

## 28th APO Top Management Forum: Corporate Strategies for Driving Sustainability in the Asia-Pacific

**T**he 28th Top Management Forum on Corporate Strategies for Driving Sustainability in the Asia-Pacific, organized by the APO in collaboration with the Ministry of Economy, Trade and Industry of Japan, Japan Productivity Center (JPC), and Kansai Productivity Center was held at the Kyoto International Conference Center in Kyoto, 13–15 February. The Top Management Forum is an annual event, bringing together key executives and high-ranking officials in the public and private sectors in the Asia-Pacific to discuss emerging management topics for the region and to share information on state-of-the-art corporate management practices. This year, 37 delegates from 17 APO member countries participated in the forum to study best practices in developing and implementing strategies to promote corporate social responsibility (CSR) within their organizations and societies.



*APO Secretary-General Yamazaki (seated 6th L), JPC President Masayoshi Matsukawa (seated 5th L), and Kansai Productivity Center Board Chairman Takashi Tsuji (seated 7th L) with attendees at the opening of the 28th APO Top Management Forum.*

In a rapidly developing global economy, enterprises are forced to review and renew their management strategies constantly to create and/or sustain organizational value and knowledge. Recently, diverse challenges faced by enterprises have also required a reexamination of organizational capacities to remain sustainable in the face of environmental concerns. More enterprises are adopting management tools for sustaining quality and safety and setting strategies to minimize environmental concerns about their overall activities. APO Secretary-General Ryuichiro Yamazaki commented that, “Sustainability can only be achieved with corporate foresight, courage and agility,” and stressed the importance of “strong, visionary leaders to guide their organizations effectively toward the light at the end of any dark tunnel encountered.”

The 28th Top Management Forum looked at various management strategies and approaches for enhancing CSR, examining in-depth the roles of top management in encouraging a culture of environmental awareness and sustainable productivity enhancement. Invited speakers from various sectors, including the Ministry of Economy, Trade and Industry of Japan, shared views and experiences on promoting CSR. Professor Yoshihiro Fujii, Sophia University Graduate School of Global Environmental Studies, highlighted the concept of “strategic CSR,” noting that its separation from the conventional notion of CSR lies in the integration of both “social and environmental considerations incidental to the company’s business.” He pointed out that, “Strategic CSR enhances corporate value that integrates social value and shareholder value for the creation of a sustainable society.”

Corporate leaders from Japanese industries, such as Pasona Group Inc., Shiseido Co., Ltd., Gunze Limited, Ikeuchi Towel Co., Ltd., and Suntory Holdings Limited, illustrated not only the importance of CSR but also how the energies of corporate leaders are crucial in driving strategies for integrating socially responsible values into business activities.

After a group discussion on how to promote and enhance corporate strategies for driving organizational and social sustainability, participant Adrian Dwitomo from Indonesia added that, “CSR is necessary but has to be adjusted in different companies and different countries. What’s more, it needs full commitment from the top management team.” The attendees also recognized the roles of national and governmental bodies, including NPOs, in setting regulations on accountability and transparency, providing training to encourage sustainable practices within industries, and introducing incentives such as award systems to recognize business excellence based on CSR values. Director of the National Productivity Centre of Cambodia Bunna Yea summed up the topic succinctly: “I wholeheartedly support CSR, because if you take care of society, society will take care of you.”



**March–April 2012**  
**Volume 42 Number 2**  
ISSN: 1728-0834

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The APO News is published bimonthly by the APO Secretariat. The online edition is available at: [www.apo-tokyo.org](http://www.apo-tokyo.org).

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## Kaizen in different cultural environments

**F**or the past decade or longer, kaizen has received widespread attention worldwide in a variety of fields. In the original Japanese, “kaizen” is written in two characters: 改善. The first character means “change” while the second means “better,” and therefore the combination literally implies “improvement” or “change for the better.”

