



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

VIENNA INTERNATIONAL CENTRE

P.O. BOX 300, A-1400 VIENNA, AUSTRIA

TELEPHONE: (+43 1) 260 26-0

FAX: (+43 1) 269 26 69

www.unido.org

unido@unido.org

4 September 2012

No. 40

INFORMATION NOTE

Asia 2050 round table

On behalf of the Director-General, I am pleased to inform Permanent Missions that UNIDO in cooperation with Asian Development Bank (ADB), is organizing a round table on the theme: "Asia 2050: the sustainable route to prosperity". The event is scheduled to take place on Thursday, 13 September 2012 at the Austria Center Vienna.

As the most populous continent with some of the world's most dynamic economies, Asia is in the middle of a historical transformation. If past successes could be reproduced, it is possible that by the year 2050, Asia would boast high income levels for most of its population. However, there are some new elements that could jeopardize such an outcome.

Against this background, the round table aims to provide a platform for policymakers and practitioners to exchange views and experiences on sustainable development goals, long-term vision and operational strategies in Asia. The round table will also provide strategic insights for policymakers and practitioners with respect to the sustainable and inclusive industrial development of Asia, while at the same time, examining possible global economic and commercial implications of Asia's industrial expansion. The event is open to attendance by Member States and other high-level policy and decision makers, representatives from business, civil society and academia.

In this connection, Permanent Missions are invited to attend the UNIDO round table to share their perspectives and experiences at this important event. Active participation is encouraged as it will help to enrich the deliberations on the issues under consideration.

A draft concept note for the event is attached for additional reference. Queries regarding the round table, should be directed to Ms. Amita Misra, Director, Bureau for Regional Programmes (tel: +43-1 260 26 3671 or e-mail: a.misra@unido.org or s.hisakawa@unido.org).

A handwritten signature in blue ink, appearing to read "Fatou Haidara", is written over a horizontal line.

Fatou Haidara

Director

Policymaking Organs Secretariat

Distribution:

Permanent Missions to UNIDO



Round Table

Asia 2050: The sustainable route to prosperity

Date 13 September 2012

Venue Hall B, Austria Center Vienna, Vienna, Austria

Objective: The UNIDO round table discussion aims to provide a platform for policymakers and practitioners to exchange views and experiences on sustainable development goals, long-term vision and operational strategies in Asia. The event will also provide strategic insights for policymakers and practitioners with respect to the sustainable and inclusive industrial development of Asia, while at the same time examining possible global economic and commercial implications of Asia's industrial expansion.

Participants: Member States represented by their Government missions and other high-level policy and decision makers, representatives from the private sector, civil society and academia.

Draft Agenda	
08:30 – 09:00	Registration
09:00 – 11:00	Session 1 Moderator: Paul Hohnen, Sustainability Strategies Welcome remarks: Kandeh Yumkella, UNIDO Director-General Presentation: "Asia 2050: Realizing the Asian Century?", by Bindu Lohani, Vice-President of Knowledge Management and Sustainable Development, Asian Development Bank Discussions: "Setting the stage – Long-term visions in a global context"
11:15 – 13:00	Session 2 Moderator: Paul Hohnen, Sustainability Strategies Discussions: "Conditions for sustainable and inclusive growth"
15:00 – 16:45	Session 3 Moderator: Kandeh Yumkella, UNIDO Director-General Discussions: "Actions for promoting sustainable and inclusive growth"
16:45 – 17:00	Wrap-up session

Please register by sending an Email to: C.Jeneral@unido.org

Concept note for the Asia 2050 event

Event title	Round Table “Asia 2050: The sustainable route to prosperity”
Date	13 September 2012
Co-hosts	the Asian Development Bank, the Asian Group, the Austrian Research Foundation for International Development, and the Austrian Federal Economic Chamber
Venue	Hall B, Austria Center, Vienna

Background

Asia, the most populous continent with the most dynamic economies, is in the middle of a historical transformation. Gradually, Asian countries began to move away from decennia of low per capita incomes by consistently achieving high GDP growth rates based on large scale industrialization. By following an export-led growth strategy, some countries progressively moved from textiles to light assembly, then to microelectronics, high-tech and heavy industries, while neighboring countries were quick to follow in their footsteps, reducing their primary exports. Per capita incomes in the region rose accordingly. The incorporation of China into this process some 25 years ago cemented this trend and, at the same time, was decisive in redefining Asia’s role in the world economy. The continent now exhibits several high- and many middle-income countries with large internal markets. Consequently, although development policies in Asian countries are still very much export-led, the focus is no longer on exports to developed economies but within the Asian region itself.

Nevertheless, growth in Asia has not been balanced. The region is still home to a large share of the world’s extreme poor; illiteracy and unemployment affect vast numbers of people; investments in infrastructure and social services lag far behind desirable levels; the financial sector is underdeveloped and many of the fast-growing cities do not offer good living conditions.

