

CITY BUSINESS

Magazine



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College of Business

The Broadband Silk Road



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From the Dean



In this issue we take a look at business in the regional frame. The China foreign policy initiative *One Belt One Road*, launched by President Xi Jinping in 2013, seeks to define China's relationship with the wider world, and also has implications for how we do business here in Hong Kong. In *The Broadband Silk Road* Eric Collins looks at the historical route and what we can expect of its present-day incarnation.

In *One Belt One Road – the role of Hong Kong*, I follow up the theme, looking particularly at the future role of Public Private Partnerships (PPPs). As China's major international financial centre, and one of the world's financial capitals, Hong Kong has the experience, the expertise and the connections to play a major role as a fundraising hub and centre for infrastructure development. I take a look at the role of PPPs as investment vehicles, and how the College of Business is set to play a part with the establishment of an International PPP Specialist Centre of Excellence for Public Transport Logistics alongside our partners at the School of Public Policy and Management of Tsinghua University under the auspices of the United Nations Economic Commission for Europe.

Big data underpins virtually all professional activity these days. And the College has recently been given a big boost in its analytical capacity with the establishment of a *Centre for Business Analytics* powered by IBM software. Professor of Marketing Wenyu Dou takes up the big data theme in *Internet+ Wave goodbye to conventional marketing*, looking at how Internet+ is creating opportunities to leverage consumer experience to create a new marketing paradigm.

We are honoured to have eminent economist Gregory C. Chow on the College of Business International Advisory Board. In *Advice to the Premier* we learn of his experience as a student of Milton Friedman in Chicago, and the service he has rendered over the decades in helping to introduce western market economics to China.

Closer to home, we take a look at the new face of our undergraduate offerings, where two new elite programmes will be introduced in 2016: the BBA Global Business and the BSc Computational Finance. We are also determined to boost student placement, and in an interview with Assistant Dean of Career Services, Ron Kwok, *The Flipped Career Service*, we see how both students and College can together play a role in building future success.

We very much value your feedback. Please take a moment to answer our [Reader's Survey](#).



I do hope you enjoy this edition of City Business Magazine!

侯敏彦

Houmin Yan

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ON THE COVER
Silk Road (section) 50*300cm, silk scroll,
1979, by Mr Zhenou Xie

Xie was born in 1944 in Wenzhou, Zhejiang Province, and is the Vice-President of China Hue Art Society, Founding Director of Chinese Painting Institute, and Distinguished Research Fellow of Dunhuang Academy. The Silk Road series celebrates the prosperity of the Han and Tang Dynasties and cultural exchange between civilisations.

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The Broadband

Silk Road



Photo Courtesy of Sphinx Fine Art, London

A romanticised early 20th century vision of the Silk Road – *The Bazaar in Samarkand*, by Alexei Vladimirovich Issupoff, showing a Kazakh couple arriving by camel

After a century of marginalisation, Central Asia transit routes are once again taking centre stage.

City Business Magazine editor

Eric Collins investigates the nature of the historical Silk Road, and asks why China is unveiling a new version for the 21st century.

Sinuously the Silk Road flows from ancient times down to the present. From China through the Taklamakan Desert to Samarkand at its centre, through the grassland steppe of Central Asia to the shores of the Mediterranean, it helped pioneer globalisation. Romantically we imagine spices, silks, perfumes and precious stones wending their way by camel between China and Europe. But what was the nature of this Road? Who and what travelled along it and in what direction? Was it just confined to goods? Or did ideas make the journey as well? How *Broadband* was this historical Silk Road? And how does it relate to its latter-day successor, the recent China development policy initiative, One Belt One Road (OBOR)?

Geographically, the Silk Road was certainly broadband. The original term for the Road coined by the late 19th century German explorer Ferdinand von Richthofen, “Seidenstraßen”, was in the plural: “Silk Roads”. So it is more accurate to think of a network fanning out in many directions, rather than a single route. It travelled through an astonishingly diverse range of landscapes; travelling westwards from Xi’an it traversed the Gansu corridor, before reaching the oasis town of Dunhuang. Further west travellers had to decide whether to circumnavigate the Taklamakan Desert to the north or south in the frontier lands of Xinjiang, before converging at Kashgar. The routes then split again, one reaching southwards over the Karakorum



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A wall painting from the Chinese Temple Shrine, Penang, Malaysia, showing one of the ships of Admiral Zheng He. In the 15th century, China became increasingly interested in the wider world, exploring the Indian Ocean and the coast of Africa

highway into present day Pakistan, others fanning out over the grasslands of Central Asia; Persia, Mesopotamia, Russia and onwards to the Mediterranean and Europe.

An ancient road

The Silk Road has been around for a long time: In the 3rd century BCE, Alexander the Great travelled along it from Greece as far as Samarkand, before turning southwards into India. In 138 BCE the Chinese Emperor Wudi of the Han Dynasty opened up the north west by sending the famous mission of Zhang Qian as far west as the Kingdom of Dayuan, beyond Kashgar. Sogdians and Chinese at either end of the eastern Silk Road exchanged numerous trade and diplomatic missions in the 6th century. At various times different peoples vied for supremacy over parts of the route: Tibetans from the south, Mongolians from the north, Chinese from the east and Arabs from the west sought influence in the 7th and 8th centuries. Genghis Khan waged an almost unstoppable programme of conquest, and emerged as the undisputed master of the Mongolian steppes by the early 13th century. Mongol influence caused disruptions as far west as Krakow in Poland, in Baghdad, and in the north of China and encouraged the growth of maritime trade before



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The Mongols swept across Asia with astonishing speed. Genghis Khan emerged as the undisputed master of the Mongolian steppes in the 13th century

the age of the Portuguese seaborne empire. Some of these voyages are well known such as Admiral Zheng He's early 15th century exploration of the Indian Ocean and the coast of East Africa. The overland Silk Road fell into relative disuse after the Ottoman Empire boycotted trade with the West in 1453. By that time the maritime route pioneered by the Chinese, the Portuguese, and later the Dutch and the British was coming into ascendancy.

Goods and gifts

Not all trade along the Silk Road was global, much of it being local and subsistence in nature. And it was not really a "Silk Road": most of the silks found in Ancient Rome were from the Byzantine Empire, not East Asia. Silk did however travel along the Road but primarily as a currency, rather than as finished goods exported from China to Europe. There was a massive transfer of wealth to the north west frontier of Tang Dynasty China, as payment for the soldiers stationed in these distant regions, and this was paid for in bolts of silk which was the currency of choice. In this region the Silk Road was a string of oasis towns, and between these was traded more

basic goods such as wheat, flour, aromatic spices, sugar and brass.ⁱ

The Silk Road was also well known for carrying "official" gifts. Horses from the grass lands of Central Asia were much sought after in China, partly because they roamed free and were stronger than their smaller Chinese counterparts. The "heavenly horses" from the Ferghana valley in Uzbekistan were the most highly prized. As Jared Diamond has noted, it is relatively easy for plants and animals to spread along a line of latitude.ⁱⁱ And there are multiple examples of successful migration: Apples from the steppe belt in Russia spread in both directions, oranges from China to the Mediterranean world; and grapes to China.

Trade was regulated and from at least the time of the Han Dynasty travel passes needed to be presented at regular checkpoints. In return, according to the 14th century explorer Ibn Battuta, "China is the safest and best country for the traveller. A man travels for nine months alone with great wealth and has nothing to fear."ⁱⁱⁱ

Inventions, philosophy, beliefs

But the Silk Road was as much famous for the ideas that travelled along it as the goods. News of inventions spread along the route; famously the Chinese invention of paper during the Han Dynasty, and in the 6th century the invention of printing. The oldest known book is of the Buddhist Diamond Sutra from the 9th century, discovered in the Dunhuang library cave. The British scholar Joseph Needham has chronicled in detail the transmission of such mechanical and other techniques, and the time lag — sometimes centuries — before their adoption in the west.^{iv}

The Road was also a conduit for philosophy and beliefs. As early as the 6th century BCE,

Zoroastrian fire worshippers lived in Persia, and the powerful trading people, the Sogdians, who bound together the disparate parts of the Silk Road, were originally Zoroastrians. Vestiges of this tradition can be seen in fragments of illustrated scriptures from the Uighur culture of the mid-8th century near present day Turfan.^v

The Silk Road was also the route through which Mahayana Buddhism first entered China, witness the temple of the Buddhist protector Vaisravana at the ancient kingdom of Khotan, east of Samarkand, and the extraordinary cave art at Dunhuang.^{vi} Later, Islam was also to spread eastwards, inspiring a host of beautiful buildings such as the Madrassah at Samarkand.

Vermeer's *Young Woman Reading a Letter at an Open Window* portrays the results of global trade in the mid-17th century. The fruit bowl in the foreground has the distinctive blue and white patterning of Asian ceramics



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Plague

It was not just trade and ideas that travelled along the Silk Road. Along with the goods came a downside: disease. None was more destructive than the 14th century Black Death that ravaged both Asia and Europe causing a catastrophic decline in populations. The plague spread rapidly reaching Constantinople in 1347 and the cities of northern France in 1348 killing, by one contemporary estimate, nine tenths of the population. In an early form of biological warfare, Mongols laying siege to the Genoese trading post of Caffa in the Crimea suffered an outbreak of plague. Turning a crisis into an opportunity they placed corpses in catapults and lobbed them over the city walls into the city in the hope that the intolerable stench would kill everyone inside. The terrified Italian merchants fled back to Europe by ship, carrying the plague with them.

Maritime Silk Road

To the south, the Maritime Silk Road was the main conduit, complementing the land routes especially in times of disruption. By the late 13th century the city of Guangzhou had become the main point of China's imports and exports. A shipwreck from this time reveals goods being imported from all over southern Asia, and probably the Persian Gulf and East Africa too, including pepper, frankincense, glass and cotton.^{vii} The recent 2008 discovery of the early 17th century Selden Map (東西洋航海圖 or Nautical Chart of the Eastern and Western Seas) in the Bodleian Library of Oxford reveals the extent of Ming Dynasty seafaring ambitions. China appears squeezed into the top left portion of the map, whilst shipping routes are marked towards the islands of East and Southeast Asia which take up more than half the map. China is no longer presented as a self-sufficient entity at the centre of the world. Ming Dynasty China emerges as vigorous and export orientated.^{viii} Later in the 17th century, the Qing Dynasty lifted restrictions on foreign trade, leading to a

“ In conjuring up the ethereal Silk Road, von Richthofen unwittingly created a brand with global potential ”

surge in Chinese exports of tea, Chinese sugar and porcelain. This helped inspire a new tradition of Dutch ceramics at Delft, dealing in the distinctive blue and white porcelain of the East.^{ix}

The Roads were a complex network of trading routes which evolved over time on land and at sea. Interestingly, Ferdinand von Richthofen reduced this complexity to a single red line on the map of the Silk Road dating from 1877. Perhaps this was because he was charged by the German Reich to map an appropriate route for a railway line between Berlin and Beijing, an early example of infrastructure ambition in Central Asia. But the Silk Roads are best thought of in the plural. And in conjuring up this ethereal concept, von Richthofen had hit upon a marketer's dream: He had unwittingly created a brand with global potential.

One Belt One Road

It is no surprise, then, that the Silk Road has re-emerged in the 21st century, most recently as a leitmotif in a development policy initiative emanating from Beijing: One Belt One Road. How should we understand this latest reincarnation? Chinese economic influence has been felt the world over during the past couple of decades, but in terms of foreign policy, the nation has remained remarkably low-key. That has now changed with President Xi Jinping's October 2013 announcement of the One Belt One Road policy^x which formalised China's regional policy strategy. China is reshaping foreign policy relations for



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Vaiśravaṇa, the Buddhist Guardian of the North and a deity of wealth associated with the ancient Buddhist kingdom of Khotan, located on the southern branch of the Silk Road that ran around the Taklamakan Desert

the 21st century: So turning from history to the present day, we may ask: how broadband is this new version of the Silk Road? Is it just about economics, or are there more factors at play?

The spirit of the Silk Road

Vision and Actions on Jointly Building Silk Road Economic Belt and 21st century Maritime Silk Road, by the National Development and Reform Commission (NDRC), released in March 2015 emphasises the benign evolution of an ancient tradition:

Symbolizing communication and cooperation between the East and the West, the Silk Road Spirit is a historic and cultural heritage shared by all countries around the world. In the 21st century, a new era marked by the theme of peace, development, cooperation and

mutual benefit, it is all the more important for us to carry on the Silk Road Spirit in face of the weak recovery of the global economy, and complex international and regional situations.^{xi}

Another analysis is that OBOR is a macroeconomic policy, China's way of exporting itself out of an economic slowdown.^{xii} There is massive overcapacity in steel-making and concrete, so the argument goes. Infrastructure buildout is saturated at home. It is time to "go west", with massive rail, road and bridge projects connecting to the states of Central Asia, and onward to Europe. This overland thrust is complemented by the maritime road along which ports have been constructed in countries such as Sri Lanka, Bangladesh and Pakistan, the so called "String of Pearls" strategy.

Marshall Plan

Those with a 20th century historical vision see something akin to the United States post-World War II Marshall Plan. OBOR is no less than a geopolitical strategy designed to cement Chinese influence in the region. Along the way it will bring increased wealth to the provinces of the west. China's western region and its central Asian neighbours contain vast reserves of oil and gas. OBOR is set to drive a huge swathe through the Xinjiang region, a desert region that has 22% of China's domestic oil reserves and 40% of its coal deposits. Here, a poorer Muslim Uighur population has been increasingly restive in recent years. So there is an opportunity to share a more connected future, and at the same time work to ameliorate any threat of radical Islam. Like the Marshall Plan, OBOR has a geopolitical mission, and is similarly ambitious in scope, covering dozens of countries with a total population of over 3 billion people.

Broadband Silk Road

There is another thesis, and this would place OBOR as the latest chapter in the ongoing road to global integration. Ever since the 1972 visit of US President Richard Nixon to China, and more especially the era of Deng Xiaoping, China and the West have been moving inexorably towards a closer understanding at national and institutional levels. The steps have been multifarious, the movement gradual: China's

creation of four special economic zones in Shenzhen, Zhuhai, Shantou, and Xiamen in 1980; China's membership of the World Bank in 1980; the designation of 14 open coastal cities in 1984; China's accession to the World Trade Organization in 2001; the introduction of revised accounting standards in 2006; and the opening of the Shanghai Pilot Free Trade Zone in 2013, to name but a few key moments. Public Private Partnerships may be seen to represent the latest chapter in this narrative of integration through which China and the West are building an ever-closer understanding.

