

5th World Islamic Economic Forum

Food and energy security & stemming the tide of the global financial crisis

Delegate's briefing pack and discussion agenda

2 - 3 March 2009, Jakarta

Organiser



Global Knowledge Partner



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Foreword

Last year, many of us expected an economic downturn, but nothing could prepare us for how rapidly the credit crunch would escalate in the second half of 2008, or for the global financial crisis that followed. With globalisation comes significant economic returns, and cross-border flows of information, people and capital. But it also means none will be spared when things go wrong - the resulting damage spreads further and faster than ever before.

Uncertainty about the future now runs high, and optimism among corporate leaders about their medium-term prospects is low. No one knows when this economic downturn will end or what its ultimate effects will be. But one thing is certain - an interconnected world is both part of the problem and the solution. Corporate and government leaders worldwide must now act swiftly to tackle our financial, climate and energy challenges. This will require responsible leadership, innovative and sustainable solutions, and strategic collaborations.

At PricewaterhouseCoopers (PwC), we seek to identify future trends in efforts to better advise our clients - who comprise both corporate and government leaders - so that they can better navigate the way ahead. We aim to help them develop responsible long-term visions and sustainable strategies whilst managing their risks. As the Global Knowledge Partner for the World Islamic Economic Forum Foundation, PwC is delighted to share this Delegate's Briefing Pack with you, which charts out:

- global socio-economic issues and crises, and strategic responses;
- successful attributes of a choice country;
- contribution and importance of SMEs as economic backbones; and
- sustainable solutions to address today's complex environment.

We hope you find this Briefing Pack useful, and that you find the discussion at the prestigious WIEF forum enriching.



Dato' Johan Raslan
Executive Chairman
PricewaterhouseCoopers Malaysia
March 2009



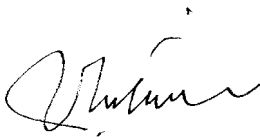
Foreword

I am pleased to present you the 5th WIEF Delegate's Briefing Pack, an information-packed book which will be distributed to all the delegates of the 5th World Islamic Economic Forum in the capital city of Jakarta, Republic of Indonesia.

At WIEF we hold on to the idea that every dialogue session that we convene at our annual Forums should be an informative and meaningful experience. Thus it is very important for us to enrich the knowledge of delegates of the Forum, with relevant facts and figures in the form of statistical tables, and quotes, with the hope that they would be better equipped and well informed of the discussion at hand, mooted during the sessions.

Through the contribution of our global knowledge partner, PwC, which has been instrumental in coming up with the contents of this briefing pack with our guidance, we have been able to produce such an important piece of reference work.

It is therefore my pleasure to duly thank the research, editorial and creative teams of both the WIEF Foundation and PwC for making this all possible.



Tun Musa Hitam
Chairman
WIEF Foundation
March 2009



Programme*

5th WORLD ISLAMIC ECONOMIC FORUM
 Food and energy security & stemming the tide of the global financial crisis
 2 - 3 March 2009, Jakarta

*As at 30 January 2009

2 March 2009, Monday	
08.00 am - 09.00 am	Registration Arrival of Delegates, Guests and VIPs
09.00 am - 11.00 am	<p>Opening Ceremony Quran Recital</p> <p>Welcoming Speech by Mr. Tanri Abeng, Co-Chairman National Organizing Committee</p> <p>Speech by Tun Musa Hitam Chairman, WIEF</p> <p>Speech by Prof. Dr. Ekmeleddin Ihsanoglu Secretary-General, Organization of the Islamic Conference</p> <p>Speech by H.E. Dato' Seri Abdullah Ahmad Badawi Prime Minister of Malaysia & Patron of WIEF Foundation</p> <p>Opening Keynote Address by H.E. Dr. Susilo Bambang Yudhoyono President of the Republic of Indonesia</p> <p>Special Addresses by invited Heads of State:</p>
11.00 am - 11.30 am	Refreshments / Informal Networking
11.30 am - 13.30 am	<p>Leadership Panel Innovative Solutions To Global Challenges</p>
13.30 pm - 15.30 pm	<p>Lunch & Special Luncheon Address Role Of Business In Ensuring Sustainable Environment For Future Generation</p>
15.30 pm - 17.30 pm	<p>Global CEOs' Panel Global Economic & Business Scenario For The Next Decade</p>
17.30 pm	Refreshments / Informal Networking
19.30 pm - 22.00 pm	<p>Gala Dinner Hosted by H.E. Dr. Susilo Bambang Yudhoyono President of the Republic of Indonesia</p>

3 March 2009, Tuesday	
08.30 am -10.30 am	<p>Plenary 1 Beyond Scarcity : Overcoming The Global Food Crisis</p> <p>Food and energy prices have hit a record high worldwide. Due to the lack of international cooperation, worldwide markets gets tighter and the pain only lasts longer. This will lead to massive reduction in imports and consumption in many low-income food-deficit countries, especially in sub- Saharan Africa.</p> <p>They will be forced to choose between high-cost energy and high-cost food imports. More often than not, they will choose the former which means millions of people will be malnourished. And the gold rush towards biofuel is also taking away food from the hungry. What are the immediate steps to remedy the situation? How can the Muslim world collaborate to mitigate the price pressures? Are there investment opportunities in food security for global corporations?</p>
10.00 am - 10.30 am	Refreshments / Informal Networking
10.30 am - 12.00 pm	<p>Plenary 2 Paving A Greener World: Creating A Future For Alternative Energy</p> <p>The UN reported that millions of new jobs will be created worldwide over the next few decades by the development of alternative energy technologies. More than a million people are currently employed in biofuels industry but that the figure could rise to 12 million by 2030.</p> <p>Green economy has to grow at a more progressive pace in order to take advantage of manpower needs fuelled by the cost of rapid increase of greenhouse gases. However “green jobs” are dependent upon subsidy shift from oil and natural gas towards wind, solar, and geothermal power. Are governments ready to invest on alternative energy technologies?</p>
12.00 pm - 14.00 pm	<p>Lunch & Special Luncheon Address Transforming Mediocrity Into International Success</p>
14.00 pm - 15.30 pm	<p>Plenary 3 Stemming The Tide Of The Global Financial Crisis</p> <p>The world’s financial crisis in recent months brought about great instability not only to the US economy but to the world at large. With a staggering USD700bn rescue package being passed in the US Parliament to salvage the colossal loss incurred by such names as the Lehman Brothers, Merrill Lynch and US’s biggest insurance company, AIG, and tremors being felt in most part of Europe and Asia, one goes to wonder whether this is the end of an era of debt trading and market speculation. Is debt trading a major factor of the financial crisis? Will the world go into a new era of regulatory economics? How will the new global framework take shape after this crisis is over? Is the world ready to allow market to develop its own financial needs of the society? Could Islamic Banking provide an alternative to the current banking system?</p>

3 March 2009, Tuesday	
15.30 pm - 17.00 pm	<p>Plenary 4 Global SMEs : Business Beyond Boundaries</p> <p>The key to success of emerging small and medium sized companies is the ability to steer itself into lucrative and promising openings in the market and banking on it with the proper skills and resources. In order to do so, companies need to constantly come up with innovative and cutting-edge ideas in order to be on top of the rest in the industry.</p> <p>This requires corporate strategy and market research, especially when one decides to transverse beyond the domestic market. Knowledge of local markets is crucial for survival for example. Should socio-cultural conditions be a central element in corporate decision-making? How best can central and local governments facilitate the growth of SMEs?</p>
17.00 pm	Refreshments / Informal Networking
19.00 pm - 22.00 pm	<p>Concluding Session & Dinner Hosted by H.E. Jusuf Kalla, Vice President of the Republic of Indonesia</p> <ul style="list-style-type: none"> - Special Address by Invited Leaders - Jakarta Declaration of 5th WIEF read by H.E. Irman Gusman, Vice Chairman, - The House of Regional Representatives, Indonesia - Closing Address by H.E. Jusuf Kalla, Vice President of the Republic of Indonesia - Vote of Thanks by Hon Tun Musa Hitam, Chairman, WIEF
1 March 2009, Sunday Pre-Forum Programme	
08.00 am - 16.40 pm	<p>Parallel forums</p> <ul style="list-style-type: none"> • WIEF Businesswoman Forum “Women Entrepreneurs: The Driving Force Towards a Stronger Future” • WIEF Young Leaders Forum “Charting Our Course: Leading Islamic Business & Finance Forward”
4 March 2009, Wednesday Post-Forum Programme	
Indonesia in Forum: Tourism and Investment in Indonesia	





Briefing pack for participants

This briefing pack was prepared by PwC for participants of the 5th World Islamic Economic Forum 2009. The pack comprises charts for the programme's main themes. It is also available online from www.wief.org.my

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Guide to the briefing pack

Sections	Related sessions
Socio-economic overview	
Global demographics	<ul style="list-style-type: none"> • Leadership panel - Innovative solutions to global challenges • Global CEOs' panel - Global economic & business scenario for the next decade • Plenary 3 - Stemming the tide of the global financial crisis
Global economics	<ul style="list-style-type: none"> • Leadership panel - Innovative solutions to global challenges • Global CEOs' panel - Global economic & business scenario for the next decade • Plenary 3 - Stemming the tide of the global financial crisis
The global crisis and strategic responses	
Financial crisis	<ul style="list-style-type: none"> • Leadership panel - Innovative solutions to global challenges • Global CEOs' panel - Global economic & business scenario for the next decade • Plenary 3 - Stemming the tide of the global financial crisis
Food and energy security	<ul style="list-style-type: none"> • Leadership panel - Innovative solutions to global challenges • Global CEOs' panel - Global economic & business scenario for the next decade • Plenary 1 - Beyond scarcity: Overcoming the global food crisis
Water scarcity	<ul style="list-style-type: none"> • Leadership panel - Innovative solutions to global challenges
Creating value	
The choice country	<ul style="list-style-type: none"> • Lunch & special luncheon address - Transforming mediocrity into international success
Global SMEs	<ul style="list-style-type: none"> • Plenary 4 - Global SMEs: Business beyond boundaries
Corporate sustainability	
Alternative energy	<ul style="list-style-type: none"> • Plenary 2 - Paving a greener world: Creating a future for alternative energy
Sustainable solutions	<ul style="list-style-type: none"> • Lunch & special luncheon address - Role of business in ensuring sustainable environment for future generations

Abbreviations

Abbreviation	Full term
ASEAN	Association of Southeast Asian Nations
BRIC	Brazil, Russia, India and China
CAGR	Compound annual growth rate
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CIS	Commonwealth of Independent States
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
G7	Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom and United States of America)
GDP	Gross Domestic Product
GFSR	Global Financial Stability Report
ILO	International Labour Organization
IMF	International Monetary Fund
NIC	National Intelligence Council
OIC	Organisation of the Islamic Conference
R&D	Research and development
SMEs	Small Medium Enterprises
UAE	United Arab Emirates
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
US	United States of America
WEF	World Economic Forum
WEO	World Economic Outlook
WIEF	World Islamic Economic Forum

Socio-economic overview

Global demographics

Global economics

This overview relates to the following sessions:

Leadership panel - Innovative solutions to global challenges

Global CEOs' panel - Global economic & business scenario for the next decade

Plenary 3 - Stemming the tide of the global financial crisis



Socio-economic overview

Global demographics

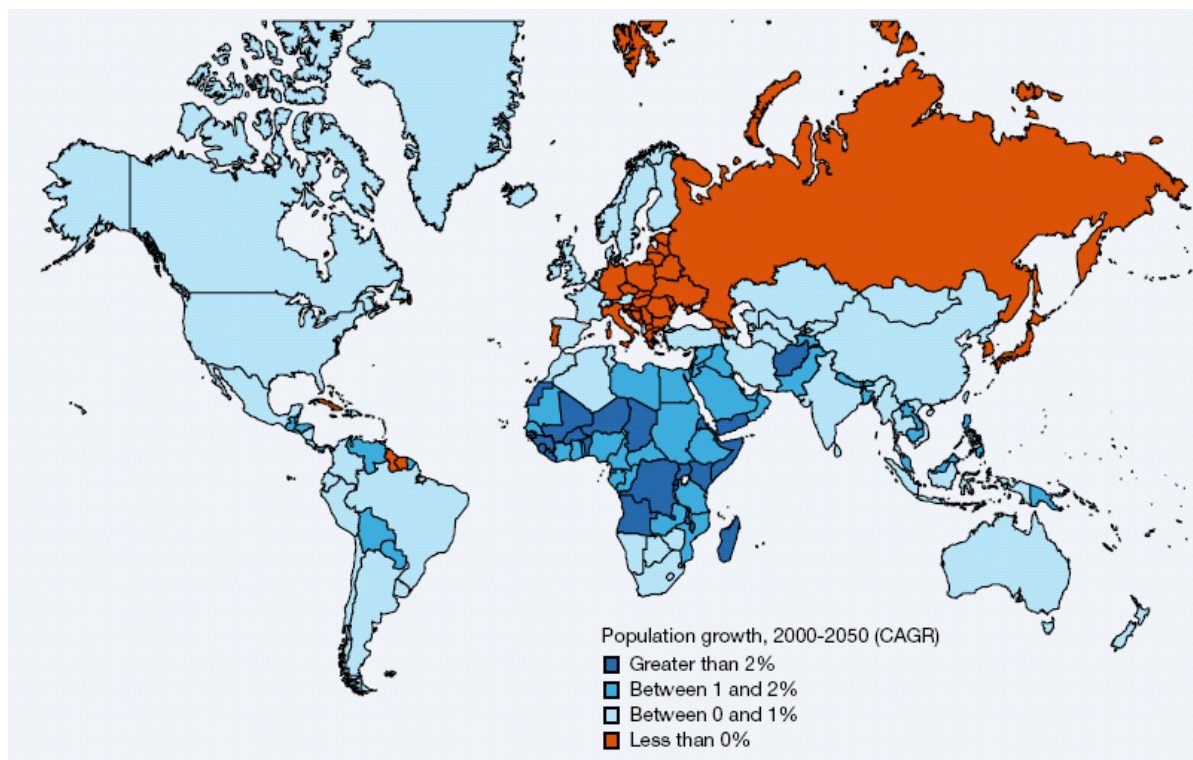
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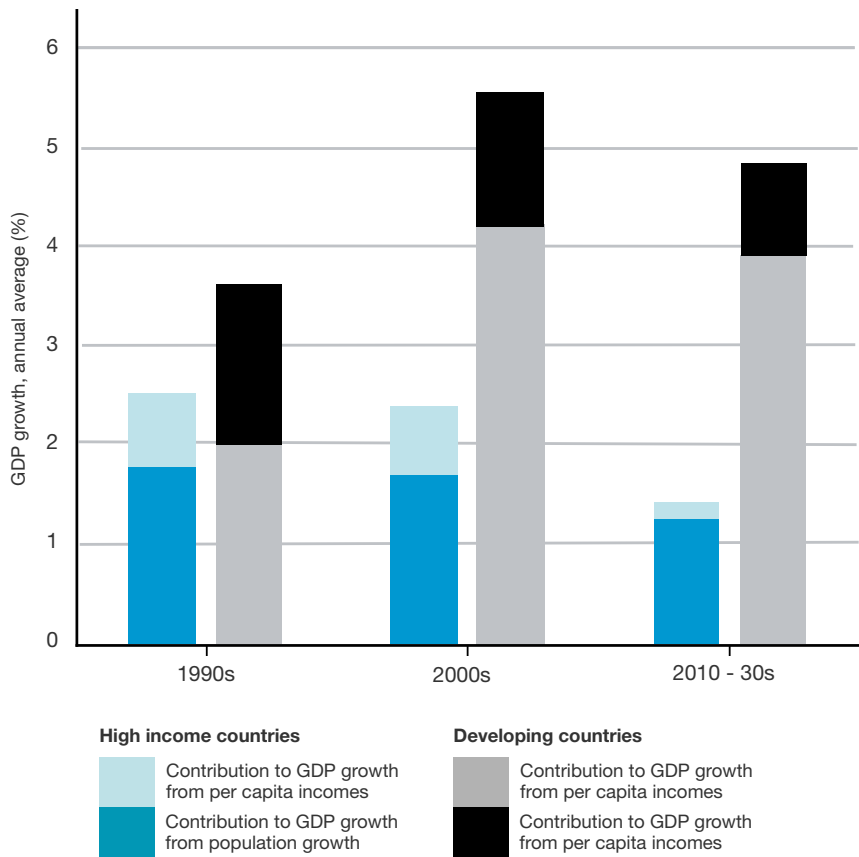
Plenary 3 - Stemming the tide of the global financial crisis

Chart 1: Higher projected population growth in Sub-Saharan Africa, Middle East and ASEAN countries, 2000 - 2050



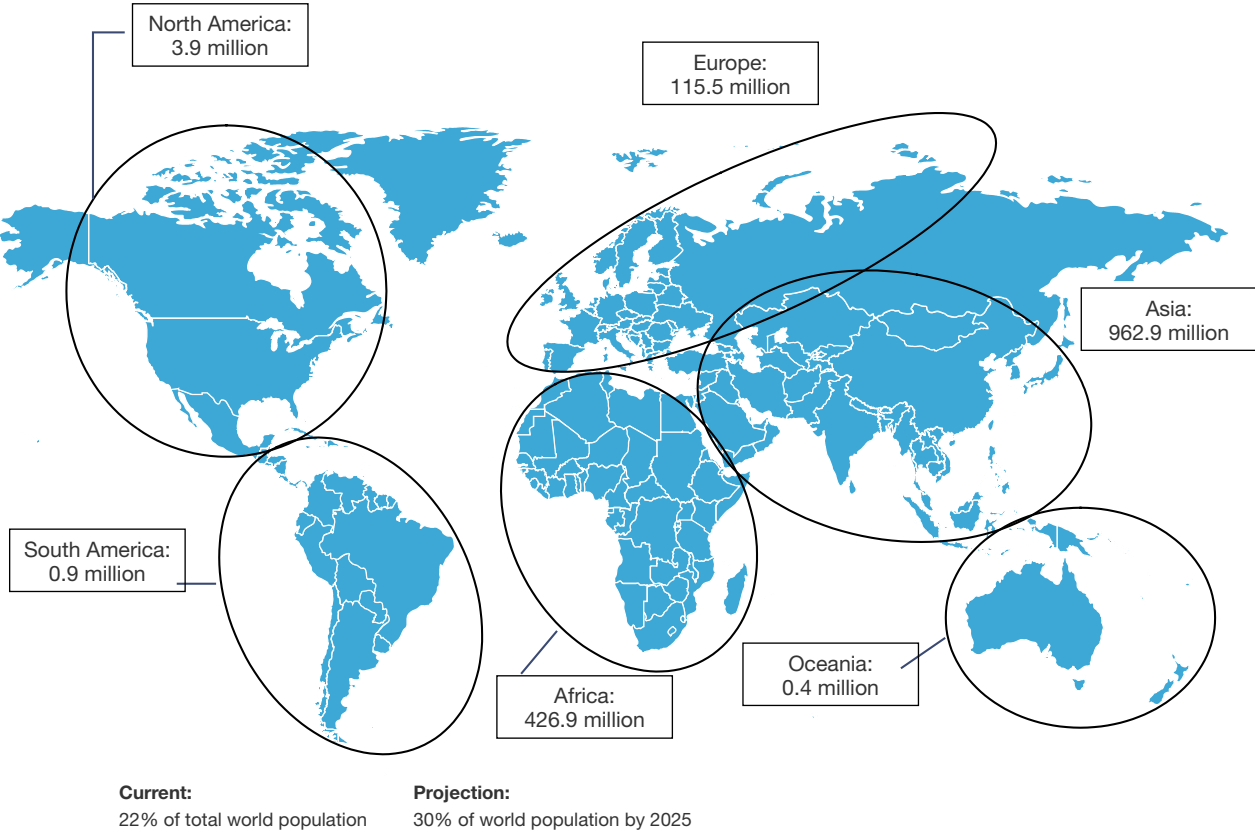
Source: WEF, "Global Growth@Risk 2008" (September 2008)

Chart 2: Slower population growth, particularly in high income countries, weakens GDP and commodity demand



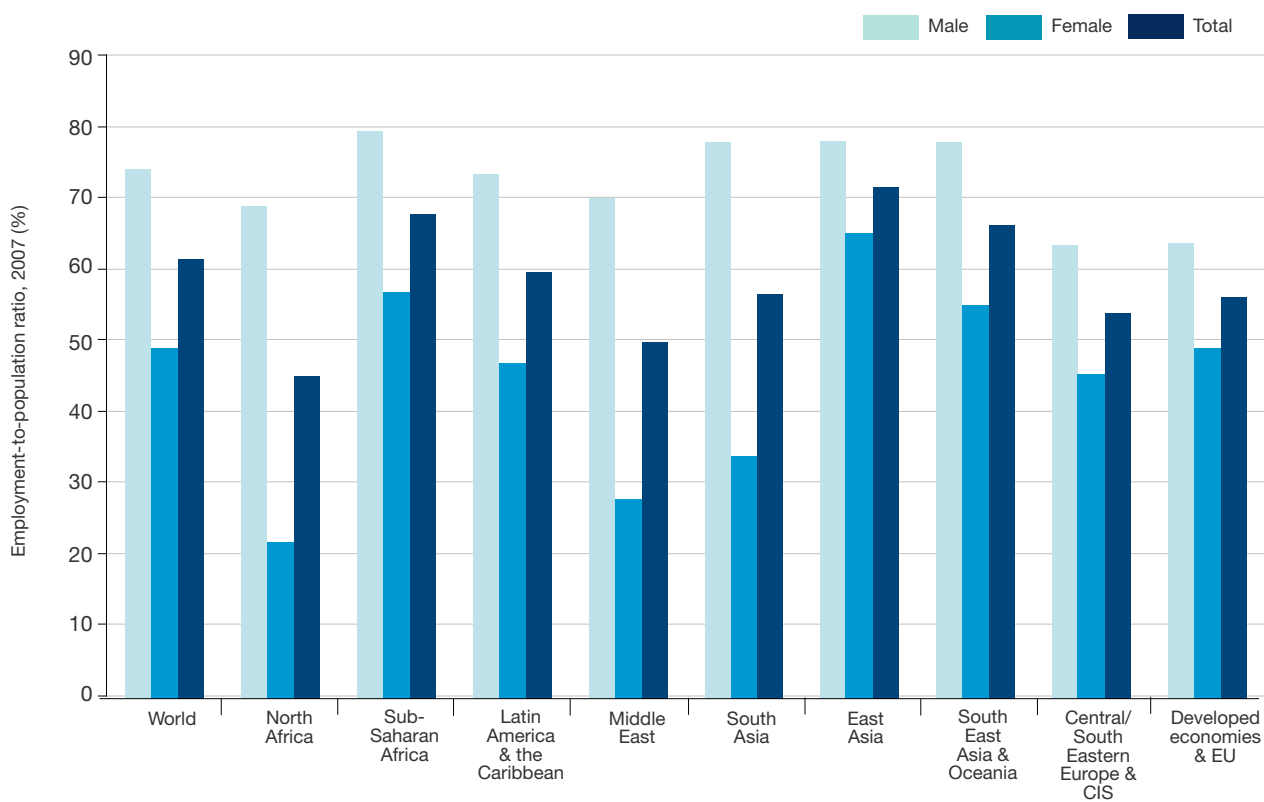
Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Chart 3: Highest Muslim population is in Asia, followed by Africa and Europe



