ISSN 1469-5162

Business Matters

The Official Publication of London Chamber of Commerce and Industry

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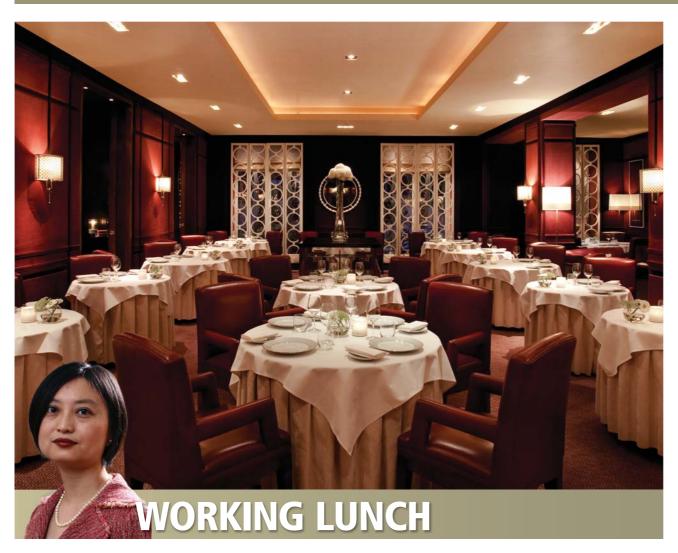
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24 London Business Matters Working lunch

Yintong Betser dines with Philippe de Gentile-Williams, General Manager, Europe, Cathay Pacific



Wareing's eponymous restaurant at the Berkeley Hotel, and I was surprised at how unassuming and low-key it was for such a prestigious venue. Other than its discreet gold sign beside the entrance, the only give-away was the smartly dressed doorman in front of the hotel.

Philippe arrived punctually and we began our business talk right away. I learnt that he is employed by the Swire Group and is in charge of the European region for Cathay Pacific Airways, the Group's aviation entity. Whilst being one of the two major Hongs in Hong Kong, the Swire Group was founded in the early days of the 19th century by Liverpudlian John Swire. It is still privately owned and run by the family from its London HQ.

The Swire Group's diverse business model is of a very traditional format. Its key businesses in Hong Kong range from property, aviation, beverages, and marine services to trading and industrial sectors. Every year Swire selects five to six top graduates from elite British universities and trains and sends them to posts all over the world in different sectors within its business empire. Philippe was one of that lucky group 20 years ago. "Swire Group was one of the sought after jobs for graduates. It provided the opportunity to travel and work in exotic locations. You also had the possibility of working in a variety of sectors within the group," Philippe recalled. He subsequently worked in Taiwan, Hong Kong and the Philippines within Swire's trading division and then started his career in the airline industry with Cathay Pacific in 1997. Since then he has been the Country Manager for Bahrain and the Middle East and several European countries. He has been in his current London-based position since 2006.

I asked him about his experience in the airline industry. "The airline business is a roller coaster ride, particularly sensitive to almost all influences in a business environment, be it an economic downturn, the terrorist threat, natural disaster or chicken flu. As an independent company, without any government backing, Cathay Pacific has to try very hard to maintain its healthy balance sheet."

Cathay Pacific reported a profit for the first half of 2009 – albeit largely due to its calculated fuel hedging – and has also recently picked up another 'Airline of the Year' award so I suggested that things were looking good. Philippe responded cautiously. "Leisure traffic is still good, every flight is full but the underlying business environment is still very challenging. The cargo business is in a poor state due to the devastating export industry. However, corporate business is starting to see glimpses of upturn. It will be very interesting to see how the market pans out for the next few months."

Cathay Pacific is known for its loyal customer following, what had they done to create this? Philippe said that, to him, loyalty was the real testimony of an airline's consistent high quality. Its corporate business had seen a steady increase of clientele over the years, and customers had shown



Philippe de Gentile-Williams

- General Manager, Europe, Cathay Pacific Airways Limited
- Graduate of Oxford University in Philosophy, Politics and Economics
- Member of the Hong Kong Club
- Member of the Vincent's Club at Oxford
- Member of the Good Men of Manila Cricket Club
- Has worked in Taiwan, Hong Kong, the Philippines, Europe, and the Middle East

their loyalty with their wallets. However, it didn't just come about because of the comfortable seating, the leg room and the quality service but took a long term commitment and constant effort.

As an example Philippe briefed me on the China Business Awards, now in their fifth year. "As Hong Kong's flagship carrier we are committed to promoting growth and economic prosperity in this dynamic region. Cathay Pacific has been flying between London and Hong Kong for 29 years and we have been able to witness the flourishing of Sino-British business links. The purpose of the China Business Awards is to provide a platform to showcase the talent, innovation and entrepreneurial spirit of these companies."

I invited Philippe to comment on the recent news that Swire Group had increased its share in Cathay Pacific to 42 per cent and its partner Air China had also boosted its stake to nearly 30 per cent. "China's aviation market is going to see the strongest growth over the next two or three decades. Strategically, it makes perfect sense for Cathay Pacific to deepen its relationship with Air China, the national carrier and a main market player in China. Plus, Air China has proved to be a worthy partner over the years. So I see it as a very natural but positive move," Philippe said.

With the unprecedented development of communication technology, I wondered how much it has slowed down the airline business. "On the corporate side of the business, there is no substitute to face to face meetings; personal contacts are still highly valued by businesses everywhere. It is particularly so in China and the Far East region. Building trust is far more important than the paper contract."

I could see Philippe was passionate about relationship building and how well he had integrated into the Chinese culture: loyalty and relationship building are the key philosophies for Chinese business people.

Meanwhile, I was trying very hard not to neglect the beautifully presented food. Between my notes and the recorder, I was in awe of the chef's attention to detail and the artistic flair on display. It was not surprising that my half-French guest also enjoyed his meal very much. To top it all, we were invited to meet the chef in the kitchen before our departure. Considering the restaurant was full, we were surprised but thrilled. Not only were we warmly greeted by the Michelin-starred chef himself, Marcus Wareing, he even found the time to strike up a conversation comparing notes on current business with us.

As I walked away from the hotel and its understated façade, it struck me how the Swire Group's motto could equally apply to the Berkeley Hotel: 'esse quam videri' or 'to be rather than to seem to be.'

Yintong Betser is a China business specialist and the author of Active Business Travel-China.

www.activeukchina.com

Marcus Wareing at The Berkeley The Berkeley Hotel, Wilton Place Knightsbridge SW1X 7RL Telephone: 020 7235 1200 Fax: 020 7235 1622