

Getting to grips

CHINESE CARMAKERS WILL HAVE TO RETHINK STRATEGY, IMPROVE PRODUCTS, PRODUCTIVITY AND SERVICE IN ORDER TO COMPETE OVERSEAS

By ALFRED ROMANN in Hong Kong For China Daily Asia Weekly

ore than 1 million new cars were sold in Indonesia last year. That fact alone makes the Southeast Asia giant a very desirable market for automakers.

Indonesia accounts for about 40 percent of the population of the Association of Southeast Asian Nations (ASEAN) and its economy has been growing fast, at more than 4 percent per year for more than a decade. It is a natural export market for Chinese auto manufacturers looking to up their market share.

And it gets better.

Earlier this year, the Indonesian government launched new tax incentives for low-cost green cars, which give automakers another reason to get into the action. The government has cut the luxury tax by 25 percent for cars that can get fuel efficiency of 20 km per liter, 50 percent for 28 km per liter and 100 percent for cars that can go even further.

But there is a catch. These vehicles must be assembled domestically and as much as 84 percent of components must be made locally. Virtually no Chinese automakers are in a position to take advantage of those tax breaks. For the time being, Japanese automakers will continue to dominate the market.

Not only in Indonesia but in most foreign markets, Chinese automakers are having a hard time competing with more advanced multinational manufacturers from Japan, South Korea, Europe and North America.

Chinese companies want to go abroad, but their offerings are still of lower quality and the aftersales service typically weak because they generally do not have the networks in place to provide quality services, says John Zeng, managing director at LMC Automotive Consulting in Shanghai.

Aside from a couple of standouts like Great Wall Motors, Chery and possibly Geely, most Chinese automakers simply cannot compete in this area.

"(Chinese automakers) are quite eager to go

overseas. It is great propaganda for them to go overseas. It is good advertising for them," says Zeng. The problem is that "most of them are treating overseas markets as a trading business ... They mainly rely on price as a weapon."

On the surface, it makes sense for Chinese automobile manufacturers to look to new markets.

Competition in China is intensifying and overcapacity among domestic makers is still a significant issue, according to a new report by international consultancy AlixPartners. Most Chinese manufacturers operate at 65 percent capacity, compared with the 80 percent considered to be the minimum for stable profits.

At the same time, Chinese automakers have struggled to gain market share, particularly in the key sedan segment. The only standout is Great Wall, which has a leading position in the China SUV market, according to the report. In the luxury car segment, BMW and Audi lead the way, followed by Mercedes-Benz.

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Focus: Mandarin in Pakistan

Language of a trusted friend

YOUNG PAKISTANIS SNAP UP THE OPPORTUNITY TO STUDY MANDARIN FOR BUSINESS, CAREER AND PLEASURE

By SUDESHNA SARKAR in Kolkata For China Daily Asia Weekly

hen Sabir Mirza went to the LP Thong dental clinic in Karachi, Pakistan's commercial capital, his Chinese dental surgeon was in for a pleasant surprise.

Mirza, an aspiring medical student who hopes to study at Shanghai Medical University, is learning Mandarin to prepare for a long stay in China. And he was able to converse in fluent Mandarin with his dentist.

"There is a growing interest in the Mandarin language in Pakistan, especially among young people," says Muhammad Arif, editor of *Nihao-Salam*, an e-magazine that promotes Pakistan-China ties.

The 32-year-old had his first immersion in the language during a six-month course at the National University of Modern Languages (NUML) in Islamabad in 2011.

There were 27 other students in the class. While a few were "followers" — merely carrying out parental wishes — most were keenly interested in education and business opportunities in China, Arif says.

At the NUML, the Mandarin classes are run in cooperation with the Confucius Institute in Islamabad, the first Confucius Institute in the Islamic world.

Since the opening ceremony in 2007, it has bagged the "Confucius Institute of the Year" award three times — in 2007, 2008 and 2010. Besides Mandarin, the institute also teaches Taoist philosophy, tai chi and kungfu.

Arif explains why Pakistanis are learning Mandarin: "They regard China as an all-weather, trusted friend and the two countries enjoy 62 years of long friendship.

"With the Chinese economy growing, Pakistanis are aware of the advantages of learning the Chinese language — for education, doing business or simply understanding a neighboring nation better."

For Pakistan's well-heeled, the United States, Australia, Canada and Europe traditionally remain the places where they send their children for higher education. But the growth of the middle class, the falling Pakistani rupee, and tougher visa and education requirements abroad have led to a dip in the number of students going west.