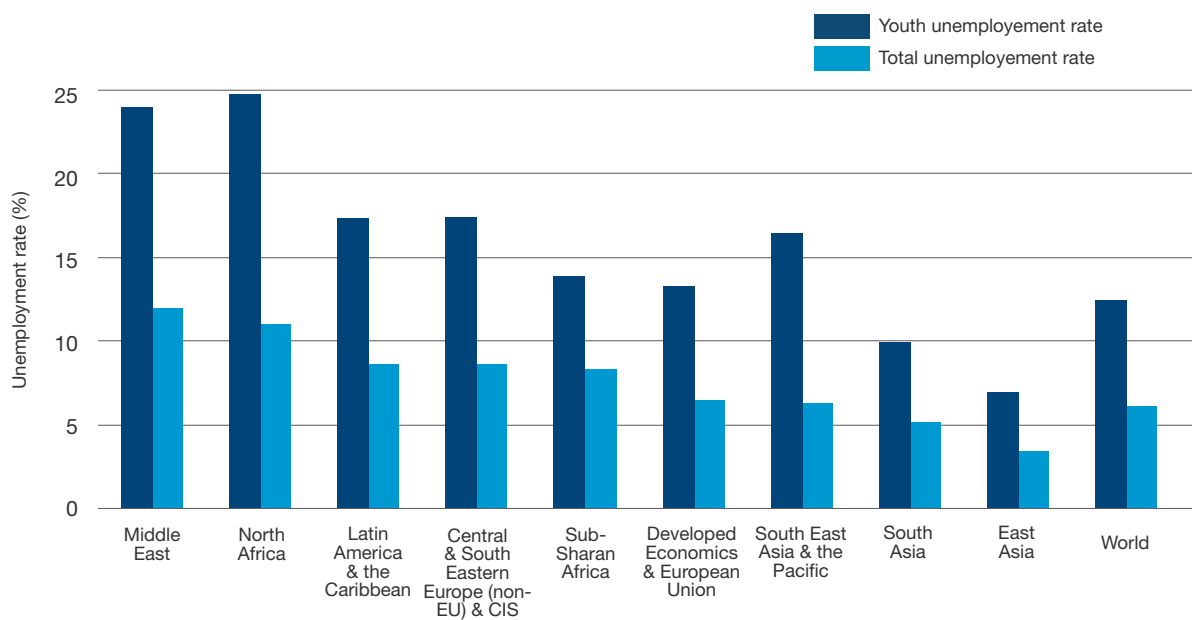
Source: www.wikipedia.com (2008) and International Halal Products Expo 2007

Chart 4: North Africa and Middle East have the highest employment-to-population ratio
- female employment lowest in Muslim regions



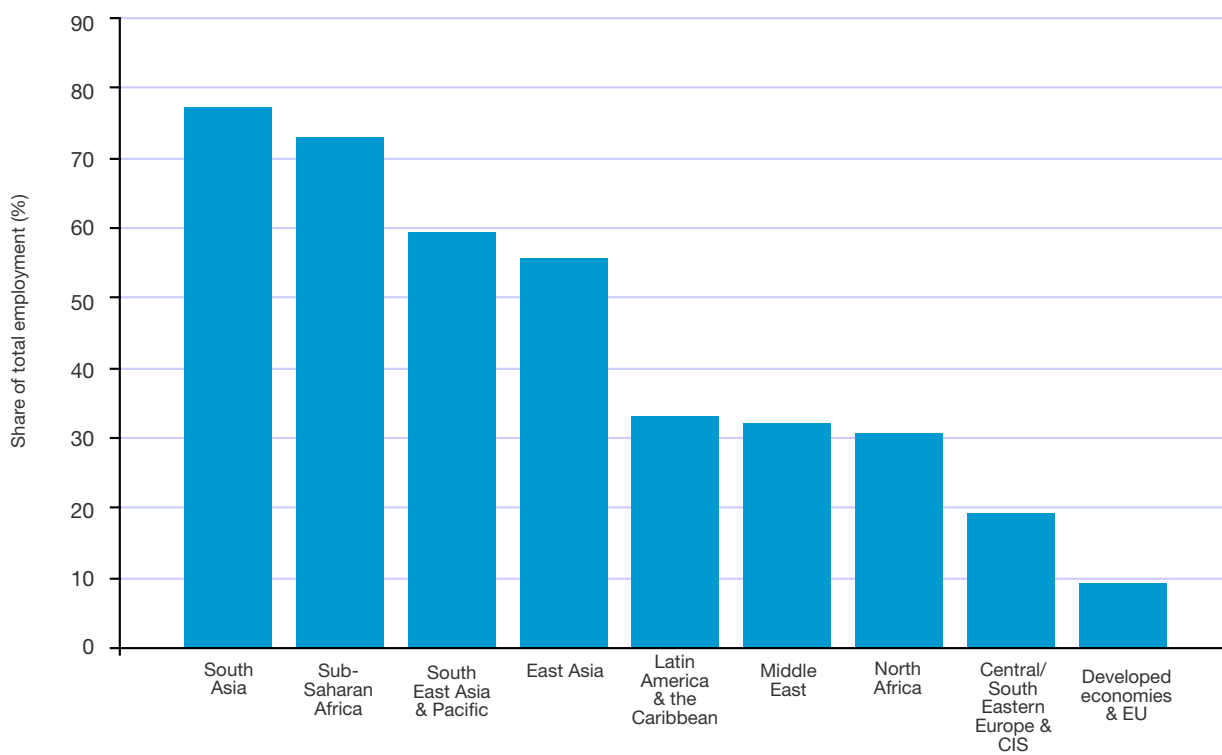
Source: UNCTAD, "Development and globalization: Facts and figures 2008" (April 2008)

Chart 5: High youth unemployment rate is in the Middle East and North Africa



Source: ILO (2007)

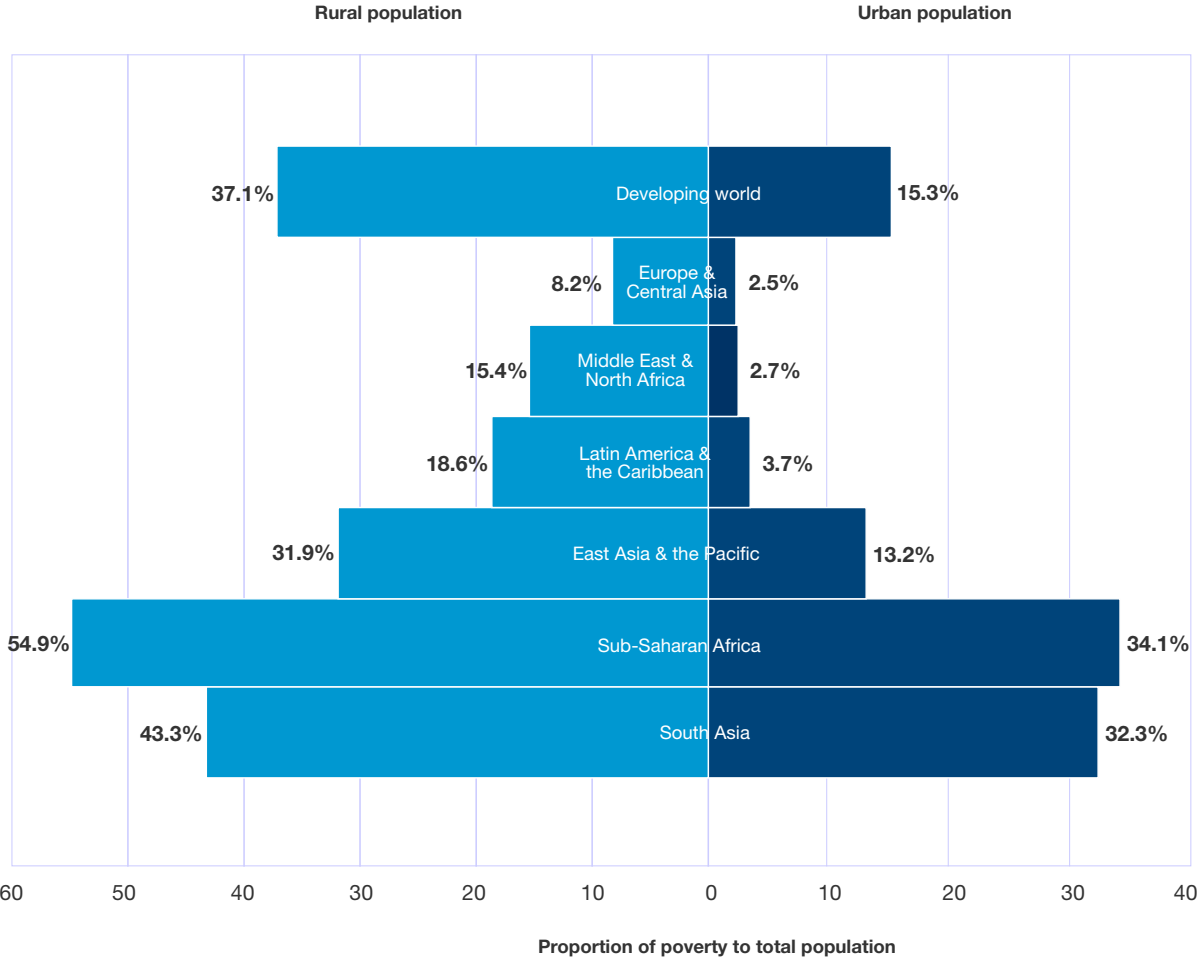
Chart 6: The proportion of workers in vulnerable employment situations are significant in South Asia, Africa and the rest of Asia



Note: Vulnerable employment refers to working poor earning below US\$2 a day

Source: UNEP, "Green jobs: Towards decent work in a sustainable, low-carbon world" (September 2008)

Chart 7: In the developing world, the proportion of poverty in urban and rural areas is highly significant in South Asia and Sub-Saharan Africa



Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Socio-economic overview

Global economics

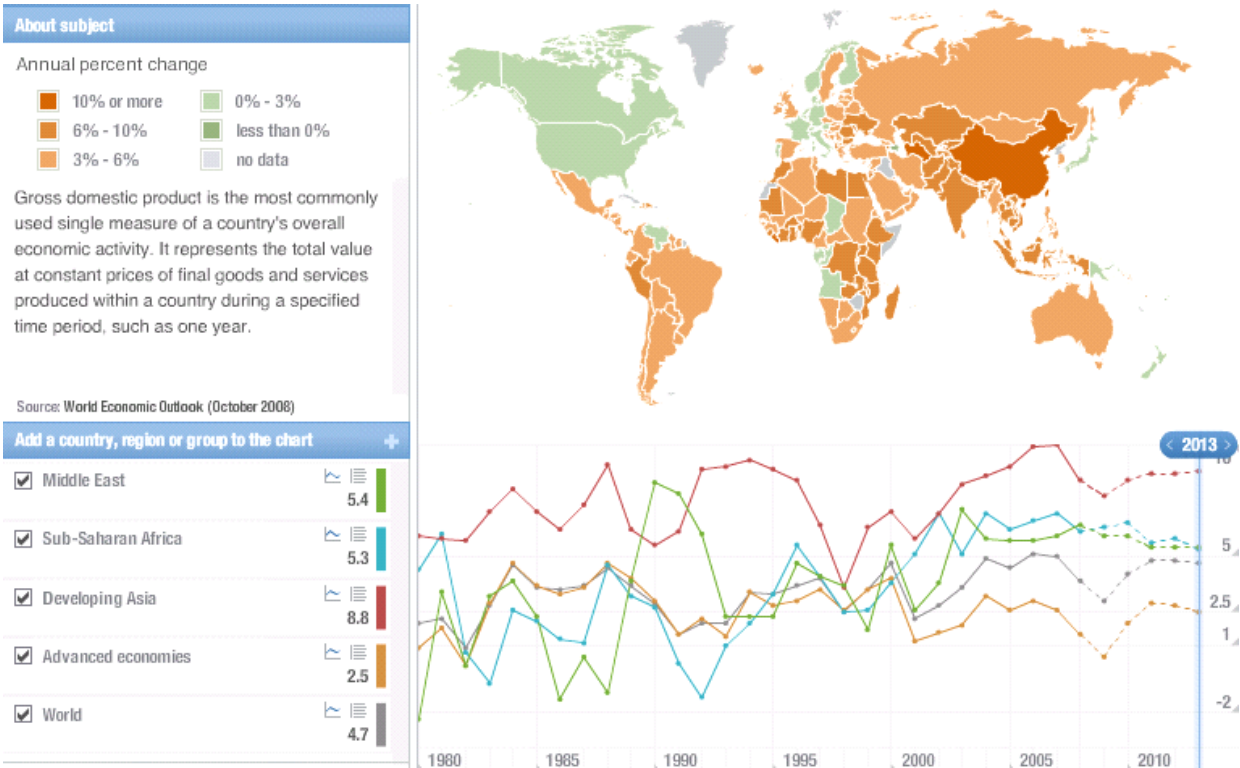
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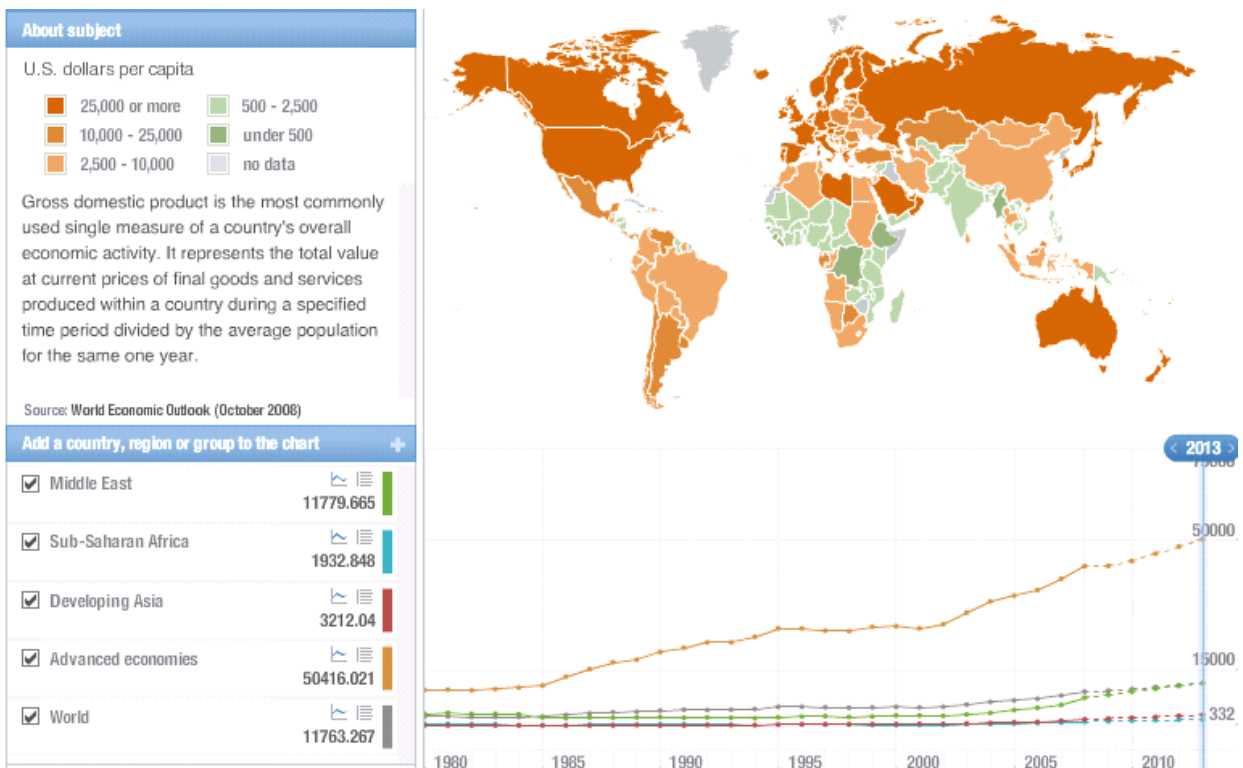
Plenary 3 - Stemming the tide of the global financial crisis

Chart 8: Developing Asia shows highest real GDP growth potential into 2013



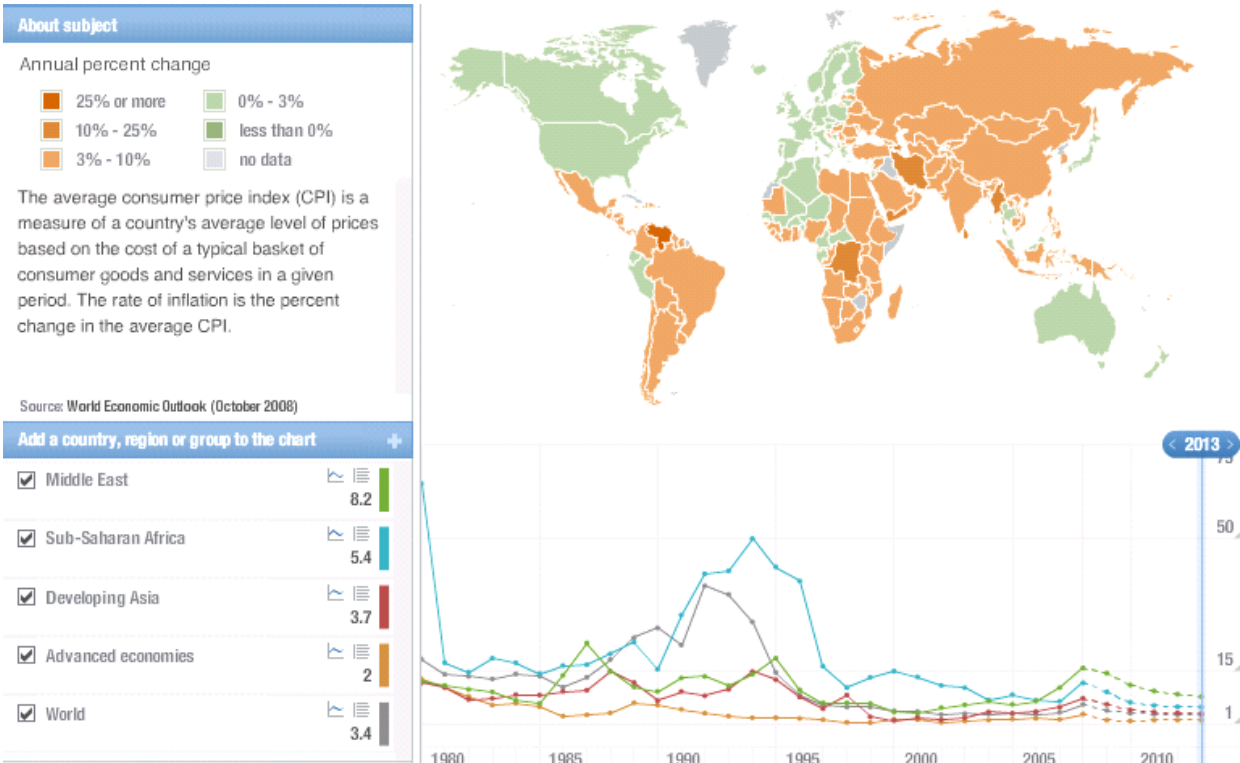
Source: IMF Data Mapper, "World Economic Outlook" (October 2008)

Chart 9: Higher nominal GDP per capita in advanced economies into 2013



Source: IMF Data Mapper, "World Economic Outlook" (October 2008)

Chart 10: Higher inflation rates in Middle East and Central African countries into 2013



Source: IMF Data Mapper, "World Economic Outlook" (October 2008)

The global crisis and strategic responses

Financial crisis

Food and energy security

Water scarcity

This overview relates to the following sessions:

Leadership panel - Innovative solutions to global challenges

Global CEOs' panel - Global economic & business scenario for the next decade

Plenary 1 - Beyond scarcity: Overcoming the global food crisis

Plenary 3 - Stemming the tide of the global financial crisis



The global crisis and strategic responses

Financial crisis

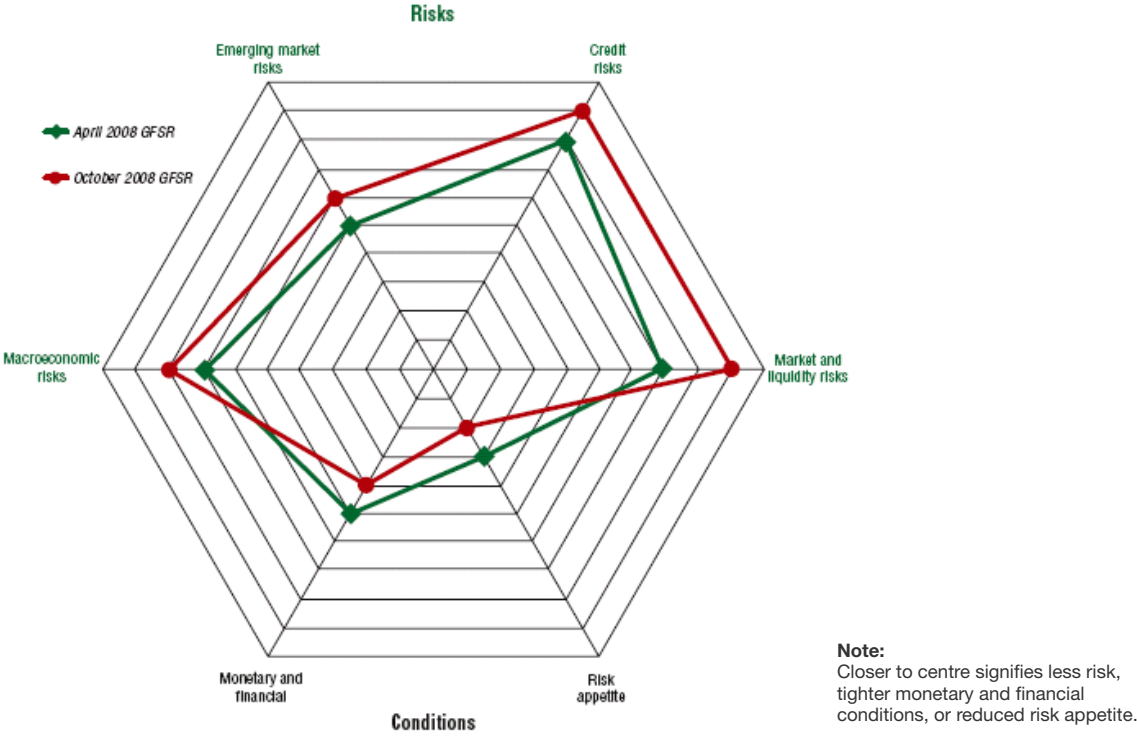
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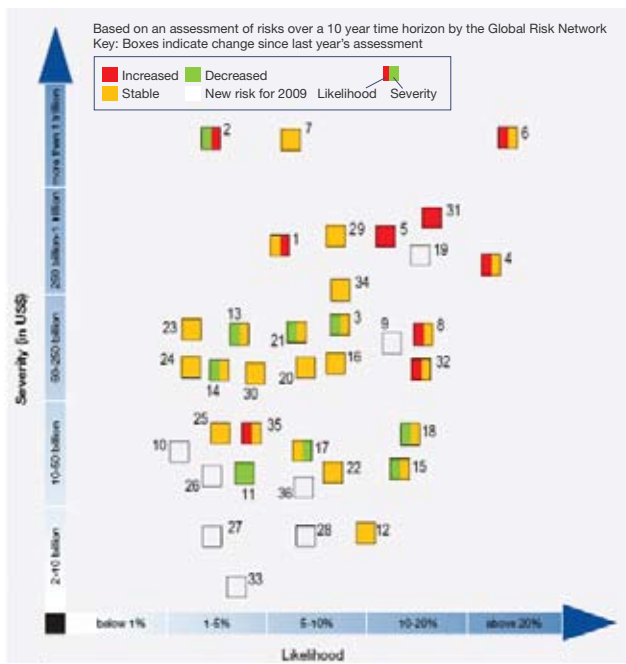
Chart 11: Growing global financial risks – increased global macroeconomic and credit risks, tighter monetary and financial conditions, lower risk appetite and higher emerging market risks