Kaizen, however, goes beyond simple improvement. Currently “process kaizen” is the goal of many organizations. Process kaizen involves generating and implementing ideas to accomplish the objectives of work in better ways. Typically there can be a multitude of ways to complete a task. When seeking to improve task completion, major, medium, and minor changes may be identified. A major change usually requires a significant investment in R&D activities and is popularly known as “innovation.” A medium change may be an improvement activity carried out by a small group. A minor change may be incremental improvements made at the individual level. In general, undertaking a major change is a more challenging and costly method to achieve the objective compared with a minor change, and it should be remembered that successful kaizen is not necessarily reliant on financial investment. The objective of kaizen, however, is not cost reduction. It simply makes work simpler, faster, more comfortable, and more efficient. The key to kaizen is a constant flow of ideas to promote improvement.

Kaizen is practiced differently in each environment or country, as nationality, politics, history, religion, culture, language, infrastructure, living environment, education, diet, climate, and business customs play a significant role, not only in how improvements are made but also in the elements that need to be improved. Therefore the kaizen concepts in one country



may appear radically innovative to some observers or exotic to others.

### Kaizen examples submitted by Waseda Business School students

Many international students study at Waseda Business School (WBS) in Tokyo. As part of the introduction to Japanese technology, the concept of kaizen is one subject covered in the WBS graduate curriculum. The following examples of kaizen were submitted by international WBS graduate students, some of which are applicable in most countries and others more specific to a single environment.

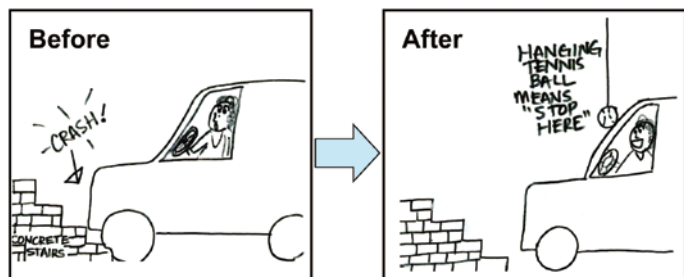
**Kaizen 1:** When parking a car in a garage, drivers often hit the staircase leading to a different level because it was outside their line of sight. Kaizen was needed so that drivers would become aware of the staircase and stop their cars before hitting it. A simple tennis ball was hung from the ceiling on a string at the appropriate distance from the stairs (Figure 1). When the tennis ball comes into contact with the windshield,

drivers trying to park know that it means “stop here.”

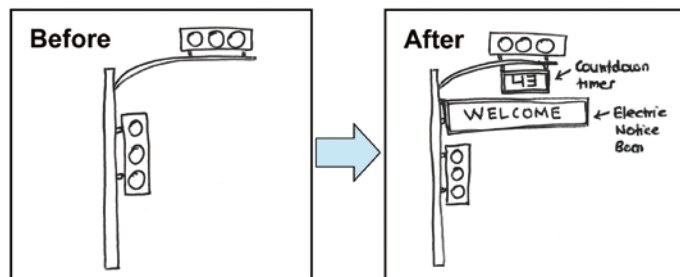
**Kaizen 2:** Coconut trees grow in abundance in Southeast Asian countries, and some reach heights of 10 m or more. The inexperienced may not know how to climb those trees to pick the useful and delicious coconuts. A simple kaizen solution devised long ago was to carve v-shaped cuts into the trunks of coconut trees, making the climbing process both easier and safer.

**Kaizen 3:** A student who worked at a tennis club in customer service noticed that whenever he collected tennis balls scattered around the court, he experienced back pain after too much bending and stooping. In a kaizen innovation, a basket for picking up tennis balls was designed. The innovative idea was the design at the bottom of the basket along with a long handle. Wires were placed parallel to two sides of the lower surface of the basket. The distance between the two wires was slightly narrower than the tennis ball diameter, so that when a ball was forced through the wires, they separated to allow the ball to pass through. Once the ball was through, the wires closed up and the ball remained in the basket.

