Asia and Australia

Hong Kong

Li Ka-shing

Li Ka-shing's actions are watched by all. What, then, is one to make of the fact that his flagship company, Cheung Kong (Holdings) Ltd., expects to get a huge amount of cash as several residential developments are completed in the next 18 months? What will Li do with all the money? Some local analysts believe Li and his companies are actively looking for investments in and out of Hong Kong. Example: Li recently bought 8% of Evergo International Holdings Co., Ltd. Evergo is the vehicle of the Lau brothers, Hong Kong's well-known corporate raiders.

Some of Li's recent forays haven't worked out too well. Last year Li and investors offered only 10% equity for the $3 billion junk bond and preferred stock portfolio of insolvent Columbia Savings & Loan. Li was to pay only $150 million in cash. Even U.S. regulators wouldn't go for a deal that lopsided. Another Hong Kong company Li controls, Hutchison Whampoa, Ltd., tried unsuccessfully to grab the 35% it doesn't own of Hong Kong-listed Cavendish International Holdings. On a third front, rival Y.K. Pao finally won the battle for Hong Kong's cable TV monopoly over Li—but Li came back by launching AsiaSat, after which Pao's consortium disbanded its project. Li, 63, is letting son Richard, 24, run Star TV, the new satellite television operation. Son Victor, 28, runs the family's Canadian investments. But Li himself manages most of the $2 billion fortune he has accumulated over the years. –T.G.

Lee Shau-kee

Lee, 63, decided that his publicly traded residential property company, Henderson Land Development Co., would stick with what it knows best: building for Hong Kong's mass residential market. Did Lee, who amassed large quantities of land in the 1950s, somehow divine that wages would rise faster than property prices in the 1980s, and that buying a flat would become the middle class' investment of choice? Or that thousands of young Chinese professionals (sometimes called "chuppies") and newly married couples would choose to live on their own instead of with their families, as in the past? Whatever the answer, Henderson Land has made a killing on the approximately 50,000 apartments it has built and sold during the past 18 years.

As a hedge against 1997, Lee has interests in Singapore's Suntec convention center and the Vancouver 1986 Expo site, as well as in a number of residential developments in the U.S. and Canada. Two of his five children help him manage the family's $1.5 billion fortune. –T.G.

Sir Yue-kong Pao and family

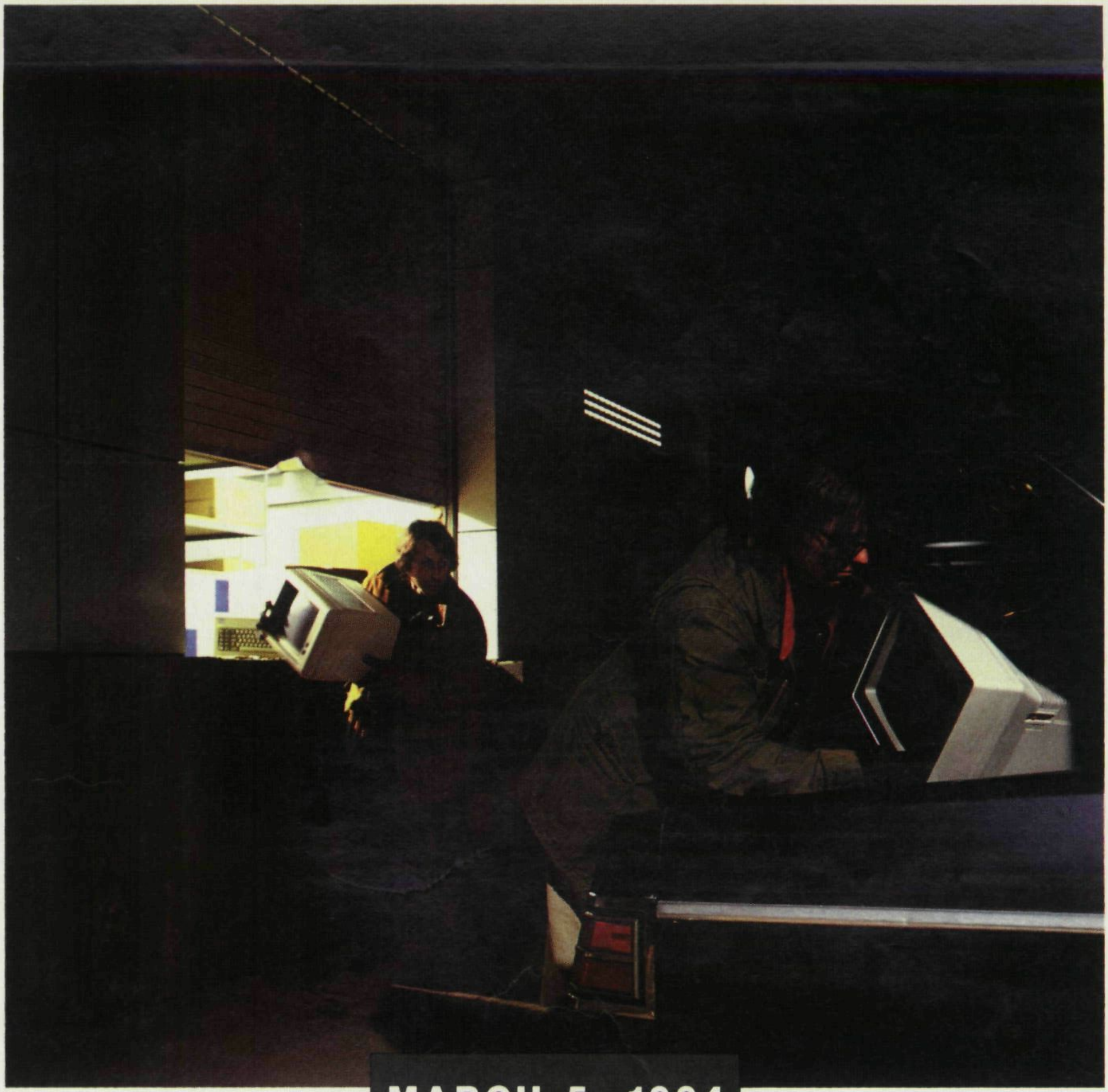
Hong Kong developers rushed to build for the commercial and office market in the mid-1980s. That sector is now oversupplied, and rents are falling. But Y.K. Pao's publicly held Wharf (Holdings) Ltd. is building in the New Territories and developing its downtown Hong Kong land bank, purchased when prices were lower. A Wharf executive says he is sure that when the new properties hit the market, beginning 1992, any oversupply

Lincoln Potter/Stock House

LEFT:
Li Ka-shing
Seeking investments for cash-rich companies.