Source: IMF, "Global Financial Stability Report: Financial stress and deleveraging macro-financial implications and policy" (October 2008)

Chart 12: Key global risks include fiscal crises and liability regimes, a hard landing in China, a collapse in asset prices, global unemployment, pandemic diseases, volatilities in commodity prices, global governance gaps and issues relating to natural resources and climate

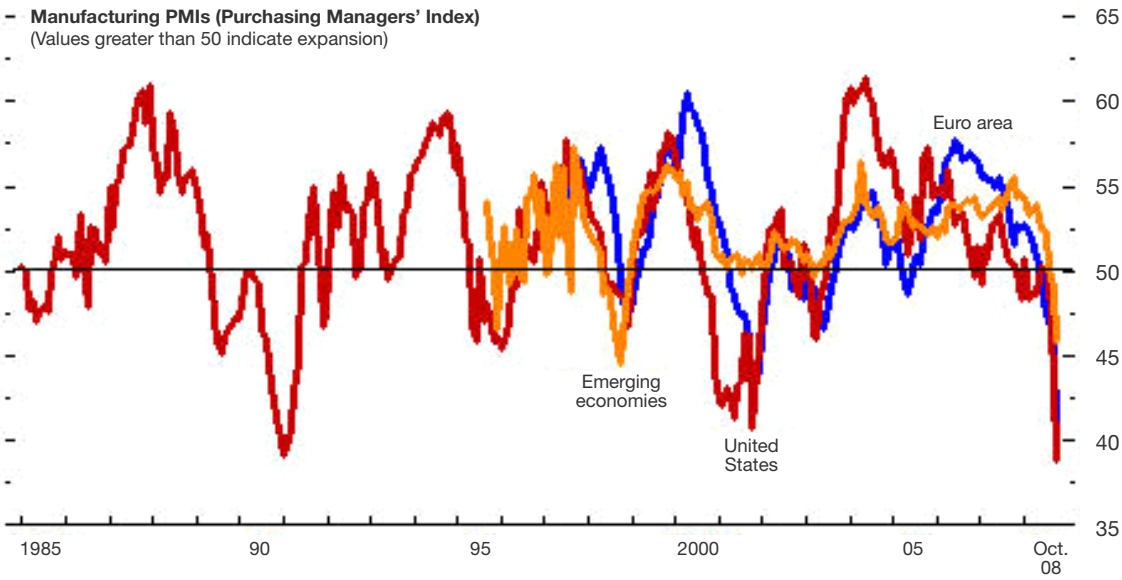
The likelihood of the 36 global risks with severity by economic loss



Source: WEF, "Global Risk 2009" (January 2009)

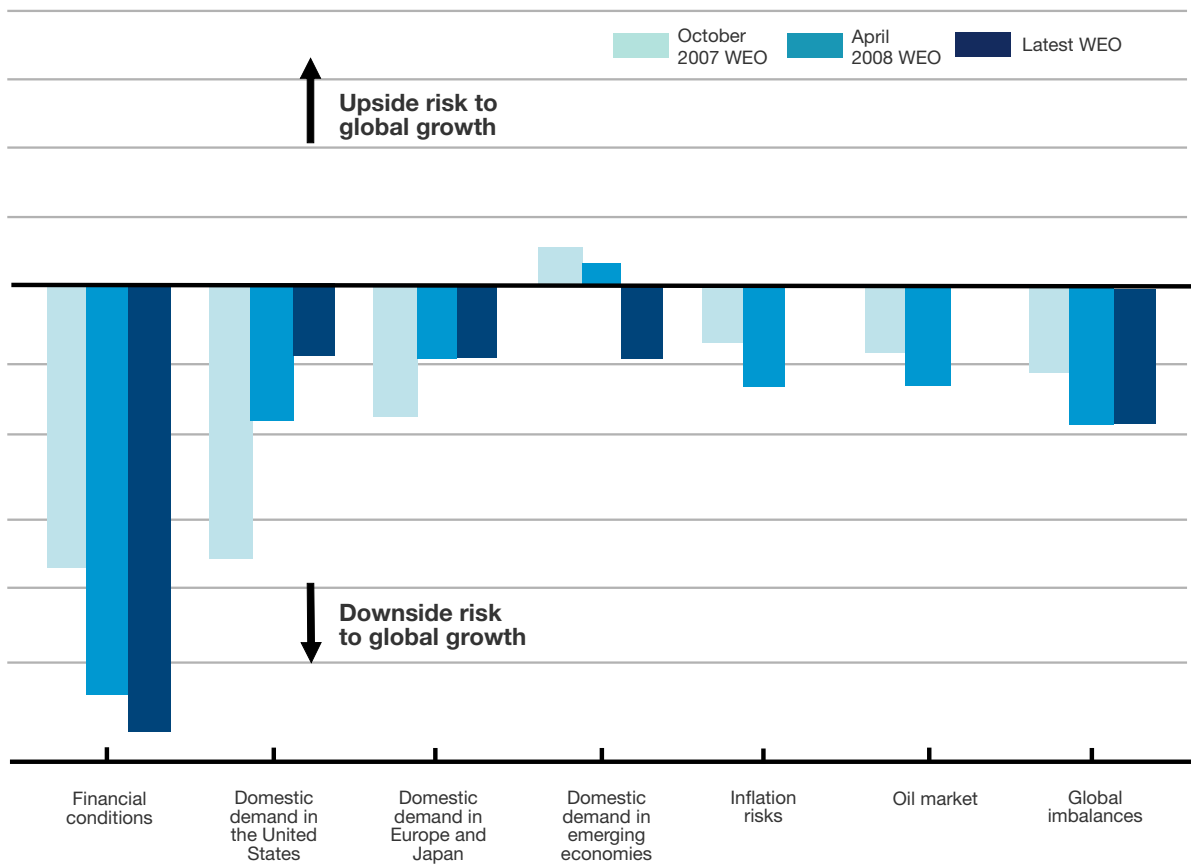
ECONOMIC		ENVIRONMENTAL	
1	Food price volatility	20	Extreme climate change related weather
2	Oil and gas price hike	21	Droughts and desertification
3	Major fall in US\$	22	Loss of freshwater
4	Slowing Chinese economy (6%)	23	NatCat: Cyclone
5	Fiscal crises	24	NatCat: Earthquake
6	Asset price collapse	25	NatCat: Inland flooding
7	Retrenchment from globalisation (developed)	26	NatCat: Coastal flooding
8	Retrenchment from globalisation (emerging)	27	Air pollution
9	Regulation cost	28	Biodiversity loss
10	Underinvestment in infrastructure	SOCIAL	
GEOPOLITICAL		29	Pandemic
11	International terrorism	30	Infectious disease
12	Collapse of NPT	31	Chronic disease
13	US/Iran conflict	32	Liability regimes
14	US/DPRK conflict	33	Migration
15	Afghanistan instability	TECHNOLOGICAL	
16	Transnational crime and corruption	34	CII breakdown
17	Israel/Palestine conflict	35	Emergence of nanotechnology risk
18	Violence in Iraq	36	Data/fraud loss
19	Global governance gaps	Note: CII - Critical Information Infrastructure DPRK - Democratic People's Republic of Korea NatCat - National Catastrophe Team NPT - Nuclear Non-Proliferation Treaty	

Chart 13: Plunging business confidence in anticipation of prolonged period of poor prospects for jobs and profits



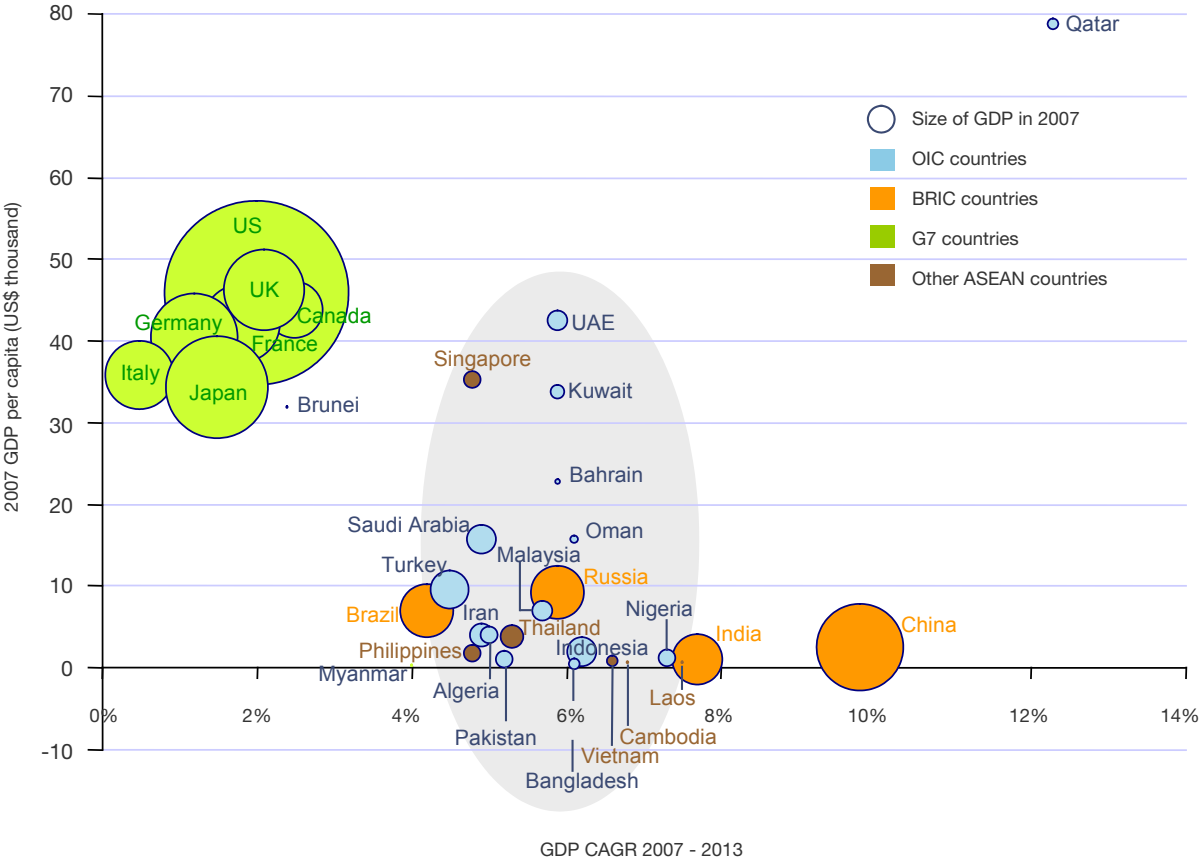
Source: IMF, "World Economic Outlook Update: Rapidly weakening prospects call for new policy stimulus" (November 2008)

Chart 14: Significant downside risks to global growth caused by global contagion effects



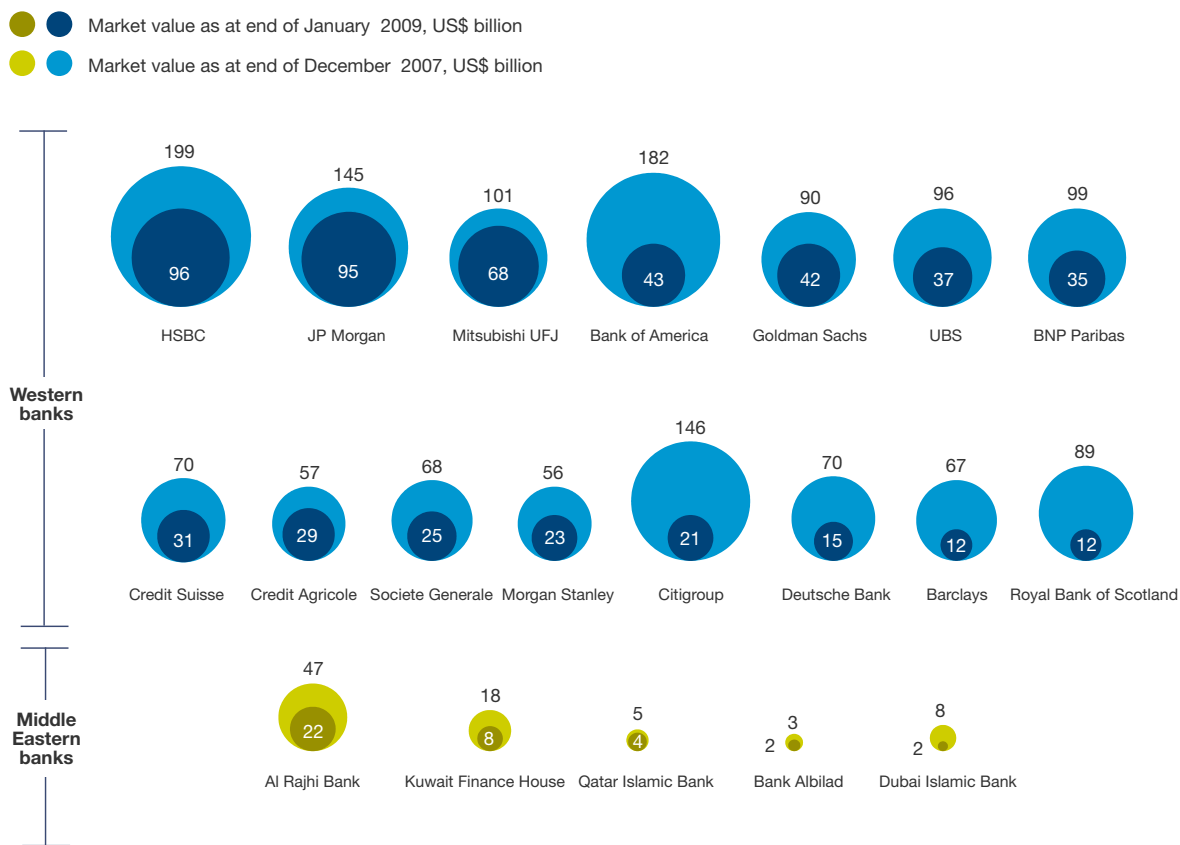
Source: IMF, "World Economic Outlook Report October 2008: Financial stress, downturns and recoveries" (October 2008)

Chart 15: Projections about the higher growth for emerging countries may be impacted by the gravity of the global financial crisis



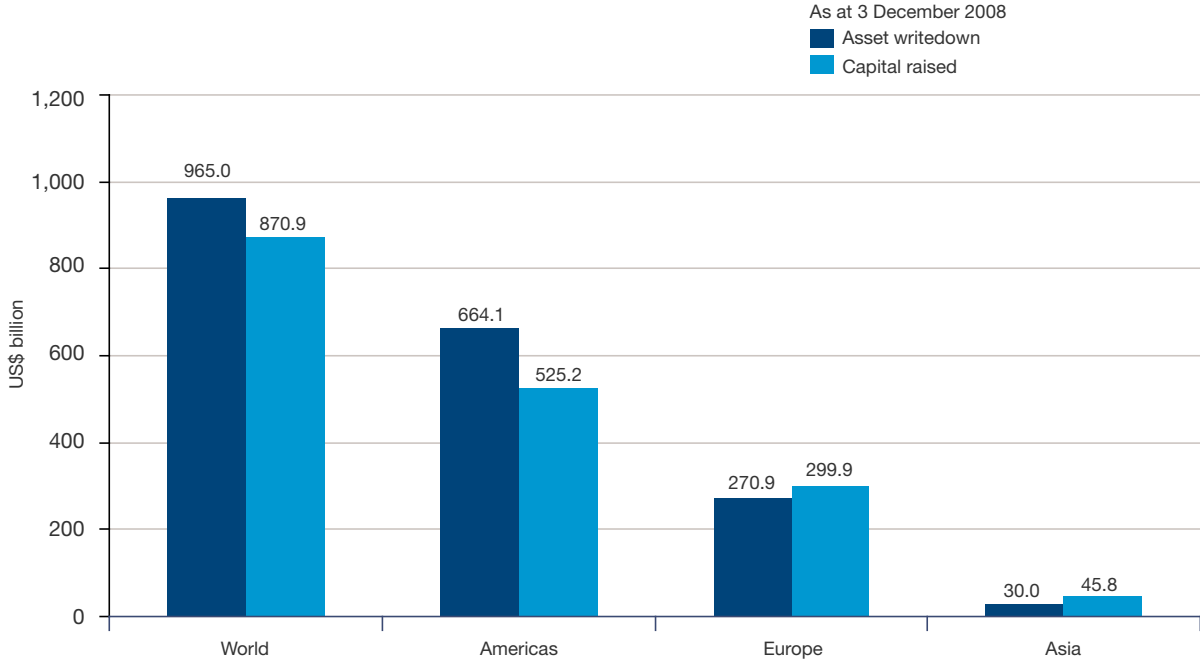
Source: IMF, World Economic Outlook Database (October 2008)

Chart 16: Impact of global financial crisis - banks' shrinking market capitalisation



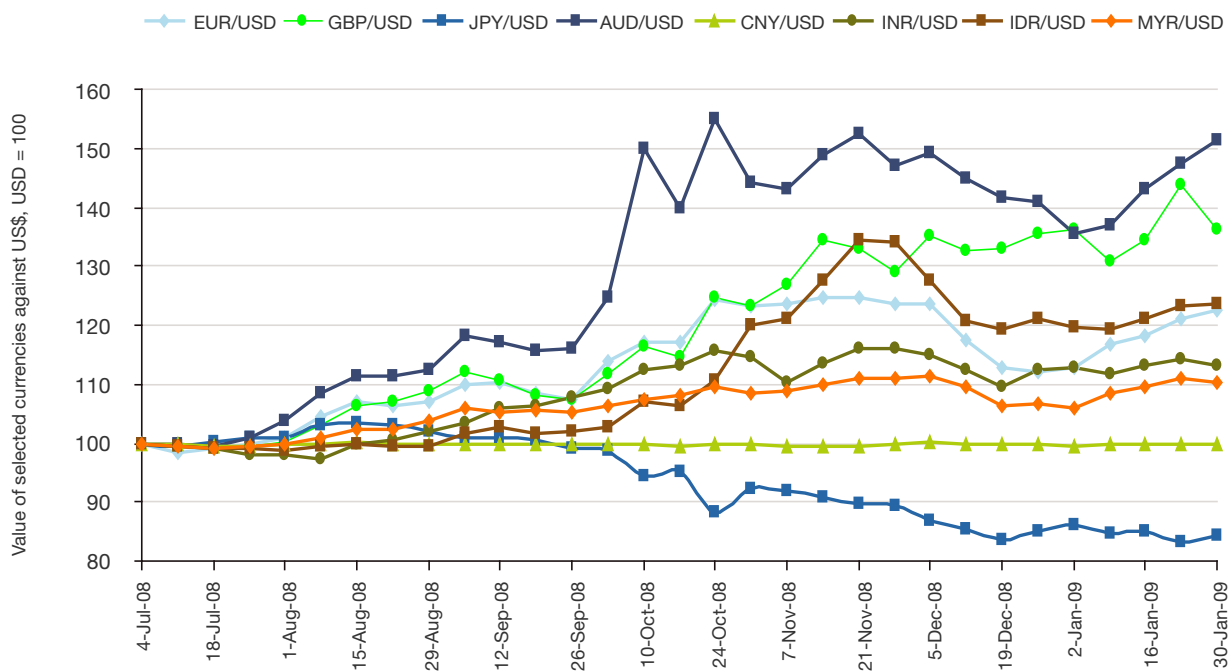
Source: Bloomberg (January 2009)

Chart 17: Impact of global financial crisis – significant writedowns by banks in Americas and Europe



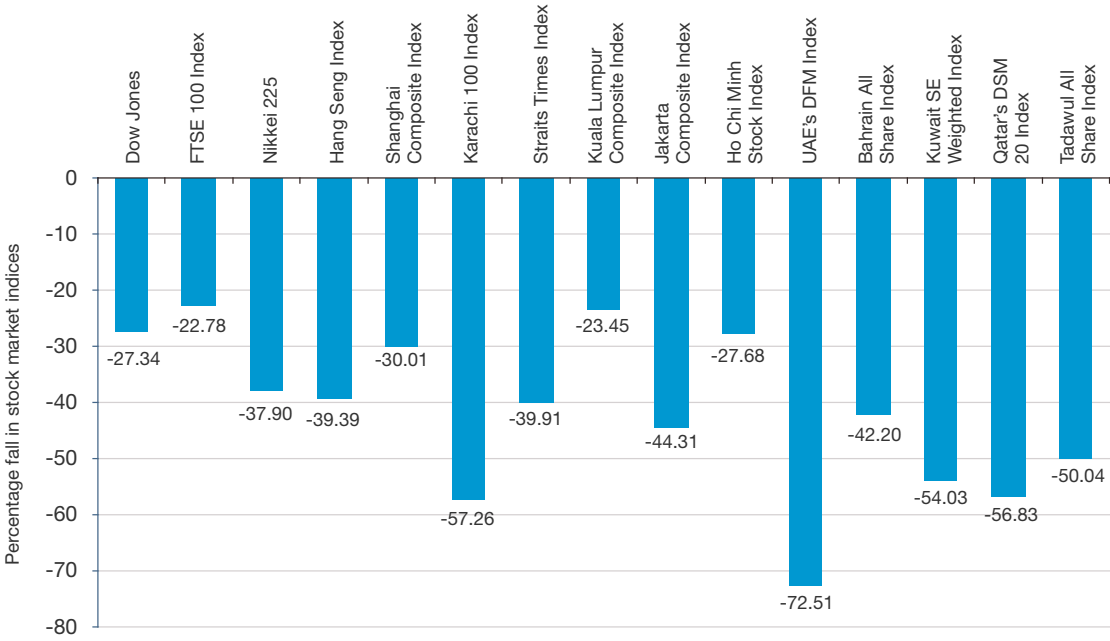
Source: Asian Development Bank, "Asia Economic Monitor 2008" (December 2008)