**Kaizen 4:** In Japan, timers indicating the length of time before the signal will change to green are seen only at pedestrian crosswalks at busy intersections. However, in the Republic of China, IR Iran, and Malaysia, traffic signals with countdown timers are common for automotive traffic (Figure 2). The timers are placed below the stoplights so that they are clearly visible. In some cities in India, drivers stopped at a red light see the word “relax” in addition to the traditional red light. This kaizen addition allows traffic lights to play the dual role of regulating



**Figure 1.** Parking guide (by Ginger Vaughn, USA).



**Figure 2.** Countdown timer for traffic lights and electric notice board (by Ghazali Bin Hizam, Malaysia).

traffic flow and reminding drivers and pedestrians to relax, hopefully contributing to psychological health and higher productivity.

Kaizen 5: Mango trees are another welcome addition to the natural environment in many APO member countries which provide nutritious, delicious fruit for domestic consumption and for export markets. Picking mangoes from the higher branches is a specialized art, however. Long-handled gardening shears can detach the fruit, but a ripe mango that falls to the ground will be badly bruised, may be inedible, and certainly will not be accepted by discerning consumers. A simple preventive kaizen action utilizes a plastic bottle to ensure that mangos reach the table in all their glory.

This article presented the basic concept of kaizen. Basically, kaizen is a seemingly minor change or series of changes to make work easier, simpler, faster, and more efficient. Because kaizen efforts usually result in only minor changes, the cost required to implement them is insignificant in many cases. Therefore the essence of

kaizen is the ability to generate ideas without spending money. Kaizen is strongly recommended by productivity practitioners worldwide to improve working environments and is easily applicable to educational institutions and homes as well.

*Part of this article was taken from a working paper by Dr. Fujita published by Waseda Research Center, WBS, January 2012. 🌀*

*Dr. Seiichi Fujita is a Professor at Waseda University Graduate School of Commerce whose research fields include cost management, production management, management science, and management of technology. A native of Tokyo, he received a B.S. and M.S. in Administrative Engineering from Keio University and a Ph.D. in Industrial and Systems Engineering from Georgia Institute of Technology, USA. He has taught in the USA and Japan, has numerous publications to his credit, and is in demand as an expert for projects organized by the APO, Association for Overseas Technical Scholarship, and Nippon-Keidanren International Cooperation Center.*

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## Facilitating service-sector benchmarking

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**B**enchmarking is a systematic, continuous process of searching out, learning from, and adopting best practices, and it helps explain the processes backing up excellent performance. Enterprises of all sizes in all sectors can benefit from benchmarking, and it has found enthusiastic acceptance within the APO membership. The Malaysian government developed its Malaysian Benchmarking Index as a successful strategy to encourage SMEs to share and compare their performance domestically and internationally. Lessons learned from benchmarking can improve performance in critical business functions.

After conducting research on service-sector productivity focusing on the retail and food and beverage (F&B) subsectors in 2010, several member countries suggested that the APO disseminate the results at a workshop to help them develop their own service-sector benchmarking indexes. Therefore the APO in cooperation with the Malaysia Productivity Corporation (MPC) held the workshop on Development of a Benchmarking Index for SMEs in the Service Sector Focusing on the Retail and Food and Beverage Industries in Kuala Lumpur, 19–23 December 2011. In addition to learning the previous research results, the 21 participants representing the public and private sectors, academia, and consultancies from 14 member countries identified key performance indicators and set criteria for best practices, benchmarking data, and information collection to establish a performance-benchmarking platform for SMEs in the service sector, particularly retail and F&B.

The sessions were coordinated overall by two MPC Knowledge Management Department staff, Director Shahuren Ismail and Manager Rokiah Aziz. International experts George Wong and Dr. Check Teck Foo provided



*Participant Heru Prihandani Ramdhan explaining the retail industry in Indonesia.*

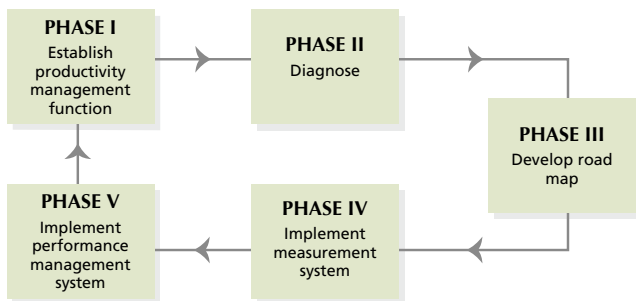
the framework for extensive discussions and planning sessions by participants eager to clarify how they could put a benchmarking mechanism in place in their own organizations, especially after the observational visits to LSG Sky Chefs Sdn. Bhd. and the handicraft center Kraftangan Malaysia.

