

## Hong Kong is Gateway

During his introduction of "The Pacific Rim" session yesterday morning, Thomas Chan made a gaffe and described the so-called Asian Dragons as "growing companies."

But that's not far from the truth, he added. Taiwan, Korea, Hong Kong and Singapore are managed and run like companies.

Hong Kong, he said, is the first star, a colony with "no resources yet able to succeed. It is the gateway to China; if you want to business in China, you almost have to do business there first."

Korea is the new star, the country that Japanese executives, when asked, named as its major competitor.

The long-term problem is the future of Hong Kong, said one panelist, where a gradual flattening off of the tremendous growth is predicted.

"Nobody says it's easy" to penetrate the Pacific Rim market, said Chan. "But if you're flexible and want to understand business practices there, there is no reason why you shouldn't succeed."

The panel was comprised of Peter Boot, Vice-President International of Ashton-Tate, and Dana Siebert, Director of International Sales at Symantec.

Boot said Ashton-Tate's international strategy has remained virtually unchanged since the beginning.

About 60 per cent of the company's sales revenues are from outside the United States, with two-thirds from Europe and the remainder from the rest of the world.

"We're the smallest," he said of the International, "but, by far, the most rapid growing.

"We translate extensively, localize extensively; we want to own our business wherever possible, wherever practical."

Ashton-Tate has achieved its objective, owning businesses in three of the four Pacific Rim countries. Korea has been a problem, he said, "we've had a lot of false starts."

Piracy is rampant in the area. Siebert, who has developed partners within the Asian Dragon, has copy protection across the board.

Boot does not. "It doesn't seem to stop what you're trying to stop, and it irritates everyone else."

But, by owning companies in the countries, Aston-Tate can better afford to drop copy protection and support those who buy programs on the grey market.

Copy protection is more integral in the games market, Chan added. He also said there is "some kind of anti-grey marketing law in Singapore, but I don't think they use it."

Singapore offers dramatic incentives for companies, such as zero taxation (Aston-Tate has that 10-year promise) and up to \$500,000 in start-up grants.

The catch is that companies which establish there must hire Singapore residents, but not necessarily natives of Singapore.

Developing two-byte systems necessary for localization of programs is necessary for companies going into the eastern market, as is gaining local contacts and, if necessary, partners.

There is a new tool for software manufacturers who want to penetrate the Pacific Rim, a software import center that makes Japanese versions and distributes the software.

Explanation meetings in Massachusetts and Virginia are being scheduled by Japan Personal Computer Software Laboratory Inc.