Strategic and Policy Issues in Southeast Asia

Team 1
Susan Adam
Carlos Andino
Uthai Chulapongwanich
Swaminathan Jayasankar
Carol Kvinge Radabaugh
Charles Mack
Leonard Olive
Lowell Rogers

1998-F-520-04-1

EMGT 520
Management of Engineering and Technology
November 30, 1998

Instructor
Dr. Dundar F Kocaoglu

STRATEGIC AND POLICY ISSUES IN SOUTHEAST ASIA

Introduction

Southeast Asian countries have experienced very fast economic growth in the last two decades. Much of this growth has been seen within the countries that make up the union known as Association of South East Asian Nations, ASEAN. In considering the Strategic and Policy Issues (S&PI) which affect Southeast Asia, this paper will focus on ASEAN countries. The research was conducted from the perspective of a high-tech U.S. company considering initial or expanded investments in Southeast Asia. The paper includes a brief history of ASEAN, it's role in the world economy, the current Asian Economic Crisis, as well as its social and political characteristics that make it an attractive investment destination for US companies.

Map of the ASEAN countries

A Brief History Of Association of South East Asian Nations

ASEAN was established on 8 August 1967 by five of the nine countries that belong to ASEAN today. The five countries, which signed the original Bangkok Declaration, are Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam in 8 1984, Vietnam became a member in 1995, Laos and Myanmar became members in 1997. Cambodia is the only country in Southeast Asia which is not a member of ASEAN. The ASEAN union was created with the goal of promoting the economic, social and cultural development of the region through cooperative programs and to safeguard the political, social and economic stability of the region. ASEAN also strives to resolve the differences inside the group and resists external intervention from other countries.

With the American war in Vietnam, many countries thought that this organization was not going to last long and few believed that it would be an influential regional group. Belying such expectations, ASEAN has become a significant collective actor in the East Asia's political economy. The Singapore Declaration of 1992 and the Framework Agreement on Enhancing ASEAN Economic Cooperation have marked the destiny of the organization in recent yea. These events led to the creation of the ASEAN Free Trade Area (AFTA) and the Agreement on the Common Effective Preferential Tariff (CEPT), which is expected to lower non-ASEAN member tariff to four percent by the year 2000. Also, to promote trade, ASEAN is working to harmonize tariff nomenclatures and standardize customs rules and procedures [2].

The agenda, once determined by the five original like-minded countries, now faces a fresh challenge of integrating the newer members while maintaining its progress. While ASEAN is using expansion to create a political identity more independent of major powers, this identity seems to be harder to reach because of the differences between the member countries' political interest, cultures, styles and ethnicity. The association has always been based on consensus decision making. With the increasing diversity of member countries, decision-making has necessarily become slower paced [9].

ASEAN countries differ markedly in their level of industrialization. While the founding members are highly industrialized, the others rely on their agricultural power. The growth markets for ASEAN are mainly high technology products. The economies of those countries that do not yet compete in the high technology markets will develop at a slower pace causing a disturbance in the growth of the group as a whole. Also a wide economic gap separates the original capitalist members from the newer communist ones, which obligates the different country leaders to make accommodations so that the newer members can successfully enter in to the AFTA. These situations make the future of the ASEAN organization uncertain.

ASEAN leaders have anticipated and considered many of the structural, economic, technical and procedural issues the expansion will bring. However, they could not have anticipated the depth and breadth of the financial crisis that it faces today. The political aspect is the one that undermines the cohesion of the group and challenges the ability of the Southeast Asian countries to endure the current economic crisis. It is difficult to say how much the current crisis may slow ASEAN's progress toward its long-term goals [8].

Southeast Asia's Role in International Markets

South East Asia has a combined population of 470 million people. This makes it one of the largest markets in the world, larger than the European union and the United States. A variety of international companies thus see this region as a very good place to establish operations. Among other reasons, the rich natural resources, skilled motivated work forces and strategic geographical situation provide an excellent link between the Pacific Ocean, Middle East, Africa and Europe, making this region a center of commerce for the different companies operating there.

Foreign companies started to invest in the region because they saw a great potential in the industrial development, friendly government policies and a cheaper work force. Foreign investment really kick started the industrial growth in the region. During the early Eighties, ASEAN industries targeted the automotive sector. Each member country became specialized in manufacturing different parts so that they did not interfere with each other; this shows how the ASEAN policy applies to industry. ASEAN’s total imports were US$ 373.5 billion in 1997 and the total exports were US$ 351.6 billion in the same year [2].