But the Silk Road was always more about people than political organisation. And massive movements of people across the globe continue. According to the latest data from China's Ministry of Education, 459,800 Chinese students went abroad in 2014, an 11.1% increase over the year before. Meanwhile the logistical outbuild is forever expanding: pipelines, container ports, bridges and railways, as the web of international communications is woven ever closer. Train times between Chongqing, China and Duisburg, Germany are down to 13 days. Trains half a mile-long wind their way across desert, plain and grassland. Where once the camel patiently padded across the desert sands, wheels of steel screech their way along the 21st century Silk Road.

The Madrassah at Samarkand. Muslim influence inspired many ornate buildings along the Silk Road

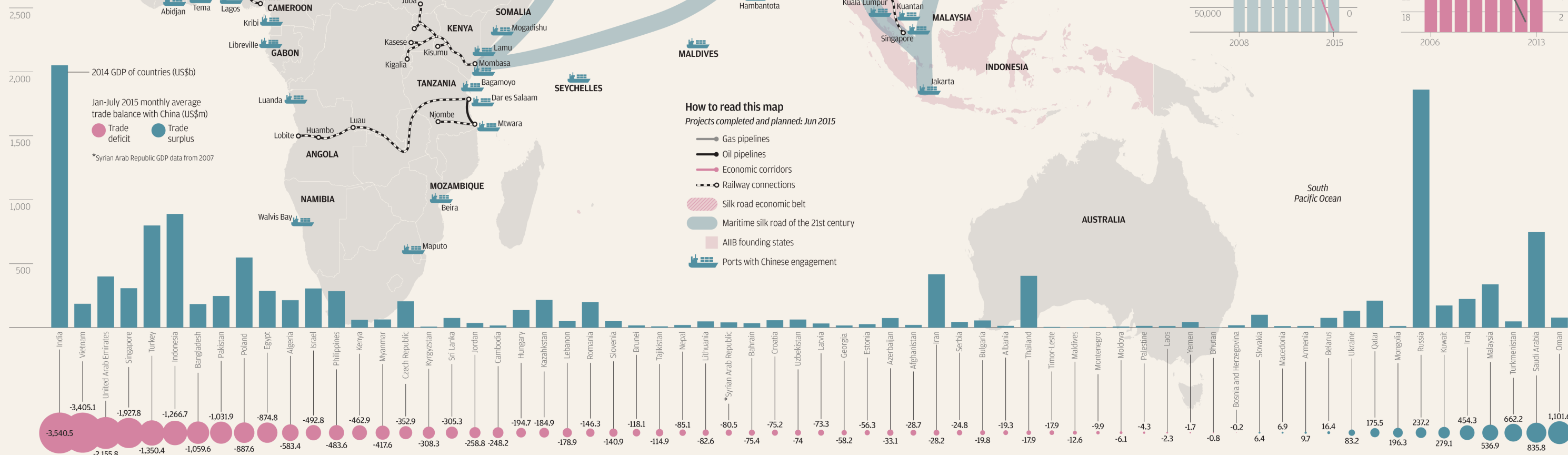
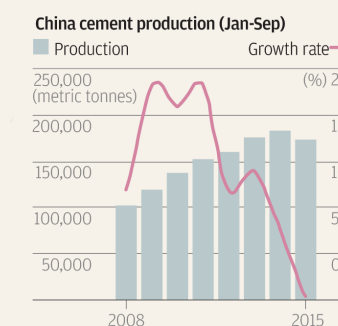
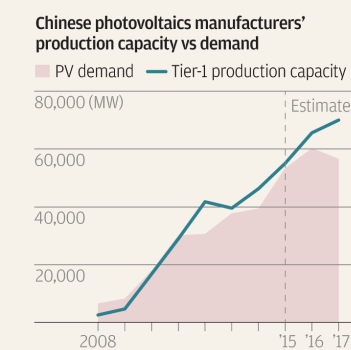
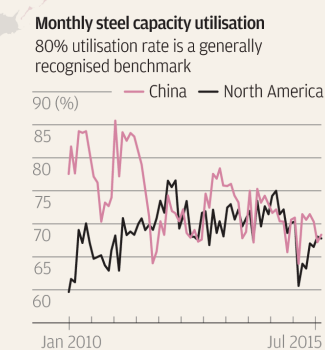
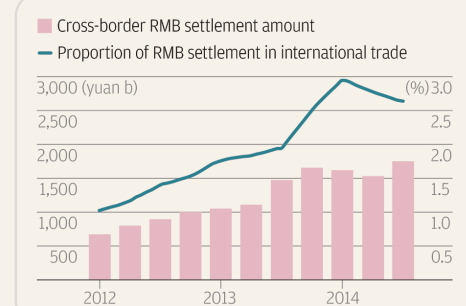


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- x. The concept originated in a 2009 proposal submitted by former deputy director of China's State Administration of Taxation Xu Shanda to the Ministry of Commerce: <http://finance.sina.com.cn/china/hgii/20090806/07566578273.shtml>
- xi. http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html
- xii. <http://thediplomat.com/2015/06/the-trouble-with-the-chinese-marshall-plan-strategy/>

One Belt, One Road

China has experienced unprecedented growth, going from an inward-looking agricultural country to a global manufacturing powerhouse. 'One Belt, One Road' creates a land and maritime link to China's developing neighbours and beyond and their demand for Chinese-made products and materials.

Renminbi trade
In October 2014 Britain became the first western country to issue renminbi government debt in a sale that was more than twice subscribed



One Belt One Road— *the role of Hong Kong*



*Hong Kong is pivotally placed to contribute to One Belt One Road. **Dean Houmin Yan** describes how the College of Business at CityU and Tsinghua University, Beijing will play a role in setting up an International PPP Specialist Centre of Excellence for Public Transport Logistics.*

As a China development policy initiative One Belt One Road is achieving a high profile, and it is no surprise that throughout the region people are pitching to be part of it. The Hong Kong SAR is no exception and in a recent address, Chief Executive CY Leung identified a number of roles for the SAR¹. Hong Kong, he said, is ideally positioned to be the “super-connector” between the Mainland and the rest of the world. As China’s major international financial centre, and one of the world’s financial capitals, Hong Kong has the experience, the expertise and the connections to play a role as a major fundraising hub.

Hong Kong is well equipped: The HKSAR is an offshore Renminbi hub, with the world’s largest Renminbi liquidity pool, home to the world’s busiest air cargo airport, and the world’s fourth-busiest container port. Some 20% of the Mainland’s international trade is already handled by the SAR. So, according to Leung, its role as a logistics hub will only be enhanced once the OBOR maritime road is in full flow.

Hong Kong is also a rich source of top professionals in a wide range of services, such as accounting, law, construction, engineering and business management. Major financial players such as the Asian Infrastructure Investment Bank, and the US\$40 billion Silk Road Fund will be supported by Hong Kong’s expertise in international financing and asset management. And the very scope of the OBOR initiative means that innovative financial vehicles will also play a significant role in realising the dream.

Public Private Partnerships

Why look to the private sector? Governments around the world have limited resources and capacity to achieve sustainable development goals on their own, especially with the recent slowdown in the global economy. The private sector has much of the needed resources and expertise.

So, how best to leverage this expertise? One solution is the Public Private Partnership (PPP), a vehicle that has been widely used for sustaining development in Europe, the United States and worldwide since the 1980s. PPPs are jointly funded and operated through a partnership of government and a private enterprise to provide government services such as infrastructure, including hospitals, railways, roads and bridges.

PPPs are often structured so that the public sector body seeking to make a capital investment does not incur any borrowing. This is the responsibility of the private sector vehicle implementing the project. The PPP is, from the public sector’s perspective, an “off-balance sheet” method of financing the delivery of new or refurbished public sector assets when the

What are PPPs?

PPP is an umbrella term covering a range of different structures. It is closely associated with private sector projects delivering a public project or service. These kinds of concession-based transport and utilities projects are common in European Union countries, with the end-user providing the revenue. Auto toll projects to finance the building and operation of motorways, have been ubiquitous in France, Italy and Spain for many years. The model has also been used in Hong Kong for the various cross harbour tunnels. The concept of the PPP has now broadened in scope and can cover a range of scenarios. At one end of the spectrum, these may be relatively short term management contracts with little or no capital expenditure. The next step up are concession contracts. These typically involve the design and building of substantial infrastructure projects, the provision of a range of services and the financing of the entire construction and operation. At the most sophisticated end, there are joint ventures and partial privatisations where there is a sharing of ownership between the public and private sectors. The key to the PPP is that returns are linked to performance. The private sector service provider is responsible for asset delivery, management of the project as well as its implementation and operation for a defined period. After conclusion, the project may then revert to the public sector.

Tsing Ma Bridge, gateway to Hong Kong, and a vital link to the Hong Kong International Airport. Opened in 1997, this is the world’s longest suspension bridge carrying both rail and road traffic

cost of using the service is intended to be borne exclusively by the end user. It is therefore also a strategy for reducing the public debt.

PPPs were initially started in Europe, and there have been many successful cases, although some analysts see them as an expensive funding mechanism to build public infrastructure. The United Nations Economic Commission for Europe (UNECE) has been seeking ways to benchmark quality in the PPP field, and established the International PPP Centre of Excellence in 2012.ⁱⁱ In 2014 UNECE set up a PPP Business Advisory Board, consisting of an elite group of high-power business executives from around the world, which has been developing PPP standards and best practices. In order to strengthen regional cooperation on PPPs, UNECE has already set up regional centres in France, India, and Spain.

The PPP track record

It is worth noting that the effectiveness of PPPs is contested, and that there have been some spectacular failures. To take a look at the transportation sector in the United Kingdom: The infrastructure company Metronet was responsible for the maintenance, renewal, and upgrade of the infrastructure on nine London Underground lines from 2003 until its collapse in 2008. In June 2009 the UK National Audit Office estimated that the failure of the Metronet PPP contract had cost the taxpayer up to £410 million adding that “most of the blame for Metronet's collapse lay with the consortium itself, although other sources put the cost much higher at £2.5 billion or above.”ⁱⁱⁱ

Nonetheless, PPPs continue to be deployed for a range of public sector infrastructure and service delivery. In the UK, there are more than 600 PPPs in the form of Private Finance Initiatives (PFIs) worth over £70 billion for hospitals, schools, prisons, bridges, roads and military equipment.^{iv} More specifically there has been a sharp rise – again predominantly within Europe and the UK



© Markus Hauser, The Pamir Archive

An ancient bridge building tradition in wood and stone, Yagnob Valley, Tajikistan. For centuries, small scale bridges helped pack animals such as donkeys and camels cross rivers on the historical Silk Road

– in PPPs to deliver healthcare infrastructure including buildings, large technology systems, clinical services, and associated non-clinical maintenance and facility management services.^v And they have had a long and generally successful track record here in Hong Kong.

PPPs in Hong Kong

PPPs have historically played an important role in developing Hong Kong's infrastructure. Back in the 1970s, the Cross Harbour Tunnel was a pioneering example, although this has now been successfully transferred back into public ownership. Various strategic landfills and the Chemical Waste Treatment Centre are also run by private operators. The Tsing Ma control area which runs 16 km of private highway is another example. Many PPPs have successful track records and have been run to the advantage of all stakeholders. But the framework agreements are all important. Important lessons are being learned, for example, from the management of the Western Harbour Crossing, which contained an agreement that tolls may be raised if traffic volumes fall, in order to maintain revenue stream. This can lead to a negative spiral, with customers choosing to use alternative routes in order to avoid higher tolls, causing traffic congestion at cheaper tunnels.^{vi}



Photo courtesy of Library of Congress, Prints & Photographs Division, Prokudin-Gorskii Collection, LC-DIG-prok-00246

A train crosses one of countless bridges on the Trans-Siberian railway which stretches across the vast central Asian steppe. The railway was a major infrastructure development in the early 20th century connecting Moscow with the Russian far eastern seaboard at Vladivostok.

The PPP China Centre

Against this history of generally successful PPP management in Hong Kong, an International PPP Specialist Centre of Excellence for Public Transport Logistics (The PPP China Centre) has been set up to galvanise further PPP development in China. An initial MoU was signed between the United Nations Economic Commission for Europe (UNECE) and the National Development and Reform Commission of China (NDRC) in August 2015. The centre is a non-profit entity, jointly established by CityU and Tsinghua University in Beijing, and housed both in the College of Business of CityU and the School of Public Policy and Management of Tsinghua University.

The Chinese government is already well apprised of the value of PPPs. In 2014 the Ministry of Finance approved 30 pilot PPP projects, with a total investment of RMB80 billion. 2015 has seen a quantum leap, with the NDRC launching 1,043 PPPs, altogether a total investment of just on RMB2 trillion.^{vii} In the face of the economic downturn and tightening of local fiscal conditions, many municipal governments have shown unprecedented enthusiasm for PPPs.



© RM Imaginechina

The Hong Kong-Zhuhai-Macao Bridge, currently under construction, will enhance connectivity across the Pearl River Delta. The crossing includes a 29.6 km dual 3-lane carriageway bridge, a 6.7 km tunnel, and two artificial islands for the tunnel landings at either end

Transportation logistics

The College of Business at CityU is set to play a significant role. The PPP China Centre will focus on transportation logistics, leveraging China's significant achievement in infrastructure development capabilities such as roads, bridges and high-speed trains, Hong Kong's position as a major international transportation hub, its role as an international financial centre, and the generally successful history of PPP management locally.

The new centre will develop international policy briefs, PPP best practices and international PPP standards in public transport logistics. The MoU also covers the exchange of PPP best practices and standards developed by other international specialist centres affiliated to the UNECE International Centre of Excellence (ICoE). The scope includes smart and sustainable cities, with contributions from a number of cities in China, the establishment of a training centre in Shenzhen affiliated to the UNECE ICoE, and the joint organisation of an annual international event in Qingdao, the PPP Qingdao Forum, to disseminate policy briefs, best practices and standards.