RIGHT:
Sir Y.K. Pao
His well-trained sons-in-law run the empire.

Lincoln Potter/Stock House



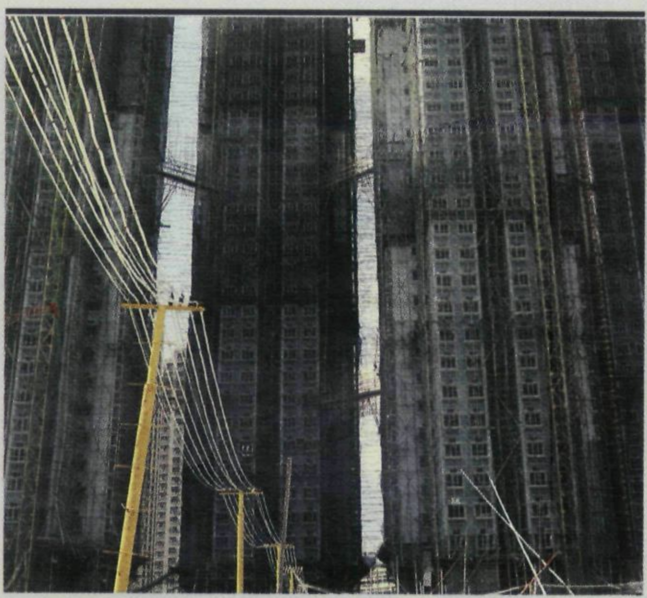
MARCH 5, 1994

Decision time ahead

For the early line on what will happen to Hong Kong after the British move out in 1997 and China moves in, the time to watch is around 1993. That is when Hong Kong businessmen must make decisions that will signal to the world their confidence, or lack of it, in the capitalistic future of Hong Kong.

Today most businessmen feel fairly safe to continue investing. Outwardly, Hong Kong retains its boomtown aura. The reason, says Janice Wallace, research director at Baring Securities in Hong Kong, is that businessmen can figure on getting their money back in three to six years, depending on the industry.

So a Hong Kong billionaire can still build an electric power plant (just over a six-year payback, under allowed 16% returns), or develop a residential apartment complex (three years if built for sale, five for luxury rentals), or construct container terminals for Hong Kong's bustling shipping industry (five-year payback). Invest now and there's a good chance you'll recoup your capital and a decent return by July 1, 1997, when Britain returns the colony to the People's Republic of China. But in 1993 there will be only four years to go.


Brett Froomer/Image Bank

High-rise housing going up in Hong Kong's New Territories
Building eagerly—if the investment is earned back by 1997.

Those rapid payback periods are in part a sign of anxiety about Hong Kong's soon-to-be leaders from the north. Take, for example, the market for residential apartment sales, which remains very strong *(see Lee Shau-kee, p. 156)*.

A developer can expect to make an average 54% gross margin on the sale of a typical 800-square-foot, three-bedroom flat in Hong Kong's New Territories, assuming the land was purchased three years ago. "The higher yields on property are a very clear indicator of the political risk premium implied post-1997," says John Greenwood, chairman and chief economist of G.T. Management (Asia) Ltd.

There is plenty of money around. Hong Kong's booming economy and tight labor market (2% unemployment) have pushed real wages up sharply, even with 10% average inflation.

Much of the underlying strength comes from neighboring Guangdong Province, where Hong Kong businessmen increasingly invest to take advantage of low-cost and abundant labor. Currently about 2 million People's Republic citizens work in Hong Kong-owned or -managed factories in Guangdong. Low wages there mean Hong Kong employers can afford to pay higher wages in Hong Kong without squeezing margins.

Despite the rising living standard, tens of thousands of Hong Kong citizens have applied to leave. But the emigration process can take at least three years and may not get an applicant anywhere. Many have concluded that perhaps it is better to stay put, invest wisely and hope for the best.

At the corporate level, John Hung, executive director of Y.K. Pao's Wharf (Holdings) Ltd., reflects this thinking when he says: "I don't think 1997 is the end. We really believe there is more money to be made here than anywhere else." But whether Hung will have a similar opinion in 1993 remains to be seen.

"I think that the business people here believe in helping Hong Kong and China," says Baring's Wallace. "But they are not fools, either. If they can't make a buck out of it, they are not going to waste their money." Two years from now is when they will have to begin to decide to fish or cut bait. –T.G.

will have been taken up.

Pao, 73, has put his four sons-in-law in charge. Helmut Sohmen runs privately held World-Wide Shipping Agency, Ltd. Peter Woo, 45, runs World International (Holdings) Ltd. and Wharf (Holdings) Ltd. A third runs trading operations out of Japan. The fourth is in charge of personal investments in Pao's $1.8-billion-plus fortune. –T.G.

Cheng Yu-tung

It now seems clear that Cheng's New World Development Co., Ltd. took on too much debt when it bought the troubled U.S.-based Ramada hotel chain in 1989 for $540 million. The acquisition, spearheaded by Cheng's son Henry, 44, has yet to show a profit. Henry says none should be expected until 1993 at the earliest.

The Chengs have been selling Ramada properties to pay down their $900 million debt (about half from the Ramada acquisition), but also have opened new Ramadas in Thailand and Australia, and are forging hotel deals in Japan, Malaysia, Holland and elsewhere.

Many of the Chengs' privately

owned assets are overseas. They include 16% of Singapore's Suntec convention center and a share in Vancouver's Expo site development. There is also one-third of Houston-based Allright Auto, and a share of Stanley Ho's Macao-based gambling operation. All this adds up to a $1.3 billion fortune. –T.G.

Kwok family

The death of the family patriarch, Kwok Tak-seng, at 79, last fall, brought little change to family-run Sun Hung Kai Properties, Ltd. Management had already chiefly been in the hands of the children—Walter, 40, now chairman, and brothers Thomas, 39, and Raymond, 38—and a cadre of professional managers.

The company's stock shot up 22% since January, thanks largely to the booming mass residential market and the Kwoks' road show in Japan: Some Japanese investors, stung by their home stock market last year, are diversifying into Hong Kong equities.

