



**GLOBAL  
PANEL**



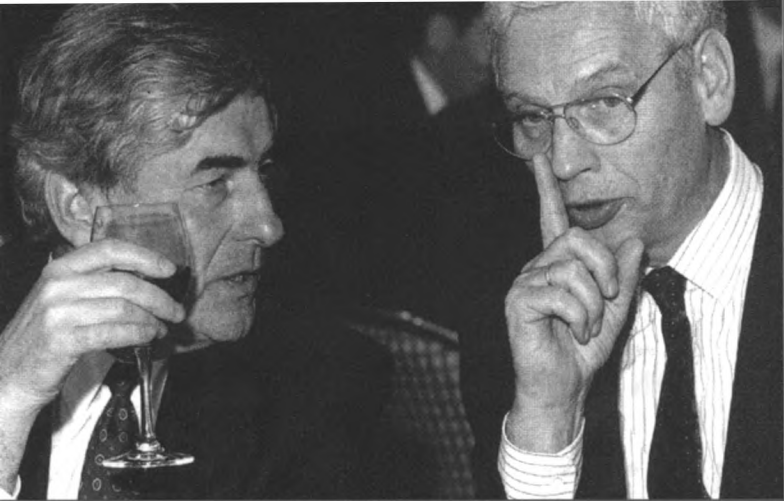
# **New Global Trading Patterns and Dilemma's of the New Era**

**Proceedings of Global Panel 1995**



ored by

**demij grabowksy&poort**



*Dějà vu: Two former colleagues get together*



*Allen Weinstein, Chief of the Republic*



*Muhamed Sacirbey, Minister for Foreign Affairs, Bosnia, meets George Bush, former president of the USA, and Terry Dornbush, U.S. Ambassador to the Netherlands.*





## SPEAKERS OF GLOBAL PANEL 1995

### ◆ Chairman of Global Panel:

Allen Weinstein,  
President of the Center for Democracy, USA

### ◆ Speakers of Global Panel:

Jean-Paul Abegg,  
Director, Wavin Pemü Hungary

Yasser Arafat,  
President, Palestinian Authority, Palestine

André Bindenga,  
Chairman of the Board, Moret Ernst & Young,  
the Netherlands

Akos Péter Bod,  
Executive Director, EBRD, England

Loek van den Boog,  
Senior Vice-President, Oracle Europe,  
Middle East & Africa

Hans van den Broek,  
Member of the Commission of the European Union

George Bush,  
Former President of the United States of America

Keat Chhon,  
Minister of Economy and Finance,  
Kingdom of Cambodia

Albert Dantuma,  
General Director, Holland Colours, Hungary

Anneke van Dok-van Weele,  
Minister of Foreign Trade, the Netherlands

Stuart Eizenstat,  
U.S. Representative to the European Union

István Ferenc Dobos,  
Head of Department, Hungarian Tourist Board,  
Republic of Hungary

Szabolcs Fazakas,  
State Secretary, Ministry of Industry and Trade,  
Republic of Hungary

Jan Geurts,  
Managing Partner, Maes & Lunau, the Netherlands

Árpád Göncz,  
President of the Republic of Hungary

Cees de Graef, General Director, Blinks Groupware,  
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Jan de Heer,  
President Holland Colours, the Netherlands

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Agency, Budapest, Republic of Hungary

Geoff Knott,  
Vice-President of Technology, Dun & Bradstreet  
Information Services Europe

John Legat,  
Senior Emerging Market Portfolio Manager,  
GT Management, United Kingdom



*The arrival of Yasser Arafat at Valkenburg Airport*



*Yasser Arafat was welcomed by Anneke van Dok-van Weele, Dutch Minister for Foreign Trade.*

## DUTCH TRADE AND INDUSTRY MEET ARAFAT:

### Special Business Dinner in the Honor of His Excellency Yasser Arafat

*Wednesday evening November 22, 1995*

The opening speeches of Global Panel 1995 were still twelve hours away, yet Yasser Arafat, President of the Palestinian National Authority and Chairman of the Palestinian Liberation Organization, already presented a speech at a dinner held in his honor in Huis Ter Duin, the Netherlands. The President and his delegation were joined by the ambassadors of Algeria, Egypt, Kuwait, Lebanon, Morocco, Oman, Saudi Arabia, Sudan and Yemen. The Dutch government on this occasion was represented by Mrs. Jorritsma, Minister of Transport, and Mrs. van Dok-van Weele, Minister for Foreign Trade.

After Dim Baars, President of the European Research Center, welcomed the President and the other guests, Allen Weinstein, Chairman of Global Panel, addressed the distinguished dinner guests. In his brief speech, he expressed his whole-hearted support for the 'Peace of the Brave,' a peace that in part is the grand achievement of President Arafat.





## NEW GLOBAL TRADING PATTERNS

Global Panel 1995

Thursday November 23, 1995

**Yasser Arafat,**  
**President Palestinian National Authority and Chairman**  
**of the Palestinian Liberation Organization**

**Ruud Lubbers,**  
**former Prime Minister, the Netherlands**

**Kato Norifumi,**  
**Parliamentary Vice-Minister of MITI, Japan**

**Long Yongtu,**  
**Negotiator World Trade Organization (WTO) and**  
**Assistant Minister MOFTEC (Ministry of Foreign Trade**  
**and Economic Cooperation), China**

**Árpad Göncz,**  
**President of the Republic of Hungary**

**Allen Weinstein,**  
**President of the Center for Democracy, USA**

### Opening Speech Yasser Arafat:

**"WE NEED OUR FRIENDS TO  
SUPPORT THE PEACE PROCESS."**

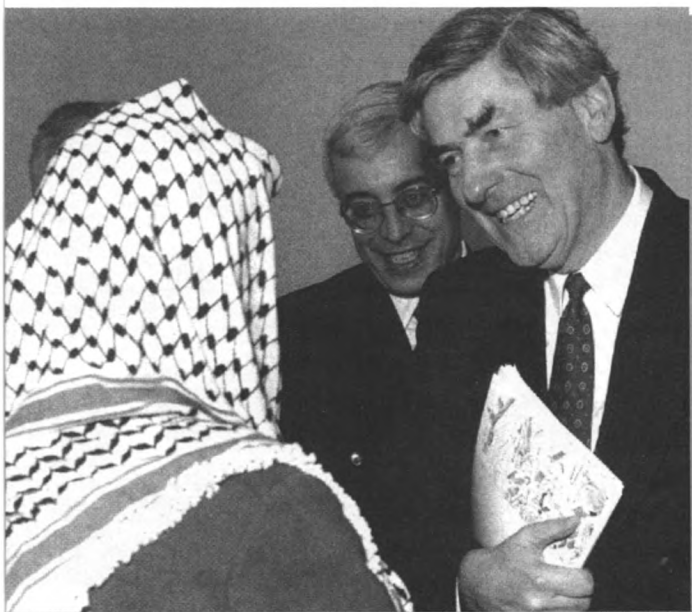
Applause rang out at the Circus Theater in The Hague, as Yasser Arafat, President of the Palestinian National Authority, and his delegation took the stage to join other panel members already present on Thursday morning November 23, a panel chaired by Allen Weinstein which opened Global Panel 1995.

Arafat started by saying that he is "fully aware of the studies that have been undertaken by the government and people of the Netherlands to assess the requirements for the rebuilding of our infrastructure, which has been destroyed by the occupation. I am also fully aware of Dutch participation in the planning of numerous projects relevant to the basic structure of our economy." The most important of these projects are, according to Arafat, the construction of a Palestinian port, for which the Netherlands is bearing forty percent of the costs; the training of Palestinian cadres and technicians; cooperation with the Palestinian National Authority in the environmental and agricultural fields; contribution to the training of Palestinian police cadres; and assistance to the first Palestinian police academy.

**"There are certain requirements which must be met in order to ensure that the peace process develops on solid foundations."**

Concerning developments in the Middle East, President Arafat stated: "Peace, democracy, and freedom are not just slogans or instruments of rhetoric and political luxury. Rather, they are moral and realistic commitments which we must collectively work to implement in order to achieve the progress and social and economic development we all aspire to. We must therefore be fully aware that what endangers peace most is vacillation between progress and inertia, and lack of support for the foundations of peace as set in local, regional, and international commitments and responsibilities."

According to Arafat, there are certain requirements which must be met in order to ensure that the peace process develops on solid foundations, and result in the fulfillment of the great goals and objectives to which we aspire. Foremost among



*Ruud Lubbers and Yasser Arafat*



develop the qualified Palestinian cadre needed to activate our national institutions and legal bodies. We have also enacted legislation that safeguards and encourages local and foreign investment. And we have established the Higher Committee for Investment, which has been provided with sufficient powers, and the required facilities, to attract investments and investors and create for them a climate of confidence and stability.”

On the topic of national policy-making with regard to the development of Palestine, the President stated: “We have supported the aforementioned efforts with a clear economic policy which is based on privatization of the infrastructure in the fields of communications, electricity, transportation, and other fields. We have also augmented these efforts with plans for upgrading hospitals, schools, colleges, roads, the water and sewage systems, and other sectors. We have done that with the aim of rebuilding the destroyed infrastructure and encouraging the development of the private sector, which has begun to play a major role in economic growth.”

In this respect Arafat extended his gratitude for the assistance which has been provided to the Palestinian people by the donor countries. He also expressed his thanks to the donor countries for the assistance they have pledged to provide in the future, “in order to help confront the challenges and the difficult circumstances we are passing through.”

“How can Palestine play an active role in the construction of a new Middle East in the context of the extraordinarily difficult circumstances we are facing as a result of the harsh years of occupation?” Arafat asked. Leaving this rhetorically unanswered, he added: “And we are still living under occupation, especially taking into account the closure of our territories which deprives our labourers of work and has resulted in an unemployment rate of fifty-eight percent.”

To Arafat, it is essential that the peace process be accelerated through a sincere and accurate Israeli redeployment in the towns and villages of the West Bank. This is necessary to safeguard the security and stability upon which economic development is predicated. Arafat also underlined the importance of the Palestinian legislative elections, “since they will be the measure of our adherence to democracy and pluralism, through which the Palestinian nation will be built on a solid foundation.”

“Peace is not an exclusively Palestinian requirement, but is equally an Israeli, Arab, and international requirement. This means that each of the regional and international parties involved fulfill its role as a builder and driving force in the peace process. We therefore view the resolution of the United States Congress to transfer the American Embassy from Tel Aviv to Jerusalem as a negative resolution that is against the peace process. It conflicts with the letters of assurance provided by the Government of the United States of America, and contradicts international legitimacy as well as the resolutions of the United Nations. Equally, it contradicts the Declaration of Principles signed by the Government of Israel and the Palestine Liberation Organization. We therefore value the courageous rejection of this move by President Clinton, a stand he adopted to protect the peace process in consideration of the fact that Jerusalem is one of the issues that has been deferred to the permanent status negotiations. We must make the Holy City of Jerusalem a basic foundation for the ‘Peace of the Brave.’”

**“We need your support and assistance to overcome the obstacles our people faced during the harsh years of occupation.”**

At the end of his speech, the president stated that the Palestinian people are doing their utmost, and declare their commitment to the peace process to be an irrevocable decision. “But we need your support and assistance to overcome the obstacles our people faced during the harsh years of occupation. I have come to address you from this hospitable platform, to present you with the full picture, in all of its dimensions, without exaggeration or simplification, to tell you clearly that we are in need of help from our friends. We need our friends to support this process, in order to build a nation with all of the basic social, cultural, and economic foundations which cannot survive without democracy, pluralism, respect for human rights, and the existence of collective and individual freedoms. These make our nation immune to violent agitation while assisting in confronting all types of extremism regardless of the source. It also enables us to deal with the New World Order in a clear manner, to establish distinctive human relations in a region considered one of the most important in the world.”



by ever increasing efficiency and technology development. In addition, Lubbers pointed out that the climate for savings and investment is increasingly determined by global instead of local conditions, a development which in turn increases opportunities and flexibility. "I expect growth, growth, growth."

Lubbers admitted that there are, however, some problems. Certain Europeans are worried about unemployment. "And of course there is some truth in it. If you have a globally developed economy, it has consequences for yourself in terms of competition, of having to find your place in the world." He explained that, when comparing the European nations, there is a diversity in the sort of challenges they face, as well as in the strong elements. "If we talk about the problems of the welfare state, they are not the same in all European countries. In Spain there is no hiring, because there is no firing. In France you find skyhigh unemployment. We in the Netherlands are very weak, because we used to guarantee the jobless that they could receive the same salary for a relatively long period. Then there are the artificial jobs in Sweden. So we all have our specific conditions. But it is also the other way around. If we are successful in this country, for example, with

flexibility of part time labor and flexibility in working hours, other countries are envious because we are doing better."

Lubbers also stated, that strong elements of one European nation should be implemented in other European countries, so to create improvements in Europe at large. Using the USA as an example of how a nation and its economy can make a comeback, Lubbers explained how Europe will be able to cope with the current situation.

### **"Let's have a little bit more courage."**

"Open it up," Lubbers said as he advocated the establishment of one market. This market should first of all include Central European countries. Although he doubts whether it is possible for these countries to become EU members soon, he feels it will be wise to start with an economic area agreement as soon as possible. "The point is to open up our own market. And I say without any reservation: 'let's have a little bit more courage there.' That's the essential point. What we in fact need is an economic area together with them, and by an economic area, I mean basically to go to one market."

Lubbers also briefly focussed on Russia's problems, describing them as very different from challenges faced by other countries in transition. National questions revolving around the ownership of Russia's rich natural resources are to be answered first. From Russia Lubbers then moved on to Bosnia, calling Dayton to be of enormous importance. "Dayton," he said, "very much reflects views held by me and Hans van den Broek years earlier. The problems of security can't be solved by nice talks, by a sort of romanticism. What we need is military presence, based not on the wishy-washy manner of the United Nations, but based on NATO."

### **Quality of life**

Concluding his speech, Lubbers stressed the counter effects of economic globalization. He stated that we see before us the development of a very strong economy with rational elements. But he also predicted that there will be a need for people to compensate this by searching for their own identity, their own culture. "The economy is important, but the quality of life is important as well. We will have to find out how to combine these elements. In all of this, I am an optimist."



