



HARVARD

BUSINESS SCHOOL ALUMNI CLUB OF MALAYSIA

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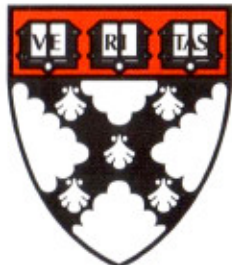
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Circulated to members only

Nov 1999



A dance and song performed by the Cape Malays
Cape Town, South Africa



Patron

YAB Dato' Seri Dr. Mahathir bin Mohamad

D.K. (Johor), D.U.K., S.S.D.K., S.S.A.P., S.P.M.S., S.P.M.J., D.P. (Sarawak),
D.U.P.M., S.P.N.S., S.P.D.K., S.P.C.M., S.S.M.T., D.U.N.M., P.I.S.

Executive Committee

1998/1999

President

Haji Mohamad Yusof Talif

Vice President

Mohd Nizar Idris

Raja Sharifuddin Abidin

Hon. Secretary

Mohd Ghazali Kamal Baharein

Hon. Asst. Secretary

Wong Heng Wool

Hon. Treasurer

Datuk G. Gnanalingam

Director of Activities

Ahmad Rosdi Mohd Razali

Committee Members

Dato' Abdullah Mat Zaid

Datuk Tay Ah Lek

Prof. Dr. Syed Abdullah Almohdzar

Dr. Lee Chee Kuon

Ex-Officio/Past President

Datuk Haji Othman Yusoff

Representatives of Associate Members

Datuk Haji Muhamad Hj Hasan

Christopher Shun Kong Leng

**HBS ALUMNI CLUB OFFICER'S
ROUND TABLE MEETING, 1999**



FROM THE PRESIDENT'S DESK

The Annual HBS Alumni Club Officer's Round Table meeting for the past years have been represented by Members of our Executive Committee.

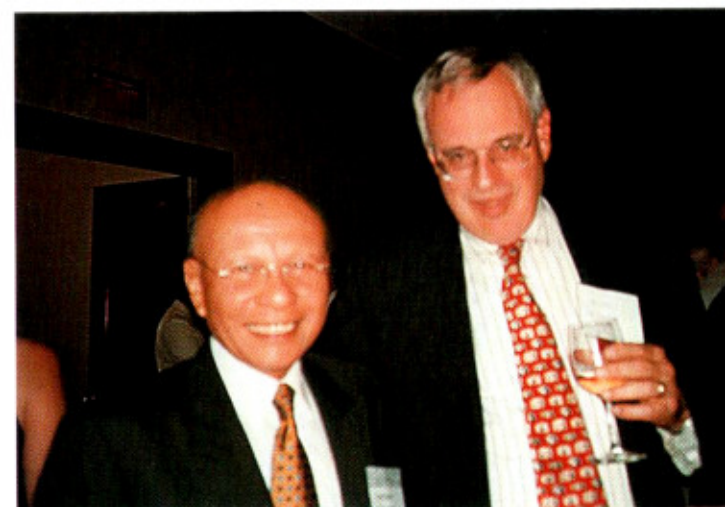
This year, I decided to attend the meeting held in HBS from 2nd to 3rd June, having learnt that none from the Exco could make it due to their prior commitments.

As a representative from the Club attending this meeting, it is even all the more important for us as we are also one of the participating Clubs bidding for the Global Conference in the year 2003 - hence an opportunity to network with several members of the Alumni Board.

There are of course other no less important reasons for attending;

- Expose to the latest development in the campus.
- Learning best practices for Club's Administration.
- Idea exchange with Club Officers.
- Updates on new and continuing initiative at HBS.

Alumni members were grappling with questions about maintaining and boosting memberships and how HBS could better support Club operations develop tools for its use.





HBS ALUMNI CLUB OFFICER'S ROUND TABLE MEETING, 1999

The highlight of the meeting were:

- **Address by Dean Kim B. Clark on initiatives being undertaken by HBS**
The Hong Kong - based HBS Asia - Pacific Research office officially opened last October, is part of HBS Global initiative spearheaded by the Dean to ensure that the school fosters a global culture in its curriculum and programme and instill an intellectual outlook among its students.
- **Career Services and MBA Admission**
Several Alumni Clubs especially in the US are rendering assistance to HBS in its search for MBA materials and also providing career services. This is apparently a much appreciated activity by the HBS.
- **Berlin - Global Alumni Conference**
We were given the preview of the Berlin Conference and update on HBS Global initiative.

As we all know that the 2000 Global Alumni Conference will be held in Berlin, Germany from June 13th to 16th.

A video presentation was made by the Co-Chairman which I thought was rather impressive - giving strong impression about the reunification of Germany 1990 as the key elements of the transformation to free market systems and open financial market thus creating very positive impact to Alumni members.

The two days meeting represented by about 50 Alumni Clubs worldwide hosted by the HBS have certainly been informative, insightful and valuable to all of us.



*President Yusof Talif
and Charles F. Milnsr
Jr. President and
Board member HBS
alumni Association at
HBS Campus Boston.*

HON SECRETARY'S REPORT 1st Half 1999



AGM

The club had its AGM in December 1998 and Tuan Hj. Mohd Yusof Talif was elected as President for 1999. Tuan Hj. Yusof has been an active member of the club ever since its inception 22 years ago and has held office of Committee member, Director of Activities, Vice President and now President.