The increase in trade and economic cooperation with China, which means more Chinese companies working in Pakistan, has encouraged some students to look



Premier Li Keqiang (2nd last row, fifth from right) meets students and officials from Roots Millennium Schools at the Pakistan-China Friendship Centre in Islamabad during his visit to Pakistan in May. Next to him (fourth from right) is Mir Hazar Khan Khoso, the then caretaker prime minister of Pakistan.

eastward. It has also boosted the popularity of Mandarin as jobs grow for interpreters, managers and consultants.

Three years after the first Confucius Institute was launched in Pakistan, Mandarin received another fillip when Faisal Mushtaq, a young Pakistani educator, was persuaded to visit China.

Mushahid Hussain, a Pakistani senator, Sinophile and founder of the Pakistan-China Institute, was seeking to connect more Pakistanis and Chinese.

"You like going to Europe," Hussain told the globetrotting Mushtaq. "(Now) come to China and see Asia's future unfolding before you."

So in 2010 Mushtaq went, saw and was conquered. While attending the 19th international trade fair in Urumqi in Northwest China, he announced he would introduce Chinese classes at the Roots Millennium Schools (RMS).

The RMS group was started by Mushtaq's mother in the 1980s; it currently has 25 campuses in 12 Pakistani cities with over 15,000 students.

"I announced the launch of the Chinese classes to promote cultural, social and language understanding opportunities among China and Pakistan," says the 34-year-old, who is now CEO at RMS. "(It would create) opportunities for people from



Roots Millennium Schools students pay a tribute to Sino-Pakistani friendship on annual parents' day in 2011.

both countries to interact and promote trade, education, culture and Ir diplomacy."

He conducted on-the-spot interviews during his whirlwind China trip to select two instructors who followed him to Pakistan to start the first Mandarin classes under private initiative.

With nearly 4,000 students from first to seventh graders — hoping to study Mandarin, Mushtaq realized he needed more instruc-

tors. So he went to the Confucius Institute, who provided him with six more teachers.

It still wasn't enough. Then he contacted China Radio International's Confucius Classroom, who agreed to sponsor an additional four experienced Mandarin teachers.

"RMS has the honor to be the first school in Pakistan to offer Chinese classes," says a proud Mushtaq.

The RMS Chinese language department presently has 15 full-

time teachers, and the students do not have to pay extra for the Mandarin classes.

Mushtaq has a favorite slogan that he coined himself: Club 21:21. It refers to the fact that, together, Pakistan and China make up 21 percent of the world's population in the 21st century.

"Language taught through the school curriculum can play a key

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role in unifying the youth of the two nations," he says.

The language initiative received a significant recognition when Mushtaq and students of RMS were invited to meet Premier Li Keqiang during the latter's official visit to Pakistan in May.

After learning about the interest in Pakistani schools in teaching Mandarin, Li reportedly said his government would send 1,000 Chinese teachers and initiate more scholarships for Pakistani students.

Mushtaq is also proud that the government of Pakistan is now emulating his work.

"The government is offering Chinese language classes at 200 (staterun) schools in Sindh. So now more than 50,000 students nationwide are benefiting," he says.

Academic plans

This year, the government of the southeastern Sindh province announced plans to make Mandarin mandatory from grades six to 12 at both public and private schools.

Muhammad Siddique Memon, Sindh's education and literacy secretary, said in a press release that more Confucius Institutes would be opened at universities in Karachi and Hyderabad to train Chinese language teachers.

Karachi University plans to set up a Mandarin center in cooperation with the Confucius Institute. The target learners will range from primary to high school students.

The university has an agreement with China's Sichuan University for bilateral academic cooperation. Students who complete the language course can attend a one-year advanced course at Sichuan University for free.

The growth of Mandarin has given rise to small-scale individual entrepreneurship as well.

SM Asim Qadri is a manager with a private company in Karachi. But being an MBA with a penchant for languages, he explores further business opportunities on the weekend.

How far can you stretch Pakistani Rs4,000 (\$40)? Not too far, one would think. But Qadri guarantees five Sundays of gainful activity at his short Mandarin course at the Karachi Institute of Economics and Technology.

In 15 hours, he promises to teach some basic spoken Mandarin, whet interest in the language and culture, and advise where to go for advanced studies.

"Learning spoken Chinese for today will be fruitful for tomorrow," Qadri predicts.

One of the best consequences of Mandarin learning has been the arrest of brain drain from Pakistan to some extent. While people going to the West for higher education often stay on, those studying in China are more likely to return home, armed with skills they can put to good use.