Many participants agreed with Sofia Leong Abd. of Malaysia, who suggested that future benchmarking workshops focus on additional subsectors, such as healthcare, fashion, hospitality, or logistics and transport. They also hoped that the workshop could become an annual event, which should include progress reports on efforts to establish national initiatives on benchmarking at the enterprise and sectoral levels by current participants to provide continuity, with new ones invited to give fresh perspectives on practical metrics and potential benchmarking partners. 🌀



## Integrated management of productivity activities

**P**roductivity plays a critical role in driving competitiveness and sustaining business growth for all organizations, regardless of size. Productivity can be effectively raised only if it is managed in a holistic manner. SPRING Singapore has developed an Integrated Management of Productivity Activities (IMPACT) framework to guide companies in managing their productivity systematically. The framework includes key productivity levers to address as companies embark on productivity initiatives. Figure 1 shows the five phases under the IMPACT framework. Some of the actions can take place simultaneously.



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**Figure 1.** IMPACT framework.

### Phase I: establish a productivity management function

A dedicated organizational structure must be set up to facilitate the productivity improvement effort. The structure may take the form of a productivity management unit, headed by a productivity manager who reports directly to senior management, or a cross-functional team comprising productivity coordinators from various departments. After establishing the structure, the next step is to set productivity goals that are in line and integrated with the company's long-term strategic plan.

Good management of productivity requires commitment from top management. That commitment can be expressed through direct communication with employees on the company's productivity goals and strategies, as well as allocation of resources for productivity improvement. Employees must have a clear understanding of productivity concepts, how the company's productivity goals will benefit them, and how they can contribute to the achievement of the goals.

### Phase II: diagnose

For any productivity intervention to be effective, a company needs a thorough understanding of its current performance. This can be done through a productivity diagnosis to assess the company's "state of health," pinpoint its strengths and weaknesses, and recommend areas for improvement. The IMPACT assessment tool developed by SPRING Singapore is an example of a simple diagnostic tool that allows a company to evaluate its productivity performance.

There are two parts to the IMPACT assessment. Part I assesses the effectiveness of the company's productivity management function based on the five phases

under the IMPACT framework and key productivity levers. Part II uses 10 common productivity indicators to gauge the company's productivity performance. The indicators include labor productivity (value added per employee), sales per employee, value added-to-sales ratio, and labor cost competitiveness (value added per unit of labor cost). The findings from the qualitative and quantitative assessments are considered together to determine the company's strengths and weaknesses and identify areas for improvement.

### Phase III: develop a road map

After the diagnosis is completed, the company develops a road map or action plan based on the findings. The road map identifies specific actions, key performance indicators and targets, timelines, and units or individuals responsible for carrying out the actions.

### Phase IV: implement a measurement system

Productivity improvement initiatives should be complemented by a sound measurement system. Productivity measures can be used to set targets, monitor performance, evaluate effectiveness of plans, and link effort and reward for employees. The company should adopt an integrated approach to productivity measurement. Key management indicators related to productivity and profitability should be identified at the company level and cascaded down to activity or operational indicators at the departmental and individual levels.

### Phase V: implement a performance management system

Performance management covers two main areas: 1) activities to monitor performance; and 2) activities to reinforce performance and motivate employees. A company's performance can be monitored in terms of the productivity level measured by the various productivity ratios, or the change in productivity level over time. A comparison of the company's performance can be done over time to track performance or against external entities to gauge the company's relative standing vis-à-vis its competitors and best-in-class performers.

To sustain the productivity drive, the company must establish schemes to reinforce performance and motivate employees. These schemes should recognize and reward employees for the achievement of productivity targets. Productivity incentive schemes can be used to shape employees' behavior and align their objectives with those of the company.