By 1996 ASEAN was the United States' Fourth largest trading partner, two-way trade reached $110 billion that year. ASEAN is also the fastest growing market for the U.S. Millions of Americans have investments in ASEAN countries, owing to the rapid growth the region has experienced in the last two decades [10]. In October of 1995, ASEAN members adopted the ASEAN Framework Agreement on Intellectual Property Cooperation. In effect, this agreement begins to strengthen intellectual property rights' standards and practices of member countries, making them more consistent with international standards [2].

ASEAN business leaders have to adapt to the pressures and benefits associated with foreign investors and international trade. They have to give particular consideration to labor standards, multilateral Investment Agreement, environment protection, intellectual Property rights, competition policy and transparency of regulations and procedures in government dealings.

With the new era of participation in world markets, high technology industries are the main industrial force of South East Asian countries. Many multinational high-tech companies have invested in ASEAN countries. Education and social infrastructure have improved and research and development projects have started in ASEAN. Southeast Asia is gradually becoming a technology development center rather than just the recipient of foreign technologies for manufacturing purposes.

Investment has grown exponentially from $27 billion in1990 to $70 billion in 1996. The prosperous economy of ASEAN countries allows them to trade with other major groups such as the European Union and Japan, and this has limited their preferential access to the U.S. market. Table 1 shows the details of ASEAN trade for 1996 and 1997.

Positive aspects of ASEAN countries for investment

Rich with natural resources, a market potential for value added goods and services, low labor costs and one of the highest per capita incomes in the third world region make SE Asian countries an attractive investment destination. Furthermore, the governments of SE Asia have also been actively involved in encouraging investments. The governments, over the past 20 years or so have embarked upon a multi pronged strategy to attract and retain foreign investments. Some aspects that would be of interest to a high tech company investing in SE Asia are given below.

Table 1. ASEAN EXPORTS [2]
(in billion US$)

Country	1996	1997	% change
United States	59.5	70.0	17.7
China	18.0	29.2	62.0
Korea	9.4	10.7	12.9
Japan	43.2	42.0	(2.6)

Strong government support

All the SE Asian governments, having realized the importance of high technology as a vehicle of economic growth, have established many programs to promote it. One such instance is the governments setting up technology parks. Usually these parks have a focus theme such as multimedia or semiconductors and encourage multinationals in similar business to participate in these parks.

Labor and training

Availability of skilled labor proficient in technology: The governments in SE Asia have invested in setting up technical training schools and institutions to train its workers in the latest technology. The Malaysian government, for instance, has set up the Multimedia Super Corridor (MSC), which hosts the world's biggest computer companies [11]. Encompassing a 15 by 40 kilometer area, the MSC will be a multimedia research and manufacturing zone and will eventually include high tech suburbs, technology parks, and a multimedia university. It will be the future home of *Putrajaya,* the paperless Malaysian federal government, and *Cyberjaya,* a new information-age industrial and residential city.

Strong infrastructure

Development of high-technology sectors is a key element of SE Asia’s economic development strategy. Three countries in which high-technology development is particularly visible are Singapore, Malaysia, and Indonesia. With its advanced infrastructure, Singapore has been a leader in developing various high-tech sectors. Specifically, the Singapore government is engaged in an effort to make Singapore an "intelligent island." In this endeavor, there is emphasis on developing Singapore's information technology, as enunciated by the government's "IT 2000" plan [4]. Already a center for information hardware--especially computer equipment--Singapore is seeking to develop more software and advanced audiovisual products. In Malaysia, technology development is being implemented primarily in line with development of the country's infrastructure. For example, in order to improve Malaysia's telecommunications system, a government-linked company is about to launch Malaysia's first telecommunications satellite. In addition, in constructing Kuala Lumpur's new international airport (at Sepang), the Malaysian government and private sector intend to install the latest technology in air traffic control, baggage handling, and other equipment. High technology is also being handled as a longer-term policy issue. In Indonesia, infrastructure development has necessitated a tremendous infusion of technology. For example, the inauguration of the multifunction earth station in South Sulawesi in September 1993 opened a new era in the operations of Indonesian remote sensing [12].