It is this paradox that prompted the Asian Development Bank (ADB) to carry out an extensive analysis of the economic, social, geopolitical and environmental conditions in Asia and produce the important study *Asia 2050: Realizing the Asian Century* to map out the region’s long term growth prospects. The study sets out two plausible scenarios drawing on the drivers that have defined Asia’s growth to date. The Asian Century scenario assumes that strong growth will continue throughout the region for several decades, which would require continual adjustments in strategy and policies to respond to shifting comparative advantages. However, the achievement of this scenario could be threatened by the ‘middle-income trap’, whereby middle-income economies find themselves unable to compete with either low-wage economies or highly skilled advanced ones, halting the pace of growth in the region in the long run.

The *Asia 2050* study presents a set of actions geared to ensure the achievement of the Asian Century scenario. At national level, the study stresses the need to reconcile growth with inclusion and deal with inequality in most countries; to develop a strong financial system that serves the region efficiently; to manage massive urbanization efficiently, while paying due attention to the quality of life; to improve the efficiency of natural resource use; to promote competition, entrepreneurship, innovation and technological development, and to

improve governance and develop national institutions. The study highlights the importance of increased regional cooperation and integration to forestall vulnerability to external shocks, to help push through domestic reforms, to develop a single market with a freer flow of goods, capital and labour, and to anchor Asia's long term stability. On a global scale, the study recommends that Asia should assume a more active role in global governance, in line with its overall economic footprint.

If past successes could be reproduced it is to be expected that by 2050 Asia would boast very high income levels for most of its population, as illustrated in the optimistic Asian Century scenario of the ADB study. However, there are some elements that could jeopardize such an outcome. Firstly, recent economic growth has been accompanied by unequal income distribution in some of these countries, which could constrain the smooth expansion of the internal market. Secondly, increased demand pressure on food and raw materials derived from the improved living standards of growing populations worldwide could send their prices to new heights and even restrict the volume of food and raw materials available to Asian countries, causing severe bottlenecks in consumption and production. Thirdly, rising awareness about climate change and its detrimental consequences on living conditions is likely to result in domestic environment protection policies that will drive industry into 'greener' directions. Countries will be under intense domestic and international pressure to assume their environmental responsibilities. The sustained economic growth of Asian countries along existing patterns is therefore far from guaranteed and there is a serious risk that some countries may fall into the middle income trap, as projected in the pessimistic scenario in the *Asia 2050* study.

To overcome these hurdles and pave the way for Asian countries to enjoy living standards comparable to those enjoyed by current developed countries by 2050, these countries must make sure their industrial development becomes sustainable and inclusive. To achieve this goal, they must deepen their industrialization processes, increasingly expand the range of higher-productivity value-adding activities, strive for resource efficiency across all production processes, and ensure the development of a strong, highly-skilled middle-class. Technology innovation is central to the continuous rise in productivity, and both the education system and the institutional framework need to be focused on generating a knowledge-based and innovative economy. Innovative efforts must also aim at improving resource efficiency across the board to equip these countries to deal with finite natural resources, dwindling fossil fuel reserves, increased carbon emissions and the penalization of pollution. Social policies ought to iron out unequal income distribution and target the transformation of Asia's growing urban areas in centres of improved living standards for the population at large, offering good education, adequate housing and transport, high-skill employment opportunities and a safe environment.

As the specialized agency of the United Nations charged with promoting and accelerating sustainable industrial development and working towards improving living conditions in the world's poorest countries, UNIDO can offer to serve as a global forum, generating and disseminating industry-related knowledge to facilitate the achievement of the Asian Century scenario, and at the same time be a channel for technical cooperation, providing technical support, fostering institutional development and trade capacity building, and enhancing a resource-efficient, environmentally sustainable industrial development in Asia. In addition, UNIDO's Member States have called upon the Organization at its 2011 General Conference to play a stronger role in the provision of support and advice to developing countries in the field of industrial strategies and policy. Participating in efforts to

support the realization of the Asian Century scenario offers an excellent opportunity for UNIDO to respond to this mandate, working with Asian Member States in applying UNIDO’s new strategic industrial policy approach in order to help them to capitalize on, or respond effectively to, shifts in competitive advantages and foster structural change.

Hosted in cooperation with the ADB and other partners, the UNIDO roundtable will provide a unique platform to address the issues raised in the *Asia 2050* study and discuss the challenges and opportunities for sustained prosperity for Asia. It will have the following objectives:

- To provide a platform for policy makers and practitioners to exchange views and experiences on sustainable development goals, long-term visions and operational strategies in Asia.
- To provide strategic insights for policy makers and practitioners with respect to the sustainable and inclusive industrial development of Asia.
- To explore and exchange views on strategy and policy approaches to adapt to the shifting competitive advantages of Asian countries in order to avoid the ‘middle-income trap’.
- To examine possible global economic and commercial implications of Asia’s industrial expansion.
- To increase UNIDO’s visibility in Asia in order to strengthen its role in enhancing this region’s prosperity.
- To extend UNIDO’s network within Austrian society.

