

## FROM THE EDITOR

### The impact of Covid-19 on Asian businesses and the economy

The Covid-19 pandemic will likely end when a vaccine can be made available to everyone, or when we have achieved some measure of herd immunity. Unfortunately, both are as yet nowhere in sight. In the meantime, businesses are scrambling to navigate the ‘new normal’ of maintaining continuity through the pandemic and beyond. In this issue, we report on how organisations in Asia are coping and changing the way they operate during this critical transition.

Economists Madhur Jha and Chidu Narayanan lead with how the pandemic is likely to have long-term implications for the global economy. It has already started to reshape the way business and leisure are organised and conducted, and they predict two potentially long-term changes that are areas of concern not only for policymakers, but also for the financial markets: deglobalisation and the backlash against global supply chains, and medium-term inflation.

Global supply chains have been witnessing significant changes even before the pandemic. Three factors—technological developments, geopolitical shifts, and now the Covid-19 pandemic—are going to result in a complete rearrangement of global supply chains, says Dr Victor Fung, Group Chairman of the Fung Group, in an interview with Tan Chin Tiong. He adds that supply chains have now permanently shifted to a new normal, and will become far more agile and resilient.

In 2013, Jeff Tung saw the potential of cross-border supply chain financing between China and Hong Kong. He started Sheng Ye Capital, which became China’s first commercial factoring company to be listed on the Hong Kong Stock Exchange, serving over 4,000 small and medium enterprise customers. Tung shares his entrepreneurship journey in the world of supply chain financial services, and discusses some of the key lessons he has learnt in the process.

Suhaimi Zainul-Abidin, Chief Executive Officer of Quantedge Capital, takes us through the evolution of hedge funds from the periphery of the financial world to its current state as a global, institutionalised industry. During these uncertain times, he says that there are a great number of possible outcomes for investors and fund managers, but there is just no way the future can be predicted consistently.

Seasoned banker Ajay Makhija depicts vividly the current state of the global economy and the extent of financial market hedonism through the lens of Oscar Wilde’s “The Picture of Dorian Gray”. He says the core economy is almost on its knees, and the world needs Dorian to sacrifice itself (the glory of the market) for the sake of the economy.

We then look at intergenerational challenges within organisations, and how Tata Steel has successfully implemented two-way mentoring. The authors—Peeyush Gupta, Michelle D. Steward, James A. Narus, and D.V.R. Seshadri—note that vibrant cross-generational interactions can result in strong relationships being formed, which not only help the company attract and retain talent, but also effectively create new offerings.

Success and better performance, competitiveness, and growth are evidenced when family firms devote resources to innovation, says Rameshwari Ramachandra. She avers that trust and the ‘Hive Effect’ will boost creativity and innovation in family firms.

Staying with the theme of innovation, Kenneth T. Goh, Richard R. Smith, Cher Heng Tan, and David Dhevarajulu tell us how Singapore’s Tan Tock Seng Hospital (TTSH) had to strike a balance between reducing business-as-usual services and increasing outbreak-coping capacity when Covid-19 broke out. TTSH successfully did this by focusing on innovating with an agile mindset, an orientation cultivated over the years through a multitude of initiatives led by its Centre for Healthcare Innovation.

To keep tourism alive in Asia, several countries have started looking inward and are getting residents to spend their vacation dollars in their own backyard. Lim Wee Kiat discusses the promises and perils of domestic tourism, and offers suggestions on how to bring the visitors back.

Deepika Deshpande takes us through the history of debt and shows us how we can move away from using debt to tackle economic downturns. The financial services industry professional believes that the real issue is that the repeated use of a tool that provides short-term relief erodes the motivation to identify and address systemic problems.

Our Case in Point is on Pinduoduo, and authors Hao Liang and Cheah Sin Mei describe the journey of the fastest growing e-commerce start-up in the history of China. They chart its meteoric rise as it transcends its e-commerce roots to empower farmers to engage in e-commerce, and describe its agile response to Covid-19 in bridging the demand-supply gap by setting up a dedicated portal to help farmers showcase their agricultural produce via livestreaming.

The prolonged lockdown has led to a real shift in how we work to a new work-from-home (WFH) culture for the global workforce. Snehal Shah and Vineeta Dwivedi show us how working from home can become a win-win situation for both employers and employees, and discuss the long-term policies that organisations can implement to make WFH an enduring work practice that benefits both parties.

Even though it is not yet clear how things will eventually pan out, businesses cannot wait for the pandemic to run its course. Many will try to leverage the unfolding crisis and transform themselves during this critical period. Those that succeed will emerge stronger, while those that do not will be consigned to the dustbin of history.



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