Incentives for investments

The SE Asian nations offer many incentives designed to increase foreign investment in the country. These include tax concessions and holidays, research and development incentives, export incentives, and loan/grant programs. Industry incentive programs are administered by the trade development organizations of the respective governments [17]. These are institutions such as the Trade Development Board, Economic Development Board which have played a very key role in promoting and channeling investment into the country.

Negative aspects of ASEAN countries for investment

Political risk

The political system in each of the SE Asian countries is different and varies from dictatorship (Vietnam) to a largely functional democracy (Thailand) with all other countries lying somewhere in this spectrum; however, the liberal democracy on the western model is not a characteristic of a SE Asian society [3]. Though their formal institutions of government resemble western structures it is largely because they were inherited colonial legacies. The actual style of government, reflecting deeper social traditions, is authoritarian ranging from paternalism to outright military rule. In most countries (Indonesia, Thailand and Philippines) the military has a powerful influence in running the government. How does this impact a US company doing business in SE Asia? Even though most political changes in SE Asia have had minimal impact on the business climate, the company should be aware that its fortunes could change if there is a change in the direction of the political wind in the country. A US company should be on the lookout for possible changes in the political climate of a country and determine how the change affects it. It should seek the services of people who can guide the company during such changes. This has to be considered as a cost of doing business in the specific SE Asian country.

Exchange rate fluctuations

The issue of exchange rate fluctuation and its impact on a US parent company is a very complex one. The US company could be affected by exchange rate fluctuations in many ways. The dollar values of cost of production, revenue from sales and other operating expenses could fluctuate when the exchange rate varies. The exchange rate fluctuation could also reduce the purchasing power of the economies in SE Asia and thus reduce the demand for US products. As it was seen during the recent SE Asian crisis, many US companies reported reduced sales in SE Asia due to the host country's currency getting weaker and less people being able to afford the product. The US company is well advised to spend effort and money to investigate the full effect of the exchange rate fluctuation on its operations.

Software piracy and intellectual property rights

This is a critical issue which many US companies are facing while doing business in SE Asia. There is no clear definition of what constitutes the intellectual property rights among SE Asian nations. Thus the intellectual property rights available to a US company varies from country to country. Singapore for instance, recognizes and implements strict laws relating to piracy in video, audio and software industry. Malaysia, however, has a very weak protection for video, audio and software products. Since the law enforcement in intellectual property issues is quite weak in many SE Asian countries, companies such as Microsoft have established their own network of informers to keep track of pirating in their products. After identifying the suspects, they seek the help of state authorities to stop the theft. The US company doing business in SE Asia should be aware of the fact that it may not get much state protection in safeguarding its products and hence must take some steps of its own to protect its commercial interests.

Human resources factor

High technology companies wishing to invest or expand into SE Asia will have problems finding competent managers to run their businesses. These companies are experiencing a shortage of competent, motivated and reliable managers at every level. Both local and foreign firms are feeling the pressure of building their management ranks to enhance their international competitiveness. The lack of managers can be attributed to the region's rapid economic growth coupled with financial crisis. The challenge for companies is to find international managers who understand their markets in terms of products and geography.

Many companies are resorting to poaching managers from their competitors to fill their managerial requirements [13]. In addition to luring managers from other businesses, companies in Southeast Asia are exploring longer-term solutions to the dearth of management talent. Some Southeast Asian countries also are building their ranks of qualified managers by bringing back expatriates.

Hiring non-managerial technical workers is also posing to be a problem. While the local universities and institutions have supplied entry level professionals, companies are hard pressed to find seasoned and experienced technology experts and specialists. Many companies relocate technical specialists from their operations elsewhere in the world and task them with developing local technical talent**.** In short, companies planning to do business in SE Asia are well advised to make alternate arrangements for human capital if they cannot find them locally.

The Asian Financial Crisis

It is essential to understand the Asian financial crisis while discussing the strategy and policy initiatives. The current Asian Financial Crisis began in July, 1997, with the currency crisis in Thailand and the financial contagion surged through Asia causing the collapse of many currencies. The instability of these currencies caused investors to lose confidence and to draw their money out of Southeast Asia, further exacerbating the crisis.

Three situations that contributed to the crisis

Three common situations across Southeast Asia can be seen to have contributed to the instability of these financial markets.