The IMPACT framework helps companies to improve their productivity in the long run. An integrated approach to the management of productivity activities will stand the company in good stead against competition. More information on the IMPACT framework and the IMPACT assessment tool can be found in *A Guide on Integrated Management of Productivity Activities (IMPACT)*. The guide is available on the Productivity@Work ([www.enterpriseone.gov.sg](http://www.enterpriseone.gov.sg)) website developed by SPRING Singapore.

Contributed by SPRING Singapore. 



## Six Sigma Black Belt

**T**he Six Sigma approach and methodology are a management strategy for the improvement of process performance while improving productivity and quality to satisfy customer demand and reduce costs. Six Sigma is data driven and employs various mathematical tools and statistical analyses. A problem-solving process known as define, measure, analyze, improve, and control (DMAIC) is an integral part of Six Sigma. Six Sigma borrows martial arts terminology to define a career path as well as develop professionals. A Green Belt is the Six Sigma entry level; a Black Belt has cross-functional capability including leading project teams and providing Six Sigma training and mentoring to Green Belts. At the top of the ladder are Master Black Belts who act as coaches and mentors at both operational and management levels.

The APO and China Productivity Center organized a Six Sigma Black Belt training course as a follow-up to the 2009 e-learning course and 2010 training course on Six Sigma Green Belt, 5–9 December 2011, in Taipei. The course targeted previous participants in those APO Six Sigma projects to create a cadre to train others for multiplier effects. Two international and one local experts were assigned, and 19 individuals from 12 member countries attended.

Because the DMAIC approach takes a practical problem, translates it into a statistical problem, finds a statistical solution, and finally evolves a practical solution, the training course followed the DMAIC steps to demonstrate different Black Belt tools and techniques. In addition, during the “improve” phase,

the TRIZ concept of inventive problem solving was introduced. TRIZ has found numerous adherents, especially in engineering fields, recently because it fits neatly into the Six Sigma methodology and encourages brainstorming and innovation. Other topics covered were failure mode and effect analysis, statistical process control, the theory of design of experiment, and measurement system analysis. Overall, the course concentrated on practical aspects, which were also demonstrated during a visit to Ford Lio Ho Motor Co., Ltd., which utilized Six Sigma to improve its competitiveness in the automotive components sector.



*Analyzing repeatability and reproducibility of measurements.*

An examination was given on the final day to provide participants with feedback on their progress. Most agreed with Secretariat Industry Department Program Officer Kritchai Anakamanee, who found that, “Although Six Sigma sounds difficult, the math is simply a tool to support a problem-solving process. In actuality, it is not as complicated as I originally thought and can be applied to broad work-related areas.”

## Innovative ways of promoting and marketing: the One Village, One Product movement

**T**he governor of Oita prefecture, Japan, started the One Village, One Product (OVOP) movement over 25 years ago. It has been adopted in many countries worldwide as a strategic intervention to spur economic activities, especially in the countryside. Thailand, the Philippines, and the Republic of China (ROC) are among countries that have successfully implemented the scheme after learning from Japan’s experience and adopting OVOP as an integral part of government strategies to develop SMEs in rural areas. With the success of their efforts to increase production at the enterprise level, those countries are actively engaged in promoting products and developing markets to sustain the operations of participating SMEs.

The APO in cooperation with the Thailand Productivity Institute and Colombo Plan Secretariat organized a workshop on Promotion and Marketing of Items



*OVOP workshop participants.*

Produced in Rural Communities under the One Village, One Product Movement, 16–20 January 2012, in Chiang Rai, Thailand. The project reviewed different models and approaches for promoting and marketing such OVOP items and

identified best practices and appropriate strategies to increase the productivity and sustainability of rural community-based enterprises under the OVOP movement. Experts from Japan, the Philippines, and ROC were involved in the workshop, which was attended by 21 participants from 11 member countries. Topics covered included the OVOP movement in Asia, sustainable community development and production of marketable items in rural areas under OVOP, and promotion of One Town, One Product in the ROC.

