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## Reputation and value of Fortune

I RECENTLY had the chance to meet with two of Fortune magazine's global leaders, International editor Robert Friedman, who's based in New York, and Asia editor Clay Chandler, who's based in Hong Kong.

Below is an excerpt from our wide-ranging discussion about global business, the hot economic issues for East and Southeast Asia, and the goals and aspirations of Fortune magazine in the region.

S: Clay, you've been in Asia for quite a few years. What brought you to this part of the world in the first place?

C: I was in college in the mid-80s when Japan had really blossomed as a big issue in the United States with its new strain of capitalism that was more potent and more resilient than that of the United States.

At that time there was a big surge of people who were studying Japan and Asia. I got caught up in the whole thing - my first job out of college was actually working for the Japan Times in Tokyo. Later I re-turned to do research for my PhD in Tokyo, and ended up getting hired by the Wall Street Journal as the Tokyo correspondent. After five years back in Washington as the chief economic correspondent for the Washington Post, I was ready to return to Asia.

For the last three years I've been based in Hong Kong as the Asian financial correspondent. After a year, the Post got permission to open a bureau in Shanghai. I've been doing double duty back and forth between Hong Kong and Shanghai and that's really helped me to get my feet on the ground in China and my head around what was happening there.

S: Some western publications in Southeast Asia have run headlong into governments when reporting news that was not so favourable. How does Fortune handle situations like that?

R: We haven't had a problem in Southeast Asia. There was one recent case where officials in China excised a page from our magazine - a story about workers' protests in north-eastern China. What's interesting about that to me is, instead of banning the magazine, they just took out the article, which suggests to me that they really want Fortune there.

And Fortune is a very well known and respected brand in China even if it's not that well read. There's a lot of admiration for the Fortune 500 list. I think China's embracing of capitalism has made them realise the value of that brand.

How would we deal with the situation if it came up here in South-east Asia? I have no interest in self-censoring the magazine - I wouldn't do that. We believe in the free flow of ideas and information.

S: What is the biggest emerging story for Malaysia?

R: Both Singapore and Malaysia have been carefully socially engineered regimes that have taken their economies from undeveloped status to pretty successful growth over the last 20 years. And say what you will about Lee Kuan Yew and Datuk Seri Dr Mahathir Mohamad but they have taken their countries to a much higher level.

The question now is whether that role model will be effective in taking the countries to the next level, which is "first world status", as Dr Mahathir calls it.

That to me is the big unanswered question. Do these countries have to fundamentally change their mindset about the role of government in economic development in order to compete effectively on the world stage? Underlying this is the question of adapting to the new reality of China.

How that plays out over the next five to 10 years will be interesting.

S: Tell me a little about Fortune. The global circulation is close to one million?

R: Yes, with about 18 to 20 per cent of that outside the US, split evenly between Europe and Asia. Interestingly, there's a different perception of the magazine in Asia than there is in Europe. There's much more respect and admiration for Fortune in Asia, whereas in Europe, Fortune is "the American business magazine". In Asia, it's okay to be "the American business magazine". Somehow Fortune is a stamp of approval.

S: Is it a goal of the magazine to grow the circulation in Asia? Can the Asian numbers ever approach the US numbers?

R: I think there's room to grow outside the US, but I think it'll be a long time before we reach the point where 50 per cent of our circulation is global.

We have a huge concentration of our Asian circulation in Singapore and Malaysia; the two countries are our second and third biggest markets respectively after Hong Kong.

S: Do you have any Asian language editions?

R: We have a Chinese language version called Fortune China, which is a franchise edition published by a separate company based in Hong Kong. There's been some interest in Korea for a similar kind of deal, and if it's possible to go into that, we will.

S: Clay, I know you are fluent in Japanese and have a working understanding of Mandarin. Are these language skills essential to doing your job well in Asia?

C: I thought it to be a big advantage, but the one thing I learned in Japan was that the smartest correspondents were not necessarily the people with good language skills, they were the ones that were intelligent analysts with a good grounding in macro economics and market fundamentals. Knowing about business was much more important than the language skills.