Chart 18: Impact of global financial crisis – volatile currency movements



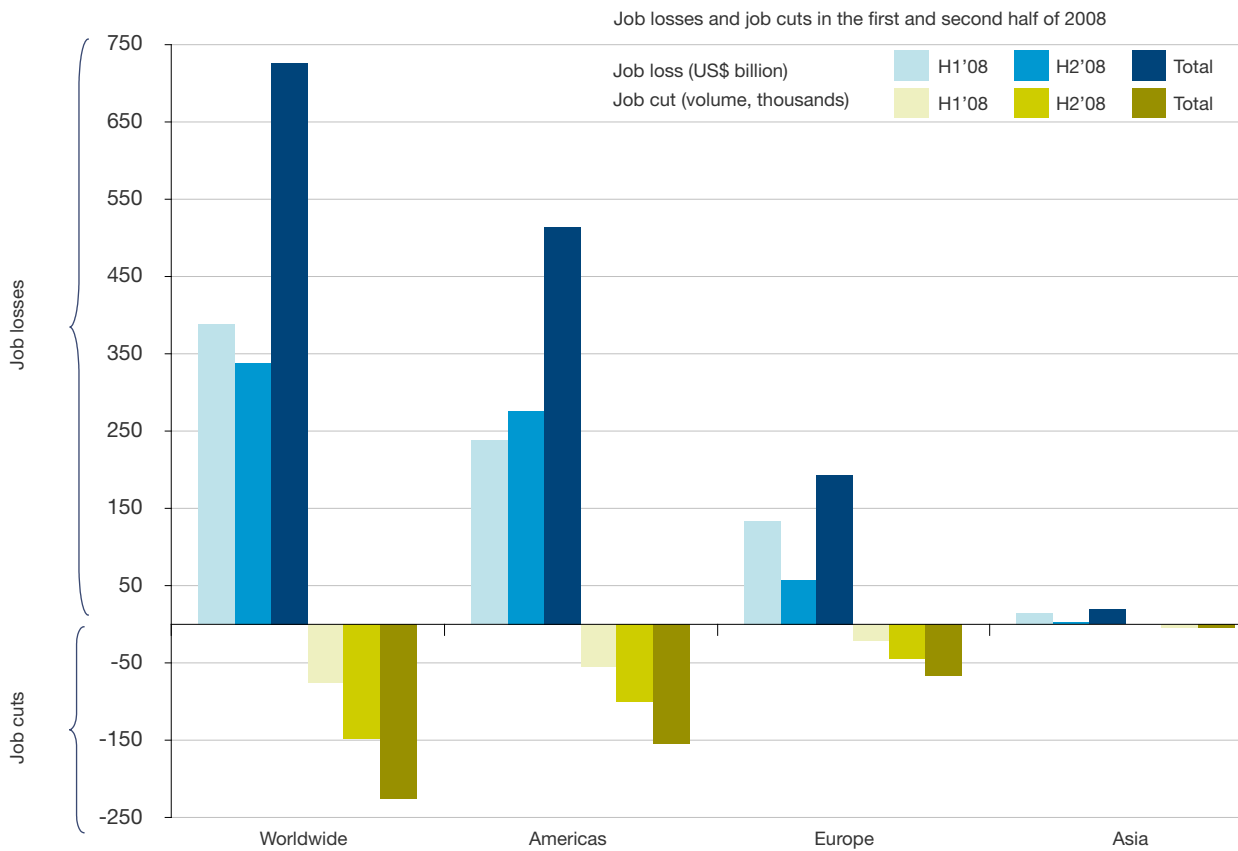
Source: Bloomberg (January 2009)

Chart 19: Impact of global financial crisis – sharp declines across equity markets, July 2008 to January 2009



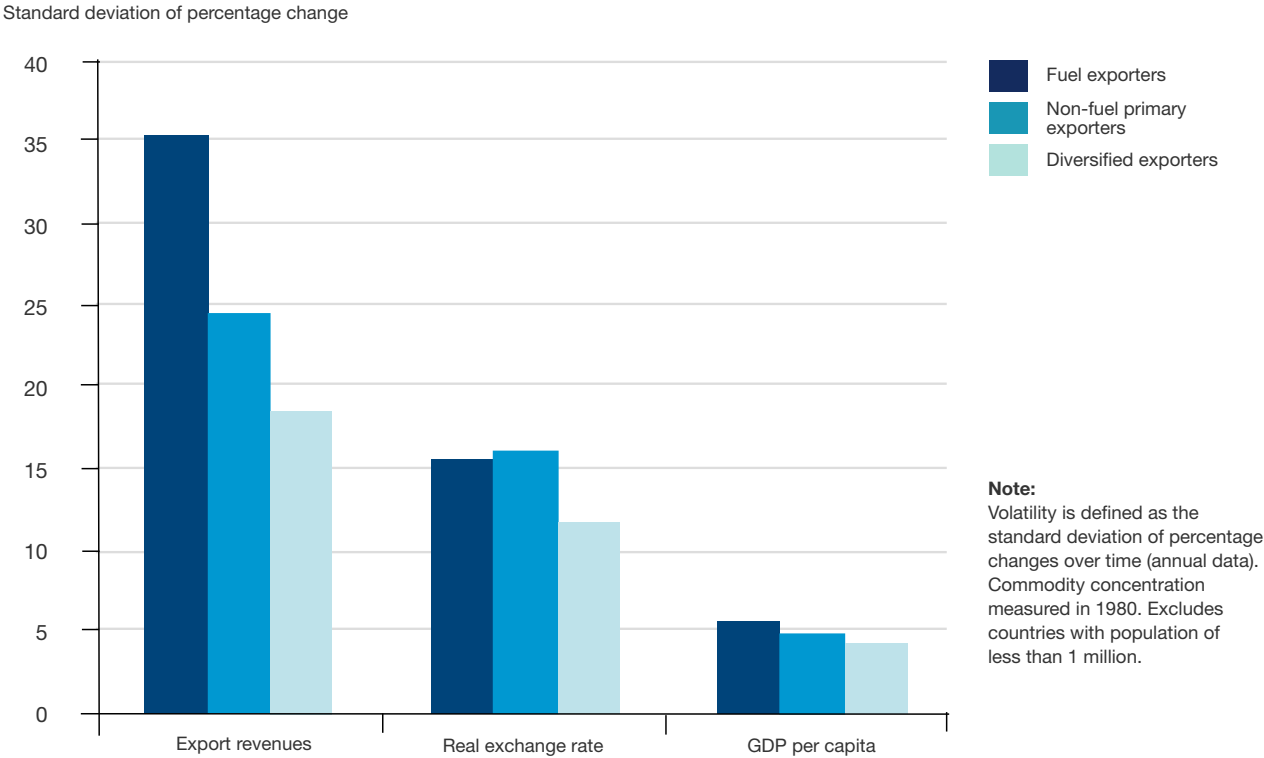
Source: Bloomberg (January 2009)

Chart 20: Impact of global financial crisis – massive job cuts worldwide



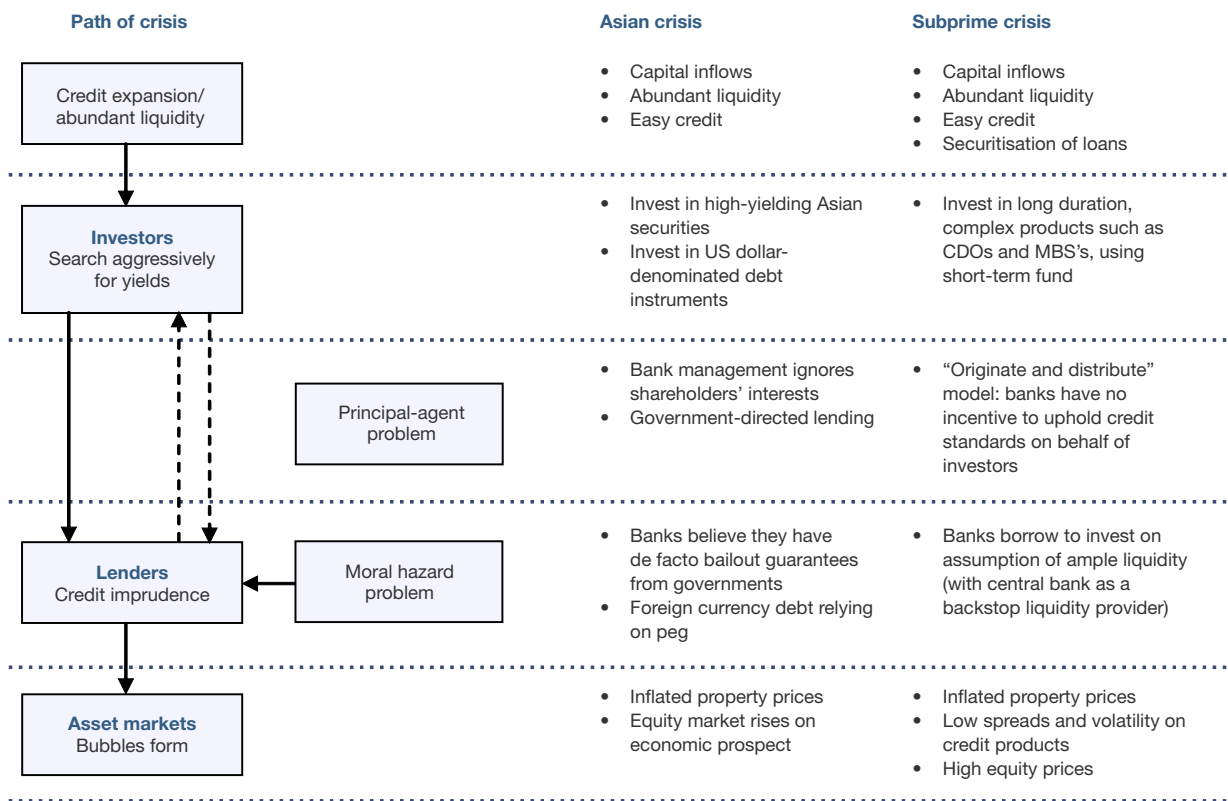
Source: Bloomberg (January 2009)

Chart 21: Economies dependent on fuel exports experience higher volatilities



Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Chart 22: Similar causal factors between the 1997 Asian crisis and the 2007 US subprime crisis



Source: IMF, Finance & Development Magazine Volume 45, Number 2, "Asia: A perspective on the subprime crisis" (June 2008)

Chart 23: Scenarios of potential outcome of global financial crisis and recession



Source: McKinsey, "Leading through uncertainty" (December 2008)

Chart 24: PwC: Seven key steps to weather the storm and some leading questions

1	Develop and maintain a robust financial forecast	<p>Ask yourself these leading questions:</p> <ul style="list-style-type: none"> • Do we have timely, accurate cash forecast information? If so, can we reconcile short-term, medium-term and long-term forecast? • Do we understand those performance variance drivers that can lead to forecast risks? • Do we have access to sufficient sources of liquidity? • Have we taken steps to drive working capital efficiency? • Do we understand cost drivers, and are sound linkages in place between our operating plans and our financial plans and budgets? • Can we identify investments that may no longer be achieving our financial objectives? • Have we analysed commercial transaction, financial counterparty and supply chain credit exposure? • Do we have the right people strategy in place to attract and retain the talent we need – not just to survive today’s downturn, but also to win in the marketplace tomorrow?
2	Identify key forecast risks and develop appropriate responses	
3	Ensure adequate sources of liquidity	
4	Drive efficiency in working capital processes	
5	Aggressively manage costs	
6	Exercise discipline in capital investments	
7	Assess and monitor credit exposures throughout the value chain	

Source: PricewaterhouseCoopers, “Meeting the challenge of the current financial crisis” (November 2008)



The global crisis and strategic responses

Food and energy security

This overview relates to the following sessions:

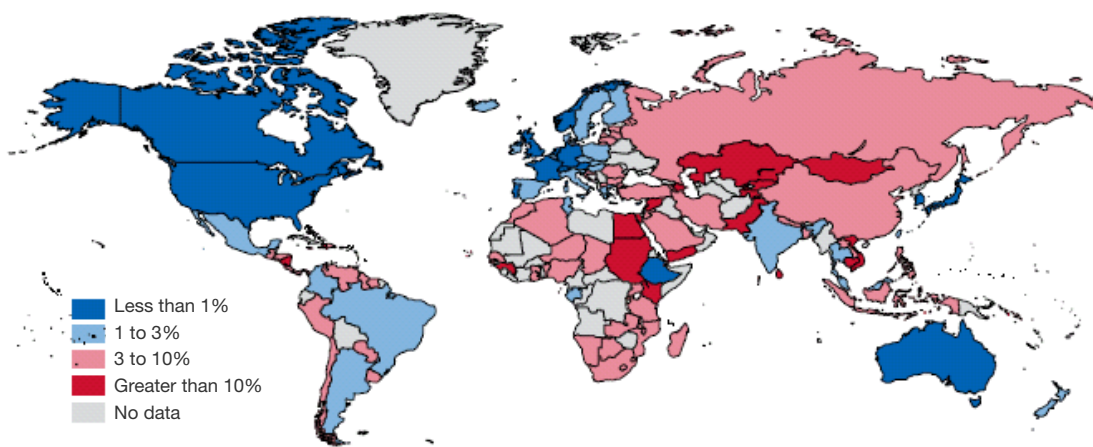
Leadership panel - Innovative solutions to global challenges

Global CEOs' panel - Global economic & business scenario for the next decade

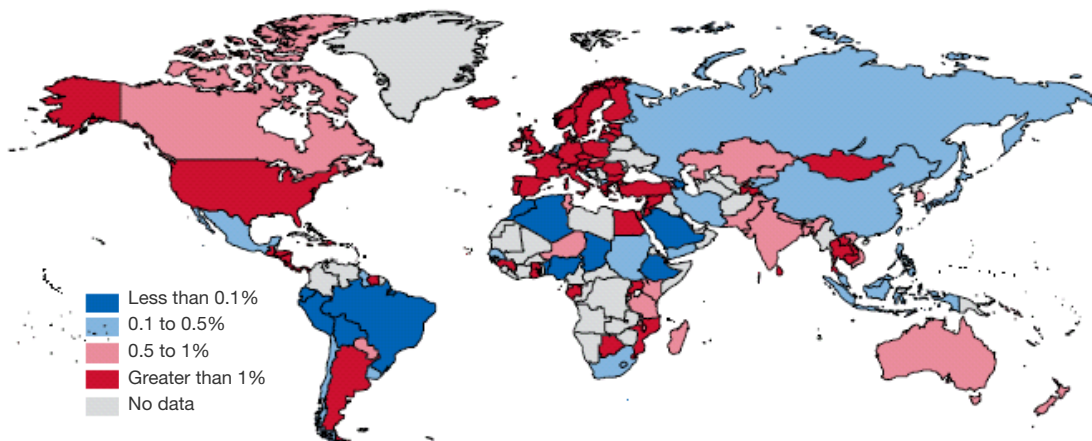
Plenary 1 - Beyond scarcity: Overcoming the global food crisis

Chart 25: Food-driven inflation in emerging countries and fuel-driven inflation in advanced countries

Food price contribution to inflation

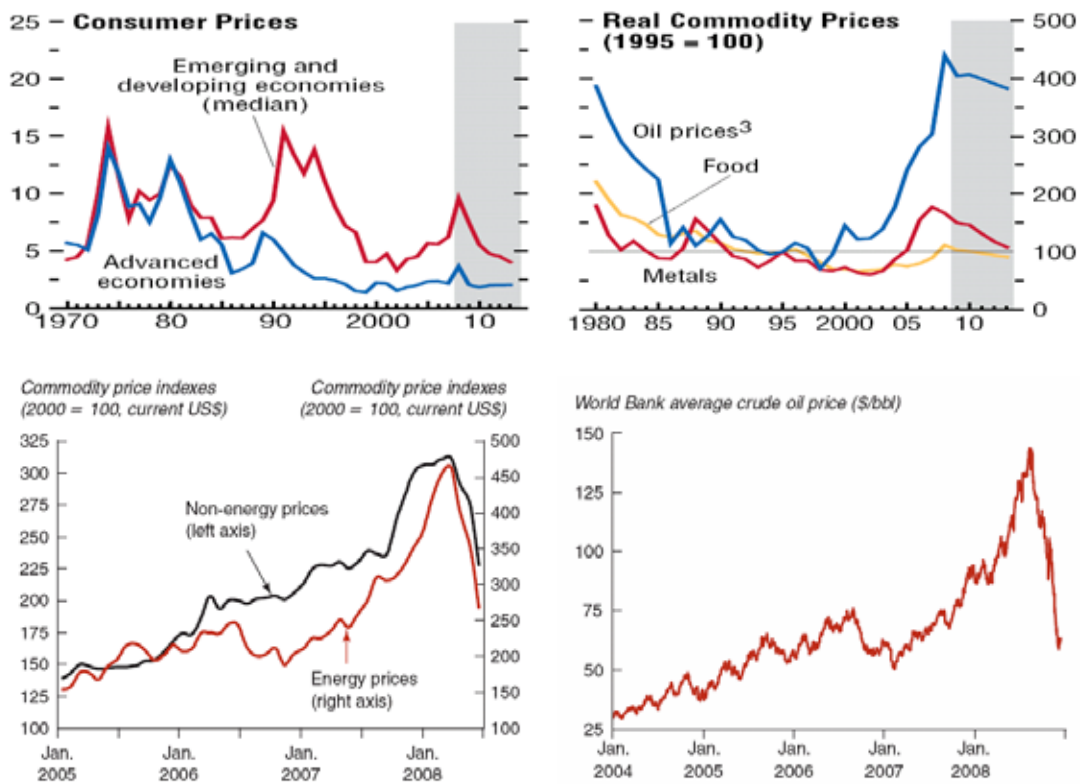


Fuel price contribution to inflation



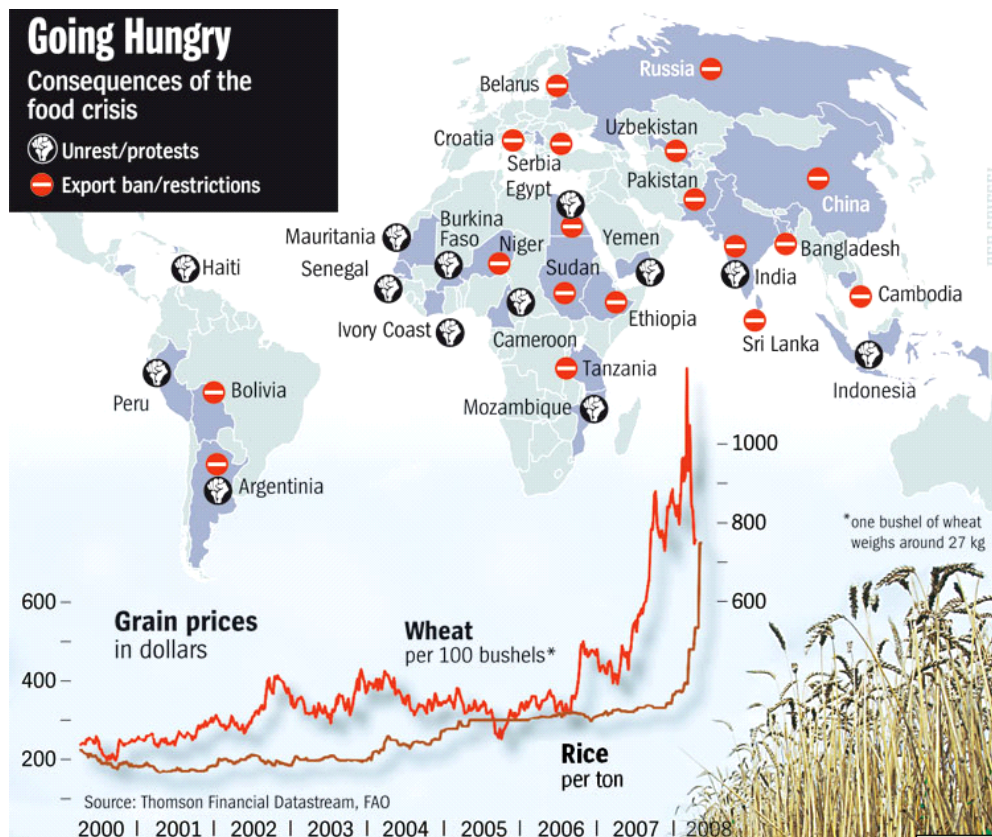
Source: IMF, "World Economic Outlook Report October 2008: Financial stress, downturns and recoveries" (October 2008)

Chart 26: Consumer and commodity prices surge before retreating in the H2'08 when crude oil prices corrected sharply after unprecedented run-up



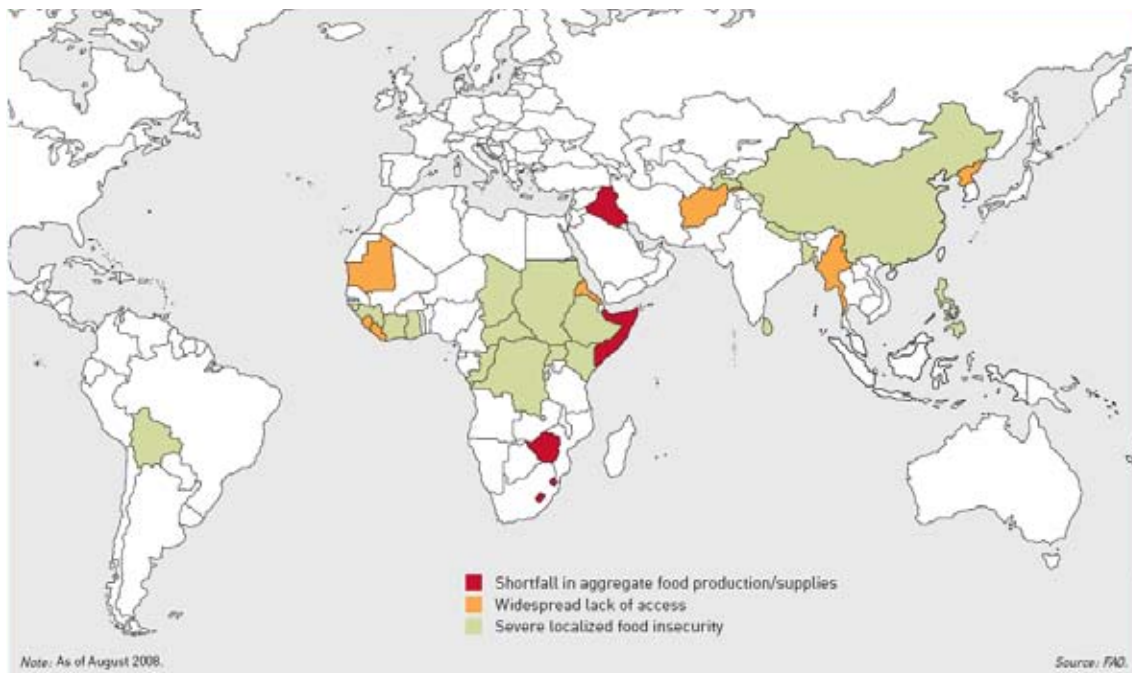
Source: IMF, "World Economic Outlook Report October 2008: Financial stress, downturns and recoveries" (October 2008) and World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Chart 27: Aside from rising food prices, the global food crisis exacerbates export bans and unrests



