Makeover Magic
Why retail revamps are so important
A Few Words from the Editor

In today’s competitive retail markets, trends and tastes change at breathtaking speed. Storefronts, interior designs and product displays have to meet the needs of discerning customers. Our cover story looks at how AS Watson-owned stores have used cutting-edge techniques to produce eye-catching store frontages in Europe and Asia in order to attract the modern shopper.

Elsewhere, we take you to the busy shipping lanes of the North Atlantic, where for nearly 100 years the International Ice Patrol has tracked icebergs. It’s an inspirational story that goes all the way back to the sinking of the Titanic in April 1912, when more than 1,500 people died after the world’s largest passenger ship hit an iceberg.

Then we take you to the Netherlands, a country that has enjoyed a centuries-old love affair with the tulip. We also look at a new hospice programme in Hong Kong and discuss how the credit card has become part of everyday life.

We hope you enjoy the magazine.

Please send feedback and suggestions to info@hutchison-whampoa.com.
CHARITY RUN
THAILAND
Watsons, the No. 1 health and beauty retailer in Thailand, hosted the Watsons Mini Marathon in Bangkok. It was the final charity event in the Watsons Good Heart Smart Health community programme that encouraged Thai people to stay healthy.

VOTE OF CONFIDENCE
HONG KONG
Chairman Li Ka-shing thanked the staff of the Cheung Kong Group for all their hard work last year and expressed confidence about the prospects for 2008. Speaking at the Group’s annual New Year dinner, he said that the property business had achieved considerable success and other core businesses, including ports, hotels, telecommunications, retail and manufacturing, energy, infrastructure, and life sciences had also all performed well.

“More importantly, the continuing diversification and expansion plans overseas and in Mainland China provided our employees with unprecedented opportunities for personal and professional development. Advancement opportunities abound for colleagues who are principled, responsible, capable, dedicated and loyal,” he said.

“Our Group’s investments across the globe are all sound and heading in positive directions, and I believe that favourable conditions for progress will remain in place.”

Taste of Brazil
HONG KONG
The Harbour Plaza Hong Kong’s The Promenade restaurant was filled with the sounds and flavours of Brazil during a successful Brazilian food promotion. Chef Alexandre Chalela Salzano and Chef Daniel Ribeiro prepared an array of delicious Brazilian dishes that were accompanied by Brazilian décor and music.

New Look
HONG KONG
The Kowloon Hotel is undergoing a HKD10 million refurbishment to upgrade all its restaurants. The new look will feature an interactive buffet counter, a brand new boutique Chinese restaurant and a chic and stylish bar.

APPLAUSE!
HK Electric won the prestigious Green Innovative Practice Grand Award at the 2006 Hong Kong Eco-Business Awards.
Perfect Combination

The 3Store and coffee shop in Innsbruck, Austria, represents a completely new store concept. It allows customers to get all the latest information on 3 products and services while drinking coffee in a comfortable atmosphere.

PORT DEALS

Hutchison Port Holdings (HPH), the world’s leading port investor, developer and operator, has signed an agreement to lease two new container berths from the Port of Brisbane Corporation in Australia. Brisbane Container Terminals, a wholly owned subsidiary of HPH, has been established to operate the new container-handling facility.

HPH has also opened the Phase I Expansion of Lazaro Cardenas Terminal Portuaria de Contenedores at the Port of Lazaro Cardenas, Mexico, and signed an agreement with Karachi Port Trust in Pakistan to build a new container terminal in Keamari Groyne.

BEST OF BRITISH

T-Mobile (UK) are combining their 3G access networks in a collaboration that will lead to almost complete population coverage for 3G services across Britain by the end of 2008. It is the world’s largest known active 3G network sharing agreement and will significantly increase both operators’ 3G network quality and coverage, accelerate the provision of new high-speed mobile broadband services and deliver substantial cost savings as well as environmental benefits.

China’s Number One!

HWL is China’s Most Admired Company, according to the latest survey by Fortune Magazine. Industry analysts and executives at competing firms were asked to rate companies on nine attributes, including global competitiveness, management quality and long-term investment; 345 companies in 26 industries and 25 countries participated.
Husky Explores

Husky Energy has secured the mobile semi-submersible drilling unit GSF Grand Banks for operations in the White Rose area and continued exploration in offshore Newfoundland and Labrador, Canada.

Skypephone Success

The popular 3 Skypephone was highly commended in the best mobile handset category at the 13th Annual GSMA Global Mobile Awards in Barcelona. The judges were generous in their praise, saying, “in addition to the headline Skype service, the phone offers extremely good value for money with a wide range of features not previously seen at this price point.”

Sweet Smell of Success

A private jet and two film crews are all in a day’s work for model Katie Price – also known as Jordan – and it was no different when she went on a whistle-stop tour of five The Perfume Shop stores to promote her best selling fragrance, Stunning. Stunning has been in The Perfume Shop’s best selling celebrity fragrance chart since its launch.

Festive Fun

Sixty students from Tin Shui Wai and Shamshuipo enjoyed a great day out at a Christmas mosaic decoration design competition at Home World, Wonderful Worlds of Whampoa.

