

# **“Reaching out to Asia”**

- Global Business Programs: Asia
- Implications for Accounting Profession and Regulation



# Learning Objectives

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- Develop the ability:
  - strategically about global business issues
  - contrast and compare U.S. and global business practices & policies with those in other countries
  - expand students' global mindset, bandwidth; e.g., aware of differences in differences, cultures. Etc.
  - Learn through in-country immersion
- Consulting Project/Case Study
  - Take on a project, conduct research, make recommendations on how to improved business processes.



# Countries Visited Asia: Diversified Economies

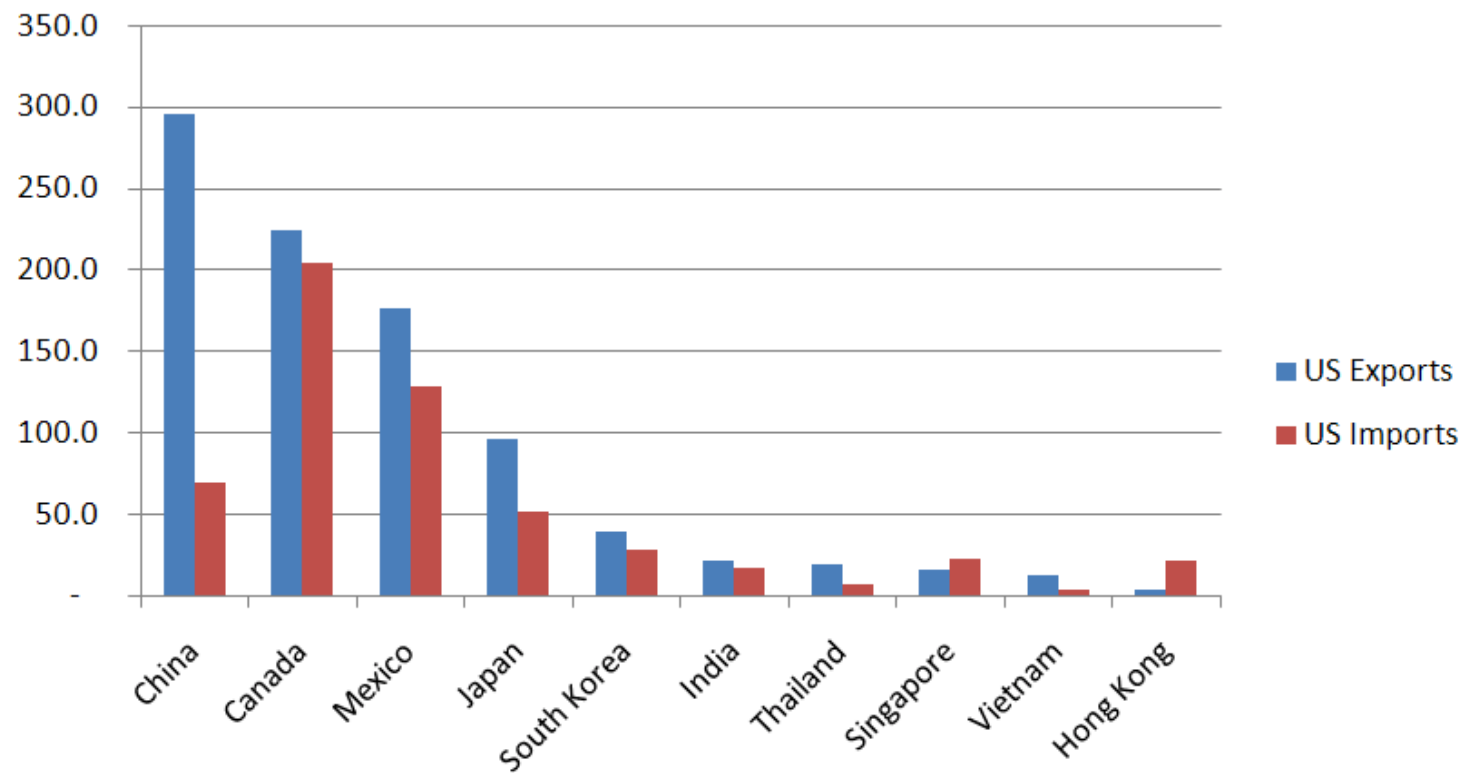
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- Established
  - Singapore
  - Hong Kong
  - Japan
  - South Korea
- Emerging/Developing
  - China
  - India
  - Thailand
  - Vietnam