*Kato Norifumi and Ruud Lubbers*



## The European Union: A successful experiment

Kato went on to discuss the merits and vices of regionalism in international trade. He regards the European Union as a successful experiment. Further challenges to the experiment are broadening and deepening the Union and developing the Economic and Monetary Union. One of the merits of a free trade area is the enhancement of free trade, in a certain restricted area. The downside, however, is that regional rules might discriminate against non-members. Regional trade areas, concludes Kato, may not interfere with international agreements nor harm the multilateral effort.

During the APEC meeting in Osaka, delegations of eighteen countries, representing forty percent of the global population and fifty-six percent of the world's GDP, came together to pursue further liberalization, not by negotiated agreements, but by concerted voluntary actions. The adoption of an action agenda, a comprehensive and practical program that links the vision, as was laid down during the meeting in Indonesia, with reality, was discussed. The three main pillars of the agenda are: liberalization of trade and investment, facilitation of trade and investment, and economic and technical cooperation. Programs are directed at improving business efficiency by simplifying and speeding up customs regulations, and deregulation and rationalization of currency controls. These initial actions are laid down in a compendium of liberalization programs. Japan has promised to accelerate its deregulation programs, and Indonesia has assured that it will lower its main import tariffs to less than five percent before the year 2003.

### 'Thumb in dyke'

Concluding, Kato stressed the importance of support of non-APEC members for the success of the organization, and therefore pleaded for more transparency in the APEC process. He compared the famous story 'thumb in the dyke' with free trade. In this way, voluntary action by the brave young man saved his village: without his action, a lot could have been lost. Maintaining a free trade system is a hard task, and sometimes it hurts domestic industries. But protectionism and negation of free trade will harm all of us. Each state's voluntary support will be needed to sustain free trade. ◆

## THE LIBERALIZATION OF China's Entry into the WTO

Assistant Minister Long Yongtu of MOFTEC, the Chinese Ministry of Foreign Trade and Economic Cooperation, began his remarks by stressing the importance of WTO membership for continued economic success in China. The commitment of China to integrate its economy into the world economy is firm. Long said that this commitment was again underlined by President Jiang Zhemín at the recently held APEC meeting in Osaka. The Chinese President announced a thirty percent cut in tariffs on 4000 imported products, and the removal of import controls and licences on 170 products. This commitment to APEC is also a serious offer to the rest of the world. After Global Panel Long will discuss these plans with other trading partners in a more multilateral effort in Geneva.

With the Osaka meeting, APEC has given a push towards open regionalism and further global trade and investment liberalization. All contracting parties of APEC have consented to China's joining the WTO, even those with sincere objections. When and under what conditions China should join are issues that have remained open.

### Towards a market-oriented economy

China's trading partners requested, first of all that the results of the Uruguay Round be respected and that its markets be opened. According to Long, China is indeed committed to international trade rules and will act accordingly. From 1992 onwards, tariffs have been reduced from forty-one percent to thirty-five percent; with the commitment made by President Jiang, tariffs will be reduced to an average of twenty-three to twenty-four percent. In 1992 the import of more than 1270 goods were restricted by import controls and licences. Over a period of three years, these non-tariff barriers were removed on more than 800 goods. Of the remaining 400, one-third (170) will also be removed from that list. Furthermore, said Long, transparency, uniformity and the observance of intellectual property rights are important conditions when complying with international rules and liberalizing one's trade and investment policy. China, when applying for membership, requests that its partners look at three specific aspects. China has the largest





## THINK AGAIN, EU!

### President Göncz delivers milestone speech

Árpad Göncz, President of Hungary, delivered a milestone speech that was at times academic, often critical and always open and honest. His analysis of the processes of change in Central and Eastern Europe was historic, providing policy makers, international organizations and governments with a framework of thoughts and facts for years to come. Göncz not only looked at developments in Hungary on a national level, but also analyzed history and the future from a regional and even global angle. Excerpts from the President's speech follow below.

#### 'Soft' forecasts and 'hard' facts

"More than half a decade after the unparalleled historic changes in Central and Eastern Europe, a general assessment of the region's economic transformation is overdue. In general,

one can see that the transformation has taken longer and been more painful than originally anticipated. Is this discrepancy between expectations and realities mainly due to the limited adjustment capabilities of the transforming countries and the undoubted policy failures of the last five years? Or can the gap between 'soft' forecasts and 'hard' facts be blamed on the overgeneralizing and simplistic approach of Western policy-makers and academics?"

"Mainstream economists tried to reduce the extremely complicated process of transformation to a simple change of models - from that of a command economy to that of a market economy. This was a highly ahistorical approach, which ignored the fact that there are substantial differences between functioning market economies, a result of different, but in all cases long, development processes. More importantly, these economics did not take into account three key factors that will determine the success or failure of the economic transformation in Central and Eastern Europe.

First, the individual countries began the transformation process from different starting points. Central planning had a very different function in the orthodox German Democratic Republic or Czechoslovakia than in Hungary, where companies enjoyed a relatively high degree of freedom in decision making. The size and influence of the private sector in each country was as different as the intensity of economic, technological, and social contacts with the West. Most were highly indebted to foreign states and banks, but not all of them applied for rescheduling." "The shock therapy offered with messianic fervor and religious intolerance to all countries of the region proved how little Western experts understood the different realities.

Second, the Western approach was to abolish everything that smacked of 'socialism.' The only way to save the region from its socialist heritage was to transplant Western values. Yet it was because of this heritage that the CEE countries shared certain characteristics that distinguished them from other developing countries in the international economy. All were already industrialized economies." "Most were over-industrialized and, more important mis-industrialized." In addition, "each had an extensive system of social welfare. Sooner or later, rising costs would have forced all of them to radically reform their 'premature' social welfare system. Third, and probably most significant, the Western approach



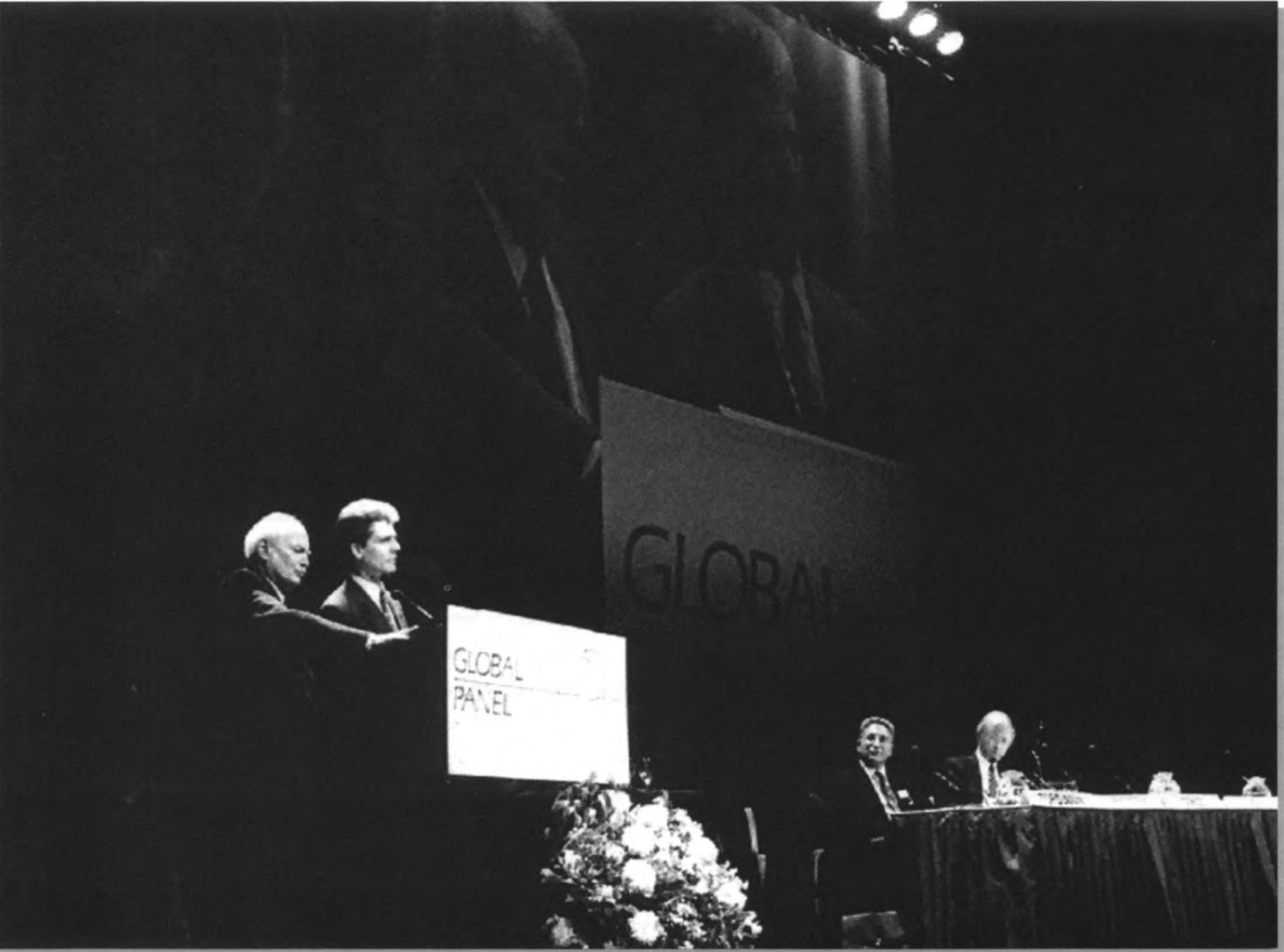
*Árpad Göncz and his interpreter*



modernization, all governments will have to open a dialogue with their societies. Fifth, the increasing gap in income levels has to be moderated if the 'Latin Americanization' of the CEE countries is to be avoided. Large income disparities do not only lead to social and political tensions, but deprive domestic producers of a robust domestic market. Sixth, the successfully modernizing economies will have to create, with the EU's help, a flourishing regional framework in order to spread modernization eastward. At the moment, it is not clear whether the years ahead will be characterized by the spread of modernization eastward, or by the 'Balkanization' of the more advanced West European states. Seventh, in politics, the traditional categorization between 'left' and 'right' must be abandoned.

At least for the next decade, the main question will not be whether a 'leftist' or a 'rightist' government coalition is in power, but rather who and which power constellation will be able to carry out modernization strategies."

"Failure of the 'transformation and modernization' process in the Central and East European countries will undoubtedly lead to domestic turmoil and to the rise of anti-Western and nationalistic attitudes. May I say, the costs of such failure to Western Europe and to the global security and economic systems would be incomparably higher than the internationally coordinated financing of national and regional modernization plans." ◆



*"Failure of the 'transformation and modernization' process in the Central and East European countries will undoubtedly lead to domestic turmoil and to the rise of anti-Western and nationalistic attitudes."*



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## SPECIAL PROGRAMS

Thursday November 23, 1995

### **Hungary:**

**Trade and Investment in the Center of Europe**

**New Complexities in the Changing Chinese  
Business Environment**

**The Global Automotive Industry:  
Specialization and Globalization**

**The Future Global Business Vision**

**Special Closed Session of Grabowsky&Poort**

## **Hungarian Session**

### **HUNGARY: TRADE AND INVESTMENT IN THE CENTER OF EUROPE**

"A unique experience," a "learning experience," an "intense experience" - that is how the special session on Hungary was described by several participants. The occasion was certainly unique given the fact that it was His Excellency Árpád Göncz, President of the Republic of Hungary, who delivered the first speech. It was also unique in the sense that this session brought together, on the one hand, representatives of Hungary's national political, economic and financial institutions and, on the other hand, several representatives of European businesses operating in Hungary. The Hungarian delegates elaborated on the investment climate in Hungary, giving a remarkably objective overview of the positive conditions, as well as the challenges created by the processes of free-market oriented changes, that are still to be overcome. Quite a few questions that emerged from the audience referred to these challenges and were addressed with non-evasive and clear answers. The latter part of the afternoon featured representatives of companies such as AKZO Nobel, DAF Trucks, Holland Colours, and Wavin Pemű, each highlighting their experiences in Hungary.

A delighted Jaap Rost Onnes, President of the Dutch Hungarian Council for Promotion and Trade, and Concern Director of ABN-AMRO Bank, and moderator of the Hungary session, introduced President Göncz, who delivered a brief speech welcoming those present. István Szent-Iványi, State Secretary of the Hungarian Ministry of Foreign Affairs, and György Kenéz, Deputy General of the Hungarian Bank for Trade and Investment, also made brief pre-lunch speeches.

'The Hungarian Government policy on international economic relations and investment promotion' was the key topic for Szabolcs Fazakas, State Secretary in the Hungarian Ministry of Industry and Trade. Other distinguished Hungarian speakers followed Secretary Fazakas: Péter Mihályi, Managing Director Hungarian Privatization and State Holding Company Budapest; Ódón Király, Director General Investment and Trade Development Agency, Budapest; Arkos Péter Bod, Executive



## PREFACE

The proceedings of an event such as Global Panel 1995 are not easy to make: a representation of an international, multiple-day conference in a limited number of pages, in photographs and texts, can never reflect the real. However, I do hope that this collection of speeches and reports on plenary, parallel and special sessions will give you a true impression of the conditions and contents of the Panel.

This year, Global Panel broadened its scope in many ways. For the first time, the conference featured a parallel session in Aachen, where George Bush and other speakers discussed the issue of the reunification of Germany.

In addition to the conference, a unique dinner with President Yasser Arafat was organized on Wednesday November 22, as was a gala dinner with George and Barbara Bush at the World Trade Center in Amsterdam on Saturday November 25. Finally, the quantity and quality of the media coverage this year by far surpassed earlier reports by press and television.

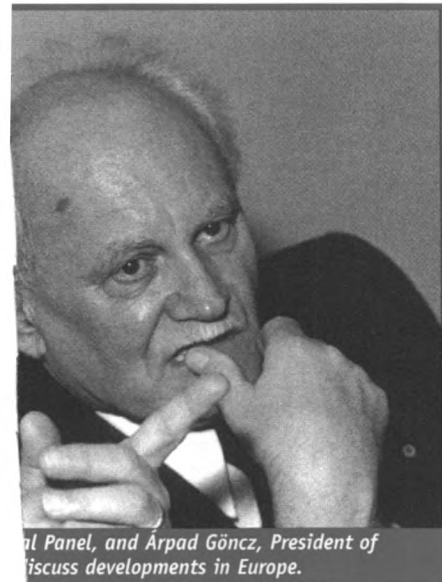
Therefore, I would like to thank all of those who in one way or another took part in this year's Global Panel: the City of The Hague, the speakers of plenary and other sessions, the sponsoring organizations, the conference participants who really form the backbone of the conference, and all others who contributed to the success of Global Panel 1995.