Source: Der Spiegel / New York Times Syndicate, "Global Food Crisis: The fury of the poor" (April 2008)

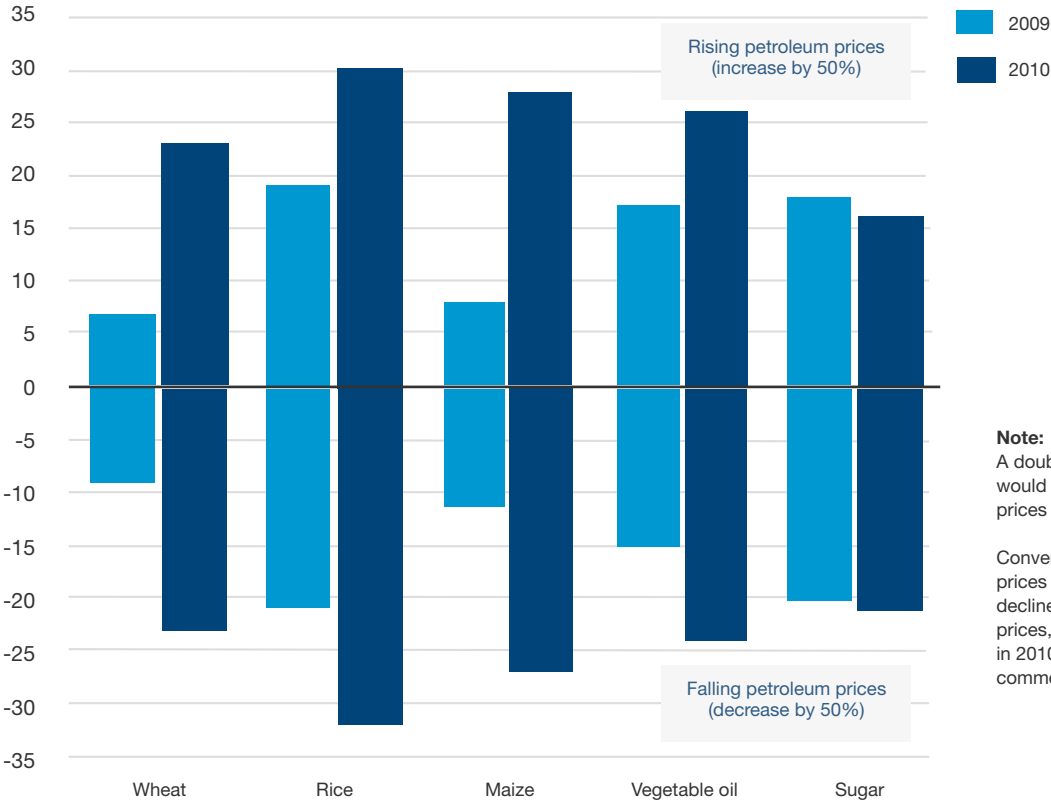
Chart 28: Food crisis - countries requiring external assistance



Source: FAO, "The state of food and agriculture 2008" (October 2008)

Chart 29: Volatile petroleum prices have a direct and significant impact on global agricultural prices

Percentage change compared with constant price at US\$130/barrel



Note:
A doubling of petroleum prices would lead to higher commodity prices in the range of 16–30%.

Conversely, a halving of oil prices would lead to a significant decline in agricultural commodity prices, ranging from 21–32% in 2010, depending on the commodity.

Source: FAO, "The state of food and agriculture 2008" (October 2008)

Chart 30: Volatile commodity prices reflect demand/supply mismatches

Percent change from previous year	2000-05	2006	2007	2008	2009	2010 ^f
Energy	13.5	17.3	10.8	45.1	-25.0	0.9
Oil	13.6	20.4	10.6	42.3	-26.4	1.8
Natural gas	10.4	33.9	1.0	57.2	-10.8	-4.2
Coal	12.7	3.1	33.9	97.8	-23.1	-10.0
Non-energy	8.3	29.1	17.0	22.4	-23.2	-4.3
Agriculture	6.0	12.7	20.0	28.4	-20.9	-1.3
Foods	6.0	10.0	25.6	35.2	-23.4	-0.3
Grains	4.8	18.4	26.1	50.9	-27.7	2.6
Raw materials	5.0	22.7	9.0	13.0	-14.9	-2.7
Metal and minerals	12.3	56.9	12.0	5.0	-25.5	-5.5
Copper	15.2	82.7	5.9	-0.6	-32.2	-4.2

f = forecast

Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Chart 31: Global food demand - developing countries, with their higher population and income growth, account for most of future food demand

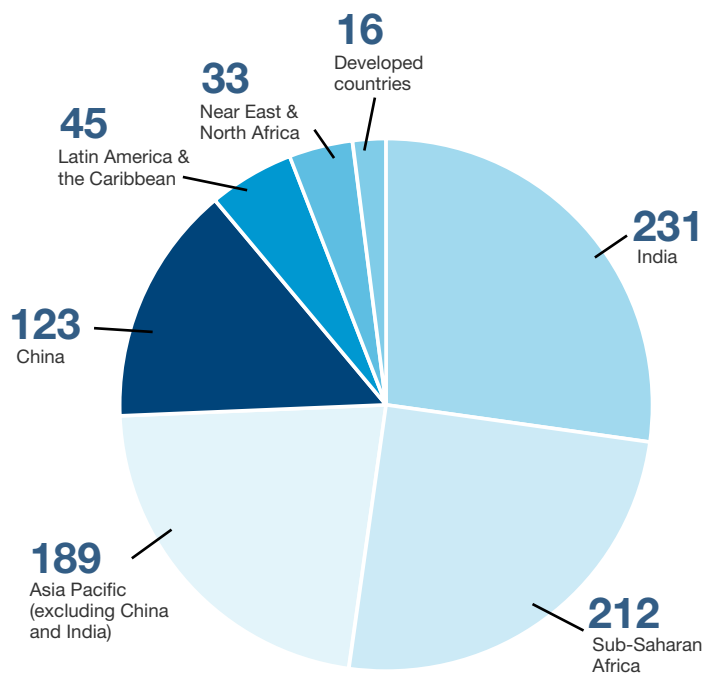
Growth (%), 2000 – 2030	All agriculture	Cereal	Edible oils	Meats
World	1.5	1.2	2.3	1.7
Developed	0.7	0.9	2.0	n.a.
Transition	0.5	0.8	1.7	n.a.
Developing	2.0	1.4	2.5	2.4
Sub-Saharan Africa	2.8	2.5	2.9	3.3
Middle East & North Africa	2.2	2.1	2.3	3.3
Latin America & the Caribbean	1.8	1.2	2.6	2.0
South Asia	2.3	1.6	2.7	4.0
East Asia & Pacific	1.7	1.2	2.4	2.1

n.a. = not available

Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Chart 32: World's undernourished population largely in Africa, India, Asia Pacific and China

Undernourished population in millions

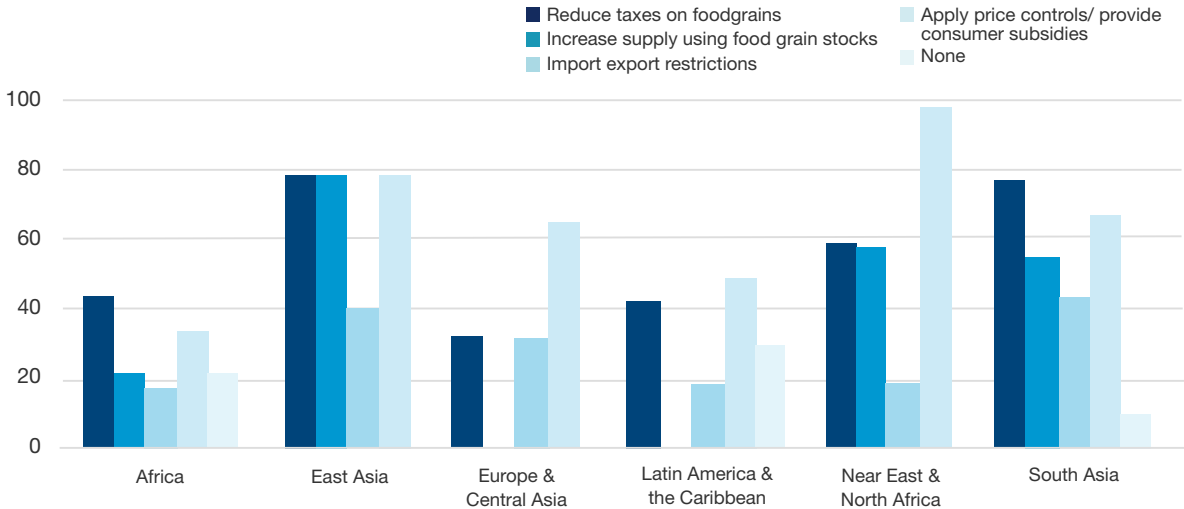


Total: 849 million

Source: FAO, "The state of food insecurity in the world 2008" (December 2008)

Chart 33: In alleviating high food prices, most countries apply price controls, provide consumer subsidies or reduce taxes on foodgrains

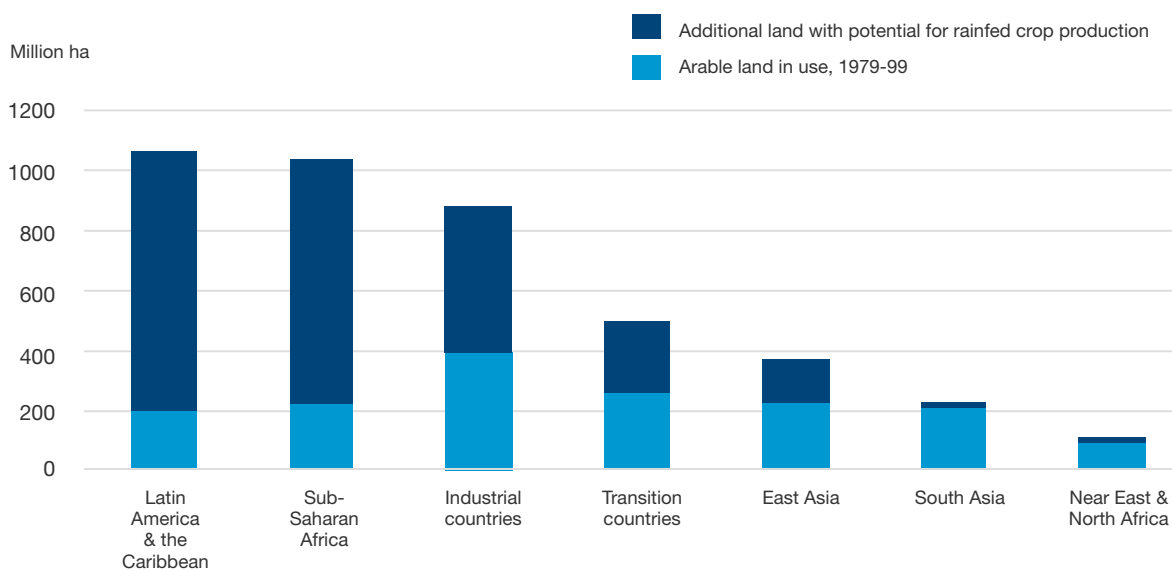
Countries carrying out policy action (%)



Note: Based on preliminary information collected by World Bank staff and amended by FAO (April 2008)

Source: FAO, "The state of food insecurity in the world 2008" (December 2008)

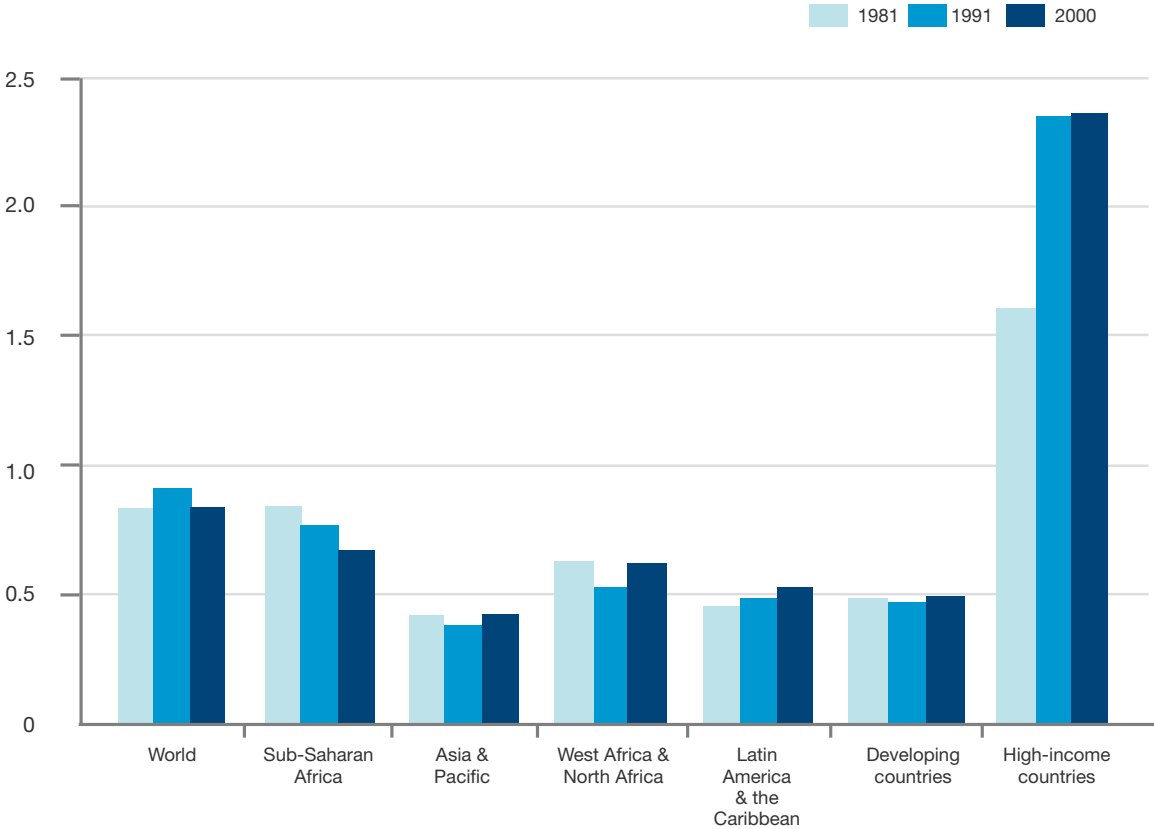
Chart 34: Latin America and Africa regions show high potential for cropland expansion



Source: FAO, "The state of food and agriculture 2008" (October 2008)

Chart 35: Developing countries, with higher populations, need to allocate more spending on agricultural R&D

R&D spending as a share of agriculture GDP



Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)



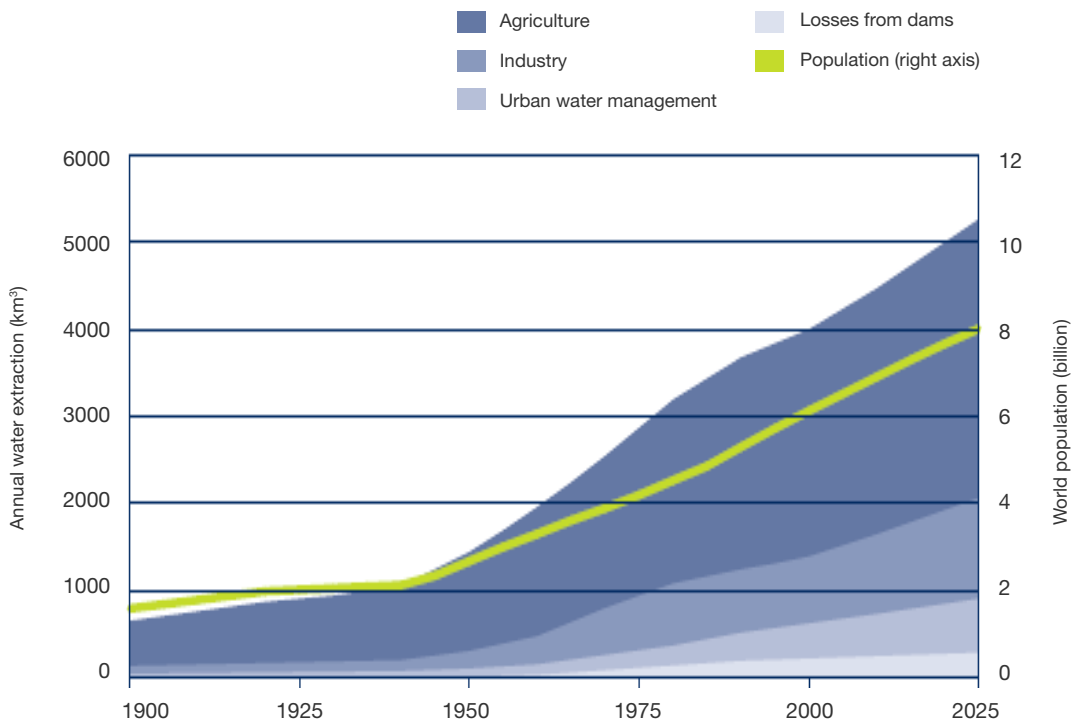
The global crisis and strategic responses

Water scarcity

This overview relates to the following session:

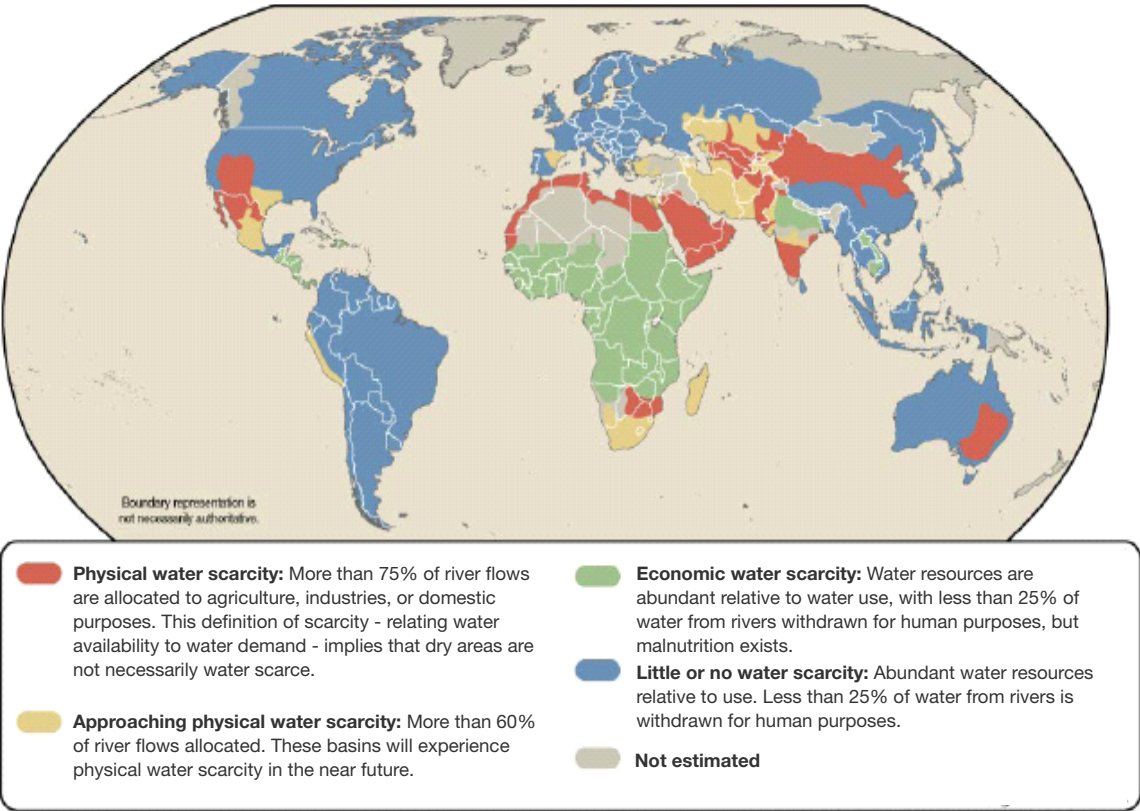
Leadership panel - Innovative solutions to global challenges

Chart 36: Water consumption since the 1930s has increased more rapidly than the overall population



Source: PricewaterhouseCoopers and SAM Sustainable Asset Management AG, "The Sustainability Yearbook 2008" (February 2008)

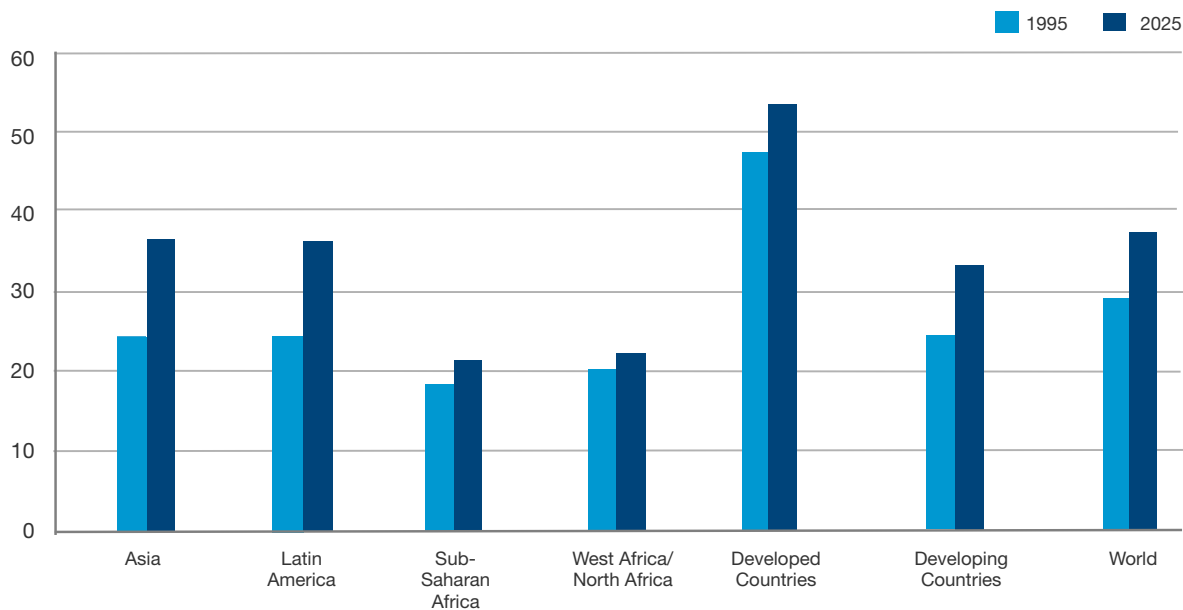
Chart 37: By 2025, approximately 57 countries with two billion people fall within freshwater scarcity category