# Economic Significance to US

| 2009 US Imports |      |             |                    | 2009 US Exports |      |             |                   |
|-----------------|------|-------------|--------------------|-----------------|------|-------------|-------------------|
| Country         | Rank | Billions \$ | % of total imports | Country         | Rank | Billions \$ | % of total export |
| China           | 1    | 296.4       | 19.0%              | Canada          | 1    | 204.70      | 19.4%             |
| Canada          | 2    | 224.9       | 14.4%              | Mexico          | 2    | 129.00      | 12.2%             |
| Mexico          | 3    | 176.5       | 11.3%              | China           | 3    | 69.60       | 6.6%              |
| Japan           | 4    | 95.9        | 6.2%               | Japan           | 4    | 51.20       | 4.8%              |
| South Korea     | 7    | 39.2        | 2.5%               | South Korea     | 8    | 28.60       | 2.7%              |
| India           | 15   | 21.2        | 1.4%               | Singapore       | 11   | 22.30       | 2.1%              |
| Thailand        | -    | 19.1        | 1.2%               | Hong Kong       | 13   | 21.10       | 2.0%              |
| Singapore       | -    | 15.7        | 1.0%               | India           | -    | 16.40       | 1.6%              |
| Vietnam         | -    | 12.2        | 0.8%               | Thailand        | -    | 6.90        | 0.7%              |
| Hong Kong       | -    | 3.6         | 0.2%               | Vietnam         | -    | 3.10        | 0.3%              |

# US Imports v. Exports



# Countries Visited Asia:

## Avg. GDP Growth Last 5 Years

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- Established

- Singapore 6.2%
- Hong Kong 6.2%
- Japan 1.8%
- South Korea 4.2%

- Emerging/Developing

- China 10.2%
- India 8.0%
- Thailand 4.6%
- Vietnam 7.8%

USA 2.7%

# Understanding Context: Benchmarking

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- Overall Business Landscape
- Market Development
- Culture
- Infrastructure

# Index of Economic Freedom: 2010

## Country Report Cards

|             |      |     |                 |
|-------------|------|-----|-----------------|
| • Hong Kong | #1   | 90% | Free            |
| • Singapore | #2   | 86% | Free            |
| • USA       | #8   | 78% | Mostly Free     |
| • Japan     | #19  | 73% | Mostly Free     |
| • S. Korea  | #31  | 70% | Moderately Free |
| • Mexico    | #41  | 68% | Moderately Free |
| • Thailand  | #66  | 64% | Moderately Free |
| • Brazil    | #113 | 56% | Mostly Unfree   |
| • India     | #124 | 54% | Mostly Unfree   |
| • China     | #140 | 51% | Mostly Unfree   |
| • Russia    | #143 | 50% | Mostly Unfree   |
| • Vietnam   | #144 | 49% | Repressed       |
| • Cuba      | #177 | 27% | Repressed       |



# Index of Economic Freedom:

## 10 Evaluation Categories (50 variables):

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1. Business Freedom
2. Trade Freedom
3. Fiscal Freedom
4. Freedom from Government
5. Monetary Freedom
6. Foreign Investment Freedom
7. Financial Freedom
8. Property Rights
9. Freedom from Corruption
10. Labor Freedom



# 7 Marketing Stages

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- Elements:
  - Levels of international trade
  - Role of branded products
  - Influence of marketing subtleties
  - Role of customer perceptions
  - Development of marketing & marketplace infrastructure

# 7 Marketing Stages – Benchmarking Countries

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1. Traditional Peasant Economy
3. Mercantile Resource
3. Source of Cheap Labor & Low Quality
4. Manufacturer of High End/Quality Foreign Brands
5. Local Brand Exporters of Mixed Quality
6. Source of Quality and Value
7. Source of Distinction & Creativity

