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Scarcity, Innovation, and PPP/CSR

2nd China-Europe High-Level Political Parties Forum
Beijing

Rio D. Praaning Prawira Adiningrat
Managing Partner of the PA Group
(Brussels, Beijing, Washington, Tokyo, Hong Kong and Jakarta)

17 May 2011

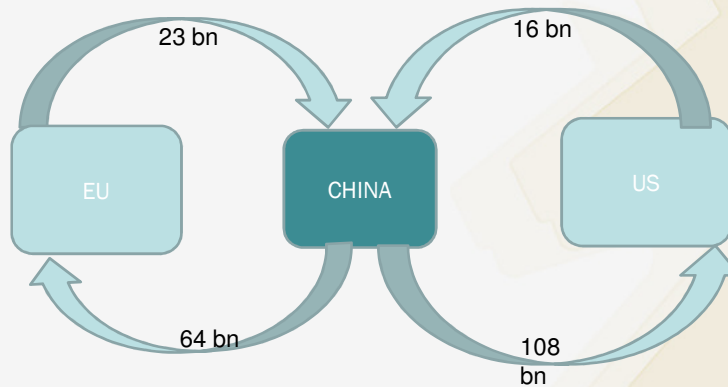
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2000: Trade flows between China and US/EU (US\$)



Source: OECD, International Trade by Commodity Statistics (ITCS) Harmonised System 1998

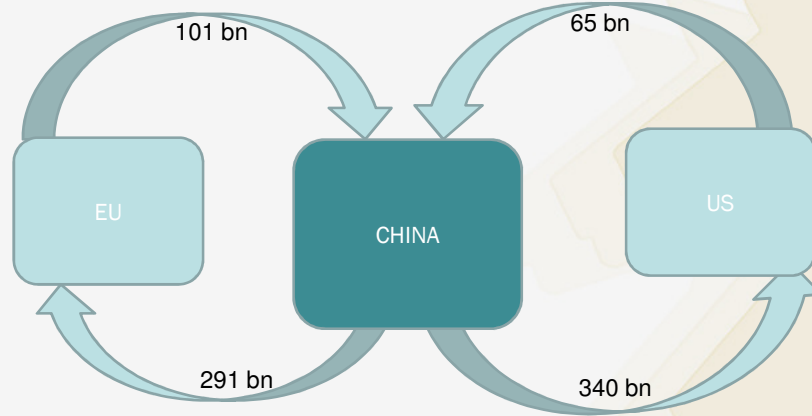
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2007: Trade flows between China and US/EU (US\$)



Source: OECD, International Trade by Commodity Statistics (ITCS) Harmonised System 1988

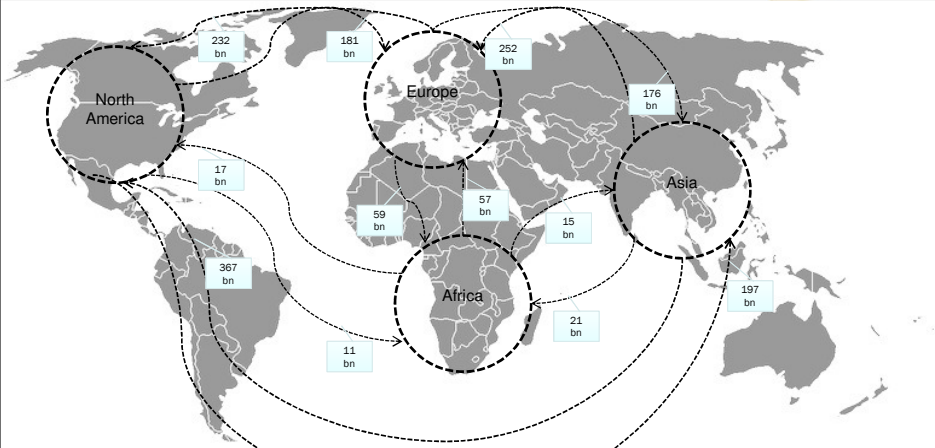
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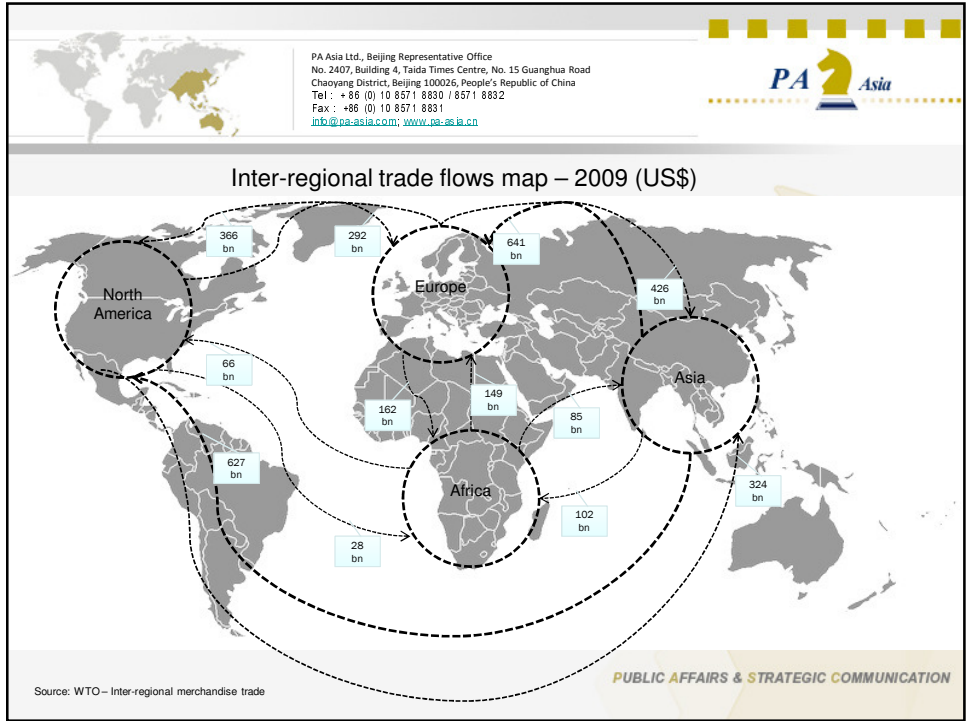