Preparing for unpleasant surprises in 1997, the Kwoks have invested in San Francisco property. But most of the family's $2 billion fortune remains in the colony. –T.G.

Kadoorie family

The Gulf war and the recession hit the travel industry hard and brought Hong Kong's hotel occupancy rates down to about 70% from last year's 79%. But at the Kadoories' Hong Kong & Shanghai Hotels Ltd. (the Kadoories own 69%), average occupancy remains over 75%. Though the publicly traded hotel chain (it includes the famed Peninsula) is feeling a 12% drop in hotel income, rental income from luxury apartments it owns is up 13%. And the Kadoories' 33% of China Light & Power Co. rose 51% in value in the last year.

Overseas expansion plans abound. The plush Peninsula Beverly Hills hotel (Hong Kong & Shanghai Hotels has 20%) is slated to open this autumn. With partners, the Kadoories plan a beach resort in Phuket, Thailand, and an office and residential development in Ho Chi Minh City. Family patriarch Lord Lawrence, now 92, his brother Sir Horace, 88, and son Michael, 50, also have overseas interests in carpets, textiles and financial services. Altogether they are worth at least $1.8 billion. –T.G.

Swire family

Badly hurt by the downturn in air travel, Swire Pacific Ltd. (it has a 52% interest in Cathay Pacific Airways, Ltd.) reported a 20% drop in profits for 1990. But the Swire brothers—Sir Adrian, 59, and Sir John, 64—aren't selling any of their 27% interest in Swire Pacific, and remain worth some $1.4 billion.

Completion of current construction projects in the next year or two will put the Swires among the biggest landlords in Hong Kong. They seem to be betting on Hong Kong's prospering after 1997. But just in case, the family also owns substantial assets in the U.K. The Swires' roots in the China trade go back to the early 1800s. They have learned to adapt to China's periodic convulsions. –T.G.

Thailand

Chearavanont family

"Serving the world with better food—that's our aim," says newly discovered billionaire Dhanin Chearavanont, 52, chairman of Thailand's Charoen Pokphand, better known as CP Group.

Dhanin's father, Chia Ek Chaw, and uncle immigrated to Thailand from China in 1921. Since then CP Group has grown from a small seed importer in Bangkok's Chinatown to the nearly $3 billion (sales) vertically integrated poultry and shrimp empire. Inspired by large-scale chicken breeding and processing in the U.S., CP added in Thailand's low-cost labor. Result: Asia's largest agri- and aquabusiness. It is already coming up fast on the U.S.' $3.8 billion (sales) Tyson Foods.

The CP Group produces its own feed, contracts with farmers to raise the chicken or shrimp, sells them the raw materials—chicks, feed, technology and management— and buys the grown product at a guaranteed price. The bulk is sold in Thailand, to an

Mary Beth Camp/Matrix

CP Group's Dhanin Chearavanont **Asia's chicken king.**

1971	1972	1973	1974	1975
1976	1977	1978	1979	1980
1981	1982	1983	1984	1985
1986	1987	1988	1989	1990

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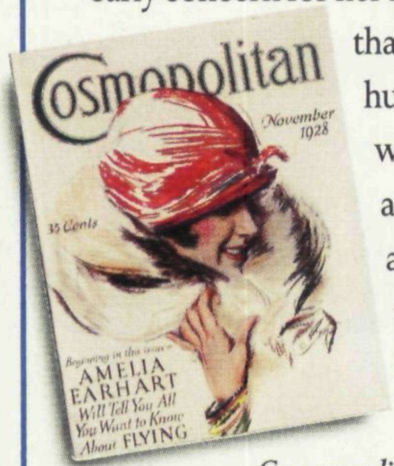
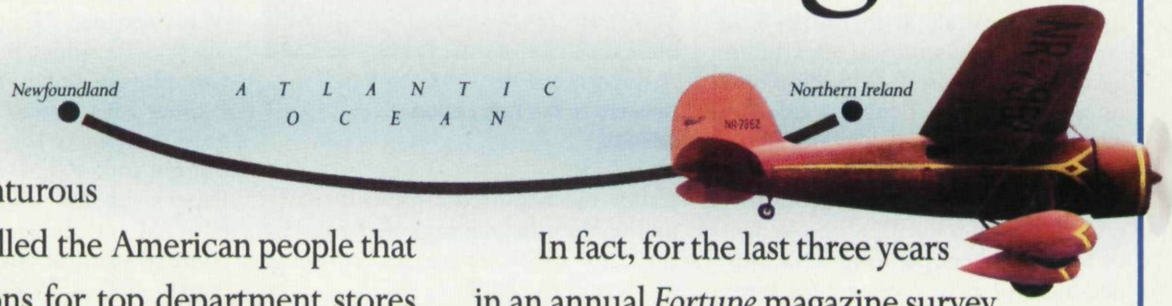


She served as aviation editor for *Cosmopolitan*. She designed and marketed a line of luggage and founded two successful airlines. An admired poet, she inspired two popular songs and even a foxtrot

Telecommunications *Information Services* *Mobile Communications*

woman aviator to cross entrepreneur and nurse. from a fashion designer.



aptly called the Earhart Hop.

Her adventurous lifestyle so enthralled the American people that she created fashions for top department stores like Macy's and Marshall Field's.

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In fact, for the last three years in an annual *Fortune* magazine survey, senior industry executives have chosen BellSouth as the telecommunications company they most admired in the United States.

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increasingly prosperous people that can now afford more than rice. But 40% of CP Group's chicken output is exported, mostly to Japan.

Agribusiness and aquabusiness now account for 75% of CP Group's sales. Chearavanont plans to reduce the ratio to 50% in five years by investing in property development, petrochemicals, telecommunications and food distribution. To get the expertise he needs, Chearavanont has been lining up multinational partners. He's linking up with Belgian giant Solvay in petrochemicals; with British Telecom as an adviser in a $3.5 billion agreement to install 2 million telephone lines in the Bangkok area; and with Dutch giant Makro on its wholesale supermarkets.

Dhanin, whose formal education ended in high school, is the youngest of four brothers. Among Thai businessmen, he is well known for hiring professional management for the family's 200-odd companies. Eight of these are now listed on the Asian stock exchanges; the family controls about 60% of each. Net worth of all the Chearavanonts' assets is at least $1 billion. –M.K.