# Keys to Business in Asia

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- Importance of Cultural
  - Relationships First – Business Last
  - Hierarchy
  - “Face”
- Importance of Infrastructure























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AA

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4

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# Keys to Business: Infrastructure: Differences, Gaps, Voids

|  |                          |                                 |   |                 |  |  |
|--|--------------------------|---------------------------------|---|-----------------|--|--|
| <b>“Soft”<br/>Infrastructure</b><br><br><b>“Hard”<br/>Infrastructure</b><br><br><b>Country Factor<br/>Endowments</b> | Logistics Intermediaries |                                 | Professions, Credentialing Search Firms |                 | Debt & Equity Markets, Venture Capital     | Specialized Consultants Accountants & Legal System |
|  | Roads, Rail & Ports      | Schools, Universities, Training | Physical & Property Rights Security     |                 | Banks & Financial Institutions, Regulators | Functioning Independent Legal System               |
|  | Land                     | Labor                           |   | Capital Markets | Political & Social Systems                 |  |

# Infrastructure: Gaps and Voids

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- Rule of Law
  - Property Rights
  - Intellectual Property Rights
- Accounting Profession?
- Accounting Regulation?

# Accounting Regulation

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- Are we building relationship?
- IQAB
  - Challenges with variances in our models and foreign profession organizations
- Internationalization CPA Exam
  - Access
- What is our strategic plan?





ACCA - the global body for professional accountants

## Association of Chartered Certified Accountants

- Founded in UK 1904
- 140,000 members (ACCA's) & fellows (FCCA's);
- 404,000 ACCA students training to become qualified;
- 210,000 students registered for their exam which can be taken in 170 countries
- Members and students in 170 countries
- 83 ACCA offices and centres around the world;
- 57 global accountancy partnerships
- 12,000 accredited employers around the world.



# ACCA Global Office Network: Europe



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## OUR GLOBAL OFFICE NETWORK

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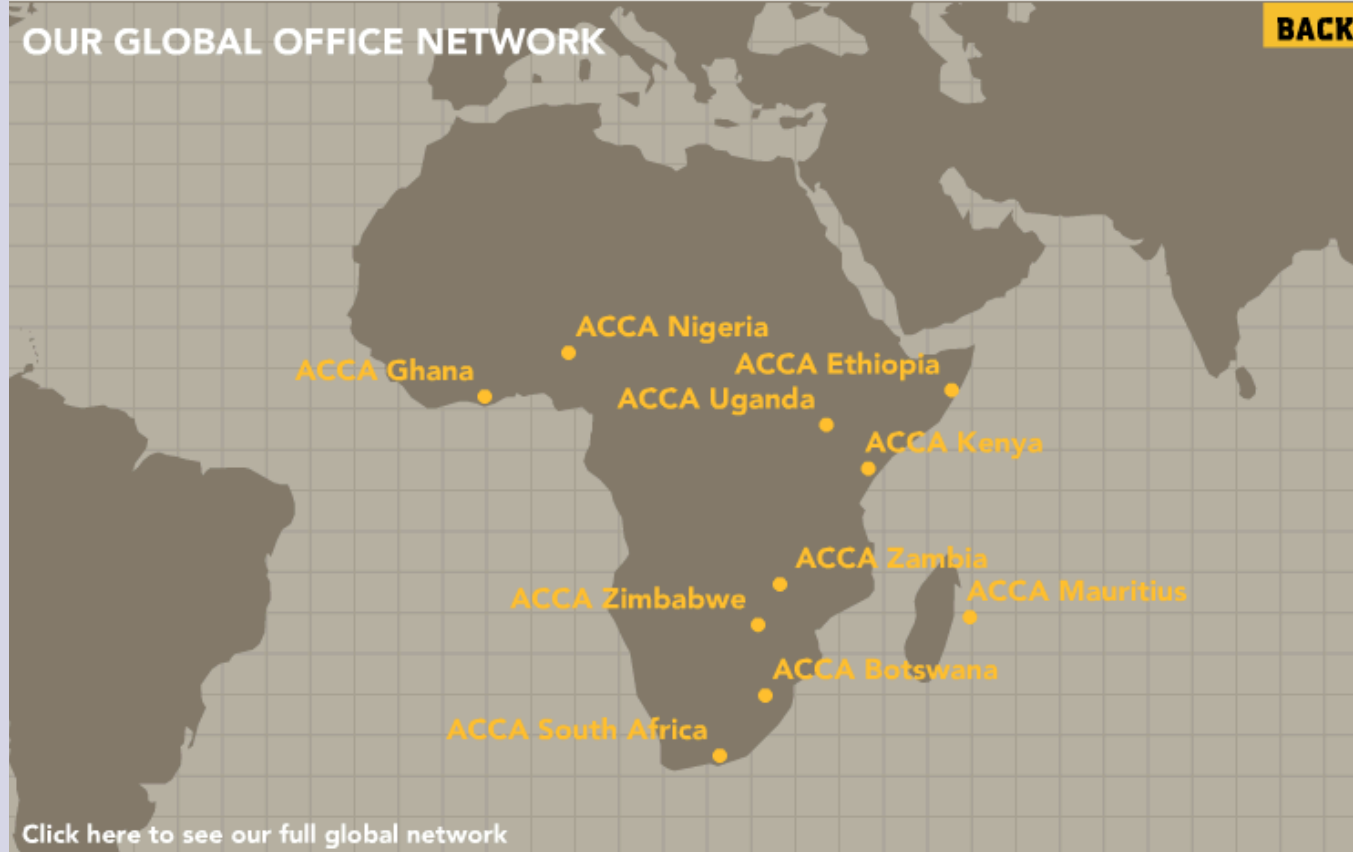
# ACCA: Global Office Network: Africa

