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Spreading the APO's productivity message

With the APO's Golden Jubilee approaching, interest in improving the visibility of the APO has increased. Greater recognition of the organization would ensure that the APO could deliver its productivity message more efficiently and advance the goal of driving socioeconomic development in the Asia-Pacific region. It is thus very encouraging that many NPOs have promoted APO projects hosted in their countries through the local media.

"It is extremely important to arrange for a press presence during projects," said Information Officer Shirley Singh, Training and Productivity Authority of Fiji (TPAF). "Our public relations (PR) activities focus on working hand in hand with the media as they can significantly increase the visibility of the event and the organization and so magnify the impact of what we are trying to communicate." Thanks to her team's effective PR arrangements, the July APO training course on Value Addition to Agricultural Products held in Fiji was featured in three local newspapers and on TV and radio. "We highlighted the fact that the course could assist in the current economic situation by concentrating on the agriculture sector, which would in turn create more jobs," Singh said to explain how media attention had been attracted to the course.

PR activities require a great deal of preparation and coordination. The TPAF sent brochures and press advisory packs to the media a week prior to project commencement. Press releases were dispatched the day before and again during the course. Singh made interview arrangements with key media personnel and provided supplements upon request. "Based on our experience, we have been able to secure coverage. However, we are sometimes not able to control the message or find ways to pitch our ideas effectively."



Kalaw (R) interviewed on radio on the EPIF 2009 in the Philippines

APO Liaison Officer for Thailand Tassaneeya Attanon, Thailand Productivity Institute (FTPI), also related difficulties in securing information to be included in articles as well as coverage itself. "If we have well-known experts or VIPs in the project or if the project contents deal with current trends or major issues, it is relatively easy to attract media attention. We sometimes organize national seminars related to APO projects and invite the media to attend." Attanon attributed the successful media coverage of major events to the efficient coordination of staff in the FTPI's PR and Corporate Communications section.

The need for a professional PR unit was confirmed by the Korea Productivity Center (KPC). "All media relations are conducted by our PR team," stated APO Liaison Officer Jun-Ho Kim. The majority of APO projects hosted by the KPC have featured in the local media thanks to coordination with the PR team. Kim also emphasized that it was important for the text describing projects to be interesting and informative, or present new perspectives on current issues which appeal to the public or industry.

APO Liaison Officer for Bangladesh Abdul Baqui Chowdhury explained that drawing media attention to the social responsibility to convey the productivity message to the public is an important strategy in enlisting their support.

(Continued on page 5)



What's in a number?

Number crunching as a means to allocate scarce resources effectively is increasing. The so-called numerati are in high demand as we pass through this period of global economic soul-searching. Consulting firms report having a difficult time keeping up with requests for Six Sigma Black Belts. Numbers send powerful messages, especially to those that hope to paint an economic and social portrait of a nation. With knowledge and imagination, thoughtful policymakers can use national statistics to develop a perspective and a vision for their countries. In this way, numbers begin to define a reality that is then shared by national leaders and the citizenry. Productivity growth rates are a good case in point and have played an important role in how countries view themselves and measure their economic and social progress.

During the 1980s and 1990s, Americans took comfort in the fact that productivity rates underscored an efficient use of resources and reflected an improving quality of life. There was even some national bravado at play, and the USA viewed itself as a model to be emulated by countries hoping to achieve economic prosperity. Certainly innovation, advances in information technology (IT), and the practical applications of IT led to real growth in productivity in the USA and around the world. But with the financial collapse and deteriorating employment picture in 2008 and the first half of 2009, observers were less sanguine over productivity's contribution to the USA's extraordinary wealth creation. Many wondered if financial manipulation had led to excessive consumption and an artificial increase in the US standard of living.

Accordingly, productivity growth rates are under intense scrutiny as the dust from the financial crisis settles. The financial collapse, current economic recession, and high unemployment rate have exposed the fragile nature of the USA's future economic growth. Improvements in the quality of life must now more than ever depend on "real" productivity growth. Suspicions linger that without artificial boosts from "funny" money (Wall Street shenanigans and temporary government stimulus packages), productivity by itself will not be up to the task of moving the country forward.

