

SPAIR Germany e.V.

Students
Project for
Asian &
International
Relations



HPAIR 2006

The German Delegation

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The SPAIR Germany Association



Dear HPAIR participant,

Bridges don't just appear – they need to be artfully designed, carefully built, and constantly maintained. This principle has always characterized the work of Europe's largest HPAIR networking club representing Germany, Austria and Switzerland.

Since our inception two years ago, we crafted a great many bridges leading to a record number of applications, enhanced satisfaction of our corporate sponsors and a higher recognition of HPAIR among European students.

Today, it is our honour to bring forward congratulations to the Delegates of the HPAIR 2006 Annual Academic Conference. On this occasion we would like to wish all attendees a successful and informative event. The 16th edition of HPAIR is our bridge to Asia, and Asia's bridge to the world.

Aline Krämer

Joo Hyung Maing

Friedemann Pfeiffer

History of SPAIR

The Students Project for Asian and International Relations Germany (SPAIR) represents the interests of German, Austrian and Swiss Delegates at the HPAIR Annual Academic conference. A tax-exempt association under German civil law, founded in November 2004. Driven by an active management board and the ambitions of our 70 club members, we are working hard to achieve the objectives set out in our articles of association:

- maintain and foster close relationship with other HPAIR networking clubs around the world;
- advertise upcoming HPAIR conferences to a wide audience;
- prepare our members in the run-up to HPAIR conferences, especially in the form of seminars;
- raise financial support and provide logistical orientation for the benefit of club members;
- deepen the exchange between club members and their home universities.

Two years after the inception, we congratulate ourselves on the achievements, and remain mindful of the ever-growing role of networking clubs within the HPAIR organization. Through our local expertise and effective collaboration with HPAIR in the United States and Singapore, we have contributed to no small extent to the success of the academic conference, held in Singapore for the second time in 16 years of HPAIR's history.

Every year, we organize at least one major event to bring members together who hail from three countries and over 20 universities. In the run-up to the Singapore conference, in July 2006, we were invited to an exclusive workshop by the Boston Consulting Group. The one-day event, held in BCG's scenic Duesseldorf Office, focused on issues around international logistics and challenged club members with a competitive case study. This comes on top of an earlier event in 2005 zooming in on the role of corporate social responsibility in transnational companies and a visit to the R&D Center of ZF Friedrichshafen AG.

Above all, our dedicated staff deserve credit for this success. From the outset, the three-member management board, which is elected annually by the General Assembly, charted an ambitious growth strategy and committed to two core objectives: 1. Maximize the number of successful undergraduate and graduate applications from Austria, Switzerland and Germany. 2. Raise financial support from leading companies, and engage in continuous dialogue.

Judging from the numbers, we have succeeded in both campaigns. Through unprecedented marketing, we reached out to over 50,000 top-tier students, resulting in close to 70 successful applications for the academic and the business conference. In addition, we garnered support from leading German businesses, with Bayer MaterialScience AG becoming our main sponsor and HPAIR Gold Sponsor. High performance plastics from BMS can be found in every third CD-Rom in the world, and now the company is aggressively investing in Asian markets. ZF Friedrichshafen, a world-leading supplier of automotive parts, has entered a long-term relationship with SPAIR and offers exclusive internships and research opportunities, in addition to sizable financial support. BCG, renowned the world over for strategy consulting, also injected funds.

These sponsorship contributions, which we gratefully acknowledge, open employment opportunities, increase participation rates, and represent a rattling endorsement of the growing perception of East Asian countries in Europe.

Looking ahead, and building on past success, SPAIR Germany strives to further develop close ties with HPAIR, harness membership potential, and continue our tradition of forging lasting friendships between young leaders of Europe and Asia-Pacific. From the perspective of our corporate sponsors, we have supplied both people and ideas, and are now recognized as a trusted partner in the German market.

In this rapidly changing world, the Harvard Project for Asian and International Relations affords us the handy opportunity to engage in cross-border dialogue with like-minded people, and see the benefits of globalization accrue all along. Please join our enthusiasm in promoting this endeavour.



Dominik Schlosstein

The SPAIR Team 2006



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Essay selection HPAIR 2006



1. Impersonating Asia. Performing Arts and Film in Contemporary Perspectives *by Annelie Cheng*
2. War, Domestic Conflict and Interdependence: Peace and Security in Eastern Asia *by Roman Kessler*
3. Boundaries in Flux: Religion, Nation and Identity in Asia *by Katharina Diel*
4. Environmental Management in Asia: Writing Tomorrow's Textbooks Now *by Julia Brandes*
5. The Political Economies of China and India: Trends, Trade and Tomorrow's Asia *by Linda Ramcke*

Workshop: Impersonating Asia. Performing Arts and Film in Contemporary Perspectives

by Annelie Cheng

Essay Question: How do you envision the location of performing arts and film in a region of unprecedented economic and technological growth? In a short essay, explain why study of the performing arts and film of Asia is a good fit for your personal, academic, and professional interests in a world of ever-increasing cross-cultural interactions.

Art is the daughter of freedom (Friedrich v. Schiller) and a mediator of the inexpressible things (Johann Wolfgang v. Goethe).