Source: NIC, "Global Trends 2025: A transformed world" (November 2008)

Chart 38: Developed countries have the highest per capita water consumption

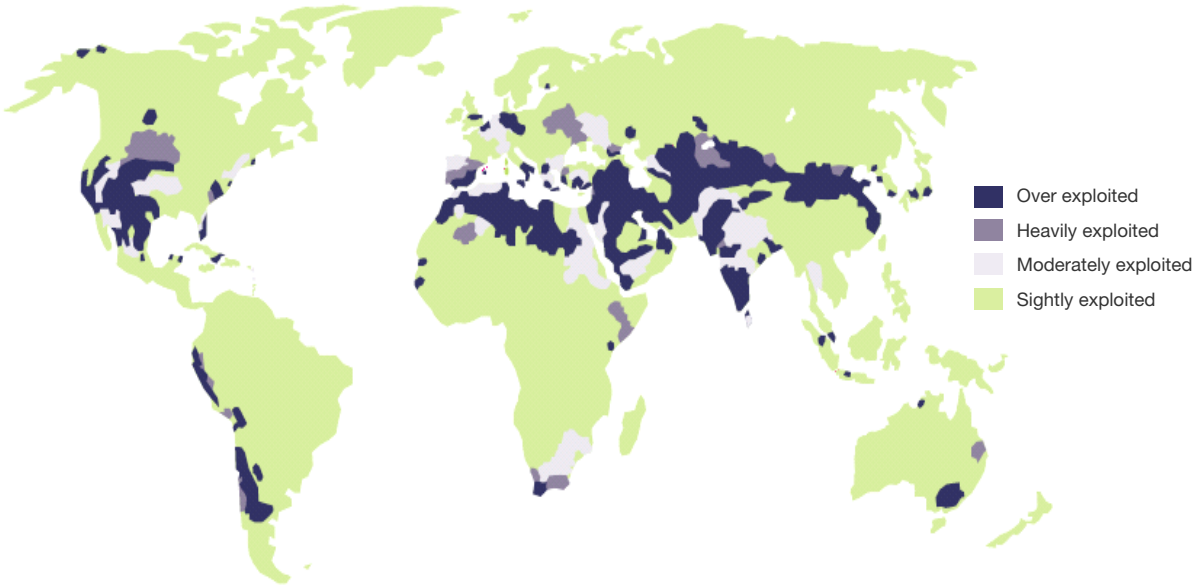
Cubic meters/person/year



Source: NIC, "Global Trends 2025: A transformed world" (November 2008)

Chart 39: The exploitation of river basins threatens the long-term survival of ecosystems

River basin areas where water reserves are being exploited by humans



Source: PricewaterhouseCoopers and SAM Sustainable Asset Management AG, "The Sustainability Yearbook 2008" (February 2008)

Creating value

The choice country
Global small medium enterprises (SMEs)

This overview relates to the following sessions:

Lunch & special luncheon address - Transforming mediocrity into international success
Plenary 4 - Global SMEs: Business beyond boundaries



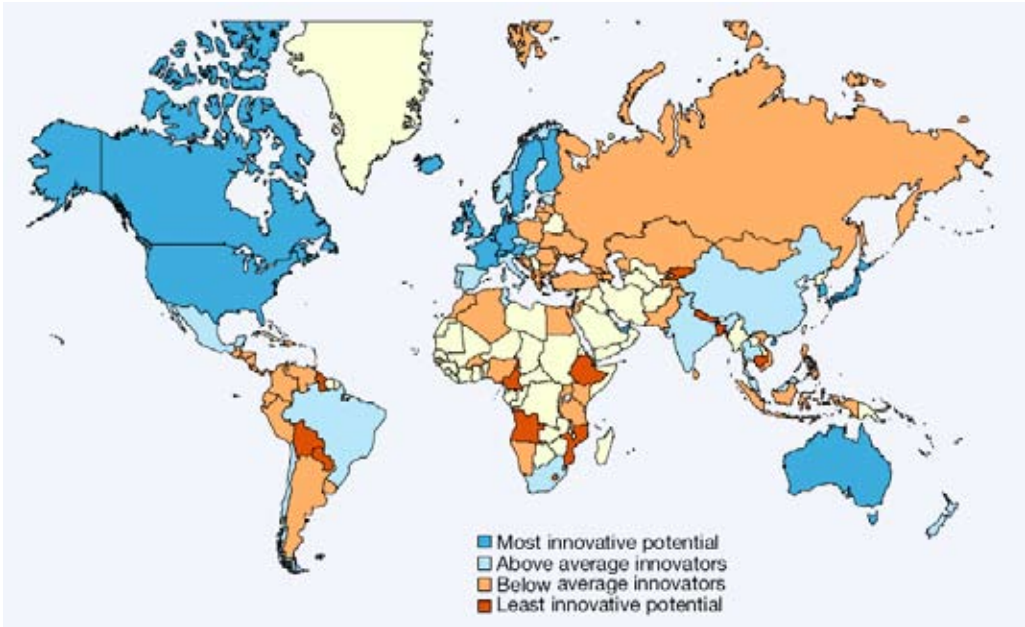
Creating value

The choice country

This overview relates to the following session:

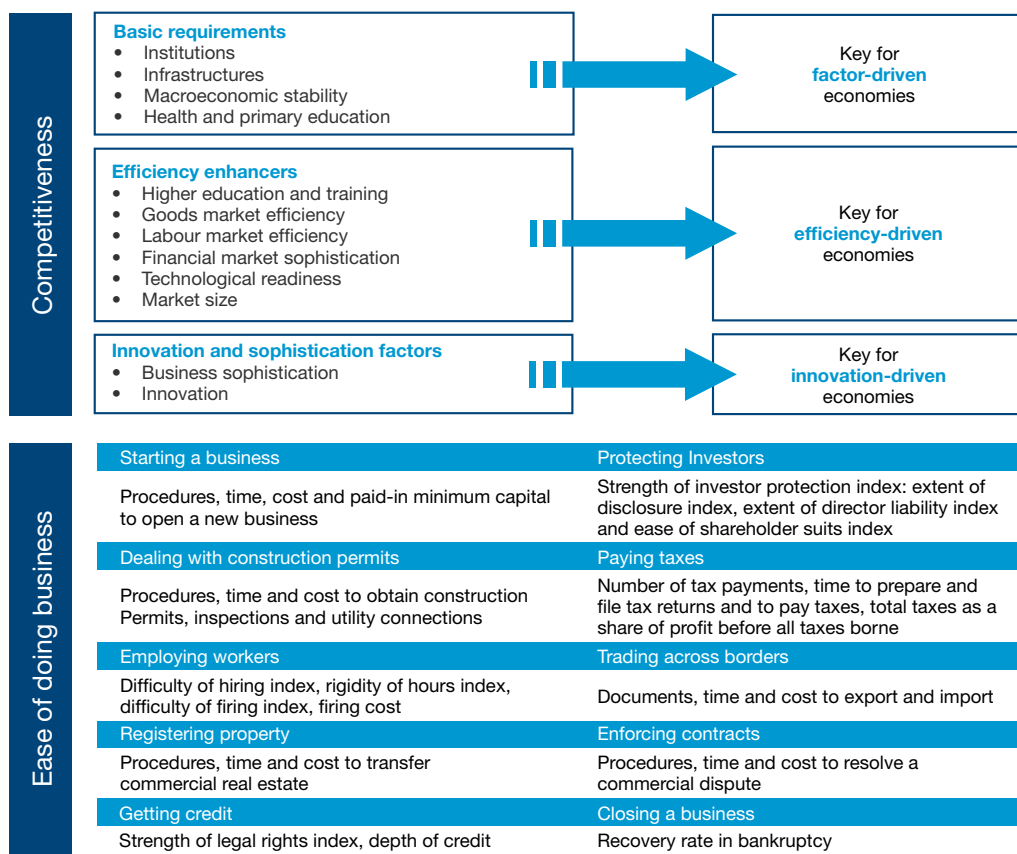
Lunch & special luncheon address - Transforming mediocrity into international success

Chart 40: Developed countries have most innovative potential followed by Developing Asia



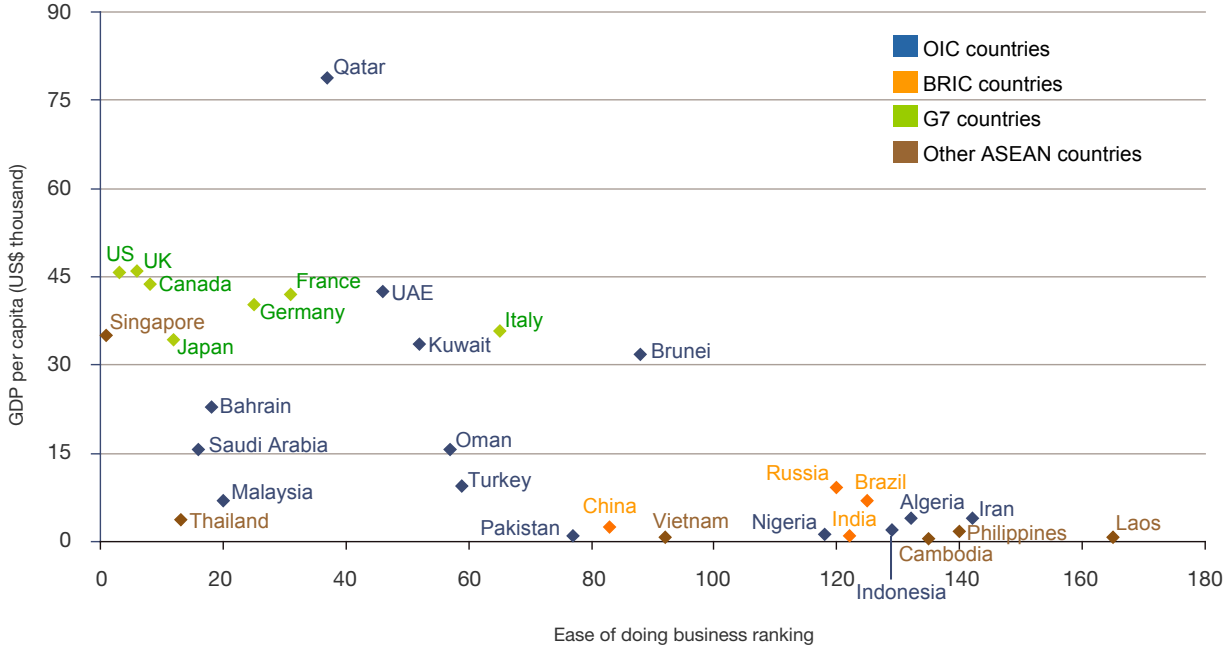
Source: WEF, "Global Growth@Risk 2008" (September 2008)

Chart 41: 12 pillars of country competitiveness and ease of doing business factors



Source: WEF, “Global Competitiveness Report 2008/2009” (October 2008) and World Bank, “Ease of Doing Business 2009” (September 2008)

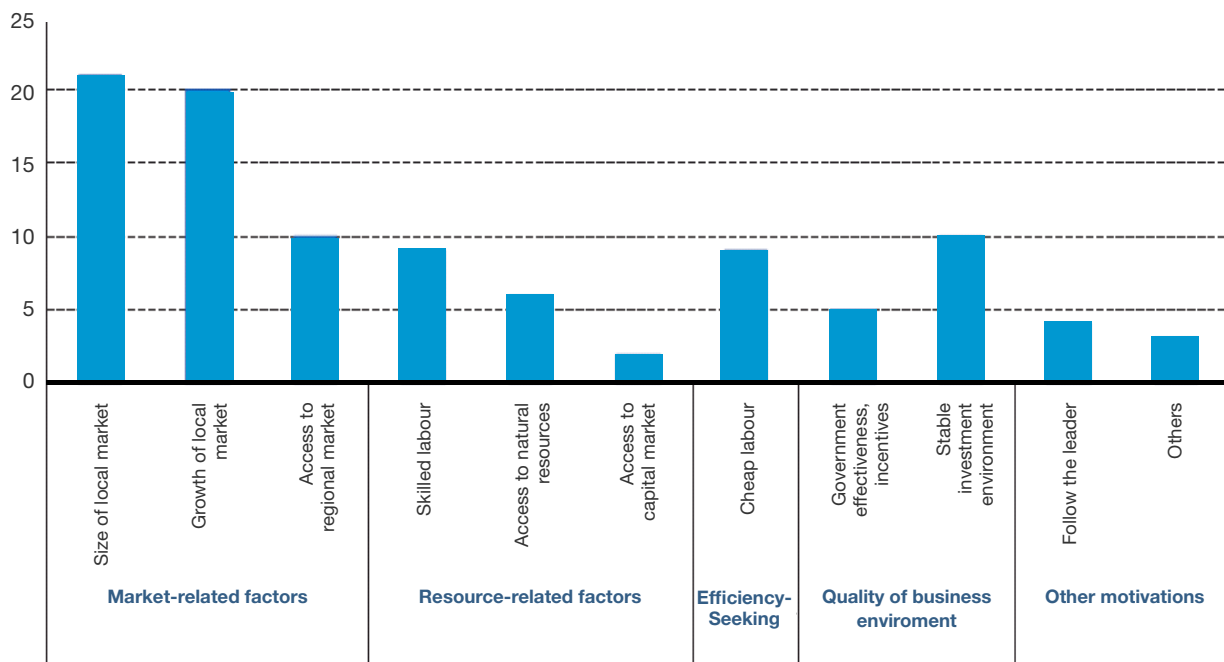
Chart 42: Countries that are easy to do business with, have significantly higher GDP per capita



Source: World Bank, "Ease of Doing Business 2009" (September 2008) and IMF, World Economic Outlook Database (October 2008)

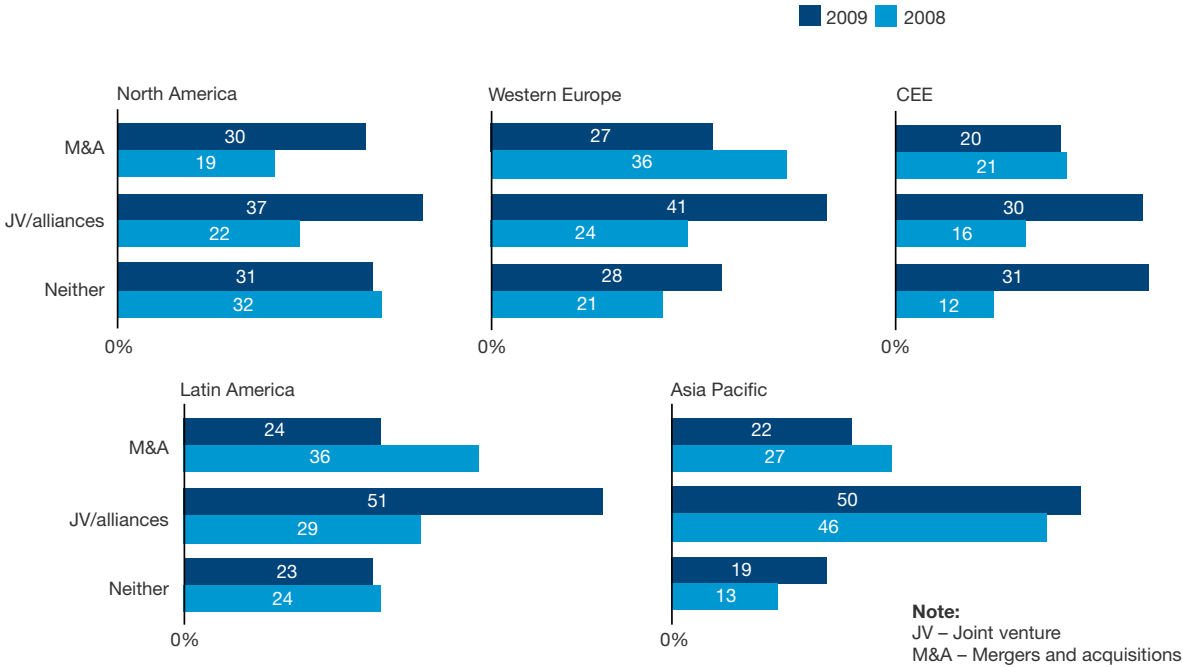
Chart 43: Companies internationalise activities for market, resource and efficiency factors

Location criteria in order of importance, 2007 – 2009 (% of responses)



Source: World Bank, "Ease of Doing Business 2009" (September 2008)

Chart 44: JVs overtaking M&A as a growth strategy across all regions in next three years



Source: PricewaterhouseCoopers, “12th Annual Global CEO Survey” (January 2009)

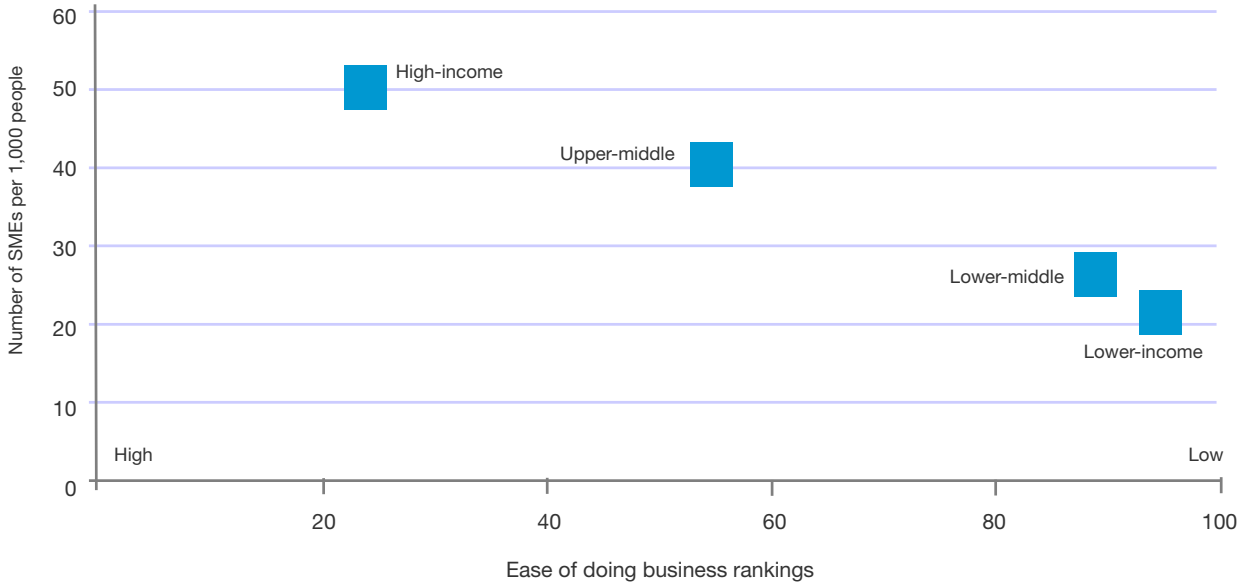
Creating value

Global small medium enterprises (SMEs)

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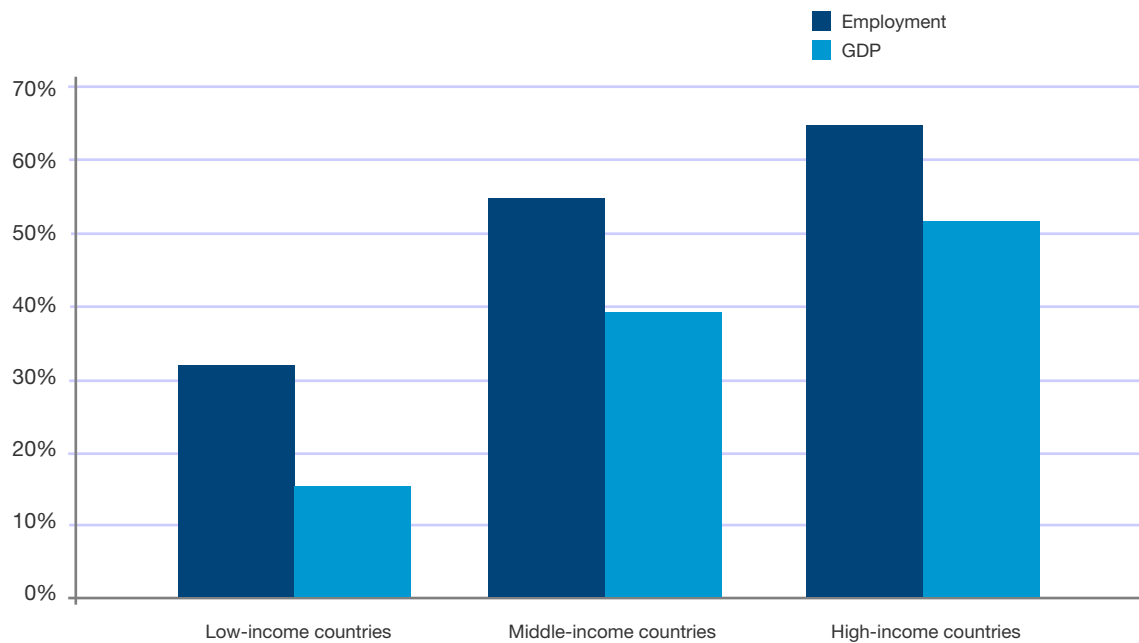
Plenary 4 - Global SMEs: Business beyond boundaries

Chart 45: Higher income countries which are ranked high in the ease of doing business, have higher proportion of SMEs



