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Business

Cover Story - Getting Road Ready for Education and Research

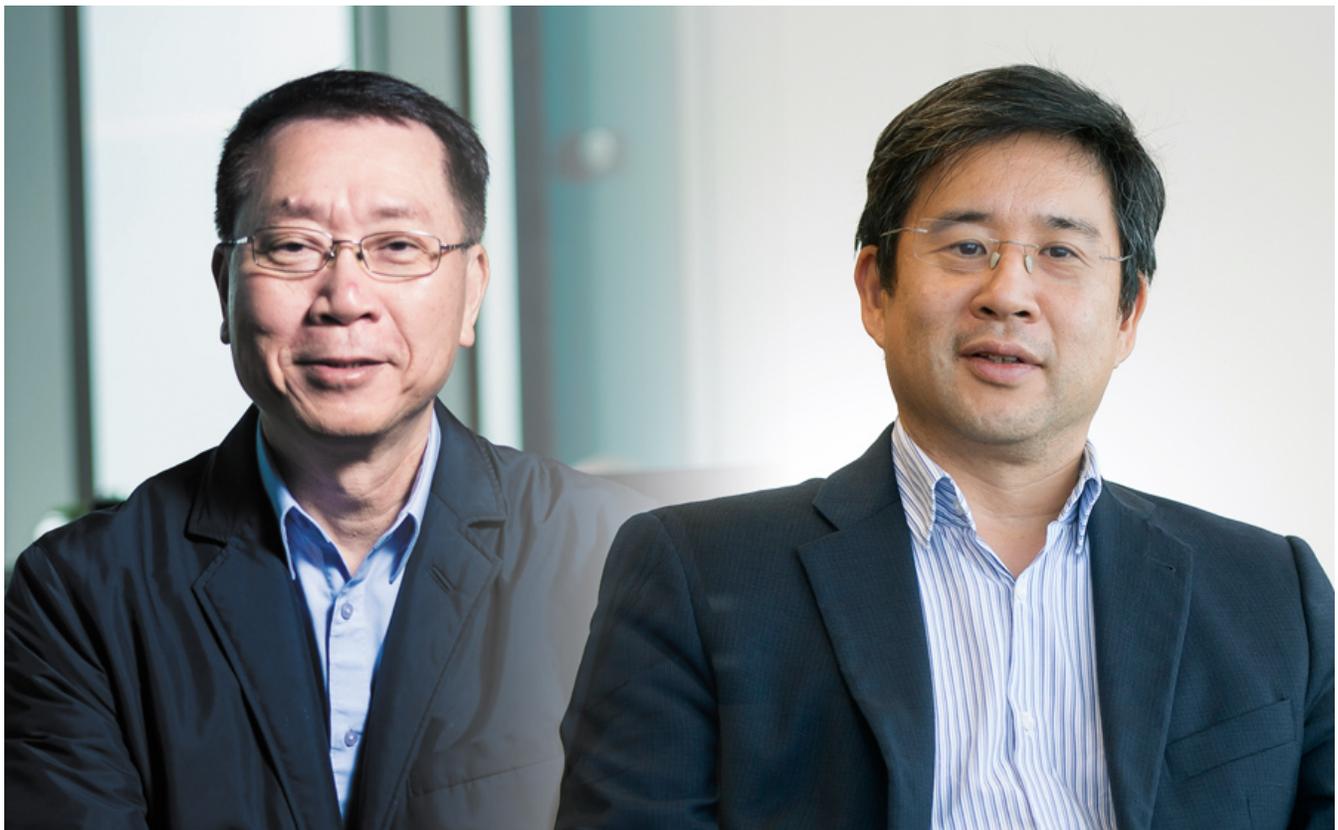
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[Sponsored article] As both an educator and a research powerhouse, the HKUST Business School can help executives and entrepreneurs seize the opportunities opened up by OBOR.

The faculty at the HKUST Business School is well aware of the huge potential of OBOR project - and the part the School can play in turning this potential into reality.

“Many of the more than 60 countries covered by the initiative are developing countries,” points out Professor Tam Kar Yan, Dean of HKUST Business School. “With the developed economies starting to slow down, any global expansion will be dependent on growth in these developing countries.”

The School’s Professor of Economics Albert Park, who is also Director of HKUST’s Institute for Emerging Market Studies (IEMS), points out that recent political developments in the world’s largest economy have given OBOR even greater impetus.