I would especially like to thank President Árpád Göncz for his special gift to the organization of Global Panel.

We hope that, with this publication as a souvenir, you will find pleasure in looking back at Global Panel 1995. Further, I would like you to consider this report as an invitation to the sequel, which will take place in the fall of 1996, again at the Circus Theater in Scheveningen.

I look forward to meeting you then.

Dim J. Baars  
Managing Director, European Research Center  
Organizers of Global Panel



Global Panel, and Árpád Göncz, President of Hungary, discussing developments in Europe.



George and Barbara Bush



A smiling Arafat at Global Panel



*Wei Ming Yi: "Political and economic stability are necessities for sound long-term investments."*

## China Session

### NEW COMPLEXITIES IN A CHANGING CHINESE BUSINESS ENVIRONMENT

The special session on China focussed on recent changes and long-term development in the Chinese business environment. The session was sponsored by Moret Ernst & Young, a prominent Dutch accountancy firm that specializes in tax and management consultancy. Moret Ernst & Young, part of the international firm Ernst & Young, recently set up a China desk to assist its clients.

Speakers in this session were Wei Ming Yi, Chairman of the Advisory Board of the China International Trust and Investment Corporation (CITIC), Ben J.M. Terra, Professor of Fiscal Law at the University of Amsterdam and Senior Tax Advisor of Moret Ernst & Young, and Wu Jianmin, Ambassador of China to the Netherlands. Chairman of the session was Willem van Kemenade, China correspondent for the Dutch newspaper NRC Handelsblad. Other prominent guests were the Chinese Assistant-Minister Long Yongtu of

MOFTEC (Ministry of Foreign Trade and Economic Cooperation), André Bindenga, Chairman of the Board of Moret Ernst & Young, and Anthony T.Y. Wu, Senior Partner of Ernst & Young Beijing/Hong Kong.

**"Trade with China can be profitable, but companies that invest in China for the long term will benefit most from the opportunities China has to offer."**

Wei Ming Yi began by reminding the participants that a stable political and economic environment is one of the prerequisites for sound investment. In recent years, China has been in the process of achieving such an environment. His organization is a conglomerate of more than 500 companies and investment projects, 200 of which are joint ventures with non-Chinese companies, both within and outside of China. CITIC is a state organization that has grown immensely since the Chinese economy has started its reform. Wei expects that in the coming years, the figure for economic growth in China will slow down to six or seven percent, still twice as large as growth figures for western countries. Of course, trade with China can be profitable, but companies that invest in China for the long term will benefit most from the opportunities China has to offer.

Ben Terra then highlighted the Chinese VAT (Value Added Tax) in his speech. A 'European style' VAT was introduced in China in 1994 as part of a framework for more comprehensive tax reform. Terra described the VAT as the Mata Hari of taxes; the attraction of a VAT is irresistible to most nations. The Chinese VAT comprises several different categories: a standard rate of seventeen percent; a reduced rate of thirteen percent (for grain, edible oil, books, fertilizers and other products); and a rate of six percent without the right of deduction for small and medium-sized enterprises. The Chinese have integrated some peculiar elements into their VAT which, compared to a European style VAT, make it difficult for non-Chinese to understand. Terra explained that in China not all VAT paid on inputs is creditable. No input tax may be claimed on VAT for goods and services that are lost as a result of natural disaster, theft or deterioration due to poor management. In addition, VAT on fixed assets is non-deductible. Finally, the Chinese VAT is complicated by the inventiveness of certain Chinese entrepreneurs in fraud and forgery concerning invoices.



Jaap van der Ley,  
General Manager, Unisys, the Netherlands

Long Yongtu,  
Negotiator World Trade Organisation (WTO)  
Assistant Minister, MOFTEC (Ministry of Foreign Trade  
and Economic Cooperation), China

Ruud Lubbers,  
former Prime Minister, the Netherlands

Lynn Mathieson,  
Vice-President of Marketing, Dun & Bradstreet  
Information Services, Europe

Péter Medgyessy,  
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Republic of Hungary

Péter Mihályi,  
Managing Director Hungarian Privatization and State  
Holding Company Budapest, Republic of Hungary

Gerhard van Niekerk,  
Executive Director, Old Mutual, South Africa

Ed Nijpels,  
Chairman, WWF, the Netherlands

Kato Norifumi,  
Parliamentary Vice-Minister for International Trade and  
Industry, Japan

G.W. Park,  
Director, Daewoo Motor Company Benelux, Korea

Jurgen van der Pol,  
MBA Bradford University, the Netherlands

Paul Rademaker,  
Corporate External Relations, Philips International,  
the Netherlands

Ed Reitman,  
President, United Parcel Service, Europe

Shah Reza II Pavlevi,  
Shah of Persia (in exile)

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Piet Verpoorte,  
General Director, Oracle, the Netherlands

Uwe Wascher,  
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Wei Ming Yi,  
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Fred Welschen,  
President Director, Inalfa Industries, the Netherlands

Leon Wessels,  
Deputy Chairman of the Constitutional Assembly,  
South Africa

Anthony Wu,  
Senior Partner, Beijing and Hong Kong Branches,  
Ernst & Young

Wu Jianmin,  
Ambassador of China to the Netherlands

Wim Zwetsloot,  
Member of the European Directorate, Wavin Pemü,  
the Netherlands



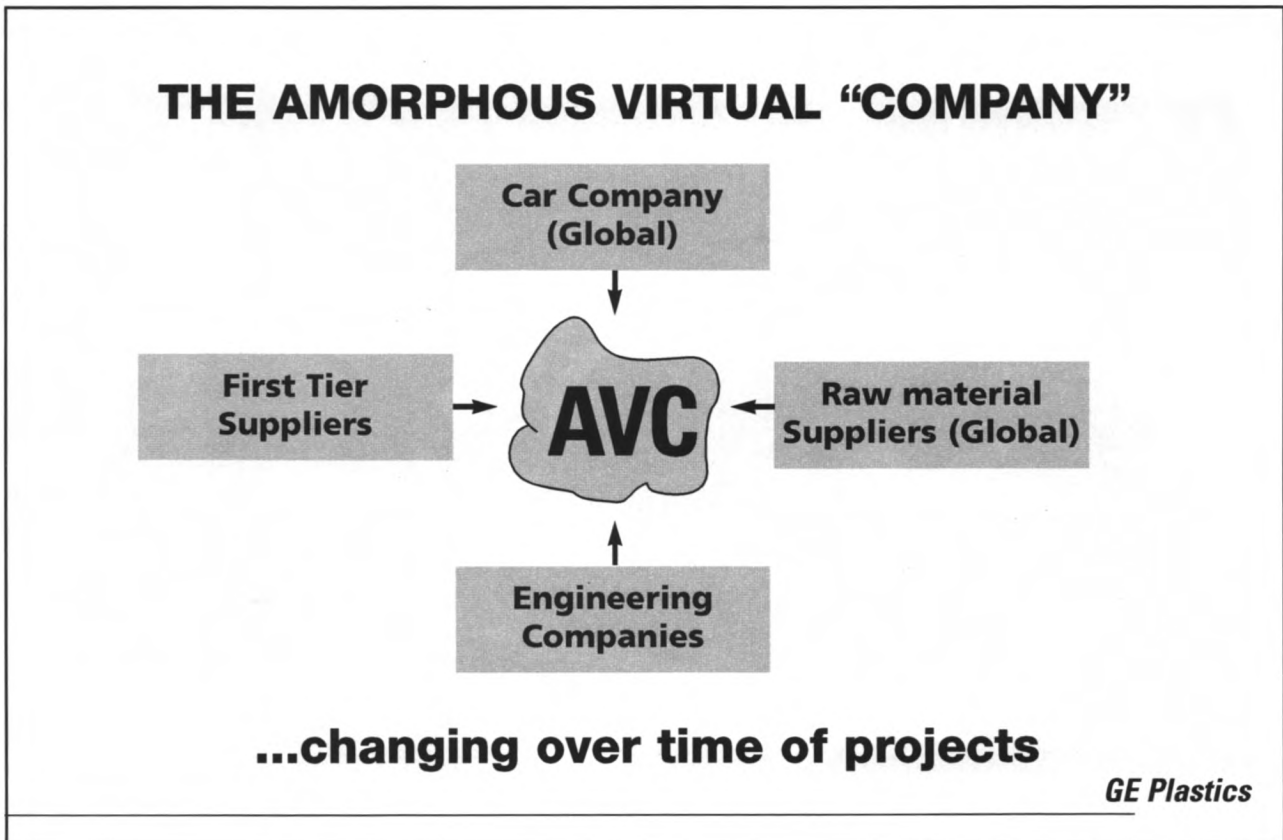
**Automotive Session**

**THE GLOBAL AUTOMOTIVE INDUSTRY: SPECIALIZATION AND GLOBALIZATION**

As the special session on the global automotive industry commenced, chairman Jan Geurts, Managing Director of Ward Howell, set out to challenge his panel. Speakers of the afternoon were Ernst Jilderda, Vice-President of European Operations Baan Europe, and Adgild Hop, Director Automotive Marketing GE Plastics, who proved to be talented speakers as well as experts in their fields.

Three topics were the center of debate. First, maximizing production and effective distribution through computer technology and adequate software; second, the future use of information technology in a yet non-existent 'mobility card,' advocated much by Adgild Hop. (Such a card would function

like a credit card, registering speed or number of passengers when hiring a car); third, how the US and Europe should catch up with their Asian competitors. Sensitive as the latter issue may be, Hop did not spare his mainly European audience as he stated that, according to his data, Toyota and Mazda are still four to eight times as productive as European brands. "Of course, new plants in Asia have the advantage of new structures and new people they can start with. But also the quality of the cars made there is better than in Europe or the States." Arguing for the improvement of quality and competitiveness of European automotive industries, Hop pointed in the direction of the Amorphous Virtual Company (AVC). He noted that cars should be made on the basis of a project that runs only for a few years and has its own engineers. In this way, the company could be sure that it will stay alert to what is happening in the world. It will be able to respond to the needs of the customers, enabling the car industry to constantly innovate itself.







## **"EACH STATE'S VOLUNTARY SUPPORT IS NEEDED TO SUSTAIN FREE TRADE."**

### **The Significance of a Free and Open Market**

In his speech, Kato Norifumi, Japanese Vice-Minister of International Trade, focussed on the importance of a free and open economy. After the Cold War, the free market mechanism was accepted as the basic principle of economic soundness. The acceptance of this principle is now spreading all over the world and, with this, support the globalization of the economy.

According to Kato Norifumi, technological innovation and the global orientation of businessmen and -women are also important factors with respect to globalization. They deliver the means and the culture to develop globalism. Furthermore, free trade is necessary to sustain the process and create sustainable economic development and sustainable peace and democracy in the world. In order to enhance international trade, argues Kato, policy makers ought to decrease restrictions. Working together in multilateral effort is, at this moment, as necessary as it was during the past decades in the Kennedy, Tokyo and Uruguay Rounds.

World trade is still growing at a rate of four to five percent. The amount of trading goods is still expanding, and we expect that free trade in international financial services will increase. Yet, rules are needed to free the business world from government interference.

### **Still a lot to be done**

The results of the Uruguay Round and the WTO performance are valued highly by Kato, but much has still to be done. Standardized rules for investment and currency exchange remain at an early stage, despite the importance of global investment. Fortunately, the OECD is now developing such rules. In Kato's view, they should also include outsiders, such as Eastern European nations and emerging markets in Asia.

The first Ministerial Meeting of the WTO will convene in Singapore in December 1996. New issues, including trade, competition, and investment, will then be discussed and the implementation of the Uruguay Round will be assessed.







## THE CHINESE TRADE AND INDUSTRY POLICY

population in the world, 1.2 billion people, and, despite its strict family planning policy, is growing each year by fourteen million people, slightly less than the total population of the Netherlands. China is still a developing country with GDP per capita of US\$ 500 and seventy million people living in poverty. China's economy is undergoing a transition as it moves towards a market-oriented economy. This reform should be phased in slowly; with economic reforms, small mistakes may be made. However, China cannot afford mistakes and social disorder. Each year there is a responsibility to feed an extra fourteen million people.

### Article 35

No time-table has been set for entering the WTO, but China would like to enter the organization very soon. According to Long, the first motivation to enter WTO was to benefit commercially. Now, China has learned that this

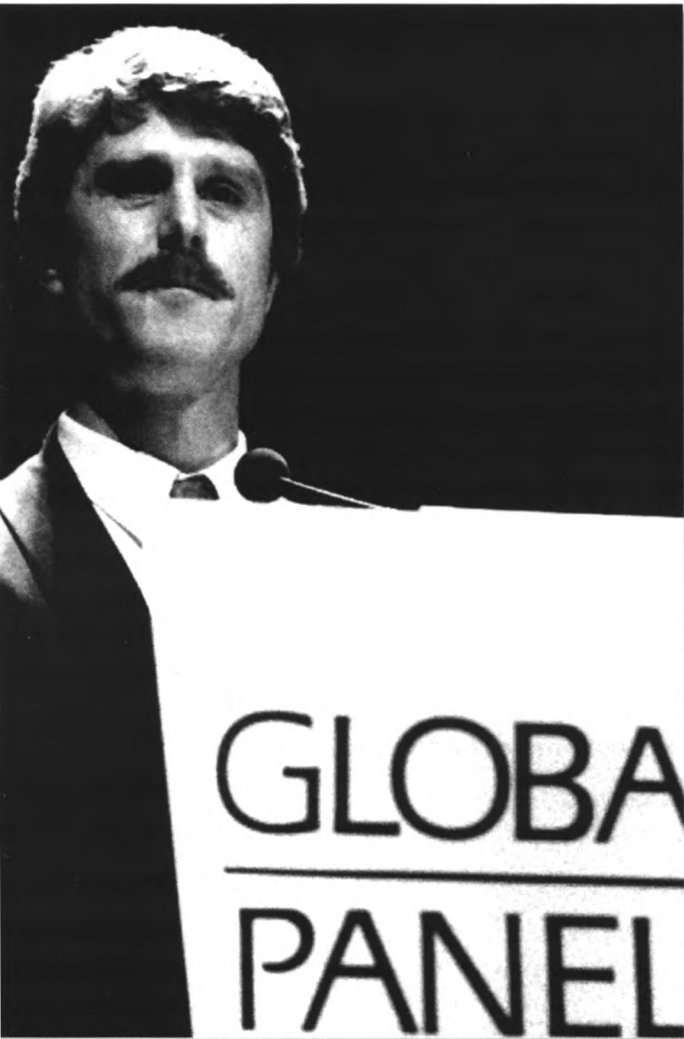
objective can also be reached via bilateral agreements. Still, problems with one of China's main trading partners can still arise. The USA, with its Most Favored Nation discussion and the use of article 35 may circumvent international agreements.