As the German poets of the 18th century have pointed it out, the importance of performing arts lies in its function and free manner of mirroring people's mind, values and attitudes. Art and culture are the expression of human beings explaining

themselves, their environment, their society and the others. Performing arts and film are cultural products covered with various meanings and intentions, made by people for people, reflecting contemporary thoughts and developments of society. What we call reality, how we experience and understand ourselves and our environment is communicated by these specific media. The use and the interpretation of it are culturally shaped. Each culture limits the perception possibilities of art but also gives free spaces in which humans can live culturally bounded experiences.

One may even see the essential roots of innovations, abilities and creative talents in cultural goods. Therefore, while discussing about Asia, we should not neglect the cultural sector and its reciprocal influence on economic and technological growth. The increasing economic and technological growth is connected with a stronger need and consume of cultural goods which leads to a rise of cultural industries. Transformations in the economic sector are reflected in the transformations of the cultural sector. Streams of economic and technological optimism are reflected in futuristic movies, critics on society spread by music and arts for instance.

Arts and film therefore are fundamental for the 'soft power' of each country and often commercialized and promoted by a government for strengthening the national power, improving international relations and increasing their attractiveness for others.

Asian countries have impressive potential resources for soft power and strong impact on other parts of the world. Especially China and India, as looming giants of Asia have increasing resources for the 'creative economy'. The Chinese film *Crouching Tiger, Hidden Dragon* became the highest grossing non-English film and Indian movies like *Monsoon Wedding* were global box-office successes. Bollywood produces more movies every year than Hollywood and is feeding huge overseas markets in the world.

Creative economy gains more and more importance in the world and consume of cultural products is steadily increasing. In the context of globalisation we are facing a strong cultural policy and growing visual mass entertainment producing a rapid flow and exchange of signs and images in society which has a deep going influence on us. Surely, the process of globalisation is a big challenge for each nation but offers a big chance and an opportunity for strengthening the own cultural economy, too.

We have to look at the possibilities of influence and the importance of film and performing arts as a cultural exchange medium in the time of globalisation and interdependence. No doubt that the protection of cultural diversity is important, but we have to understand that the world is not a mosaic but a constant changing and mixing flow of cultures where art has the big potential to encourage people and to produce empowerment in our societies.

The cultures and arts of the world are growing like strong and manifold mixed woodland which makes its contribution to the vitally necessary fresh air.

Workshop: War, Domestic Conflict, and Interdependence: Peace and Security in Eastern Asia

by Roman Kessler

Essay question: What do you think is the biggest threat to the maintenance of peace and security, on both an international and an intranational level, in East, Central, or Southeast Asia? Why? Is the way in which this threat is being addressed by Asian governments adequate? If not, suggest how this threat should be addressed.

A picture taken from a satellite reveals much: looking at Korea by night from space, one can clearly discern East Asia's darkest point. While South Korea and increasingly China are luminous, North Korea, apart from Pyongyang, is gloomy. At night, it seems clear that the glare of the Asian economies will put an end to the spooky North Korean interpretation of Orwell's 1984, where propaganda is broadcast into every household and receivers cannot be turned off. Sooner or later the division of the Korean peninsula will have to be overcome.

More devastating than a North Korean Atom-Bomb

However, in the current precarious international situation, a politically destabilized North Korea could have an even more devastating effect than a North Korean atom bomb. Internationally, East Asia resembles Europe in the 19th century: a number of big powers have huge stakes in a rather small region. We find increasing nationalism in China, South Korea, and Japan and territorial disputes. Simmering tensions have led to some brutish excesses in 2005. Chinese were attacking diplomatic Japanese facilities. In protesting against the Japanese occupation of some rather small islands, several South Koreans even cut off their fingers in 2005. The U.S. does not protect only South Korea from the Northern pariah. It is also in opposition to China, both in guaranteeing Taiwanese independence, and in trying to establish a strategic relationship with India, to counterweigh China's rise to supremacy. While China shares the American objective of a nuclear free North Korea, Chinese also have good reasons to fear a destabilized Korea. Kim Jong-Il's state is armed to the teeth. Internal conflicts in the aftermath of a sudden political collapse are virtually inevitable, as the main profiteer from the current system is the military. Conflicts then might spill over to China or South Korea. Additionally, a massive wave of refugees could be triggered after a North Korean collapse. If freed from Kim Jong-Il and the oppression from the Korean Worker's Party, North Koreans might literally invade China and South Korea in search for work and food. Last but not least, a democratized and unified Korea under U.S. influence questions Chinese supremacy in East Asia.

Imperative to trade

Asian governments can learn a lesson from sanctions against Iraq or Haiti: they would do harm to the people, not to the political and military elites. Instead, it is imperative to trade! Market reforms are nascent since 2001. China, accounting for 40 percent of North Korea's exports and investing 2bn dollars annually, did well in opposing sanctions against the underdeveloped neighbor.

China cooperates with the West in many ways. It has been cracking down on North Korean money laundering activities in Macao. Initially merely being the host of the six-party talks, it is now an effective mediator in the nuclear issue. The power of China's leverage on North Korea is limited however. It certainly should not suspend Pyongyang's banking activities all together; such an act would deprive the weak market of necessary investment.