As usual the turnout at the AGM was not too encouraging and barely made a quorum of 22 members. The club hopes that more members will attend this year's AGM, also scheduled in December 1999, to provide views and elect the new Exco for the next millennium.

Activities

The club held its usual activities during the first half of the year, with its fair share of golf, dinners and luncheon talks, as well as the scholarship and gold medal awards. This year the scholarship award was held in University Utara Malaysia at Bukit Kayu Hitam and was honoured by the presence of the Menteri Besar, YAB Dato' Sanusi Junid. The luncheon talk at MIMOS was most illuminating and members who attended had a good idea of ICT and Governance.

Global Forum

The annual HBS Alumni Global Conference at Cape Town, South Africa was attended by 15 members and at this forum the exco pursued for the Global Conference to be held in Malaysia in the year 2002/2003.

Meeting with Past Presidents

The exco held a meeting/discussion with Past Presidents over lunch and golf in June 1999. This meeting was intended to discuss the club's activities and its future role. A few good ideas were exchanged and it is hoped that some of the ideas discussed would be implemented by the Exco.



HON SECRETARY'S REPORT

1st Half 1999

Membership

The club still have 153 ordinary members and 522 associate members. The exco plans to add more members who have since been eligible to join the club.

Future Plans

The exco is currently planning to Lobby for the Global Conference to be held in Kuala Lumpur in 2003 and to perhaps have another International Conference prior to the Global Conference in 2000 or 2001.

The SMDP will be held around August 2000 and any enquiries or advance bookings are welcomed.

General

The exco has tried its best to provide members with various activities as a focal point of social and business networking interaction. It is up to members to make use of the club as this focal point. The exco welcomes any suggestions or ideas that could be used to enhance its activities or improve the Networking infrastructure of the club. Please therefore write or e-mail any suggestions for the Hon. Secretary's attention.

CLUB NEWS

AWARDS



The following members have been awarded Tan Sri and Datukship and our Congratulations to them:

Tan Sri Datuk Dr. Ahmad Tajuddin Ali
Datuk Tay Ah Lek

Datuk Mohamad Hj Hasan (also received Dato' ship from Selangor)

The year 2000 HBS Global Alumni Conference will be held in Berlin, Germany from June 13th to 16th, 2000. It will be held at the Estrel Residence & Congress Hotel, Berlin. Those interested can contact the Conference Secretariat directly vide e-mail: info@hbsberlin.com, or their website at www.hbsberlin.com.

Coming Events 1999

October - Members Luncheon

November - Gold Medal/Scholarship Award

December - AGM

New Address Secretariat

Harvard Business School Alumni Club of Malaysia
Lot 11.01-11.04, Level 11, Wisma E&C
2 Lorong Dungun Kiri, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 603-2550899
Fax: 603-2562327



THE AGM

The AGM held in December 1998 was held at the GTeam Consultants office in Damansara Heights. Food were plentiful and about 25 members attended.

The next AGM will be held in December 1999. Date to be announced.



Members at the AGM.



The new exco line up.

GOLD MEDAL AWARD March 1999



The recipient of the Gold Medal Award is Celena Yew Wai Kuan of University Utara Malaysia. The award presentation ceremony was held at the University and presentation was made by Menteri Besar Kedah, YAB Dato' Seri Sanusi Junid.



The presentation of the Gold Medal Award by YAB Dato' Seri Sanusi Junid.



Arrival of YAB Dato' Seri Sanusi Junid, Menteri Besar Kedah.



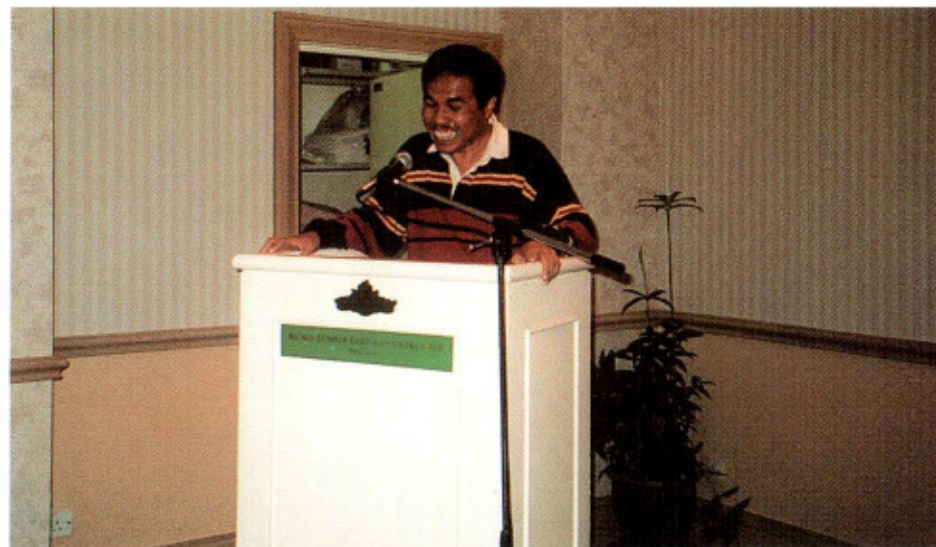
Only 40 members played in the Friendship Golf held at Kuala Lumpur Golf & Country Club. Has golf too lost its glamour?