The PPP China Centre is the only entity through which the UNECE will conduct its dealings with China on PPPs, and will be the main contact of PPPs for neighbouring countries and regions as well. Under the auspices of the UNECE, the PPP China Centre will actively participate in developing UNECE PPP Standards.

The Centre aims to organise regular symposiums on PPPs policies, laws and institutions, including at least one global event per year on PPPs in transportation logistics. It will also conduct regular training programmes on PPPs for government officials and private entrepreneurs, and showcase a major city within China each year on PPP in transportation logistics. The NDRC is in support for Shenzhen and Qingdao as model cities for achieving United Nations sustainable development goals through PPPs and for setting up a training centre in Shenzhen through the PPP China Centre.

The great logistical outbuild

The scope of projected Chinese infrastructure projects in the region is breathtaking. The China-Uzbekistan-Kyrgyzstan railway projected by the China Road and Bridge Corporation is a US\$200 billion project. A Russia gas pipeline by the China National Petroleum Corporation is planned at US\$55 billion. And closer to home OBOR is set to deliver the kind of regional connectivity that Europe already enjoys through her high speed trains: the China-Thailand Railway by the China Railway Construction Corporation is a US\$23 billion project that will connect a string

of major Southeast Asian countries through to Singapore.^{viii} This is infrastructure that will open up alternatives to current maritime bottlenecks, and will play a key role in connecting the world of the mid-21st century. Hong Kong is also well placed to participate in the maritime road connecting the former colonial nations such as Myanmar

and India, countries with a similar historical background and which can interface seamlessly. The PPP China Centre at City University of Hong Kong looks forward to making a key contribution to this great logistical outbuild, and to furthering international cooperation along the 21st century broadband Silk Road.

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OBOR Projects

With CB's Research Centre on One-Belt-One-Road due to launch later this year, the College already has a nucleus of nine projects running in the area. Here we preview three of them. In the Department of Information Systems **Professor Leon Zhao** is looking into the development of government-incentivised crowdfunding platforms to fund multinational projects. He investigates how crowdfunding can be used to solicit and fund projects by means of PPPs.

Professor William Wan in the Department of Management aims to help Chinese firms establish organisational legitimacy in Russia, so that "Made in China" becomes a valuable brand. He outlines strategic theoretical foundations for establishing organisational legitimacy abroad, before analysing case studies of how Chinese companies have fared in Russia. In the context of the Russian political, legal, economic and social spheres, the study will then propose some guidelines for Chinese companies who are contemplating entering the Russian market, or for those looking to improve their current image.

Department of Economics and Finance **Professor Jeff Hong** is studying Shari'ah Compliant Bonds and Islamic Finance, a financial system commonly adopted in Muslim countries. He looks at pricing practice by examining existing Sukuk contracts against the related pricing literature. Risks attendant to the Sukuk system will be evaluated, in particular coupon payment risk, the variation of liquidity risk against the underlying asset, and Shari'ah compliancy risk. Possible ways to hedge and to manage these risks will also be analysed. The examination of Sukuk serves as a starting point for a wider investigation into Islamic financial systems, other types of financial products and the effect of Shari'ah law on them.

Test run for the Yuxinou Chongqing-Xinjiang-Europe international railway, the main Eurasian land bridge between western China and the European markets. Cheaper than air cargo and faster than sea freight, the 11,000 km journey takes just 13 days. Yuxinou is an acronym comprising Chinese characters Yu (which stands for Chongqing), Xin (Xinjiang) and Ou (Europe)



热烈祝贺
渝新欧国际铁路联运试验专列
顺利开行

Internet+

Wave goodbye to conventional marketing

Professor Wenyu Dou, Department of Marketing, and **Ms Ting-ting Du**, College of Business, City University of Hong Kong, look at how Internet+ is creating a tidal wave of online marketing opportunities.



In the pre-internet era the relationship between businesses and consumers was focused mainly on transaction. Without after-sale maintenance and service, consumers would eventually drift off, becoming passers-by, and gone for good if there were better products or lower prices elsewhere.

Internet+ has presented the opportunity for businesses to turn these passers-by into fans by enhancing their attachment – actively and emotionally, and their loyalty. The sense of brand community may even be so strong that there is tolerance towards occasional flaws in products and services. Focusing on fans means reconstructing and upgrading the business operation mode. It is no less than a revolution for many businesses, implying thoroughgoing changes in mindset, mode, path and method. The name of the game is multi-dimensional service. Customer relationships are built by valuing user participation and experience. In the process loyalty to the brand is enhanced.

But how to build this new operation mode in the Internet+ era? Let's take a closer look at the new model Fan Economy.

Fan Economy

The Fan Economy takes its name from the model of income-generation based on the relationship between fans and those that they follow – traditionally stars, idols, or industry celebrities. Value is added to the traditional consumption model in these ways:

- *Long-term relationship marketing* replaces transaction marketing. Fans take part in brand promotion – and along the way provide powerful endorsement for “their” company.
- *Customers' needs* shape a multi-faceted relationship between products and services. This implies more attention to relationship and experience management – creating customer value that is inimitable along with



Boisterous celebrations mark the opening of the Apple Store in Wuxi, August 2014. Apple is a pioneer of the Fan Economy and people-driven product design

experience that is unforgettable, thereby obtaining value recognition from customers.

- *A sense of participation* makes customers feel they are an indispensable part of the business, thus promoting a sense of approval, achievement, belonging – and even faith in the brand.
- *Whole channel marketing*: Fan identity, recognition, approval and interaction are prized and incentivised, seamlessly online and offline.

Seamless product + service

In the Internet+ era the conventional focus on “finished product” is outdated. Businesses need to give up the idea of a one-dimensional product and turn to comprehensive solutions, provide more options and, along the way, more convenient service to users. Pre-internet era marketing perceived service as a subset of product; a cost rather than a profit center. The new productisation means that businesses need to organise their services and build them into product with the same status as tangible goods. Customers can easily assess and buy these services. Let's take a look at some pioneering examples.

LegalZoom

The US listed company LegalZoom has been providing legal clerical services to SMEs based on the idea of productisation since 1999. Early on they

emphasised trademark applications, establishing companies, wills and lease contract drafting. These services did not involve litigation and were relatively easy to deliver. The information needed from users was turned into specific questions and was presented on the company website in the form of a questionnaire. Guided by these questions, users could fully describe their needs and acquire the legal document they need – sometimes in a matter of minutes. More recently, LegalZoom has integrated traditional legal services and developed their business into the field of litigation. The key to LegalZoom's success is that it established and constantly optimised the standards and process of its service which improved the experience management for the company, and also enhanced client usability. As a result, it has been able to build client loyalty in terms of value, and build towards scalable development.

Platform strategy

Internet+ has enabled businesses to establish relationships with users through platform building, transforming the business model of many industries and revolutionising the competitive landscape. The mobile phone sector offers a startling example. The fall of pre-smartphone era market leader Nokia is basically due to the emergence of the Android and iOS operation systems. These systems heralded the beginning of a new era in which the mobile phone sector developed into a platform industry. Online advertisements and third party application

developers actively embrace users, increasing the levels of choice and engagement. Users are no longer mere passers-by. They are potentially transformed into fans or brand loyalists.

A similar trend can be seen in the sports supply industry. The traditional brand-based approach started flagging a few years ago. The performance of major brands was in decline and shops were closing. To counter the downward trend, Nike put forward the Nike+ platform, offering digital innovation through a platform strategy. Nike provides seamless online and offline experience – for example night running, brand experience shops and marathons – as well as professional services for sports, improved sports experience and the opportunity to explore business opportunities. In this way, users experience exceptional brand engagement, and brand loyalty is enhanced. This is a result of more than research team activity. It is achieved by vigorous pursuit and actualisation of platform strategy.

Real-time bidding

The internet has also changed the thinking pattern of marketing people. They have started to ask: how much value can I bring to users? (not just what price can I sell at?) This has given rise to new pricing strategies.

Real-time bidding means that advertisers from both businesses and internet media have changed the linear docking process of online advertising and started to operate by making use of platforms, thereby strengthening bilateral connections. With third party technology, websites and mobile platforms, users' clicking behaviour can be assessed, monetising and selling every browsing page accordingly.

Take the China experience: At the end of 2011 Taobao Tanx ADX, an instant ads transaction service, was launched and has become the core of the real-time bidding industry chain. Other platforms such as DoubleClick (Google), SAX (Sina), Tencent

AdExchange, and Baidu Instant Advertising Education Platform also provide instant advertising transaction services. For instance, if a user opens a sports website to check newsfeed for a basketball match – an ad column is displayed. Once the advertising provider knows that the page is opened, the page is put on sale on one or more instant advertising transaction platforms. The platform provider will inform the advertising agency that the user likes NBA newsfeeds, and the ad column is auctioned to the highest bidder.

This process is an interaction between user and platform in the form of an advertisement auction through the recognition of the user's online and offline identity by analysis. From the user perspective, customised experience is achieved by presenting a relevant ad. From the advertiser perspective, internet advertising becomes more intelligent, precise and timely.

The User Offer

But the user is no passive observer in this new era, witness developments in the US. A user-oriented pricing mode, Name Your Own Price, has been created by Priceline, the biggest online travel agency in the US. The system allows users to bid for certain kinds of standardised products or services. Priceline then checks its huge data base and vendor network, looking for vendors who are willing to trade at the bid price. In China the "Please Bid WeChat" service offers a similar service.

This service mode has overturned the conventional mode of e-business. In the past the bargaining power of users on internet platforms was not optimised as they had to compare prices among various e-businesses with low efficiency and poor outcome. The new user offer mode helps to raise their bargaining power on internet platforms with a return to a more user-oriented pricing mode.



Crowdfunding

A further refinement is provided by crowdfunding, where attaining optimal price is a core task of this self-pricing model. Here, after the minimum fund target has been reached, the price is adjusted according to the number of buyers. This is an efficient mechanism that affects the final price. The greater the number of buyers, the lower the average price; so consumers actively participate in achieving the end price.

Chinese video content provider Letv Super TV has adopted this sales model. In one stunning display of the model's power, it ended up selling 10,000 TVs in 49 minutes with a cash return of RMB75 million. Conventional TV manufacturers ignore this kind of performance at their peril.

Full Circle Experience

The Internet+ era also brings great challenges to traditional place management and operation. As customers' personal lives are interwoven with their consumption patterns, businesses integrate various kinds of online and offline places, seamlessly combining the advantages of both. Customers are approached from various perspectives and businesses focus on enhancing customer experience in an all-embracing way. Traditional and internet businesses are combined in this new era, providing full circle experience. This can feature showrooms along with unrivalled connectivity (note the expanding role of QR code) to provide a seamless service circle.

QR the world!

QR codes are good for more than adding contacts or acquiring product information for comparison purposes. These codes have also got tremendous potential for shopping. And the notion of "the shop" is about to go out the window. Woolworths, a long-established food and clothing retailer in Australia, has developed a mobile app and placed product posters with QR codes or bar codes in metro stations and business areas. Consumers can purchase and pay for their desired items by



Photo courtesy of architects Cheng+Snyder.

A mural in downtown Syracuse, New York State, celebrates both the city's industrial past and its current status as an artistic hub. At first glance, the image is historical, showing a barge moored on the industrial waterfront. On closer inspection, viewers realise the image is a mosaic composed of dozens of unique QR code tiles, each linking to a contemporary arts organisation in the greater Syracuse region

scanning the QR code with their smart phone – and items are delivered straight to their homes.

Compared to traditional supermarkets, this mode incurs lower construction costs, and is more convenient for customers. Retailers can promote goods while bringing an unprecedented shopping experience to customers by flexible and accurate input, targeting features of different places and situations. Integrated with elements like cross-field collaboration, the sky's the limit for QR shopping. Suppliers have virtually limitless opportunities for displaying product and channelling potential customers purchasing desires.

The seamless service circle

The smart phone already satisfies multiple demands such as listening to music, taking pictures, shopping, socialising, communicating, etc. At the same time, access to platforms is getting simpler and platforms are unifying. So far we have seen only the tip of the iceberg.

Starwood Hotels, with subordinate brands like Le Méridien Grand Hotel, Four Points by Sheraton, Westin, Sheraton, etc., have jointly released their Starwood Preferred Guest app with Apple.

By combining soft and hardware, customers can use Apple Watch as their hotel room key or key card, conveniently unlocking rooms in more than 100 hotel chains around the world. It can also do things like checking-in, ordering, and paying the final bill. And if users want to comment on their hotel, they can take to Meipai or share on social media like Weibo, WeChat and others. In addition to increasing the efficiency of the hotel and decreasing labor costs, the use of Internet+ seamlessly blends online and offline customer experience into one. With the touch of the phone, a seamless hotel O2O service circle is formed.

The role of marketing

Social media is everywhere, promoting interactivity, diversity and allowing people to project their personality. The intense communication environment is transforming consumer lifestyle. So where does this leave the role of traditional marketing? Innovation is needed to better reach

users, and the key is coming up with valuable content. The marketing team of the near future will treat content as core – and its promotion as ammunition to break into and build an active community with a high level of stickiness. This requires marketing people to think not just like an editor – with high standards for content – but also act like a publisher, with specific demand for quotas like page view, repost and comment volume, potential leads for sales, direct sale volume, and not to forget the roles of developing brand image and customer relationship.

Bikinis in winter

The retail industry is Characterised by fierce competition between brands and a high level of product homogeneity. Following trends is a viable approach for retail industry marketing, paying attention to things that acquire certain levels of popularity and attention within a specific period of time, and drawing connections between these hot

issues. But counter-trends can also be created in unorthodox ways.

Sports Illustrated understands how front cover bikini-clad models sell magazines – especially in the middle of winter. On the front cover of their 2015 Swimsuit edition, model Hannah Davis appears in the traditional bikini. But the back cover offers a surprise: Teaming up with confectionary manufacturer Snickers®, Hannah reappears dressed as Medusa, a female Gorgon or monster in Greek mythology. Behind her Dracula-like visage, the magazine has recast itself as *Super Irritated*, though this legend is partially obscured. The lines are: HUNGER MADE ME an intolerant mythological monster, and NEEDSSSSSS SNICKERS. This kind of unorthodox advertising strategy has drawn critical attention from readers – and industry commentators – around the world.