When the government revised the 2009 first-quarter productivity rates from 2.3% to 0.2%, economic observers raised their collective eyebrows. Second-



quarter productivity growth was reported to be 6.3%, but the dramatic revision of first-quarter productivity figures turned productivity watchers into nervous nannies. There was a sigh of relief when the revised figures reflected an increase to 6.6%, the fastest pace in six years. (Productivity growth has only surpassed 3% in two quarters since January 2005.) Unit labor costs are also down an impressive 5.9%, the sharpest drop since 2000.

“Improvements in the quality of life must now more than ever depend on ‘real’ productivity growth.”

With productivity on the rise, at least in the short term, attention has turned to the factors behind such an impressive surge. Is current productivity growth simply a function of high unemployment? Are those who remain employed producing more because of excessive overtime and out of fear of losing their jobs? If the answers are “yes,” this gives productivity a villainous character, rather than the positive image that the more efficient use of innovation and technology gave productivity growth before last September's economic meltdown.

With unemployment at 9.7%, the highest since 1983, and with more than 200,000 jobs being lost each month, last quarter's improvement in productivity growth has resulted in little celebration among policymakers. There is some optimism in the fact that the rate of job loss has declined, but

with 14.9 million people out of work in an economy that depends on consumers for 70% of its growth, the USA faces an uphill battle. It is also estimated that 8.8 million workers have been forced into part-time work because of cutbacks in hours or the unavailability of full-time work. More than 20% of employers are reducing pay and/or cutting back on hours. If one considers that 125,000 to 150,000 full-time jobs need to be created to absorb new entrants into the labor force, a turnaround of 350,000 jobs is necessary.


What is to be done? The numbers paint a very challenging picture. A decades-high unemployment rate, four successive quarters of negative economic growth (the first such decline since the government began keeping records in 1947), a precarious financial sector (400 banks are on the Federal Deposit Insurance Corporation watchlist), lower wages/fewer hours worked for those employed, and disablingly high healthcare costs are among the biggest challenges. The heavy lifting required to put the US economy on the path to recovery will require substantial job creation and high sustainable productivity. The challenges the USA faces are not unlike those facing a majority of nations today: creating more jobs, improving productivity, and ensuring that workers are internationally competitive.

President Obama's administration is betting that the Green Revolution with its emphasis on technology, innovation, and R&D is the way out of the USA's economic malaise. Portions of the economic stimulus funds have been directed at enhancing the country's competitive position in green technology and R&D generally. The USA spends more on R&D and higher education (just over 5% of GDP) than other countries, with the exception of the Republic of Korea. As was true in the 1980s and 1990s, technological innovation and productivity are indispensable, interdependent factors contributing to a nation's prosperity. Economists are close to unanimous that innovation is the most important contributor to economic growth.

Of immediate importance to US policymakers is reducing unemployment. Can its edge in innovation and research translate into more jobs, especially high-tech, high-paying manufacturing jobs? If history is a good yardstick, the answer is “yes.” Recent trends, however, beg to differ. Manufacturing growth has always outpaced the USA's national economic

growth, but so far this decade manufacturing growth has for the first time significantly lagged behind overall economic growth. Have the years of outsourcing, technology transfer, and growth of new markets overseas handcuffed the USA to the extent that it is unable to benefit from its genius in innovation? It is imperative for US policymakers to grasp the message that what was often referred to as “hollowing out” needs to be reversed to create jobs and reduce unemployment. It would be instructive to revisit the policy recommendations made to developing countries over recent decades to improve their economic fortunes. If memory or experience fails policymakers, the following list can serve as a reminder:

1. Cut bureaucratic red tape for entrepreneurs.
2. Provide incentives and tax preferences in areas of comparative advantage.
3. Foster high-tech, innovation-based manufacturing centers and networks.
4. Increase financial support for education and retraining.
5. Send the best and brightest students overseas to learn from the competition.
6. Profits and wealth need avenues of equitable distribution to invigorate the workforce.