Building personal and political bridges between Pakistan and China

By SUDESHNA SARKAR

When Mushahid Hussain was 13, his father Amjad Hussain, a colonel in the Pakistani military, was posted to Dhaka city, the current capital of Bangladesh which was at that time still a part of Pakistan. Accompanying his father from Lahore, the teen found himself lonely in the new city at first.

This was in the 1960s and the means of entertainment were few. Television broadcasts had just started in Pakistan and were not accessible everywhere. So his father gave him a radio on his birthday to keep loneliness at bay.

The shiny new Philips shortwave radio led to a passionate love affair — with China.

"The radio became a close companion," says Hussain. "I started listening to Radio Peking daily and followed the intense political debates during the 'cultural revolution' (1966-1976).

"I began subscribing to Chinese periodicals like *Peking Review*, *China Pictorial* and *China Reconstructs*."

Today, the teen has become a stately senator and the radio has been long since replaced by the iPad. But Hussain's passion for China remains as strong.

It led him to establish the Pakistan-China Institute (PCI) in Islamabad in 2009, a private, nongovernmental platform for promoting people-to-people cooperation between the two countries, as "a labor of love".

"I have always felt an affinity towards China, almost a romance, as our best friend, close ally and strategic partner, whose role is crucial for our prosperity, security, and stability," Hussain says.

To cultivate greater people-topeople links, PCI publishes a cultural magazine, *Youlin*, meaning good neighbors, in collaboration with the Xinjiang Association for Cultural Relations with Foreign Countries.

"Since the website is both in Chinese and English, it (can be a) powerful form of communication between the two peoples," says Dushka H Saiyid, editor of the monthly publication.

"Given the long history of cooperation between (Pakistan and China), we have sought to highlight and inform the reader about such mega projects as Gwadar and the Karakoram Highway, and the contribution they have made to Pakistan's economy."

The Karakoram Highway, also known as the Friendship Highway



From second left: Faisal Mushtaq, CEO, Roots Millennium Schools; Ai Ping, vice-minister, International Department of the Communist Party of China's Central Committee; Mushahid Hussain, founder of the Pakistan-China Institute; and Shahid Masood, Pakistani TV anchor at the launch of Roots Millennium Schools' Mandarin classes in 2011.

in China, was a major two-decadelong bilateral project connecting both countries which was completed in 1979. Built across the Himalayan ranges at a height of over 4,600 meters, the highest paved international road in the world witnessed the deaths of over 2,000 construction workers in landslides and falls during its construction. They included around 200 Chinese workers.

The port of Gwadar in Balochistan, a key energy trade corridor, was built largely with Chinese assistance. Early this year, the contract to run Gwadar was handed over to the China Overseas Ports Holding Company from the previous manager, the Port of Singapore Authority.

Cultural awareness

Saiyid says Pakistan's vibrant art, music and culture are mostly ignored by the international media. *Youlin*, she adds, is trying to rectify that.

The publication also boasts an unusual series of interviews with Chinese expats in Pakistan, offering "a glimpse into their lives and their contribution to Pakistani society and the economy".

The *Youlin* portal covers bilateral economic and business activities as well. There are articles on Chinese companies, like Zong, China Mobile's subsidiary in Pakistan.

PCI also runs an e-magazine, *Nihao-Salam*, to provide information on commerce, science and technology, education and youth activities.

"We thought it would be a good idea to bring the two countries together through dissemination of news and bridging the gap on access to information," Hussain says.

Started in 2009, the portal is edited by Muhammad Arif, a 32-yearold now doing a PhD in journalism from Hebei University in the city of Baoding, close to Beijing.

The contents come from an army of freelancers and volunteers in China, Pakistan and other countries.

"We have 40,000 to 50,000 subscribers," says Arif. "They are from 59 countries. In a week, we have nearly 800 surfers visiting our site." The publications are followed up by different cultural activities.

This year, PCI sent two Pakistani scholars to Shanghai University for "bilateral brainstorming" with

for "bilateral brainstorming" with Chinese peers on culture and other areas. It also facilitated a visit by Mustansar Hussain Tarar, the 74-year-

tansar Hussain Tarar, the 74-yearold celebrated Pakistani author, actor and mountaineer, to Xinjiang in Northwest China to write the first travelogue from the region in Urdu, Pakistan's national language.

Then there have been events like the Pakistan-China Media Forum, and a cultural show hosted with the Chinese embassy in Islamabad. There have also been launches of books on China and even a documentary, *Rising China*.