Top Spot

The Harbour Plaza Metropolis is becoming one of the Hong Kong’s top places for wedding celebrations. In 2007, a total of 122 couples chose The Patio, the hotel’s unique outdoor venue, to host their wedding banquet. The Patio, named the Best Unique Venue by Travel Weekly, has spectacular postcard views of the Hong Kong skyline and is guaranteed to make the big day a very special occasion.
POWER PLAY
Cheung Kong Infrastructure Holdings Ltd (CKI) has acquired and subsequently privatised TransAlta Power, LP, an energy company which was formerly listed on the Toronto Stock Exchange, in a deal worth CAD629 million (USD636 million). TransAlta Power owns 49.99 per cent of TransAlta Cogeneration, LP, which has interests in five gas-fired power plants in Ontario, Alberta and Saskatchewan and a coal-fired generation station in Alberta. CKI’s energy portfolio now spans Hong Kong, Mainland China, the UK, Australia and North America.

COOKING IN HARMONY
Ethnic minority families learned about traditional Chinese New Year customs and tried their hands at making festive dumplings at a Cooking in Harmony programme organised by HK Electric and Christian Action. The programme aims to encourage cultural exchange and increase interaction between ethnic minorities and the local community.

CHRISTMAS SPIRIT
A group of volunteers and chefs from the Harbour Plaza North Point helped organise a Christmas party for the elderly at the Haven of Hope Sister Annie Skau Nursing Home in Tseung Kwan O.

Plugged In
Five more 3mobile TV channels are now available on laptops in Austria. Customers can plug a 3datacard or 3datamodem into their laptops, connect to the Internet and click on the “3Live! Stream” on www.drei.at – and that’s it! 3 has also launched Laola.tv, the first mobile TV channel to focus on sports.

ARMANI LAUNCH
Nuance-Watson Hong Kong has opened a Giorgio Armani Beauty Boutique at the Hong Kong International Airport. The boutique is Armani’s first ever travel retail outlet worldwide and the occasion was marked by a superb make-up catwalk show. Like the boutique itself, the event was a first for any airport in the world.
HIGH-DEFINITION TELEVISION (HDTV) is the Rolls-Royce of digital viewing and has been quick to make its mark on tech-savvy Hong Kong. HDTV is the ticket to having the true cinema experience in your living room and with the Beijing Olympics just around the corner, FORTRESS, Hutchison’s electronic appliance retailer, is more than ready to meet demand.

“There has been a lot of interest from the public, especially from people who love to keep up with new advances in technology. People can really see the difference,” says Ken Ng, Merchandising Controller for FORTRESS. “I think this summer’s Olympic Games in Beijing will see the level of interest spread to people who love to watch sports on television. It was the same story with flat screen televisions at the last World Cup soccer finals in Germany in 2006.”

So what is it that makes HDTV so great? Put simply, HDTV is a brand new digital television system that boasts the highest quality pictures ever seen by consumers on commercial television. Currently, most households have cathode ray tube televisions with a display resolution of 720 lines (horizontal) x 576 lines (vertical). With HDTV, display resolution can reach up to 1,920 (horizontal-
tal) x 1,080 (vertical), resulting in a picture more detailed than conventional television.

Why does the amount of lines matter? The number of lines on a television is important because it allows for greater detail in the image. This is a similar concept to digital photos and how dots per inch (dpi) determine print quality.

In addition, HDTV displays wide-screen pictures with a 16:9 aspect ratio capable of "cinema-quality" sound, eliminating a variety of imperfections found in conventional television.

Why is aspect ratio important? The aspect ratio is the relation of the width of a video image compared to its height. The two most common aspect ratios in home video are 4:3 (standard) and 16:9 (wide-screen). All the older TVs and computer monitors had the squarer 4:3 shape – only 33 per cent wider than it was high. On the other hand, 16:9 is the aspect ratio of most HDTV programming; it is 78 per cent wider than it is tall, or fully one third wider than 4:3. The wide-screen image is a distinct improvement as it offers a larger image, and the horizontal orientation is more in line with how our eyes view objects.

The HDTV concept came from widescreen movies. When they were first introduced to the public, film makers soon realised that the audience had a much better watching experience than those sitting in front of traditional narrow screens. And now, with advanced technologies, consumers are enjoying all the benefits of this viewing experience in the comfort of their own homes.

In Hong Kong, the attraction to HDTV has been helped by the city’s entry into terrestrial digital broadcasting and the launch of several HD broadcast channels. In general, digital broadcasting has a number of other advantages over analogue television.

Traditionally, Hong Kong’s television services have always been broadcast via analogue signals and then converted back into pictures and sound for viewing at home. Noise is common in this form of transmission, causing interference to the picture. With digital broadcast, noise and ghost images are eliminated.

Around the world, digital broadcasts have made many innovations possible. It can provide programme guides with multiple functions. Using a digital decoder, programme details, previews and subtitles can be easily accessed with a remote control. As content developers get more creative, it may also be possible for the audience to adjust camera angles or read electronic magazines.

Some television platforms even allow viewers to enjoy interactive services and also use telephones or remote controls to handle interactive functions such as stocks. Because digital signals can pack more information than the traditional analogue ones, digital can support HD quality pictures that are five times the resolution of conventional TV or DVD.

To watch digital TV programmes, viewers need to connect their existing television sets to a digital set-top box or buy an integrated digital television set with a built-in decoder. Not all consumers will switch over at once, as the planned migration from analogue to digital in Hong Kong is due for completion in 2012.