Finally, the USA must answer the question: “Should the country have a viable high-tech manufacturing sector to provide a secure future for its people?” If the answer is “yes,” the USA must move forward with a sense of national purpose. Given the portrait that emerges from the depressed economic numbers, the USA may find value in positioning innovation-based manufacturing at the center of a national industrial policy. 

Michael Manson had a long and close association with the APO when he was the Assistant Director of the East-West Center's Institute of Economic Development and Politics in Honolulu. He helped to initiate a number of collaboration programs between the APO and the East-West Center. Manson also served in the Asian Development Bank, and was Director of Communications with the State of Hawaii's Department of Business, Economic Development and Tourism. He is presently an educator.



Comment board



Additional Secretary K. Srinivasan, ELCINA Electronic Industries Association of India.

Participant, multicountry observational study mission on the Management of Technology (MOT), Japan, 22–26 June 2009.

“My participation in this project was immensely beneficial to me. The study mission had a very balanced mix of lecture presentations by experts

and site visits to highly successful companies. This enabled me to gain a clear insight and enhanced my knowledge of the subject. Upon my return, I shared my knowledge with my colleagues and also prepared a report that was published in the July 2009 issue of *ELCINA Electronics Outlook*, our association's journal. The article captures the key learning points obtained from the mission such as the concept of MOT, R&D, value creation, and how to harness the outcome of research results to an enterprise. MOT plays a crucial role in bridging the gap between the domain of research and invention on one side and the financial and business world on the other. There is very little understanding of what occurs in between the two domains, and this is where MOT provides a vital link. Therefore I will continue sharing my knowledge with my colleagues and within the industry.”

Factory Manager Eric M. Huber, Boncafe International Pte. Ltd, Singapore.


Participant, training course on *Monozukuri* (Art of Manufacturing), Japan, 20 October–11 November 2008.

“I would like to share my experience of the immense benefit this training course has brought to my establishment. We have adopted and practiced the various concepts, productivity tools, and techniques that I learned from the course, especially 5S practices. When the factory floor is cluttered with a ‘mess’ of stores, it is no longer a facility but rather becomes a heap of trash. This is especially so when the facility is both a manufacturing plant as well as a storage area for finished products, supporting goods, and raw materials. A sug-

gestion to conduct 5S on the factory floor was discussed at our regular quality meeting between me as the factory manager and my supervisors/line leaders. *Seiri*, which means ‘sorting and arrangement of goods in an organized, neat manner’ is the first of the 5S concepts adopted from *monozukuri*. This practice not only enabled us to arrange our tools and products in a systematized manner, but also enabled us to eliminate unwanted, unused, ‘old’ material. In this way we were able to optimize the space. This practice of *seiri* has made the floor a much cleaner, more uncluttered, and neater environment to work in.”

Manager Chantalux Mongkol, Productivity Promotion Department, Thailand Productivity Institute.

Resource person, training course on the Development of Productivity Practitioners: Basic Program (DPP: Basic), Philippines, 6–31 July 2009 .

“It was meaningful that, as a training course graduate, I shared my career development experiences based on the knowledge that I received from the basic and advanced courses. It was my hope that my story would inspire other course participants to draw up an action plan to become productivity experts themselves. However, the courses I attended were just the beginning of a long journey. I had to open myself up to new learning experiences whenever new assignments were given to me. After the basic course in 2000, I joined a government project as a 5S auditor and later became a member of the Ministry of Industry's 5S Audit Committee. I created and managed many projects on the One Tambon, One Product movement to promote productivity for communities and government after attending an APO project on community development. Since 2004, I have been assigned as a project manager to promote productivity in education, teaching productivity to students in primary and secondary schools. It was a challenging new area for me but I learned how to integrate productivity concepts and tools and how to create solutions and strategies. In 2006, I was also involved in productivity promotion for SMEs. Onsite experience and networking with people in the field really enhanced my management skills, technical skill, and confidence.” 