Draft Agenda	
08:30 – 09:00	Registration
09:00 – 11:00	<p>Session 1</p> <p>Moderator: Paul Hohnen, Sustainability Strategies</p> <p>Welcome remarks: DG, UNIDO; the Chairperson of the Asian Group, the Austrian Federal Economic Chamber and the Austrian Research Foundation for International Development.</p> <p>Presentation: “Asia 2050: Realizing the Asian Century?”, by Bindu Lohani, Vice President of Knowledge Management and Sustainable Development, Asian Development Bank.</p> <p>Discussion issues: “Setting the stage – Long term visions in a global context”. <i>Asia in 2050 – Scenarios of Asia and the World</i></p> <p>The discussions will critically review the main assumptions, findings and recommendations of the report and highlight alternative perspectives. Why is it important to build these type of scenario studies and how can they help policy makers and the business community in their future planning?</p> <p>Deliberations will also focus on the three main challenges faced by Asia to achieve long run sustained growth and make of the region a major player in the international arena, namely, growing income inequalities, rapidly escalating natural resource constraints and cumulative environmental degradation.</p> <p>Panel:</p> <ul style="list-style-type: none"> • Anne Booth, Department of Economics, Center of South East Asian Studies, University of London

	<ul style="list-style-type: none"> • Rae Kwon Chung, Director, Environment and Development Division, ESCAP • Daisuke Hiratsuka, Executive Vice President, Institute of Development Economics, Japan External Trade Organization • Bindu N. Lohani, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank • Aiguo Lu, Senior Research Fellow, Chinese Academy of Social Sciences • Khemmani Pholsena , Vice Minister, Ministry of Industry and Commerce, the Laos
11:00-11:15	Coffee break
11:15 – 13:00	<p>Session 2</p> <p>Moderator: Paul Hohnen, Sustainability Strategies</p> <p>Discussion issues: “Conditions for sustainable and inclusive growth”.</p> <p>Take the issues of inclusiveness, natural resources constraints and environmental degradation identified in Session 1 as a starting point and consider whether, and how far, Asia has the necessary conditions for sustainable and inclusive growth. Particular attention will be given in the discussion to three aspects:</p> <ol style="list-style-type: none"> a) Policy and regulatory framework: what are the strengths and weaknesses of policy formulation and decision-making for national, regional and global challenges? What changes or improvements might be considered in improving focus, communication and coordination? Is there a need for a new government/business sector relationship b) Transitioning to a new development/business model: How might Asia move towards a model that reduces risks of resource and environmental constraints, improves the sharing of economic growth and access to essential services, and reduces poverty? How might investment, trade policies and technical standards serve as engines for inclusive and green growth? How could infrastructure and demographic challenges (e.g. youth employment, skills improvement) be better addressed? c) Global impacts and implications: Continued growth in Asia, whatever its form, will have global consequences. How can the benefits of the ‘Asian Century’ be more widely shared, and the risk of potential adverse impacts reduced? Can Asia learn lessons from the development experiences of other regions, including Africa and Latin America? <p>Panel:</p> <ul style="list-style-type: none"> • Sandra D’ Amico, Vice President, Cambodian Federation of Employers and Business Associations • Joao Carlos Ferraz, Vice President, National Economic and Social Development Bank, Brazil • Lalith Goonatilake, Director, Trade Capacity Building Branch, UNIDO • Wolfgang Lutz, leader of IIASA’s World Population Program and Director of the Wittgenstein Centre • Ramesh Subramaniam, Senior Director, Office of Regional Economic Integration, Asian Development Bank

	<ul style="list-style-type: none"> • Norio Yamamoto, Executive Vice President, Global Infrastructure Fund Research Foundation Japan • James Zhan, Director, Investment and Enterprise Division, UNCTAD
13:00-14:30	Lunch
15:00 – 16:45	<p>Session 3</p> <p>Moderator: Kandeh Yumkella, the Director-General of UNIDO</p> <p>Discussion issues: <i>An Agenda for Action: Priorities and Options</i></p> <p>Drawing on a summary of discussion from Sessions 1 & 2, this session will seek to develop common ground on the practical actions Asian countries and their partners might take in further developing and implementing their visions for the future. In particular it will focus on:</p> <ol style="list-style-type: none"> a) Institutional framework: what action is desirable to ensure a conducive institutional framework? How can Asian countries improve intra- and extra-regional cooperation? What are the priority issues and actions that might be taken? b) Industry and Innovation: Which sectors/technologies offer the most attractive opportunities for green and shared growth? How to improve South-South knowledge sharing and technical cooperation? c) Sustainability: How to improve the sustainable resource management? What are the policy implication/recommendations ? <p>Panel:</p> <ul style="list-style-type: none"> • Jeung-Soo Huh, President, Korea Energy Management Corporation • Misako Kaji, Professor, The University of Tokyo • Bindu N. Lohani, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank • Rajiv Kumar, Secretary General, Federation of Indian Chamber of Commerce and Industry • Erastus Mwencha, Deputy Chairperson of African Union Commission • Taizo Nishikawa, Deputy to the Director General, UNIDO • Walter Koren or Karl Hartleb , the Austrian Federal Economic Chamber (TBC)
16:45 – 17:00	<p>Wrap up session</p> <p>Closing remarks by Kandeh Yumkella, the Director-General of UNIDO</p>