

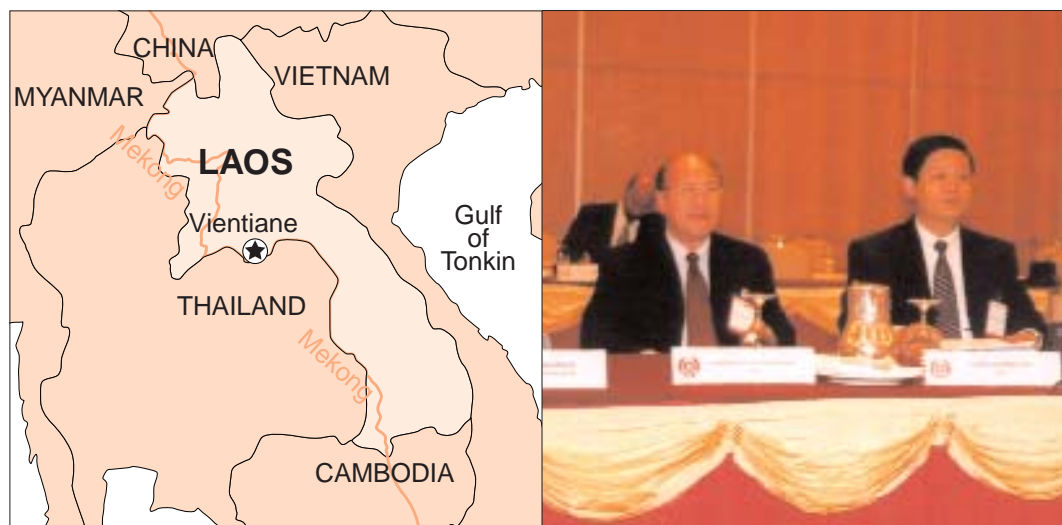


A·P·O *news*

MONTHLY NEWSLETTER OF THE ASIAN PRODUCTIVITY ORGANIZATION

Laos: The APO's newest member

On 18 June 2002, the Lao People's Democratic Republic (Laos) became the 19th and newest member of the APO. Laos' application to join the APO was approved by the APO Governing Body at its recent meeting in Kuala Lumpur, Malaysia, 18-20 June 2002. As a member of the APO, Laos joins the ranks of Bangladesh, Republic of China, Fiji, Hong Kong, India, Indonesia, Islamic Republic of Iran, Japan, Republic of Korea, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, and Vietnam in proclaiming productivity enhancement as a key strategy in socio-economic development and in improving the quality of life of their people.



Map of Laos

Laos delegates at the GBM. (L-R) Mr. Chantala Phimphachanh (Adviser) and Dr. Somboune Manolom

The Laos representative at the Governing Body Meeting, Dr. Somboune Manolom, Director-General, Ministry of Industry and Handicraft, informed the meeting that the issue of productivity is very important to his country. He said that the APO is the organization that can assist Laos to foster and strengthen its capacity and capability to promote productivity and provide training to organizations in both the public and private sectors. In welcoming Laos as a member of the APO, Mr. Takashi Tajima, APO Secretary-General, said that the "new member will need the support, assistance, and encouragement of the other member countries as it endeavors to establish its own national productivity organization and launch its own productivity movement."

Laos is a mountainous, landlocked country situated in the heart of the Indochinese peninsula. It shares common borders with five countries: Cambodia, China, Myanmar, Thailand, and Vietnam. Vientiane is the capital. Laos has a land area of 236,800 sq. km. and a population of 5.6 million. About 85 percent of the people are rural dwellers. The main crop is rice, and the main exports are clothing, timber products, and coffee. Laos is well endowed with natural resources, including tin, iron, coal, zinc, and copper. However, mining is still in its infancy. The average annual income is US\$290. Life expectancy is 51 years for men and 54 years for women. ☺

(full report on the GBM on pages 5, 6 and 8)

Volume 32 Number 7
July 2002

"The new source of power is not money in the hands of a few but information in the hands of many."

John Naisbitt

INSIDE

- 2....p-Watch—Europe
- 3....The Secretary-General's Schedule
- 3....APO/NPO Update
- 4....New APO Publications
- 4....Common Sense Talk
- 5....44th Session of APO Governing Body
- 6....The passing of a productivity statesman
- 7....p-Experts
- 7....Program Calendar
- 8....The Secretary-General's annual report (part one)

Published by

Asian Productivity Organization
Hirakawa-cho Dai-ichi Seimei Bldg. 2F
1-2-10 Hirakawa-cho, Chiyoda-ku
Tokyo 102-0093, Japan
Tel: (81-3) 5226-3920
Fax: (81-3) 5226-3950
E-mail: apo@apo-tokyo.org
Website: www.apo-tokyo.org



Printed on Recycled Paper



European business productivity today

CEOs of US multinationals complain of the poor productivity of their European subsidiaries: employees are always on holiday; they have short working hours; and when their productivity is reasonable, skilled workers are difficult to find and expensive to retain. But are these perceptions borne out by reality, statistics, and other evidence?