“It will be a gradual process,” says Mr Ng. “What we normally see with innovations like this is people start talking about it with colleagues at work or visit a friend who has HDTV and think ‘that looks really good, I want one too’. I think this retail pattern will start to emerge, especially with the Olympics coming up.”
TODAY, there is little argument that 3G has added a whole new dimension to modern living. It empowers people by offering high-speed Internet, email access, video calling, full-track music downloads, mobile TV and a whole lot more. But change is the only constant and therein lies a whole new challenge – extraordinary new applications become available with such regularity that it can be difficult to keep up with all the benefits a 3G handset can bring to everyday life.

You can relax. Help is now at hand. Welcome to 3neXt, a Website service designed to help 3’s X-Series and mobile broadband customers learn how to get the most out of their 3G phone. And the boundaries just keep on expanding.

Take the Comvu podcaster application, for example. “If someone uses this technology during a big news event they can use their mobile phone to broadcast live to the rest of the
THE neXt CHALLENGE

How to get the best out of your handset

“A whole new digital world is unveiled before your very eyes. And don’t forget Kyte. If you are a devotee of YouTube, Kyte goes even further by allowing you to create your own TV show from your mobile. Mobile Gmaps is a free tool to access maps and satellite images, while scanR is a service that enables people to scan, copy and fax information from handwritten notes, printed documents, business cards and more, with their camera phones. 3neXt is building a catalogue of links to software and different sites and invites customers to review and discuss any of the products mentioned. It thrives on feedback, urging customers to discuss and share “tips, tricks or otherwise interesting things you do with your Internet enabled mobile phone.” There’s also a blog and a 3neXt group on Facebook, the famous social networking site.

“This is a tool to drive people to get 3 and get more subscribers,” says Mr Stead. “We see different countries having specific pages in the near future. It’s a global initiative for Hutchison Whampoa. It will take time, but this is the future of the mobile phone. No one can guess what the next big consumer application will be.”
Why retail revamps are so important
By Marc Redvers

In the highly competitive world of modern retail, trends and tastes change at an astonishingly fast pace; storefronts, interior layouts and product displays have to meet the expectations of increasingly demanding and discerning customers. Which is why makeovers have grown to become such a vital part of contemporary retail: reacting quickly and effectively to the often subtle shifts in customer expectations is essential for chains that want to retain market leadership.

Major revamps by A S Watson-owned stores in Europe and Asia have seen the employment of creative new ideas to come up with eye-catching store frontages that instantly hit the spot with 21st century shoppers. Innovative touches for interior displays have ensured that browsing is a comfortable experience in a familiar yet stimulating environment. In Europe, Superdrug, Kruidvat, Trekpleister, Marionnaud and ICI PARIS XL have all recently unveiled new looks that have been positively received by the market. Meanwhile, in Hong Kong, FORTRESS and Watsons HK both introduced new concept stores in the past several months.

“One of the key themes we wanted to instill in all the stores across the board is a comfortable ambience in which our customers can enjoy their shopping trip, purchase products that suit their needs, and leave happy. That way, they will keep coming back to our stores,” says Dominic Lai, Group Managing Director of A S Watson Group.

“After shopping in the same store for several years, shoppers may feel that the stores are stale or ordinary, especially as other retailers continue to innovate. Thus, the store refurbishment programme’s mission was to create a modern, trendy and refreshing look.

“Customers have growing expectations. They look for an overall pleasant shopping experience with a wide selection of the latest products displayed in an easy to find way, with helpful and knowledgeable sales staff available if needed. Quality and value for money are always key. Shopping is a form of entertainment, and we want to make our stores both practical and enjoyable.”

The retailers have not been afraid to employ non-traditional techniques to stay sharp and fresh. The Marionnaud chain brought in a renowned French designer, Philippe Kauffmann, who originally studied art and sociology and began his career in cinema and music before moving into architecture and design. Mr Kauffmann has always had eclectic taste, taking on a diverse range of projects that have included creating a new look for renowned fashion company Chanel and upgrading a French racetrack.

Marionnaud has changed its image to create a modern, trendy and refreshing look.
While making the stores look fresh and modern is the key to success, it is also important to make sure that every customer is happy with the changes.
His Marionnaud brief was simple yet challenging: create a new concept, the foundation for new stores that conveyed the message that Marionnaud was a desirable place to shop, associated with feel-good emotions. The makeover also had to send out the message that Marionnaud stores were places where customers could spend time and which held appeal to everyone: young and old, men and women, quick-purchase buyers and those who like to spend time browsing. In addition, stores in different towns had to be instantly recognisable, but with a discernible identity of their own.

“Marionnaud, the leading brand in the selective distribution market in France, is above all a great network of stores, each with its own heritage and personality,” says Laurence Paganini, Managing Director of Marionnaud France. “Confronted with increasing demands from its clients, Marionnaud must provide distinctive and qualitative services to its clients and render a certain homogeneity within its store network to affirm its brand positioning and values.

“This major overhaul implies the commitment of all of our employees around Marionnaud’s common values. Those values have, since the origin of Marionnaud, built its identity and accessibility, not only due to the network of stores throughout France, but also to the very strong human values such as the relationship between the beauty advisor and our clients. Our staff, of whom we are very proud, are recognised for their expertise. And our commitment to our fundamental values must be perceptible and evident throughout our stores and beauty institutes.”

Mr Kauffmann and his team proved up to the task, coming up with novel ideas that merged artistic sensibility with practical application. The core new store theme was one of space, stressing that a Marionnaud visit is a venue where each area can be discovered either alone, with a friend or in the company of a beauty advisor. Brightly-lit tables throughout were designed as “play tables”, where people can touch and feel the products in their own time. The discovery-style tables have products arranged in the way a beauty magazine would lay out its pages – with an emphasis on strikingly bright colours to attract attention.