Joining WTO will benefit China in another way; its new market economy must be based on rules, and at this moment, these are domestic rules. By joining WTO, Long sees a larger role for international rules in the Chinese market. Compliance with these rules will be needed to build confidence among investors with their large volumes of Foreign Direct Investment.

Long concluded his speech by quoting Mao Zedong: "China should make a greater contribution to mankind." In Long's view, the greatest contribution China could make to the world is to provide the biggest market to it. To enable China in this respect, it is important to have political stability and healthy economic growth. The business community can support this by learning more about China. ♦



*Long Yongtu, Assistant Minister of MOFTEC, the Chinese Ministry of Foreign Trade and Economic Cooperation*



Van den Boog: "Information technology has become increasingly important in the production process."

### Plenary Session

## THE FUTURE GLOBAL BUSINESS VISION

### Making good use of Information Technology

The first people who bought fax machines were laughed at, often by those who found it simply inconceivable that such a device had been created.

Inconceivable was also the keyword of Geoff Unwin, COO of Cap Gemini Sogeti. Too many companies are only concerned about the burden of yesterday, instead of where they are going. According to Unwin, they are going to have to be prepared for the future.

*"The keyword for a successful IT-network is a permanent education."*

A few years ago, people said that they did not need a computer at home. That was something for the office, they would argue. Yet, it presently is a common part of the household.

This shift is a consequence of the information revolution. Obtaining information quickly and efficiently on a 24-hours-a-day basis has become increasingly essential for both companies and individuals. Unwin presented examples of information technology usage in a future as he envisages it, such as 'shopless shopping.' This means ordering products with a home computer, without actually visiting the shop itself. As a consequence of such future practices, according to Unwin, the relationship between producer-wholesaler-store-consumer will change. A new sort of network will thus be needed.

### Network thinking

Network central thinking is important for modern companies, according to Loek van de Boog, Senior Vice-President of Oracle Europe. In his opinion, information technology has a competitive edge, as it has become increasingly important in the production process. At first, it was primarily a differentiator, but then soon after became a key part of the core product. Nowadays, it enables managers to create marketing strategies. The Internet is a good example of networking. Van den Boog: "Invoices through the post will soon disappear. Internet makes it possible for any data to be sent over any network to any client device, anywhere."

### How to manage data?

Lynn Mathieson, Vice-President of Marketing, Dun & Bradstreet Information Services Europe in her speech argued that "companies feel the need to increase the speed and accuracy of information. There are over twenty million registered companies in Europe; this means a lot of data."

During the seventies and eighties, the process of computerization began, and in the early nineties, that process was re-engineered. Now we live in a time of distribution of



to transformation did not take into consideration that not only was the economic system of CEE countries different from that of developing countries generally, but the level of development was different as well."

### Painful but rapid adjustment

"Surprisingly, rapid trade re-orientation toward Western markets has been an evident short-term success story in all of the transforming economies. However, the regional fault lines have become apparent here as well. The Central European countries were quicker and more able to turn to OECD markets than were the Southeast European countries. Central European countries now carry out about seventy to seventy-five percent of their total trade with OECD countries, more than half with the EU alone. Although all Central European countries gained higher market shares, their gains relative to each other were far from homogeneous.

Hungary's companies were forced to make a painful but rapid adjustment that, early on, resulted in a clear structural upgrading of exports. Between 1989 and 1993, the share of machinery, investment goods, and transport equipment in total Hungarian exports to the EU jumped from thirteen to twenty-seven percent. Almost half of the increase in Hungary's exports to Germany between 1989 and 1993 was accounted for by machinery, electrochemical products, and vehicles, compared to thirty percent for the Czech and Slovak Republics and less than twenty percent for Poland. While the latter were able to increase their exports across the board, from energy-intensive cement, steel, and chemicals, to labor-intensive clothing and skill-intensive machinery and instruments, Hungary upgraded its exports by abandoning energy-intensive and polluting activities in favor of skilled-labor and technology-intensive production. Three factors played a role in this process: the fact that Hungarian companies had been shaped for market conditions over a longer period; the appreciation of the national currency; and widespread Direct Foreign Investment." "It is not higher levels of subregional economic cooperation that will lead to EU membership but EU membership that will boost subregional trade."

*"At least for the next decade, the main question will not be whether a 'leftist' or a 'rightist' government coalition is in power, but rather who and which power constellation will be able to carry out modernization strategies."*

"As international experience has shown, subregional trade will be generated by the successful integration of the transforming economies into the world economy. The sequencing of extra- and intra-regional trade flows will be extremely important for Central (and, later for Eastern) Europe. It is not higher levels of subregional economic cooperation that will lead to EU membership but EU membership that will boost subregional trade.

A globalizing world and a regionalizing Europe will require closer subregional cooperation in order to increase the rather modest bargaining power of the individual transforming economies."

"The success of economic modernization requires a period of at least ten to fifteen years, while the political cycle tends to be much shorter."

"The more advanced transforming countries of Central Europe are, or soon will be, at a critical threshold in the transformation process. Having completed the stabilization stage, they are now entering the modernization period. Their success in this second stage will crucially determine the ultimate outcome of the transformation. It is at this point that a number of critical issues arise.

First, the search for authentic patterns of transformation will be intensified. It is likely that these will demand a more balanced mix of 'imported' market economy elements, modernization strategies, and viable elements of the socialist heritage. Second, any modernization strategy will be challenged by the asymmetry between political and economic cycles. The success of economic modernization requires a period of at least ten to fifteen years, while the political cycle tends to be much shorter. Successful economic modernization will require continuity in some basic commitments, regardless of changes in the composition of parliaments and governments.

Third, economic modernization is not feasible without a clear redistribution of GDP from consumption to investment. Even if foreign investment supports this process significantly, national redistribution problems cannot be avoided. Fourth, in order to get the necessary wide support for economic



## PARALLEL SESSIONS

Thursday November 23, 1995

**Organizing for Continuous and Radical  
Technology Change**

**Information Technology in support of a  
Global Business Vision**

**Investment in the Environment:  
Investment in Survival!**

**Customerized**

## ORGANIZING FOR CONTINUOUS AND RADICAL TECHNOLOGY CHANGE

### Parallel Session

Software giant Oracle was one of the main sponsors of Global Panel 1995. The company, of American origin, employs more than 17,000 people world-wide. It is one of the leading companies in the computer business and is specialized in new media, such as interactive television, the World Wide Web (www), Video on Demand, and CD-Rom.

Loek van den Boog, senior Vice-President of Oracle in Europe, Middle East and Africa, delivered a keynote speech during the plenary session of Global Panel. In addition, Oracle organized a parallel session and hosted a working lunch. Piet Verpoorte, General Director of Oracle, the Netherlands, was keynote speaker during the parallel session on 'Organizing for Continuous and Radical Technology Change.' He gave a clear and comprehensive presentation on this theme. After the parallel session, the audience was taken to the Oracle stand in the foyer, where an explanation on the present and future possibilities of the Oracle technology was given.



*Piet Verpoorte, General Director of Oracle, the Netherlands, delivered a keynote speech during the parallel session 'Organizing for Continuous and Radical Technology Change.'*

REM



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It takes years to achieve the mixture of depth, subtlety and strength expressed in the work of an Old Master. In today's fast-moving business environment, it's a mixture that's hard to

find. But there are a few exceptions. Eighteenth-century manufacturing, distribution, transportation, and project-oriented companies have discovered a refreshing blend of creativity and reliability in Baan Company N.V., a Dutch company that has taken a quick but firm lead in the development of software for management information, finance and logistics.

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## WHAT'S IN A NAME?

reflects the intelligence, experience and creativity of Baan's team of developers and support specialists. Like all the greatest creative talents, Baan doesn't stand still. No work of art is complete without the final touches - enhanced flexibility, additional modules, and tighter integration. Putting you in firm but flexible control. And demonstrating yet another aspect of Dutch genius: sound business sense.

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## INFORMATION TECHNOLOGY IN SUPPORT OF A GLOBAL BUSINESS VISION

### Parallel Session

#### Information Technology: on Diapers, Data, and Global Workforces

"Question: In the UK, what product do we find in the shopping basket eighty percent of the time together with dishwasher powder? Answer: Catfood. So why not place a dishwasher powder coupon on the catfood tin?"

Question: In the USA, what do we find in shopping bags sixty percent of the time next to diapers? Answer: Beer. So there is a relationship between diapers and beer. Why not change my shop on the inside?" These were two examples Geoff Knott, Vice-President Technology of Dun & Bradstreet Information Services Europe, used in order to illustrate the possible use of the enormous amount of data. He was the first speaker in the parallel session on 'Information Technology in Support of a Global Business Vision,' chaired by Paul Rademaker, Corporate External Relations of Philips International in the Netherlands.

#### 'One or two steps are not enough'

In addition to his point on the relationship of data (beer and diapers, dishwasher powder and catfood), Knott made several other relevant statements concerning data, such as 'data is made once and re-used many times,' 'data never dies' (gets more value as it gets older), 'data is never detailed enough,' and 'data about data is just as important.' The relevance of these observations was explained: "A lot of companies are not aware of all these elements. They just do one or two steps, and that's not enough. Information technology has to make all steps easy. Only then you can use data as effectively as possible."

#### How to manage the information?

Cees de Graef, General Director of Blenks Groupware, the Netherlands, continued the session as he focussed on the question of how to manage information in order to create a functional and effective global workforce. "On the one hand, there is still the traditional office, with files which you put in cabinets and drawers - in other words, information through the door. On the other hand, more and more companies are dealing with different tools to store and use information, such as Internet, for example." De Graef continued: "There are two problems concerning these new ways of getting your information. A lot of companies are notable to fully understand what new information flows like Internet and e-mail mean. They are only aware of their existence. But there is also a lack of the right software to integrate all the new possibilities in your own office. The applications are available, but the infrastructure is missing. "In order to create your own global workforce, it is essential to structure information streams," stated De Graef. But there are other factors that contribute to workforce efficiency. "Look at the so-called electronic group meetings, like video-conferencing. The possibilities are available, but people are not used to it. They are more concerned about their hair not being a mess and having to look into a camera than that they are actually holding a conference meeting with, let's say, Tokyo."

#### 'Top management has to be involved'

After the two lectures, a lively and open debate started. Should radical changes be made or should change be



From left to right: Geoff Knott, Dun & Bradstreet, Paul Rademaker, Philips International, and Cees de Graef, Blenks Groupware



## **"As far as I'm concerned it's a Stradivarius among limousines."**

*Recently I had the use of a colleague's Safrane for an afternoon. I hadn't expected to be disappointed, because it is, after all, a French car. But with all the comfort that the Safrane offers, I take my hat off. Or as they say in French: "chapeau".*

*I particularly appreciate that it's so quiet. On the road, I don't continuously listen to music, so you really notice how well-insulated the vehicle is. One could almost call it serene.*

*This car inspires an enormous feeling of tranquillity. You notice that a great deal of attention has been paid to creating the ideal interior. Both steering wheel position and seats can be adjusted to obtain a perfect sitting position. I could glide straight to Salzburg and give a concert immediately. Just like that.*

*I consider the dashboard to be really beautifully designed and particularly convenient and easy to read. It has been logically laid out so that everything is within hands' reach.*

*Actually I couldn't discover a single dissonant note. It's truly a great car. And for a great price. Particularly if you consider that the Safrane comes with double airbags and ABS.*

Jaap van Zweden  
violinist



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*Paul Hohnen, Director Greenpeace International*

## CUSTOMERIZED Parallel session

### **"It's the Client that Counts."**

*Nico van de Ven, Director of Information Services, Unisys, the Netherlands on 'Customerized.'*

How do you keep your clients happy, do your key employees know what your customers want, and how do you get new clients? These are essential questions for every company. Unisys has now developed the 'customerize concept' to support those who are involved in this process.

What does 'customerize' mean? According to Nico van de Ven, Director of Information Services of Unisys, the Netherlands, it is important to each client that he/she gets enough personal attention and feels that he/she is 'special.' For example, the bank employee who recognizes the client when he/she enters the building; the waiter who serves a particular red wine that a specific customer likes, without having to ask. Secondly, after you have structured the organization in such a way that you increase the ability of keeping your clients, you can attract new clients."



*Journalists in discussion with the panel*



The presence of Yasser Arafat at Global Panel offered Grabowsky&Poort the opportunity to discuss with the Palestinian delegation the company's initiative and design of the harbor in Gaza. After the plenary keynote address by President had been concluded, the Palestinians and the representatives of Grabowsky&Poort met in a private room in the Circus Theater. It did not take the delegates very long to agree: In January 1996, a start will be made with the construction of Gaza Port.

In addition to the port project, Euroconsult, also a subsidiary of Heidemij, presented the results of the Environmental Profile Project, describing the disastrous environmental condition of the Gaza Strip. Mitigating measures were proposed. Other projects discussed in the special closed session were housing projects and land reclamations offshore Gaza, in order to increase the land areas of Gaza.

