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THE WALL STREET JOURNAL.

Tycoon Sees Gold in Chinese Diaspora

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1,247 words

6 August 2003

The Wall Street Journal

B3D

English

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Every day, more than 2.5 million overseas Chinese from Kuala Lumpur, Malaysia, to New York pick up a newspaper or go online to read news published by a publicity-shy timber tycoon from a remote river town in Malaysian Borneo.

Tiong Hiew King, the self-educated son of a rubber farmer, is an unlikely aspiring media mogul. But that's exactly what he is. During the past decade, Mr. Tiong has quietly become the world's largest Chinese-language publisher outside China and Taiwan, selling newspapers and magazines in Hong Kong; New York; Vancouver, British Columbia; Toronto; and Southeast Asia. His executives say their publications have a global circulation of almost a million and a readership of more than 2.5 million and generate more than \$130 million in revenue.

He isn't done yet. The 68-year-old Tiong, an admirer of Western media barons Ted Turner and Rupert Murdoch, wants to expand his empire to include Sydney, Australia, and San Francisco -- home to at least 300,000 ethnic Chinese -- and, eventually, to China itself.

What's driving Mr. Tiong and fierce rivals like Hong Kong-based Global China Group Holdings Ltd. and United Daily News Group's World Journal of Taiwan is a potentially lucrative global media market: The roughly 34-million-strong Chinese diaspora scattered around the world (excluding Taiwan). Their wealth is estimated at \$1.1 trillion by **George Haley**, a professor of international business at the University of New Haven in Connecticut, and growing.

More is at stake than just money in the battle for overseas Chinese readers: For publishers like Mr. Tiong, there's political influence with China itself and possible access to an even bigger market. Though unknown to most of his readers, his media reach has won him powerful friends in the Beijing government.

For example, when the Malaysian business community feted China's then-Premier Zhu Rongji at a gathering in Kuala Lumpur in 1999, Mr. Zhu impressed the attendees by inviting his "good friend Tiong" to join him on stage.

If the diaspora is potentially lucrative, there is no denying the mainland market is worth chasing. Mr. Tiong has expanded his investments in China after buying the Hong Kong-based publishing group Ming Pao Enterprise Corp. in 1995, adding printing, travel and fibre-optics ventures to his portfolio.

Rival Global China has taken a more-direct route into the media market by setting up a joint venture with the Communist Party mouthpiece, the People's Daily. Global China won't be able to circulate its own publications, but the group says the venture will give it first-hand knowledge of a market it hopes to enter eventually. For now, foreign-owned publications, particularly Chinese-language ones, are strictly regulated.

While Global China may have a leg up on the mainland, Ming Pao is focusing on the growing U.S. and

Canadian markets. About 83% of the 2.4 million-strong Chinese-American population speak Mandarin or other Chinese dialects at home. According to recent U.S. surveys, at least 60% of these overseas Chinese say their English skills are limited. Ming Pao executives say that circulation of its newspaper Ming Pao is increasing 7% to 10% a year in the U.S. and Canada, where the paper reportedly sells 115,000 copies daily.

In the U.S., Mr. Tiong has to take on Taiwan's World Journal, which says it has a circulation of almost 300,000 in the U.S. and Canada -- making it the biggest Chinese-language publication in North America. But globally his publications are still in front because they also circulate in Southeast Asia and Hong Kong.

Back in the U.S., Mr. Tiong has ambitious plans. A senior Ming Pao executive says the paper hopes to expand to the West Coast in the near future -- "San Francisco or Los Angeles, we're not sure, but we will do so soon."

Ming Pao is counting on its 45-year-old brand name to do the trick in the U.S. and Canada. In addition, the paper plans to invest from \$10 million to \$15 million in each center -- New York, Toronto and Vancouver -- to achieve "double-digit growth," according to the executive.

Mr. Tiong also could have an edge in the media battle because he came to the business with a fortune already secured. His father, a farmer from the Fuzhou area in southern China's Fujian province, settled in the Borneo river town of Sibu in the early 1900s, one of several thousand Fuzhou immigrants to do so. Young Tiong left school early to work in the tropical forests of what is today Malaysia's Sarawak state.

Mr. Tiong learned the logging business from an uncle who was a timber pioneer in Sibu before branching out in 1975 to create his own company, Rimbunan Hijau, or "Green Lushness." He quickly proved adept at forging business alliances with Sarawak political leaders and amassed a fortune exploiting huge state-granted logging concessions. By 1990, Mr. Tiong's family-held empire consisted of more than 200 companies world-wide with combined revenue of more than \$1 billion. Malaysian business analysts estimate Mr. Tiong's personal wealth at \$250 million to \$550 million.

Mr. Tiong seems to have ventured into the media business almost by accident. In 1987, the Malaysian government closed down Sin Chew Jit Poh for reporting and commentary that allegedly stoked racial tensions between Malaysia's politically privileged Malay majority and its ethnic Chinese minority, which makes up 26% of the population. The paper was losing money and insolvent at the time. By the time Sin Chew was allowed to reopen, it was in receivership.

Mr. Tiong eventually bought Sin Chew's assets for 20 million ringgit (\$5.26 million). Overhauling management and investing an additional 40 million ringgit to buy new equipment and a printing plant, he turned the paper around.

Sin Chew's circulation has more than quadrupled to 330,000 a day. According to a February 2003 survey by Nielsen Media Index, the readership of Tiong-owned papers in Malaysia -- he also owns Guang Ming, a daily circulated only in northern Penang state -- is 1.4 million a day. That means one out of four Malaysian Chinese reads a Tiong paper.

Mr. Tiong's next media foray was in Papua New Guinea, where he already was that country's biggest logger. In 1991, Pius Wingti, the then-premier of Papua New Guinea, visited Kuala Lumpur, where, according to Tiong associates, he told Prime Minister Mahathir Mohamad that he wanted a newspaper to get his government's views across. Dr. Mahathir passed the word to Mr. Tiong, who created the English-language the Nation in 1993 to compete with a then-dominant Murdoch-owned paper that frequently criticized the Papua New Guinea government. The Nation has since become that country's biggest paper. It isn't clear if it makes money, though, and the publication has been criticized for being an apologist for Mr. Tiong's logging activities.

In 1995, he made his most ambitious investment yet, buying the Hong Kong-based Ming Pao from businessman P.H. Yu for a billion Hong Kong dollars (US\$128.2 million). At about the same time, he bought Yazhou Zhoukan, a regional Chinese newsmagazine from Time Warner Inc., now AOL Time Warner Inc.

Michael Vatikiotis contributed to this article.

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