Both Korean states proclaim eventual reunification as a goal. A stronger economy, integrated in the region, is a prerequisite for peaceful change in North Korea and a protection against spill-over effects. Since the South Korean tiger could not go it alone anyway, China will be the key to the closed North Korean economy.

Workshop: Boundaries in Flux: Religion, Nation, and Identity in Asia

by Katharina Diel

Essay Question: Drawing on one or two contemporary examples in Asia, examine the resonances and dissonances between religious and national identities and explore the potentials and limits of religion as a vehicle for mutual understanding within a nation or among nations.

Due to global, regional and local developments, the growth of ethno-religious diversity has become one of the major challenges of modern civil societies. As an effect of the globalisation process, the world's population with its various cultures and identities moves closer together and produces a social complexity as a new and demanding concern that has to be managed by the states.

But before all, it has to be mentioned, that multiculturalism accompanied by religious pluralism does not necessarily lead to conflictual situations:

Most Asian societies – as a result of colonialism and its missionary activities, inter-continental trade and migration movements – can be described as social mosaics that did not suffer of any serious religious conflicts in the past and – only partially – still today.

One example of a harmonical coexistence of different religious persuasions embodies Singapore: In this city-state, ethno-religious diversity can not mainly be considered as a product of globalisation like in most of the other states. The cultural pluralism is more the result of historical background than of a development phenomenon of the 21st century.

In 1819, Sir Thomas Stamford Raffles, a British East India Company official, established Singapore as a trading post and settlement, and saw instant economic growth followed by immigration from various ethnic groups. Singapore was later made a crown colony by Britain in 1867 and gained official sovereignty in 1965. One relict of the migration process initiated by Raffles in the post-colonial era is the population structure composed of indigenous Malays, a majority of third generation Chinese as well as Indian and Arab immigrants. There seems to be little culture that is specifically Singaporean. This tendency has been reinforced by Raffles plan to segregate the new immigrants into ethnic ghettos like China Town, Little India or Arab Street. Although the population is no longer segregated, these ethnic neighbourhoods retain selective elements of their specific culture.

Nevertheless, Singapore has achieved a significant degree of cultural diffusion with its unique combination of these ethnic groups, and has given Singapore a rich mixture of diversity for its young age, – even if not without strong support by government policies discouraging such segregation. Before all, religious tolerance has been strongly encouraged since the British colonised Singapore. The government's reason for attaching such great value on that issue was and is obviously the awareness of religions function as a vehicle:

In general, religions exert a profound influence, good or bad, on nearly all societies, including Singaporean society. Throughout history, religions have played a significant role in providing many societies with moral teachings that motivate their followers to develop spiritual qualities, inspire them to live in peaceful and meaningful ways, and empower them to contribute to the betterment of their societies. Those universal spiritual principles which lie at the heart of religion – tolerance, compassion, love, justice, humility, sacrifice and unity – are the foundations of progressive society.

Beside this exemplary situation in Singapore, where religion was used as a „good-influence-vehicle“, it can not be concealed, that – in the Asian context – there are currently distinct areas of social and political struggle between religious groups like in Thailand, Indonesia and on the Philippines. Those cases of religious conflicts can be explained with the same „vehicle-theorie“, – this time religion being misused as a media of religious fundamentalism.

Recapitulating these thesis, it can be said, that religion definitely has a high influence as a vehicle for mutual understanding within a nation or among societies, but in the similar way, even the opposite effect can be produced. Consequently, potentials and limits are – in a manner of speaking – close to each other.

Workshop: Environmental Management in Asia: Writing Tomorrow's Textbooks Now

by Julia Brandes

Essay Question: In a short essay, explain why study of the physical environment in Asia is a good fit for your interests. Which slice of environmental studies is most salient for you: engineering, public health, chemistry, ecology, design, economics, law ... or something else? Tell us about one suggestion you have for improving environmental performance in Asia.

Environmental problems in Asia are today, just like in the rest of the world, manifold. A single solution is therefore difficult to offer. Environmental problems are not just environmental, they result from various aspects of social life. Especially in Asia, the question of population growth (e.g. in India and China) is just as important as the one of economic growth. Environmental problems arise sometimes from the enhancement of the living standard by accelerated growth, sometimes from ignorance because more pressing problems prevail from meeting the necessity of environmental protection. Additional to the environmental question, the question of energy has arisen in many countries in Asia. Especially in China, this problem of a possible lack of energy supply is of more and more concern.

Asian countries not only differ in physical environment but also in their social, economical and political structure. Meeting environmental problems therefore by an overall solution on just an ecological level cannot be the answer to them in modern Asia. Combining environmental and economical issues on the other hand could provide a first step to improve the status quo. Economic growth seen from an environmental perspective can thus be an advantage. For example, the industrial nations have taken the liberty to put economic growth before environmental standards in the last two centuries and have only after having achieved a certain living standard addressed these questions. The liberty to repeat their mistakes is of course not possible anymore today as many problems become more and more urgent. But trying to impose their ideas on developing countries and countries in transition cannot be a solution either.