◆



*An attentive Yasser Arafat, Yvonne van Rooy and Dick van Dijk, Managing Director of Grabowsky&Poort.*



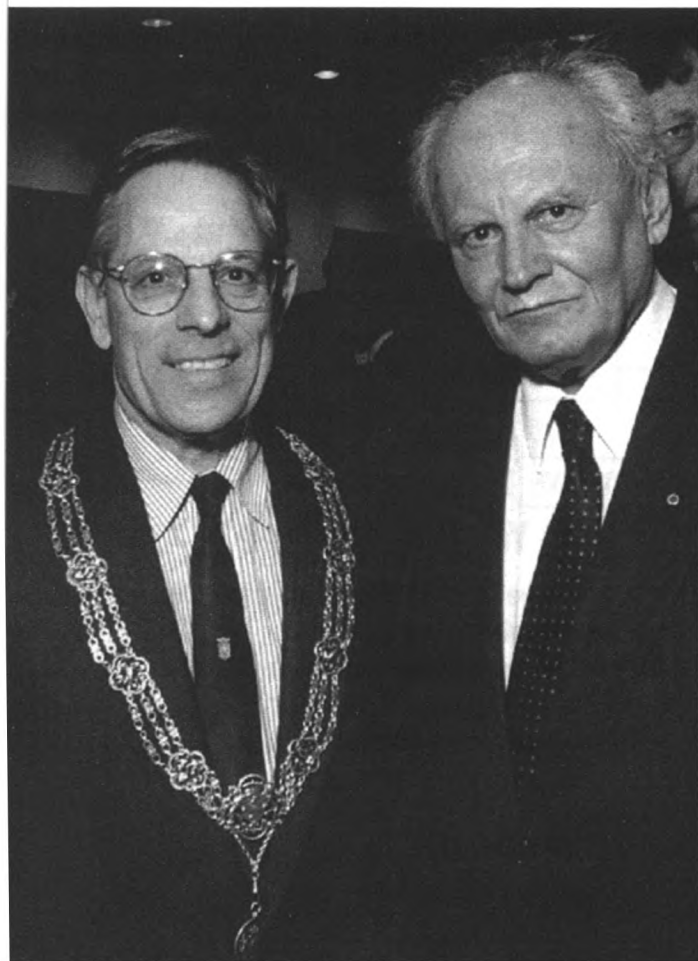
*President Göncz offers Mayor Havermans a special gift*

## A RECEPTION IN THE 'NEW HOME' OF THE CITY OF THE HAGUE

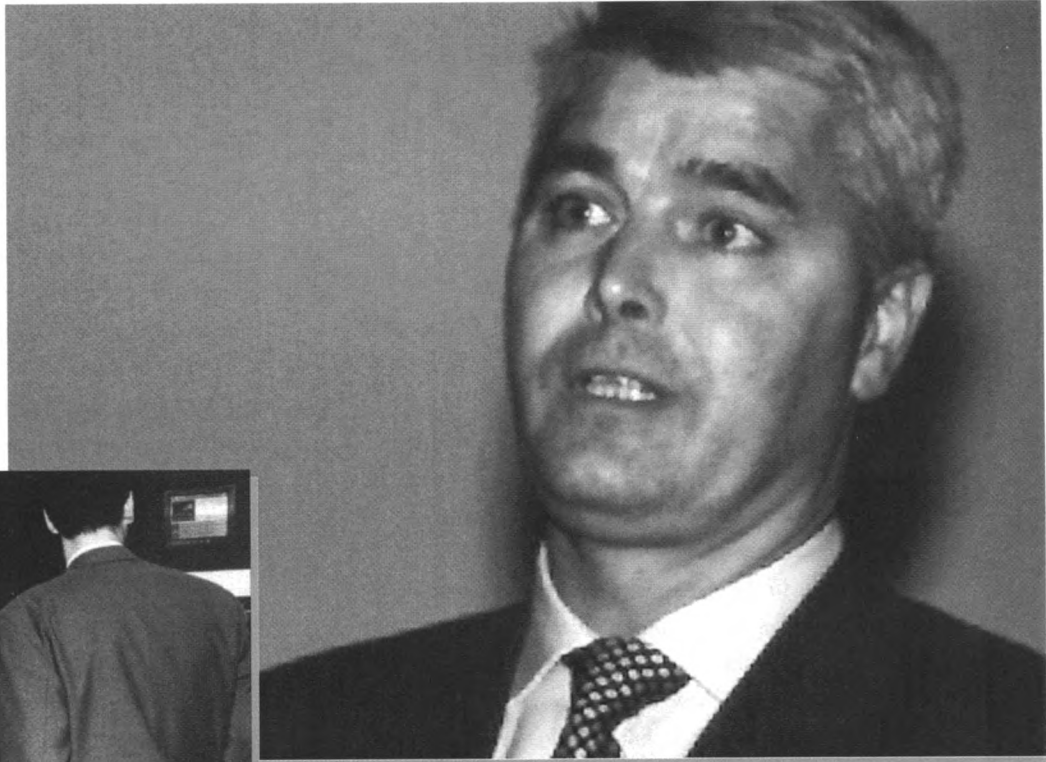
After all sessions on the first day of Global Panel had been concluded, participants were hosted at a reception by Mayor Havermans of The Hague. This festive event took place in the 'new home,' the recently built town hall, designed by the New York architect Richard Meier. The guest of honor was Árpád Göncz, President of Hungary, who was one of the keynote speakers at the Panel.

Havermans began his speech by expressing his appreciation over the fact that Global Panel had returned to The Hague. During Global Panel 1995, this "institution for rethinking in hectic times," as Havermans described it, the 'Next Generation' was one of the key aspects of all the addresses. "Some thirty years ago we were vociferously singing the 'Age of Aquarius' from the finale of the musical 'Hair.' Nowadays, being a generation older, we are wondering whether all the communications discoveries of the past years have really indeed been blessings.

Havermans naturally had a special word of welcome for President Göncz. He referred to the old ties between Hungary and The Hague. "In the 15th century Queen Mary of Hungary paid many visits to The Hague. She did so in her capacity as the 'regent of the Low Countries,' an appointment made by her brother, the Emperor Charles V. In the year Queen Mary died, 1588, The Hague was appointed the seat of government of the United Netherlands Provinces. The Mayor stated that he had almost taken it for granted that President Göncz "should be here as a speaker at the 1995 Global Panel, where the main subject is New Global Trading Patterns." Havermans explained: "The fact is that your country - both in terms of its mentality and in terms of its political history - is among the leaders in Central Europe."



*Mayor Havermans and President Göncz at the reception*



*Piet Verpoorte*



*Oracle was one of the main sponsors of Global Panel 1995*



## ECONOMIC MEGAMARKETS CALLING FOR NEW STRATEGIES: POLITICAL AND ECONOMIC POLICIES

**Global Panel 1995**

*Friday November 24, 1995*

**Muhamed Sacirbey,  
Minister for Foreign Affairs, Bosnia Hercegovina**

**Leon Wessels,  
Deputy Chairman Constitutional Assembly,  
South Africa**

**Stuart Eizenstat,  
US Ambassador to the European Union, Brussels**

**Keat Chhon,  
Minister of Economy and Finance, Cambodia**

**Moderator:  
Jean-Daniël Tordjman,  
Ambassador Ministry of Economy and Finance, France**

*"Without peace in Bosnia,  
there will be no peace in Europe."*

# A THEOR

## **Bosnian Minister for Foreign Affairs, Muhamed Sacirbey: "It's an ugly peace."**

"An ugly peace, but a real peace that is given a chance." This was how Muhamed Sacirbey, Minister for Foreign Affairs in Bosnia commented on the Dayton peace agreement for former Yugoslavia at Global Panel 1995. The role of Europe in this peace, according to Sacirbey, will be of great importance in achieving a long-lasting peace.

Muhamed Sacirbey gave a powerful speech in favor of peace in Bosnia, but he also made some critical side-notes concerning the peace agreement. He called it an ugly peace "because there have been compromises made to the consequences of war and aggression. But a real peace, because those consequences can over time be reversed."

Before sharing his views on the agreement, Sacirbey wanted to clear up the misconception that the war in Bosnia is an ethnic war: "We have lived together for over six hundred years." According to the Minister, who will resign within a month, the real cause of this nasty war is not the passing of Tito, but the collapse of communism. "Nationalism replaced communism."

### **Shock troops**

Sacirbey is convinced that the Bosnian government can win war through peace. According to Sacirbey, the following strategy has to be applied in order to achieve that peace.

First, the so-called 'shock troops', 60.000 soldiers of NATO, will be sent to enforce the peace deal. After the shock troops have arrived, the first concern will be to bring back the refugees. "The next few months should be safe to return. We need the European Union to lead the implementation. People need to have shelter, and they should be able to travel safely." Second, the infrastructure has to be built up. Another very important step is to bring the war criminals to justice. Sacirbey has serious doubts, however especially concerning the war criminals, whether the Serbs will ever live up to their



introduced little by little? De Graef responded that companies will first have to look at what they want, and that that will determine the speed with which information technology should be introduced. Others agreed, adding that it is extremely important that IT-management should start at the top of a company. Top management must be involved.

Knott was then asked whether he had not forgotten that a relationship on a personal basis is still vital for the operation of a company. His answer was simple, and mildly downplayed

the issue of information technology: "I prefer to do my shopping in a shopping mall, not on the Internet." Finally, De Graef urged the audience to look at the possibilities of using information technology: "In a few years it will be cheaper and more customer-friendly. Although I am aware of the problems concerning the use of information technology, it still depends on the company whether information technology is being used efficiently. But that will change. So don't wait too long. The horizon is getting further away every day." ♦

## INVESTMENT IN THE ENVIRONMENT: INVESTMENT IN SURVIVAL!

### Parallel Session

#### The Price of the Last Barrel

Those advocating environment friendly investment have to cope with different, often opposing attitudes all over the world. In Western countries, people are prepared to pay more for clean energy, but in Third World countries, problems even more elementary than the environment still have to be dealt with. Nevertheless, the Panel speakers were optimistic; according to some members of the audience perhaps too optimistic.

"I believe that in the end environment-friendly industry won't cost more than current industry," said Willem van 't Hooft, Executive Vice-President of the Dutch Rabobank. "Of course the process of change will be expensive," he added. This view prompted an English guest to ask: "What about the last barrel of oil?" referring to the quickly diminishing oil supplies. Van 't Hooft pointed to the rise of the use of wind energy in Western Europe and, "surprisingly," in India. "People seem to be prepared to pay even more for this kind of energy."

The Australian Greenpeace Director Paul Hohnen spoke about recent figures concerning population growth and a degrading environment. "There already are irreversible processes happening today," he stated repeatedly. Many alarming diagrams substantiated the director's speech. Hohnen ended hopefully by pointing out that public attitudes are shifting, an awareness in the world of trade and industry is increasing and the amount of environmental treaties and legislation on a global scale is growing enormously. Global approach was the key concept in WWF-Chairman Ed Nijpels' view on how



*From left to right: Paul Hohnen, Greenpeace International, Willem van 't Hooft, Rabobank, and Ed Nijpels, World Wild Fund*

environmental degradation can be brought to a halt. Neither Nijpels nor Van 't Hooft delivered a speech, as they both preferred to have a discussion with the audience, an opportunity that the participants took up enthusiastically. An African audience member who commented on the situation on his continent: "We are talking about public engagement, while in my country people are concerned about feeding their children. They have completely different priorities." Van 't Hooft replied: "The Western countries are to a great extent the biggest polluters. So it must be us who invest the most financially in the environment." ♦



## INVESTMENT OPPORTUNITIES IN A NEW SOUTH AFRICA

**Leon Wessels, Deputy Chairman of the  
Constitutional Assembly of South Africa**

Leon Wessels, Deputy Chairman of the Constitutional Assembly of South Africa, delivered a speech in which he gave solid reasons for being optimistic about the future of South Africa.

He began by saying that he has always been an optimist about Southern and South Africa, but added: "We will fail if we do not build our own success." He views not only regional cooperation, but also a stable, democratic South African political order as preconditions for success. In many ways South Africa already is a developed country, but it also "is still very much a Third World country with vast unemployment, illiteracy and serious poverty."

Conditions for further economic development are set,

however. Wessels stated that monetary, fiscal and trade policies, as adopted by the Government of National Unity, are in line with accepted wisdom in the world's successful economies. The need for an implementation of "the tried and tested policies that have generated economic growth in countries from Chile to Korea" is firmly acknowledged. He provided the audience with an overview of aims of the policies as they have been adopted, such as fiscal discipline, further

*"Government policies have already helped in bringing inflation down to 6.4 percent, the lowest for decades."*

privatization, opening up South Africa for foreign competition by rationalizing and restructuring import tariffs, and phasing out import controls and export subsidies as required by South Africa's GATT commitments. Government policies have already helped in bringing inflation down to 6.4 percent, the

lowest in decades.

In addition to these already effective policies, the South African economy is in a sound state at present, "which augers well for sustainable economic growth," a view Wessels supported with a set of solid facts and figures. He then



Leon Wessels





**“Staying in direct contact with the clients is essential.”**

In order to be able to use this concept, a company needs to answer some very essential questions: Do you have as many clients as you wish? Are they loyal to the organization? What does the client want and does the whole organization know what he/she wants? Not only at the top or in the marketing department, but also the people who personally manage the client relations should be aware. To answer these questions, a company needs the correct information. Therefore, it is important that the information strategy supports the information that the client is provided with. In addition, the organization should be able to respond swiftly to changes in the market. “Dealing with the complaints of clients is not enough,” stated Van de Ven. Too many companies lose clients because they do not know who the client is. On average, only four percent of the dissatisfied clients complains, while the rest says nothing. Of this remaining ninety-six percent, ten to thirty-five percent will buy again, whereas the rest has gone to competitors. Therefore, staying in direct contact with the client is essential. An organization needs to structure the information processes in the company, and information technology is an excellent tool for that purpose.

**Approach**

“As part of the process of developing of client oriented strategies, implementation of ‘client-satisfaction-programs’ is important,” concludes Van de Ven. In addition, key managers are to be offered motivation-programs they can follow. It is also crucial for an organization to self-assess and continuously search for weak spots. Key message: It is the client that counts.