Sophonpanich family

The Sophonpanich family is another new entry here. By owning about 40% of Bangkok Bank (among much else), the family controls a fourth of the country's private savings, and finances a third of its exports. Thanks to Thailand's rapid growth—9% or more a year for four years in a row—Bangkok Bank (assets, $20 billion) is Southeast Asia's largest bank.

The Sophonpaniches' $1 billion fortune traces back to the late Tan Piak Chin. In 1927, at 17, he hauled rice bags while dreaming of setting up his own importing business. Eight years later, his dream realized, Chin discovered that no bank would extend credit to him without full security. That gave him the idea: He became a moneylender to Thailand's small businessmen, most of whom were ethnic Chinese.

During World War II Chin (who adopted the Thai name Sophonpanich) became a successful currency trader and acquired a minority stake in the then-new Bangkok Bank. By the early 1950s he had a controlling interest in the bank.

Tettoni/Photobank/SIPA

Chatri Sophonpanich
Bankers to the Thai nation.

Among his methods to capture and harness savings in developing Thailand, he used what today would be called a brokered deposits system: He used provincial businessmen to find deposits and gave them a percentage of profits. He re-lent the money to commodity exporters he trusted. Says London School of Economics-educated Choedchu Sophonpanich, 45, Chin's youngest son: "My father ran an old-fashioned operation in a gentleman's world—he looked at the character and abilities of borrowers rather than financial ratios."

Chin Sophonpanich died in 1988. Since then, Bangkok Bank has come to rely less on handshakes and more on the numbers. But it is no less successful. All of Chin's seven children from his two wives work in the bank or other family businesses. But wielding the most power is Chatri Sophonpanich, 58, Bangkok Bank's chief executive. –M.K.

Indonesia

Eka Tjipta Widjaja and family

Indonesia's vast rain forest and cheap labor could make it a global power in pulp and paper. Eka Tjipta Widjaja, 68, and his family seem to have noticed. At Widjaja's Sinar Mas Group, pulp and paper are now 30% of revenues (1990 total, $1.9 billion) and a 500,000-ton expansion program is under way, making the company one of the fastest-growing pulp and paper producers in the world.

Widjaja, new to our list but estimated to be worth at least $2 billion, came from southern China to Indonesia's Sulawesi island as a child (his Chinese name is Oei Ek Tjhong). At 17 he was selling biscuits, but the palm oil trade became the foundation of his fortune. His partner in edible oils was President Suharto's most favored businessman, Liem Sioe Liong.

Sinar Mas Group's most explosive growth was in the 1980s, when it bought into P.T. Indah Kiat Pulp & Paper Corp. and founded Bank International Indonesia, now one of the country's largest and most profitable banks. Six of Widjaja's eight children—Sukmawati, Teguh (who runs the pulp and paper business and is heir apparent), Indra (who runs the bank), Muktar, Djafar and Franky—are in the business. –A.F.

William Soeryadjaya and family

William Soeryadjaya, 68, is a third-generation Indonesian-Chinese who built an old GM truck-assembly plant into the country's second-largest conglomerate. His younger son, Edwin, 42, helps run PT Astra International, which gets 70% of its profits from car sales and has been a market darling (the family owns 76%). But Indonesia's central bank is fighting inflation with 20% interest rates; car sales are hurting. Son Edward, 43, runs private Summa Group, a rapidly growing financial services operation that borrowed heavily to finance growth. Warns one analyst: "It's overextended like crazy." The family's visible worth is still near $2 billion. –A.F.

Liem Sioe Liong and family

Liem Sioe Liong (Indonesian name, Soedono Salim), considered Presi-

dent Suharto's *cukong,* or Chinese financier, has run important monopolies or near-monopolies in Indonesian industry. With revenues of $8 billion, his Salim Group is now Indonesia's biggest conglomerate. Last year Liem paid $215 million for a controlling stake in United Industrial Corp., parent of Singapore's premier real estate company, Singapore Land. He also controls Hong Kong-based First Pacific Co., a holding company with interests in banking and real estate. Sons Anthony, 41, and Andree, 43, work with Liem, 75. The family is worth over $2.5 billion. –A.F.

Malaysia

Robert Kuok

Robert Kuok, 68, has been building his billion-dollar empire—Perlis Plantations (sugar), Pacific Carriers (shipping), Shangri-La hotels, real estate and much else—for more than 40 years. Sons Ean, 36, and Beau, 37, are in the business, but the old man is still very much in charge of the family's businesses. –T.G.

Singapore

Kwek/Quek family

There are branches of this family in Singapore and in Malaysia. In Singapore, the family is known as Kwek. Last year Kwek Hong Png, 80, founder of the Singapore branch's Hong Leong empire, was found guilty of helping a nephew commit criminal breach of trust. He could have gotten ten years in prison, but he merely paid a fine. His eldest son, Kwek Leng Beng, 49, is running Hong Leong Finance Group. City Developments, the Kwek's property arm, is engaged in building the Republic Plaza in Singapore; it will be one of the tallest buildings outside the U.S.

In Malaysia, the family is known as Quek, led by Quek Leng Chan, 50. He invested heavily in manufacturing, properties and finance three years ago, when the Malaysian economy was still recovering from the 1985-86 recession, and profited handsomely.

The two sides own stock in each other's holdings but are not close. At Kwek Hong Png's annual birthday bash, cousin Quek Leng Chan was not seated at the big family table. Quek has said he hopes to make his three main companies as large as today's whole Hong Leong Group in Malaysia by 1993. The Kweks were recently worth about $1 billion; the Queks, over $700 million. –J.Q.

Lee family

The $1-billion-plus fortune of Singapore's venerable Lee family consists of its Oversea-Chinese Banking Corp., plus vast, long-held rubber plantations in the neighboring Malaysian state of Johor. As growth spills from Singapore into Malaysia, the Lee family's plantations may become industrial parks. –J.Q.

Philippines

Zobel family

The Philippine economy has been struggling lately, but the Zobel family—new to this list—is betting on a boom. Through holding company Ayala Corp., the Zobels are planning office towers and industrial parks. A joint venture with Malaysian billionaire Robert Kuok *(which see)*, for example, will put up office buildings and a flagship commercial center in Cebu, a major city in the southern Philippines. Land is no problem for the Zobels. They have been a force in the Philippines since 1834, first with plantations and then manufacturing. Their fortune got a big boost from an American army officer, Colonel Joseph McMicking. McMicking married Mercedes Zobel and, after World War II, ran Ayala Corp. In 1949 he built luxury housing on a large parcel of central-Manila land that had been in the Zobel family since 1851. Later came commercial buildings in an area now called Makati—Manila's premier business district.