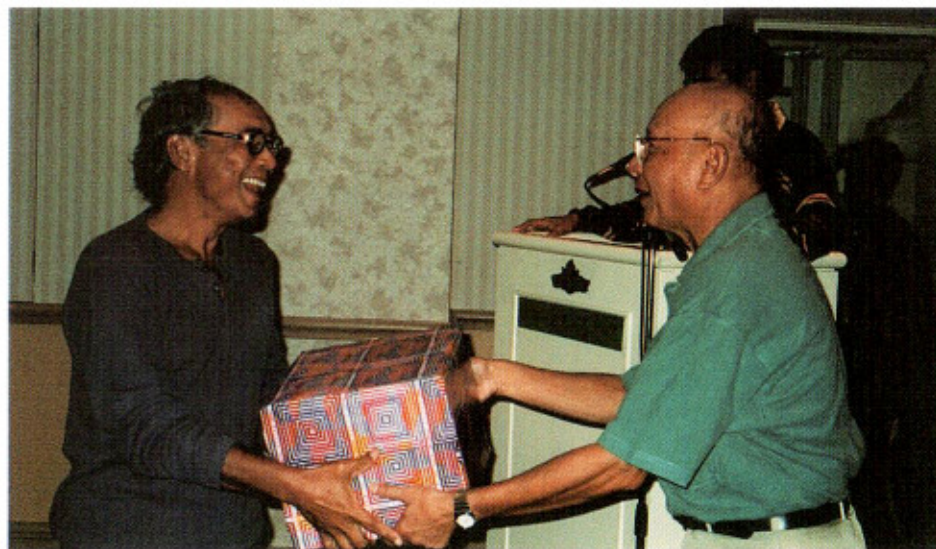
Some members at the golf



More golfers awaiting their prizes.



The Director of Activities announcing the results.



A winner's prize from the President.



Guest arriving for the cocktail hosted by the HBSACM at Cape Town.



HBSACM President, Yusof Talif addressing guests.



Guests at cocktail in Cape Town.



Some more guests.



**THE HBSACM ANNUAL DINNER
CARCOSA SRI NEGARA**

16th July 1999

The 22nd Anniversary of the founding of the club was held at Carcosa Sri Negara on the 16th July 1999.

At the Annual Dinner this year the club presented to past presidents a self portrait. The Past Presidents who received the memento this year are:

YBhg. Dato' Ng Cheng Kuai

YBhg. Datuk G. Gnanalingam

YBhg. Tan Sri Dato' Alwi Jantan

YBhg. Dato' Dr Mohd Shahani Ahmad Jahar

YBhg. Tan Sri Datuk Zainal Abidin Sulong

YBhg. Dato' Tay Ah Lek

YBhg. Datuk Hj Othman Yusoff

After this presentation ceremony, members who attended were entertained by a JAZZ presentation and entertainer Jit Murad.

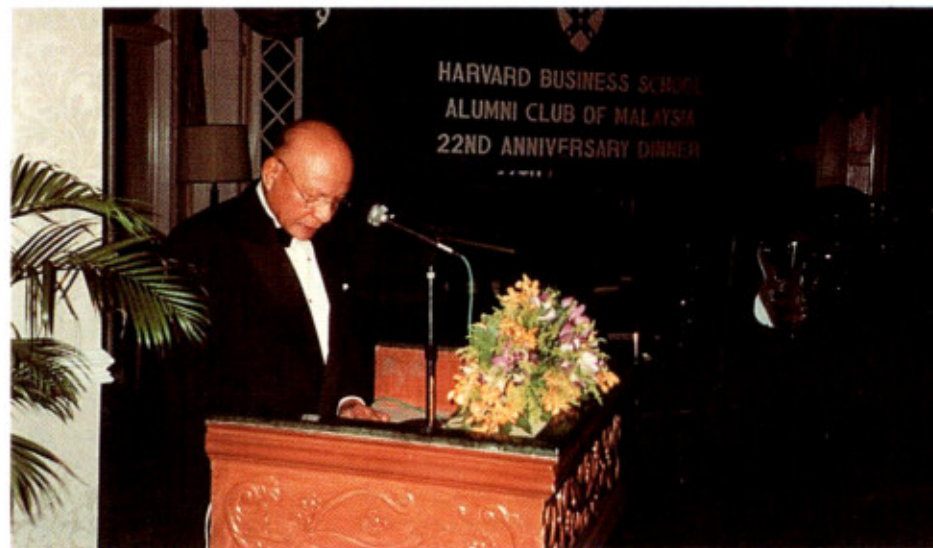


More guests, president and past presidents.



**THE HBSACM ANNUAL DINNER
CARCOSA SRI NEGARA**

16th July 1999



President's address - Annual Dinner.



Members and guests at the Annual Dinner.