As well as the more tangible aspects of the new look – great customer service and a beauty institute staffed by professionals who know their trade inside out – Marionnaud’s vast experience in the area of health and beauty was subtly stressed. The chain is the market leader in France with a total of 1,250 stores in 12 European countries, built up over two decades.

Not that anyone is likely to be unfamiliar with Marionnaud stores since the makeover: the striking signage contains virtually all the colours of the rainbow, banishing neutral palettes to the past. The core colour is plum, while lime green and coral are important yet secondary colours softened by white, a mixture that creates a fluid, dynamic atmosphere.

The use of striking colours was also a key component of the rollout of Superdrug’s series of Next Generation stores. The chain, which has 900 stores in the United Kingdom and Ireland, took the decision to use bold pink and shiny silver for its store exteriors, as well as many other new and innovative interior touches.

“The change of the existing Superdrug fascia to a bespoke pink and silver was key to the store's stand out on the high street and from the rest of the estate,” says Euan Sutherland, Chief Executive Officer of Superdrug. “New illuminated till points were designed, supporting waterfall displays for impulse purchases.”

Superdrug has worked closely with suppliers to create exclusive units, in some cases new table top beauty tables, or by including television screens and light effects within stands. The Next Generation concept has been key in showing suppliers how the Superdrug brand is changing – new cosmetics brands launched exclusively this year include Famous by Sue Moxley, Elite Models, Taxi London and Outdoor Girl.
SPHERE

BEFORE

SUPERDRUG AFTER

Superdrug
The staff uniform was also revamped alongside the store design. To differentiate Next Generation staff from regular Superdrug store colleagues the store team wears new fashion-focused uniforms which change seasonally. For instance, at launch the team wore an all black outfit accessorised with Superdrug pink beads, bangles and belts from Superdrug’s True Spirit jewellery collection.

“The Next Generation concept is more than a new look, it is about the whole experience for customers,” says Mr Sutherland. “Our customer satisfaction programme has been designed to gather customer feedback on all our stores including Next Generation stores. Individual store performance and feedback can be isolated, which is why we know our customers like the Next Generation store concept.

“Customer experience was a key consideration for the store design and to emphasise the beauty playground aspect make-over areas were created, along with additional browsing space in the cosmetic aisles. A major part of customer experience is the independent advice given by beauty specialists. This is an important part of the company’s strategy as the key driver of growth for Superdrug in the beauty market.”

For example, staff at one of the stores in the London area were all trained at the London College of Fashion and this has become the training model for the Next Generation concept. Every quarter, Superdrug takes its beauty staff for dedicated training from key suppliers to ensure they always know how to recommend what’s new.

All the changes seem to be going down well with the customers. Roberta Whitter has been shopping at Superdrug for nearly 10 years. “I usually pop into Superdrug about once a week. I find it easier to browse the new-look store as the aisles are more spacious, so you are not fighting with other customers to get to the same lipstick,” says the chartered accountant who enjoys visiting her local spa and bargain-hunting at designer outlet shopping malls. “I also think the shops look fresher with a brighter colour scheme – I love the pink theme. The cosmetics and hair care selection at Superdrug has improved, and I know I will still receive excellent value for money.”

Thomas Lau has been a shopper at ICI PARIS XL stores in France since he moved to Europe five years ago. Originally from Hong Kong, he now works for a scientific organisation in Strasbourg, France. “ICI makes me feel very comfortable,” he says. “The newly designed counters make browsing and trying the samples much more convenient and easy on the eyes.”

A recent makeover by Kruidvat, after the company conducted extensive customer research and feedback, has also proved to be a big hit. Shoppers described the new look as bright, fresh and well organised, with plaudits for the more roomy store layout.

Mr Lai thinks all the makeovers have been successful on a number of different fronts. “Retail stores have several demographics. Simply, there are the younger shoppers, Generation Y, and the mature baby boomers. The stores must cater to both their needs and not isolate one over the other,” he says. “Thus, while we are looking to make the stores new and modern, we have to make sure every customer is happy with the changes.

While the store revamps have all gone very well, in retail there is little time to stand still and take a bow. The companies have to keep their finger firmly on the customers’ buying pulse – and react accordingly to ever changing trends.
THE LI KA SHING FOUNDATION’S “Heart of Gold” Hospice Programme has recently been extended from Mainland China to Hong Kong. The programme that reaches nationwide to help terminal cancer patients in their last leg of life will now also help make the final steps of terminal cancer patients in Hong Kong as comfortable and dignified as possible.

Around 10,000 people die of cancer every year in Hong Kong, a figure that represents about a third of all deaths in the city. It is a disease that is almost always associated with extreme physical and mental pain, suffering and anguish. Not just for the patients, but for those around them – their children, siblings, parents and spouses. It is never a quick process; treatments are long, cures can be temporary and relapses are depressingly common, but the hospice programme looks to address both the physical and mental suffering involved.

The Hong Kong hospice service programme will see the establishment of eight hospice day care centres in the Hong Kong Hospital Authority’s hospital clusters and the enhancement of home-based care services, giving comfort to thousands of terminally-ill patients and their families. This holistic, multi-disciplinary approach focuses on the provision of symptom relief, emotional counselling and spiritual care. Behind each of the patients and their families will be a comprehensive palliative care team comprising doctors, nurses, social workers and psychologists.