Cooperation on an international level is needed. Voluntary international agreements such as the Kyoto Protocol provide at least a theoretical framework for solving environmental problems. Clean Development Mechanism (CDM) as one of its measures has envisaged the cooperation between industrial and developing countries for addressing one of the major global problems; emissions and the

resulting climate change. Industrial countries can by supporting emission reduction projects in developing countries meet their Kyoto Protocol target. Developing countries benefit from technology transfer and improved environmental conditions. CDM is therefore a win-win mechanism. Of course, putting such an idea into practice often causes even more problems. As soon as economic interests are included a mechanism like this can fail to follow its main goal: the improvement of the global (and therefore also local) environmental situation.

Additionally, this idea is only concerned with one aspect of environmental problems. But it could probably be expanded to other fields of interest. The idea of combining environmental problems with economic solutions of course does not provide a solution to every aspect concerning the environment but it could be a first step for meeting the most pressing issues. Also, independent of the physical environment of one country this mechanism can help to address the challenge.

Workshop: The Political Economies of China and India: Trends, Trade and Tomorrow's Asia

by Linda Ramcke

Essay Question: The analysis of China and India's political economies is one of the most popular and engaging in today's rapidly globalizing world. Keeping in mind how you think China and India's geography, economic history and governance have influenced economic development, write an 1 page editorial article for the Economist in which you describe who will dominate the global market in the year 2040. Pay particular attention to how current events, such as international textiles trade quotas being lifted, the explosion of outsourcing in the Information Technology sector, and the shift from a fixed to floating Yuan value, have affected the dynamic between China and India and the international market today, and base your projections on your observations.

Both China and India are widely talked of as emerging 21st century superpowers. Indeed those two countries appear poised to change the global economic landscape. Both countries have already introduced changes that will further boost the development of the whole region as well as world economic integration. But it is not that straightforward. The reforms yet to be taken are likely to be more difficult

as those already achieved. In this analysis some important challenges that these economies have to master will firstly be summarized and then crucial advantages will be outlined.

To begin with, both countries have so far based their successes largely on the demographic strength that they derive from their huge workforces. But their poor human development indexes highlight the economic disparity between urban areas and the rural hinterlands. At present, more than half of their population still works in agriculture. To continue their economic growth the quality of their labour in terms of relevant skills, as well as physical health, need to be upgraded.

Furthermore, the privatization process and therefore the elimination of inefficient state-owned enterprises in both countries has to progress further, especially in the banking sector.

Finally, the industrialised economies continue to show considerable dominance in the financial sector, partly attributable to the confidence factor that favours traditional international financial centres. Thus the management of China's and India's financial sector has to be oriented towards private ownership, under the auspices of stability and a strong institutional system.

So can one of these two giants dominate the Global Market in the year 2040? The answer largely depends, not only on if they overcome their challenges, but also on if those two countries will be able to preserve and extend their own specific advantages.

In China industry has a dominant rule, while India has relied on services. In the following years outsourcing in the Information Technology sector will surely continue to grow, particularly towards India. But the developments in the international textiles trade since the running out of the multi fibre agreement have also clearly shown the potential of the Chinese export industry.

Indicators show that India's companies are more commercially driven and have better corporate governance standards, whereas China has a better physical infrastructure. Furthermore, India has more skilled workers, but China is endeavouring to change that. Since the early 1990s China has a superior and faster growing GDP per head. Finally, China is also more deeply integrated already in the world economy. After the change from a fixed to a floating Yuan in July 2005 China has decided to keep the exchange rate „basically stable“ in the coming year (while allowing market forces to function within limits) and gradually change to a more flexible system. In the short term this step probably reduces China's exporting power, but in the long term it will make room for a further integration of the Asian giant into the world economy. Meanwhile India's primary need is an effective and qualitative fiscal adjustment to enhance the scope for a more successful integration with the global economy.

Of the two countries examined, at the moment China seems to have greater opportunities to play a dominant role in the global economy. But that might change quickly, if it is not able to face political and environmental change while promoting stability and confidence from abroad.

Country Profiles

About six years ago, the idea of forming the first official HPAIR networking club for the German speaking countries was endorsed by students, who as of that time had represented their countries, where they came from, separately. In November 2004 then, the three German speaking countries of central Europe, Austria, Switzerland and Germany, teamed up to launch their first official HPAIR networking club.

Austria:

Austria is located at the heart of Europe, connecting east and west. It has approximately 8 million inhabitants, 98% speak German. The country consists of 9 independent federal states with their own provincial governments. The capital Vienna has one of the highest living standards in Europe. Austria has a long standing history. It has been first mentioned in 996 as „Ostarrichi“, a clear forerunner of the modern German word “Österreich”. During the Habsburg era the country developed itself to the center of power for the Austro-Hungarian Empire. After the WWII in 1955 Austria declared the country’s “perpetual neutrality”. Since 1995 Austria is member of the European Union. Austria will jointly host with Switzerland the European Soccer Championship in 2008.