The club organised a trip to Cyberjaya, for lunch and talk by Dr. Tengku Mohd Azzman Shariffadeen the CEO of MIMOS Berhad.

It was a very illuminating outing. About 50 members attended the luncheon and talk on "ITC and Governance" given by the CEO.

Excerpts of the address is features in this newsletter.



Dr. Tengku Mohd Azzman Shariffadeen
President and CEO MIMOS Berhad

"The MSC was created because it provided other alternatives. The plan was to create a new kind of industry - one based more on human creativity, brain power and knowledge rather than on physical resources."

*Some questions by
HBSACM members.*



*Members listening
attentively to the addressers
by Dr. Tengku Azzman
Shariffadeen, President and
CEO of MIMOS.*

The luncheon talk at MIMOS by YBhg. Dr. Tengku Mohd Shariffadeen has given some insights into the Government's Economic policies and the establishment of the MSC (Multimedia Super Corridor). Below are some extracts:

The Multimedia Super Corridor

MM: How were you able to persuade the rest of the nation to 'buy' the idea of the MSC?

Tengku: For me it was not easy. I did not make the assumption that the MSC would easily be accepted even though it reflects the dynamism of our country, from its people to its institutions. While some realise that it is important to be perceived and judged, others might not think it is.

Let me share with you the story of how MSC became real. When the future of IT and Malaysia's possible place in IT was discussed, it was put in a negative way. Many people thought that under the present economic structure, which is based on industrialisation and manufacturing we would not be able to achieve our targets in the manufacturing and agricultural industries. That was easily concluded based on the economic forecast of both industries.

The MSC was created because it provided other alternatives. The plan was to create a new kind of industry - one based more on human creativity, brain power and knowledge rather than on physical resources. The MSC was the first, fully packaged proposal that provided an alternative to the manufacturing model.

The package was compelling from the point of view of the economists. But it was not enough. There were other dimensions such as the social, cultural and political dimensions that needed to be addressed. We were practically saying to the country "Look, we think we can move into this new kind of economic environment. We have all the success factors to make it work but it has not happened yet. Please buy into our idea." We had no way of showing how it would develop.

The situation was complex in the sense that we were not yet able to put together a good plan. We knew that it would eventually materialise but a detailed and accurate forecast was difficult.

Yet as the secretariat to the National Information Technology Council (NITC), MIMOS had to set all the idea. So we sold the idea first among the decision-makers. They agreed that it was a viable plan. Next, we revealed the plan to the public in stages. The responses from both were wonderfully positive. We decided to go ahead.



THE INFORMATIVE AGE

- The Informative Age is characterised by turbulence and change (information or knowledge based) that is on going an preservation.
- It also presents both challenges and opportunities for all.
- ICT as the major driny force of this change is having an impact that is radical and fundamental on the society and economy.

IMPLICATION OF CHANGE BROUGHT ABOUT BY THE INFORMATION AGE

Social Dimension

- **Opportunities**
 - Democratization of knowledge which leads to empowerment (as ell as dis-empowerment) of individuals and society.
 - Promotion of learning and literacy as well as the re-establishment of a learning society/knowledge society.
 - Rise of the border-less communities that can reinforce traditional values as well as introduce new values.
- **Challenges**
 - Growing disparity between the info-rich and the info-poor at all levels and across nations.
 - The rise of a subservient culture with low self-esteem, confidence and capability in a vicious circle.
 - Extremism and isolation as a recourse in the face of insurmountable challenges.

Economic Dimension

- **Opportunities**
 - Intellectual capital joins the ranks of land, labour and traditional capital as factors of economic competitiveness.
 - Ability to produce quantum jumps in economic growth and value-addedness.
 - Ability to enhance intra-regional trade & globalized trade (S-S & N-S) via e-commerce.
- **Challenge**
 - Economic hollowing-out with a global shift in production capacity and control of financial capital, intellectual assets and technology.

Political Dimension

- **Opportunities**
 - Liberalization of marginalized voices/groups.



- Information/knowledge become variables in the power equation next to military and economic might, leading to geo-political shifts in international politics.
- **Challenges**
 - Erosion of centralized power with the sovereignty of nation-states in question.
 - Increased exposure of political differences.
 - Big power machinations.
 - Globalization without suitable tools of management.

UNDERSTANDING THE PARADIGM SHIFT

The Information Age brings about certain transformation to the Economy, Organizational Structure, Organizational Behaviour and Principles of Development.