European productivity statistics

To some extent it all depends on which figures are being presented. Macroeconomic data show that, measured by output per hour worked, European countries are hardly less productive than the USA. Belgium is in fact significantly (12%) better and has been so for decades (it also happens to have a very substantial rate of foreign direct investment [FDI], which contributes some 15% of the nation's export earnings). Both France and the Netherlands are on a par with the USA in output per hour worked, and Ireland, with a huge surge in its performance since 1990, has virtually caught up, again thanks to significant FDI.

Against this, there has been little convergence in their levels of performance per head, with the USA being at least 25% better than Europe's best of Ireland and Denmark. The difference here is explained by the much larger active labor force participation rate in the USA. Moreover, the fact that the European Commission has suddenly discovered that the European Union (EU) has a productivity problem means that Europe cannot be complacent.

Everyday working life

The realities behind these figures are experienced by the US subsidiaries. Although not "lazier," as headquarters often consider them to be, European workers are at least as interested in enjoying life as in spending longer hours at the

work site to earn more money.

Moreover, the nature of rules, regulations, and negotiations in Europe makes a manager's life more complicated. Unlike the US situation, where most employees can be fired at employer will (albeit with various financial consequences through the law courts), European employers cannot chop and change their workforces according to the business cycle. Continental labor unions are tough adversaries, often still ideologically predisposed to claim (at least) belief in "class struggle." There is even a strong feeling in US subsidiaries that unions are using European laws more to maintain their own power than to improve the lot of their members. Thus the EU's requirement for larger companies to establish European works councils is increasingly being used for unions' own political purposes: to boost European-level bargaining power rather than to share information and consult with the corporate workforce.

"The experience of using outsourcing to reduce labor costs has not all been positive. This is true not just of manufacturing but also of service activities."

Subsidiaries' productivity concerns

The prime concerns of US subsidiaries remain financial. They give pride of place to cost-cutting, by reducing inputs. In continental Europe it is not only labor as such which is expensive but also the cost of terminating contracts. Hiring new workers is thus subjected to very careful scrutiny.

Then there is "subsidy productivity." Although much is said about the need to keep politics out of business and to ensure level economic playing fields, foreign subsidiaries are keenly concerned with playing one set of governments off against

others to squeeze out the greatest possible amount of governmental funds for undertaking new business ventures. There is still no harmonization between the various regions of the EU in this (and many other) respects. This means that the productivity of an economy is of relatively minor importance to them and essentially is only important in the smaller countries. The bulk of investments go to the "Big 5" — France, Germany, Italy, Spain, and the UK — which, by no means incidentally, are also the focus of the EU's productivity concerns.

As a consequence, multinational companies' propensity to be footloose, willingly close plants, and outsource when the going gets tough is thus heightened unwittingly by the very governments that seek to attract FDI to boost local employment and wealth.

Outsourcing

The experience of using outsourcing to reduce labor costs has not all been positive. This is true not just of manufacturing but also of service activities. Asia is the main focus for outsourcing knowledge-intensive activities. European airlines began outsourcing their ticketing operations to India in the mid-1990s. (Not that countries need be off-shore: Quebecois are 25% cheaper than equivalent US labor because of direct costs and tax incentives.) India and other South Asian countries have three paramount advantages: a plentiful supply of skilled labor (India has 2 million new graduates each year, of whom 25% are hired by outsourcers); labor costs one-eighth that of Europe or the USA; and a second-to-none work ethic. Companies in France have an annual attrition rate of 30% compared with less than 5% in software businesses in India.

On the other hand, not only are the costs of senior Asian managers the same as for those in Europe and the USA, but also capital productivity

..... by A.C. Hubert



vastly under performs European standards. Thus, infrastructure is deficient in such key areas as electricity supply, telecommunications reliability and costs, roads, the bureaucracy, policing, and social tensions, not to mention a certain susceptibility to natural disasters ranging from monsoon flooding and earthquakes to volcanic eruptions. Therefore, all aspects of outsourcing, particularly costs and productivity, require careful and continuous examination.

Conclusions

In the end, what international managers as well as the EU agree to is that, irrespective of the type of “productivities” which is important to an individual company — brawn and/or brain, sweat and/or smart, time and/or effectiveness — companies and governments must continue to focus on three key productivity drivers:

1. the efficient accumulation of physical and human capital;
2. the most effective use of those “factors of production”; and
3. the generation and application of new knowledge. ☺

Mr. Anthony C. Hubert is the Secretary-General of the European Association of National Productivity Centers (EANPC) located in Brussels, Belgium. He is a regular contributor to this column.