“The Trump administration’s clear intention to be tough on trade opens up opportunities for both China and One Belt, One Road countries and should encourage an acceleration of ties - especially in Asia,” Professor Park says. “The US has already formally withdrawn from the Trans-Pacific Partnership Agreement, which excluded China, providing China with an opportunity to play a greater leadership role in shaping trade and investment relationships with many fast-growing countries in the region.”

Although OBOR is the brainchild of President Xi Jinping, Emeritus Professor of Economics of the School Francis Lui believes it must, as the President himself has noted, benefit all parties involved, not just China.

“A policy of self-interest does not contradict altruism,” Professor Lui says. He sees the demand for Chinese products growing as poorer countries become wealthier.

Sifting Fact from Supposition



In general, Professor Park explains, any country receiving investment for, say, transport or other infrastructure projects should be better off as a result. This doesn't mean, however, the rewards will be spread evenly. In a multi-polar world, trade effects become complicated and hard to predict. Identifying who will benefit the most from infrastructure created in one country is not always an intuitive process, as trade can be redirected and all sorts of interactions can occur.

That's why Professor Park believes there is a great need for evidence- and data-based studies on what's really happening, and likely to happen, with the OBOR initiative. "There's been a lot of commentary and discussion but not much rigorous research," he observes. "We want to fill that gap."

Professor Park and the HKUST's IEMS are now in a position to begin doing exactly that, as they've just received Central Policy Unit funding (Strategic Public Policy Research Scheme) for a research project into OBOR trade and investment, and the implications for Hong Kong.

The project is composed of five inter-related studies addressing: how OBOR will affect international trade flows, especially for Mainland China, Hong Kong and OBOR countries; how increased trade from OBOR may increase the use of the Renminbi in international trade settlements; the way OBOR investments are implemented and the impact they have on development in a number of case-study countries, including Pakistan, Kenya, Ethiopia, Sri Lanka, and Russia; the development impact of infrastructure projects as revealed by a road-building project in India; and the potential for Hong Kong financial institutions to provide capital and financial services for OBOR investments.

The international dimensions of this undertaking go beyond its subject matter. “We will be collaborating with the IEMS research center at the Moscow School of Management Skolkovo (Skolkovo) and possibly other partners on parts of the project,” Professor Park adds.

Building Relationships Along the Road

This collaboration is just part of a growing relationship between Skolkovo and the HKUST Business School, with a Memorandum of Understanding to develop a strategic partnership between the two schools recently signed.

“It is a unique opportunity,” explains Professor Tam. “The (Skolkovo) school was set up ten years ago and they need help to build up their academic strength. We saw it as a win-win situation. On the one hand we can share our experience of building a strong and international academic school and, at the same time, we can leverage their connections in Central Asia and Euro-Asia. There is no business school currently serving that part of the world, and through this connection we hope we can develop more visibility there.”