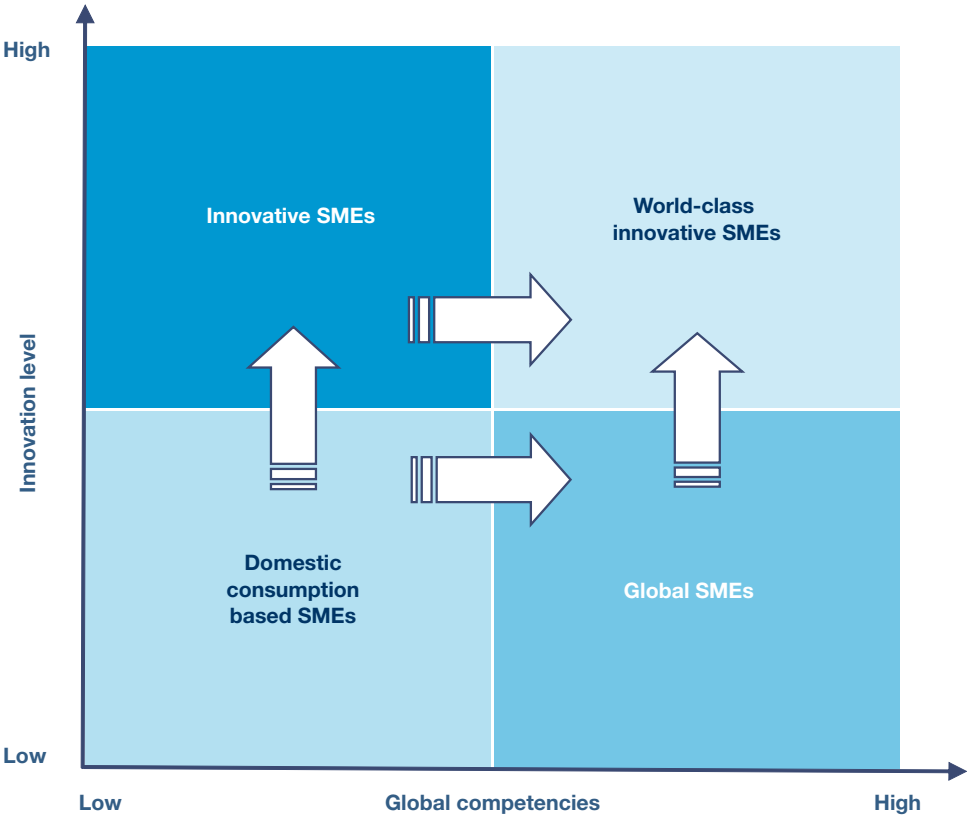
Source: World Business Council for Sustainable Development, "Promoting small and medium enterprises for sustainable development" (July 2007)

Chart 46: SMEs contribution to employment and GDP are prevalent across high to low-income countries



Source: World Business Council for Sustainable Development, "Promoting small and medium enterprises for sustainable development" (July 2007)

Chart 47: Transforming local SMEs into world-class innovative SMEs – the Korean experience



➡ Directions SMEs can take to develop into world-class innovative companies.
Key factors necessary to move to the next level:

- Government support and innovative policies
- Collaboration of knowledge and experiences

Source: Korea Institute for Industrial Economics and Trade, e-Kiet Industrial Economic Information Volume 396, "The global competencies of SMEs (small and medium enterprises) should be strengthened" (February 2007)

Corporate sustainability

Alternative energy
Sustainable solutions

This overview relates to the following sessions:

Lunch & special luncheon address - Role of business in ensuring sustainable environment for future generations

Plenary 2 - Paving a greener world: Creating a future for alternative energy



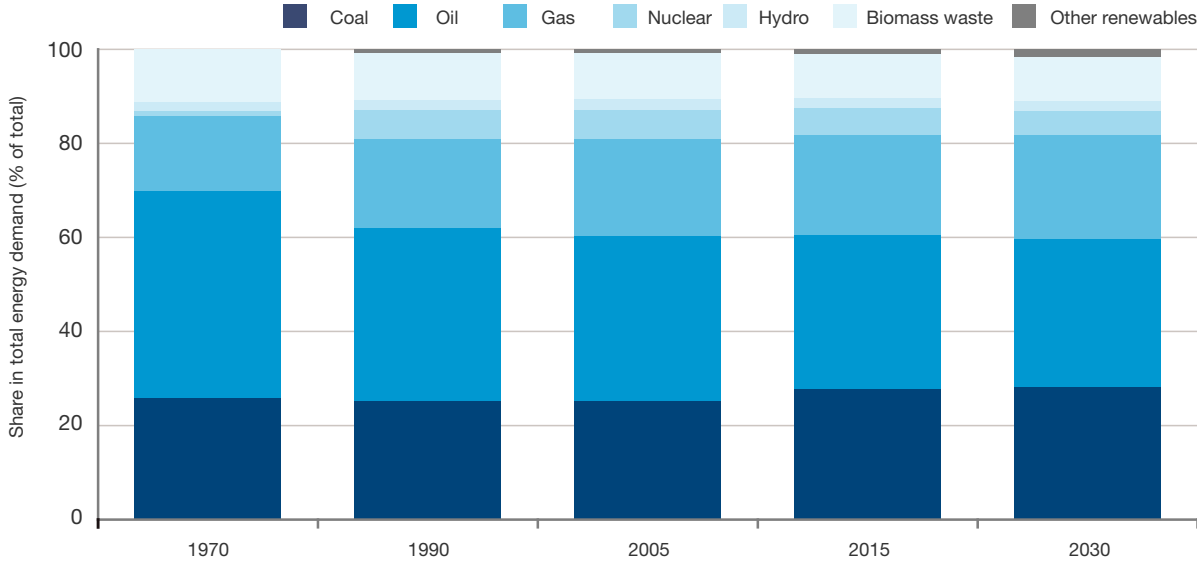
Corporate sustainability

Alternative energy

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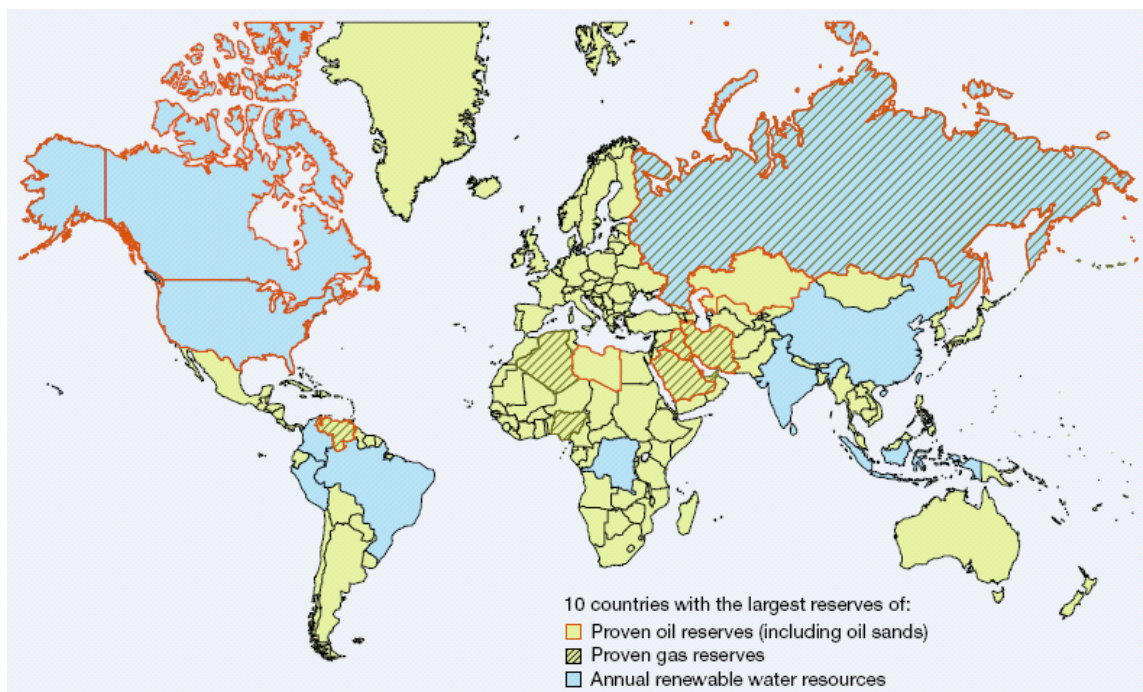
Plenary 2 - Paving a greener world: Creating a future for alternative energy

Chart 48: By 2030, although oil's share of global energy demand is declining, it is still a significant component of the global energy mix, along with coal and gas



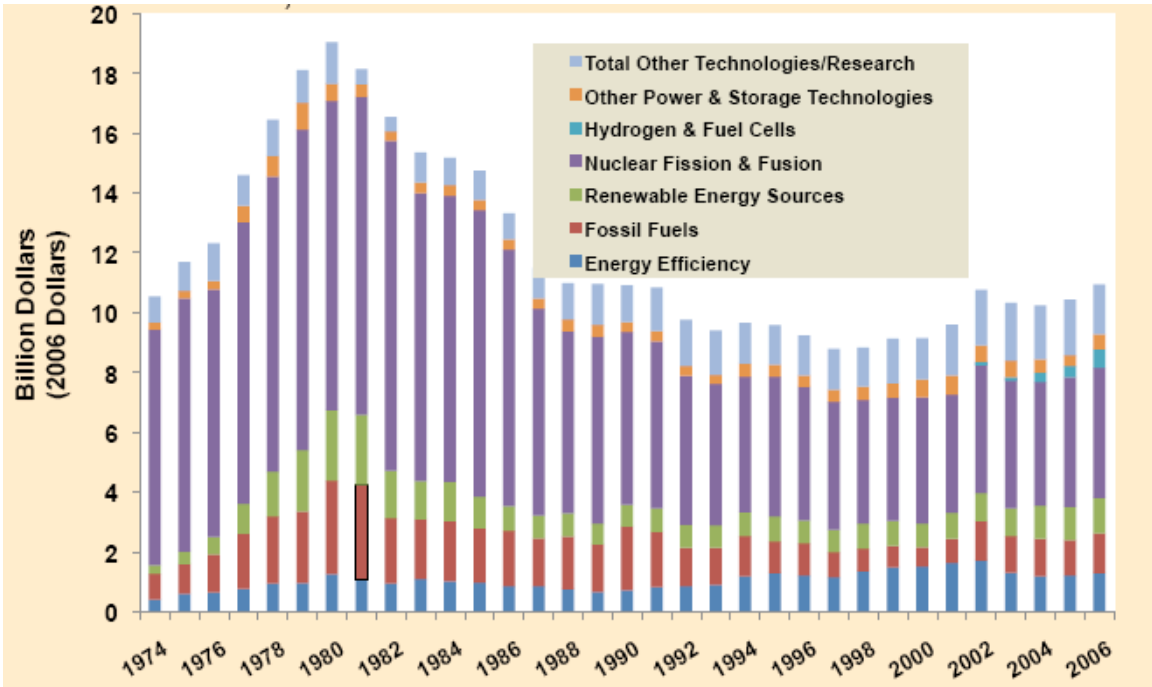
Source: World Bank, "Global Economic Prospects 2009: Commodity markets at the crossroads" (December 2008)

Chart 49: Oil, gas and water endowments – map of resource-rich countries



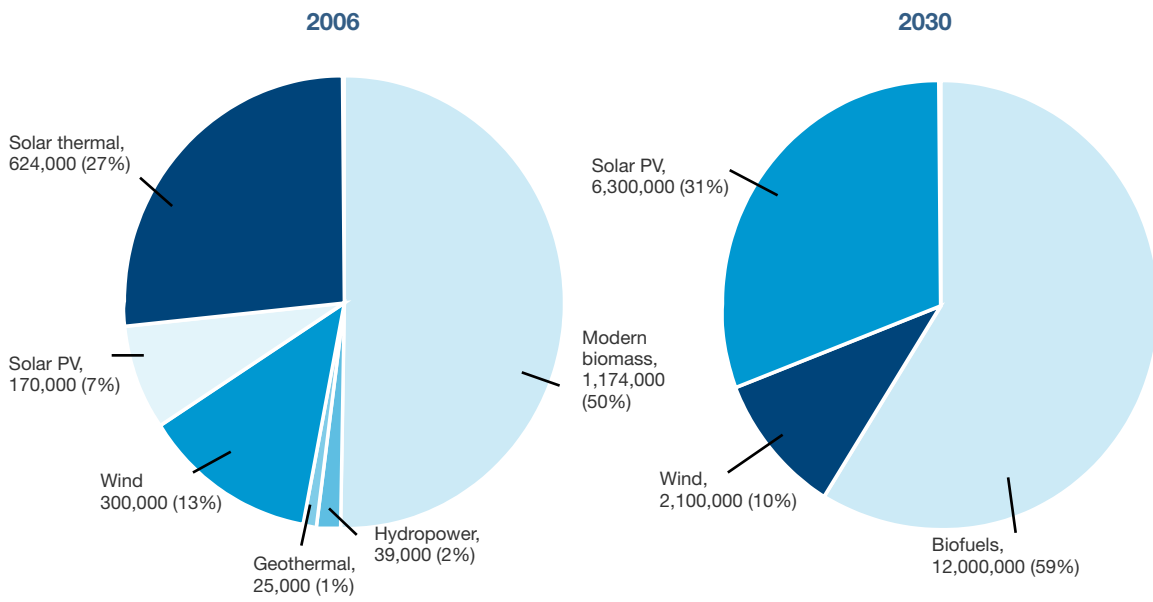
Source: WEF, "Global Risk 2008" (January 2008)

Chart 50: Over more than three decades, the R&D investment support for renewable energy sources is relatively low compared to other energy sources



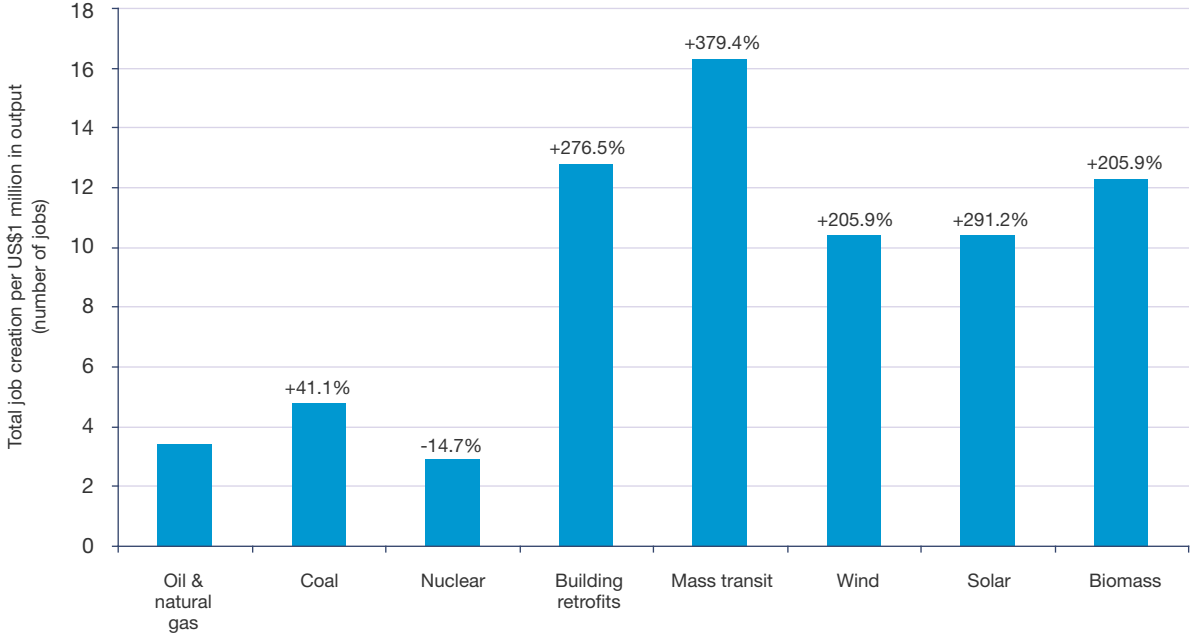
Source: UNEP, "Green jobs: Towards decent work in a sustainable, low-carbon world" (September 2008)

Chart 51: By 2030, biofuels are expected to create most green jobs in renewable energy



Source: ILO, "Green jobs facts and figures" (September 2008)

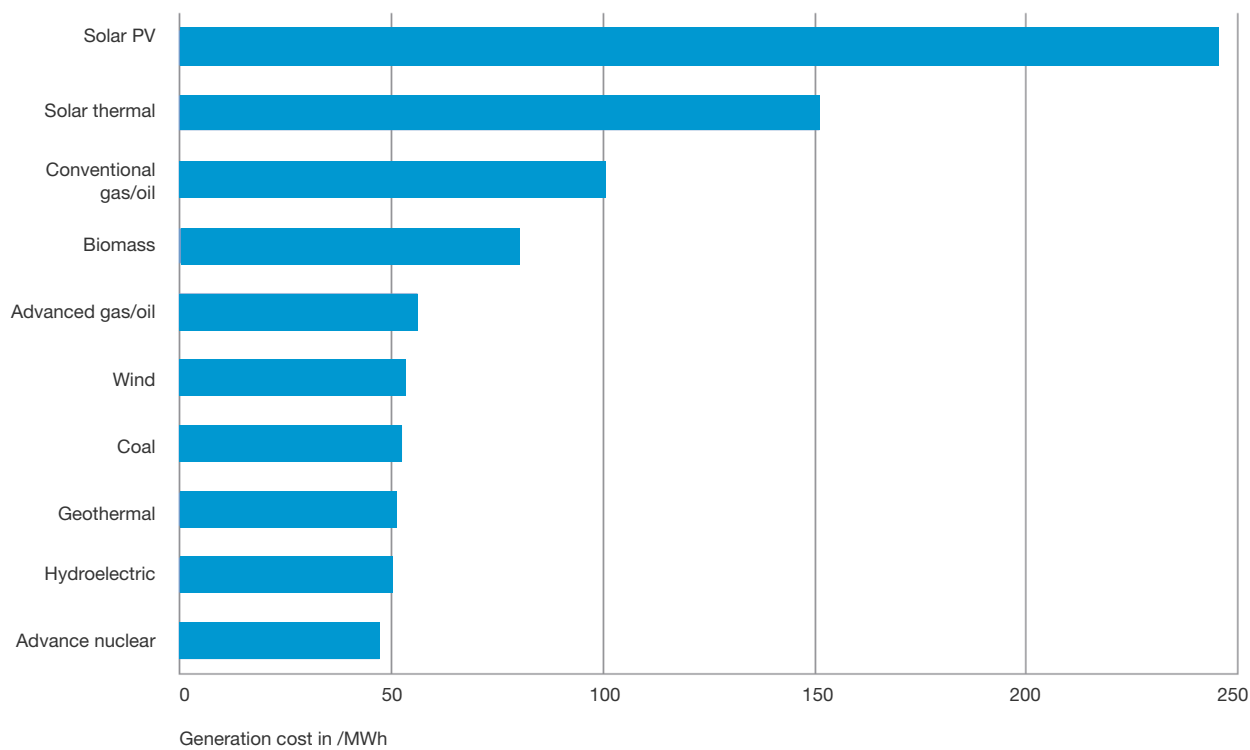
Chart 52: Alternative energy sources, other than nuclear, create more than double the jobs created by fossil fuels



Note: Percentage figures represent total job creation relative to oil (percentage difference)

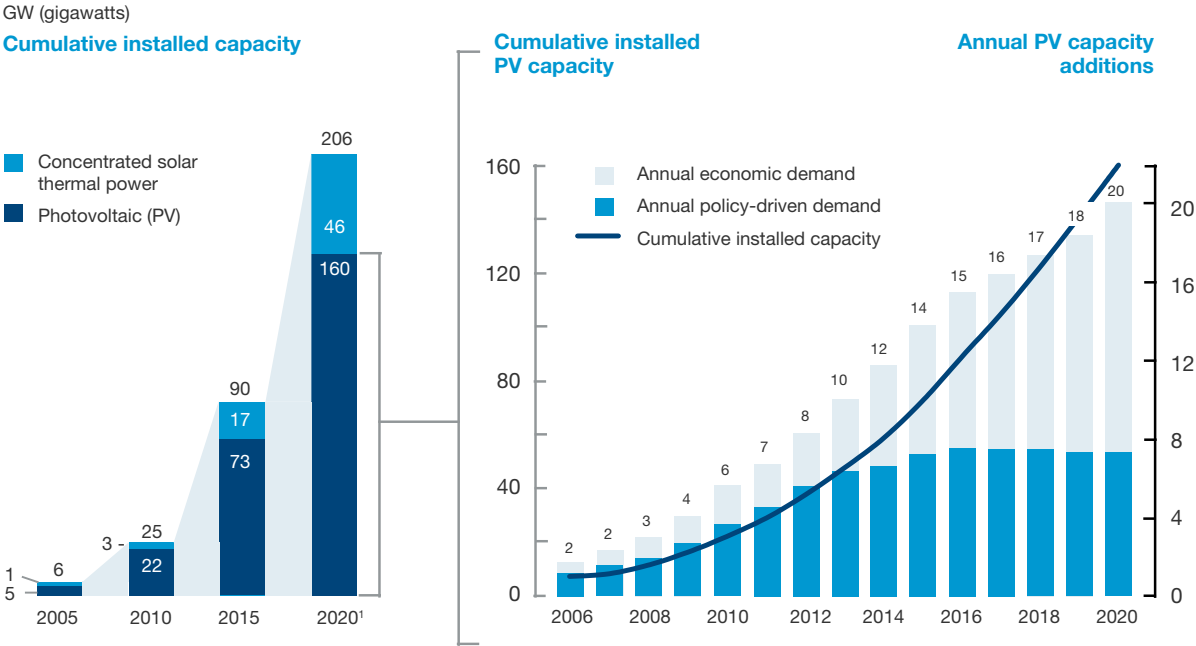
Source: University of Massachusetts Political Economy Research Institute and Center for American Progress, "Green Recovery: A program to create good jobs & start building a low-carbon economy" (September 2008)

Chart 53: Solar PV is the most cost competitive electricity source



Source: Goldman Sachs Global Markets Institute, "Alternative energy: A global survey" (2007)

Chart 54: Installed global solar capacity will grow by roughly 30% to 35% a year into 2020, requiring capital investments of more than US\$500 billion



¹ Estimate uses base-case scenario. Aggressive scenario predicts 400GW in 2020.