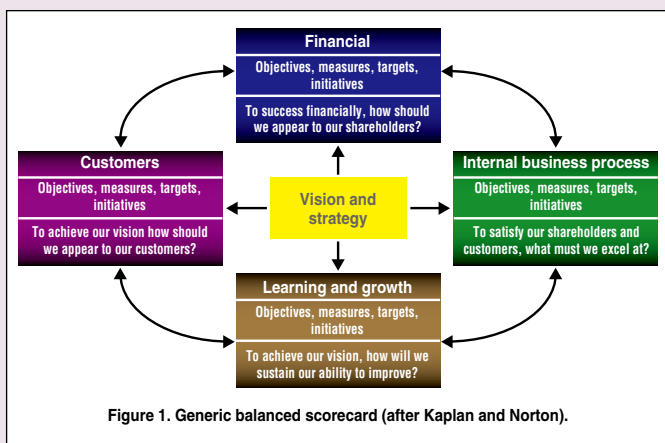


Productivity methodologies, tools, and techniques

The balanced scorecard—John Parsons

Two decades ago, to remedy the inadequacies of traditional financial measures, Robert S. Kaplan and David P. Norton devised what they called a balanced scorecard (BSC) of financial and other indicators. By directly linking performance measures to key elements of corporate strategy, the BSC reflected a shift in emphasis from control to improvement.

Based on Kaplan and Norton’s research, the BSC adopted four distinct performance perspectives: financial; customer; internal business processes; and learning and growth (Figure 1). Individual measures or key performance indicators (KPIs) within the four perspectives were not specified. The idea was to align the KPIs with organizational vision and strategy and, since every vision and strategy is different, every organization’s KPIs would be different.



Each perspective asks a strategic question. The financial one asks: “To succeed financially, how should we appear to our shareholders?” The customer one asks: “To achieve our vision, how should we appear to our customers?” The internal business process perspective asks: “To satisfy our shareholders and our customers, what business processes must we excel at?” Finally, learning and growth asks: “To achieve our vision, how will we sustain our ability to change and improve?” In its original format, the BSC translates the organizational vision and strategy into business objectives for each perspective, derives KPIs that indicate progress toward those objectives, sets targets for each KPI, and describes the actions to be taken in order to achieve the objectives.

The BSC is probably best implemented in two stages over approximately three months. Stage 1 is about designing and implementing the system. Stage 2 is more about how to use the BSC to improve organizational performance. The steps below are based on a very successful implementation exercise within a leading Mongolian bank.

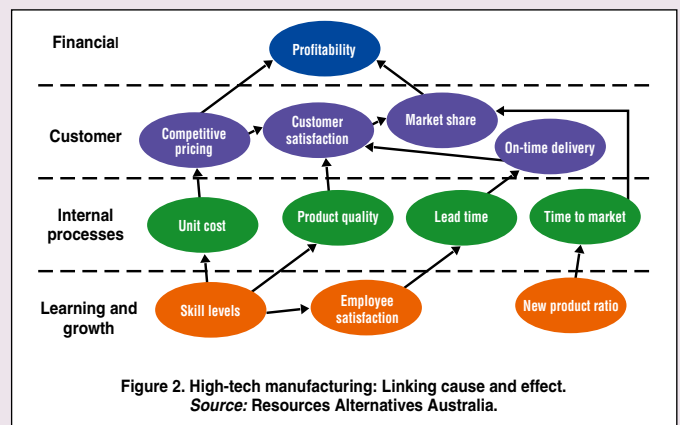
Stage 1: Design and implementation

- Situational appraisal to ascertain what measures and systems already exist and ensure that the vision and strategy have been properly formulated.
- Selection and training of a multidisciplinary measurement team that will be responsible for designing, building, and implementing the BSC across the organization.

- Design of the BSC itself by accommodating the needs of decision makers and defining organization-specific KPIs within the four perspectives.
- Rigorous specification of the chosen KPIs to determine how exactly quality will be measured, where the data will be sourced, what the performance targets are, and which benchmarks and historical data are available.

Stage 2: Using the BSC

- Mapping strategy and cause-and-effect relationships to understand what measurement results mean and how the various KPIs relate to each other (Figure 2).
- Building chartbooks that record KPI owners, comprehensive definitions, data sources, performance drivers, and current and past performance.
- Appreciating statistical variation so as to avoid “knee-jerk” reactions.



Implementation is only successful when the leadership relies on the results, better decisions are made, and organizational performance improves as a consequence. Also, the BSC must evolve as the vision and strategy evolve.