B2B

So, what are the likely trends for the near future? B2B or businesses trying to build a professional image need to turn the complicated into the easy, the boring into the vivid and the abstract into the animated; content is more understandable and down-to-earth.

Fashion designer Karl Lagerfeld, Caesar of the fashion industry, is known for his cool – and his sharp

Lager-style ponytail, turtleneck shirt and black sunglasses. However, when posing for the limited edition of the Karlywood posters, Lagerfeld dressed up as a series of animation characters and Hollywood movie heroes. Kill Bill becomes Karl Bill, and Gossip Girl turns into Gossip Karl. Fresh yet boisterous images such as these bring high fashion closer to people.

Content provider role

What about content – where does that come from in this brave new world? Besides coming up with original stuff, content can also be derived from internal integration (transformation and utilisation), external integration (not including plagiarism), customer creation (voluntarily or for pay) and cooperation with professional companies. Businesses with relatively weak internal creation – or copywriters who are new to the business – can try low-threshold strategies, such as using interesting old pictures, writing backstories for products, narrating the emotional life of customers loyal to their products, and connecting brand concept with current events.

Unorthodox traditional advertising – A swimwear model appears in a traditional bikini on the front cover of Sports Illustrated 2015 Swimsuit Issue. But on the back cover she is recast as her hungry self, the female monster Medusa. And the magazine's masthead is remodelled as Super Irritated. The monster needs pacifying – and a SNICKERS® chocolate bar is the answer.



Photo courtesy: Mars Chocolate North America / Creative Agency: BBDO New York / Photographer: Vincent Dixon / Retouching & CGI: Atomic 14



Photo Courtesy of Tiffany Cooper @ Karl Lagerfeld

Fashion designer Karl Lagerfeld dresses up as a series of animation characters and Hollywood movie heroes. Kill Bill becomes Karl Bill, and Gossip Girl turns into Gossip Karl. Novel juxtapositions such as these bring high fashion closer to people

Advice to the Premier

How western market economics entered China

An interview with Professor Gregory Chow

By Eric Collins



Gregory C. Chow is the Class of 1913 Professor of Political Economy, Emeritus, at Princeton University, a member of the [College of Business International Advisory Board](#) and a major figure in econometrics and applied economics over the past half a century. Here he talks about his experience as a student of Milton Friedman in Chicago, and as the economic adviser to successive leaders of China in helping to introduce western market economics to China.

You were a student of Milton Friedman in Chicago. What kind of learning environment did he foster?

I entered the University of Chicago as a graduate student in 1951 and took Milton Friedman's course on price theory during the first semester. He was very impressive as a lecturer, making each point concisely and effectively. He believed that simplicity is the most important virtue when one tries to explain economic phenomena.

When I became a Distinguished Fellow of the American Economic Association in 2014, the citation included: "Chow's innovative research in both econometrics and applied economics combines his views that simplicity and transparency in econometric research are primary virtues." This I have learned from Milton Friedman.

Was there a sense that a school of thought was evolving?

Not really – I tried to understand economics, and especially econometrics. In 1951 the University of Chicago was the only university offering a graduate course in econometrics. In the first semester I had great teachers but Friedman impressed me the most. At the time I wasn't sure what was liberal and what was conservative because I studied economics as a science and not as a political philosophy. Later people would call the Chicago School conservative.

How is econometrics positioned in the intellectual history of economics?

Nowadays every graduate school of economics would require students to learn three subjects: micro theory, macro theory and econometrics. Hence econometrics has become mainstream. But when I was a graduate student there was no such subject. Chicago was the exception. The Cowles Commission of Research in Economics had been established in the 1930s and that was a centre of research on what was to become the subject of econometrics.

Was this a time when economic theory was much discussed?

Friedman was teaching economic theory and Paul Samuelson was teaching theory at MIT. It was really only taught at the top schools. Theory and



Professor Gregory Chow with General Secretary of the Communist Party Jiang Zemin in August 1989

quantitative work are complementary. Some people know theory without doing much quantitative work. Other people do more quantitative analysis and use a simple theory. You need a balance between theory and empirical work. Some economists are creative and have a new idea, a new way of looking. Then empirical work comes later to test theory.

Did you make theory explicit before going to the data?

Yes. A lot of people don't have a basic idea in mind when they do research. Some people start with data mining and then make a story out of it. But in my case it's the other way round. I have to think through the problem before I look at the facts. I try to theorise and to explain a certain economic phenomenon, and then I look at the data. So when I started my thesis I walked back and forth in the basement of the Chicago building for hours to formulate a theory for the demand of automobiles, a subject of my thesis.

The invention of M1 and M2

You attended Friedman's seminar when he first introduced M1 and M2?

When I first went to Chicago, Friedman was considered a theorist. He later conducted a workshop on money which started in 1954. He tried to look at the relationship between GDP and money on the one hand, versus the relationship between GDP and government expenditure on the other.

The monetarists, of whom Friedman was the leading figure, thought that money explains GDP more than government expenditure or autonomous expenditure does. Friedman wanted to do regressions of GDP on autonomous expenditure and on money supply to find out which variable can explain GDP better. But of course you have to define money. What do you mean by money? There is currency plus demand deposits (money in checking accounts), and that he called M1. And then there is M1 plus savings deposit. He casually said, "let's call that M2."

Many years later I met him and assumed that he knew that M1 and M2 were invented in that seminar. "Oh, no!" he said. He had forgotten about it. I then challenged him to find some publication mentioning M1 or M2 before the time of his seminar in 1954.

Was there a sense that this was going to be something big?

Not really – when you do research you have to define the variables, so it was quite natural. But people picked it up later – because that was just about the time when serious research on monetary economics began.

Friedman tests Keynes

Milton Friedman was subsequently characterised as a conservative...

He was a much respected teacher, and a conservative is someone who believes in the effective working

of the market in solving economic problems without much government intervention. He gave examples of how the market worked, and I didn't realise that this was called "conservative". Later I went to MIT where people like Samuelsson and Robert Solow respected John Maynard Keynes a little more. Keynes had written his ground-breaking book, *The General Theory of Employment, Interest and Money*ⁱ in 1936, just after the Great Depression of the early 1930s. Some people thought that the depression showed that the market didn't work. The result was President Roosevelt's New Deal. They thought that the market couldn't generate enough demand by itself and as a result many people became unemployed. Keynes believed that you had to add expenditure to get people employed, and this became known as "autonomous expenditure". Fifteen years or so later Friedman was testing Keynes to check if it was really necessary to use such government expenditure to revive an economy.ⁱⁱ

This was linked to the various welfare state initiatives that were made during the Second World War years?

Yes, the US did not get out of the depression even in 1937-8, and then came the war with ammunition production etc. which provided full employment. Then people got worried. After the war would we go back to depression in the US? So there was the Full Employment Act in 1946. Congress decided that it was

the responsibility of the Federal Government to take steps to act positively and maybe spend money in order to prevent a depression from happening. That act also created the Council of Economic Advisers for the President. It turned out that there was no real problem and that there was economic prosperity after the war.

Did the US Marshall Plan for Europe have something to do with that prosperity?

In so far as the Europeans were given money, and with that they could use it to buy American goods and services, yes. The Marshall Plan helped to solve the problem of American over-capacity by creating demand in Europe.

Economic adviser in Taiwan

In Taiwan, how receptive was the government to using econometrics as a tool for working with macroeconomic problems?

First, economic advice is not necessary quantitative and based on econometrics. In Taiwan from the mid-1960s to the late 1970s government officials were eager to foster the economic development of the Taiwan economy. I was one of the five, sometimes six, major economic advisers, from the US.

The Taiwan side presented the most urgent economic problems. We tried to understand these problems, and came up with proposed solutions. These were then presented for discussion and a set of policy recommendations were reached. They were published in the press in order that the public would understand and support the policies, knowing they had been formulated with the advice of respected economists.

Modern economics enters China

In the 1980s you started work in Mainland China with Premier Zhao Ziyang.

In 1983 I met with two officials from the Chinese Ministry of Education at my home. They said that they wanted to modernise economics education in China. I was very surprised because China was a communist country. I offered to conduct three seminars to teach economics in China in subsequent years: micro theory in 1984, macro theory in 1985 and econometrics in 1986.

This led to my first meeting with Premier Zhao Ziyang in July 1984. He was interested in discussing economic reform. In 1985 the Premier was concerned about possible inflation because money supply had increased by 50% in 1984. At his request, I did an econometric study on inflation in China that was published in 1987.ⁱⁱⁱ I also introduced people who, along with me, had experience in advising the Taiwan government, for

example Larry Lau, who later became Vice-Chancellor of Chinese University here in Hong Kong. One photo was published on the front page of *People's Daily* in June 1984 with the statement that I was invited by the Ministry of Education to teach microeconomics in China. This marked the beginning of the acceptance of modern economics and the use of the term microeconomics in Chinese.

How open was the leadership to new ideas for reforming the economy at that time?

A simple answer is "very open". I was adviser to Premier Zhao, meeting with him one or more times a year from 1984 to 1989. In addition I worked with the top officials of the Commission for Reconstructing the Economic System. The Commission was responsible for formulating policies for economic reform towards a market-oriented economy. These officials, and Premier Zhao himself, were very open-minded. Discussions with them were like discussions in an economics seminar in a university in the US. At other times I communicated with Premier Zhao simply by writing him a letter and mailed it to him by ordinary US airmail addressed to "Premier Zhao Ziyang, State Council, Peking, China".

You then worked with Premier Zhu Rongji. How distinctive an economic vision was being developed in China in the 1990s?

I met with Premier Zhu Rongji in 1996 when I led a small group of foreign participants in a conference on the development of the banking and financial system in China sponsored by the Governor of the People's Bank. I asked Premier Zhu what he would do with the large reserves of some US\$200 billion (large at that time, but smaller as compared with the amount today). Premier Zhu commented with a smile, "Economists often ask your question, implying that China is keeping too much reserves and should spend it. I think we do not have enough." Later when the Asian Financial Crisis of 1997-8 occurred, Premier Zhu's comment proved to be correct. China had such a large amount of reserves and was thus in a position not only to withstand the crisis but to help the other Asian countries recover from the crisis.



Above: Shanghai, 1973 - Workers waiting for the presidential procession to pass

Left: A place of industry - Chengdu, 1980. A statue of Chairman Mao and the slogan "Be united in support of the Central Committee of the Communist Party, fight for the Four Modernisations to become real"



China in transition – Shanghai, 1980. Rice paddies near the Hutong naval shipyard, with a passenger vessel under construction

How closely did you work with President Jiang Zemin?

I was the first American to meet Jiang Zemin after he became General Secretary in June 1989. Since 1985 there was a close cooperation between the US and China to promote economics education in China, sponsored by the Chinese Ministry of Education with financial support from the Ford Foundation. A joint committee on economics education and economic research in China was set up, with Vice President Huang Da (later President) of Renmin University serving as chairman for the Chinese members, and me serving as co-chairman of the US members. The joint committee met once a year, alternating in China and the US. A meeting was set up to meet in Beijing in August 1989.

In spite of the Tiananmen Incident on 4th June, 1989 the American members decided to go to the meeting. When I arrived at the Peking Hotel the office of Jiang Zemin called to invite me to meet with him and asked me to invite the other members from the US. I extended the invitation to the group at breakfast the next morning and no one decided to go, possibly because of possible criticism when they returned home. I went alone. Later Prof Huang Da told me that

there was uncertainty in government policy after 4th June concerning cooperation with the US, and that the US-China cooperation in economics education was able to continue because the US members were willing to go to Beijing to attend the meeting with their Chinese counterparts. Since then I sometimes communicated with the General Secretary on economic policy, including a suggestion on how to slow down inflation. Jiang Zemin has continued to send me New Year Greetings, up to 2015.

Loss of the iron rice bowl

Was the loss of the iron rice bowl (xia gang) in the late 1990s a necessary stage for the country to go through?

Yes. When China decided to change all state enterprises to shareholding companies in 1998, it was necessary to lay off some workers of the state enterprises. But the government tried to help these workers by providing them with severance pay, and continued to pay them about two thirds of their regular pay. Many workers were ingenious enough to find work in the market place, with some opening a small shop, for example.

Did the streamlining of state owned enterprises go far enough?

Reform of state enterprises has not been completed for many reasons including the bureaucratic managers appointed by the government. When Zhu Rongji became premier he could not replace many of these managers for political reasons. This was a major reason for him to have China join the WTO in 2001 in order to provide competition to the state enterprises.

Did you also work with Premier Wen Jiabao?

I never met Wen Jiabao but he knew about me as he had served under Premier Zhao Ziyang. I wrote to Premier Wen on several occasions, each time recommending a certain economy policy, including policies to reduce pollution, improve health care, etc. He always responded by asking the relevant minister or vice minister to meet with me to discuss the topic concerned. But my recommendations did not have any effect. These government officials were not open-minded. They did not engage in serious discussions with me but only politely talked with me because the Premier had suggested the meeting.

The modern dual economy

How far is a dual economy emerging in China, e.g. with the major tech companies (such as Alibaba) offering credit and functioning as banks?

This was a major development of the Chinese economy. The rapid growth of such private enterprises has been happening for about a decade. It is the high quality of the leading Chinese entrepreneurs which has driven China's rapid growth. As the market economy becomes more mature and the Chinese entrepreneurs have learned up-to-date technologies and financial practices such companies as Alibaba will appear.

What signals did the China government's response to the summer 2015 stock market crash send to Chinese investors and the wider world?

The Chinese government was responsible for the stock market crash by encouraging the Chinese people to buy stock of state-owned companies for the purpose of increasing capital for these companies. When

the prices of the stocks went up because of large purchases, people speculated and the prices went up even higher, leading to a speculative bubble. When the bubble burst there was no way for the government to stop it. The prices of the stocks remain low today as compared to the peak in June 2015, although somewhat above the bottom.

Ideology and markets

Do you see a global future where ideology is less important?