McMicking died last year. His widow, Mercedes Zobel McMicking, 83, controls Mermac Inc., the family holding company named after her. It owns around 60% of Ayala Corp.

The McMickings had no children. Nephews Jaime Zobel de Ayala, 56, and cousin Enrique Zobel, 64, have each been the family's business leader. In the early 1980s Enrique was unsuccessful in expanding Ayala interests overseas, and tried to take over the San Miguel brewery from other family members. This got him into trouble with his aunt Mercedes: In 1983 Ayala's board kicked out Enrique and named Jaime chairman.

Jaime Zobel de Ayala is building, but has reduced Ayala Corp.'s debt. Says 32-year-old heir apparent Jaime Augusto Zobel de Ayala II: "By nature, we're somewhat conservative." But, through her control of Mermac, Mercedes Zobel McMicking is still ultimately in charge. –A.F.

Korea

Chung Ju-yung and family

The newly democratic Korean government wants Korea's *chaebol*—the huge conglomerates like Chung's Hyundai Group that dominate the economy—to focus their resources better and pick three core businesses in which to specialize. These core businesses would be allowed bank credit on favorable terms from their banks; other *chaebol* businesses would face stiff credit limits.

The government hopes to free up resources for other aspiring entrepreneurs, thereby promoting growth and a stronger middle class, and defusing resentment of very wealthy Korean business families. Hyundai, like other *chaebol*, has also been forced to sell some large land holdings.

Honorary Chairman and founder Chung Ju-yung, 75, chose to focus on motor vehicles, electronics and petrochemicals. The latter is something of a mystery. Korea is already oversupplied in petrochemicals, and is building additional capacity as a world glut looms. Moreover, Korea has no obvious competitive advantage here: It is totally dependent on imported oil and naphtha feedstocks.

Why, then, is the government en-

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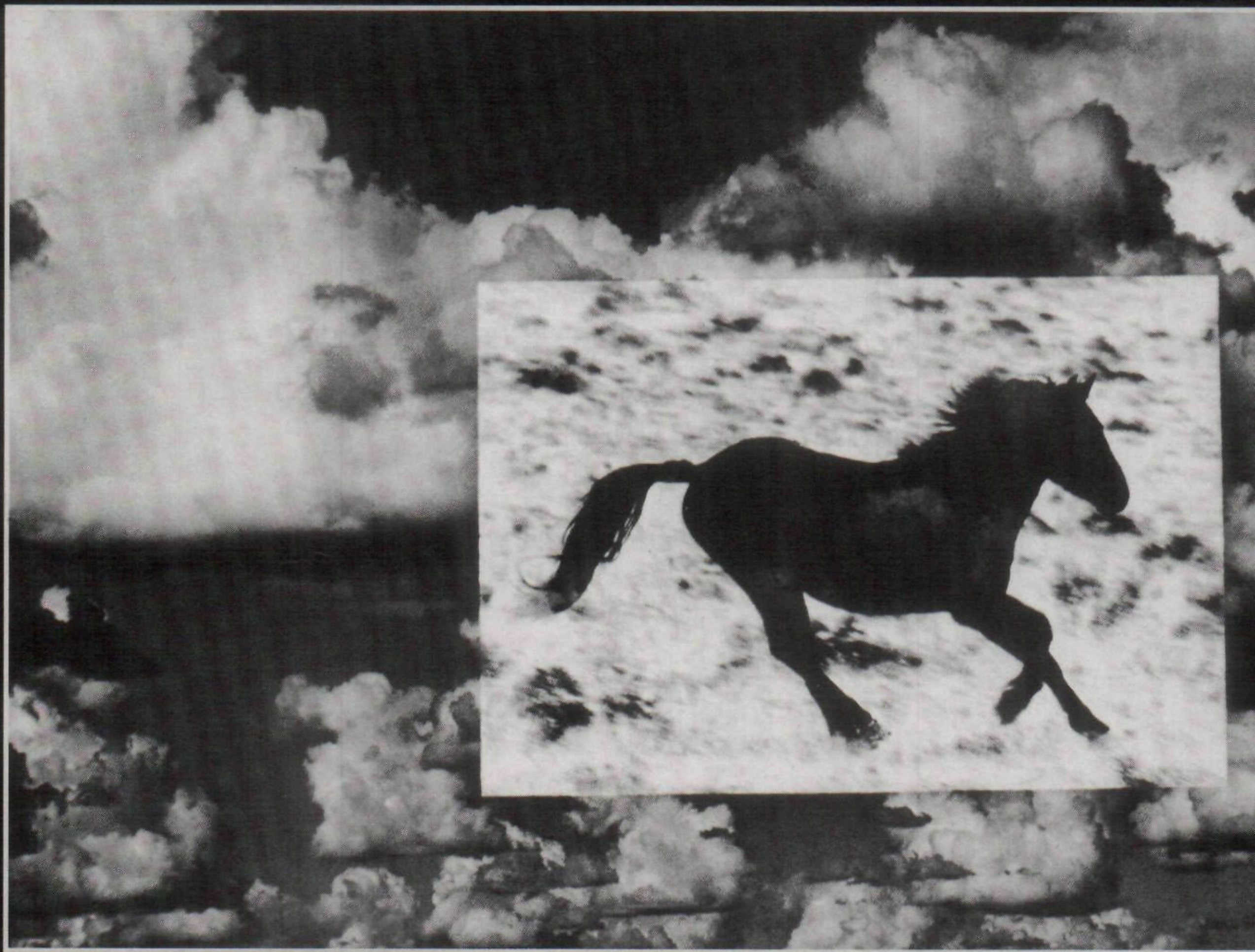

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Ralph Waldo Emerson

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X-Ray Systems

Michel Setboun/Rapho

Zakai

Shin Kyuk-ho, a.k.a. Takeo Shigemitsu

From chewing gum to petrochemicals.