Besides cultural and political initiatives, PCI encourages Chinese investment in Pakistan for greater economic cooperation. It works as a consultancy for Chinese companies that are setting up business in Pakistan, helping them cope with the different regulations, culture and other aspects.

"The basic issues pertain to security, law and order, bureaucratic

red tape which needs to be slashed in order to get things done, promises not kept in time, and, occasionally, allegations of graft," Hussain explains.

About 15,000 Chinese technicians, engineers and experts live in Pakistan, working in over 120 projects. These include the Gomal Zam Dam built in Waziristan a rugged mountainous region in the northwest of Pakistan — by the Chinese State-owned company Sinohydro Corporation; and gold and copper mining in Saindak in Balochistan.

Hussain met his first Chinese official in 1966 when the then Chinese president Liu Xiaoqi visited East Pakistan (now Bangladesh). Hussain had been one of the rows of students from the Adamjee Public School who had waited with bouquets to greet Liu on arrival.

This May, as PCI chairman, he met Chinese Premier Li Keqiang twice when Li visited Pakistan. The first time, it was with a group of parliamentary leaders at the Senate of Pakistan, and later, with a thinktank delegation.

The media reported Li as lauding the PCI's role as icebreaker, saying such initiatives promoted peopleto-people contact. He also recalled "very fond memories" of his own first visit to Pakistan 27 years ago as part of a youth delegation.

Now PCI is gearing up for another book launch, this one by Hussain himself.

"My first exclusive book on China, basically a history of our bilateral bond, will be published this year concurrently in Islamabad and Beijing," he says.

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Teaching talent

MANDARIN CLASSES ARE PART OF AN INNOVATIVE APPROACH BY A PAKISTANI EDUCATOR TO PUT HIS SCHOOLS IN THE TOP LEAGUE

By SUDESHNA SARKAR in Kolkata For China Daily Asia Weekly

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n initiative he started two years ago has given Pakistani educator Faisal Mushtaq a larger-than-life reputation that precedes him wherever he goes

Last year, when meeting government officials at a program in Singapore, the first thing they asked was: "Are you from that famous school in Pakistan that the Chinese premier visited? Our television channels broadcast documentaries on that visit."

They were referring to Wen Jiabao's visit to Pakistan in 2010.

The same thing happened when the then Japanese ambassador to Pakistan, Hiroshi Oe, invited Mushtaq to dinner. The envoy said he too had seen a documentary on Mushtaq's schools.

"The ambassador told me he had watched it on Japanese television when he was in Tokyo," says Mushtaq, half laughing, half blushing.

"Then the ambassador added: 'I wish you'd start Japanese languages classes too in your school.

"It has been both a sweet and humbling experience to realize that whatever we did locally is now being discussed globally."

The "local initiative" that Mushtaq took was to introduce Mandarin classes in the schools started by his family, the Roots Millennium Schools (RMS).

"Pakistan's schools always tell students about the wonderful friendship existing between Pakistan and its neighbor China.' says Mushtaq, explaining what lay behind the decision.

"When I was in school myself, we were taught the friendship is 'higher than the Himalayas, deeper than the oceans and sweeter than honey'.

"I went to China in 2010 for the first time and during an official dinner found the people at my table discussing how to bridge the language and cultural gap between Pakistanis and Chinese. It made me decide to start Chinese language courses in my schools."

Mandarin is compulsory from grades one to seven for over 15,000 students at the 25 RMS campuses spread over 12 cities.

Mushtaq's target is to have 200 schools by 2015 if he can obtain private equity, or by

CEO, Roots Millennium Schools, Pakistan

2013: Receives the Tamgha-i-Imtiaz, the

Pakistani government's most prestigious award

given to civilians, in recognition of his services in education and popularizing Mandarin

2011: Named "Best Young Entrepreneur of the Year" by the Rawalpindi Chamber of Commerce

FAISAL MUSHTAO

LAURELS:

and Industry

2020, if he is to go it alone.

The son of a colonel in the Pakistani army who graduated in economics, accounting and finance from British universities, Mushtaq at first worked with PricewaterhouseCoopers as a financial and management consultant in London.

Though a lucrative career, he says it left him discontented: "I felt a disconnect between what I wanted to be and what I was doing. I wanted to make a contribution to my society and environment but as a Pakistani in Britain I could not do that."

So he returned to Pakistan in 2004 and joined RMS. The first school in the group had been started by his mother, Riffat Mushtaq, in 1988 as a Montessori institute – an education system that focuses on independence with 50 children. Since then it had grown to 15 small community schools.