“Hospice care is all about extraordinary people taking the time to bring hope and improve the lives of others,” said Foundation Chairman Li Ka-shing. “Dignity in death is priceless and care and respect for those with a terminal illness are key indicators of our social values and the mark of any civilised society.”

Praising all front-line hospice staff involved in the programme, Mr Li said: “Your work is imbued with sadness but it is admirable. It makes a positive difference to the suffering. Hope transcends and connects, and you bring peace, comfort and dignity.”

The palliative care services will also extend psychological and bereavement support to anguished families, especially children, during their suffering and loss. Under this programme, 8,000 psychological counselling sessions will be provided, while an
estimated 750 bereaved children and 500 families will benefit. It is anticipated that the enhanced services made possible by the programme will serve an additional 5,000 cancer patients, 20,000 day attendances and 12,000 home visits.

The programme has received a warm welcome from the medical community. "Previously, such a comprehensive team was a rarity and to have all of these resources together and, most importantly, all in the same Oncology unit has dramatically improved the welfare and lessened the anxiety of incurable cases," said Dr Rico Liu, Honorary Clinical Assistant Professor at Queen Mary Hospital.

"Opening the lines of communication, helping patients to decide the best course of treatment for them, completely changes their outlook to a more positive one. Today, medicine is about providing a patient, be they terminally ill or not, with a better quality of life – right up until the end."

The eight public hospitals participating in the Hong Kong programme are Queen Mary Hospital, Pamela Youde Nethersole Eastern Hospital, Grantham Hospital, Queen Elizabeth Hospital, United Christian Hospital, Princess Margaret Hospital, Prince of Wales Hospital and Tuen Mun Hospital.

In addition to the Li Ka Shing Foundation's donation of HKD42 million, the Hong Kong Hospital Authority is providing a grant of HKD23 million. Anthony Wu, Chairman of the Hospital Authority, expressed gratitude to the Foundation for its support. "Palliative care service is also a core component of cancer care and will be provided as early as when terminal illnesses are diagnosed in cancer patients," he said. "Assessment by multidisciplines will then be made to plan for the patients' physical and psychosocial needs. The generous donation will support the promotion of palliative care services to benefit needy patients."

Mr Li pioneered the charitable hospice movement in China. Since 1998, 65,000 patients have been offered free hospice and palliative care through the "Heart of Gold" programme. During 2008, the service will expand to 28 hospices nationwide, offering care to more than 18,000 patients each year.

To date, total funding for the "Heart of Gold" programme exceeds HKD240 million. 

‘Dignity in death is priceless and care and respect for those with a terminal illness are key indicators of our social values and the mark of any civilised society’
THE ICEBREAKERS
FOR NEARLY 100 YEARS, the International Ice Patrol (IIP) has hunted, tracked and charted icebergs drifting through the transatlantic shipping lanes of the Atlantic Ocean. The internationally funded patrols were established after the sinking of the Titanic in April 1912. More than 1,500 people died when the world’s largest passenger ship sank after hitting an iceberg during her maiden voyage.

Ice patrols started the same year with a pair of US navy ships patrolling the Grand Banks off Newfoundland, the easternmost province of Canada. And those patrols continue today with Hercules C-130 airplanes flown by members of the US Coast Guard, which took over ice duties in 1914. “Our roots are in the sinking of the Titanic,” said the IIP’s Commander Scott Rogerson. “The sole purpose of our job is to keep something like that from happening again.” The Titanic struck the iceberg about 500 miles south of St John’s, Newfoundland, and ever since the ice patrol has commemorated the loss of the ship and her passengers with a memorial service, during which wreaths and bouquets of flowers are dropped into the ocean.

The IIP’s mission is to map the “limit of all known ice,” effectively drawing boundaries around a huge patch of ocean where ships are likely to encounter icebergs. Coast guard planes patrol 500,000 square miles of water between the northerly latitudes of 48 degrees and 40 degrees – roughly between the northeast coast of Newfoundland and the city of Philadelphia on the US eastern seaboard.

Iceberg hunting season typically begins in mid-February and runs until July or early August. Coast guard planes, outfitted with both side-looking and forward-looking radars, fly in grid patterns between 6,000 feet and 8,000 feet above the North Atlantic.

Once an iceberg crosses the 48th parallel, the ice patrol takes notice. “That’s where we start to be concerned about their threat to maritime shipping,” said Commander Rogerson. “We feel confident that if there’s ice
out there we’re going to find it. Unfortunately, we find that we only have good visibility on the Grand Banks about 30 per cent of the time.”

Despite that narrow window of visibility, the human eyeball is a useful back-up to the electronic sensors. Observers looking out of the C-130 windows can sometimes spot an iceberg that went undetected by radar.

And while radar often accurately pinpoint an object in the ocean, it can’t always distinguish between ice and a fishing vessel.

“Their profile is similar,” said the commander. “A visual inspection can also determine the size and shape of an iceberg. For example, a large iceberg that is the size of a small gym is going to last a whole lot longer than a small iceberg that might be the size of a small house. So we need to know that. If the radar doesn’t tell us that, the humans in the windows can supplement that.”

On average, the ice patrol expects an average of 250 icebergs per season, but the actual count varies widely. In 2005 and 2006, a combined total of just 11 icebergs were tracked south of the 48th parallel; in 2002 and 2003, the ice patrol averaged 900 icebergs per season. Last year, 324 icebergs were spotted.