Country Facts:

Clothing:	Tracht “traditional costume” (women), Lederhose “leather trousers” (man)
Form of singing:	Yodeling
Famous Austrians:	Sigmund Freud, Josef Haydn, Wolfgang Amadeus Mozart, Arnold Schwarzenegger, Johann Strauß,
Food:	Schnitzel, sausages
Sports:	Skiing in the Alps in the Winter; Hiking, Biking and Swimming in the Summer

Austria on the map:



Switzerland:

Switzerland (German: die Schweiz, French: la Suisse, Italian: Svizzera and Romansh: Svizra), officially the Swiss Confederation, is a landlocked Alpine country in Central Europe with a strong economy in finance and banking. Switzerland borders Germany to the north, France to the west, Italy to the south, and Austria and Liechtenstein to the east. Historically a confederation, Switzerland has been a federation since 1848, and has a long and strong tradition of political and military neutrality. This background allows Switzerland various international co-operations and organisations. A male living in this country is said to be a Schweizer and a female is a Schweizerin in German; Suisse (male) or Suisse (female) in Swiss French and svizzero (male) or svizzera (female) in Swiss Italian.

Confœderatio Helvetica, the country's official Latin name, means Helvetic Confederation. The use of Latin avoids having to favour one of the four national languages. The abbreviation (CH) is used for the same reason. The titles commonly used in French (Confédération suisse), Italian (Confederazione Svizzera) and Romansh (Confederaziun svizra) translate as „Swiss Confederation“, while the German name of Schweizerische Eidgenossenschaft translates literally as „Swiss Oath Fellowship“ or „Swiss Commonwealth of the Covenant“.

Switzerland is a federation of relatively autonomous cantons, some of which have a history of confederacy that goes back more than 700 years, arguably putting them among the world's oldest surviving republics. Historically, in 1291, representatives of the three forest cantons of Uri, Schwyz, and Unterwalden signed the Federal Charter. The charter united the involved parties in the struggle against the rule by the Habsburgs, the family then holding the German imperial throne of the Holy Roman Empire. At the Battle of Morgarten on November 15, 1315, the Swiss defeated the Habsburg army and secured factual independence as the Swiss Confederation.

With an area of 41,285 sq km, Switzerland is a relatively small country. The population is about 7.4 million, resulting in a population density of 182 people per sq km.

Country Facts:

Capital:	Bern
Largest City:	Zürich
Famous Swiss:	Daniel Bernoulli, Familie Piccard, Henri Dunant, Friedrich Dürrenmatt, Wilhelm Tell
Food:	Käsefondue und Raclette, Berner Platte, Zürcher Geschnetzeltes, Mostbröckli
Sports:	Hornussen (swiss cricket), Schwingen (swiss wrestling), Curling, Archery

Switzerland on the map:



Germany:

Located in the center of Europe, between the North and Baltic Seas and the Alps, Germany covers an area of nearly 360,000 sq km. Its neighbouring countries are Poland and the Czech Republic to the east, our member countries Austria and Switzerland to the south, France, Belgium, Luxembourg and the Netherlands to the west, and Denmark to the north. The capital is Berlin. Its largest river is the Rhine. Germany is inhabited by over 81 million people. The Federal Republic of Germany is made up of 16 states. Bremen is the smallest state, with around 700,000 inhabitants; North Rhine-Westphalia is the most densely populated state, with 18 million inhabitants. The largest state, Bavaria, covers an area of 70,531 sq km. Berlin, Hamburg and Bremen are self-governing city-states. Germany is known for its excellent transport system. There are 14 international airports with flights to all parts of the world; a comprehensive network of toll-free motorways that make traveling by car easy and fast; and an efficient railway system, with high-speed InterCity Express (ICE) link between major cities.

The German nation has evolved over the past thousand years, mainly from various Germanic tribes, notably the Franks, Saxons, Swabians and Bavarians. In contrast, the state Germany was unified as a modern nation-state only in 1871, when the German Empire, dominated by the Kingdom of Prussia, was forged. This began the German Reich, usually translated as „empire“, but also meaning „kingdom“, „domain“ or „realm“. The oldest evidence of settlements on the area of today's Germany are about 700,000 years old. One of the most renowned habitat, stemming from primitive times, was found in the Neanderthal region, being close to Düsseldorf, whereupon an early human representative of the homo sapiens neanderthalensis, the Neanderthaler, was named.

The way, the face of today's Germany was shaped, can largely ascribed to the recent history of the last 60 years. In the aftermath of the World War II, Germany was divided into the three Western zones, occupied by Britain, France and the USA, and the Eastern zone, occupied by the Soviets.

Due to heavy tensions that arised between the Western powers and the Soviet Unions, two separate German states were formed in 1949. West Berlin, as it was then known, became an enclave inside East Germany. This situation holds for a long period of time. Then, on 9 November 1989, the Berlin wall fell and East Germany were free to leave. Germany was officially reunified on 3 October 1990.

Country Facts:

Typical music:	Schlager- und Volksmusik
Famous Germans:	Johann Wolfgang von Goethe, Friedrich Schiller, Johann Sebastian Bach, Marlene Dietrich, Albert Einstein, Franz Beckenbauer
Food:	Maultaschen, Rollbraten, Schweinshaxe, Eintopf
Drinks:	Apfel-Schorle, Mineral Water, Schnaps und Korn, Jägermeister, Beer (many breweries)
Sports:	Football (3 times World Champion in 54, 74 and 90), Cycling, Skiing, Jogging

Germany on the map:





SPAIR workshop in Cologne and Dusseldorf together with „The Boston Consulting Group“ (07./08. July 2006)

Together with „The Boston Consulting Group“, SPAIR organized this year for the first time a workshop where selected members of SPAIR took part.