We live in a world market and, for example, China actually imports a lot of food from the US. Some people say importing food is fine, but oil is more strategic. Therefore you have to ensure its supply. I don't think China has any problem, because it has many friends and has done quite well with its political diplomacy. One difference between China and the US is that China says they always try to work together with – and respect – other people's form of government and interest. They always talk about cooperation, whereas America is like a big brother saying things like "Maybe you should introduce democracy". China would not interfere in other countries' affairs as much, and is in this sense neutral. You can be communist, capitalist, a dictator; that is your business. China says: I will cooperate with you. If you have a democracy fine, but if you have other political institutions, that is also fine.

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Tracing Wilson's Journey – *One Hundred Years of Change*

Professor Kaipu Yin, a plant ecologist and researcher at the Chengdu Institute of Biology of the Chinese Academy of Sciences, has spent 13 years of research and fieldwork retracing the steps of renowned British plant explorer **E.H. Wilson** in western China. With painstaking attention to detail, Professor Yin has published a set of 250 photos displaying Wilson's landscape photography from the early 20th century alongside contemporary views.

"There have been rapid urbanisation and community shifts in Western China over the last hundred years, and some of the significant sites have been

destroyed. We have also lost traditional cultures in the course of development." Professor Yin hoped that more people would become aware of the issue of environmental protection. "The community should start thinking about how to conserve nature in a sustainable way," he said.

Professor Yin also generously shared 100 photos for an exhibition which was held in Academic 3 during November 2015. The College would like to take this opportunity to express its gratitude to both Prof Yin and Lee Woo Sing College of The Chinese University of Hong Kong, for their kind support of the exhibition and lecture.



Plant collecting – from China to the world

Plant collectors have been active in China for centuries. As early as the mid-6th century BCE, the *Shijing* (Book of Songs) offered a collection of poems describing flowers such as the peony, peach and day lily. A few hundred years later, the flowers of the native peach were introduced into western countries via traders on the Silk Road. From the end of the 13th century, Marco Polo and other traders and missionaries stayed in China and recorded a large number of plants that were new to European plant taxonomists. After the mid-19th century a large number of China's plants were introduced to the West including the chrysanthemum, Chinese pink rose, peony, rhododendron, Chinese wisteria, primrose and various bamboos. Wilson's carefully documented and photographed journeys at the turn of the 20th century, were then the culmination of a long tradition. Western plant hunters, botanists, missionaries, and geographers had been working for centuries to introduce China's rich resources of wild flowers and plants to the wider world.



E.H. Wilson (1876 – 1930) was a leading English plant collector of the early 20th century, who introduced about 2,000 plant species from Asia to the West.

Wilson worked at the Royal Botanic Gardens, Kew, London, where he produced prize-winning work. He then took up a position as Chinese plant collector with the firm of James Veitch & Sons, a group of family run nurseries. His new boss advised him: "Stick to the one thing you are after and don't spend time and money wandering about."

Not heeding the advice, Wilson's wanderings in China became legendary. The object of his first journey was the Dove tree (see the top right hand corner of this page), and he rediscovered the specimen, first noticed by pioneering French botanist Père David, in Yichang, Hubei. Wilson then spent two years there, collecting in isolated mountain valleys before returning to England in 1902 with seeds of over 300 species.

In 1903 Wilson discovered the regal lily along the Min River in west Sichuan, and he made several further expeditions to China and Japan, where he collected 63 named forms of cherry blossom. In later life he was Keeper of the Arnold Arboretum at Harvard University.



Centre pages

One Hundred Years of Change: the black and white photo from 1908 shows the Bingling River as it rushes down from Mt Wawu, near Hongya County, Meishan City, Sichuan Province. One hundred years later the landscape has been flooded as part of a hydropower station development. The color photo was taken in 2009 about 100 meters "upstream" of the old. See *Tracing One Hundred Years of Change* –

Illustrating the Environmental Changes in Western China, published in 2010.



Don't throw away Tomorrow

“When I started green in business, people would say, Hey that's not going to work! But that's all changed now”

Mr Albert Oung is Founding President of the World Green Organisation, and Founding Chairman of the Hong Kong Myanmar Chamber of Commerce. He is also a serial green entrepreneur with over 30 years of commercial and industrial expertise in transforming and commercialising business practices into sustainable and responsible models. Oung is currently a student on the College of Business EMBA. Here he talks about green initiatives in Myanmar, the land of his birth, his early inspirations, his anti-human trafficking work and what it means to be a green businessman.

Albert Oung is famous for walking the talk. And visitors to his office are implicitly invited to walk along with him. The World Green Organisation is headquartered in unassuming Lai Chi Kok, an area famous for godowns and factory outlets. The gate to the stairwell is the sort of dilapidated rusty grille typical of tenement buildings in the poorer parts of the city. And there is no lift. We walk to the fourth floor past garment warehouses. Upmarket this is not.

Inside, the World Green Organisation is painted green at every opportunity. We are shown into a windowless conference room. The air conditioner is not on. There are green sofas, green tables, green walls, and then Oung himself appears in his trademark green suit with a jungle coloured t-shirt beneath.

“This NGO has grown in two years to the sort of size that takes others twenty years,” says Oung. Softly spoken, there is immediately a sense of

spaciousness about him, as if he effortlessly carries the vast aspiration of his organisation in his person. Here, you sense, is someone capable of taking the long view.

It is stuffy. A bead of sweat trickles down Oung's cheek.

“I am like an alien,” he says. “As a leader of the Green Party of Hong Kong, I meet Greens from all over the world, many of them working in politics or NGOs. But I am also a green businessman. And as a businessman I have to be prudential. To be successful, a product must have impact and be sustainable in the long term. It's about more than being environmentally friendly.”

Beyond styrofoam

One of Oung's early forays into green business was with a classic environmentally friendly product – a biodegradable food box to replace Hong Kong's ubiquitous styrofoam container.

Typically, he sees access to knowledge as key: “We have to reinvent our views of what is right or wrong first. With styrofoam there needed to be more information about the health hazards. We shared our experience and knowledge. That led to transformation. With styrofoam we were talking about cheap and easy. Now we are seeing the cost, the cancers. So we stop and we provide the replacement.”

Made in Myanmar

The scope of green vision is also changing, and needs to be flexible:

“In the last ten or fifteen years we have been talking about global citizenship. We see things both from 20,000 feet above the sea, and we see things right here two feet away,” he says.

Oung was born in Myanmar, a country he describes as peaceful, Buddhist, a place where people are kind and friendly. The government is also very keen on going green. Ever practical, he is Founding President of the Myanmar Chamber of Commerce in Hong Kong. And Myanmar, a late entrant to globalisation, has real choices ahead for its future development: “People in Myanmar know what is happening in the world. The



Albert Oung with Aung San Suu Kyi, State Counsellor of Myanmar

Myanmar government doesn't want investors who are going to pollute.”

Oung puts this in historical perspective.

“250 years ago when the first industrial revolution happened, nobody was talking about pollution, or equality, safety issues, customers rights, child labour, good manufacturing practices, corporate social responsibility, or fair trade, because they just didn't know. But now it's a different world. Now we must have a heart.”

“We want ‘Made in Myanmar’ to mean something. It means responsible. It is a green brand. That way you attract like minds.”

UNSIF Green Economy Fund

Oung is working directly with international organisations to further development in the region. The recently created United Nations Social Impact Fund (UNSIF) Green Economy Fund established by United Nations and Green Capital Group Limited will support the development of One Belt One Road related projects in Asia. The idea is that UN agency will partner with investors and corporations to facilitate social and economic development in the Asia Pacific Region. With an initial capitalisation of US\$200 million, the fund aims to support successful and sustainable social business models. As Oung says:

“We are going to work with our partners to invest in areas like sustainable infrastructure, medical services and housing, clean energy, water, innovation and technology.”



Albert Oung at the launching ceremony of the United Nations Social Impact Fund

Green Hong Kong?

How about governance in Hong Kong? Is it fit for purpose to deal with green issues? For all its efficiency and success, Oung sees that government by specialised departments can lead to fragmentation in policy making.

"There have been a lot of breakthroughs under the current administration, and I have been talking about turning Hong Kong into an international Green City."

"We need to start with the overview. We cannot deal with issues on a fragmented basis: Cross-departmental cooperation within the government is important. It is not only the responsibility of the Environmental Protection Department. For example, waste handling is under the Food and Hygiene Department. Two departments must coordinate and communicate. The challenges now are that the priority and urgency are different among different departments and functions."

The Good Citizen

Environmental awareness is not new to Hong Kong.

"Way back in 1972 we had a Keep Hong Kong Clean Campaign. It was initiated by the government, and covered health issues, and being a good citizen. This campaign is still running!"

Beyond the framework of governance, individual attitude is key: "I have never been discouraged."

I don't fight back, I just reason out. We can change people's mindsets by being positive. And then people can become one of our comrades, not one of our followers."

There is a principled way forward:

"Hong Kong has the capability to influence the world. The number of industrialists may be in decline, but green entrepreneurship is on the rise. The only people who look down on Hong Kong are the Hong Kong people themselves! It's not only about Hong Kong, it's a world issue. It's fun to do green business, it's profitable, it's meaningful to commit. If every organisation is also a social enterprise, you can see how powerful it would be."

What is Green?

For most people Green = care for the environment. But Oung puts the concept in wider context:

"We talk about three things: Of course the environment, but also social issues and economic issues. We must address issues in a holistic way. We need to work scientifically, with a research base, and in a responsible manner. And we are fortunate that we now have international standards. Measurements can be calculated."

The trouble is with language itself.

"There are too many words these days and people get confused. So I think: How can we tell the world in a simple way? I try and reinvent this green word so it describes our attitudes as well as the issues."

Oung uses five international icons: A red heart, because you have the heart to do good things. A yellow happy face, so you do it in a happy way. A peace sign, which represents also peace of mind. The Ying Yang sign, for balance and environmental harmony. And finally the recycling sign.

"The mindset has been set to selfish. Green is positive thinking, restoring the correct values and doing the right thing."

"A lot of youngsters are talking about very imminent issues. We have to take a longer view. So I say, Don't throw away tomorrow. That comes from Pastor Dr Robert Schuller of the Crystal Cathedral. Let's start with that mindset."

Inspirational roots

Oung started his first green business 30 years ago. That was in agricultural waste and services, and educational programmes in Canada.

"In those early years a lot of my inspiration came from corporates like Roots. It's a Canadian apparel company established by two American hippies in the early 1970s. They produce environmentally friendly products, but they also do conservation projects, charity and community work, and they enjoy what they do. That is an inspiration! It made me think: investors can make money in ethical companies."

Oung started making biodegradable food containers with "Cradle to Cradle" product certification, the first Asian company to achieve this German global standard. Now his company's products use the "Cradle to Cradle" design, a biomimetic approach to the design of products and systems which are waste free.

Everyone plays a role

Oung publishes his first ecotourism book on Myanmar in June 2016. This is partly a brand-building exercise for Myanmar. But there are wider issues at stake, such as anti-human trafficking in Southeast Asia and Africa.

"When a country grows there are lots of complications. Young people have to be protected."

He is Founder of Green Hong Kong Foundation, to work against human trafficking. And Hong Kong is important precisely because it is a financial hub.

"Banks finance all kinds of businesses including those using child labour. The finance sector can play an important role by asking their customers not to work in these ways. So Hong Kong has a part to play in anti-human trafficking."

"I don't know if I can achieve it in my lifetime, but I am a very positive person. We must have that kind of heart. If I don't have that kind of heart it is so discouraging."

The Green Hotel

Ecotourism is about responsible tourism. It's about global citizenship. But it can also start close to home. Oung has planned to start Green Hotel project in Bagan, Myanmar. The architectural design, the raw materials, the software, the operations are all environmentally friendly. The Green Hotel will itself serve as a venue for environmental conferences, talking about ecotourism and job creation for the villages around Bagan archeological zone.

"Everything will be showcased in the basement of the hotel: waste management, food waste issues, drainage, water, sewage. And in the case of an emergency such as a natural disaster, part of the hotel will transform into a disaster relief centre."

Oung believes this Green Hotel can become a model for all hotels, and that ecotourism – as with all things Green – starts on our own doorstep.

Realising Global Dreams



Dr Weiquan Wang is Associate Professor in the Department of Information Systems. He obtained his PhD in management information systems from the Sauder School of Business, The University of British Columbia. Dr Wang took up the position of Associate Dean (Undergraduate Programmes) in October 2015.

The BBA is the College's flagship programme. It serves the largest community of business students in Hong Kong, some 800 in the 2015 cohort, attracts over 400 exchange students every year, sends a similar number outward-bound to all corners of the globe, and provides hundreds of internship and summer programme opportunities. The programme attracts top students, achieves impressive placement, and is well known for adapting to changing market needs. The role of the university is changing fast in the Internet+ era, and the BBA is moving with the times. As Dr Wang says:

"In the age of instant search, what is the purpose of a university? For developing work-related skills? Not exactly. It's to help students grow personally and intellectually by broadening their minds in a global setting and to spark in students a passionate interest that will help them lead truly meaningful lives. That's where the real benefits lie."

To remain competitive undergraduate education constantly has to reinvent itself, and over the past few years this has meant significant changes. In 2015 two new initiatives were launched: the BSc in [Computational Finance](#), and the BBA in [Global Business](#). These elite programmes will accept their first cohorts in 2016 with quotas capped at just 25 students each. Entrance requirements are demanding and both majors are attracting top students. For the successful students, the reward is a place on a top programme, from a leading ranked university, answering to leading edge demand.

Computational Finance

The BSc in Computational Finance targets applicants with a strong interest in quantitative programming and analytical skills in finance. It aims to give students a competitive edge in starting a financial career. Students build skills in four key domains: finance, mathematics, statistics, and computer science, offerings graduates with the hard skills much prized in today's workplace. They develop a knowledge of financial markets, financial product design, risk management, and asset management. Expertise is also built up through financial analysis, calculus, linear algebra, statistics, and optimisation methods. With such a comprehensive skills set, graduates are well positioned for top careers in the financial industry.

Global Business

The BBA in Global Business is designed to address demand for graduates with a global business foundation, and skills sets in negotiation, business culture, law, strategy, and China business courses. Students benefit from advanced courses in entrepreneurship, business consulting, and experience a residential trip. In the final year students consolidate their skills in a Global Business Consultancy Project. This BBA offers a globally oriented curriculum and opportunities for students to develop an international mindset, think strategically, and contribute to companies doing business internationally.

