


Vision for the Next Millennium

Far Eastern Group celebrating 60 successful years, stands strongly at an important intersection in time, moving steadily towards a celebrated future based on its contributions to the global community.



■ Far Eastern Group Chairman Douglas Tong Hsu



Despite world fluctuations and the difficulties ahead, how does Far Eastern Group (FEG) look forward to the next 60 years?

“The Group is at a turning point with the rapid change of the economic model.” says Douglas Tong Hsu. In the last 60 years, FEG’s growth benefited from government economic plans which encouraged the development of businesses in traditional industries such as textiles, cement, department stores, banking, and telecommunications. As Taiwan’s political climate changes, the economic tempo has yet to follow and therein lies the specific challenges to the current economic model. In addition to these concerns, the world economic environment has altered drastically. With new variables such as the emerging market of mainland China, Taiwan is evaluating its progression and growth, to capitalize on its unique position. Questions arise as to where does Taiwan draw the line and in an area of many unknowns how far do we take advantage of these opportunities?

Turning Point of the Economic Model

In the last 60 years, FEG has been significantly influenced and has continued a strong partnership with the Taiwan government. In step and often ahead of others in responding to changes in government policy the Group is often the first to initiate new developments in areas of growth.

Douglas Tong Hsu, outlining a string of ‘new’ progressive economic recommendations for the government says: “For a successful economic development model, government needs to exhibit stronger foresight, logic, philosophy, and leadership.” “We are looking to see how bold new government policies will be; and how open they will be to tapping into the huge mainland Chinese market. The entire economic structure of the region is changing and Taiwan is only a portion of the future Asian market. We need governmental action that has thoroughly anticipated and thought through the complexities of our situation, and confidently defines the role it needs to play. The government’s policy will affect our future.”

In Shakespeare’s Hamlet, the question is asked: “To be or not to be?” In a world of rapid change and fluctuations, if the government doesn’t adjust, industry can only attempt to break the status quo. Accordingly, FEG has been adapting to larger scale environments through expansions in China: from Asia Cement’s development in the Midwest, to Far Eastone Telecommunication’s agreement with telecommunications giant China Mobile, to the development of its retail business into the large populations of second-tier cities. Business must be bold, explore the limitless opportunities, and face the new world challenges. What was once considered a tremendous effort in the building of one cement plant, now dauntingly requires the simultaneous construction of four in China, for example. Furthermore, Far Eastone, while serving the national population, has through its alliance, created

opportunities to serve the greater Chinese market. “A limited perspective was the greatest obstacle, now employees have the ability to explore greater opportunities; the sky is limitless,” Hsu says, “With 1.3 billion potential Chinese clients, how do we develop the expansion of the retail business from first-tier to the second-tier cities and establish business territories accommodating the population in these cities. This is our challenge.”

Recollecting his first visit to Beijing in 1993, under the invitation of former President Mr. Zemin Jiang, Hsu says, this first trip opened the doors for FEG’s initial investment into mainland China. That same year, despite the retirement of the Group’s founder, the annual turnover was US\$1 billion. In the years since, FEG has grown yearly by US\$1 billion with an aggregate turnover approaching US\$16 billion and with total assets surpassing US\$46 billion.”

Innovative Soft Skills

FEG plans the growth of deep roots in China, but additionally, hopes to reciprocate by bringing in the energized Chinese market to revitalize Taiwan. For example, under Dr. Shu-Hsun Chu’s leadership Far Eastern Memorial Hospital has grown from a community hospital to a major medical center. This achievement was accomplished by a focus on innovations in medical treatments and superior service quality. Armed with a mission to cultivate top medical talent, the hospital intends to move beyond the local Taiwan community and operate as a major medical center with open doors to all of Southeast Asia.

“With one of the best education and medical systems in Taiwan, why would we move to Shanghai?” Douglas Tong Hsu explains of his intention to put the world in touch with the Taiwan experience and towards the assets of its high level service quality.

In his book, *Six Memos for the Next Millennium*, Italian writer Italo Calvino suggests that lightness rids the weightiness that accompanies the aggressive tendencies of today. Far from being frivolity, lightness is a result of careful thought. He further explained that his choice of an auspicious image for the new millennium would be: the agile leap of the poet-philosopher, who raises himself above the weight of the world despite gravity. This secret of lightness, becomes the vitality of the times. The vitality of FEG lies in innovative soft skills. At this intersection, only by implementing this vision can the energy to create a better future be produced.

FEG’s future lies predominantly in the dynamics of Taiwan and China, as well as elsewhere in the world. With the improved relations between Taiwan and mainland China, FEG is seizing the opportunity to create a more complete cross-Straits operating system. After being separated for nearly 60 years, there is new hope for more collaboration between China and Taiwan in building a better future. FEG believes we will continue to write another 60 years of prosperity.