It was not only a great experience for all participants but also the beginning of a long-term relationship between SPAIR and BCG. On the part of BCG a deep interest consist in using this platform in order to establish a close relationship.



From Boston to the world

Don't be fooled by the „Boston“ in Boston Consulting Group's name. BCG has never been just a regional concern – since its founding, in 1963, by former Bible salesman and Harvard Business School alum Bruce Henderson, the firm has been an international powerhouse. The first strategy firm to set up shop in Tokyo, in the mid-1960s, these days BCG has more than 2,600 consultants working in 59 offices worldwide.

Blazing a trail

BCG has always been a pioneer in its industry. Much of its influence came from Henderson himself, who died in 1992. „Few people have had as much impact on international business in the second half of the twentieth century as the founder of The Boston Consulting Group“, The Financial Times opined upon his passing. In fact, BCG

can take credit (or blame) for many of the catch-phrases in management speak. The firm consistently churns out neat theories and catchphrases to capture the trends of the moment, from „time-based competition“ to the „New Luxury“. BCG also blazed a trail in the way consulting is performed – Henderson had faith that young men and women just out of business school could apply their minds to complex problems (especially when rewarded handsomely for their efforts), ratcheting up the stakes for B-school recruitment among competitors like McKinsey.



Headquartered in Boston, the privately-held BCG applies a combination of outside-the-box thinking, creativity and analysis to companies in nearly every industry imaginable. The firm defines its practice areas as branding, consumer, corporate development, deconstruction, diversity, e-commerce, globalization, health care, industrial goods, information technology, operations, organization, pricing, retail, strategy, technology & communications, and travel & tourism. Its U.S. revenues were \$1.3 billion in 2004. BCG's consultants work collaboratively in networks structured around industrial sectors and business functions. A majority of its consultants hold advanced degrees from leading business schools such as the University of Chicago, Harvard and Kellogg.



ZF at a Glance

ZF is a Leading Worldwide Automotive Supplier for Driveline and Chassis Technology and among the top fifteen companies on the ranking list of the largest automotive suppliers.

ZF is engaged worldwide, manufacturing for the international automotive industry with 122 production companies in 26 countries.



ZF develops and produces products serving the mobility of human beings and goods. Innovations in Driveline and Chassis Technology provide increased driving dynamics, safety, comfort, and economy in the vehicles of the customers: By land, by sea, and in the air. ZF's main priority is to meet its customers' needs by using leading technology, quality, and service; this is the key to strengthening the international market position. In addition to the benefits of component expertise, the customer profits from the Group's system know-how.

ZF products hold the first, second, or third market position in the markets accessible to suppliers.

ZF is a decentralized organization with divisions and business units. They are responsible for worldwide products, markets, and results and are run as profit centers. These operational entities are governed by strategic and financial objectives. ZF plays an active role in society and is continuously engaged in a dialog with the public and its employees. The company promotes employees based on qualification, performance, work ethics, and mobility. The company assumes social and societal responsibility. Environmental protection is a professed corporate objective.

Organization of ZF Friedrichshafen AG

ZF Friedrichshafen AG	
Shareholders: 33.8 % Zippelin Foundation, Friedrichshafen 6.2 % Dr.-Jürgen-Ullberg Foundation, Lemförde Corporate Headquarters: Friedrichshafen	
Divisions	Business Units
Car Driveline Technology	Rubber-Metal Technology
Car Chassis Technology	Marine Propulsion Systems
Commercial Vehicle and Special Driveline Technology	Aviation Technology
Off-Road Driveline Technology and Axle Systems	Aftermarket Trading
Powertrain and Suspension Components	Sales and Service Organization
Steering Technology – ZF Lenksysteme GmbH <small>A joint venture with Robert Bosch GmbH</small>	Regional Areas
	North America
	South America
	Asia-Pacific

2005

Sales rose by 8% to Euro 10,833 million and the number of employees remained steady at 53,940.

ZF founded four new companies in China while adding new locations in the USA and Russia. Customer orientation for ZF means not only to produce locally, but also to conduct research and development on a local scale.

ZF attaches great value to the quality of its products and the efficiency of its processes. For this reason, the Board of Management, ZF Group has declared 2006 the Year of Quality. In order to optimally network all activities, the „Customer First“ project was launched. Due to ZF’s strong international focus, it became necessary to meet international standards.

In order to achieve its corporate strategy goals, ZF must grow qualitatively and, above all, focus on improving its result. A widening price-to-cost gap, added burdens regarding raw materials and energy, and the situation of the German economy are some of the challenges of the future. Costs must therefore be reduced and flexibility significantly improved.

In the 90th year of its existence, the company and its employees have not only dedicated themselves to the ZF Group but also to the community. The „ZF hilft e.V.“ association provided for prompt help during catastrophes like the tsunami in South Asia or the earthquake in Pakistan. The Board of Management, ZF Group and the employees were able to provide over Euro 1.2 million for such aid projects in 2005.