Despite overwhelming worldwide popularity, not everyone accepts the BSC as the best system, and alternatives exist. However, the basic principle of linking measures, strategy, and learning usually remain.



Contributed by Principle of Resource Alternatives Australia John Parsons, resource speaker for the APO training course on the Development of Productivity Practitioners: Advanced Program. Parsons is a fellow of the World Academy of Productivity Science and of the Institute of Management Consultants and has over 25 years of experience as an executive with National Productivity Organizations in three countries.



For easy reference to productivity-related terms including methodologies, tools, and techniques, the APO developed the p-Glossary, available on its Web site (www.apo-tokyo.org). Definitions and explanations of the balanced scorecard are given in the p-Glossary.

SME eco-competitiveness for market access

Securing access to markets is vital for SMEs to survive. However, SMEs have been experiencing difficulty in achieving this due to the increasing number of laws and regulations. To address this issue, the APO and SPRING Singapore organized a study meeting on Market Access for SMEs in the Electric and Electronic Sector in Singapore, 11–14 August. The meeting provided updated, practical, useful information on new EU environmental regulations and directives. They include the Restriction on the Use of Certain Hazardous Substance (RoHS); the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); and the Eco-design Requirements for Energy-using Products (EuP). The EuP in particular have affected the global supply chains of the electric and electronic industry from large corporations to SMEs.

“Eco-competitiveness is a business matter,” declared Senior Manager Yoshiaki Ichikawa, Hitachi, Ltd., as he listed existing regulations during his presentation. “Environmental compatibility has become a major competitive edge for all products and services around the world.” He went on to explain the background and requirements of the EuP and detailed their implementation measures. General Electric Healthcare’s Global Regulatory Manager Beth A. Hulse stressed the importance of self-regulation of eco-design requirements and explained how the medical device industry meets those self-regulatory requirements.

Study meeting participants recognized the difficulties many SMEs face in meeting such environmental regulatory requirements. Difficulties include: a lack of knowledge or understanding of the new regulations; costs associated with complying with the regulations; a lack of information on supply chain management systems; and resource limitations. In group discussions, the

participants exchanged ideas and practices that could support SMEs in managing these challenges. Participants pointed out the need to establish internationally consistent standards. They also produced a list of recommendations including the need for governmental assistance with training in regulations; a supply chain database of regulation-compliant parts; and partnerships between multinational corporations and SMEs.



Visiting the Singapore Institute of Manufacturing Technology, a national R&D institute

The meeting identified best practices showing how a government could provide SMEs with the necessary information on new regulations such as the SPRING *Guidebook on RoHS and REACH* and a Korean governmental agency Web site. Participants also voiced their appreciation of the APO’s new initiative of publishing how-to manuals for use by SMEs. The APO publication *RoHS Manual for SMEs* was welcomed by many participants as an important handbook for SMEs and others. 🌀

Spreading the APO’s productivity message (Continued from page 1)

Chowdhury added that the NPO Bangladesh obtains more coverage thanks to assistance provided by the ministerial PR officer and the government’s Press and Information Department. “If an NPO is a governmental organization, then governmental resources may be utilized.”



GBM announcement published in a local newspaper in Sri Lanka

Examples of successful media promotion were the Eco-products International Fair (EPIF) 2009 held in Manila, the Philippines, in March and this year’s Governing Body Meeting (GBM) held in Sri Lanka. From the first press conference in June 2008, the EPIF 2009 was featured more than 100 times by all major Philippine media organizations including TV, radio, newspapers and magazines, and Internet news sites. Japanese and Korean media also covered the event. “A crucial factor in the successful media coverage of this event was the leadership and commitment from senior and top managers,” commented APO Secretariat Industry Department Acting Director Setsuko Miyakawa. President Antonio D. Kalaw, Jr., Development Academy of the Philippines (DAP) and many senior DAP

managers gave numerous interviews. In promoting the GBM, APO Liaison Officer for Sri Lanka Upali Marasinghe stressed the importance of maintaining a good rapport with the media. The National Productivity Secretariat has conducted productivity programs for media representatives to raise their awareness of productivity and strengthen their relationship.