From the SECRETARY-GENERAL'S Schedule

June 2002

3 June

APO Secretary-General Takashi Tajima attended a consultative meeting of the APO Secretariat with executives from 16 major Japanese corporations to solicit their views on how Japanese companies could share their extensive environmental protection experiences with APO member countries, the type of response that they expect from these countries, and suggestions for future APO Green Productivity activities. The Secretary-General also presented the opening address at the Tokyo meeting.



Mr. Takashi Tajima (second from left) addressing the meeting. On his right is Mr. Yuji Yamada, Special Adviser to the Secretary-General. Mr. Augustine Koh, Director, APO Environment Department, is on his left.

18-20 June

Attended the 44th Session of the APO Governing Body in Kuala Lumpur, Malaysia.

24-25 June

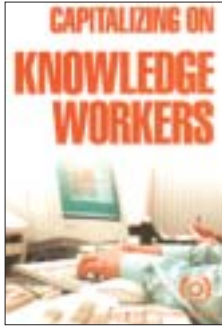
Attended a forum on clean development mechanisms and the Kyoto Protocol organized by the United Nations Industrial Development Organization and the Mitsubishi Research Institute held at the United Nations University in Tokyo.

APO/NPO Update

New APO Director and Alternate Director for Islamic Republic of Iran

Mr. Seyyed Ahmad Es-Hagh Husseini, Managing Director of the National Iranian Productivity Organization (NIPO), has been appointed the APO Director for the Islamic Republic of Iran in place of Dr. Mohammad Ali Sobhanollahi with effect from 29 May 2002. He will also serve as the NPO Head in place of Mr. Mohammad Kazem Ebrahimi Khorram-Abadi.

Dr. Ghassem Ansari Ranani, Vice Chairman of the Board of Directors, NIPO, has been appointed the APO Alternate Director for the Islamic Republic of Iran in place of Dr. M. Aghdassi with effect from 9 June 2002.



CAPITALIZING ON KNOWLEDGE WORKERS

APO 150 pp. April 2002 ISBN: 92-833-2311-4

Knowledge workers — accountants, engineers, computer experts, researchers, scientists, and consultants — are people who are paid for putting knowledge to work rather than using brawn or manual skill. The new sunrise industries such as computers, telecommunications, software, biotechnology, and material science require highly educated and skilled knowledge workers. However, their values and expectations demand a different management approach. Developing teamwork among knowledge workers is critical to creating synergy for higher productivity and competitiveness. At the same time, organizational structure and management practices may have to be revamped.

With the objective of studying ways to manage knowledge workers better to maximize their contributions to the achievement of organizational goals, the APO organized a symposium on “Managing Knowledge Workers” in Tehran, Islamic Republic of Iran, October 2000. This publication is a report of the proceedings of the symposium. The contents include the summary of the deliberations and conclusions, the text of the four resource papers, and the country papers by participants from 12 countries. This book is a useful addition to the growing literature on knowledge workers and the paradigm shift needed to manage them.

OTHER NEW TITLES

In the first half of this year, the APO published about 23 reports of proceedings of projects. Because of space constraints, we could introduce only a limited number in this newsletter. For the information of our readers, we have listed below the other titles published by the APO this year.

- Productivity Improvement in Rain-fed Areas in Asia (ISBN 92-833-2279-7)
- Structural Adjustment in Agriculture in Asia and the Pacific (ISBN 92-833-2291-6)
- Sustainable Fishery Management in Asia (ISBN 92-833-2316-5)
- Linking Green Productivity to Eco-Tourism: Experiences in the Asia Pacific Region (ISBN 92-833-2299-1)
- Training Methods for Community Development (ISBN 92-833-2317-3)
- Infrastructure for Community Development (ISBN 92-833-2265-7)
- Agricultural Policy for More Competitive Economies in Asia and the Pacific (ISBN 92-833-2320-3)
- Coastal Fisheries Management (ISBN 92-833-2301-7)
- Enhancing Consultancy Competency in National Productivity Organizations (ISBN 92-833-2321-1)
- Production and Utilization of Pesticides in Asia and the Pacific (ISBN 92-833-2325-4)
- Food Standards and Labeling Systems in Asia and the Pacific (ISBN 92-833-2318-1)
- Role of Rural Women in Food Security in Asia and the Pacific (ISBN 92-833-2323-8)

For order and inquiry on APO publications and videos, please contact the Information and Public Relations Department, Asian Productivity Organization, Hirakawa-cho Dai-ichi Seimei Bldg. 2F, 1-2-10 Hirakawa-cho, Chiyoda-ku, Tokyo 102-0093, Japan. Phone number: (81-3) 5226-3927, Fax: (81-3) 5226-3957, E-mail: ipr@apo-tokyo.org

COMMON SENSE TALK



“Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information upon it.”