Transformation of The Economy

Type of Economy	Inputs	Process	Outputs	Innovation
Agriculture	• Land, Labour • Capital	• Cultivation	• Crops	• Use of animals • Mechanisation
Industrial	• Land, Labour • Capital • Entrepreneurs • Technology	• Manufacturing • Processing	• Capital Assets • Industries • Physical Products	• Mechanisation • Research (S&T) • Specialization
Information	• Land, Labour • Capital • Entrepreneurs • Technology • Information • Knowledge	• Manipulation • Control	• Knowledge Products • Knowledge Industries • Knowledge Capital	• Informationalism • Virtual Processes • Network

Transformation of Organizational Structure

Old Paradigm

- Paradigm of power, command and control
- Plan and monitor model
- Hierarchical and authority of position

New Paradigm

- Paradigm of influence, networks and partnerships
- Facilitate, enable and trust model
- Flat structure, shared power and empowerment



Excerpts of address by CEO MIMOS

Transformation of Organizational Behaviour

Old Paradigm

- Individual
- Pyramid
- Formal
- Centralised
- General skills and rules

- System maintenance

New Paradigm

- Team and individuals
- Organic/webs
- Informal
- Decentralised
- Morality and professional ethics, commitment and advocacy
- Continuous improvement towards excellence

Transformation of Principles of Development

Old Paradigm

- Development means progress based on 1st, 2nd, 3rd world in material terms
- Growth trickles down
- Dichotomy between espoused theory and theory-in-use

New Paradigm

- Development means quality of work and life enabled by learning improvement
- All can participate in growth and adding value
- Integrity and credibility are issues

MANAGING AND COMPETING IN THE INFORMATION AGE

The Assumption

- Science seeks control of nature, ICT seeks control of human societies.
- Science methodology solves problems by breaking them into parts, whereas human problems need holistic and synergistic approaches.
- ICT applications focus on content and community (user) development, GOVERNANCE then becomes a key issue.
- We don't have the answers, nor the questions, but neither do others.

Identifying Key Development Concern

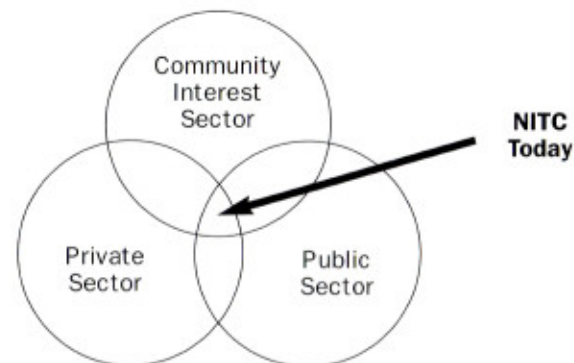
The Malaysian Examples

- Qualitative change in technology evolution.
- Degree of public and private sector control over technology.
- Consequential impact on relative poverty.
- Ability of public policy to respond effectively.
- The emergence of a flatter and transparent framework for governance.



Excerpts of address by CEO MIMOS

Smart Partnership: Gathering Collective Wisdom & Cooperation for Development



Leveraging on People

Assumptions

- In the Information Age, human creativity and intellectual capacity drive development.
- Knowledge Workers are key to economic competitiveness.
- "Codified Knowledge" from people are commodities in the Networked Economy with ICT as the enabler.
- People's "Tacit Knowledge", which stems from contextualized and internalized knowledge, create and add value to "Codified Knowledge".

Leveraging on the Knowledge Economy: New Engine of Growth

Assumptions

- Growing predominant role of knowledge in driving productivity and sustaining economic growth.
- Generation, distribution and utilization of knowledge becomes increasingly important in the creation of new wealth.
- Investments in Knowledge expected to provide increasing returns and generate new products and services in all sectors of the economy.

Recap and Conclusions

On The Changing World

- The Information Age brings pervasive change and turbulence, opportunities and challenges.
- ICT enables the transformation of the Science-Technology-Industry-Society system.
- To manage and compete in the Information Age one has to:



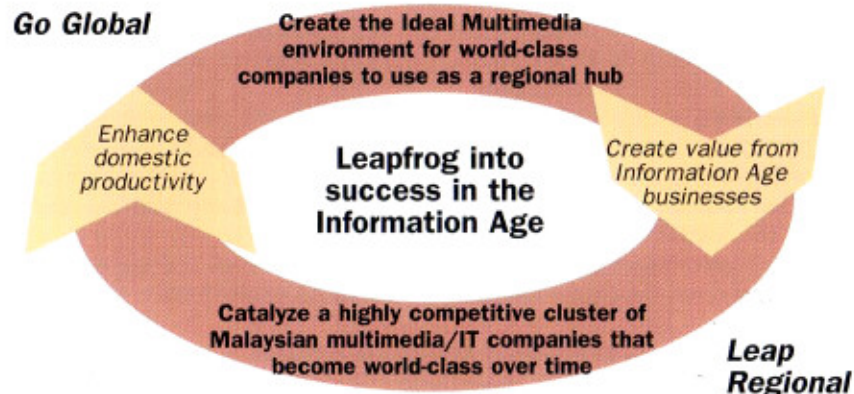
Excerpts of address by CEO MIMOS

- Recognize the Sea-Change
- Understand the Paradigm Shift
- Identify core development concerns
- Form smart-partnership: gathering collective wisdom and cooperative for development
- Leverage on people
- Leverage on the knowledge economy