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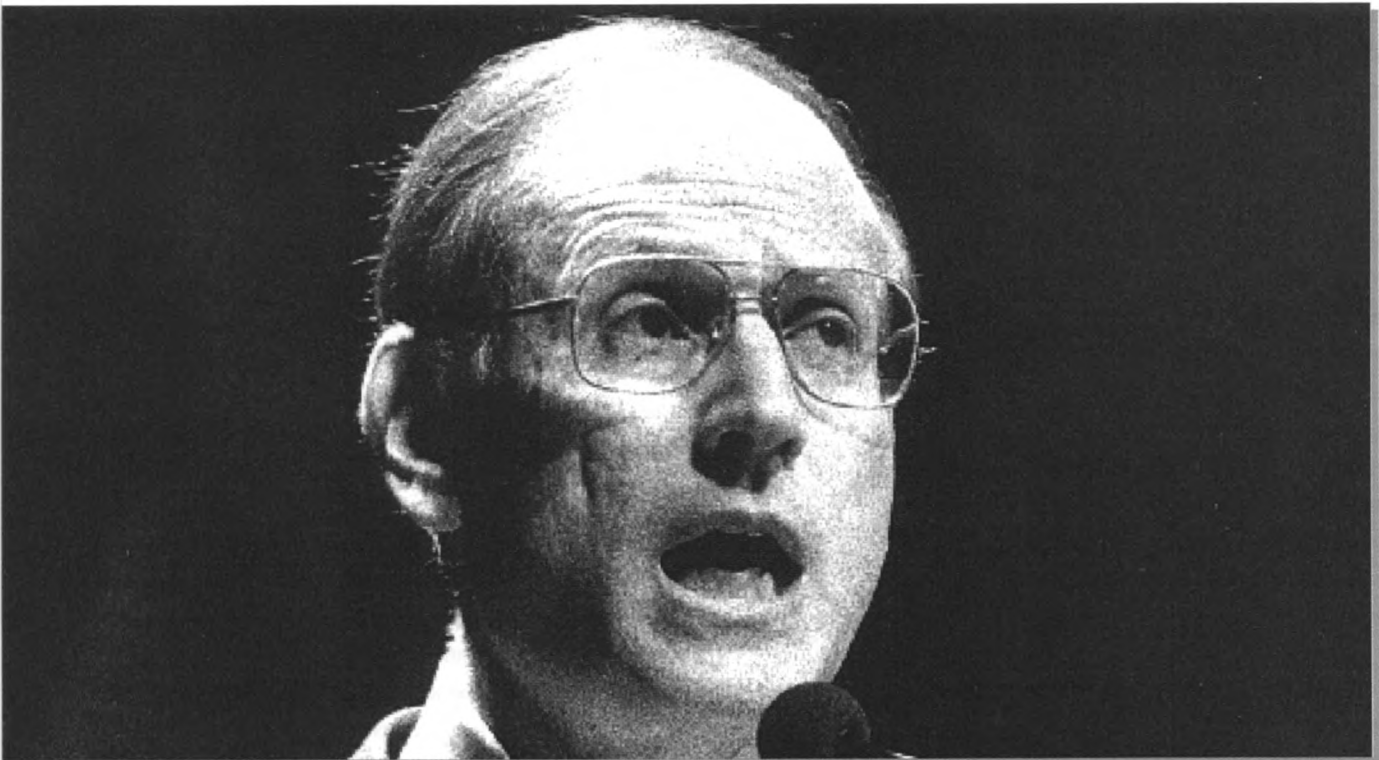
Scheveningen, November 23, 1995



### **Not just for motherhood or apple pie**

In addition, according to Eizenstat, Transatlantic bridges need to be built so as to foster a vibrant Transatlantic community by deepening the commercial, social, cultural, scientific and educational ties. The Transatlantic Business Dialogue is an important part of this process.

The most important goal concerning business and trade is to take steps leading to the progressive removal of barriers that hinder the flow of goods, services and capital between the US and the EU. "Maybe there could be a Trans Atlantic Free Trade Association (TAFTA), like NAFTA, for the future," Eizenstat said optimistically. As he concluded his speech, the ambassador stated: "The December 1995 declaration will be a joint action document in which we say to the world: here are things we pledge to do together. We are not just for motherhood, apple pie and democracy; we are for concrete ways in which the US and the EU together can further these objectives." ♦



*Stuart Eizenstat*



## HUNGARIAN DINNER

After the reception hosted by major Havermans, Global Panel participants were offered another unique experience: A dinner offered by the Hungarian delegation at the Promenade hotel in The Hague. The host of the evening, President Göncz, welcomed a good number of people belonging to Dutch industrial, financial and trading circles, and heads of diplomatic missions. Once more President Göncz spoke as his guests enjoyed the Hungarian a dinner of traditional Hungarian food and drank champagne and Hungarian wine. The President elaborated on several topics, such as the importance of Hungarian EU membership. His words did not fall on deaf ears. Hans van den Broek, Member of the Commission of the EU, explained the EU policies concerning Central and Eastern Europe. The evening took a further historic turn, when Van den Broek stressed the importance of, and pledged his support to, the peace process in Bosnia. When both speeches came to an end, Hungarian music resumed.



*The guests enjoyed the Hungarian food and music*



*Hans van den Broek, EU Commissioner*

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# Y ABOUT PEACE

commitments as signed in the Treaty. Under the plan, officials charged with war crimes have to step down and all the parties have pledged to cooperate with the war crimes investigators. Both the Bosnian Serb leader Karadzic and his military commander General Mladic have been indicted by the International War Crimes Tribunal at The Hague, but they have refused to step down without the assurance that they will not be handed over to the Tribunal.

"That would be bargaining with the devil," said Sacirbey. "There will be no real reconciliation until war criminals are brought to justice. If people like Karadzic and Mladic are not delivered to the War Tribunal, there will be a continuing desire for justice. People might take the law into their own hands." Finally, in the long term, there will be the advantage of a free market economy. "In our country there is a thirst for economic development and for an environment of political openness," he said.

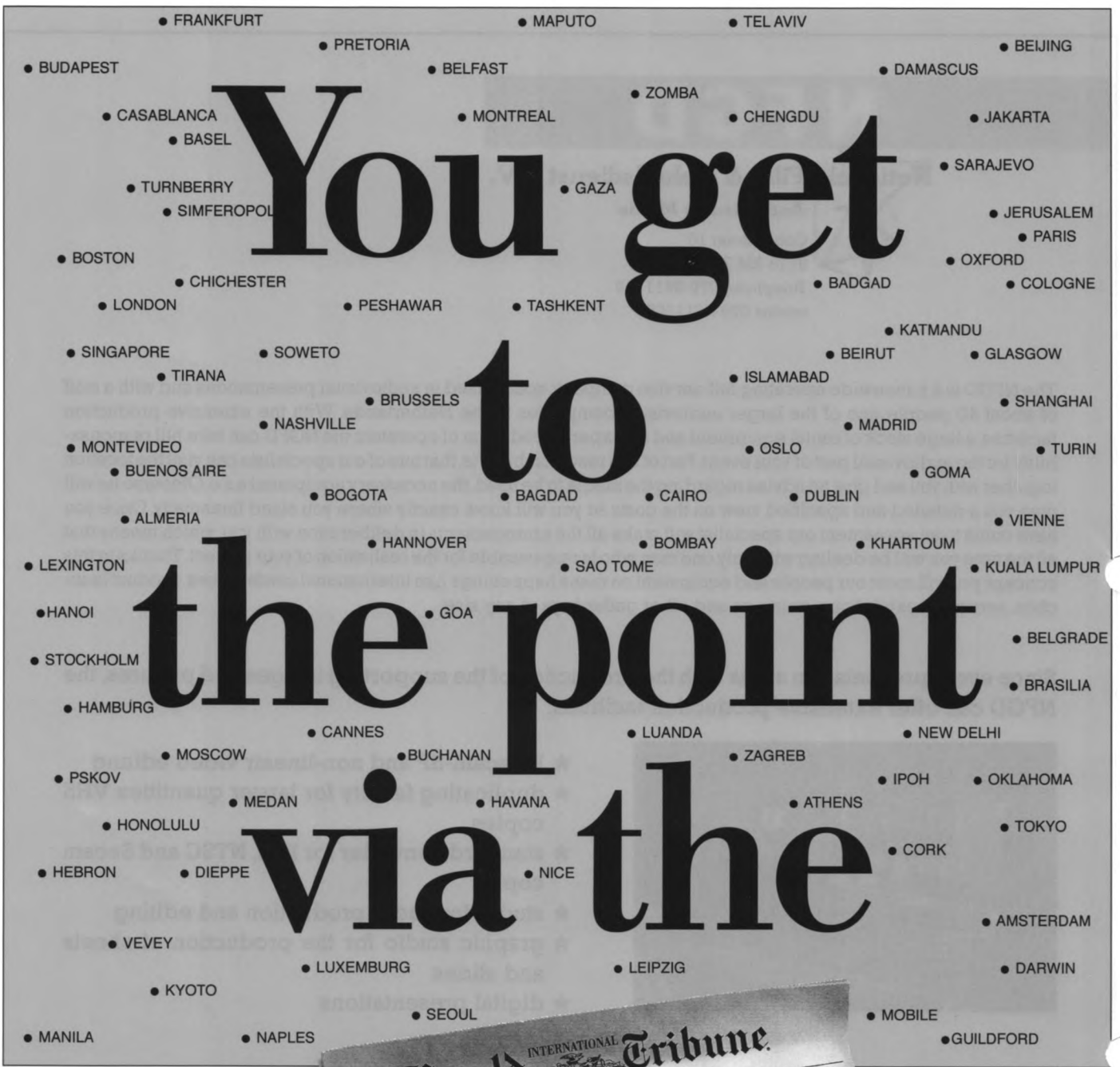
## Next generation

According to the Foreign Minister it takes time to achieve a lasting peace. "We must leave it to the next generation to complete the process of integration. At least we have given them the opportunity to succeed." Tolerance will be the key word for this peace. Sacirbey advised that the Serbs not be forced integrate. This would create new political reasons to resist. At this moment it is important to acquire peace in the region. "We need the support of Europe. Bosnia and all of former Yugoslavia should reflect a balance between East and West. It has to integrate in Europe, and in the future in the European Union. Without peace in Bosnia, there will be no peace in the region," said Sacirbey as he concluded his speech.

◆



Muhamed Sacirbey



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## ECONOMIC MEGAMARKETS CALLING FOR NEW STRATEGIES: MANAGEMENT AND IMPLEMENTATION

**Uwe Wascher,**  
Senior Managing Director, GE Plastics Europe

**Ed Reitman,**  
President UPS Europe

**Jaap Spoor,**  
Attorney Trenité Van Doorne and Professor Intellectual  
Property Law, Vrije Universiteit, the Netherlands

**Moderator:**  
**Jean-Daniël Tordjman,**  
Ambassador Ministry of Economy and Finance, France

## GLOBALIZATION: YESTERDAY'S DREAM, TOMORROW'S REALITY

"It's important to listen to these remarkable businessmen," said moderator Jean-Daniël Tordjman at the beginning of this session. Thus he introduced the members of the panel: Uwe Wascher, Senior Managing Director of General Electric Plastics Europe, Ed Reitman, President of United Parcel Service Europe, London, and Jaap Spoor, Attorney Trenité Van Doorne, the Netherlands and Professor Intellectual Property Law, Vrije Universiteit, the Netherlands. In their work, all the panellists deal with the question of how to change their companies in order to operate and compete effectively in the world economy; in other words, how to handle changes induced by that one keyword, globalization?

### "The views of business leaders must be heard"

Ed Reitman, whose company UPS is, in fact, a typical global company, released the results of the Business Monitor, a survey commissioned by UPS and conducted among nearly 1500 business leaders throughout Europe. "The views of business leaders must be heard," he commented. The report, entitled 'What are Europe's expectations and strategies for growth?', deals with questions such as 'Over the next five years, will the EU's economic power in the world increase, decrease or stay the same?', and 'Which world region will be the most important for your company's revenues in five to ten years time?' One finding revealed that the general mood of this year, compared to last year, is less optimistic. Confidence in short-term business prospects has fallen back to levels similar to those reported in 1993, and companies are cautious in their strategies. The one area in which a more expansionist attitude is apparent is related to the opening up of new markets in foreign territories. In particular, businesses are looking at East and South-East Asia as regions with which strong trading links may be developed.

### Global competitiveness

With regard to the European Union, Reitman noted that a remarkable seventy-nine percent of companies feel that the European Commission either makes no difference or actually hinders them in their activities. In spite of concerns about



From left to Right: Ed Reitman, Allen Weinstein, Jean-Daniël Tordjman, Jaap Spoor, and Uwe Wascher





## THE BIRTH OF A NEW TIGER?

### Keat Chhon, Minister of Economy and Finance of Cambodia, on the Fast Growing Economy of Cambodia

"Clearly, no global vision is valid unless our common issues are seen from all perspectives." These opening words were spoken by Keat Chhon, Minister of Economy and Finance of Cambodia. He noted that the agenda of Global Panel 1995 often focussed on European perspectives, but not wholly, since he and colleagues from China and South Africa were also present. "In order to reach a better understanding on all issues,

I believe I should share with you an overview of the Cambodian situation, expectations, potential and promise as an example of countries in similar economic conditions." The Minister then presented the case of a country with a history of civil war and structural economic underdevelopment that is now, however, gaining momentum with its growth and development directed policies. "Macro-economic stabilization and reforms are being pursued. Accent is being placed on human resource development, including health and education." He continued: "Steps are

*"Cambodia is in a natural position to be the next car of this fast moving train. Investment in Cambodia today is to ensure a seat in that car before the train leaves the station."*

already being made for integration of Cambodia into the regional and global economy, using its comparative advantages and factor endowments."

Citing democracy and national consensus as the basis for development and national rehabilitation, he noted that "already, in spite of the daunting handicaps, much has been achieved in the past two years." Speaking of conditions concerning foreign investment, the Minister added: "A law to encourage direct foreign investment has now been passed. We have set up the Cambodian Investment Board (CIB) as the one-stop service center for addressing the needs of the foreign private investors in the country. We are also offering very attractive tax-incentives for such investors." Chhon finally stated that an amount of US\$ 2.2 billion in foreign direct investment had been approved so far by the current government which resulted from the UN-supervised elections held in 1993. Apart from national conditions, he cited a fast growing region with a huge potential as a valid argument to invest in Cambodia. "Cambodia is in a natural position to be the next car of this fast moving train. Investment in Cambodia today is to ensure a seat in that car before the train leaves the station." ♦



Keat Chhon, Minister of Economy and Finance of Cambodia



## WORKING LUNCHES

**Working Lunch hosted by Dun & Bradstreet**

**Working Lunch hosted by Randstad**

**Lunch Session on Fundamentalism  
and Economic Growth**

**Working Lunch hosted by Oracle**

**Working Lunch hosted by GE Plastics**

**Working Lunch hosted by DOOR Training**

**Automotive Working Lunch**

**Working Lunch hosted by GT Management**

## DUN & BRADSTREET WORKING LUNCH

Dun & Bradstreet, the world's leading business marketing information supplier, hosted a lunch meeting. Lynn Mathieson, Vice-President of Marketing, Dun & Bradstreet Information Services, gave a broad introduction on what customers can expect from Dun & Bradstreet. At the working lunch, the guests were provide with an explanation of the workings of Dun & Bradstreet's new product: Opportunity and Risk Analysis Interactive (ORA+). ORA+ is a diagnostic tool to help marketing and credit professionals analyze their customer base at portfolio level. By integrating internal customer data with information from Dun & Bradstreet International, ORA+ enables managers to make better informed decisions about their customers by putting previously difficult to access information at one's fingertips. After the presentations, the present guests had the opportunity to work with the new system. ♦



*Lunch session hosted by Dun & Bradstreet. Insert: Working with the new system of Dun & Bradstreet*



unemployment throughout Europe, business leaders would like to see the EU do more to foster global competitiveness, even if this results in yet higher unemployment. Although, according to the report, the business leaders in general seem to support the goals of the EU, they have a very poor perception of how the Commission and the other bodies are pursuing their aims in practice. Reitman reported another remarkable finding: "Although all other countries still feel that Germany's prospects are the brightest in Europe, Germany itself is not so sure."

