

STARS OF ASIA

25
Leaders
At the
Forefront
of Change

STUNNING surprises, economic dynamism, and a bit of heartbreak—Asia has experienced all of them this year. Just rewind the tape and you get the idea. Pundits were blown away by the electoral triumph of India's National Congress Party led by Sonia Gandhi, the Italian-born widow of Prime Minister Rajiv Gandhi, over the ruling Bharatiya Janata Party. It reminded us all of democracy's power in a society that has become a global outsourcing mecca but still struggles with entrenched poverty. Another eye-opener, of course, has been the economic revival of Japan, written off as a society in permanent



decline. The turnaround owes much to gutsy managers and even some *gaijin*. At the same time, Chinese policymakers grappled with a white-hot economy that might run off the rails, a scenario with global implications. Say this about the region: It hasn't lacked for human drama. And the achievements of individual policymakers, entrepreneurs, managers, financiers, and opinion shapers that drive the region

(FAR LEFT) MALHOTRA/HBL/REFLEXNEWS

corruption-prone political culture of South Korea.

Let's not forget the contribution of managers, who have helped Asia remain the world's most economically vibrant region. In China, Miao Wei has refashioned what was once a near-bankrupt truckmaker, Dongfeng Motor Corp., into a profitable passenger carmaker that is now allied with Nissan Motor Co. Another turnaround has been Matsushita Electric Industrial Co. When Kunio Nakamura took over the company four years ago, he knew the time for half-baked restructuring was over. He slashed 20,000 jobs—almost unthinkable in Japan. Today, Matsushita is raking in profits, thanks to lower costs as well as new and stylish digital cameras and DVD recorders.

Asia's entrepreneurial vigor is as strong as ever. Consider the story of Tony Fernandes, who had the guts to buy a tiny bankrupt Malaysian airline, Air Asia, back in late 2001, when terrorism fears slammed the industry. Today, it is a profitable, fast-growing international discount carrier, and Fernandes is driving dramatic change in civil aviation policy in Southeast Asia.

Then there are those unique souls who risk much to fight injustice and cast an unflattering light on poverty and corruption, sadly another part of the Asian reality. To many Westerners, China is a land of glittering skylines and unbridled growth. But the husband-and-wife team Chen Guidi and Wu Chuntao, authors of the book, *China's Peasants: An Investigation*, discovered the dark side of the China story, where corrupt local politicians seem unresponsive to human needs. If there is a common thread among our Asia Stars it is this: Be they mighty official or muckraker, these folks care deeply about their societies and want to make a difference. And that's one reason among many that Asia continues to fascinate. ■

—By Brian Bremner in Tokyo
Correspondents Frederik Balfour, Bruce Einhorn, Moon Ihlwan, Manjeet Kripalani, Michael Shari, Dexter Roberts, Ian Rowley, Assif Shameen, and Hiroko Tashiro contributed to this report.

BusinessWeek online For interviews with malaria researcher Nick White, venture capitalist Lip-bu Tan, and others, go to www.businessweek.com/magazine/extra.htm

POLICYMAKERS

- SONIA GANDHI**
President, National Congress Party, India
- CHUN JUNG BAE**
Parliamentary Leader, Uri Party, South Korea
- AUDREY EU**
Legislator, Hong Kong
- ZHOU XIAOCHUAN**
Governor, People's Bank of China
- HEIZO TAKENAKA**
Economy & Financial Services Minister, Japan

ENTREPRENEURS

- TONY FERNANDES**
Chief Executive, Air Asia, Malaysia
- KIM BEOM SOO**
Chief Executive, NHN Corp., South Korea
- ZHANG XIN**
Co-Chief Executive, SOHO China
- YOSHIKO SHINOHARA**
President, Tempstaff, Japan
- JOHN CHONG**
Executive Director, Media Asia Group, Hong Kong

MANAGERS

- STAN SHIH**
Chairman, Acer Inc., Taiwan
- KUNIO NAKAMURA**
President, Matsushita Electric Industrial Co., Japan
- RATAN TATA**
Chairman, Tata Sons, India
- KIM SOON TAEK**
Chief Executive, Samsung SDI, South Korea
- MIAO WEI**
Chairman and Chief Executive, Dongfeng Motor, China

FINANCIERS

- TIMOTHY C. COLLINS**
Chief Executive, Ripplewood Holdings, U.S.
- LIP-BU TAN**
Chairman, Walden International, U.S.
- NAZIR RAZAK**
Chief Executive, CIMB, Malaysia
- MARK MACHIN**
Head of Asia Capital Markets, Goldman Sachs, Hong Kong
- KATHY XU**
China Head, Baring Private Equity Partners Asia, Hong Kong

OPINION SHAPERS

- FENG XIAOGANG**
Film Director, China
- NICK WHITE**
Director, Wellcome Trust's Southeast Asia unit, Thailand
- KIRAN KARNIK**
President, Nasscom, India
- TETEN MASDUKI**
Coordinator, Indonesia Corruption Watch
- WU CHUNTAO AND CHEN GUIDI**
Authors, *China's Peasants: An Investigation*

» KATHY XU

China Head, Baring Private Equity Partners Asia, Hong Kong

MOST LITTLE GIRLS like stories of romance and adventure at bedtime. Not Kathy Xu. When she was growing up, she loved tales of the state-owned truck factory her father ran in the Sichuan provincial town of Daju. "I would talk to Dad about managing people and products," she recalls. "I've always been curious about business."

Xu's early interest has served her well. As head of China investments for the Baring Private Equity Partners Asia fund, she has picked winners again and again. So far, on investments of \$50 million in eight companies, she has cashed out \$101 million and is sitting on another \$38 million in paper profits. Her best bet: info tech services company Vanda Systems & Communications Holdings Ltd. She bought shares worth \$3.6 million in 1998, then sold the stake for \$35 million in 2000. In all, six of her investments are in the black and one remains private. Only one has soured.

She attributes her success to self-discipline and tenacity. She held on to Baring's stake in NetEase even when the Chinese Web portal, which listed at \$15 per share, saw its share price plunge to 65¢. Xu says she always believed in NetEase. She was right: The stock has

since soared to \$43, and her initial investment of \$5 million is now worth \$40 million.

Now Xu is about to close a \$16 million investment with a company that makes talking Chinese-English dictionaries. She has five more deals in the works. Her favorite hobby is meeting with entrepreneurs to find the next big thing. "I want to make lots of money for entrepreneurs, investors, and myself," she says. And as the mother of an infant son, she's ready to regale a new generation with tales of business. ■