“It’s not uncommon to have lighter years offset by far more dangerous years,” said Commander Rogerson. “It only takes one iceberg and one ship at the same place at the same time and that’s going to be a problem.”

The Grand Banks – often described as the stormiest, foggiest, most dangerous part of the North Atlantic – is home to Iceberg Alley, the route most icebergs typically follow as they drift southward towards the Caribbean and melt into the ocean.

Their two-year journey begins at the West Greenland glaciers, where up to 15,000 icebergs break away from the main ice sheet annually and slowly drift south. The Labrador Current carries most of these icebergs through the Grand Banks.

There, the icebergs cross international shipping lanes and drift near a trio of offshore oil fields that pump crude from the seabed. Icebergs pose a threat to ships as well as to the oil rigs and production platforms at the Hibernia, Terra Nova and White Rose oil fields operated respectively by ExxonMobil, Petro-Canada and Husky Energy, a Hutchison company.

Dealing with ice is part of daily operations in these oil fields during iceberg season. The Hibernia platform, which sits on top of a concrete pedestal, was designed to withstand a collision with a one-million tonne iceberg. At Terra Nova and White Rose, the production ships are equipped to disconnect quickly from the seabed if an iceberg drifts too close.

While the ice patrol leaves ice management to the oil companies, it does collect ice data from them. St John’s-based Provincial Aerospace Ltd monitors icebergs and sea ice in the Newfoundland oil patch and feeds this information to the IIP. The ice patrol also works with other agencies, including the
Canadian Ice Service and the US National Ice Centre, and uses a synchronised database to share iceberg sightings.

Computer modelling is also used to forecast where an iceberg might drift once it is spotted. The ice patrol deploys oceanographic buoys to track ocean currents and uses satellites to measure water temperature. “Over time, we get a real good picture of what the ocean is doing as it is moving the icebergs further to the south,” said Commander Rogerson. Sea surface temperatures, winds, wave heights and currents are punched into the model to predict where the iceberg will drift.

The system certainly seems to work. Since the Titanic tragedy, not a single life has been lost due to a collision with an iceberg on vessels in waters covered by the IIP. But why not simply destroy them? The answer is that blowing up an iceberg is not as easy as it sounds. According to the IIP, a 1,000 pound charge of conventional explosives would be needed to break up approximately 70,000 cubic feet of ice (a growler weighing 1,960 tons) and a hundred such charges would be needed for the destruction of an average berg.

But even in today’s high-tech era of radar, sensors and satellites, ships can still hit trouble. In 1993, the year the ice patrol tracked about 1,700 icebergs, three ocean-going ships hit icebergs and in 2004 a fishing vessel smashed its bow when it collided with an iceberg head-on.

“The Grand Banks of Newfoundland is one of the most dangerous regions of the world in terms of shipping because you have oil rigs, icebergs, high seas, low visibility, transatlantic shipping and fishing vessels,” said the commander “Even with today’s technology, icebergs remain a threat.”
The Netherlands traditionally conjures up images of bicycles, clogs, cheese and windmills spinning lazily over flat green fields adorned with brightly coloured tulips. While the icons remain, there is so much more to this advanced nation, qualities that allow it a reputation as a place where the old and new marry harmoniously and create a liberal culture rich in diversity.

Amsterdam provides a perfect example of this dynamic, a study in contrasts and one of the prettiest cities in Europe. Superb examples of what is called Amsterdam Renaissance style architecture, with its cornices, spires and bell towers, are prominent throughout the capital. The famous Oude Kerk, with an octagonal church bell tower that was once a beacon for mariners, stands solemnly right in the heart of the city, while patrician townhouses with manicured gardens proudly co-exist with some of the best examples of modern architecture and infrastructure in Europe.

The museums, Amsterdam has more than 50, are a tribute to the nation’s past and an indicator of how the country, often referred to as Holland, has forged ahead to become one of the most liberal and tolerant societies in the world. While the massive bulk of Rijksmuseum, the nation’s largest, is popular, it is places like Anne Frank House, where the little Jewish girl kept her tragic diary, and Van Gogh Museum, an altar to a tormented artistic talent the likes of which the world had never seen, that draw tourists and swell the hearts of proud locals.

Then there are the canals, and with almost 20 per cent of the country consisting of water, you are never far from one. In Amsterdam, the waterways with their charming houseboats provide a timeless feel, and it is said they are good purveyors of feng shui.

But perhaps the most famous symbol of all is a humble flower. The tulip has enjoyed a love affair with the Netherlands for centuries, and (forget the rose) the blood red version of the flower is supposed to be the symbol of perfect love. There are tulips with strong and pungent perfumes, tulips with petals like satin and tulips that blaze with all the vivid hues imaginable – flaming oranges and reds, subtle pinks, crimson-blacks to ivory whites, buttery yellows, burgundies... the array of colour and natural pattern is endless.
FLOWER POWER
Springtime is when these flowers transform the gardens and countryside into a blossoming symphony. Each October, before the onset of winter, growers plant bulbs in their millions in preparation for the spring bloom from March to May. The most famous tulip garden in the world is Keukenhof, which boasts some 7.5 million blooms in 100 varieties and claims to be the most photographed place in the world.