Students' leadership and teamwork skills are enhanced by working with people from different cultures on boot camps, study tours, executive forums, structured exchange programmes, internships, international case competitions and global leader mentoring. Students also enjoy two exchange study opportunities – tentatively one in North America and another in Europe.

Internationalization

Diversity in the classroom is a big deal on the BBA and the 400+ exchange students who come to study at the College of Business each year help drive dynamic class interaction. The BBA also recruits international students. Student diversity has also recently been enhanced by launching the BBA Joint Degree programmes with National Taiwan University in Accountancy and Business Economics, and with Columbia University in Business Economics. Last year, the Columbia programme offered scholarships to 12 undergraduate students, with Chow Sang Sang Holdings funding the students in their third- and final-year of study in the United States.

Internship

Internship is the gateway to the professional world. The College has worked intensively to establish contacts with leading businesses for its undergraduate students. The Department of Accountancy, for example, showcases its internship



programme every year. Last year the theme was From Potential to Professional. The event was set up to showcase interns' work and their takeaways in the forms of videos, storybooks, and posters.

"The internship inspires our students to discover real business practices beyond classroom training such that they can prepare themselves further for the challenges and success ahead," said **Professor Cheong-heon Yi**, Acting Head of the Department of Accountancy.

Cindy Chau, a PricewaterhouseCoopers Hong Kong intern, won one of the Outstanding Interns of the Year Awards:

"The internship helped me discover the business world, and was an eye-opener into the operations of different sectors in Hong Kong such as minmetal trading, electronic equipment sales, etc. I didn't have much practical knowledge at the beginning, but I learned to be more professional and adapt to changing environments during the internship."

Summer programmes

Last summer over 120 BBA students left Hong Kong on summer programmes in Canada, Australia, New Zealand, the United States, South Africa and Laos.

Partner universities arranged language courses and volunteer placements for the students for six weeks.

Sally Lee was one of 75 students taking part in the Cultural and Language Immersion Scheme in New Zealand:

"I worked in the Salvation Army family store as my volunteer placement. It was probably one of the best experiences of my life. I am so pleased to have this chance to understand the culture and social issues there."

With such a multifarious programme offering, the College of Business looks forward to welcoming a new cohort of students to the BBA in the autumn of 2016.

BSc Computational Finance (JS1000)

Financial Econometrics
Optimization Database

$$\frac{\partial f}{\partial t} + rS \frac{\partial f}{\partial S} + \frac{1}{2} \sigma^2 S^2 \frac{\partial^2 f}{\partial S^2} = rf$$

**Competitive Edge =
(Finance + Math + Stats) Computer**

State-of-the-art training in finance, computer programming, mathematics and statistics

Career in

- Asset Management
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Further advanced studies



Want to be an intelligent financial decision maker in the digital era?



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Accreditation



<http://www.cb.cityu.edu.hk/bscfin>



The *FLIPPED* Career Service

By Eric Collins

Dr Ron Kwok Chi-wai is Assistant Dean (Career Services), and Associate Professor in the Department of Information Systems. Here he talks about how he sees career development at the College of Business evolving in the near future.



Dr Ron Kwok's office is full of stuff. The first thing that catches the eye is a badminton racket, then a tennis racket. He assures me there is also a table tennis bat on the shelf, and he plays squash too.

"They are all about hitting balls – or shuttlecocks," he says, "But the way that you strike the ball in each game is different. And the flight of the ball changes in mid-air. You have to be ready to adapt."

It turns out that this relates to what Kwok wants to do with [career services](#) at the College of Business. I am intrigued.

How do you provide career support to over 4,000+ undergraduates and postgraduates in this digital age? What are the commonalities across programmes? What are the differences that might provide obstructions? What adaptations have to be made?

"Sure there are commonalities," he says.

"Job information, workshops, some things can be shared across programmes. There's such a thing as a hybrid mode, with shared services at lower levels. One-to-one is for consultation at the top level. That's the way to use resources cost effectively."

The Flip

The plan is to *flip* career services at the College of Business. What does this mean? You can flip a pancake, but how about a career service?

The concept of flip comes from the *flipped classroom* and will be familiar to many CityU students. To put it very simply, in the old model the teacher teaches, and the student goes back home to do the homework. In the flipped classroom, the student reads some materials first before coming to class, and then contributes to (or even leads) the tutorial: In other words the student brings something to the learning table.

Kwok believes that students and career services can benefit from a similar model. Again, the student does some "homework" before coming to the meeting. The career adviser of the future is not, for example, going to sit down with you and write a CV.

"She won't be asking: 'Can you tell me something related to your strengths? Can you tell me something related to your interests?' COME ON! This kind of work is for the student to do."

The family doctor

Kwok uses the example of the family doctor: "Let's say you suspect a problem related to your heart. Your first contact is with the family doctor. You get a referral to see the cardiologist. Likewise we refer students to a particular adviser who has relevant expertise. You don't waste the time and resources of the specialist. You don't talk to the heart specialist about a common cold!"

"There are a lot of good sources on the web for writing a CV – why take up time talking one-to-one? Students can go to YouTube. With a little bit of knowledge management, we will find suitable specialised models for our students – so that they have the information to write an effective CV to be an investment banker or a civil servant."

"The career service of the future is going to look more like the contemporary classroom – more dynamic, less passive from the student's side, and less delivery orientated. This will change the whole orientation of career services. It will also help the College with issues of scalability. The time for our intervention is when the student says: I want to apply for Goldman Sachs, have you got any contacts? Then we get moving."

“The flight of the ball changes in mid-air. You have to be ready to adapt”





“Students need to think about the end before they start, think about career development from the beginning”

Outcome-driven

The plans go to the heart of university education. What is the purpose of the university in the internet+ age? Is it purely academic? Increasingly, parents and students also want outcomes in the job market. What kind of career path are students going to enter? This is not to say that education is completely career driven. In fact CityU's slogan sums up the balance nicely: Professional • Creative • For the world. But addressing the professional side is not something to leave until year four of the BBA. As Kwok says, the backwash effect can be there from year one.

“Students need to think about the end before they start, think about career development from the beginning.”

“This is the problem with career services. In the first year students know it is important but somehow it is not urgent. They do nothing. Then a couple of more years go by. By the fourth year it has become urgent. They wake up – but it may be too late!”

Sustainable networks

Kwok comes across as very person-orientated and it is no surprise that he sees the value of building networks. A single contact, he suggests, can yield multiple benefits: internships for the BBA, job offers for MBA graduates, perhaps a mentor for future students. But he also has an academic background in information systems, so scalability is an issue he always keeps in mind.

“We’ve got to build a sustainable network. But we’ve got 5,000 students looking for jobs, so the solution has also to be scalable. We are fortunate enough to also have tens of thousands of alumni, many offering internships and jobs. So we need to get our stakeholders like MBA / EMBA / DBA alumni and students involved. These are warm networks, people who want to help.”

“And we need premium jobs – investment banks, the Morgan Stanley of this world. We need high profile success stories.”

Intrinsic motivation

What are the challenges involved in building this sustainable network? Kwok stresses interesting projects, the possibility of attracting funding, and the potential of mentoring.

“My students have secured start-up funding of about HK\$500,000. We ask questions like: How can our business students help social enterprises, for example helping people with spine problems? Or helping people to learn code and build apps. Sometimes failing SMEs need to develop a sustainable business mindset, learn budgeting, accounting, or how to write effective funding proposals; perhaps how to use a crowdfunding platform. That’s where our students may be able to help.” BBA students can build on this platform, pair with alumni, and help save the world. The beauty of this approach is that the motivation is intrinsic.

“Students need to be trained to have heart, not just money.”

“You are doing something worthwhile. It is motivating. It attracts interest and money. As a by-product you build your network. This is a virtuous circle.”

In this scheme of things students may act as proposers, and alumni might be mentors, together creating start-ups. Kwok has been talking with university level institutions such as the Innovation Commons, the Knowledge Transfer Office, and the Apps Lab, where he is Associate Director. Such ad hoc student projects may gain traction and help launch students’ careers. In other words a more proactive start to “job-hunting” can be made whilst students are at university. There is nothing like successful applications for government/industry funded projects to go on your CV.

Recruitment 3.0

Above all, Recruitment 3.0, as Kwok calls it, is an interactive, intelligent platform. Companies want to get into the universities and find the right students. Students want to find the right employers.

“In 3.0 our CB platform puts companies and students directly in touch with one another. Then the ‘career service’ becomes truly scalable.”

“We work together on the social media layer, starting with a strong, warm alumni network, creating a critical mass. It’s a culture that has to be created and cultivated.”

Companies post jobs and internships, and in return will see CV Books detailing the profiles of students. And he stresses that this needs to be done in a robust and intelligent way. Some companies may want to grab CB information, or post advertisements. There has to be a screening process in place. This is no pipe dream; the platform is already in place, mainly used by the Departments of Marketing and Management at the moment, but is set to go College-wide.

Platforms such as LinkedIn can also be leveraged and Kwok envisages a future where information is disseminated among cohorts.

“Students, mentors, alumni, and recruiters can create a culture on LinkedIn, sending requests for information, giving advice for getting internships and jobs. Quickly they will make communities that work.”

The MBA career boost

The placement drive runs across all College programmes. As Kwok emphasises: “For MBA and other self-financing postgraduate programmes placement is crucial. It is the proof of the pudding, if you like. Why join us if there is no proven boost to your career?”

The MBA curriculum offers multiple avenues for students to leverage connections with industry: business mentoring, professional forums, industry onsite workshops, executive discovery as well as networking opportunities where students can meet leaders of industry and develop their connection with their fields of interest.

A dedicated career manager works with MBA students in planning and developing their career paths through self-assessment, workshops, one-to-one consultation.

Careers – Integral to education

The fact that the College and the University are together on the ascendancy is a strength. Being a world top 50 business school and a world top 100 university is central to the project.

“As we reach out to the top investment banks, brokerages, etc., it is much easier for, say, Goldman Sachs recruitment to justify coming

to CB if we are number two in Asia. In fact it is logical they would want to be here.”

A College of Business Job Fair is also part of the picture targeting sectors such as investment banks, financial technology, digital marketing, areas that do not overlap with the university career service areas.

“A career service does not exist in isolation. It is not an add-on.”

“It is central to the professional creative mission of our University. And as such it is something that will be incorporated into the College learning teaching culture of the near future.”

Historically the College has been very successful in achieving a high percentage of students employed. Under Ron Kwok's direction CB is raising the bar: to focus also on where our graduates are employed and how they get there. It promises to be an interesting journey.

BBA Global Business (JS1001)

Global Elites for Global Challenges

Globally-oriented curriculum

- Double Exchange
- Global Company Consultancy Project
- Executive Mentorship

Consultancy and Management Positions in

- Global Consulting Firms
- International Banking/Financial Institutions
- Multinational Companies

Are you ready to start a challenging journey with your global team?



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The University USP

An interview with Mr Andrew Fan Ka-fai

By Eric Collins

Mr Andrew Fan Ka-fai graduated from CityU's first cohort of the Bachelor of Arts in Business Studies programme in 1988. He is Regional President of Greater China for Nu Skin Enterprises Inc. and a member of the [Council of CityU](#). Here he talks about his early days at CityU, what it takes to build a university culture of innovation, and the university Unique Selling Point.



Genesis

You were part of CityU back at the beginning. What was the University like then?

I was in the first cohort at CityU. It was like a company, like a business. We were in Mong Kok, and in a commercial building. There were less than a thousand students. I remember the lift system. In my first year we were free to go to any floor. In the second year, odd or even floors. The third year one lift would go to just three floors. Then we had to use the back stairs to move up or down a floor or two. It was very congested. That's where we met people.

What was the educational atmosphere like?

I'm not sure how much most of the students knew about the university before they joined. After all this was a new institution at that time. However, I think freedom was what everybody was looking forward to. In the old days the secondary schools were quite disciplined. It was a bit like a boarding school atmosphere – except we went home at night. We had prefects who would check if our

hair went beyond the collar, or for the ladies how many inches the skirt was above the knee! In Hong Kong most schools were operated by the church. The Catholic stream was much tighter than the other Christian schools. Actually I started to grow longer hair when I got away from the Catholics. University was something different. The pun on the name for "University" in Cantonese is "任你玩四年" meaning "You can have fun of any sort for four years!" That sums it up.

Does it capture the spirit of this University?

We were the ones who shaped the spirit of this University, along with the faculty and management, and because of that we have real passion for this university.

How has the University changed?

Then it was like a small family and now it has become so big. The canteen could only take 40 or 50 people. Now it can take a thousand. The Students' Union was tiny. In the Student Affairs Office we knew everyone by name.

Leadership

You were Chairman of the Council of the Students' Union. Is it important to encourage leadership?

I didn't think of myself as a leader. I participated in these extra curricula activities to have fun. I am kind of an extrovert person, being expressive and proactively participating, and then I found that the more that you do, the more likely it was that you were going to become a leader. But I really didn't position myself as such. Things would just

naturally evolve. A leader is not a position like a manager. It is about whether you can become influential, how you can speak with and for people. It helped me live a more meaningful life. In the business sector by the way it is no good becoming a leader. You have no life. Everyone knows what you do! Sometimes you think it is a choice, but when things evolve you really don't have that much choice.

You work in multiple markets in the region.

Do you see significant differences?

Mainland China is like the European Union, it is so big. Some provinces are as big as a European country, they are all different in terms of the economy. Local cultures like the Shanghainese go by rule book, but people in Guangdong who have been closer to Hong Kong for years are more flexible. They will see what the rule doesn't cover. The mentality is different.

Innovation

How about innovation on the mainland compared to Hong Kong?

It's not a fair comparison because you are talking about 1.4 billion compared to 7 million; that makes a massive difference.

So is innovation happening in Hong Kong?

Have you heard about DJI, the Chinese company that produces the civilian drone? It was innovated by graduates from the Hong Kong University of Science and Technology. They tried to build a business in Hong Kong but no one would fund it. So they took the whole innovation to Shenzhen

Andrew Fan's book, Dare to Fail, published in 2014



along with a couple of professors, and now they are worth 50% of the global market.

But we have so many government initiatives funding innovation.