Overextended banking systems

Many of the banking systems were overextended. Interest rates had been elevated to attract foreign investors and many Asian countries were competing against one another to attract the available foreign investment dollars. However, in order to pay these interest rates, banks require interest income from performing loans. The banks overextended themselves by lending far more money than their equity was worth. For example "The debt-to-equity ratios for the top 30 Korean conglomerates averages about 400 percent, more than three times the average of large American companies." [19]. A prevalence of corruption and unwise business investments contributed to poor lending decisions and a large proportion of loan defaults.

Excessive leveraging (debt financing)

Rapidly emerging new business ventures were disproportionately dependent on debt rather than equity financing. When the crisis affected the profits for Southeast Asian businesses, they could not pay back their bank loans. In turn, the banks could not pay their debts to investors.

Volatile real estate markets

The volatile real estate also contributed to the crisis. Real estate values had been growing rapidly, making it a good investment choice. Many foreign investors took out loans with banks to purchase real estate at elevated prices, believing its value would continue to rise. The demand for real estate finally caught up with the price; the market became saturated. Real estate prices not only leveled out but also began to fall and hence banking system suffered from defaults on real estate loans.

Aftermath of the Asian crisis

The currency crises and banking system failures caused foreign investors to pull money out of Southeast Asia. These countries' exports have become worth less and less due to falling exchange rates. They are less able to afford imports which has caused the U.S, and other countries with significant Southeast Asian export markets, to suffer.

The countries that fared worst in the crisis were those which had poorly regulated banking systems, elevated interest rates, large proportions of foreign investment, and unstable currencies. Looking at the Gross Domestic Product (GDP) growth rate trends across Southeast Asian countries, it can be seen that Singapore and Vietnam have seen less problems than have Indonesia and Thailand. Most Southeast Asian countries had seen growth rates of five to nine percent of GDP through the decade of the 1990's. The stronger countries are now only expected to realize three to seven percent growth in 1998 and 1999. The weaker countries will see contractions in their economies in 1998. Indonesia is expected to face negative growth of 6.3 percent, Thailand negative growth of 4.1 percent. (Table 2).

Table 2. [18]

ASEAN GDP Growth Rates (%), 1992 - 1999								
	1992	1993	1994	1995	1996	1997	1998 Forecast	1999 Forecast
Brunei	-1.1	0.5	1.8	2.0	n.a.	n.a.	n.a.	n.a.
Indonesia	6.5	6.5	7.4	7.3	7.8	4.6	-6.3	0.5
Laos	7.1	5.2	8.0	6.7	6.9	7.2	n.a.	n.a.
Malaysia	7.8	8.3	8.5	9.6	8.2	7.5	1.1	2.3
Myanmar	9.7	5.9	6.8	7.7	6.0	5.0	n.a.	n.a.
Philippines	0.3	2.1	4.3	4.8	5.5	5.1	2.2	3.9
Singapore	6.0	10.1	10.1	8.9	7.0	7.8	2.7	4.0
Thailand	7.9	8.2	8.5	8.5	6.7	-0.4	-4.1	1.7
Vietnam	8.6	8.1	8.8	9.5	9.3	9.2	6.9	7.2

Primary Sources for 1992-97:

Asian Development Bank, *Asian Development Outlook*, 1998;

US-ASEAN Business Council & World Markets Research Center, *ASEAN at 30*, October, 1997

Primary Source for 1998-99: *Consensus Economics*, April 14, 1998

Impact of the crisis on Thailand

In 1996, Thailand saw foreign investment levels equivalent to almost 10% of their GDP. Now, they have nearly exhausted their national financial reserves in an effort to support their currency; that is, buying back their currency from foreign countries in an effort to increase demand and slow its devaluation. The Thai government predicts that up to two million (out of their 61.4 million population) will lose their jobs this year and the Thai's are expected to see a 30% drop in the real value of household income. The economy is at a standstill due to failures in the banking system. The government is amending bankruptcy and foreclosure rules to allow quicker collection of debts [16]. Thailand needs to re-establish commercial credit sources so that viable businesses can be expanded or new ventures can be started to replace failed ones. In this context, the opposition party is questioning the Thai government's competency to micro-manage the economy.