The challenges will also be great in 2006. Cost pressures and pricing trends in the sales and procurement markets, continuing globalization with new competition structures, as well as increasing technological demands from the markets.

Strategy

The ZF Group has been a competent and reliable partner of international vehicle manufacturers for over 90 years. The technical innovations and product quality that have established ZF's good reputation as well as the consistent expansion of worldwide market presence will also be crucial in the future for customer satisfaction and therefore corporate success. The development of sustainable and profitable growth is an important prerequisite to increase company value and to safeguard independence in the long term.

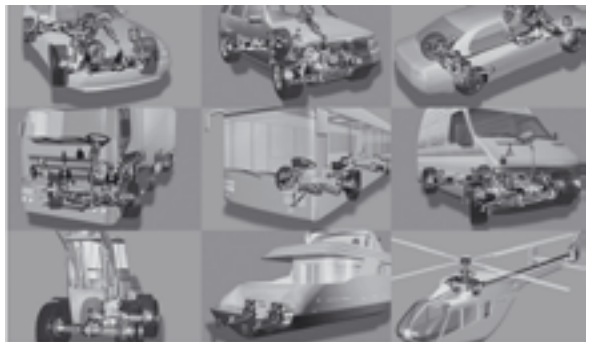
The three cornerstones are:

- Technological leadership and customer benefit
- Presence in all world markets
- Qualitative growth

ZF's commitment to Asia

In addition to expanding business relations with established customers in the core markets, new markets and target customers in emerging markets will be of primary focus. ZF is striving to achieve a more balanced regional distribution of sales between Europe, America, and Asia. Europe will remain the largest market region in the future; with reference to the customer and market-end, North America and particularly Asia will, however, exhibit higher growth rates.

The Asian-Pacific region accounted for 7% share of sales in 2005 Euro 753 million. In China, four new companies were founded in 2005. This increased the number of production locations in China to 17. In the future, commercial vehicle products will be increasingly marketed in addition to the currently dominant passenger car products in China.



From an HR perspective, the largest growth compared to 2004 occurred in the Asian-Pacific region with an increase of 46% to 2,409 employees. As a result of the growing importance of the Asian market in the automotive sector, CLAP (Challenge Leadership Asia Pacific) was developed and introduced in the year 2005. CLAP is a regional junior management promotion program, which pursues business excellence and employee development. The 20 participants come from Germany, China, South Korea, Singapore, Japan, and Australia.

Worldwide, the driving forces will again come from Asia and South America, as well as Eastern Europe. With increasing economic activity and standard of living, many countries in these regions offer potential for growth in the demand for mobility.



Close partnership between ZF Friedrichshafen AG and SPAIR Germany e.V.

ZF and SPAIR Germany e.V.

Since 2004, ZF is a curator for SPAIR Germany e.V. and willing to establish a long-term relationship for the support and as a sparring partner for the activities of the German network club. Besides that ZF also offered several job opportunities, internships and research projects to the members of SPAIR Germany e.V.

„ZF is the perfect partner for SPAIR! Why? Both parties encourage students to redefine their possibilities and let them create their own possibilities. They both give the opportunities but also the freedom to be oneself and to create something for their personal and professional development. ZF was always a reliable partner for SPAIR and gave us the support in every imaginable way. It is always fun and also professional to work with ZF and gives SPAIR opportunities to support students in the exchange of ideas on international relations and business.”

Joo-Hyung Maing, Board Member of SPAIR Germany e.V. and Graduated at ZF Friedrichshafen AG.

Bayer MaterialScience at a glance – Facts 2006

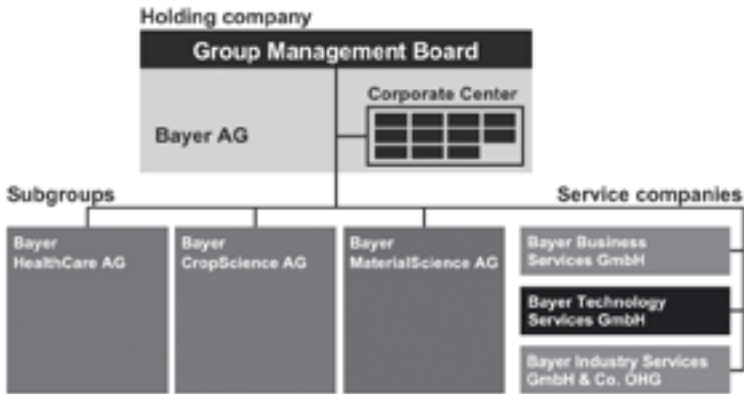
„We wish to be acknowledged and respected as the best company in our industry worldwide – the partner of choice for customers and employees alike.“

Dr. Hagen Noerenberg, Chairman of the Board of Management

Bayer MaterialScience

is a leading manufacturer of innovative, high-performance materials for applications in numerous areas of our daily life. A large proportion of our sales is generated by products that occupy leading positions on the world market. Main customers are companies in the automotive, construction, electrical and electronics, sports and leisure, packaging and medical technology sectors.

The company in the corporate network



As can be seen from the key figures from 2005, Bayer MaterialScience is a young, dynamic and extremely successful company. Last year, over 18,000 employees at more than 40 production locations worldwide generated sales of €10.7 billion.