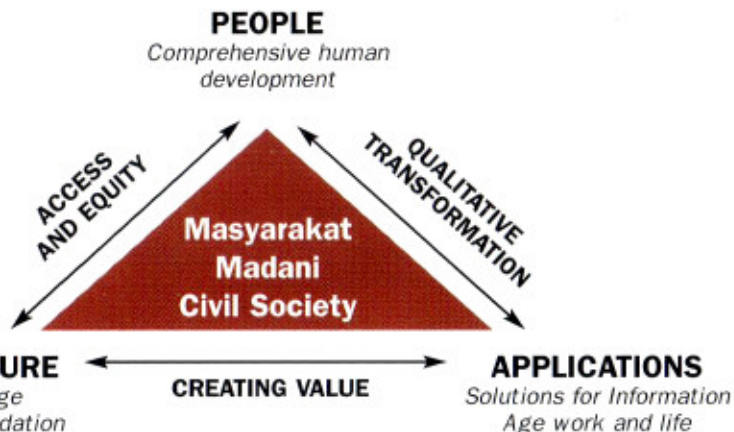
MALAYSIAN RESPONSE

MSC

Leapfrogging Malaysia's Development



NITA



Business Environment

With regard to regulatory law and to commercial practice, South Africa's "first-world" economy has much in common with the economies of North America, Europe and Australasia.

Free enterprises is the norm, although there are number of important economics sectors (such as transport, telecommunications, electricity and water) that have been or continue to be wholly or partly state-owned and controlled. The Government has, however, committed itself to the commercialisation and privatisation of certain state-owned assets.

South African entrepreneurs are generally highly educated, skilled and competitive.

Relationship of Government and Business

The new democratic government is committed to implementing a Reconstruction and Development Programme (the RDP), with a view to providing facilities and opportunities to the communities that have traditionally been deprived of them, and to enabling those communities to share equitably in the resources of the country and its economic activity. It is envisaged that some wealth will be redistributed to traditionally disadvantaged sectors of the community. In conjunction with the RDP, the Government has adopted the Macroeconomic Strategy for Growth, Employment and Redistribution (GEAR), which is



aimed at economic growth and job creation and the distribution of basic services to all South Africans.

The government has indicated the importance it attaches to investment by the introduction of measures to enhance and support trade and industrial development. In particular, the promotion of small, medium-sized and micro enterprises are an important part of the government's economic policy.

The National Small Business Act was recently passed and provides a mechanism to review the impact of proposed legislation on small businesses. In addition, it makes provision for the establishment of the Ntsika Enterprise Promotion Agency and a National Small Business Council.

The National Economic Development and Labour Council (NEDLAC) has been formed to facilitate discussions and reach consensus between Government, business and organised labour on various issues affecting the economy.

Economic Structure

South Africa has the most sophisticated free-market economy on the African continent. The country represents only 3% of the continent's surface area, yet it accounts for approximately 40% of all industrial output, 25% of gross domestic product (GDP), over half of generated electricity and 45% of mineral production in Africa. About 75% of South Africa's economic activity occurs in the four main metropolitan areas (which together represent about 3% of the total land area) namely the greater metropolitan area surrounding Johannesburg, the Durban/Pinetown area in Kwa Zulu Natal, the Cape Peninsula, and the Port Elizabeth/Uitenhage area in the Eastern Cape. The Witwatersrand is the financial and industrial hub of the country and accounts for about 40% of the country's GDP.

The country's economic system, however, has a marked duality: A sophisticated industrial economy has developed alongside an underdeveloped economy. The established infrastructure and economic base has great potential, particularly for

1. the opening up of the modern developed sector to make it accessible to the vast majority of people, and
2. the continued development of the underdeveloped sector through increased employment opportunities.

The relative contributions of the various sectors of the economy in 1997 are provided in Appendix 1.



Economic Performance

The South African economy experienced a severe recession between 1990 and 1993. Between 1993 and 1996 there was a marked recovery and improved confidence in the business sector. This recovery was evidenced by a decline in the rate of inflation and by growth in the economy. The average rate of increase of the consumer price index during 1996 was 7.4% (the lowest rate of inflation in South Africa since 1972). The growth rate in the South African GDP in that year was 3.1%.

Although the average rate of increase of the consumer price index increased to 8.2% in the period from January 1997 to February 1998, the rate of inflation in South Africa is still substantially lower than the rate in the 1980s. Although the growth rate in South Africa's GDP during 1997 dropped to 1.7% future projections are favourable.

In 1995, approximately 29.3% of the economically active population was unemployed. It should be borne in mind though that actual unemployment is always higher than official statistic indicate. Unemployment statistics for the period after 1995 have not been finalised.

Corporate Performance

The Entrepreneurial Climate

Corporate performance has been affected during the past decade by high rates and inflationary pressures on wages, particularly from organised labour. Despite these pressures, however, the entrepreneurial climate has been generally positive. The "business confidence index" compiled by the South African Chamber of Business increased steadily after the political unrest of 1984 - 1986 until mid 1990. It then declined, but since the elections in April 1994 has shown a marked increase, which has been accompanied by economic recovery.

Corporate Activity by Sector

The mining industry has played a dominant role in the economic development of South Africa and is a major employer. Mining is carried out by the private sector under mineral rights owned outright or leased. There are eight major mining enterprises (namely Anglo American Corporation of South Africa Limited, Gold Fields of South Africa Limited, JCI Limited, Gencor Limited, Anglovaal Holdings Limited, Randgold & Exploration Company Limited, Iscor Limited and Sasol Limited) and a number of smaller, specialised producers. These enterprises account for most of the gold, uranium, zinc, platinum group metals, lead, diamonds, silver, iron, steel and minerals for petrochemical production in South Africa.