Inter-regional trade flows map – 1999 (US\$)



Source: WTO – Inter-regional merchandise trade

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European Innovation Drive

Key elements: five “headline targets”

- Raising the employment rate of the population aged 20-64 from the current 69% to 75%
- Raising the investment in R&D to 3% of the EU's GDP
- Meeting the EU's 2020 objectives to cut greenhouse gas emission by 20% and source 20% of its energy needs from renewable sources
- Reducing the share of premature school leavers from the current 15% to under 10%
- Reducing the number of Europeans living below the poverty line by 25%

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Asia's challenge

**Europe's targets are ambitious and serious,
but Asia is moving ahead quickly**

In real terms, R&D expenditure has increased by about 50% in the EU since 1995, but it has more than tripled in the Asia-5 (China, Japan, South-Korea, Singapore, Taiwan).

Asia, especially China, needs to invest in Europe

President Hu confirmed this to President Van Rompuy just now!

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China's own drive for innovation

Highlighted in the 12th 5-Year Plan, and also in the:

National long-term Science and Technology Development Plan (2006-2020)

- Become "innovation-oriented society" by 2020
- Invest 2.5% of GDP in R&D by 2020
- Reduce dependence on foreign technology (Circular on Promoting the Accreditation of New Indigenous Products in 2009)
- Raise technological advancement contribution to economic growth

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PPP/CSR

European and Chinese ambitions can be linked through a
PPP/CSR strategy approach

*Public-Private Partnership (PPP)-Corporate Social
Responsibility definition:*

***Contractual profit-oriented collaboration between the public
and private sector in order to fulfill public sector's
responsibility in providing public services to the citizens
while acquiring reduced corporate rates through a
combination of Corporate Social Responsibility and
Development Aid/third party funding.***

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PPP/CSR

Key Advantages

1. Speeds up bureaucratic procedures
2. Internationalises local projects
3. Helps avoid corruption
4. Puts people first

Key Example

Ageing, deficiencies, costly diseases like bone brittleness

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Key areas

Problems of global scarcity

- **Water:** It is projected that by 2025, 1.8 billion people will face an absolute scarcity of water (48 million people in China lack access to clean water)
- **Food:** By 2030, demand for food will rise by 50%. Yet, growth in agricultural productivity is falling.
- **Ageing:** The proportion of the Chinese population aged 50 or above is expected to increase from 21% in 2005 to 32% in 2020. The country faces a scarcity in working-age people.
- **Energy:** There will be a 1% increase in oil demand each year between now and 2030



Challenges and opportunities

On the one hand, the problems raised here will be incredibly difficult to overcome.

On the other hand, they present us with a challenge and even with great commercial opportunities.

Areas for Cooperation

- Waste management technologies
- Biotechnologies
- Food-chain technologies
- Health care/prevention/disease



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Foundations supported & initiated by the PA Group



Tasik Children's Foundation



- **Sultan Qaboos Academic Chair for Quantitative Water Management, Utrecht University, The Netherlands**
- **Construction of Children's centre, Yamada-Machi, Japan**
- **Water Management Project, Yunnan, China**
- **Yayasan Lambrineu, Lhok Nga, Banda Aceh**
- **Support to earthquake-stricken schools in Baolin, Sichuan, People's Republic of China**
- **Tasik Children Foundation, South West Java**
- **Kofi Annan Business School** in cooperation with Vlerick Leuven Gent Management School in Belgium and Hogeschool Utrecht in The Netherlands

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Thank you!

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