### 'The dream is reality'

Uwe Wascher talked about the incredible fast speed of technological advancement in the global environment. "Today, if you wake up from a dream, you know it was a dream and you will go back to your daily business. But tomorrow, you may wake up and find that it's not a dream, but reality." Wascher also elaborated on the creation of new generations of megamarkets. "But these megamarkets of the future will paradoxically still be based on some of the few remaining constants within a rapidly evolving global society - a society driven by continuous improvements in both technology and in productivity," he added. His own view of the effects of these developments ranges "somewhere between the gloom and doom of the Club of Rome and the books written by John Naisbitt, *Megatrends* and *Megatrends 2000*." Wascher mentioned four key elements: "First, the relentless progress of hyper-capitalism is a process by which the constant drive for increased productivity will ultimately result in zero industrial employment. This is the exact opposite of the zero unemployment that an industrial society has always been expected to produce."

### 'Misguided belief'

Uwe Wascher also mentioned the shift from traditional labor-based means of production to manufacturing technology and the replacement of politics by commerce as a driving force behind global social and economic change. Finally, he talked about the need for a return to pre-industrial mores, as the world is forced to re-evaluate its misguided belief that industrial development alone is a solution to our modern world. "These are not just future trends; they are current, well-documented, and irreversible."

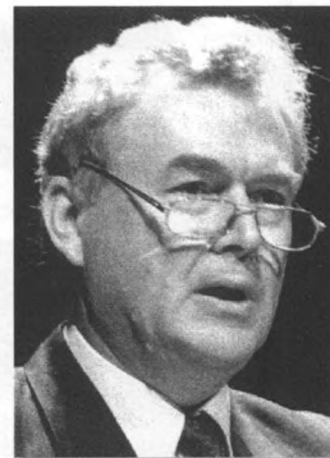
### " Patents and the Nova car"

Professor Jaap Spoor continued the session with his remarks on intellectual property and the use of patents. One of the key questions was whether patents are still of any use. The answer was a firm "yes." Spoor gave some impressive examples: "Texas Instruments reports annual earnings of about US\$250 million through licenses alone. "It is also dangerous to disregard intellectual property rights," stated Spoor. Kodak had to pay almost a billion dollar in damages to Polaroid for infringement of their patents. And it is not just large businesses which profit from patents. "The man who invented the 'wipescreen interval switch,' which you will find in any automobile, earned thirty cents per unit sold by Ford, over fifteen years. Just thirty cents, but for twenty million cars; that brought him six million dollars."

According to Jaap Spoor, if your company can acquire patents for different parts of the world, such as Europe, the United States and Japan, then it will enable you to enter into world-wide licensing contracts. "Just having a few patents in important countries will be sufficient to prevent competitors from trading globally, and that's the essential advantage you often need." However, Spoor, explained that there is one large problem in the world of patents: global markets do not exist. He cited a remarkable example: "A car company decided to introduce its new car in Spain. The new model was called 'Nova.' Unfortunately for the company, 'no va' in Spanish means 'doesn't work.' Do you understand what I mean when I tell you there is no such thing as a global market?" ♦



Ed Reitman,  
United Parcel Service



Uwe wascher,  
General Electric Plastics



**Lunch Session:**

**FUNDAMENTALISM AND  
ECONOMIC GROWTH**

Shah Reza II Pavlevi, son of the former Shah of Persia, was keynote speaker during the working lunch on 'Fundamentalism and Economic Growth.' He not only spoke on Fundamentalism in Iran, which is considered to be the homeground of modern day Islamic fundamentalism, but also on different fundamentalist religions and their impact on modern society - a topical subject since recent developments, such as the assassination of Prime Minister Rabin. However, Islamic fundamentalism and Iran remained the key topics of Pavlevi's address.

On the threat which Islamic fundamentalism poses to world peace and stability, Pavlevi stated: "Fundamentalism has come to play a leading role in contemporary politics. The Islamic kind has been the source of so much anxiety and concern in recent years." Why this fear towards Islamic Fundamentalism? Pavlevi: "The extreme 'Political Islam,' as personified in Islamic fundamentalism is interpreted by some as a modern movement, aimed at 'standing up to some of the West's excesses.' This notion concerning Islamic Fundamentalism is further reinforced and exacerbated by the ever-present concern in the West that Islam is historically a close and ever present threat, particularly as Islamic countries today, control

a great portion of the world's oil reserves." Another reason for fear in the West lies in the West's need for a perceived enemy, especially since the end of the Cold War. "Islamic fundamentalism is serving a purpose, in that it is providing the West with a suitable channel to direct all its hatred."

Pavlevi warned those who support either form of extremist thought not to get carried away. "We should soberly and rationally chart a course of action that offers the best alternative for future cooperation and coexistence."

**The failure of modern day fundamentalism**

Pavlevi is skeptical of the future of Islamic fundamentalism in Iran: "The fact that the Iranian people are with increasing numbers turning away from their fundamentalist regime is the most striking evidence of the failure of modern day Islamic fundamentalism." According to Pavlevi, "Iran is run by an ideologically-oriented minority of religious extremists." The ultimate aim of this group is to use weapons of mass destruction in order to empower themselves to intimidate other Moslem communities into submission, while blackmailing the rest of the world and, most prominently, the West."

At the end of his speech, Pavlevi called on his audience not to desert the Iranian people. "Why would the suffering people of Iran or Iraq be treated differently than that of people in the former Soviet Bloc, Latin America or South Africa?" ♦



*Jean-Daniël Tordjman, Shah Reza II Pavlevi, Long Yongtu and Keat Chhon at the lunch session 'Fundamentalism and Economic Growth'*

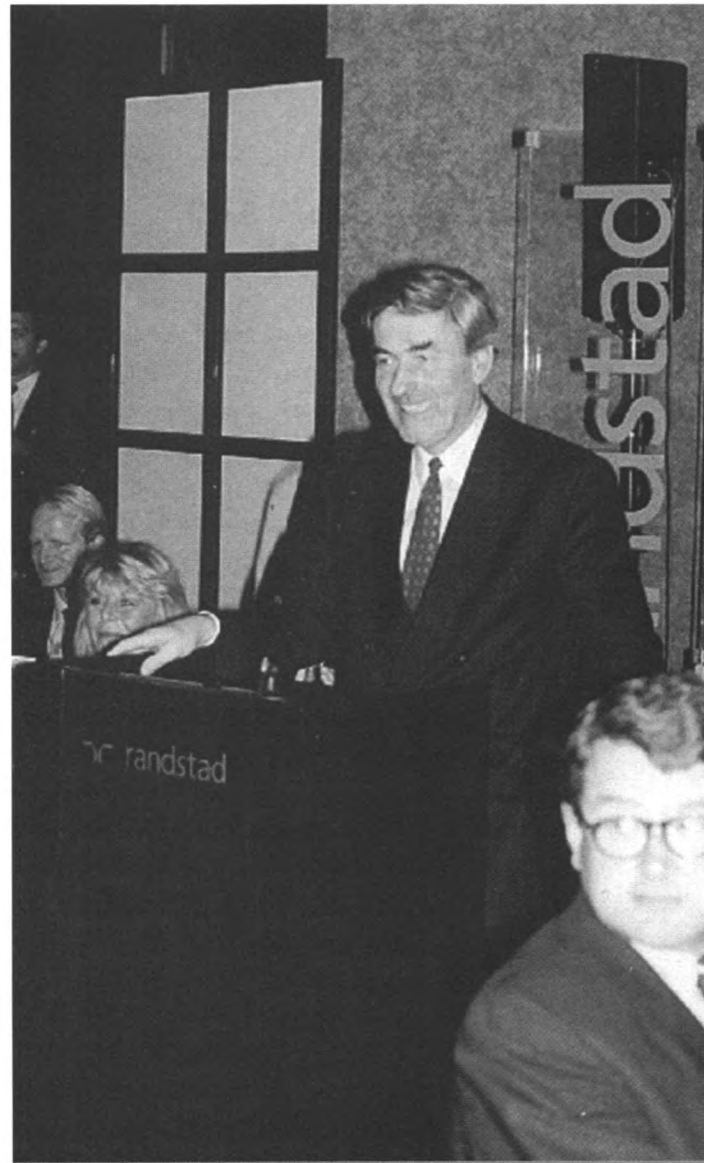


## RANDSTAD WORKING LUNCH

The working lunch organized by Randstad attracted more than 200 guests who visibly enjoyed the animated discussion between George Bush and Ruud Lubbers, old friend who have known each other ever since the time they were both leaders of their countries. Lubbers shared his memory of George Bush's visit to Holland, when it was dealing with the controversial stationing of nuclear missiles. "During one of our first meetings, Bush told me not to worry. 'Young man, he said, you seem to be a little bit worried about the operation. But we will do it together and we will succeed in arms control.' That reaction was typical for the way we worked together," the former Prime Minister said.

George Bush seized the opportunity to offer words of respect for Ruud Lubbers: "Ruud Lubbers showed me what the word 'support' means. Despite all the protests, he kept on supporting the stationing of nuclear missiles on Dutch ground. It was an extremely difficult, ethical issue. But once Holland had made its decision, Prime Minister Lubbers stood like a rock." George Bush once visited Holland as the Dutch public protest against missiles reached its climax. "With the help of Lubbers, it didn't take long for me to understand all the four-letter words and hand gestures," he joked.

Bush said he was glad to visit Holland again. "The US have a lot of affection for your country, just as I always felt that the Dutch respect the US Look at operation Desert Storm. Nobody gave us better and quicker support than the Dutch. I hope we can continue to demonstrate our friendship to the world." ♦



*"Young man, you seem to be a little bit worried."*



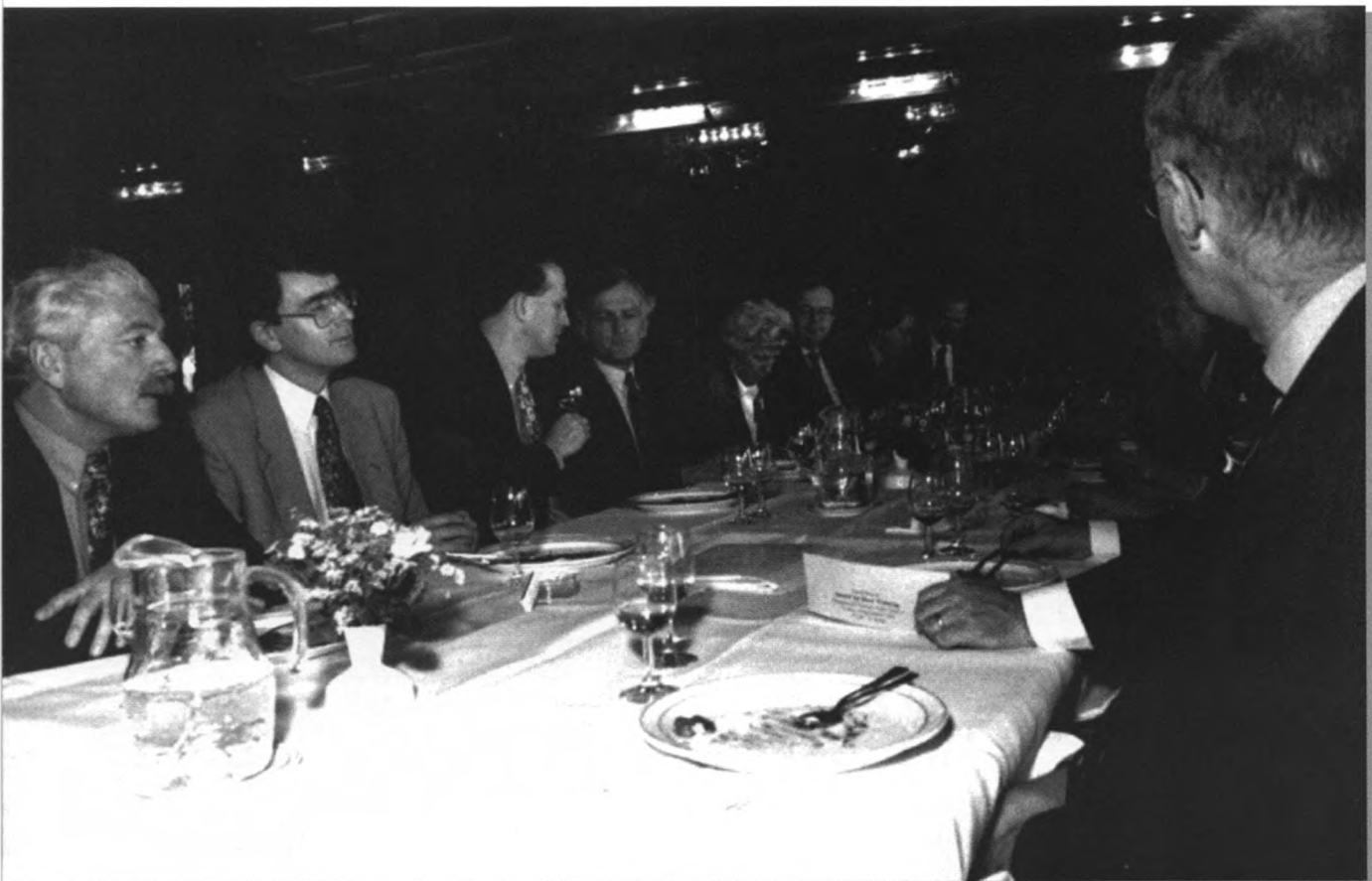
*"I am glad to be back in Holland again."*



## DOOR TRAINING WORKING LUNCH

DOOR Training, founded in 1981, is one of the largest and best known training institutions in the Netherlands. It offers an extensive package of training for all ranks within a company. DOOR Training participated in Global Panel 1995 by offering its clients a working lunch, as well as participation in the session with George Bush.