The government does not need to fund anything. The government just needs to produce policy to encourage, and to build the infrastructure to facilitate. How many incubator projects do we have at Hong Kong universities? In China they have tons. Actually I am trying to work out one for CityU. I am working with David Ai, who is Director of the Knowledge Transfer Office. We need to build an innovative culture here.

How do we do it?

Recognise achievement. Show success cases. And tell people success comes from failure.

That's a big one...

People need to know. You can get a lot of good returns after you are willing to take risks and take failure on board.

A lot of people still look to the United States for inspiration...

Sure, nobody is going to criticise you for dropping out of school there. But here people still need to graduate. They must all have these PhDs. Asia is a place of natural conformists. Even when you apply for government money, say for innovation funds, you still have to conform to their rules for getting the money. It all becomes another bureaucratic procedure.

So how do we encourage innovation for real in a university?

Recognising how people are moving to create something that is useful to life – and recognising progress other than the final product. Angel funds, capital investors are all looking for projects. Business opportunities and money will come in. But at the early stage it may just be a dream.

Incubator project

How did you get involved in the incubator project?

I am the Chairman of the CRC, the Community Relations Committee at the University Council. Part of the job is asking how we can build the brand of the University, and part of that is asking how we can identify technology coming out of this

University that can be transferred into commercial products useful to society. In that way we can make a name out there. And my thinking is that we have a lot of great scholars, with great ideas, but these great ideas are going begging. That is, they are not being commercialised.

People believe that innovation drives the economy...

Let's go back to what we mean by innovation. It's finding a different way of making better things.

You must be innovating in your own company?

Correct, innovation is very important. New products that people would like to have. And going back to leadership, you can think something different from the others. Or you can think of something earlier than the others. People talk about vision. What do we mean by that? It's not that you are thinking necessarily different to the others, you think about it earlier.

The University USP

Is there a way of shortening the "product development time", the time that it takes for new ideas to get into the curriculum?

To me it doesn't really matter what subject you teach at the university. What really matters is how the teacher gets the students to evolve a form of thinking. The subject is secondary. What counts is how you can condense the learning in your life into a model that is simple and has explanatory power, or that will inspire. The core of education is helping people come up with a way of thinking. That is the university's abiding USP. These days teaching means big classes – so you can serve the greatest number in the community. In the old days you would look for a mentor and you would follow him for life, like Confucius, he didn't really start a formalised institution.



The Multi-Media Conference Room was renamed the Connie Fan Multi-media Conference Room in honour of Andrew Fan's mother in 2011



Andrew Fan talking at the Student Awards Scheme gathering in 2014

Still you say university lags behind the cutting edge.

It's a bit more complex than that. Undergraduate education inevitably lags, but with postgraduate education you drill into your own interests. And that's where most innovation happens in the university. There is more of a chance that it is closer to cutting edge. And that is helped by professors who are part of the revolving door, practising in industry part time, or business people in education. For instance, I lecture part time at Nanjing University. So that helps transfer – there are more knowledge flows between the business sector and the university sector than ever before. I think the world is getting closer and closer. It's a global village. To stay competitive, you have to stay connected.

Are we doing enough to encourage our students to give to society?

People often talk about "giving back" to society. I would say it's more about simply giving. The question is can we inspire our students to give? We are not encouraging them to think about what they can get out of the situation. People give if they have the ability. Everyone may have a different measurement as to what "enough" means. Giving is never going to be enough, but the more we give spiritually, the closer we get to an enriched life. If I can die and see the smiling faces of the ones I have helped, I think I can pass away nicely.



The Fan Lee Foon Student Career Centre, named after Andrew Fan's late grandmother in 2010



TAX EVASION: WHO IS DOING IT?

Tax evasion is a widespread phenomenon across the globe and even an important factor in the recent European sovereign debt crisis. **Professor Yue Ma**, the Head of the Department of Economics and Finance, has co-authored a study on this subject of perennial interest. He shows that firms in countries with better credit information-sharing systems and higher banking branch penetration evade taxes to a lesser degree. The effect is stronger for smaller firms, firms in smaller cities and towns, firms in industries

relying more on external financing, and those in industries and countries with greater growth potential. The effect is robust to instrumental variable analysis, controlling for firm fixed effects in a smaller panel data set of countries, and many other robustness tests.

Read more:



Beck, Thorsten, Chen Lin, and Yue Ma. "Why Do Firms Evade Taxes? The Role of Information Sharing and Financial Sector Outreach." *The Journal of Finance* 69.2 (2014): 763-817. Print.

GOOD LEADERSHIP: THE BENEFITS

Leadership is a hot topic, particularly in the Chinese context. **Dr Jane Yang** and **Dr Ho-ying Fu**, both from the Department of Management, have produced a timely study on the beneficial effects of authentic leadership. Drawing on attribution processes of self-disclosure, they propose that authentic leaders engaging in self-disclosure practices build trust amongst those who work for them. They also look at how authentic leadership influences highly traditional Chinese employees, and suggest that these positive effects are strengthened, especially when leaders practice interactional justice. That in turn relates positively to employees' in-role performance, creativity, and organisational citizenship behaviour.

Read more:



Li, Fangjun, Kuo Frank Yu, Jixia Yang, Zhenjiang Qi, and Jeanne Ho-ying Fu. "Authentic Leadership, Traditionality, and Interactional Justice in the Chinese Context." *Management and Organization Review* 10.2 (2014): 249-273. Print.

OPAQUE SELLING CAN PAY

Probabilistic or opaque selling is a sales strategy where a seller hides the exact identity of a product until after the buyer makes a payment. Writing in *Marketing Science*, **Dr Yimin Yu** of the Department of Management Sciences and his co-author, ask why this strategy is attractive. The existing theory attributes it to price discrimination and demand-supply mismatch. Consumers typically do not know a firm's product offering strategy, or therefore the likelihood of a product being received. However "Decoder" websites do allow consumers to share experience through anecdotal reasoning. Dr Yu and his colleague build a model which advances the existing theory that opaque selling is not attractive. They find that opaque selling can indeed be optimal when consumers are boundedly rational, softening price competition, and increasing industry profits.

Read more:



Huang, Tingliang, and Yimin Yu. "Sell Probabilistic Goods? A Behavioral Explanation for Opaque Selling." *Marketing Science* 33.5 (2014): 743-759.



CityU, Tsinghua and UNECE establish PPP Centre

City University of Hong Kong, Tsinghua University of Beijing, and the United Nations Economic Commission for Europe (UNECE) signed an agreement in Geneva on 20th January 2016 to advance Public Private Partnerships (PPPs) within China's One Belt One Road initiative.

This initiative aims to improve connectivity between China and Europe through Central and Western Asia along both the land-based Silk Road Economic Belt and the ocean-based Maritime Silk Road, which requires massive investment in infrastructure, and it is expected that PPPs will play a key role in mobilising resources.

The agreement was signed by **Professor Horace Ip Ho-shing**, Vice-President (Student Affairs) of CityU, **Professor Bin Yang**, Vice President of Tsinghua University, and **Mr Christian Friis Bach**, Executive Secretary of UNECE.

"We have an exceptional pool of experts in capital financing in Hong Kong, a vibrant world city, and Public Private Partnerships have historically played an important role in developing Hong Kong's infrastructure," Professor Ip said.

"All this together with CityU's College of Business' expertise

across disciplines such as transport logistics, supply chain management, business, economics and finance, provides an excellent platform to support this partnership."

As part of the cooperation agreement with UNECE, CityU and Tsinghua are joining forces to establish an International PPP Specialist Centre of Excellence for Public Transport Logistics charged with developing the best international practices in public private partnerships in the field of transport logistics, and delivery of the PPP training especially in the Greater China region.

The Centre leverages the complementary strengths of the College of Business in business knowledge and transport logistics, and the School of Public Policy

and Management at Tsinghua University in public sector and infrastructure planning.

According to **Dean Houmin Yan**, the first action taken within the partnership would be an extensive training programme in Shenzhen, China, on UNECE's PPP best practices and standards. This programme will assist China's civil servants in preparing bankable projects and viable PPP project pipelines. The cooperation also includes a pilot PPP programme in Qingdao, China.

The College would also like to take this opportunity to thank Asian Capital Resources (Holdings) Limited for its generous donation in supporting this collaborative initiative and willingness to share its expertise in capital financing.



[Press release](#) by The State Council Information Office, PRC



[Press release](#) by the UNECE

Joint Bachelor's Degree Program with Columbia University

An international undergraduate educational experience spanning two continents

The College of Business Joint BBA Degree in Business Economics with Columbia University School of General Studies in New York City is up and running, and the mood is upbeat.

"It's a potentially life changing opportunity for our students," says Program Leader **Dr Kui-wai Li**.

"Graduating from a world premier school with such great exposure to multicultural experience is a massive benefit."

The first cohort from the College of Business began their studies at Columbia in September 2014. Students in the program are supported by both institutions

and faculty and staff from the two universities are in regular contact. In the latest series of visits, **Dean Houmin Yan** was part of a CityU delegation to New York in October 2015.

"I was delighted to visit Columbia and meet with our BBA students," says Professor Yan.

"It was heartening to hear how quickly our students are adapting, and how much they are benefiting from the Joint Bachelor's Degree Program, and we are actively working to expand our partnership with Columbia."

Later in the month, a Columbia delegation visited the College of

Business at the CityU campus. Dean Yan introduced the College to **Mr Curtis Rodgers**, Vice Dean of the School of General Studies, and **Ms Jessica Sarles-Dinsick**, Senior Assistant Dean of International Program, School of General Studies.

During the delegation's visit, CB discussed with Columbia the possibility of adding an additional major to the Joint Bachelor's Degree Program: The BSc in Computational Finance, which is aimed at attracting top undergraduates in Hong Kong and internationally.

"It is labour intensive work," continues Professor Yan, "but hugely worthwhile. At the end of the day we are offering our students an avenue to elite global education."

Pioneers

The Joint Bachelor's Degree Program between CityU and Columbia University now includes eight majors. Apart from Business Economics, students from the following majors are currently eligible to apply for the program: Applied Biology, Applied Physics, Applied Sociology, Environmental Science and Management, Computer Science, Computing Mathematics, and Psychology.

"The beauty of the Joint Bachelor's Degree Program is that it integrates CityU's emphasis on professional education with Columbia's tradition of liberal arts education," says

Dr David Cheng, Associate Vice President of the Global Service Office of CityU, "Nearly one hundred years ago, Columbia pioneered the concept of general education – and their core curriculum is renowned for its scope and rigour."

The Columbia Core Curriculum still maintains this tradition of communal learning, with all students encountering the same texts and

issues at the same time. As part of the Contemporary Civilization core, students encounter ancients such as Aristotle, and Plato, down to 20th century authors like Virginia Woolf.

"By reading these texts, students get a chance to look at the very roots of cultural philosophy. Students have to have broad horizons, and they have to be able to contribute; all these texts are discussed in small class environments. It remains relevant to the present, as they get exposure to wider social issues."

The emphasis on critical thinking complements CityU's own Discovery-enriched Curriculum. And the Joint Bachelor's Degree Program is proving to be a big draw. "So far we have had very positive feedback," says **Ms Zoe Mak**, External Liaison Officer at Global Services.

"Joint degree programmes are in high demand – even potential entrants from high school are asking about them. The number of applicants to the program is on the rise."

Sharing insights

One of CB's students in the 2015 Columbia cohort, **Eric Sun**, tells of his experience so far: "Studying at Columbia is very intense but enjoyable. Every week I have different problem sets or readings. The homework expands on what is taught in the lecture room, and requires me to think deeper to integrate different sets of knowledge."

"Another thing I am enjoying is discussion with my classmates. They share their insights in class freely. The diversity of opinions broadens the picture and has made me more open to new ideas."

And the standout benefit? "The Joint Bachelor's Degree Program is giving me the chance to develop as a globalized student – and I intend to use my ability to pursue greater goals."

The College of Business is intent on building on our overseas connections, and offering increasing numbers of our students the avenue to an unparalleled global education.



Dean Yan with CB students in front of the Library of Columbia University



Centre for Business Analytics launch

Big data underpins virtually all professional activity these days. And the College has been given a big boost to its analytical capacity with the establishment of a new computer laboratory facility powered by IBM software. The signing ceremony for the Centre for Business Analytics between CityU and IBM took place in December 2015. Featuring IBM's advanced big data and analytics software, the centre enhances CityU's R&D capabilities, supports the University's curriculum and talent development, and builds a healthy eco-system between the University and industry in big data and analytics.

"Data, converged with emerging

technologies such as mobile, social, Internet of Things, advanced analytics and cognitive computing, is transforming life, industries and professions. As part of IBM's commitment to helping Hong Kong embrace big data analytics to innovate and transform, we are delighted to partner with CityU to nurture a new generation of data-savvy business professionals who will contribute to Hong Kong's growth and development," said **Mr Tony Tai**, General Manager, IBM China/Hong Kong Limited at the signing ceremony.

"The Centre for Business Analytics – powered by IBM, is a testament



to CityU's vision combining complemented strengths to meet the needs for big data and analytics in Hong Kong," said **Professor Way Kuo**, President and University Distinguished Professor at CityU.

"It supports our strategic direction in the development of big data analytics and serves as a joint platform for education and Research & Development in this arena. It also serves as a bridge for collaboration with industry."

Exchanges fair

The CityU Exchanges Fair kicked off in October 2015 organised by the College of Business Internationalization team.

Dr Mary Pang, Associate Dean of the College of Business for Internationalization, opened the event saying:

"I am very impressed by your collective work. Just looking around these amazing booths, I can see your creativity, talent and passion."

Over 20 booths were set up by the inbound exchange students to display specialties from their home countries such as food, souvenirs,

and memorabilia. The students made a tremendous effort to decorate their booths, dressing up in traditional costumes and introducing their countries to visitors. The annual Best Booth Prize this year was awarded to the booths representing the United States and China.

Highlights of the event included student rap singer **Magnus Hodnekvam** from Norway, and a musical performance by local students. More than 500 guests and



students attended the event.

Through the [Student Exchange Programme](#), the College aims to create a multi-cultural and vibrant learning environment on campus.

The College annually sends about 500 BBA students overseas for a semester of study around the world. In turn, hundreds of international students are received every year into our College for study.