A local TV reporter interviewing an APO study mission participant in Japan

It is clear that media coverage is a very important, powerful tool for spreading the productivity message and improving the visibility of NPOs and the APO. However, working with the media to deliver the message to the target audience requires both effort and suitable PR strategies. The APO thanks those NPOs that are making continuous efforts to promote APO activities and hopes that more will do so, allowing as many stakeholders as possible to share the benefits. 🌀

Business excellence in Japanese SMEs

The adage that “one size fits all” was an important growth principle in the 19th and 20th centuries. This may be true when talking about building or expanding scales. However, in today’s flatter, more connected world, the adage is the antithesis of growth principles, especially for SMEs. Until recently, many scholars and practitioners argued about the obvious difficulties and failures of SMEs in attempting to adopt the business excellence framework. These issues were discussed in the recent APO multicountry observational study mission on Quality Awards in Member Countries held in Fukushima prefecture and Tokyo, 24–28 August 2009, in collaboration with the Japan Productivity Center. It was attended by 17 participants from 15 member countries.

The main theme of the mission was to study the Japanese SME experiences in adopting the Japan Quality Award (JQA) framework and the level of success. Aizuwakamatsu city in Fukushima prefecture where the Aizuwakamatsu City Quality Council is headquartered showcased three key SME businesses in the region: Eisen Shuzo Co. Ltd.; Mukaitaki Hotel; and Aizu Mitsubishi Motor Co., Ltd. All were recent winners of the Aizuwakamatsu Performance Excellence Award, a simpler version of the national award framework, which the city council established in 2001 to promote the competitiveness of the local economy.

“This is it! This is what we’ll do,” Eisen Shuzo President Yuji Miyamori thought when he read the JQA Assessment Standards in 1999. Miyamori had returned to his family business, a local saké brewer, in 1995 after acquiring work experience in other companies and later took over the company. He detailed his journey toward business excellence, including the difficulties and challenges faced when trying to change from traditional to new methods. Mukaitaki President Yuichi Hirata and Director Masayoshi Miyamori of Aizu Mitsubishi Motor also spoke on how they had pursued quality management to improve their operations for Mukaitaki to “become a friendly hot spring inn offering warm hospitality to all visitors” and for Aizu to “become a dealership that ultimately satisfies people in the region.”



Mission speakers and participants with Mukaitaki Hotel staff

Each example highlighted an integrated approach to management driven by the strong vision and servant-leadership style of top management. Hard work, perseverance, determination, communication, building teamwork, trust, and strong commitment even in the face of great challenges and losses comprised the recipe for success for enterprises wishing to thrive and overcome tough challenges. All enterprise representatives mentioned that continuous improvement through self-assessment processes was needed at every level of operations. All business leaders agreed that the business excellence framework provided a risk management approach that gave them the ability to see beyond daily operational challenges to the future.

SMEs remain a key challenge for many award administrators within the business excellence framework. Perhaps the answer lies not in stating the obvious, but rather asking a different question from a new angle. As the group discussion concluded on the last day of the study mission, the ultimate question was not whether the current framework needs changing but rather “whether SMEs in general can afford not to adopt the framework, especially in this current economic climate, while hoping to thrive in the future.”

Self-e-learning on the balanced scorecard relaunched

The APO’s e-learning courses have been well received and injected new life into productivity promotion efforts. With the recent advances in IT in member countries, the e-learning courses provide dual advantages. First, they broaden the APO’s outreach; second, they allow outstanding performers to be identified and selected for multi-country, face-to-face advanced training courses to consolidate their learning.



New e-Learning URL: www.apo-elearning.org

The APO’s self-e-learning courses on the Balanced Scorecard started in August 2008. Unlike other self-learning courses offered on the APO Web site, the course features a pre- and postcourse test to gauge the initial level of understanding and subsequent progress. A certificate is awarded to participants on completion of the course. Two thousand online students can be accommodated at any one time, and the course is available to all member countries. Around 650 people have registered for the courses so far.