The director of DOOR Training, Bart van Luijk, explained to his audience, in his enthusiastic and inspirational way, how to keep a company alive these days. "Only when you believe in yourself the company is able to grow." During the lunch session, members of DOOR Training discussed with the audience how to stimulate a company's spirit. 'Becoming the Best, Staying the Best,' is the motto that DOOR Training wants to propagate. ♦



*Guests of DOOR Training during the working lunch*



## AUTOMOTIVE WORKING LUNCH Asian manufacturers and TQM.

Commotion was what chairman Fred Welschen wanted to see during the Automotive Working Lunch at the Kurhaus Hotel, as he hoped for a challenging interaction between speakers and their audience. Welschen, President Director of Inalfa Industries, spoke about the difficulties suppliers find in meeting the needs of their market. Jurgen van der Pol, MBA, Bradford University, then delivered an interesting lecture about the ins and outs of Total Quality Management. Also present was Mr. G.W. Park, Director of Daewoo Motor Company Benelux, to answer some questions from the various participants.

According to Jurgen van der Pol, Total Quality Management (TQM) should be accepted as an integral way of thinking in the production of cars. In everything the producer does, he should try to meet the customer's requirements and delight him/her with the product. In producing cars, Europe and America could learn a lot from Asia. "The West is more or less focussed on an individual way of production. The oriental way incorporates a much bigger element of collectivity. The workers are as a community responsible for their company. We in the West may think that is somewhat ridiculous, but team-work is at the heart of their product. In the West, we fail to grasp that it all involves team-work."

In Van der Pol's view, three issues are of main importance: A profound understanding of business issues, a clear vision on the future, and real commitment to pull it off. "It's teamwork that makes TQM in the Orient so successful."

"Can we keep up with the Japanese?," a participant wanted to know. "I think we do know how to catch up with them," Van der Pol replied. "All inventions used for TQM and manufacturing cars originate from the West. I don't say that to be condescending about the intelligence capacities of the Orient, of course, they know how to do things well." In Van der Pol's opinion, the West has enough capacity and capability to meet the Asian Tigers in producing cars.

But not everybody in the audience appeared to be convinced. "How can we do that? They are so far ahead," someone said, referring to the figures he had heard from Adgild Hop the previous day at the Special Automotive Program.



*Fred Welschen from Inalfa Industries gave a lively and inspiring contribution to the Automotive Working Lunch*



Another matter for which a satisfying answer was not found was dealership. According to Van der Pol, dealership should be an integral part of TQM. But at the same time he seemed to ban the dealer from the car industry. "Nowadays, you can go to Japan," he said, "and order your car 'tailor-made.' You can point out that you want that car, in that color, with those accessories, and so on. Just imagine their computer, which enables you to create your own car within the limits of what is possible." "But in that way you no longer need a dealer," someone in the audience replied. "All you need is a computer and a car magazine." Adgild Hop: "As a matter of fact we might be speaking of a virtual dealership." "And it would sure save a lot of costs," Fred Welschen added.

Fred Welschen himself was the next speaker. As a producer of sunroofs, he explained he could feel the hectic intensity of the automotive industry every day. "The industry and the competitive structures change day by day," he said. "How can you think about strategy trends for the next five years? No one can predict what is going to happen. So a supplier finds himself in the impossible position of choosing where to go, while nothing is certain. I say that in such a case you should follow your customer." Immediately, he added: "And you better hope that you have picked a good one."

In coping with the continuous growth of Asian automotive industries, Welschen presented a clear vision. "The 'threat' that is supposed to come from Asia, also means big opportunities." In his opinion, a company should go its own way and make the most of its own possibilities. "Take

risks. In the end, the winner will be the one with the most inventiveness."

Finally, Jan Geurts, chairman of the Special Automotive Program on Thursday, said he wanted to challenge Mr. Park from Daewoo a little bit. "I was surprised by the system Daewoo wanted to introduce for its distribution channels: the idea of one central showroom per country, plus a number of customer service centers. But now I see that you went classic here in the Netherlands, and you now have a lot of dealers." According to Geurts, this has been successful. But then he asked Mr. Park: "Six-thousand sold cars in the first year is a lot, but how will you continue, and when will you integrate your own distribution system?" "A difficult and important question," Mr. Park replied. "We are still pushing the concept of our car center. We still want it to work. But the matter of distribution is a difficult question," he went on. "It depends on the culture and special demands of every other country. In Holland we found a very sound dealer network that we could use. But for Daewoo I'm also responsible for the Belgian market, and they have a more fragmented dealer-association. So there another distribution method will be needed."

Answering another question from the audience, Mr. Park said that he expects the eighty dealers in the Netherlands to perhaps grow to even 100 before Daewoo will make the switch to its own system. His company's struggle on the European market he explained quite simply: "Europe as a whole is the biggest market in the world and Daewoo wants to be a player in that world."







## GT MANAGEMENT WORKING LUNCH

GT Management not only hosted the South Africa working lunch, but a highly informative speech was delivered by its Senior Emerging Market Portfolio Manager, John Legat. Legat's eye-opening speech on the economic development of Africa was followed by the keynote luncheon address by Leon Wessels, Deputy Chairman of the Constitutional Assembly of South Africa. At the end of the session, Gerard van Niekerk, Executive director of Old Mutual in South Africa, contributed by addressing the audience with several topics concerning South Africa.

The speakers certainly differed in background, which resulted in an interesting range of multiple perspectives and various reflections on the topics discussed. Legat focussed on the potential of the African continent, comparing historical economic data from the African nations with statistics from Thailand. Wessels, being a South African politician, naturally focussed on South Africa from a political perspective. As Wessels concluded his warm and interesting contribution, Niekerk took the stand to look at South Africa's development from the viewpoint of an experienced businessman.



*Leon Wessels*



**George Bush, former president of the**

## **“NATO LEADERS BUT SOMEONE**

**“Look how far we’ve come since tanks rolled through the streets of Hungary.”**

“We always say: ‘If you want a friend in Washington, get a dog.’” George Bush told his audience. “I say: ‘If you want a friend in Europe, come to this country.’” The former US President thus introduced his speech, saying that he was very pleased to speak at Global Panel, especially as it was held in Holland. Then he went on to joke that it’s nice being retired and unemployed, “and I would advice it to you all. But, of course, not now.”

On a more serious note, the former President commented about the world of tomorrow: “I’m an unrelenting optimist about the future. The threat of a nuclear war is greatly reduced, and democracy and freedom are on the move.” According to Bush, this leads to precious opportunities to secure peace on a world-wide scale. “The enemy we face is instability and unpredictability,” Bush went on. “I worry about countries like North Korea, Iran and Iraq. I wonder what their goals are. But the issue that really gets me is fanaticism based on religion.” Bush then used the example of the young Israelite who ‘took the law into his own hand and gunned down Yitzhak Rabin.’

Concerning the role that the US plays within NATO, he said: “We keep our security commitments to Europe and other countries. We need to work to secure this peace. No one wants to go back to the days living under the nuclear shadow.” Referring to the transformation in former Warsaw Pact nations, Bush recalled: “I told Mr. Göncz, the Hungarian president, ‘I’ll never forget my visit to Hungary where I could feel the need of the people for changes. There was an enormous energy.’”

He also stated that NATO will not have to come to the point where it is without US leadership. “America could sit back selfishly and say: ‘we’ve done enough by helping Europe after World War II.’ But I think we should not pull



JSA:

# SHIP US: IT'S A DIRTY JOB S GOT TO DO IT."

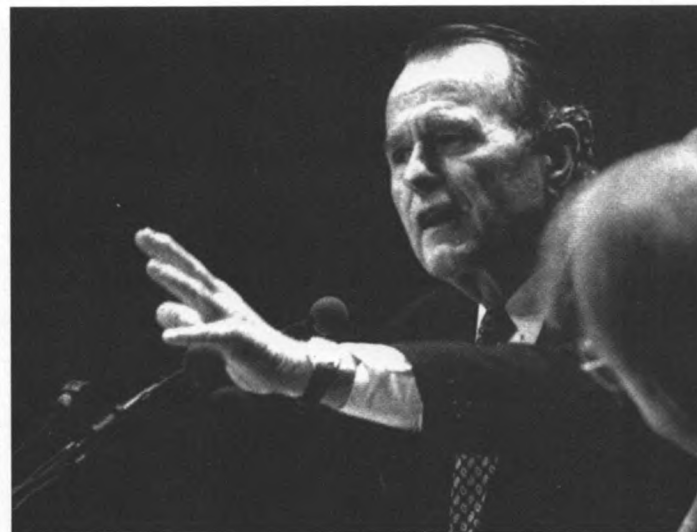
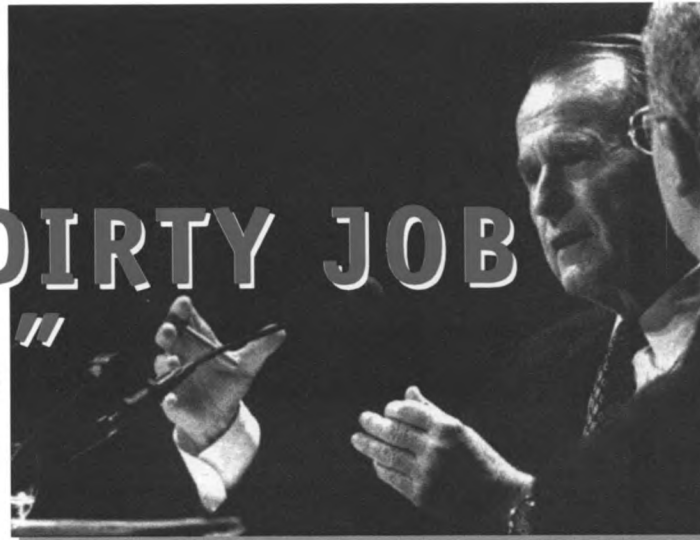
back in the fortress that's called America." This view is not shared by everyone, Bush admitted. He feels that those who do not agree are the same people who opposed NAFTA. "They saw Mexico's problems as a reason not to go through with it, but NAFTA is not a trading bloc. It is not meant to exclude Europe and South America."

Bush considers NAFTA to be an agreement in which both South and North America will benefit. "Trade with Canada increased over 100 percent in the last six years. And despite the horrible financial problems of Mexico, trade with that country also grows." This should lead to an extension of trade from Mexico to the rest of South America. Bush cited the following figures: In the year 2005, there will be 750 million consumers on a US\$ thirteen trillion market, because of this 'united hemisphere.'

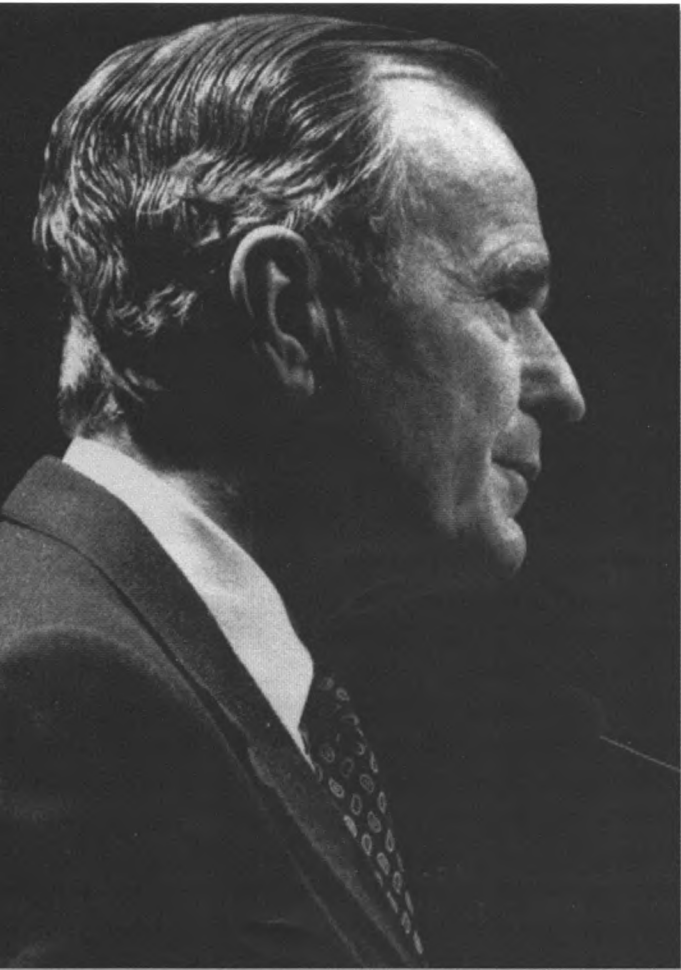
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Bush considers himself to be an optimist. "All around you, I can see a lot of pessimism, but look how far we've come since tanks rolled through the streets of Hungary. Look at the changes in, for example, South Africa and China. I think we have made the world a safer place to live for our children. I am seventy-one, but I wish I were thirty-one. This is a world full of opportunities and challenges. I believe our best days are yet to come."

After this speech, Jean-Daniël Tordjman asked George Bush what he thought were the possibilities for NATO in the



George Bush in action



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future. A fence against Russian imperialism? "I don't worry about the return of the Soviet Union," said Bush. "Zhirinovski is tapping into nationalism; everybody wants to be somebody. But you can't take him seriously. He's not the new Russia. I can visualize a day when Russia is more included in terms of security. We should no longer worry about Russia as a hostile power."

Answering a question from the audience on the role of the US concerning the issues of human rights, Bush said: "I am proud of my country. I know we have problems of our own, but my country will stand for human rights."

Referring to all those responsibilities for America as a superpower, another participant wanted to know, "doesn't it make you wish Luxemburg were the leader of the world? Why do you want to be a leader?" Bush responded that the US owes it to the rest of the world to take that role as a leader, explaining that it is not a matter of wanting to be a leader, for in his view the US doesn't have that much of a choice. "The United Nations wouldn't have stopped Saddam Hussein, and he would be in Riad today because he wanted to rule over all the oil in the Gulf. The US will continue to see its responsibilities to lead. We simply have no choice."



*Moderator Jean-Daniël Tordjman and George Bush*