Agriculture, forestry and fishing now accounts for only about 4.5% of the country's economic activity, although only a century ago the country had an almost exclusively agrarian economy. Except for collective ownership in the underdeveloped sector, farming is characterised by private ownership. Significant agricultural products include wheat, maize, sugar-cane, fruits, vegetables, wool, meat and dairy products.

Industry (manufacturing, construction, electricity and water) now accounts for about one-third of the country's economic activity. The growth of the manufacturing sector in recent years has been significant, and this sector is capable of further expansion. South Africa is still an exporter of primary and intermediate goods and an importer of capital goods. Many tax concessions and business incentives are available for industrial activities, particularly for those that reduce exports or import substitutes.

The contribution of the financial and business services sector remained relatively stable for many years and presently comprises about 13.7% of the GDP.

Privatisation

The Public sector's role in South Africa's economy has always been substantial in comparison with the private sector's role. This trend has proved difficult to reverse because of the continuing need for expenditure on infrastructure and services and facilities for the large historically disadvantaged communities.

The government is taking steps to commercialised and increase private sector involvement in government controlled enterprises. These organisations include Eskom (electricity supply), Transnet (transport services), Telkom (telecommunication services), the Airports Company (airports), the Air Traffic Navigational Service Company (air traffic control) and the South African Post Office (postal services).

The government is not in favour of full privatisation in all cases but is generally pursuing partial privatisation with substantial interests in applicable entities being sold to strategic equity partners as in the case of Telkom and the Airports Company.

The main objectives of the government's privatisation initiatives are to facilitate economic growth, fund the RDP, extend private ownership of state-controlled assets to employees (by way of employees share ownership plans (ESOPs) and to historically disadvantaged persons (by way of an envisaged National Empowerment Fund), reduce the national deficit, promote skills transfer and provide fair competition.

Imports and Exports

Most of South Africa's exports to industrialised countries consist of primary and intermediate commodities. A large proportion of exports consists of unprocessed raw



materials with the mining industry contributing the greatest proportion to the country's total exports. South Africa is a major exporter of gold, diamonds, platinum, wool, sugar, manganese and chrome ores, asbestos, atomic energy materials and base materials such as coal, antimony, copper and iron ore. The country is also an exporter of deciduous and citrus fruit as well as animal hides and skins. Exports of chemicals, metal products, machinery, transport equipment and manufactured goods have increased, particularly to Africa, in recent years.

Imports include mainly capital goods, certain raw materials, intermediate goods as well as sophisticated consumer goods.

South Africa maintains formal trade relations with most of the industrialised countries and trade with Africa and Asia is growing. At a regional level, South Africa is a member of the Southern African Development Community (SADC) (along with Angola, Botswana, Lesotho, Malawi, Mozambique, Mauritius, Namibia, Swaziland, Tanzania, Seychelles, Democratic Republic of Congo, Zambia and Zimbabwe) which is committed to forming a free trade area. South Africa is a founding member of the World Trade Organisation (WTO) and is bound to amend its comparatively high tariff structure in line with WTO rules and the Uruguay Round of GATT. This may introduced new trade opportunities for foreign manufacturers. Negotiations are continuing between South Africa and the EU to form a free trade area.

Energy and Natural Resources

Energy

The State-owned Electricity Supply Commission (ESKOM) generates and distributes 97% of the country's electricity, using approximately 80% coal, 10% nuclear power and 10% hydroelectric power. Power lines do not yet reach certain rural and geographically isolated areas.

Although South Africa's GDP ranks twenty-sixth in the world, it ranks sixteenth in the world in energy consumption.

Nuclear energy is provided by the State-owned Koeberg nuclear reactor situated in the Western Cape. A natural gas and oil field is being developed off Mossel Bay on the Southern Cape coast.

South Africa has the world's only commercially viable synthetic fuel process. This process was developed by a parastatal, Sasol, and produces oil from coal. It is anticipated that Sasol will eventually produce approximately 50% of the country's oil requirements.



BUSINESS GUIDE TO SOUTH AFRICA

Another primary source of energy (used mostly by rural households) is biomass (fuel wood sourced mainly from natural woodlands). Other renewable energy sources such as solar energy, wind-power and hydropower have not yet been fully exploited.

Natural Resources

South Africa holds a significant portion of the world's reserves of certain metal and mineral resources, including manganese ore, platinum and gold. (See Appendix 2 for a chart listing significant reserves). South Africa has a reputation as a reliable supplier of these resources.

Industrial and Trade Organisations

Numerous public and private development agencies provide advice and assistance in order to further economic development.

The Department of Trade and Industry assists in the development of a healthy and viable industrial structure, the building and expansion of sound trade relations, the promotion of foreign trade and the maintenance of competitive conditions in the domestic market. Since April 1995, that Department has promoted the development of an institutional support framework for small, medium sized and micro businesses. The institutions forming part of this framework include the Chief Directorate for Small Business Promotions, Ntsika Enterprise Promotion Agency, Khula Enterprise Finance, National Small Business Promotions and the Local Business Service Centres.