The Doi Tung Royal Project, where sustainable products include mulberry paper-based stationery items, plants and orchids, and home ceramics and textiles, made a strong impression on participants. “The workshop discussions and the site visit to Doi Tung provided the participants a host of new impressions and ideas for the OVOP movement. The Doi Tung Royal Project provided valuable information as a successful model of sustainable development of rural communities in Thailand,” said Cheng-Ming Yang, resource person from the ROC. Participant Dewi Rinawati of Indonesia stated, “The Doi Tung Project gave me a lot of product ideas for my company and the community I work with.”

Resource Person Taneo Moriyama, Japan, pointed out that, “The key to OVOP success has become more obvious, that is, marketing and promotion should be emphasized more to develop OVOP and make it self-sustaining.” He recommended that the APO continue organizing similar workshops to share successful models and useful information on marketing to domestic and international markets.

# In the workplace: The importance of employee empowerment

**E**ven Steve Jobs, the management maverick and incurable tyrant, knew that the best, time-tested strategy is none other than regularly securing the best possible ideas from workers rather than following the dictates of a corporate hierarchy. This writer discovered that principle again with Susumu Minegishi, a former disciple of Toyota management superstar Taiichi Ohno (1912–1990), creator of the Toyota Production System (TPS), also known in the West as “lean production.” “At Toyota, all workers must participate in operational policy making so that it will be easy for them to follow it,” says Minegishi, the consulting head of the TPS Training Center, Hirayama Corp.

Now retired from Toyota after serving for more than 41 years, Minegishi advises that if workers have that sense of shared ownership in formulating factory rules, corporate goals can be easily achieved. “Furthermore, you should not even penalize the workers who have committed product defects or they will only perpetuate hiding the workplace problems,” explained Minegishi to a group of 17 Asian business executives and kaizen practitioners participating in a lean production study tour organized by the APO and Japan Productivity Center. “Imagine the grave consequences if they do that,” warned Minegishi.

This belief is best understood within the TPS context, in which every Toyota worker “must build quality into the process” and is authorized to “pull a rope” to stop a moving assembly line. This way, even ordinary employees can become quality inspectors in their own right. Everyone who cares, even modestly, about employee suggestion schemes and quality circles can vouch for the supremacy of the empowerment approach over other management principles. After all, people empowerment or

“respect for people” is in Toyota’s DNA and is credited as the dynamo that helped it become the world’s number two auto manufacturer.

The formative management lessons that Minegishi got from Ohno were far ahead of their time. Despite his being a toxic boss to his colleagues, Jobs was no different from Ohno, who required all of his engineers to stand inside a chalk circle until everyone discovered the true meaning of his/her job and that of the organization. As Minegishi explains, he caresses an old, used brown envelope bearing the erased names of Toyota executives who had used it many times over to signify how Toyota has been continuously trying to save on costs and eliminate non-value-added factors in work processes.

There is no doubt about it. The idea of employee empowerment is truly remarkable. It increases the capacity of individuals or groups to make choices and to transform those choices into desired actions that benefit the organization. It is one prerequisite for doing productive corporate work. There is only one thing imperative with empowerment: “The technology for developing people is not new or remarkable. The commitment to doing it every day, consistently, at a high level is unfortunately very rare and remarkable,” wrote Jeffrey Liker and David Meier in their 2007 opus *Toyota Talent*.


*This article originally appeared in BusinessWorld Philippines Online, 16 November 2011, and is adapted here with permission from author Reylyto A.H. Elbo, APO project participant, founder and chief of Kairos Management Technologies, and regular columnist for BusinessWorld Philippines and The Manila Times.* 

## Reaching out to spread the productivity message

**T**he Third Regional 3R Forum on Technology Transfer for Promoting the 3Rs: Adapting, Implementing, and Scaling Up Appropriate Technologies was organized in Singapore, 5–7 October 2011, by the UN Centre for Regional Development (UNCRD), National Environment Agency of Singapore, and Japanese Ministry of the Environment. APO Secretariat Industry Department Senior Program Officer K.D. Bhardwaj was invited to serve as one of six panelists for Plenary Session 1: Best Practices and Available Technologies in the 3Rs. He also submitted an official supporting document entitled 3R Technology for Eco-friendly Products in the Context of Economic Competitive Advantage in International Business, acted as rapporteur for a session, and was a member of the committee that drafted the chair’s summary. After the forum, the UNCRD empaneled the APO as one of its 3R experts on call for future international meetings.