Samuel Johnson

“You can never plan the future by the past.”

Edmund Burke

“True progress in any field is a relay race and not a single event.”

Cavett Roberts

“Nobody who ever gave his best regretted it.”

George Halas

“Fear not those who argue but those who dodge.”

Wolfram von Eschenbach

“The best preparation for good work tomorrow is to do good work today.”

Elbert Hubert

“You’ve got to think about ‘big things’ while you’re doing small things, so that all the small things go in the right direction.”

Alvin Toffler

“Spectacular achievements come from unspectacular preparation.”

Roger Staubach

“Don’t find fault; find a remedy.”

Henry Ford

“Now the definition of manager is someone who makes knowledge productive.”

Peter Drucker

“The new source of power is not money in the hands of a few but information in the hands of many.”

John Naisbitt

The 44th Session of the APO Governing Body

The APO Governing Body, the supreme body of the organization, held its 44th Session in Kuala Lumpur, Malaysia, 18–20 June 2002. The National Productivity Corporation of Malaysia hosted the meeting on behalf of the Malaysian government. Forty-five delegates from 18 member countries attended, comprising APO directors and their advisers. There were two observers representing Myanmar and the Asian Development Bank. The occasion was graced by the Malaysian Minister of International Trade and Industry, Dato' Seri Rafidah Aziz, who delivered the inaugural address. At the meeting, Mr. Manu Leopairote, APO Director for Thailand, was elected the new APO Chairman. Mr. Bhanu Prasad Acharya, APO Director for Nepal, and Mr. Seyyed Ahmad Es-Hagh Husseini, APO Director for the Islamic Republic of Iran, were elected the First Vice Chairman and Second Vice Chairman, respectively.

In declaring the Governing Body Meeting (GBM) open, the outgoing APO Chairman, Mr. Lim Boon Heng, said that the productivity movement in the 21st century was primarily about strengthening competitiveness through innovation and value creation, and managing change effectively. "The APO is well placed to help its members make greater progress in the next decade." He offered the following suggestions for the APO to pave the way for a new cycle of growth and opportunities in the region: 1) ensure the relevance and feasibility of its thrust areas and programs; 2) work closely with the NPOs to raise productivity and the quality of life of the people; 3) build upon the knowledge and expertise gained over the last four decades; 4) take the lead in introducing new ideas and paradigms; and 5) collaborate with organizations and agencies in other parts of the world to accelerate productivity improvement in the region.

Mr. Lim expressed special thanks to Japan for the strong commitment and generous support it has given to the APO since its founding, and urged the Government of Japan to continue to support the APO. He announced that the national productivity

organizations of member countries, as a mark of appreciation, would like to present to the Japanese government a framed gold-plated stalk of the *Stamariaara* APO, an orchid named in honor of the APO on its 40th anniversary. He then made the presentation to Mr. Mitsuo Sato, APO Director for Japan, who accepted the memento on behalf of the Government of Japan.

In her inaugural address, Minister Rafidah Aziz said that the different levels of development and productivity among APO members suggested that there is a productivity divide among them. She called on the APO to draw up a long-term strategy — to chart out a roadmap — to bridge this divide. It will also have to monitor the progress of their productivity performance systematically, especially to assist the less-developed economies to move up the productivity ladder.

The outreach of APO programs, the Minister continued, should be wide enough to encompass the sectors of society and the economy that matter, such as SMEs, potential entrants into the workforce, and those within the education system. Such outreach would ensure that there is a gradual absorption of the culture of high productivity and excellence into the everyday life of the people. "Productivity should not just be a movement; it should become a way of life." Minister Rafidah Aziz made two other suggestions for the consideration of the APO: 1) to develop the capacities of its members to access information and communications technology (ICT) for productivity growth; and 2) to



Minister Rafidah Aziz

include in its various programs entities from the business and industrial communities so that APO initiatives can directly benefit those which contribute to a country's economic growth and development.

Turning her attention to Malaysia, which is striving to achieve developed-country status by 2020, Minister Rafidah Aziz commented that every effort to accelerate productivity growth is critical. She stated that a multi-pronged approach has been undertaken to improve productivity at both the sectoral and firm levels. These measures include: 1) nurturing a culture of innovation and creativity; 2) enhancing the utilization of ICT; 3) strengthening the nation's competitive edge in its core competencies and niches; 4) moving toward higher-end industrial production; 5) enhancing workforce skills to interface effectively with new processes and technology; and 6) inculcating the culture of excellence and a productive mindset in society.