Increased interest in the courses prompted the APO to improve them by changing the management system in July this year. e-Learning has recently been relaunched following a course update and system migration to a new server. “The new enhancements and the system migration will now allow a faster response to our users and future users. We will continue to develop our own internal capability with the self-e-learning program,” said Secretariat Industry Program Officer Du-

angthip Chomprang, who is in charge of the course.

The URL for the course has been changed to www.apo-elearning.org. Participants will also receive new IDs and passwords. Those who wish to participate in the course are advised to contact their NPO, since the APO only accepts applications nominated by NPOs. It will be available until early 2010, or when 2,000 users have completed the course.

Program calendar

December

Japan

Training course on Production Innovation Systems, 30 November–11 December 2009.

▶ Objective: To develop the capability of production managers and trainers/consultants to innovate production systems using practical approaches and hands-on workshops.

▶ Participants: Trainers/consultants and senior/mid-level managerial and technical personnel from industry involved in manufacturing.

Multicountry observational study mission on the Promotion of the Local Agrofood Industry Using the Industry Cluster Concept, 8–15 December 2009.

▶ Objective: To enhance participants' knowledge of methods to promote the local agrofood industry through active collaboration among farmers, food manufacturing companies, research institutes, and commercial enterprises in the region.

▶ Participants: Managers or officials of food industry enterprises, industry associations, agricultural SMEs, government, and agricultural cooperatives, and researchers involved in promoting local food industries.

Republic of Korea

Study meeting on the Participation of Women and Retirees in the Workforce, 7–10 December 2009.

▶ Objective: To share experiences and practices of countries with aging populations which have embarked on a return-to-the-workforce drive for women and retirees and identify best practices in policy and other interventions for aging societies.

▶ Participants: Policymakers and senior representatives from the Ministry/Agency of Manpower, representatives from employers' federations and trade unions, and senior researchers from labor institutes or academic faculties.

India

Workshop on the Development of Commercial Organic Farming, 9–15 December 2009.

▶ Objective: To review recent developments in commercial organic farming; identify the key issues and opportunities in promoting organic farming; and formulate action plans for the development of commercial organic farms.

▶ Participants: Managers, officials, consultants, representatives of producers and retailers of organics, NGO staff, or academics involved in organic agribusiness.

Malaysia

Training course on the Food Safety Management System ISO22000:2005 for Auditors/Lead Auditors, 9–15 December 2009.

▶ Objective: To enable participants to acquire the knowledge and skills to interpret and audit according to the ISO22000:2005 food safety management system (FSMS) and satisfy the requirements for registration as FSMS auditors.

▶ Participants: Experienced food safety professionals seeking an understanding of the management system approach to food safety.

Kindly contact your NPO for details of future activities, including eligibility for participation. The project details along with the address of your NPO are available from the APO Web site at www.apo-tokyo.org.



*Research experts discussing the key productivity issues of aging societies
Coordination meeting for research on Aging Society, Republic of Korea, 16–18 September 2009.*



*Participants discussing human resources development issues with a Japanese expert (seated)
Training course on Strategic Management Consultancy for Productivity Improvement of SMEs, Japan, 30 August–12 September 2009*

New officer at the Secretariat

Keiichi Tanabe started working as an Industry Department program officer at the APO Secretariat from 1 September.

The Kanagawa prefecture native brings a wealth of international expertise to his new post. After receiving a BA in Political Science from Waseda University, he went on to obtain a Master's in



International Affairs from Columbia University, New York. After gaining experience in international marketing, corporate advisory services, and corporate finance in the private sector, Tanabe moved to the UN World Food Program, where among other duties he served as an emergency operations coordinator after the 2004 tsunami in Myanmar and as a donor relations officer in Rome. For the past two years, Tanabe was employed by the Japan International Cooperation Agency as a project coordinator in India focusing on industry. In his free time, he enjoys fitness exercises and visiting World Heritage sites. Tanabe's short-term goal at the APO Secretariat is "to promote the Green Productivity concept by growing the Eco-Products International Fairs."