Mushtaq decided to turn them into "21st century schools". He followed the management principles he had learned: Start with people, process and technology. There was massive recruitment of new teachers with advanced skills, changes in policy, and an overhaul in infrastructure, both physical and technological.

Today, the RMS group has received the internationally recognized ISO 9001 certification and is constantly networking with educational, cultural and professional institutions abroad so that its students get wider exposure.

"I am promoting my students as global students and my schools as global enterprises,' Mushtaq says. "We prepare our students to be professionally skilled individuals.

"This year, nine of my students made it to the Shanghai campus of New York University. In June, 12 students, all girls, went to Bengaluru in India to attend a summer camp as part of PASCH," he says, referring to a global network of nearly 1,500 schools where students learn German.

Mushtaq explains that the education system in Pakistan faces stiff challenges.

"Only 2.5 percent of the GDP is allocated for school education," he says. "The state education system has gone down due to economic, social and cultural factors. The budget is not reaching public schools, creating a huge gap."

The State of Pakistan's Children, an annual report from the Society for the Protection of the Rights of the Child, said that in 2011

OUICK TAKES:

How difficult is it providing education to girls in Pakistan? At our school, there is no discrimination between boys and girls. Roughly 45 percent of our students are girls. In some tribal belts there are cultural, religious and social issues that prevent girls from going to school. However, the

media in Pakistan is very vibrant today.

Thanks to it, everyone understands that girls have to go to school.

Who is your role model? My mother, Riffat Mushtaq, is my biggest source of inspiration. She's a dedicated teacher. When my father was posted to Saudi Arabia, she taught at an international school there. When she returned to Pakistan and found I was unhappy in my kindergarten she started a Montessori where children could learn in happiness. She taught

me that dreams do come true if we

have the courage to pursue them.

almost 25 million children were not going to school. Seven million did not have even primary education. Education has been hampered by lack of teachers, lack of a system to monitor

resource allocations, and not taking into consideration the demographic shift. The world's sixth largest popula-

tion, with more than 180 million people, Pakistan has reached the stage of "youth bulge". More than 45 percent of the population is aged between 15 and 29, putting a strain on education and job resources

To meet the Millennium Development Goals, Pakistan would have to achieve universal primary education by 2015. However, there are doubts about whether the goal will be reached

While there has been a mushrooming of private schools, standards fluctuate wildly.

"You have a wide range — schools with a monthly tuition fee of \$5 and those asking for \$1,500," Mushtaq says. "In Pakistan, schools are allowed to run as profitable companies.

The RMS group charges \$150 as the monthly tuition fee, which Mushtaq says is "affordable and sustainable in the urban areas". Since 2004, when he took over as CEO, there has been an almost 800 percent increase in revenue.

"It goes back into the school funds for expansion, infrastructure and other projects." he says. "The Mandarin classes, for example, are absolutely free."

Realizing the need for teachers with modern skills, RMS also runs the Roots National Institute of Teacher Training and Education, a "professional teacher development training institute". The teachers go on to find jobs in public and private schools, national education offices and with non-governmental orga-

While consolidating his school empire in the urban areas, Mushtaq is also looking at

> A proud moment in your career?

In May, when Premier Li Keqiang visited Pakistan, students of the Roots Millennium Schools were invited to meet him. "I am impressed with the quality of Mandarin spoken by the students of the school," Li said. "(With such dedication) our friendship is going to touch new levels of bonding. And he said all of this in Mandarin.

new ideas. I am always guy who goes to a beach and spends two weeks there with a book!

MA XUEJING / CHINA DAILY

education in the far-flung tribal areas as a social responsibility.

The non-profit organization he founded in 2008, Change in Education, works with local governments and donor agencies like USAID and the Pakistan Poverty Alleviation Fund to "rehabilitate" rundown schools.

So far it has rejuvenated 185 schools in Dera Ismail Khan, a city in the underdeveloped Khyber-Pakhtunkhwa province, by rebuilding infrastructure, training teachers and mobilizing communities to help run them.

In addition, now there are plans to go global. Mushtaq is looking at emerging markets in the Middle East – Qatar, Bahrain and Abu Dhabi - to establish global campuses withthe help of suitable partners.

'There is a huge demand for affordable and quality education in these places," he says. "Besides locals, there is also a growing expatriate population of Pakistanis, Indians, Bangladeshi and Sri Lankans who are looking for affordable international schools they can send their children to."

> How do you relax? By talking, reading, interacting, creating in action. I am not the

Date of birth: July 27, 1978

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nizations.