In Malaysia, according to the Minister, total factor productivity (TFP) is increasingly becoming an important contributor to economic growth and development. For the decade 2001–2010, TFP is

(Continued on page 6)



Mr. Lim presenting memento of appreciation to Mr. Sato (left). In the background is APO Secretary-General Tajima

The passing of a productivity statesman

It was with great sadness that we received news of the demise of Mr. Jinnosuke Miyai, former President of the Japan Productivity Center for Socio-Economic Development (JPC-SED). He died of acute renal failure on 15 May 2002 at the age of 80.

Mr. Miyai became President of the then Japan Productivity Center in 1985. After his retirement in 1997, he continued to serve the organization as its Senior Adviser. Mr. Miyai was very much respected by his peers and counterparts in other NPOs of APO member countries. Mr. Lee Suan Hiang, Chief Executive of SPRING Singapore, hailed him as a productivity statesman and spokesman who was well recognized in Europe, the United States, and the Asia-Pacific region. Mr. Miyai, said Mr. Lee, was respected for “his succinct and candid observations on how the productivity movement should be developed. He was a constant source of inspiration and motivation as he never failed to encourage us in our productivity journey.”

The APO News had an interview with Mr. Miyai in early 1998. When



Mr. Jinnosuke Miyai

asked to enumerate some of his accomplishments as President of the JPC-SED, Mr. Miyai replied that the then Chairman of the JPC-SED, the late Mr. Masao Kamei, gave him credit for three things: 1) the reconstitution of the JPC into the JPC-SED to introduce a new productivity paradigm in Japan which, among other things, would address social systems and their effectiveness; 2) the more active involvement of the JPC-SED in international productivity promotion and cooperation, as seen in the setting up of the International Productivity Service in Washington, D.C., USA; and 3) the establishment of the International Productivity Center in Shonan Village, Kanagawa Prefecture, Japan. To these three, he added a fourth of his own, which was to have regained the confidence of the government, industries, labor unions, and academia in the JPC-SED.

In 1995, the APO conferred on Mr. Miyai the APO Regional Award in recognition of his untiring efforts in institution building for improving productivity in the region and for propagating the productivity concept and the techniques for its improvement.

The 44th Session of the GBM (Continued from page 5)



(L-R): Mr. Seyyed Ahmad Es-Hagh Husseini, APO 2nd Vice Chairman; Mr. Bhanu Prasad Acharya, APO 1st Vice Chairman; Mr. Manu Leopaire, APO Chairman; and APO Secretary-General Takashi Tajima

CEO of PROTON, the national car manufacturer of Malaysia. The GBM delegates also devoted a substantial portion of their time to deliberating on ways to strengthen the institutional capacity and capability of NPOs further to cope with future challenges as the apex bodies of national productivity movements in member countries. 🌀

expected to contribute 42.5 percent of GDP growth, while labor will account for 20.9 percent and capital 36.6 percent.

One other highlight of the GBM was a special presentation on “Enhancing Competitiveness – the Malaysian Experience” by Mr. Tengku Mahaleel Tengku Ariff,





REPUBLIC OF CHINA

Dr. Chwo-Ming Joseph Yu, Professor, Business Administration, National Changchi University, Republic of China, **Prof. Edward K. Y. Chen**, President and Chair Professor of Economics, Lingnan University, Hong Kong, **Dr. Jung Dae Suh**, Vice President, The Research Institute for Small & Medium Industries, Republic of Korea, and **Mr. Takashi Yoshida**, Director, International Business Division, International Affairs & Research Department, Japan Small and Medium Enterprise Corporation, Japan, were deputed to serve as resource speakers in the symposium on New Role of Government in SME Development - Keys for Success, 30 April-3 May 2002.

Mr. R. C. Bhargava, President and CEO, RCB Consulting Pvt. Ltd., India, **Dr. Kwangtae Park**, Professor, College of Business Administration, Korea University, Republic of Korea, and **Mr. George Wong**, Managing Director, Hoclink Systems and Services Pte Ltd., Singapore, were deputed to serve as resource speakers in the study meeting on Managing Small Industries: Linkages with Large Firms, 28-31 May 2002.

Mr. Susumu Hasegawa, Tokyo Logistics Institute, Japan, was deputed to conduct a seminar and provide advisory services on Global Logistics and Supply Chain Management, 11-13 June 2002.

ISLAMIC REPUBLIC OF IRAN

Prof. Alex Maggs, Professor, University of the Sunshine Coast, Australia, was deputed to make presentations at the Rashed Quality Festival and to conduct workshops on Quality Management, 10-15 June 2002.