Impact of the crisis on Indonesia

The failure of the Indonesian financial system has caused distress in retail and consumer markets. Deep distrust of the government has caused riots in Indonesia and ousted its president and cultural figurehead. The government has been forced to increase its subsidy of food prices, to try to keep people from rioting where more and more Indonesians are facing poverty. A shrinking GDP (estimated from 6% to 20%) and a growing population is increasing the disparities between the incomes of the richest and poorest. Indonesia's corrupt governmental agencies nurture poorly managed state-run industries where private industries would be more effective. As a result, non-performing loans now make up to 60% of the total loans resulting in very high interest rates (Table 3). Indonesia has $80B in private corporate debt which is 45% of their GDP. The value of Indonesian currency, the *rupiah*, is down 80% against the U.S. dollar from where it was in the middle of 1997 [14]. Indonesian companies just don't have the money to pay their debts, especially those to foreign institutions. The prescription for recovery in Indonesia is similar to that for Thailand. The new government has tasked the Indonesian Bank Restructuring Agency (IBRA) with closing failing banks, recouping collateral for bad loans, and selling off healthy assets. Again, the key to recovery is to re-establish the credibility of the banking system and get the country back to a productive state so that they can begin to deal with their debts. Indonesia will also have to go further to deal with its political instability that has contributed to the spiraling effects of the financial crisis.

Table 3. [1]

REGIONAL PERFORMANCE FIGURES for 1994

	Indonesia	Laos	Malaysia	Philippines	Singapore	Thailand	Vietnam
Production							
Per capita GNP	880	320	3,480	950	22,500	2,410	200
Average growth 1985-94(%)	6.0	n.a.	5.6	1.7	6.1	8.6	n.a.
Total GDP (US$m)	174,640	1,534	70,626	64,162	68,949	143,209	15,570
Agriculture (%GDP)	17	51	14	22	0	10	28
Industry (%GDP)	41	18	43	33	36	39	30
Services (% GDP)	42	31	42	45	64	50	43
Nominal Interest Rate	20.2	24.0	7.6	15.1	5.9	14.4	n.a
Foreign Trade							
Total exports (US$m)	40,054	300	58,756	13,304	96,800	45,262	3,770
Total imports (US$m)	31,985	564	59,581	22,546	103,000	54,459	4,440
Exports (% of GDP)	25	n.a.	90	34	177	39	23

Impact of the crisis on Vietnam

Vietnam is a communist country. Its economy has been largely protected from the Asian crisis because it maintains protective trade policies and minimizes its international endeavors. The Vietnamese currency, the *dong*, is highly controlled by the government and has not devalued with the rest of the Asian currencies. The *dong* was only devalued 16% this year. However, this stability has hurt Vietnam in that its key resources, inexpensive labor and exports, are not as price competitive against their Asian neighbors as they used to be. Some 60% of Vietnam's export market is with Asia; they have seen a decrease in the rate of export growth from 25% this time last year to only 4.5% [6]. Vietnam is also suffering from a decrease in new foreign investment of approximately 20%. In 1997, Vietnam was leading Southeast Asia with a GDP growth of 9.2%. They are still leading the pack and are expected to see 6.9% growth in 1998, second only to Singapore (Table 3). While Vietnam has weathered the initial shock of the financial crisis quite well, things are expected to get worse before they get better. Vietnam has a lower per capita income than its neighbors. GDP per capita for Vietnam is ten times less than that of Thailand, and 100 times less than that of Singapore. The country is currently running a current account deficit of 5% of GDP. With a productivity growth rate of 2.7% and a population growth rate of 2.2% there isn't much room for comfort. In order to win back foreign investment, Vietnam will have to join its neighbors in strengthening its banking system and increasing the transparency of its operations to earn the confidence of investors. Vietnam also needs to import cost effective basic food stuffs and production materials that would allow it to focus its productive capacity on profitable export goods.

Impact of the crisis on Singapore

"Singapore has attracted more foreign direct investment per capita than any other major Asian country---by a mile."[5]. However, this high foreign investment especially by multinational electronics firms positioned Singapore precariously for the Asian economic crisis. Once Asian currencies became unstable, international investors pulled much of their investments out of Singapore. Singapore has felt this sting through slowing growth in 1997 and 1998. However, the country's economy has demonstrated itself to be among the strongest in Southeast Asia due to a high level of government control and regulation. The Singapore economy is based on strong fundamentals. Singapore encourages a high savings rate, it maintains large fiscal and external current account surpluses, and tightly regulates its domestic financial institutions. It has also maintained relatively low interest rates as compared to its neighbors, Malaysia and Thailand. Each of these factors lend stability to its financial institutions and economic health. However, the International Monetary Fund (IMF) is encouraging Singapore to improve its financial disclosure norms regarding non-performing loans and hidden reserve levels so that the perceived risk to the international investors is decreased.

