News Release

WORLD ECONOMIC FORUM

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Old models must change for economic recovery to be sustainable

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At the close of the third Annual Meeting of the New Champions, a panel of multinational experts called for fundamental shifts in business models and government policies to address the glaring imbalances exposed by the crisis.

Consumer demand, rather than international regulation or government stimulus packages, will drive these changes. “The world from before the crisis is not coming back,” explained Ben J. Verwaayen, Chief Executive Officer, Alcatel-Lucent, France, and Mentor of the Annual Meeting of the New Champions. The key elements of recovery are “confidence, transparency and innovation,” he said.

“We cannot use old ways to do our business,” said Liu Jiren, Chairman and Chief Executive Officer, Neusoft Corporation, People's Republic of China, and member of the Global Agenda Council on Emerging Multinationals.

“We need to change from export-led to domestic consumption-driven models.” In particular, business and governments must focus on creating and meeting consumer demand in emerging markets. Essential to that is meeting demand for environmentally sustainable products and socially conscious business practices.

The green economy in particular “is an opportunity to grow jobs everywhere,” said Sharan Burrow, President, International Trade Union Confederation (ITUC), Belgium, and member of the Global Agenda Council on Employment & Social Protection.

Globally, the median age is 27, and the demands of that generation will shape the world to come. Talent will be diffuse and “globalization 2.0” will mean “brands from all over the world will compete with brands from all over the world,” explained Verwaayen. “We’d better prepare ourselves for new choices.”

At the outset of the session, Hilde Schwab, Chairperson and Co-Founder, Schwab Foundation for Social Entrepreneurship, Switzerland, presented the Social Entrepreneur of the Year Awards for Asia. Disnada Diskul was honoured for his micro-enterprise work with Thai villagers.

Timothy Ma won for his Senior Citizen Home Safety Association, which operates a 24-hour lifeline for isolated seniors in Hong Kong. Schwab also recognized Sebastien Marot, Founder of Friends International, which trains and educates street kids in Cambodia. Finally, Sarah Mavrinac received the award for supporting female migrant workers in Singapore.

The World Economic Forum today closed its Annual Meeting of the New Champions 2009 (“Summer Davos” in Asia), hosted in partnership with the government of the People’s Republic of China represented by the National Development and Reform Commission (NDRC). At the Meeting were more than 1,300 participants from 86 countries. In addition, over 3 million viewed live webcasts of key sessions.

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