Mr. Shin'ichi Shigetomi, Area Studies Department, Institute of Developing Economies, Japan External Trade Organization, Japan, **Dr. Chandrasekera M. Wijeyaratna**, Agricultural/Natural Resource Economist, Rural Development Specialist, New Zealand, and **Dr. Robert J. Fisher**, Consultant, Australia, were deputed to serve as resource speakers in the seminar on Role of Communities and Institutions in Integrated Rural Development, 15-20 June 2002.

Mr. Lim Swee-Kok, Gary, President, Gary Lim Consultancy, Singapore, was deputed to conduct the seminar-cum-workshop on Global Marketing, 15-19 June 2002.

MALAYSIA

Mr. Muhammad Saufi Bin Ahmad, National Productivity Council, Malaysia, and **Mr. Lim Khoo Seng Kenneth**, Vice President, Singapore Network Services Pte Ltd., Singapore, were deputed to make presentations at the ADB/ADB Capacity Building Workshop on 1 June 2002.

Mr. Bruce Searles, Director, Benchmarking Partnerships, Australia, was deputed to conduct the Benchmarking Study on Project Management, 3-5 June 2002.

MONGOLIA

Mr. Richard Barton, Consultant, Australia, was deputed to conduct seminars and provide consultancy services on Business Process Management, 21-29 May 2002.

Mr. Koh Kasuga, Special Adviser, Japan Productivity Center for Socio-Economic Development, Japan, was deputed to conduct a seminar on Marketing and Management of Oil Company, 21-28 May 2002.

Mr. Goh Swee Seang, Director (Best Practices), National Productivity Corporation, Malaysia, was deputed to conduct a training/workshop on Benchmarking, 4-7 June 2002.

Dr. G. K. Suri, Management Consultant, India, and **Ms Noly T. Cayabyab**, Vice-President, Ramcar Inc., Philippines, were deputed to conduct: 1) Workshop on Incentives, Motivation and Reward Management; 2) Workshop on Developing and Sustaining Productivity-Centered Work Culture; and 3) Indigenous Case-Writing/Building Workshop, 10-20 June 2002.

PHILIPPINES

Prof. Toshihiko Kinoshita, Graduate School for Commerce, Waseda University, Japan and **Prof. Shigenobu Ohara**, Department of Project Management, Chiba Institute of Technology, Japan, were deputed to

serve as discussion leaders in the study meeting on Digital Divide, 29 April-1 May 2002.

The following 14 experts were deputed to render technical expert services in the Planning Meeting of the Advisory Committee for GP Conference, 25-26 May 2002: **Mr. Ramesh Monga**, Deputy Director-General, National Productivity Council, India, **Prof. Nelson Delailomaloma**, former Minister of Education, Fiji, **Mrs. Liana Bratasida**, Deputy Minister of Environmental Conservation, Ministry of Environment, Indonesia, **Prof. Ryoichi Yamamoto**, Director, Center for Collaborative Research, University of Tokyo, Japan, **Prof. Tak Hur**, Professor, Department of Chemistry & Engineering, School of Chemical & Biological Engineering, Konkuk University, Republic of Korea, **Dr. Ab. Wahab Muhammad**, Deputy Director-General, National Productivity Council, Malaysia, **Dr. Eduardo T. Gonzalez**, President, Development Academy of the Philippines (DAP), Philippines, **Mr. Carlos A. Sayco, Jr.**, Vice-President, Productivity and Development Center, DAP, Philippines, **Prof. Tay Joo Hwa**, Head, Division of Environmental and Water Resources Engineering, Director, Environmental Engineering Research Center, School of Civil and Structural Engineering, Nanyang Technological University, Singapore, **Dr. Loh Wah Sing**, Director, Regional Institute of Environmental Technology, Singapore, **Prof. Tongroj Onchan**, President, The Mekong Environment and Resource Institute, Thailand, **Dr. Prasert Tapaneeyangkul**, Expert (Industrial Environmental Standards), Department of Industrial Works, Ministry of Industry, Thailand, **Dr. Suporn Koottatep**, Associate Professor, Department of Environmental Engineering, Faculty of Engineering, Chiang Mai University, Thailand, and **Ms Nguyen Thi Bich Hang**, Director, Vietnam Productivity Center, Vietnam.

Ms Alma Bella Z. Generao, Development Consultant, Philippines, **Mr. Kamal Kar**, Consultant, India, **Mr. Horacio R. Morales Jr.**, President, La Liga Policy Institute, Philippines, and **Dr. Ahmad Shan bin Mohd Noor**, Director, Institute for Rural Advancement, Ministry of Rural Development, Malaysia, were deputed to serve as resource speakers in the training course on Facilitation for Community Development, 28 May-5 June 2002.

