

Becoming 'Chinese' no help for HTC sales

Written by Huang Tien-lin 黃天麟
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In the lead-up to the 2012 presidential election, HTC Corp chairwoman Cher Wang (王雪紅) said at a press conference in Taiwanese and Chinese that she sided with President Ma Ying-jeou (馬英九) in support of the so-called “1992 consensus.” At the time, HTC had a net revenue of NT\$619.76 billion (US\$19.95 billion), earnings per share of NT\$714.74 in 2011, a share price of NT\$1,300 and market capitalization of NT\$1.63 trillion. However, that same day was the beginning of the firm’s downfall, as she proclaimed that HTC is a Chinese brand. Since then, HTC’s mobile phone division has lost half of its sales in the Taiwanese market, likely in part due to pan-green camp voters vowing never to use HTC products again.

Wang’s words did not gain HTC 1.3 billion supporters in China. Was this situation brought about by the low self-esteem of a small nation, or a company’s long-term indoctrination by a foreign regime?

The unorthodox viewpoint of China held by Taiwanese academics, government officials and journalists is that the nation’s economy is in China’s hands. In particular, a lot of entrepreneurs believe they can rely on the advantage of a common language to establish a brand in the giant cross-strait market, with dreams of then creating a global monopoly. It is this misconception that lead HTC to its demise.

China is a nationalist country. It might have 5,000 years of history, but this has not produced a civic culture of brotherly love and land for all Chinese. Rather, on a small scale, it is a society of many small Chinatowns around the world representing China’s ethnic identity, while on a large scale, it uses the spirit of “the Middle Kingdom,” descendants of the Yellow Emperor and references to China’s mighty revival to maintain a connection to the greater Chinese civilization, while deeming all other races barbarian.

Chinese ethnocentrism was rampant when the Chinese Nationalist Party (KMT) ruled pre-democratic Taiwan, which triggered the 228 Incident and the White Terror era.

Recently, Beijing has pushed guidelines for a national IC industry — the China Manufacturing 2025 effort and related policies — while an alien regime in Taiwan is singing to the same tune. Beijing’s goal has been to substitute Taiwanese-owned businesses in China and semiconductor industries still in Taiwan. Although Beijing has repeatedly called Taiwanese firms “compatriots,” it does not matter how hard they try to cooperate, Taiwanese firms are still

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Taiwanese and China does not want important industries and brands to be meddled with by "barbarians."

Wang's claim that HTC is a firm created by Chinese and that it is a world-class, international brand created for Chinese is not leaving an impression on the Chinese ethnic identity. On the contrary, it is triggering a negative effect worldwide. If the Japanese were told that HTC is a Chinese brand, would they then choose HTC even if the price and functionality were the same?

The same problem would occur in Vietnam, the Philippines and other Southeast Asian nations as well as in the US and Europe, especially when China launches its "One Belt, One Road" initiative to bolster the "glorious revival of the Chinese people."

In confronting Taiwan's economic hardships, it is urgent that leaders and entrepreneurs address Taiwanese identity and HTC's worldview. They must understand that working toward being a Chinese business will not bring the desired outcome and will lead to failure, because it alienates global markets.

Perhaps they should use a similar strategy to Taiwan Semiconductor Manufacturing Co and become rooted in Taiwan focusing on technology to run a successful business.

Huang Tien-lin is former president and chairman of First Commercial Bank and a former Presidential Office adviser.

Translated by Zane Kheir

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