Keukenhof 2008 is the 59th year of the spring park’s operation and this year a special treat is in store – the theme will be entirely devoted to China in recognition of the Beijing Olympic Games. From the opening day on 20 March to 18 May, the China theme will be expressed in various ways that emphasise the cultural and historic significance of the country, including an Olympic Exposition and a “Forbidden City” garden where a number of new flower bulbs with Chinese or Olympic names will be presented.

“This spring, visitors to Keukenhof will be dazzled by swathes of sheer and scintillating colour,” says spokesperson Annemarie Gerards.

China in Town, an event looking at the traditional and modern language of costume, will highlight the traditions of the various population groups in China. “The event was inspired by traditional handwork techniques and the role of symbolism in the patterns on Chinese national dress and costumes,” she says. “To offset the traditional costumes, headwear, jewellery and shoes from Chinese population groups such as the Dong and the Miau, contemporary designers have been invited to draw inspiration from China.”

Ms Gerards says the goal for 2008 is to attract approximately 35 per cent more visitors from China. Keukenhof is traditionally one of the five attractions most popular among Chinese tourists in Europe.

The cultural bonding is not limited to the flower festival. In December, the Netherlands will stage the Business of Design Week (BODW) in Hong Kong. Called Open Minds – Presenting Dutch Design, the programme covers fashion, architecture, communication and product design. The focus will be on three areas of excellence: water, food and flowers, and urban life. There will be a series of mas-
ter classes and exchange programmes for students and Dutch companies in Hong Kong will initiate local projects related to the BODW themes.

The tulips, meanwhile, are not just pretty to look at. They are big business. More than 53 per cent of the world’s flower bulb production area is located in the Netherlands, according to Keukenhof. The trade in flower bulbs currently amounts to USD1.1 billion and the Netherlands is responsible for approximately 80 per cent of all flower bulb exports.

But raw figures alone do not do the story of the tulip justice. It is a tale of greed, desire and mystery that originates far from the Netherlands and one that Sjoerd van Eeden, son of a flower bulb grower, loves to tell. Mr van Eeden and two friends founded the Amsterdam Tulip Museum in 2005 in the heart of the city to give tourists a glimpse of how the tulip evolved from a rarity which brought a nation to its knees to the darling of the Netherlands that it is today.

Exactly where the flower originated is not clear, but Mr van Eeden says it graced the gardens of the sultans in Istanbul before making its way to the Netherlands, where it quickly became the object of unprecedented speculation in the 17th century.

“It was the period known as Tulipomania, when tulip bulbs changed hands for the price of a house, leading eventually to a disastrous financial collapse,” he says. “It is known as the first financial bubble in the history of capitalism. According to most historians, Amsterdam was the first true capitalist city in the world. The Amsterdam Stock Exchange is the first and oldest in the world and dates from the same time as the disaster known as Tulipomania. This speculation in tulip bulbs was an example of early capitalism going terribly wrong.”

He says his museum attracts a large number of Hong Kong and Chinese visitors every week, with guided text also available in Chinese.

The curator also has some advice for gardening enthusiasts in Hong Kong. “Tulip bulbs must always be planted outside. As they come from Central Asia they do need a serious winter, and cannot be grown successfully in Hong Kong,” he says. “If people visiting from Hong Kong want to buy tulip bulbs, I tell them the bulb that’s best for them is no doubt the Amaryllis.

“It’s a very large bulb that grows indoors in a pot with earth or just on water. Planted, it will bloom in about six weeks giving several two-feet stems, each carrying four to six large flowers. It is no doubt the best and most popular bulb for people from Hong Kong. And it never fails!”

The Amsterdam Stock Exchange is the oldest in the world.

**The Gateway to Europe**

The Netherlands is internationally recognised as the gateway to Europe. Rotterdam is the world’s biggest port with access to major centres so close that 170 million people live within a 500-kilometre radius of Amsterdam – that’s a population density three times that of metro areas like New York or Tokyo.

Hutchison Whampoa Limited has realised its potential as a distribution hub and capitalised on it, according to Jan Westerhoud, Managing Director, Northern Europe for Hutchison Port Holdings (HPH) and chief of Europe Container Terminals (ECT), the main operator at Rotterdam’s port, which HPH acquired in 2002.

“Hutchison has made a great difference to the operation here,” he says. “We have learned and benefited from their enormous market knowledge and financial discipline. In the past four years we have experienced double digit growth. The market is absolutely booming.”

Mr Westerhoud says a key component for harnessing this growth potential is expanding and improving inland connections via rail or barge facilities. He says the first phase of the new Euromax terminal, close to the existing Delta terminal, is scheduled for completion in September this year, while a barge feeder for Delta Terminal should be completed in June. Euromax is expected to bring an additional 2.3 million twenty-foot equivalent units (TEUs) of capacity to ECT’s current six million TEUs per year in its first phase.

Hutchison’s interests extend past ports, and its retail arm A S Watson operates in the Netherlands through Kruidvat, the undisputed national market leader in the health and beauty retail sector that is also well known in neighbouring Belgium.

While Kruidvat is famous for always offering value for money, it has also set the trend in the Netherlands for offering products that customers do not normally expect in a drugstore, such as classical music, books and electronics. “In everything we do and through all products we offer, we live up to our brand promise. That is, always value for money, always surprising,” says Kruidvat’s spokeswoman Jose Mes.

Other A S Watson retail chains that cater to the Dutch market include its luxury perfumery and cosmetics chain ICI PARIS XL and a second health and beauty chain, Trekpleister.
In a few short years from now, the latest hi-tech gadget may well be a credit-card phone, which will see goods and services ordered and paid for with a few keystrokes. This, in theory, will allow people to book an international flight, charging the payment to their credit card, downloading the paperless tickets and checking in at the airport with a mere wave of the phone.