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# ACCA: Global Office Network: Asia

The screenshot displays the ACCA website's 'OUR GLOBAL OFFICE NETWORK' section, specifically focusing on Asia. The header features the ACCA logo and the tagline 'ACCA - the global body for professional accountants', along with a search bar. A navigation menu includes links for 'JOIN US', 'STUDENTS & AFFILIATES', 'MEMBERS', 'EMPLOYERS', 'LEARNING PROVIDERS', and 'GENERAL PUBLIC'. Below the menu, the text 'ACCA HOMEPAGE' is visible. The main content area shows a map of Asia with yellow dots indicating ACCA offices in the following locations: ACCA China, ACCA Hong Kong SAR, ACCA Bangladesh, ACCA Pakistan, ACCA Vietnam, ACCA Cambodia, ACCA Malaysia, ACCA Singapore, and ACCA Sri Lanka. A 'BACK' button is located in the top right corner of the map area. At the bottom left, a link states 'Click here to see our full global network'.

ACCA

ACCA - the global body for professional accountants

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## OUR GLOBAL OFFICE NETWORK

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The map displays the continents of North and South America. Two specific locations are highlighted with orange dots and labeled: 'ACCA Canada' is located in the central-eastern part of Canada, and 'ACCA US' is located on the East Coast of the United States.

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2

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Exam & career support

3

## USA MEMBERS

Support, career resources and technical information

4

## USA EMPLOYERS

Resources for ACCA Approved employers in the USA

5

## USA LEARNING PROVIDERS

Information for learning providers

6

## USA GENERAL PUBLIC

News, press & policy and find an accountant

# Accountants for business



events  
&  
news

## EVENTS

Southern California Chapter Meeting & Lunch Saturday, October 23  
in Alhambra, CA [more]

See more events



# CPA Australia

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- Over 124 years
- Over 129,000 members
  - Over 20% from Asia
- 6<sup>th</sup> largest professional organization in the world



# We are an international body



“in 95 countries around the world”



# Competitive Landscape

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- US GAAP v. IFRS
- Betamax v. VHS
- US CPA v. ?
- Are we building relationships?
  - CICPA
- What is our international strategy?