The strengths of BMS are its highly efficient, internationally networked structures, a portfolio that is geared towards the company's objectives, and its universally acknowledged product and process know-how. Our five business units and two subsidiaries are leaders in many different markets. BMS aims to be a global player in the best sense of the word. We value our motivated, committed and highly trained workforce, we want to work even more efficiently and with an even greater focus on the customer, and we are determined to demonstrate that innovation is a constant driving force in our company – all over the world.

Key figures

Bayer MaterialScience € million	2004	2005	Change in %
External sales	8,597	10,695	+24.4
EBITDA*	1,216	1,914	+57.4
Operating result (EBIT) of which special items	641 - 27	1,369 - 35	+113.6
Gross cash flow	884	1,402	+58.6
Net cash flow	498	1,388	+178.7
Investments	332	715	+115.4
Employees (end of year)	17,900	18,800	+5.0

* Earnings Before Interest, Taxes, Depreciation and Amortization

Facts and figures 2005

Production sites	approx. 40
Employees	18,800
Sales volume	approx. 8.7 million tons
R&D expenditures*	approx. € 330 million for about 2,000 projects
Sales	€ 10.695 billion

* Including investments for customer projects.

Bayer MaterialScience – a truly international player

With over 40 production facilities around the world, Bayer MaterialScience guarantees its customers short delivery times and flexible service. Here at BMS, we think globally and act locally.

Asia/Pacific – The market of the future

APAC

The Asia-Pacific region is the world's leading growth market, extending from India through China and Indonesia all the way to Australia. The five BMS business units have a total of ten production facilities in this culturally diverse region and lead the field in their market segments. Above all, China and Japan are of prime importance for Bayer MaterialScience.

At the integrated production location in Shanghai, Bayer MaterialScience is setting up large-scale facilities for producing paint raw materials, high-performance plastics and polyurethane raw materials for rigid and flexible foam. Production facilities for paint raw materials are already in operation, and new plants for the production of the polycarbonate Makrolon® and mMDI, the key product for the manufacture of PUR rigid foam material, are scheduled for completion this year. Total investments in the region of US\$ 1.8 billion are planned in Shanghai by 2009. BMS's business is managed from the new Regional Center in Hong Kong.



Team spirit: The „+Teamgeist™“ World Cup ball was the result of a collaboration between adidas and Bayer MaterialScience.

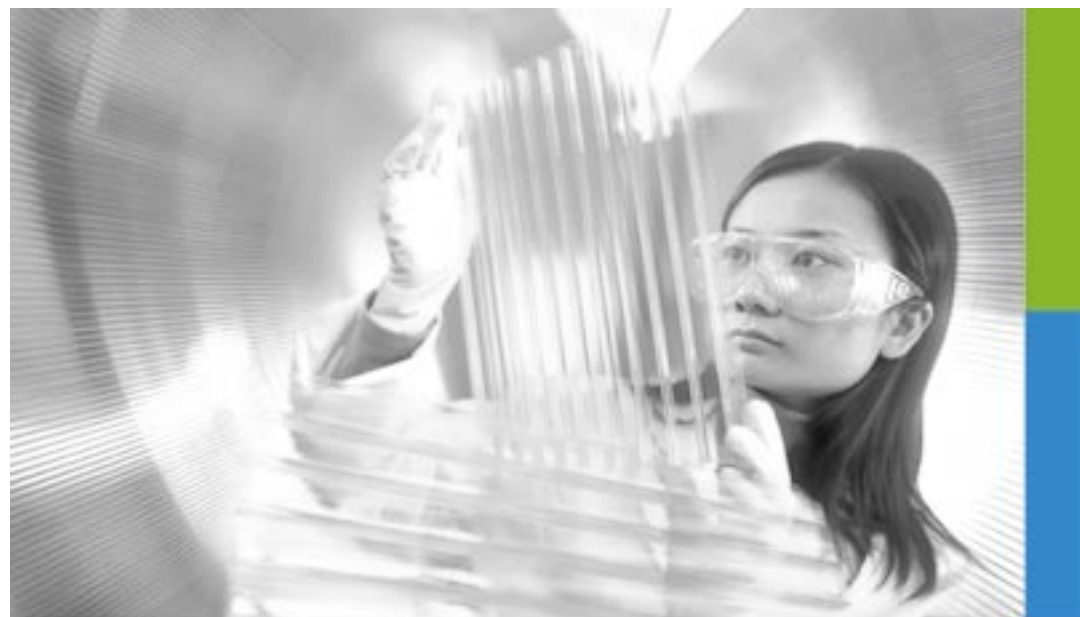


SPAIR Germany e.V.

Students
Project for
Asian &
International
Relations



Close partnership between Bayer MaterialScience and SPAIR Germany e.V.



Diversity. Discover it.

95% of a cutting edge in technology and success in business is a matter of know-how – a vast pool of knowledge that is available to us through extremely well trained, knowledgeable and committed staff.

This is why we want to recruit the best science graduates – people who are prepared to accept responsibility and who can provide fresh stimuli through an innovative mindset. As technology leader for innovative materials we will give you excellent opportunities. Based on a globally oriented personnel development strategy and superb career prospects.

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Bayer MaterialScience