Asian crisis- the way ahead

The economic crisis in Southeast Asia has impacted the balance of the global economy. The solution to the crisis will require a global response. Experts can not predict when and how the crisis will end but the situation may get worse before it gets better because of the growing social and political unrest due to the difficult times. The members of ASEAN must implement regional measures toward stabilizing currencies and financial systems. The rest of the world, including the

IMF, need to reconsider lending and investment practices that contributed to ASEAN's overextended economic position prior to the crisis. Increased transparency of banking regulations and procedures are called for throughout ASEAN. Assets from failed businesses need to be liquidated and currencies freed-up so that the economies can function better and regain health.

Future Prospects for ASEAN in the High Tech Sector

It is very hard to predict which direction SE Asia will go in the near future. However, we shall venture a few informed guesses about the prospects for high technology in SE Asia.

The quest for high technology and high technology based products will continue to grow. Malaysia, Indonesia, Philippines and Thailand have modest growth in per capita income and would spend towards high technology products and services. Singapore is already moving towards being an "intelligent island" where a majority of its population would be connected to internet and cell phones. Also, the population growth will increase the number of computer savvy young generation in SE Asia. This generation has already shown its interest pagers, PC's, games and other high tech products. Thus high technology companies can be assured of growth as long as SE Asian economies continue to grow.

References

[1] "Asia 1997 Yearbook: A Review of the Events of 1996", *Far Eastern Economic Review*, 1997.

[2] ASEAN Secretariat, http://www.asean.or.id, November 18, 1998

[3] A. Broinowski(*Editor)*, "Understanding ASEAN", Macmillan Press, Hongkong 1982

[4] C. Dixon "South East Asia in the world economy ", Cambridge University Press

[5] B. Dolven, "Taiwan's Trump," *Far Eastern Economic Review Interactive edition*, http://www.feer.com, August 6, 1998.

[6] S. Marshall, "Vietnam: Workers Grapple with Uncertainty as Asia's Regional Crisis Seeps into the Cracks of This Nation's Cloistered Economy. Without Further Reforms, Things May Get Much Worse," *Wall Street Journal Interactive*, http://interactive.wsj.com/public/current/articles SB909175351569961500.htm, Oct. 26, 1998.

[7] M F. Montes, "ASEAN's and the political Challenges of Expansion," *ASEAN Secretariat*, December, 1997.

[8] M F. Montes, "ASEAN's The Economic Miracle in a Haze, Manuel F. Montes," *ASEAN Secretaria*t, December 1997

[9] M F. Montes, "ASEAN's How it works and Why it matters, Manuel F. Montes," *ASEAN Secretariat*, December 1997.

[10] R Myers, "Stock Market Pauses; Investors Wary of Asia", *Nation's Business*, August 1998.

[11] G Paine, R Chung, "ASEAN nations look to trade and technology to maintain high growth," *Business America*, Nov 1994 v115 n11 p14(4)

[12] T T Phan, "U.S. information technology firms have excellent position for successful ventures," *Business America*, July 1998 v119 n7 p28(2)

[13] J Smith, "Southeast Asia's search for managers," *Management Review*, June 1998 v87 n6 p9(1)

[14e]J. Solomon, "Indonesia: The Past Year Has Been Filled With Political Upheaval, Rioting and Economic Turmoil. Will the Near Future Make Those 12 Months Seem Like the Good Old Days?", *Wall Street Journal Interactive*, http://interactive.wsj.com/public/current/articles SB909170285699229000.htm, Oct. 26, 1998.

[15]A Tanzer, "Batten the Hatches: The deflationary hurricane in Asia is heading this way," *Forbes*, October 1998.

[16]P. Utumporn, "Thailand: The Government Has Taken Steps to spur the Slowing Economy, but Improvement Seems a Distant Goal," *Wall Street Journal Interactive*, http://interactive.wsj.com/public/current/articles SB909175042401186500.htm, Oct. 26, 1998.

[17]International Business Practices In Singapore Courtesy of the University of Missouri at St. Louis

[18]U.S.-ASEAN Business Council, http://www.us-asean.org, Nov. 6 1998.

[19]U.S. Department of Commerce, "The Asian Financial Crisis: How Did it Happen?", *Business America*, July 1998, pp.30-32.