Dr. Luis Ma. R. Calingo, Dean, College of Business Administration, California State University, USA, was deputed to conduct a workshop on Calibration of PQA Assessors & Judges on 2001 Malcolm Baldrige National Quality Award Criteria, 3-7 June 2002.

Dr. Melkote Ramdas Ramsay, President, Ramsay International Productivity Education & Research Foundation, Australia, was deputed to conduct seminars and provide consultancy services to the NPO and to undertake survey on Productivity-based Budgeting, 3 June-18 July 2002.

SRI LANKA

Dr. Norman T. Uphoff, Director, Cornell International Institute for Food, Agriculture and Development, USA, **Dr. C. M. Wijayaratna**, Agricultural/Natural Resource Economist, Institutional Strengthening Specialist, New Zealand, and **Mr. Ian Makin**, Regional Director for Asia, International Water Management Institute, Sri Lanka, were deputed as resource speakers in the seminar on Linking Main System Management for Improved Irrigation Management, 3-8 June 2002.

THAILAND

Prof. Tak Hur, Professor, Department of Chemistry & Engineering, School of Chemical & Biological Engineering, Konkuk University, Republic of Korea, **Prof. Ryoichi Yamamoto**, Director, Center for Collaborative Research, University of Tokyo, Japan, and **Dr. Masayuki Sagisaka**, Deputy Director, Research Center for Life Cycle Assessment, National Institute of Advanced Industrial Science and Technology, Japan, were deputed to render technical services in the In-country Seminar on LCA for GP on 20 May 2002.

The above three and the following five experts were deputed to serve in the experts' review meeting for LCA Case Study Development in Selected APO Member Countries, 21-23 May 2002: **Prof. Reginald Tan**, National University of Singapore, Singapore, **Ms Hendayani Teguh Adisesha**, Senior Researcher and Consultant, Institute of Research and Development of Cellulose Industry, Indonesia, **Dr. Meenakshi Kakkar**, Senior Environment Manager, Environment Management Division, Steel Authority of India, India, **Dr. Pongviva Lohsomboon**, Acting Director, Business and Environment Program, Thailand Environment Institute, Thailand, and **Dr. Mohd. Nasir Hassan**, Associate Professor, Department of Environmental Science, University Putra Malaysia, Malaysia.

Program Calendar

Bangladesh

Workshop on Integrated Productivity Improvement for Supporting Industry, 27-31 October 2002.

Fiji

Training Course on Participatory Project Cycle Management for Community Development, 29 October-7 November 2002.

India

Symposium on the Balanced Scorecard for Strategic Growth, 26-28 November 2002.

Indonesia

Seminar on Promoting Domestic and International Markets for Agricultural Products, 2-6 September 2002.

Islamic Republic of Iran

Study Meeting on Role of Small and Medium Farms in Sustainable Agricultural Development, 2-7 November 2002.

Japan

Training Course on Management Consultancy for Productivity Improvement, 21 October-1 November 2002.

Malaysia

International Symposium on Ecotourism and Green Productivity - Asia Pacific Ecotourism Conference APEC0 2002, 3-6 October 2002.

Pakistan

Seminar on Regional Support Systems for SMEs, 4-8 November 2002.

Singapore

Workshop on Strategic Information Systems, 11-15 November 2002.

Study Meeting on the Development and Application of Productivity Measurement at Sectoral and Enterprise Levels, 3-5 December 2002.

Kindly contact your NPO for details of the above activities, including eligibility for participation. If you need the address of your NPO, it is available from the APO Web site at www.apo-tokyo.org.

Dr. Jong Dae Kim, Professor, Kookmin University, Republic of Korea, **Mr. Bruce Searles**, Director, Benchmarking Partnerships, Australia, and **Mr. Darshan Singh**, Program Director, Business Excellence Centre, Enterprise Productivity Division, Standards, Productivity and Innovation Board, Singapore, were deputed to serve as resource persons in the Second Workshop of the APO Best Practice Network, 21-24 May 2002.

Mr. Robert J. Osterhoff, Expert, USA, was deputed to provide consultancy and advisory services on Benchmarking for Canned Food Industry Project, 3-7 June 2002.

Mr. Richard L. Hurlbert, President, TBX Group, Ltd., USA, was deputed to conduct the Thailand Quality Award (TQA) Assessors Development Program (Phase I), 9-14 June 2002.

VIETNAM

Dato' Dr. Soh Chai Hock, Expert, Malaysia, and **Mr. Hiroshi Omori**, President, Techno Soft Co., Ltd., Japan, were deputed to render technical services in the training course on Green Productivity and Energy Response Planning, 20-24 May 2002.

The above two experts and **Mr. Anik Ajmera**, Counselor, Environment, Confederation of Indian Industry, India, were deputed to render technical services in the training course on Green Productivity and Occupational Health, 26-31 May 2002.