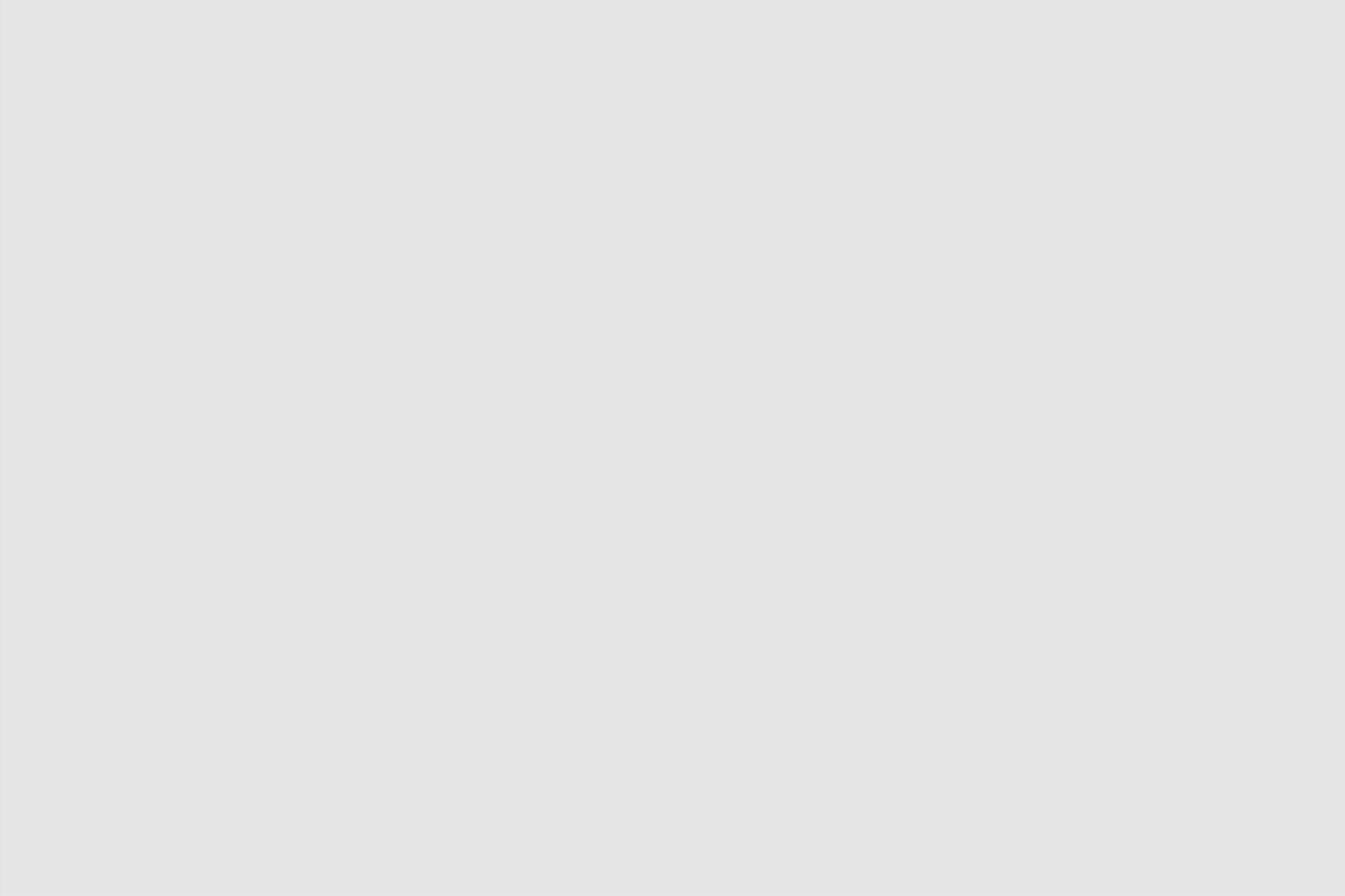
The Dean says he and his colleagues have already been in discussions with Skolkovo about developing a joint degree focused on Central and Eastern Europe and Eurasia. Meetings have been planned to work out the curriculum and he is hopeful the program will be launched later this year. “It will be at the EMBA level, targeted at executives,” he says.

Another strategic partnership, with an institute in Israel, is currently under consideration. Israel is not only one of the 16 OBOR countries in Middle East, but also a world leader in fundamental scientific research and startup incubation, where the School sees room for collaboration. This partnership will probably start with Tel Aviv University, building on an existing working relationship with HKUST's Thompson Center for Business Case Studies.

“With this, and our collaboration with Skolkovo in Moscow, we would basically cover the Middle East, Eastern Europe and Eurasia,” Professor Tam says.

While the School is already well connected with leading institutes in the US and Western Europe, the Dean notes that, up to now, it hasn't had so many links to those in OBOR countries. But given these developing ties, in the near future it should be possible for anyone looking to do business in, say, Kazakhstan, to find the knowledge, expertise and connections they'll need via the HKUST Business School.

Bridging Cultural Divides



Professor Lui sees the enthusiasm of institutes in other countries to work with HKUST, as a recognition of the School's strengths and advantages. Since its founding 25 years ago, the HKUST Business School has developed into a world-renowned center of academic excellence. What's more, within the same time frame, the School's home city of Hong Kong has carved out an unrivaled position for itself as a gateway between East and West, to go along with its unique political and regulatory status within China.

However, as well as making full use of the School's research work and international connections, Professor Lui believes it will also be essential for anyone seeking to do business along the OBOR routes to make sure they understand the cultures they are likely to encounter.

"We need to educate ourselves about the One Belt, One Road countries and respect their indigenous cultures and religions," Lui says.