Charlie Cole/Picture Group

Chung Ju-yung; Hyundai cars shipping out

Hyundai means modern times; modern times mean the chaebol must specialize.

couraging Chung and other *chaebol* leaders to add petrochemical capacity? Probably because petrochemicals are basic building blocks for any ambitious industrial society. And Korea does have a relevant natural resource: its energetic and increasingly well-educated people. Chung's sprawling Hyundai (the word means "modern times") Group has grown into a $32 billion colossus under his strong hand. Don't underestimate him in petrochemicals. –W.H.

Lee family

With unconsolidated revenues of $37 billion, the Lee family's Samsung Group is Korea's largest and best-regarded *chaebol.* When the government told Samsung to pick three core businesses to specialize in, it chose Samsung Shipbuilding & Heavy Industries, plus general chemicals and electronics. (In semiconductors, Samsung is fast approaching the level of Japan's Hitachi and Toshiba.)

Will Samsung, which has some 51 affiliated companies, go out of dozens of businesses? Not necessarily. Local observers predict it will be difficult, if not impossible, to keep *chaebol* like Samsung from using money borrowed by core businesses to finance noncore businesses. This would at least partially thwart the government's aim: loosening the big groups' grip on a disproportionate share of the country's economic resources.

Samsung might, however, one day arrive at the solution exemplified by Japan's giant carmaker Toyota and its numerous affiliates: Spin off noncore businesses—perhaps by taking them public on the Seoul stock exchange—but keep them tied to the Samsung family through financing agreements and contracts to buy their output.

Remember, Samsung's founder, the late Lee Byung-chull, greatly admired Japan's industrialists and studied them carefully. His third son, and chosen successor, Lee Kun-hee, 49, educated in the U.S. and Japan, now oversees Samsung in this latest stage of its development. He is likely to look to Japan for lessons in the difficult restructuring days ahead. –W.H.

Shin Kyuk-ho, a.k.a. Takeo Shigemitsu

One of the world's richest entrepreneurs (worth over $6 billion), Shin, 68, has empires in both Korea and Japan, where he is known as Takeo Shigemitsu. Born in Korea, he immigrated to Japan in the early 1940s and hit it big, first with chewing gum, then chocolate and real estate. In 1967 he launched in Korea a near mirror image of his flourishing Japanese business—right down to the professional baseball team. As in Japan, he picked up real estate cheap. Today some of it underlies Shin's $1 billion, two-year-old Lotte World complex, with a hotel, department stores, other shops and the world's largest indoor amusement park.

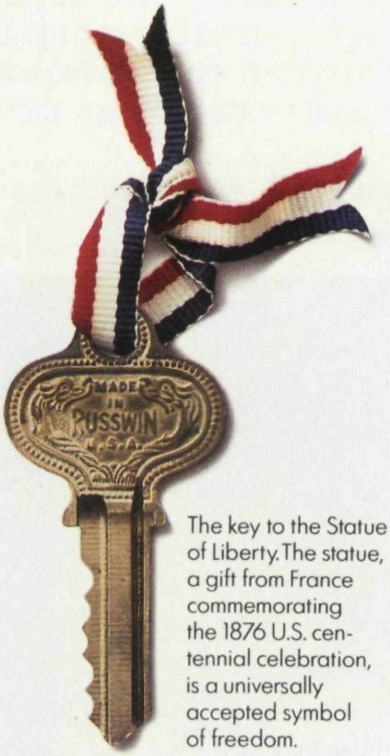
Confectioneries remain important, but like Korea's other big businessmen, Shin has a sweet tooth for petrochemicals. His Lotte Group named Honam Petrochemical, a joint venture with Japan's Mitsui Group, as one of its core businesses. This will give capital-intensive Honam access to easy credit. Lotte focuses mostly on leisure and consumer businesses, which produce substantial cash flow and quicker returns and do not consume great gobs of capital. –W.H.

Koo family

Earlier this year Goldstar Co., a core subsidiary of Lucky-Goldstar Group, acquired 5% of the U.S.' Zenith Electronics for $15 million. The aim was to get a better U.S. marketing network and better technology. Lucky-Goldstar needs both.

Korea's third-largest *chaebol,* Lucky-Goldstar is controlled by the Koo family and their relatives by marriage, the Huhs. The group's two main pillars are chemicals and electronics. Partly in response to the gov-

This is the key to the symbol that welcomes the world.



The key to the Statue of Liberty. The statue, a gift from France commemorating the 1876 U.S. centennial celebration, is a universally accepted symbol of freedom.

This is the key to the bank where the world is welcome.

With offices in the United States for over 50 years, Swiss Bank Corporation can ensure you a warm welcome right here. When it comes to knowing American business, we not only understand your banking needs, we possess the expertise and experience necessary to satisfy them at home and abroad.

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Wherever your business the Gulfstream IV can take

Some people seem to believe that as you go up the ladder in business jets, you run out of things the airplane can do.

The way they see it, by the time you get to the Gulfstream IV, which is at the very top, the only thing it is good for is to fly the long intercontinental missions.

Exactly the opposite is true, of course.

As a business jet gets bigger, as its flight management and aircraft systems get more advanced, as its engines become more akin to those that power airliners, and the wider its performance envelope becomes, the *more* it can do.

That certainly is the case with the Gulfstream IV.

takes you, you there.

A well-managed Gulfstream IV can become a unique asset in a corporate aircraft operation. In fact, it is perfectly plausible to expect this one amazing machine to do as much as two lesser aircraft, and perhaps even more.

There is no question about its long-range prowess. The Gulfstream IV has the endurance and speed to fly nearly 5,000 statute miles non-stop in about 9.5 hours; the reliability of its engines and systems helps make every hour pass placidly; and a big, roomy cabin makes every mile go by comfortably.

It brings these same capabilities to shorter trips and, in the right hands, does it with surprising efficiencies and cost-effectiveness. In a survey of Gulfstream IV operators by a major aviation publication,* most reported that *"they have found the Gulfstream IV to be economically practical for trips ranging anywhere from one hour to 9.50 hours in duration…"*.

Its size is a plus in helping achieve optimum utilization. The Gulfstream IV can take more passengers farther faster than any other business aircraft. (And, in our experience, people seldom pass up the opportunity to ride in it and pilots always want to fly one.)

Despite its size, the Gulfstream IV can get into and out of hundreds of airports where you normally find only smaller jets. And that's not simply because of its sparkling performance, but because it is also a good neighbor.