Careers Symposium & Exhibition

As part of a drive towards achieving excellent placement results, the College of Business and The Association of Hong Kong Accountants co-organised a Careers Symposium & Exhibition in September 2015. Opening the event, **Professor Houmin Yan**, Dean of the College, expressed gratitude to industry partners in supporting CB students in career searching and internship opportunities.

Symposium keynote speaker **Mr Wing-ching Shih**, founder of Centaline Property Agency Limited shared his work experience, and

gave advice to those intending to start their own business.

Several professional associations and institutes were present including the Association of Chartered Certified Accountants, Chartered Institute of Management Accountants, CPA Australia, Hong Kong Institute of Certified Public Accountants, Hong Kong Institute of Human Resource Management, the Institute of Chartered Accountants in England and Wales, Institute of Financial Accountants, and the Hong Kong Institute of Bankers.

The [Career Services Unit](#) of the



Mr Wing-ching Shih giving the keynote address

College is open to all students in the College of Business. The team assists students in exploring career path, job hunting, and work-related matters. It is also proactively partnering with employers to recruit talents via campus recruitment, career talks, and other activities.

CityU EMBA Association Charity Trust Inauguration

An inauguration ceremony for the "CityU EMBA Association Charity Trust" was held in December 2015, with the aim of strengthening the connectivity of CityU's [EMBA Programme](#).

"The foundation of the trust can better promote development of the EMBA Programme," said

Ms Alvine Suen, Chairlady of the [EMBA Association](#).

"Funds will be set up for scholarships or assisting deserving members of the association and students. We will also make donations and provide financial support to educational establishments approved by the trustees."

Through the charity functions organised by the association, the trust targets to raise HK\$1 million each year.

More than 400 guests, including management from CityU and the College of Business, key leaders from companies and associations in the business industry, current students and alumni from the MBA, EMBA and DBA programmes, and media attended the event. The ceremony was a resounding success providing networking opportunities and fostering discussions around issues in the business field.

After the ceremony **Dr Haywood Cheung**, Honorary Chairman of the Trust, gave a presentation on Free Trade Zone Opportunities – Foothold Qianhai, Exploit Worldwide in the CEO Forum.



Within hitting distance of the top

Tsz-fung Yip is a professional squash player who represents Hong Kong, and is also a fourth year BBA Management Sciences student at the College of Business. In April 2016 he reached a career-high world ranking of 50.

Fresh from a sequence of three victories in the qualification and main draw of the Cathay Pacific Sun Hung Kai Financial Hong Kong Open, Yip Tsz-fung is on a roll. And he is enjoying the experience:

"When a lot of people are cheering you on, you get extra power," he said. In the Hong Kong Open first round he beat the world number 23, Englishman Tom Richards, and said the victory was down to a mid-match change of tactics.

"I started conservative, but then I found he was outplaying me at that, so I had to make a change. Then I started to play more attacking." In squash that means controlling the match from the "T", the centre of the court, and taking the ball early.

"The English guys are very consistent and very good at the basics. They will pin you to the back court, and then wait for their chance. If you are being out-hit, you have to make a change." Yip successfully negotiated that first match, winning in five sets. His second round match was a different proposition, playing Tarek Momen, the world number 11.

"The Egyptian players bring something different to the game. They are usually more attacking, more aggressive, and more unpredictable." Yip managed to take the first set but then found he was tiring, dropped his pace, and the match had slipped away from him. Still he draws positives from the experience:

"Somehow it's fun to play against these different styles of player. You have to change your game plan, to adapt to the new circumstances." With a lifetime high world ranking of 50, Yip is now within hitting distance of the top players.

"I'm happy to have got to this position, but always looking to build on it. Back at the start of 2015, I was playing small tournaments. In November I went to the World Open in New York, and met a lot of new players. Now I have a good chance to play with the better players. This is the way that you improve."



Yip is grateful to Hong Kong Squash for providing the basis for his career. "In Hong Kong there is a lot of good support infrastructure and I am able to maintain a living. There is support for living, travel, accommodation and a monthly subsidy." Yip lives in a hostel in the Hong Kong Sports Institute, and follows a strict training regime – mornings are devoted to squash training, and then in the afternoons two weight training, and two running sessions per week. All in he plays squash about 20 hours per week.

What of the future? Like many other professional players on the circuit, Yip is also studying – he is in the fourth year in the Department of Management Sciences. "As a professional squash player, I can only take 9 credits per year because I am travelling so much." But he places great store on his parallel academic study. "You never know how long your career might last. So it makes sense to have the backup."

We wish Yip every success, on and off the court, in the years to come!



Lifetime achievement award for Professor Kwok-kee Wei

Professor Kwok-kee Wei, Chair Professor in the Department of Information Systems, and previously Dean of the College of Business, has been awarded the [LEO Award](#) for Lifetime Exceptional Achievement in Information Systems. The award, given under the auspices of the Association for Information Systems (AIS) and the International Conference on Information Systems (ICIS) Executive Committee, was presented at the ICIS Conference, 2015.

In their citation, AIS mentioned Professor Wei's success in his tenure as Dean of the College of

Business, 2008-13. In particular, the near doubling of the Hong Kong Government's research grant awards during this time, and the near 25% increase in SSCI/SCI publications. This helped the College move up almost 30 places in the UTD business school research rankings.

The purpose of the LEO Award for Lifetime Exceptional Achievement in Information Systems, named after one of the world's first commercial applications of computing (The Lyons Electronic Office), is to recognise truly outstanding individuals in the information systems community,

both academics and practitioners, who have made exceptional contributions to research in and/or the practice of information systems.

The LEO Award is a singular honour recognising seminal work by the award recipient.



CB forum on internet finance in China

The College of Business organised a forum on the China Economy in January 2016 to discuss the latest trends in internet finance and related economic policies in China.

Professor Paul Lam Kwan-sing, Chief-of-Staff of CityU, opened the event in Shenzhen emphasising that with the rapid growth and changes in China's financial market, the forum could serve as a good platform for exchanging ideas and knowledge among experts in the industry.

Professor Leon Zhao Jianliang, Chair Professor of Information

Systems, then discussed the use of big data and financial analysis, taking the success of Alibaba as an example to illustrate the advantages of P2P lending and crowdfunding in business.

The forum also invited **Professor Maoqing Zhou**, Vice-President of Research Department for the Financial Leasing Industry of the China Academy of Social Sciences, and **Mr Xiaowen Wu**, President of Peking.com, and **Mr Wenlong Zhou**, Former Vice President of the Index Research Institute at the China Financial Information Center, to share their views on topics such as the



development of the Renminbi as well as the One Belt One Road initiative in China. Over 200 participants attended the event.

Teaching Excellence Awards



Dean Yan with 2016 Teaching Excellence Award winners Dr Yanto Chandra and Mr David Yip

Dr Yanto Chandra, Assistant Professor of the Department of Management, and **Mr David Yip**, Senior Teaching Fellow of the Department of Accountancy, have received the prestigious 2016 [CityU Teaching Excellence Awards](#) as recognition of their innovative teaching practice.

The awards were presented at the opening ceremony of the Discovery Festival on 1st February 2016.

Professor Way Kuo, President of CityU, congratulated the awardees for their outstanding teaching contribution to the university over the past year.

Nurturing Discovery-based Learning for Social Impact

Dr Chandra inspires students to build an understanding of social problems, and to discover their own paths towards social innovation and entrepreneurship.

“Students should be well equipped with new skills in this fast-changing

global environment, particularly with the ability to innovate and discover new things,” Dr Chandra said. Dr Chandra’s students have developed a personal safety device for crime prevention which won an award at the 2016 CityU Discovery Festival.

“We talk about social problems all the time, but discussion is not enough. With inspiration, students can become change-makers,” he said.

Excellent Competence in Accounting, Dedicated Contribution to Society

Mr Yip runs a mentorship programme and year-round seminars delivered by accountancy practitioners, an initiative that dates back to 1999.

“The mentors provide guidance on how to develop as a well-rounded person. This gives our students a better chance of meeting the prospective high demands of

employers and successfully secure a good offer in the graduate recruitment process.”

“Being brilliant or not is one thing. But having the right attitude is the start point,” said Mr Yip, a point also echoed by employers.

Since pursuing master’s studies at the London School of Economics, Mr Yip has kept in close contact with practitioners and professional bodies to keep abreast of contemporary development in the business context. He sees academic achievement in its wider context.

“I adopt a flexible teaching approach starting with students’ individual learning needs, as well as paying attention to their all-round development, rather than just focusing on their academic performance.”

Our heartiest congratulations to Dr Chandra and Mr Yip!

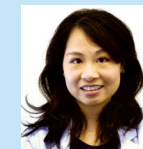
COMINGS

We welcome our new faculty who joined us between September 2015 and February 2016.



Dr Zhan Pang
Associate Professor
Department of Management Sciences

Dr Pang received his BSc and MSc degrees in Mathematics from Nanjing University and PhD in Operations Research from The Chinese University of Hong Kong. Before joining CityU, he served as Senior Lecturer of Management Science at Lancaster University Management School. His research interests include logistics and supply chain management, commodity risk management, pricing analytics and revenue management, and incentive design and performance management in health care systems. He also serves as an independent non-executive director for China Titans Energy Technology Group.



Dr Emily Liaw Chya-yi
Assistant Professor
Department of Management

Dr Liaw completed her PhD in International Business at Ivey Business School of the University of Western Ontario. Before her doctoral study, she obtained her BBA in International Trade from National Chengchi University in Taiwan, MS in Supply Chain Management from the National University of Singapore, and MS in Logistics from Georgia Institute of Technology. She also worked as a management specialist at United Parcel Service (UPS). Her main research interests focus on international hotel branding, service company internationalisation, and cross-border interorganisational cooperation.



Dr Rengong Zhang
Assistant Professor
Department of Accountancy

Dr Zhang graduated from the University of Alberta with a PhD in Accounting. His research interests include international accounting, interaction between product market and financial market, and contracting research in accounting.



Dr Zilong Zhang
Assistant Professor
Department of Accountancy

Dr Zhang received his PhD in Finance from Hong Kong University of Science and Technology. Before his doctoral study, he obtained his master’s degree in Economics from National University of Singapore and bachelor’s degree in Economics from Peking University. His main research interests include debt market, corporate governance, and mergers and acquisitions.

GOINGS

We extend all best wishes for future happiness, professional fulfilment and prosperity to faculty who left us during the same period.

Prof Andrew Lim Leong-chye
Professor
Department of Management Sciences

Dr Chuan-hoo Tan
Associate Professor
Department of Information Systems

Dr Stephen Leung Chi-hang
Associate Professor
Department of Management Sciences

Dr Kitty Wang Yu
Assistant Professor
Department of Marketing



Alumni Class Notes

Share your news with classmates and CB alumni! Tell us about the highlights of your year – family, career, accomplishments, and interests. We will publish your updates in the “[Class Notes](#)” section of City Business Magazine and on the CB Alumni website.

Simply submit your information (name, major, graduation year) and your news to us on:



Don't forget – you can attach photos with your write-up.



Daniel Ying Chi-lit, MBA'98, is the founder and Managing Director of Achievers International Limited. He is an expert in leading corporate change and transformation with more than 20 years' management experience with multinational companies in Canada, Mainland China and Hong Kong in setting business strategies and leadership with cross-cultural teams in diversified business. He is delighted to have launched his book *Company Doctor* (企業醫生) in 2015!

Nicole Yip Ming-kwan, BBA Marketing'05, is working as an Assistant Vice President (Sales and Marketing) in RHB Asset Management Limited. She is licensed under the Securities and Futures Commission and qualified as Chartered Wealth Manager. Nicole is the Honorary Chairlady of the Younger Managers' Club of the Hong Kong Management Association, and the Senior Member of the General Agents and Managers Association of Hong Kong. Nicole is committed to serving the community. She received the Hong Kong Outstanding Women Volunteers Award in 2008 and founded the Love Blue Lotus Fund in 2014.



Darren Yan, BBA Marketing'09, worked with a Hong Kong wine company to set up a sales programme for the F&B sector, and has since then initiated a number of startups. In 2014 he established the Hong Kong Dishware Solution.

Michelle Yi Yi, BBA Accountancy'09 and MSc Professional Accounting and Corporate Governance'11, started her accountancy career with Deloitte Touche Tohmatsu in Hong Kong in 2011, and was seconded to Deloitte's Shenzhen office in 2013. She came back to CityU to work as a Graduate Teaching Assistant in the Department of Accountancy in 2014, and was awarded BBA First Year Teaching Award (Tutorial) for the academic year of 2014/15. Michelle is happily married and gave birth to her first child recently.



Ruizhong Zhang, MSc Applied Economics'11, is studying for a PhD in Financial Accounting at the Freeman School of Business at Tulane University in the United States, and hopes to get a teaching position after graduating.



Walter Lau Chun-kwok, BBA Service Operations Management'12, is half way through his Cathay Pacific cadet pilot training in Adelaide. He is enjoying every minute of the flight training, and finds that it is laying down a good foundation that he hopes will hold him in good stead as a cadet.



Mengduo Wei, MSc Operations and Supply Chain Management'15, is currently working at Carrefour Global Sourcing Asia as an ERP Support Officer. Before joining CityU he was an international purchaser in the mechanical manufacturing industry for two years. He is currently a member of the 5th Committee of Management Sciences Alumni Association.



Suki Kwan Suet-ki, BBA China Business'15 works as a management trainee with the South China Group, who is providing her with the opportunity to take the professional examinations offered by the Chartered Institute of Management Accountants (CIMA). She thanks CB for the chance to explore the world by joining student exchange program in Germany and volunteering in South Africa.

Clarissa Lok Tsz-kwan, MSc Marketing'13 joined the French cosmetics and beauty company L'Oréal and found it life-changing. She found her abiding passion in the skincare industry and is now working for TALIKA as an Assistant Brand Manager (Hong Kong and Macau) for a luxury French Skincare product.



Stephen Leung King-cheong, BBA Information Management'15, finds that CityU equipped him not only with academic knowledge, but also social skills and professional business knowledge. These things he treasures in his current career with Amnet as a Junior Programmatic Trader!





City University of Hong Kong –
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