

## Climate change and water shortage main concerns at World Economic Forum on East Asia

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Climate change and water shortage have emerged as the top issue with the greatest impact on Asia, according to a survey of business leaders by the World Economic Forum. The survey showed that an overwhelming 81% of the 55 business leaders voted for “ addressing growing global concern over environmental challenges such as climate change and water ” as the top choice of issues with potential impact on Asia.

Other major concerns include “ preventing political and economic instability linked to rising food and energy prices ” and “ managing the social, environmental and infrastructural implications of rapid urbanization ” .

The survey, released at the close of the 17th World Economic Forum on East Asia, wrapped up a two-day meeting dominated by discussions on “ the three Fs ” , as Ahn Ho-Young, Deputy Minister for Trade of the Republic of Korea, put it – food, fuel and finance. He said these were not new uncertainties as the world has seen them in the past, but they have now served as distractions to what he considered to be the more important issue of climate change.

Indeed, with food and fuel prices reaching historic highs across Asia – the price of rice, the staple food for 2.5 billion Asians, has more than tripled in Thailand since January, while diesel has risen over 26% in Vietnam – governments have been forced to introduce short-term measures to curb mounting unrest.

These measures ranged from removal of import tariffs for agricultural products to fuel rebates for cars and motorcycles.

Panellists at the closing plenary session warned of protectionist backlash if governments do not act quickly to ease the inflationary pressures from rising food and fuel prices. “ We need visible actions and tangible commitments, ” said Ralph R. Peterson, Chairman and Chief Executive Officer, CH2M HILL Companies, USA.

Jamshyd N. Godrej, Chairman and Managing Director, Godrej & Boyce, India, however, saw a silver lining in the dark clouds of inflationary food prices. He noted that developing countries have been removing import tariffs on agriculture products in response to rising inflation.

“ The mood today is more concerned about food and prices ... than protecting farmers, ” he said, adding that this may finally resolve the agriculture subsidy issue which has long been a stumbling block to multilateral trade talks, in particular the upcoming Doha Round.

Another issue that has been gaining traction is water. Peter Brabeck-Letmathe, Chairman of the Board, Nestle, Switzerland, repeated his dire warning: “ We will be running out of water long before we run out of oil. ” He lamented that more of the world ’ s GDP has been devoted to the climate change issue and not enough resources allocated to water. “ One out of every five children is dying every 20 seconds because we haven ’ t been able to solve the problem of clean water today, ” said Brabeck-Letmathe.

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