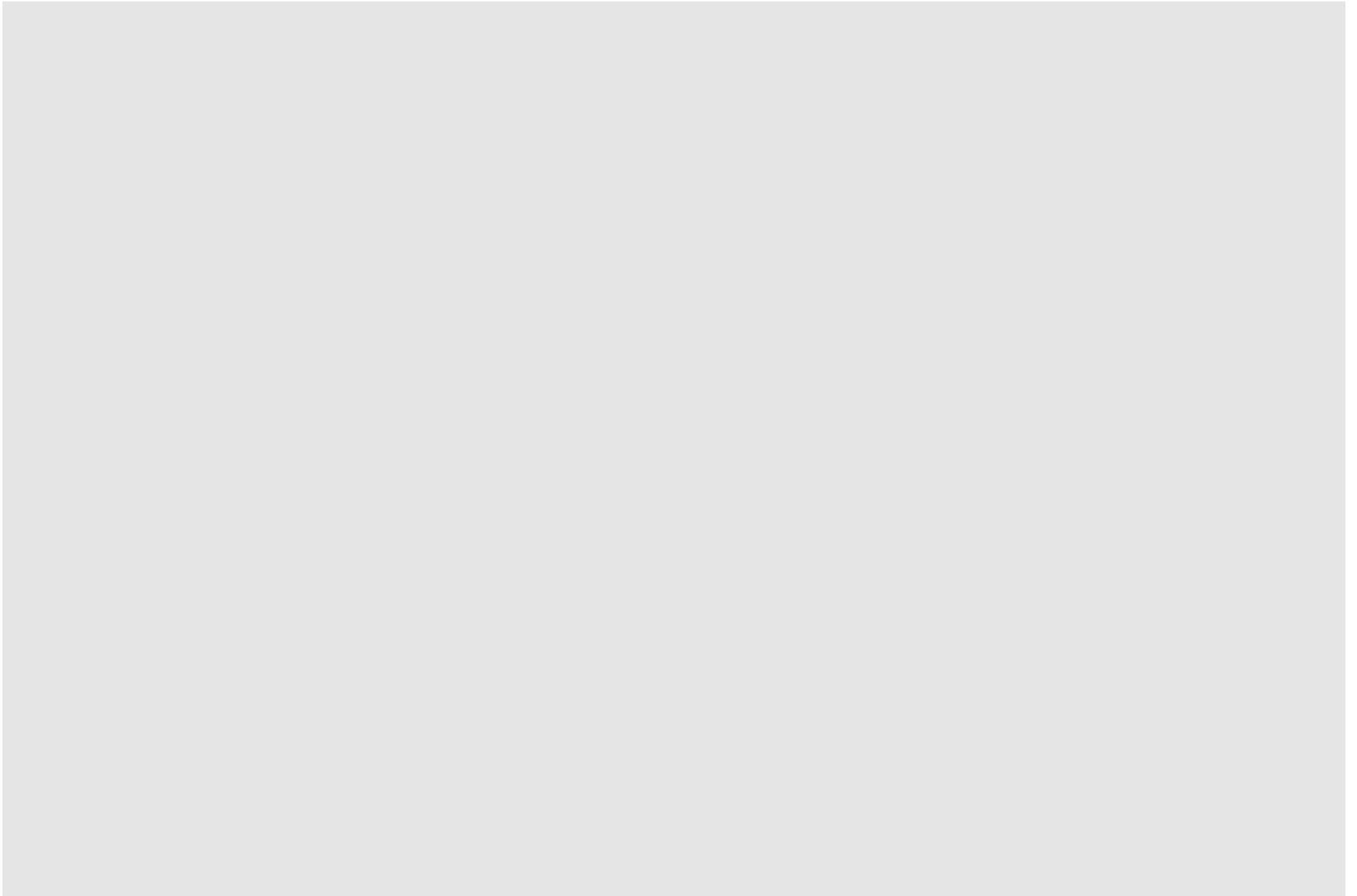
He believes that what students learn at the HKUST Business School, in terms of economics, finance, accounting and marketing, can be applied to almost any society. “So, I’m not worried about the students’ professional knowledge, but they need to be encouraged to spend more time getting to know and understand people who come from very different backgrounds.”

While many young people love to travel to different countries, Professor Lui notes they tend to go to places they’re already familiar with. He’d like to see them broaden their horizons and visit some of the OBOR countries that are, generally, not so well known to Hong Kongers. He’d also encourage members of the faculty to spend more time investigating these cultures.

The Dean agrees on the importance of developing this deeper understanding and says the School will do its best to facilitate it.

“We will scale up the exchange opportunities, both for our students and at faculty level. We can also invite faculty from other Schools at HKUST to contribute.”

“We believe One Belt One Road will create new career prospects for our students and a wealth of opportunities for our School to become a thought leader that contributes to sustainable development along the routes.”



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