The state-owned Industrial Development Corporation Of South Africa makes finance available for the establishment of new industries and the expansion and modernisation of existing entities.

Various private-sector organisations in major towns and cities, such as the local Chambers of Business, provide support and assistance to their members.

International Relations and Associations

South Africa has ninety-five missions abroad and has non-resident representation in fifty countries. It is a member of more than twenty international organisations.

Africa

South Africa plays an important role in the region of Southern Africa. The income of migrant labourers from neighbouring African states employed in South Africa contributes substantially to the national income of those states.



BUSINESS GUIDE TO SOUTH AFRICA

South Africa participates in the SADC, the Common Monetary Area (together with Lesotho, Namibia and Swaziland) and the Southern African Customs Union (SACU), together with Lesotho, Botswana, Namibia and Swaziland.

South Africa maintains important trade links with other African countries, and these are increasing substantially pursuant to the political changes that have occurred in South Africa. Several African countries already constitute important trading partners and the extent of intra-African trade is growing substantially. South Africa became a member of the Organisation of African Unity in May 1994.

United Nations

South Africa was one of 26 countries that signed the United Nations Declaration in 1942 and was a founding member of the UN in 1945. After being suspended from participation in the activities of the General Assembly during the apartheid era, South African has resumed full participation.

The British Commonwealth

South Africa became a member of the British Commonwealth in June 1994.

The European Union

The EU is South Africa's largest trade and investment partner. South Africa is presently engaged in negotiations with the EU for the establishment of a free trade area.

Other Organisations

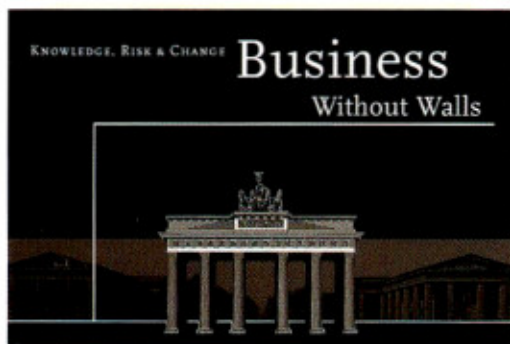
South Africa enjoys a productive relationship with many other international governmental and non-governmental organisations that are active in a wide variety of fields, such as finance, shipping, atomic energy, trade, science, agriculture and the environment. This involvement includes participation in the International Monetary Fund, the World Bank and the World Trade Organisation.

Black Economic Empowerment

For historical reasons, control of the economy has been concentrated primarily in the hands of white South Africans. It is Government policy to actively promote a more equitable distribution of wealth in a free market context by supporting and favouring the economic empowerment of persons from historically disadvantaged communities (HDPs) in the grant of State tenders and procurement contracts, licences (for example casino, radio and cellular telephone licences) and financial and other assistance by the State to business. Joint ventures with HDPs and entities controlled by HDPs have accordingly become common. The private sector has also been involved in empowerment transactions and several large HDP controlled corporations have emerged in recent years.



INVITATION



INVITATION



THE 2000 HARVARD BUSINESS SCHOOL
GLOBAL ALUMNI CONFERENCE
BERLIN / GERMANY - JUNE 13 - 16, 2000



Deutsche Bank



The 2000 Harvard Business School Global Alumni Conference in Berlin provides an excellent opportunity to consider what lies ahead for business and financial institutions. Following several years of unprecedented change, the 20th century is ending with national economies that are more tightly linked than ever and an international financial system that is highly integrated. The European Union and the movement towards the Euro represent the most important examples of this trend, and direct investment and capital flows across national boundaries have linked economies throughout the world.

KNOWLEDGE, RISK & CHANGE: Business Without Walls

The reunification of Germany in 1990 was one of the key elements of the transformation to free-market systems and open financial markets. Berlin, which was for more than 40 years the symbol of the German and European division, is the most vibrant focus point of this development. In 2000, Germany and the world will reflect upon the 10th anniversary of both the German reunification and the end of the cold war. At the same time, the German government and parliament will be fully functional in Berlin that year. What could be a better location to analyze the challenges of business without walls at the beginning of the new millennium than Berlin, the bridge between east and west?

Senior Associate Dean, Dwight Crane, is the faculty chair of the Conference. He, Dean Kim Clark and HBS professors Joe Bower, Stephen Bradley, Nancy Kozminski, Walter Kuemmerle, Josh Lerner, Jay Lorsch, Cynthia Montgomery, David Moss, Dick Nolan, Krishna Palepu, Andre Perold, Orlino Spa, and David Upton will lead sessions featuring key business leaders from Europe and around the world.

Invited speakers include John Bond, HBS Holding plc; Bill E. Brewer, CEO of Deutsche Bank AG; Willem Duisenberg, President of the European Central Bank; Klaus Murgold, CEO of DaimlerChrysler Services (daimler) AG; Thomas Middelhoff, CEO of Bertelsmann AG; Hank Paulson, CEO of Goldman Sachs & Co.; Maurizio Scandino, Parsons; Jürgen Schwenk, CEO of DaimlerChrysler AG; and Jim Wolfensohn, President of the World Bank.


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