

## Doing Business in Asia: Practices & Etiquette

The most notable change in the pattern of U.S. exports during the last three decades has been the increasing importance of the Asia Pacific region. With the economic growth in the East Asian markets, Asia Pacific has become the second-most important geographic market area for U.S. exports.

Furthermore, two thirds of the world's population resides in the Asia Pacific region, with China, India and Indonesia representing three of the four most populated nations in the world.

Although the Asian economic crisis of 1998 slowed the growth of its economies, positive to nearly **double digit growth** is expected for almost all Asian countries in 2001.

### Effects of Globalization on Business Communication

Globalization is a dynamic process and continually changes the way we conduct business. One important change involves the way we communicate with people from different cultures. The spoken and written language only represents about ten percent of the **communication** process, the rest is made up of non-verbal communication: visual imagery, facial expression, body language, timing, and other social conventions for human interaction. Whenever we interact with people from different countries, who speak different languages, we not only have to decide what language to speak – theirs or ours. We also have to choose between projecting our cultural bias onto them or to be sensitive to their culture. The choices we make will say much about whether we want to be respected or whether we want to show respect.

### Business Etiquette in Asia

While Americans tend to place emphasis on being respected, Asians value **showing respect**. In this context, the concept of “face” is important to many Asian cultures. “Face” refers to respect or status. Face is simply a matter of common courtesy, and it can be given to a person for example by presenting prestigious gifts.

Because gaining and losing face is easy to do, having a good understanding of this concept is necessary for conducting business in Asia. It is especially important for foreigners to be aware of the public image of the people they deal with. Never publicly insult, shout, reprimand or overrule an Asian person since this will cause them to lose face and may jeopardize the negotiating process.

### General Business Tips

- Business entertaining is a common way to negotiate business, and typically involves alcohol consumption.
- Be ready to answer questions relating to personal wealth, marital status, age and family background because they are not considered personal between business colleagues.
- Never write notes with red ink for it conveys death.

### Business Card Etiquette

Exchanging business cards is an important business practice in Asia. The list below offers suggestions to ensure that this ritual is performed correctly.

- Print your cards in English on one side and the foreign language on the other side.
- For languages that do not use the Latin alphabet, your name has to be transcribed phonetically.
- Your business title should also be translated to describe your position within your organization.
- Always carry a supply of business cards to distribute. When distributing and receiving business cards, do it carefully using both hands.
- When approaching new business partners, be sure to provide your company literature and product information in their language.

In the end, the key to successful business communication is understanding the culture, values and needs of your global customers, partners or colleagues, and developing a sense of mutual respect. It is the foundation to building strong business relationships.

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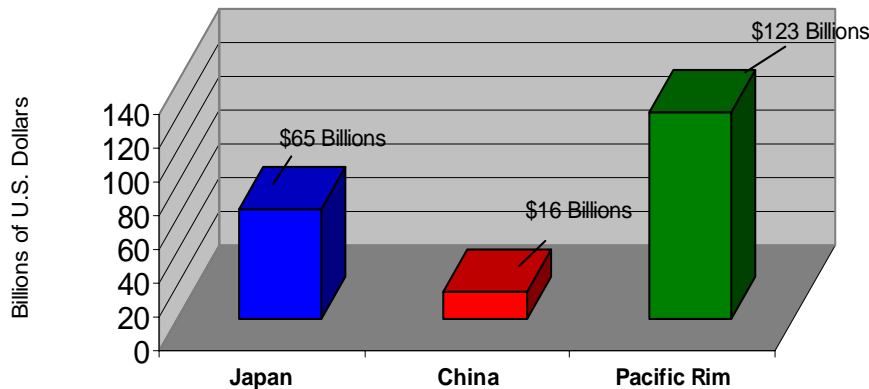
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**Did you know** that Gung-ho is a Mandarin word meaning “to work together”? Many Americans today use it to denote a spirit of enthusiasm.

# Statistics

**2000 U.S. Goods Export to Asia**



Pacific Rim: Australia, Hong Kong, Malaysia, New Zealand, Singapore, South Korea, Taiwan, Thailand

## Upcoming Conferences

### **3rd Annual Asian American Marketing Midwest Conference**

August 14, 2001

RiverCentre Convention Center  
St. Paul, MN

contact: Aguilar Productions  
(651) 665-0633  
[www.aguilarproductions.com](http://www.aguilarproductions.com)

## Asian Holidays

### **July**

**7<sup>th</sup> - Festival of Tanabata (Japan)**

### **August**

**6<sup>th</sup> - Hiroshima Day (Japan)**

**13-15<sup>th</sup> - Obon Festival – Buddhist Festival of the Dead (Japan)**

**15<sup>th</sup> - Independence Day (South Korea)**

**26<sup>th</sup> - National Heroes Day (Philippines)**

**31<sup>st</sup> - National Day (Malaysia)**

**In our next issue of CLUE: *Ethnic Employee Relations and Communications***

# CLUE Newsletter

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