On 20 December 2011, Industry Department Program Officer Yumiko Yamashita gave a presentation on Corporate Governance in the Pursuit of

Productivity Enhancement in the Asia-Pacific at Dubai Dialogue on Good Governance as one of eight invited international speakers. Dubai Dialogue is organized biannually by the UAE’s Dubai Chamber of Commerce and Industry to promote corporate social responsibility (CSR). The conference provided insights on lessons learned and ways to develop holistic corporate governance systems addressing the needs of different stakeholders. It also looked into measurable and progressive governance models and mechanisms that can lead to organizational excellence and long-term sustainability, the goals of most enterprises and economies in this increasingly competitive era.

The generosity of the organizers of the two meetings, along with their recognition of APO expertise, was greatly appreciated. The Secretariat was pleased to have opportunities to learn more about 3R initiatives and CSR models that may be applicable within its membership as well as to share its own efforts in these areas with others working outside the region. More such opportunities will be sought in future to create global synergy. 

## APO/NPO Update

### *Cambodia*

#### **New e-mail address of APO Liaison Officer for Cambodia**

e-Mail: cambodialiaison@ymail.com

### *India*

#### **New APO Director**

Name: Mr. Pradeep Kumar Chaudhery

Designation: Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry

Effective date: 1 November 2011

### *Japan*

#### **New APO Alternate Director**

Name: Mr. Mitsuhiro Wada

Designation: Deputy Director-General, International Cooperation Bureau, Ministry of Foreign Affairs

Effective date: 22 December 2011

### *Republic of Korea*

#### **New APO Director and NPO Head**

Name: Mr. Hong Jin

Designation: Chairman & CEO, Korea Productivity Center

Effective date: 22 December 2011

#### **New APO Alternate Director**

Name: Dr. Wonjoo Park

Designation: Director General for Industry and Knowledge Economy, Ministry of Knowledge Economy

Effective date: 1 February 2012

### *Nepal*

#### **New APO Director**

Name: Mr. Umakant Jha

Designation: Secretary, Ministry of Industry

Effective date: 27 December 2011

### *Singapore*

#### **New fax number of APO Liaison Officer for Singapore**

Fax: 65-6659-0645

### *Sri Lanka*

#### **New APO Director**

Name: Mr. Lalith Kannangara

Designation: Secretary, Ministry of Productivity Promotion

Effective date: 2 January 2012

#### **New NPO Head**

Name: Mr. S.E.R.T.M.S.P. Bandara

Designation: Additional Secretary, Ministry of Productivity Promotion

Effective date: 11 August 2011

#### **New address of NPO**

National Productivity Secretariat

No. 249, Stanly Thilakarathne Mawatha

Nugegoda, Sri Lanka

## Singapore to host 54th GBM

The 54th Session of the Governing Body Meeting (GBM) will be held in Singapore, 17–19 April 2012. SPRING Singapore, the country's national productivity organization, will host approximately 60 delegates comprised of APO directors and their advisers from 19 member countries, observers from various national agencies and international organizations, and APO Secretariat staff.

The Governing Body is the supreme organ of the APO, composed of one government-appointed director from each member country. It meets annually to elect the new APO chair and vice chairs, receive the Secretary-General's report and the auditor's financial report, formulate directions for the ensuing fiscal year's program, and approve the budget and financial guidelines. Other agenda items for the 2012 GBM include reports on the review of the APO membership contribution formula, options for the relocation of the Secretariat office, and approval of the preliminary budget for the 2013–2014 biennium.

The meeting will also act as a venue for exchanging ideas and views on regional productivity issues at the highest level. This year, the directors will set future policy directions for the APO to expand its activities.

## Photo news



Secretary-General Yamazaki welcoming new APO Director for Republic of Korea Hong Jin (R) to the Secretariat on 16 February 2012.



APO Secretary-General Yamazaki (front center) with Malaysian participants in the Third-Country Training Program organized by the Japan International Cooperation Agency and JPC at the Secretariat on 23 February 2012.