Securing the safety of seafood in Indonesia

The APO organized a multicountry face-to-face training course on Food Safety Management for Seafood Processing and Marketing in the Republic of China last year. The objective was to build the capacity of productivity stakeholders in the seafood industry in selected ASEAN members. During the course, participants formulated action plans to promote food safety in the seafood industry in their countries. Responding to requests from some countries, the APO has supported the organization of national workshops on the topic in line with the recent initiative to promote the generation of greater multiplier effects by utilizing a two-tiered project approach, which consists of a multicountry project followed by individual-country programs to build the capacity of more stakeholders in the target member countries.

A recent beneficiary of this program was Indonesia, which hosted a national workshop on the Food Safety Management System ISO22000:2005 and Traceability for the Seafood Industry in Surabaya, Indonesia's second-largest city, 3–5 August. "The project aimed to support and promote the seafood sector and so increase its contribution to Indonesia's GDP. It is believed that if all players in the seafood chain in Indonesia implemented ISO22000:2005, it would enhance the level of competitiveness of its seafood products in the world market," wrote NPO Head for Indonesia Yunani Roaidah in her report. The workshop was attended by 50 participants from the seafood industry, government agencies, certification bodies, NGOs, the NPO, and academia.


The workshop was conducted by APO resource person Jimmy Chua, Lead Auditor/Senior Consultant, Republic of China, and local speaker I.G.K. Arya Arthawan from Udayana University of Bali. Chua explained the key concept, rationales, and objectives of the food safety management system ISO2000, its requirements and implementation in the seafood industry, and certification, while Arya Artawan pre-



Opening ceremony in progress

sented trends, issues, and challenges facing the Indonesian seafood industry as well as product traceability and withdrawal systems in the country.

"All participants showed tremendous enthusiasm and asked useful, practical questions, and the program was managed as planned," commented Chua in his report, adding that the program had been successful since, "The course content was good and the participants appeared to understand the intent of ISO22000 as well as the importance of traceability. Participants also networked intensively among themselves." Although he reported that all of the participants had a reasonably good understanding of English, Chua also suggested the use of an interpreter to propagate the knowledge to a wider audience in the host country.

Many participants expressed a desire to have more opportunities to attend other APO national workshops related to food safety. They listed such topics of interest as food safety management system ISO22000:2005 training, auditor conversion training on ISO22000:2005, and International Register of Certified Auditor-certified courses on food safety management. 

The global economic crisis and industrial restructuring in Asia

The conference on the Global Economic Crisis: Impacts and Implications for Industrial Restructuring in Asia was held in Tainan, Republic of China, 19–20 August 2009, hosted by National Cheng Kung University (NCKU) and organized by the APO, Asian Development Bank Institute (ADBI), and China Productivity Center (CPC). The 160 participants from more than 15 countries included government officials, university professors, industry experts, and students. This conference was held immediately after the expert group meeting for the APO research project on the Impact of the Global Financial Crisis on SMEs, and several of the national experts attended the conference as speakers or discussants.

Professor Jagdish N. Bhagwati, Economics Department, Columbia University, USA, an international trade economist widely regarded as a future Nobel Prize laureate, gave the keynote speech on Capitalism after the Crisis: Myths and Fallacies. He pointed out that the current financial crisis had been caused by information asymmetry. Prof. Bhagwati emphasized that it was important to distinguish between innovations in financial products and nonfinancial products. Innovation in financial products can lead to "destructive creation," while that in nonfinancial products may contribute to "creative destruction." Meanwhile, the myth of the market should not overrule moral considerations. The current form of capitalism would function better if family and community values were strengthened and healthcare and education improved.

In the context of industrial restructuring, Conference Chair Professor Wen-jen Hsieh, NCKU, pointed out that the impact of the global financial crisis had been most significant in export-oriented economies, but those with strong domestic markets had managed to survive. Prof. Hsieh also stated that developing innovative



APO Secretariat Research and Planning Department Director (standing) delivering the opening address

services through the integration of manufacturing and service operations would be needed for national industrial restructuring and developing competitive advantage.

In comparison with the Asian financial crisis of 1997–1998, the current financial crisis is more complex. The analyses presented indicated that developing a more efficient service sector would promote domestic demand, employment, and economic growth. For example, the impact of the global economic crisis has been less severe in countries not as heavily dependent on exports and with a service sector contributing substantially to GDP. 