Source: McKinsey, “The economics of solar power” (June 2008)

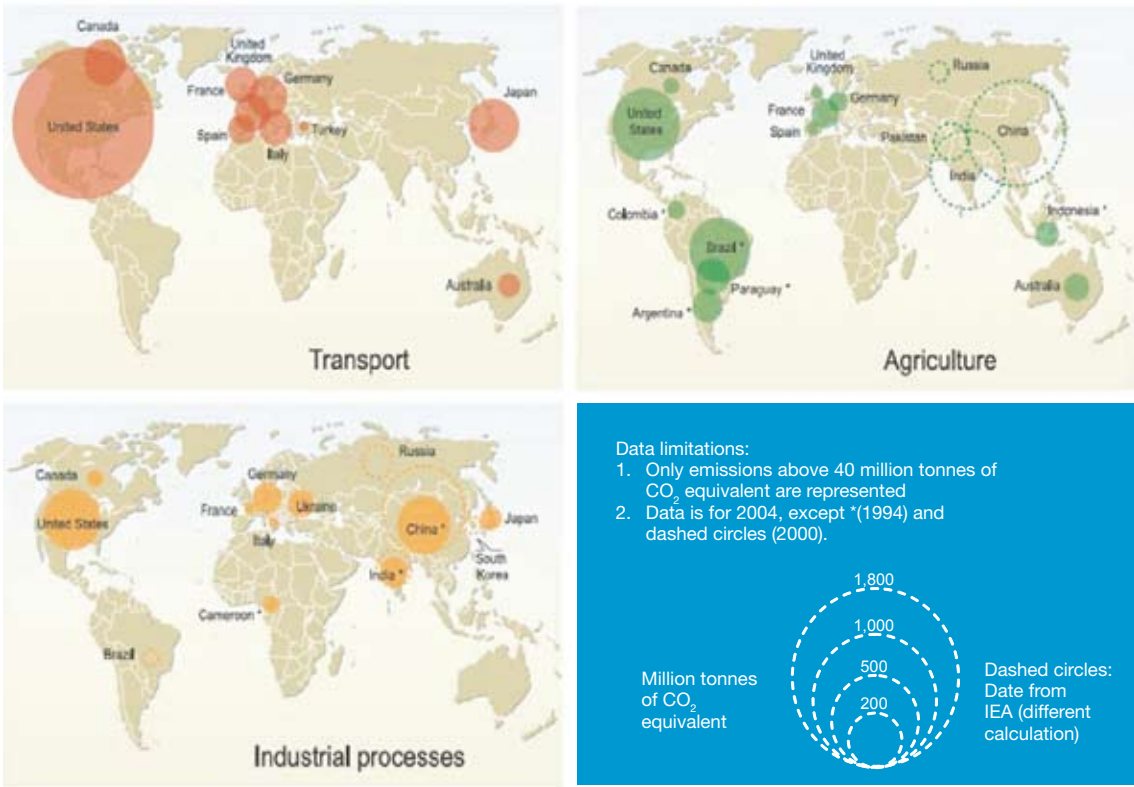
Corporate sustainability

Sustainable solutions

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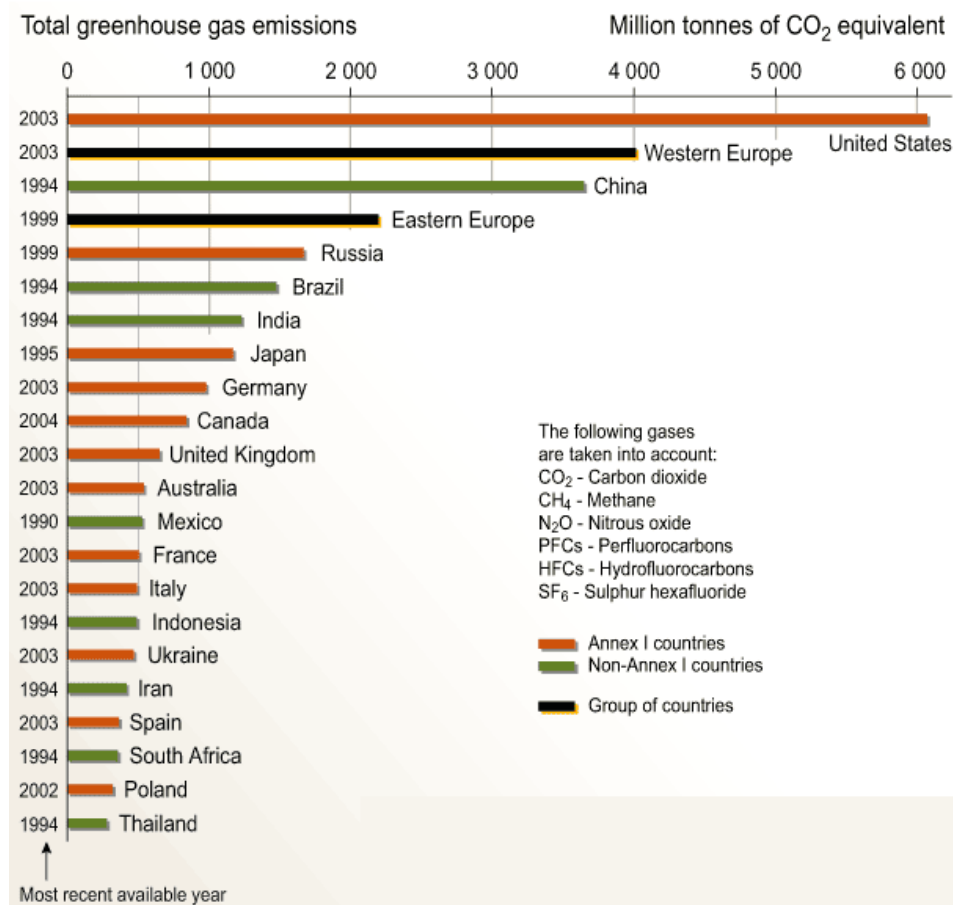
Lunch & special luncheon address - Role of business in ensuring sustainable environment for future generations

Chart 55: Transportation, agricultural and industrial processes are main contributors to greenhouse gases emission



Source: UNEP, "Kick the habit: A UN guide to climate neutrality" (2008)

Chart 56: Top greenhouse gas emitters (including land use change and forestry)



Source: UNEP, "Kick the habit: A UN guide to climate neutrality" (2008)

Chart 57: Some alarming facts on environmental challenges

- 1 Climate-related disasters**
262 million people affected annually from 2000 – 2004

- 2 Water shortages**
1.8 billion people expected to suffer from fresh water scarcity by 2025, mostly in Asia and Africa

- 3 Environmental refugees**
Potentially 50 million environmental refugees due to climate change over next few years

- 4 Displacement by flooding**
330 million people in coastal areas, flood plains of rivers and small island states increasingly exposed

- 5 Food shortages and malnutrition**
Affects 180 million people today and threatens to affect 600 million people by 2080

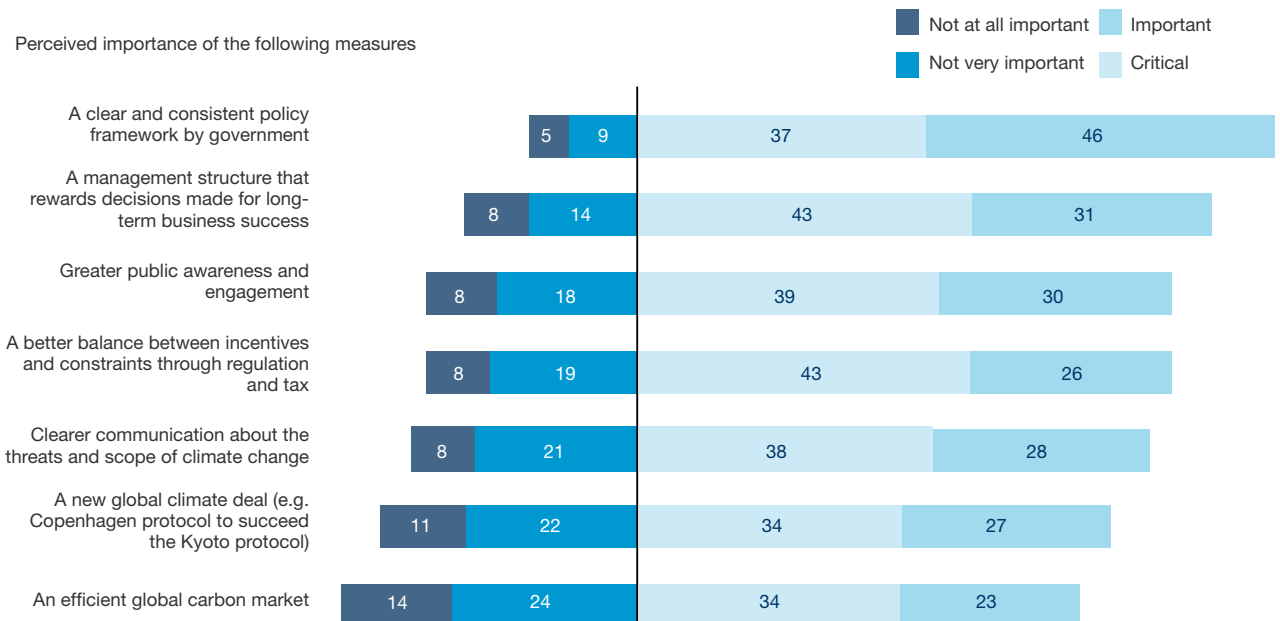
- 6 Pollution**
2 million people globally die prematurely each year due to indoor and outdoor pollution

- 7 Access to energy**
1.6 billion people without access to modern energy (almost 1 in 4 humans living today)

- 8 Adequate housing**
1 billion slum dwellers in poor housing lacking essential facilities such as clean water and sanitation

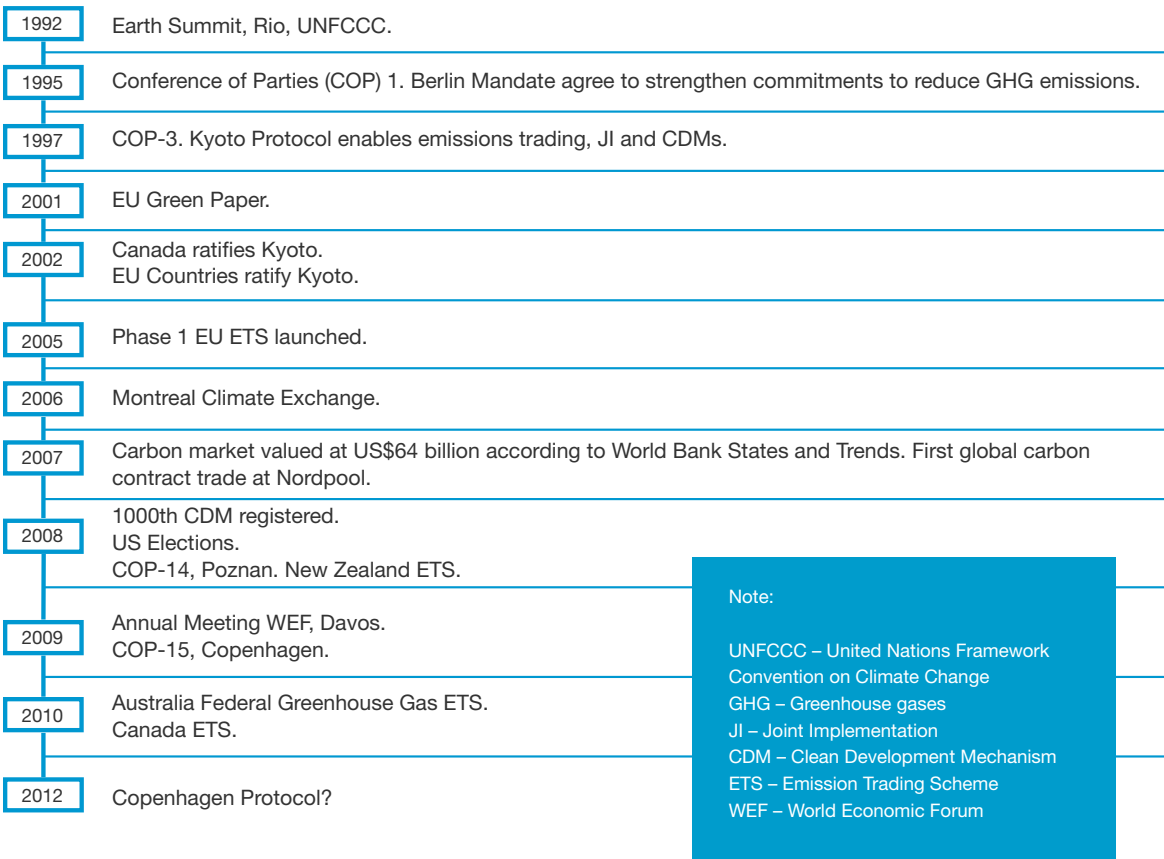
Opportunities: The global market for environmental products and services is projected to double from current US\$1,370 billion p.a. to US\$2,740 billion by 2020

Chart 58: Business and government need to lead together on climate change



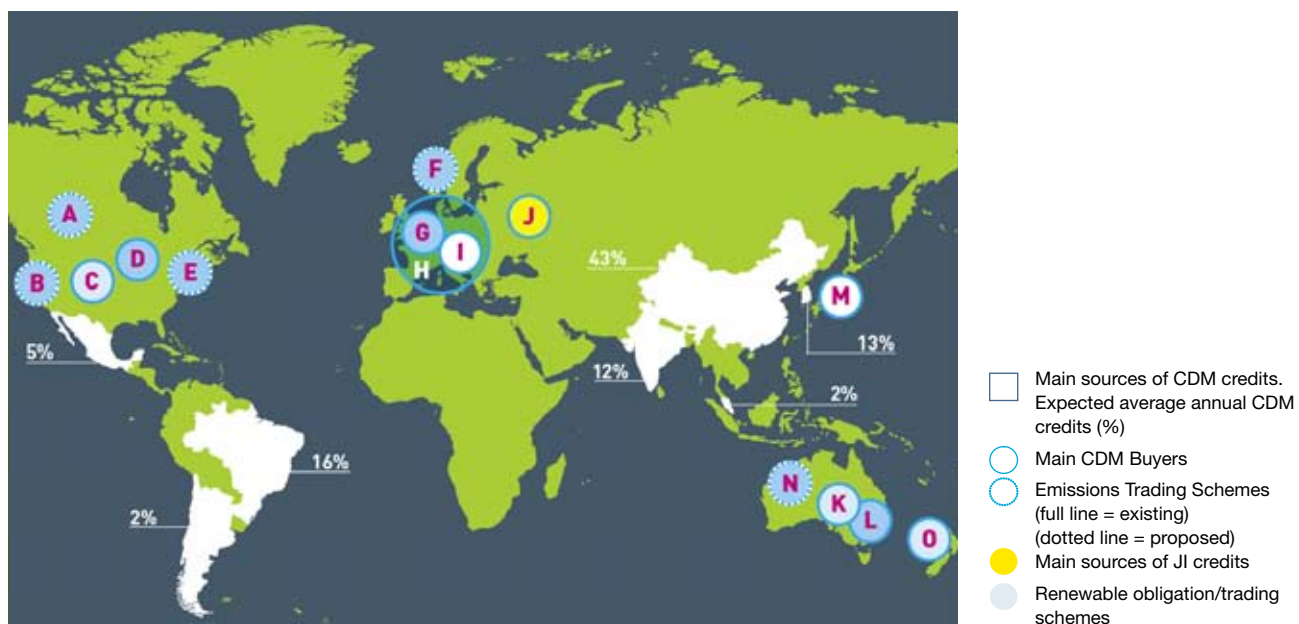
Source: PricewaterhouseCoopers, "12th Annual Global CEO Survey" (January 2009)

Chart 59: The evolution of climate policy



Source: PricewaterhouseCoopers, Copenhagen Climate Council Thought Leadership Series #1, "Tackling emissions growth: The role of markets and government regulation" (November 2008)

Chart 60: Carbon and renewables – policies and initiatives

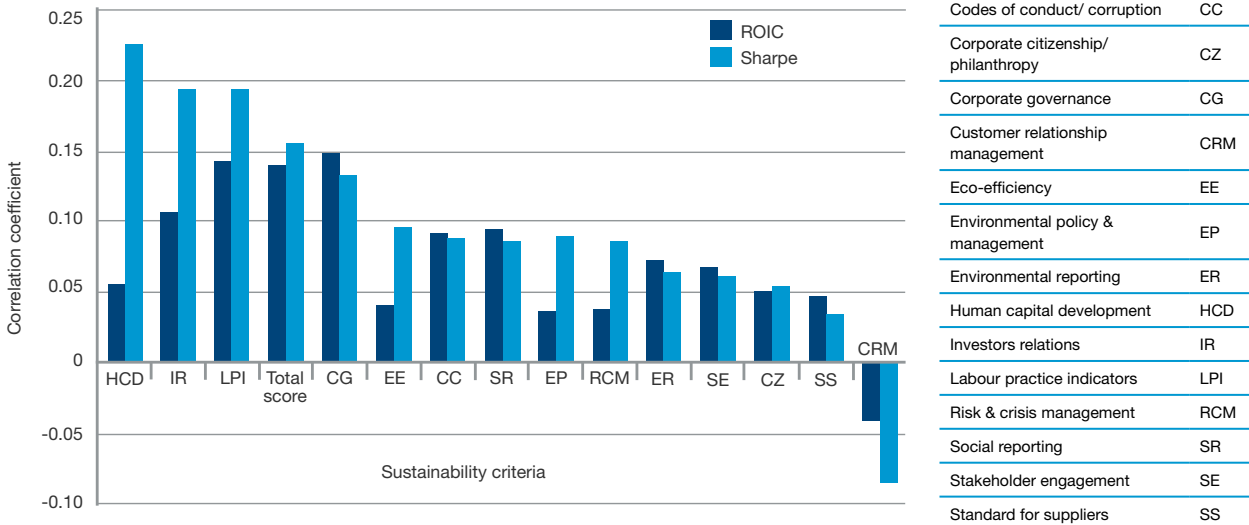


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| <ul style="list-style-type: none"> A. Canada large emitters B. California & West Coast Governors; California Climate Action Register (CCAR) C. US renewables D. Chicago Climate Exchange E. RGGI F. Norway ETS G. EU renewables | <ul style="list-style-type: none"> H. EU ETS I. EU CDM/JI fund J. Russia, Ukraine, Bulgaria, Romania K. Australian Renewables Scheme L. NSW GHG Abatement Scheme M. Japan CDM/JI fund N. Australian Emissions Trading Scheme O. New Zealand Emissions Trading Scheme |
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Source: PricewaterhouseCoopers, Copenhagen Climate Council Thought Leadership Series #1, "Tackling emissions growth: The role of markets and government regulation" (November 2008)

Chart 61: There is positive correlation between sustainability and corporate financial performance

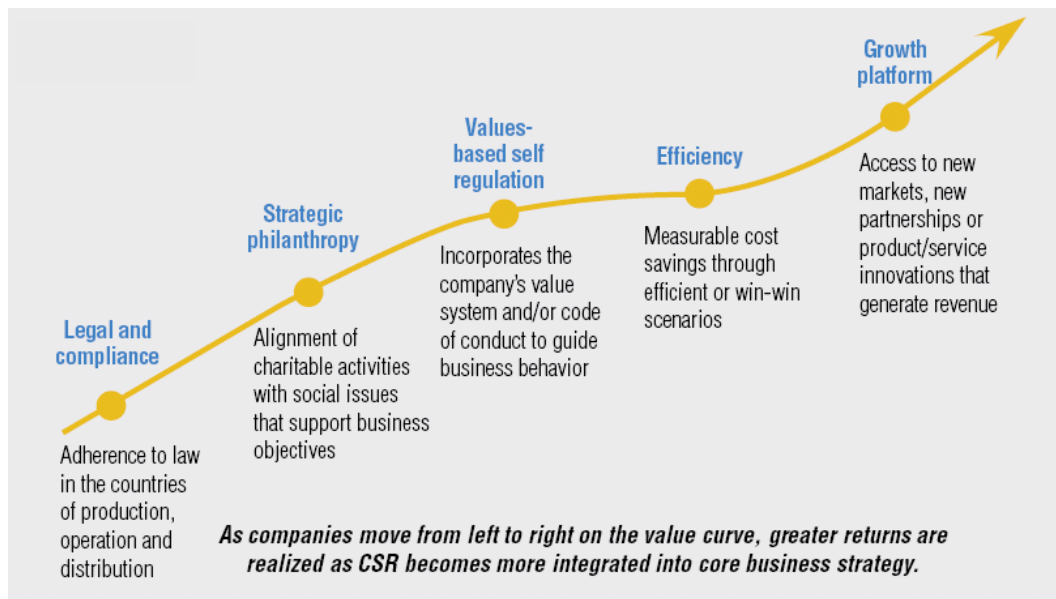
Correlations result - Summary



Note:
 Return on Invested Capital (ROIC) = net operating profit after tax/invested capital
 Sharpe = (% change in share price p.a. – risk free rate)/standard deviation of decile

Source: PricewaterhouseCoopers and SAM Sustainable Asset Management AG, “The Sustainability Yearbook 2008” (February 2008)

Chart 62: Corporate social responsibility value curve



Source: IBM Global Business Services, "Attaining sustainable growth through corporate social responsibility" (February 2008)

Chart 63: Sustainability reporting tips

1	Set the scene	Provide an overview of your business and the market environment in which you operate to contextualise your reporting for the reader.
2	Live it, breathe it	Clearly describe your sustainability strategy over the short, medium and long term. Demonstrate how this is integrated in your core corporate strategy and permeates throughout your business.
3	What gets measured, gets done	Identify KPIs which are directly relevant to your sustainability strategy. Explain why they are relevant and how they are defined. Set and review your performance against challenging but realistic targets.
4	The good, the bad, and the ugly	Present information in a balanced and transparent fashion. Celebrate success but also avoid glossing over negative sustainability impacts or poor performance against targets. Explain where and how improvements will be made.
5	Snakes and ladders	Draw out and explain in detail the key strategic risks and opportunities arising from the sustainability agenda. Explain the relevance and implications of each as they relate to your organisation and the actions put in place to mitigate risks and maximise opportunities.
6	It's a material world	Demonstrate an understanding of the sustainability issues relevant to you and your key stakeholders; report only those of material importance.
7	Show me the money	Illustrate how your sustainability strategy has had an impact on the bottom line. Identify and define potential means of maximising economic benefits going forward.
8	Pay as you go	Explain how directors and staff are incentivised to deliver on the sustainability strategy and the goals set. Ensure that the reader can understand the link between remuneration and actual performance.
9	Ask around	Explain how you engage with principal stakeholders and how this has impacted your sustainability strategy and reporting.
10	Reach out	Use multiple communication channels thoughtfully. Ensure that the medium, content and style are tailored to both the audience and the messages being delivered.
11	Big brother	Explain how the sustainability governance system operates. Identify the board member responsible for sustainability issues, describe the policies that have been implemented and explain how management ensures that these policies are working.
12	Prove it	Ensure the credibility of your reported content, for example, by reference to independent studies, external benchmarking, expert review panels or through conventional assurance. Where assurance is used, the opinion should clearly state the scope of work.

Source: PricewaterhouseCoopers Corporate Reporting website, www.corporatereporting.com (2009)

Appendices

Sources

List of charts

Key contacts

Acknowledgements



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PricewaterhouseCoopers conducted the research using publicly available information gathered between 1 December 2008 and 30 January 2009 from international financial and economic institutions, national statistical offices as well as economic and industry intelligence services. Key sources include:

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Acknowledgements

PricewaterhouseCoopers drew on the support of its staff members with varied experience and knowledge.

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