

Asia needs new business models for growth

7 June 2010

Asia needs to create new business models for clean and inclusive growth, and the preservation of natural resources, according to business and government leaders at the World Economic Forum on East Asia in Ho Chi Minh City, Vietnam.

Collaboration should include incentives and subsidies for research and development in green technologies, greater cooperation among Asian countries in speeding up approval of green goods and services, and changing the mindset of consumers and employees on energy use and conservation.

“ Green growth is not just an option, ” said South Korean Deputy Minister of Environment Yoon Jong-Soo. “ It is the new paradigm that the world must be committed to. ” Korea made the shift in 2008 when it placed the environment at the centre of economic development and made green industries its new engine of growth. The country will allocate 2% of GDP every year on research and development and incentives for businesses and consumers.

Nguyen Thai Lai, Vietnam ’ s Vice-Minister of Natural Resources and Environment, said Vietnam is one of five countries considered to be the most vulnerable to the effects of climate change. “ We have a short-term and long-term action plan and three high-level committees to implement the plan, ” he said. The initiatives include the reforestation of 5 million hectares of land, stopping illegal logging, working with neighbouring countries to protect the Mekong River and supporting the environment protection activities of business enterprises.

The business representatives on the panel praised the efforts of Korea, Vietnam and other Asian governments, but said much more needs to be done because the challenges are simply too large. “ Most Asian countries already have legislation in place, but enforcement and mindset change are needed, ” said Frans Muller, Member of the Management Board of German retailer METRO and Co-Chair of the World Economic Forum on East Asia.

Stuart Dean, President, ASEAN, GE International, Malaysia, called for cuts in government subsidies on energy, which are present in at least half of Asian countries. “ When you subsidize fossil fuels, people abuse the system, ” he argued. “ In order to get the right behaviours, you need to price at market levels and find other ways of helping the poor. ” The relatively low price of conventional energy is also a disincentive to the development of alternative energy, which is more expensive to produce at the initial stages.

Carl Lukach, President of Dupont Asia Pacific Limited in Japan, called on governments to expedite green product approvals by harmonizing their policies and practices, to provide financial incentives to consumers that practice energy conservation, to provide low-cost financing to green enterprises and to promote collaboration between local companies and research institutes. “ Asia has the opportunity to adopt generation-skipping technologies and avoid the mistakes of previous technologies, ” he said.

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