# Climate change and agricultural productivity

**C**limate change (CC) is a serious threat to the socioeconomic development of the Asia-Pacific region. It will affect everyone, but rural people and farmers are especially vulnerable. Agriculture is highly sensitive to CC-linked weather events, such as shorter and less predictable rainy seasons and more frequent and severe droughts, floods, and storms. Crop failures and livestock deaths cause huge economic losses, and increased food prices undermine food security. While there might be some productivity gains from CC in certain regions, globally it is expected to decrease agricultural productivity. Agriculture itself has positive and negative effects on climate. Green crops serve as carbon sinks, but agricultural activities and deforestation contribute significantly to greenhouse gas emissions. Effective policy measures and farming practices to minimize negative impacts of agriculture on climate are thus required.


To assess the impacts of CC and understand key climate-induced risks to agriculture, the APO in collaboration with the Asian Development Institute and Korea Productivity Center organized a workshop on Climate Change and Its Impact on Agriculture, 13–16 December 2011, in Seoul. Thirty participants from 20 Asia-Pacific economies including 20 participants from 12 member countries, and 10 experts from the International Water Management Institute, Australia, Austria, India, the Republic of Korea, Japan, Sri Lanka, and the USA attended.

Deliberations focused on: strategic assessment of CC impacts on agriculture; assessing successful CC adaptation strategies in vulnerable areas; developing adaptation road maps; and strategies for mainstreaming CC adaptation. Par-

ticipants visited the National Academy of Agricultural Science of the Rural Development Administration and a plant factory where they observed futuristic ecofriendly technologies for enhancing agricultural productivity.



*Increased productivity of lettuce grown under artificial LED light without chemicals demonstrated in a fully automated vertical plant factory, Suwon, ROK.*

The workshop concluded that: 1) There is a need to provide reliable scientific data to policymakers to help them predict CC and potential effects on agriculture and food security. 2) Agricultural agencies should disseminate the scientific data to help local communities and farmers make sound adaptation choices to increase their resilience. 3) Agricultural, water, environmental, and financing agencies need to act in unison to create synergies in implementing best practices. 4) Governments need to make efficient use of existing resources and establish new financing mechanisms with broader, more flexible approaches, integrating funding sources and delivery schemes involving the private sector to support producers. 5) Policymakers must make continuous adjustments in adaptation measures, while line agencies should include CC impacts and adaptation measures in their planning processes. 6) Regional cooperation is needed. 



## NPC workshop: Latest Trends and Developments in the Area of Energy/Environment

**A**s one of its activities to commemorate the 50th anniversary of the APO, the National Productivity Council (NPC), New Delhi, organized a one-day workshop entitled Latest Trends and Developments in the Area of Energy/Environment on 15 December 2011 at the Dr. Ambedkar Institute of Productivity (AIP), Chennai. It was attended by 17 individuals, and the chief guest was Director R.K. Jain, Edu-Tek Equipments (India) Pvt. Ltd., who spoke on the significance of Green Productivity (GP) in the present global scenario. NPC, Chennai, Senior Deputy Director R. Suryanarayanan first elaborated on the history and activities of the APO in his welcome speech, followed by a presentation on cleaner production and 3R techniques. AIP Director and Head P. Dharmalingam presented issues in GP implementation in various industries and the energy efficiency lab facility established on the AIP campus.

Director J. Nagesh Kumar of the NPC explained the importance of energy efficiency in industrial applications like pumps, fans, compressors, boilers, steam systems, furnaces, and electrical distribution systems. He introduced the concepts of resource conservation through GP and waste minimization. Kumar also explained the significance of renewable energy applications like wind, solar, thermal, etc. to the industrial and commercial sectors and various issues related to renewable energy use.



*NPC workshop participants during a presentation on GP. Photo courtesy of NPC.*

The latest trends in energy and the environment were discussed using case studies and experiences of participants. Related issues included implementation of cleaner production, GP, energy efficiency, and resource conservation were among the topics covered. The participants had the opportunity to visit the Centre of Excellence for Training in Energy Efficiency located within the AIP campus for a practical demonstration of energy efficiency and environmental applications. *Contributed by NPC.* 