Dr. Gloria M. De Guzman, Associate Professor, Asian Institute of Management, Philippines, was deputed to provide consultancy services on Performance Assessment and Human Motivation for Productivity Improvement, 17-21 June 2002.

The Secretary-General's annual report (part one)

Mr. Takashi Tajima, APO Secretary-General, presented his annual report to the APO Governing Body at its meeting in Kuala Lumpur, Malaysia, 18–20 June 2002. His comprehensive report has two parts. The first part deals with the work accomplished by the APO in 2001, and the second part provides his perspective on the future thrust of APO activities. In this report, we bring you the first half of the Secretary-General's presentation. The second half on future perspectives will be featured in the August issue.

Secretary-General Tajima prefaced his report with an overview of the formidable challenges faced by APO member countries in the aftermath of the September 11th attacks in the USA and the global economic slowdown. He pointed out the need for new dimensions to be added to the productivity movement in the region in the face of growing concerns over globalization, the IT revolution, rapid technological innovations, environmental protection, and social fairness. He emphasized that the APO, as the apex productivity body in the region, should retain its forward-looking identity based on the spirit of mutual cooperation, shared vision, and sense of mission among its members. He further reported that the traditional APO five-year plan had been replaced with a two-year model to allow for greater flexibility in program planning.

The Secretary-General said that the year 2001 had been a milestone for the APO as it marked the 40th anniversary of the organization. Among the events held to commemorate the occasion, he made special reference to the International Productivity Conference (IPC) held in Singapore and the APO Foundation Commemorative Ceremony held in Tokyo. Those events, he continued, offered timely opportunities to formulate a new vision for the productivity movement in the region and to express appreciation to all the stakeholders for their staunch support of the movement in the past four decades. He expressed the hope that the productivity declaration adopted at the IPC would be embraced wholeheartedly by all APO members. He reiterated the following three areas on which the APO should focus its attention and resources: competitiveness, environmental protection, and social fairness.

The revitalization of small and medium enterprises (SMEs) remained a matter of critical concern to the APO in 2001, said Secretary-General Tajima. With special grants from Japan, the APO was able to launch a series of SME-related projects, including those organized under the South-South Cooperation Program for strengthening supporting industries in member countries. He then commented on knowledge management which, he



Secretary-General Takashi Tajima

said, was a key factor for the future growth of organizations in a knowledge-based economy.

On the APO Green Productivity (GP) Program, Secretary-General Tajima remarked that the GP Demonstration Program had proven most effectively that the integration of GP and environmental protection could lead to greater competitiveness of business corporations. He then reported on the successful implementation of GP-Integrated Community Development (ICD) demonstration projects in several local communities in Vietnam and the Vietnamese government's intention to implement a similar program in all the communities in the country. The Secretary-General expressed the hope that the other member countries would follow the lead of Vietnam in this matter. He also mentioned that an external evaluation of the ICD Program conducted in 2001 had shown that the economic benefits of the program outweighed the expenses incurred. In light of this, the ICD Program would maintain its focus on capacity building of communities and related agencies.

In response to the need for NPOs to transform themselves into knowledge-driven organizations, Secretary-General Tajima said that the APO had strengthened its Development of NPOs activities,

with particular emphasis on facilitating strategic alliances between NPOs. In this regard, he continued, the APO Best Practice Network set up last year was most timely and should enable the NPOs to position themselves as leaders in knowledge transfer. The Secretary-General added that in order to enhance the NPOs' IT capacities and those for distance learning, the APO had initiated discussions with the Japan International Cooperation Agency to organize programs on IT, especially on e-learning in productivity-related subjects.

In the APO agriculture sector program, as reported by the Secretary-General, priority was given to dealing with growing competition in a globalized and liberalized marketplace, food security, gender issues, resource management, new technologies, sustainable agriculture, and environmental protection. He also mentioned there were two ongoing surveys on 1) the impact of trade liberalization on farmers and the rural poor, and 2) agricultural indices.

Secretary-General Tajima next touched on the book *APO Asia-Pacific Productivity Data and Analysis*. The first edition, published in 2001, was well received by member countries and others, he noted. He thanked the APO Directors and NPO heads, among others, who had made constructive suggestions for its future improvement, adding that they had been taken into account in the preparation of the second edition to be released in December 2002.

The APO Secretariat had undertaken a number of measures to improve its operational systems to serve member countries better and faster. Having said this, the Secretary-General highlighted the progress made in IT renovation in the Secretariat, including the installation of the local area network and the APOnet, an extranet system to link the Secretariat with the NPOs. He emphasized that both are important for establishing closer coordination and communication between the Secretariat and member countries to ensure speedy and effective dissemination of information on APO programs and all other activities.