Few airports are more noise-sensitive than Washington's National Airport; the FAA says the Gulfstream IV, with its Rolls-Royce Tay engines, is quiet enough to come and go there anytime, day or night. (It all suggests you can plan on going almost anywhere you want to go–which is the fundamental reason to operate any business jet.)

In short, the Gulfstream IV has an uncommon versatility that makes it uncommonly productive.

We can show you why and how this happens on an actual business trip you and your key executives have to take somewhere at home or abroad.

If you need to go 5,000 miles non-stop, fine.

If you need to go where airline service is impractical or impossible, we can show you how easy the Gulfstream IV makes it to get to, not merely one place but several, and have you home again in a single day.

If we can have the time to show you how the Gulfstream IV does both, so much the better.

What's important is that you have the opportunity to put the Gulfstream IV in its proper perspective.

The person who's ready to see that you get that chance is Robert H. Cooper, Senior Vice President, Gulfstream Marketing.

Call him at (912) 964-3292.

Gulfstream Aerospace

The Gulfstream IV.

Uncommonly versatile, uncommonly productive.

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*"Gulfstream IV Operators Survey," *Business & Commercial Aviation,* August 1989.

ernment's effort to rationalize the conglomerates, Lucky-Goldstar plans to merge four chemical subsidiaries, including Lucky Ltd., the country's largest integrated chemicals concern.

Under Chairman Koo Cha-kyung, 66, Lucky-Goldstar has faced many labor disputes and falling profits, off 25% over the last two years. Management consultant McKinsey & Co. was brought in a few years ago, but without much visible effect so far.

Like most *chaebol*, Lucky-Goldstar is criticized for not spending enough on R&D. It may have felt little need to: During the mid-1980s the Korean won was cheap, and the *chaebol* had no trouble selling their goods. But under U.S. pressure the won has risen against the dollar, which has risen itself. Meanwhile, annual inflation in Korea is at 10% and wage demands keep escalating. Today, the *chaebol* realize reduced cost-competitiveness can best be fought with productivity, quality and innovation. That means spending more on R&D and—witness Lucky-Goldstar's new Zenith stake—on foreign investments. –W.H.

Taiwan

Hsu family

Douglas Hsu, 48, is chairman of the Far Eastern Textile Group. " 'Textile,' " says Hsu, "is basically a misnomer." Indeed. His father, Y.Z. Hsu, 79, began with a Shanghai knitting factory, and today the business manufactures polyester and other synthetic fibers. But most of the group's estimated $450 million profit comes from cement, finance and other non-textile activities.

The Hsu's Asia Cement, Taiwan's number two producer (1990 sales, $368 million), is increasing capacity by 34%, to benefit from Taiwan's $300 billion, six-year infrastructure development program now getting under way. The family also owns Far Eastern Department Stores (a 12-store chain) and two hypermarkets that cost at least $50 million each. They own one of the country's most profitable brokerage houses, and shipping and construction interests. The stakes held by the Hsus, led today by Douglas, a Columbia University grad who cut his teeth as a salesman at Far Eastern Textile Group, are worth over $1.5 billion. –A.F.

Y.C. Wang

Last year Y.C. Wang caused a stir by talking to Beijing, Taiwan's old enemy, about building a $6 billion naphtha cracker on the mainland. The smart money said it was a ploy to force Taipei into letting Wang expand on Taiwan instead. But now Taiwan has given up pretending it is trying to suppress the communist "rebellion."

Yet Wang now looks likely to build on both sides of the Formosa Strait, probably Taiwan first. "The [Taiwanese] premier is pushing very hard for this plant to be built in Taiwan," says a Taipei source. Wang's original Taiwan proposal was a $2.2 billion complex to produce ethylene, a basic building block in plastics. Observers say this has been stalled by environmental protests. On the mainland, Wang might build an export-oriented polymer plant. It seems safe to predict that by the mid-1990s Wang, now 74, will have shrewdly catapulted Formosa Plastics Group further past competitors. He's already worth more than $1.2 billion, not even counting expansion in Asia or the U.S. –A.F.

Peter Charlesworth/JB Pictures

ABOVE:
Y.C. Wang
Formosa Plastics on both sides of the Formosa Strait?

Tsai Wan-lin and family

Tsai Wan-lin, 66, runs family-dominated Cathay Life Insurance Co. cautiously, benefiting from a more than 50% share in a scarcely developed life insurance market growing 20% a year. Smaller competitors are coming up from behind. Cathay and other Tsai assets are worth some $2 billion. –A.F.

