one director required for any limited company
- No censorship
- No publishing license
- Lowest corporate tax levels in Asia, capped at 16%
- No capital gains taxes
- Salary taxes capped at 15%
Fleischwirtschaft

Von der Erzeugung bis zur Vermarktung von Lebensmitteln tierischen Ursprungs

6/2006

Effektive Reduzierung von Tropfsaftverlusten

Gerhard Reckemmer
FreiForschung in Kaiserslautern hat Sättel
Major Foreign B2B Publishers Working In China

- Haymarket (UK)
- Cavendish (UK)
- Ringier (Swiss)
- IDG (USA)
- Vogel (Germany)
- Deutsche Fachverlag (Germany)
Incorporating in China

China Corporation, China Company

INTRODUCTION TO WFOE

The Wholly Foreign Owned Enterprise (WFOE) is a Limited liability company wholly owned by the foreign investors. In China, WFOEs were originally conserved for encouraged manufacturing activities that were either export oriented or introduced advanced technology. However, with China’s entry into the WTO, these conditions were gradually abolished and the WFOE is increasingly being used by service providers such as a variety of consulting and management services, software development and trading as well.

ADVANTAGES OF WFOE

The advantages of establishing a WFOE include:
- Independence and freedom to implement the worldwide strategies of its parent company without having to consider the involvement of the Chinese partner;
- Ability to formally carry on business rather than just a representative office function and capable of issuing invoices to their customers in RMB (Chinese Currency) and receive revenues in RMB;
- Capable of converting RMB profits to US dollars for remittance to their parent company outside China;
- Protection of intellectual know-how and technology;
- Greater efficiency in its operators, management and future development.
Publishing in China
Thailand

**AT A GLANCE**

- **Capital:** Bangkok
- **Population:** 66,905,410 (July 2009)
- **Median age:** 33.3 years
- **GDP:** $273.3 billion (2008)
- **Official language:** Thai
- **Other language:** English
- **Literacy:** 92.9%
- **Currency:** Baht (THB)

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*Source: ZenithOptimedia*
My card is on screen

If you want to know more about doing business in Asia please feel free to give me yours after the workshop