The stuff of sci-fi? Not really. The technology to put a credit-card chip in a cell phone already exists: all it needs is for the banks and card schemes to decide that the public is ready to embrace such a device.

Credit cards have become such a big part of everyday life that it is hard to imagine a world where everything was paid for by cash or cheque. But as recently as two decades ago, cards were still something of a rarity for ordinary people; they were strongly associated with comfortable wealth and an international jet-set lifestyle.

Their popularity began to grow just as Nigel Beatty entered the cards business some 25 years ago; the Briton’s career has been spent largely in the credit-card sector, most recently helping to re-launch the ComPass Visa card in Hong Kong. Among the card’s features are enhanced security – via a Europay MasterCard VISA (EMV) chip, rather than the old-style magnetic strip – and various loyalty features.

Mr Beatty is something of a walking encyclopedia on the usage and history of credit cards and can pinpoint exactly when, and why, the EMV chip became popular. The enhanced security that EMV chips provide has cut fraud radically because chips are difficult and expensive to counterfeit – a trend that led to its adoption in other parts of Asia and the rest of the world.

The launch of the security-enhanced cards went down well with the public, whose worries about their card being cloned, or skimmed, were largely assuaged.

Anyone who travels overseas, for work or pleasure, knows that it is virtually impossible to function without at least one...
major credit card. Hotels insist on swiping a card on checking in, car rental companies will not entertain a booking without having card details and airlines increasingly expect clients to pay by credit using on-line booking.

“Credit card usage has been steadily increasing year on year and we are seeing the introduction of new credit cards and new products,” says Mr Beatty, a Senior Consultant with Aconite, a UK-based cards consultancy, who has been working with DBS as Programme Manager for the ComPass New Proposition Project.

“There are so many different kinds: credit cards, prepaid cards and debit cards. Also there is more acceptance worldwide – you can use Visa anywhere and travelling is one of the biggest areas of usage. The whole industry is less parochial, there are fewer and fewer domestic-only schemes. I think it can go a lot further.”

An entire generation of young people has grown up knowing nothing but credit cards and on-line payments. To them, cheques are something their parents use. The travellers cheque, once a vital part of any overseas expedition, has already become a museum item.

The credit card boom also heralded the arrival of the consumer-driven, live-for-today society, where there is no shame in paying for goods in installments. That acquisitive streak has generally helped to fuel global growth.

“To a certain extent the credit card has freed up the consumption power of people,” says Professor Raymond So, Associate Professor of the Chinese University of Hong Kong’s Department of Finance. “I think younger people are more willing to embrace new things and use credit cards as a way of doing business. I think older people tend to use them more as a way to defer payment. But they will never replace cash.”

Credit card usage worldwide gradually became more common during the 1980s but the basic concept is far from new. The first formal card – as opposed to merchants letting customers put goods on the slate – was introduced in 1914, when the American company Western Union introduced a metal plate that allowed its favoured clients to make deferred payments.

The next major development, in the middle of the century, was the introduction of the Diner’s Club card, essentially a charge card that allowed business people to notch up travel and entertainment expenses without carrying cash around.

The key drivers of credit-card growth in more recent times have been Visa, American Express and MasterCard. The companies’ technical research also led to more sophisticated cards: the old-style imprint taken by a machine was replaced by the electronic strip which cut transaction time to seconds and, more recently, by an embedded chip.

ComPass Visa, a joint venture between DBS Bank and Hutchison, launched the world’s first EMV compatible chip-based programme 12 years ago and offers multiple rewards for customers, including Hong Kong’s first instant cash rebate loyalty programme that covers a broad spectrum of HWL Group merchants, including supermarkets, telecommunications providers and healthcare stores. It underwent a major revamp in 2006 that introduced a raft of new features and gave cardholders greater security and more loyalty rewards.

Planning the new cards and implementing their introduction is a major operation.

“A new product such as this takes up to two years of planning with a core team of more than 15 people and up to 50 others involved in different stages of development,” says Samuel Yung, Vice President, New Business Initiatives, DBS Bank.

The truly cashless society may never come, but the credit-card dependent society, with billions of dollars transacted daily, has already arrived.
Weightlifting Champions

The familiar image of cargo being loaded onto a boat docked beside a quay is an enduring symbol of one of mankind’s earliest and most successful forms of commerce. For thousands of years, trade between cities, countries and continents has helped communities all over the world grow and prosper. And in recent times, few places can match Hong Kong as a place that meets the ever-increasing logistical needs of importers, exporters, shippers and shipping lines.

Then... The earliest cranes were no more than the most rudimentary of levers – a combination of a bamboo pole and human muscle power. Huge quantities of goods were moved using this simple and effective method. Less than 100 years ago, scenes like this were part of everyday life at the Whampoa docks in Kowloon and other ports throughout Asia.

Now... Port operators have revolutionised the container shipping industry. Today, instead of cranes with slings loading ships with crates from wooden pallets, powerful ship-to-shore quay cranes can now lift two 20-foot containers at a time. Each crane can make on average 44 moves an hour, significantly reducing docking times. Hongkong International Terminals operates a total of 46 quay cranes, of which 37 have twin-lift capability at Kwai Tsing, one of the busiest ports in the world.