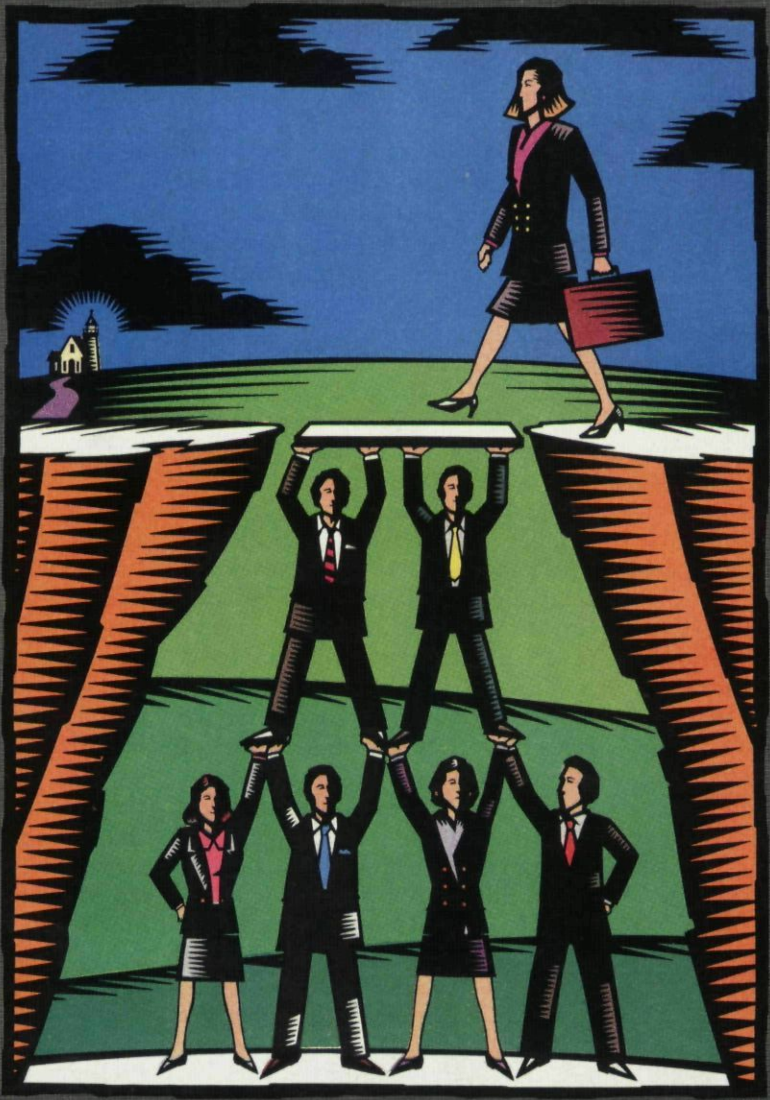
Chang Yung-fa and family

Chang Yung-fa, 64, built Evergreen Group into a container shipping power by undercutting others' rates. Now overcapacity has been undercutting

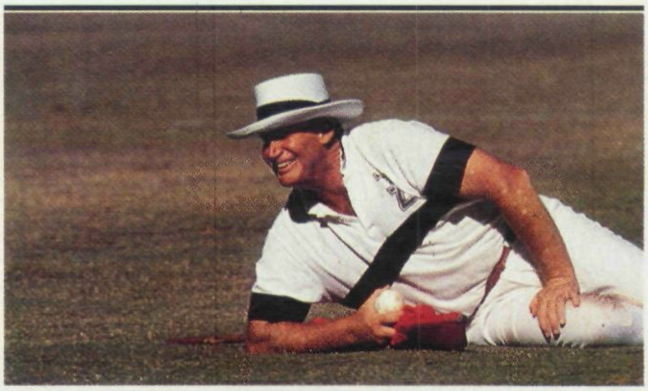
Ed Kashi

RIGHT:
Evergreen's
Chang Yung-fa
Optimistic—but currently overtonnaged.

Who knows your disability insurance needs best?



everyone's rates, including Evergreen's. But Chang is betting heavily on another round of expansion in Taiwan. He is investing in a new airline, EVA Airways Corp., which will begin competing with state-managed China Airlines in July, and in new luxury hotels in Southeast Asia. Even after a down year, Chang is believed worth at least $1 billion. –A.F.


P. Rivere/Sidney Freelance

Kerry Packer, Oz's sole billionaire
Publishing mogul and prize-winning polo player.

Koo family

Taiwan's government finally wants to open up the island's financial system, and the Koo family's political connections guarantee it a commercial bank license (19 other applicants are fighting for licenses).

Besides political connections, the Koos have the experience. Their China Trust Co. is active in commercial paper and started Taiwan's first credit-card business. A banking license will let it take checking deposits and lend short term on the island as the China Trust Bank in New York already does.

But why do the Koos want to expand in banking? Taiwan's largest cities, especially Taipei, are already considered overbanked. "I'm mystified how you could make any money at [commercial banking]," says one analyst in Taipei. China Trust seems likely to hold off an expected public offering until a widely anticipated shakeout runs its course.

The Koos' Development Corp., the industrial arm, is in everything from advertising to petrochemicals, but it is the financial base that puts Jeffrey Koo, 57, uncle Koo Chen-fu, 74, and relatives over $1 billion. Commercial banking would increase their powerful grip on the bustling island's financial industry. –A.F.

India

Birla family

Rajiv Gandhi's assassination is just one more political crisis to the Birlas' extensive business empire, one among many they've survived—to go on prospering. For supporting the Congress Party in India's independence struggle in the 1940s, the Birlas, then led by G.D. Birla (d. 1983), got valuable licenses in core industries, like jute; later came cement, power, aluminum and then petrochemicals. They built their $1.2-billion-plus fortune producing with reasonable efficiency what India needed for development. After G.D.'s death, the family's five branches split; his favorite grandson, Aditya, 47, inherited about 45%. MIT-educated Aditya is chairman of the top Birla companies, including Hindustan Aluminum and Grasim Industries. His cousin, Chandrakant, runs Hindustan Motors. Last year combined revenues of the Birlas' 60 or so public companies topped $3 billion, up 25%. Profits climbed 30%; market value, 17%, to $3.6 billion. The Birlas have an aggregate stake of about 25%.

India has recently been lucky: Three good consecutive monsoons—plenty of rain, evenly distributed—and, consequently, an excellent harvest. This masks basic problems: India also needs sound economic policies. Past policies have led the Birlas, like other talented Indian businessmen, to invest in less-regulated foreign economies. Aditya runs major Southeast Asian operations, with aggregate turnover of $1 billion. These include the world's largest palm oil refinery, in Malaysia, and thriving textile and chemicals businesses in Thailand, Indonesia and the Philippines.

Rajiv Gandhi understood that the best way to develop his country was to get the government off the backs of India's entrepreneurs. Will his successors understand? They say they do. Aditya Birla is optimistic. "The long-term future," he says, "should be good." We'll see. –M.K.

Australia

Kerry Packer

Australia has few tycoons left. Robert Holmes a Court is dead of a heart attack. Alan Bond's empire is in ruins. When Kerry Packer suffered a near-fatal heart attack last fall, Australians held their breath. But eight days after a quadruple bypass, Packer, 53, went back to work. Now he's guiding his $1.5 billion fortune (mostly Consolidated Press Holdings) through one of Australia's worst recessions ever.

Packer's greatest coup last year was reacquiring Nine Network Australia Ltd. from Alan Bond after Bond defaulted on Packer's $200 million of preference shares. Packer wound up with 39% of the common, worth $240 million. With the other Australian networks in receivership, "the Nines" garners a hefty 42% market share. Packer's investment in Australian National Industries is also paying off. After selling assets, ANI is now mainly a maker of mining and engineering products. Packer's 47% was recently worth $415 million, up 31%.

What next? Packer's company claims to have over $600 million cash and is eyeing Australia's Fairfax Group of publications, which collapsed after going private on too much debt. Cross-ownership rules limit Packer's buying to useful pieces of Fairfax rather than all. Amidst all this, he finds time for polo: He won the coveted Queen's Cup in England. Packer created an uproar in West Sussex, U.K., when he bought and leveled some 600 acres—for growing experimental grass, he says. No one has accused him of lacking a sense of humor. –K.W.