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# Scarcity, Innovation, and PPP/CSR

2<sup>nd</sup> 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

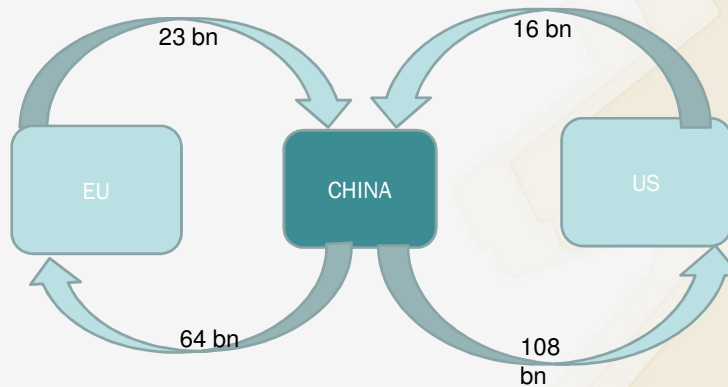
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2000: Trade flows between China and US/EU (US\$)



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

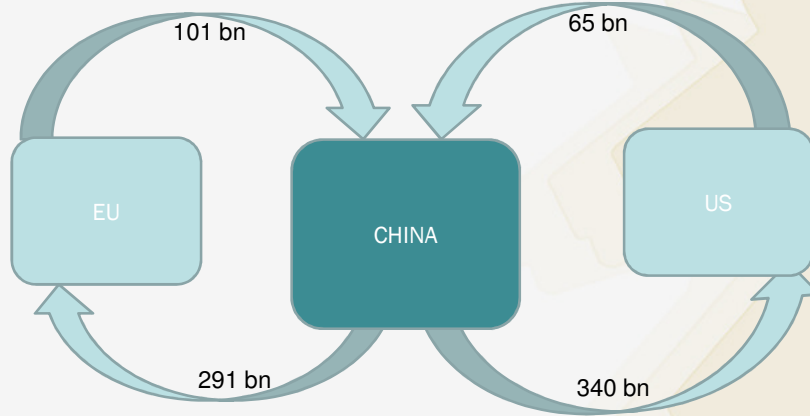
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### 2007: Trade flows between China and US/EU (US\$)



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

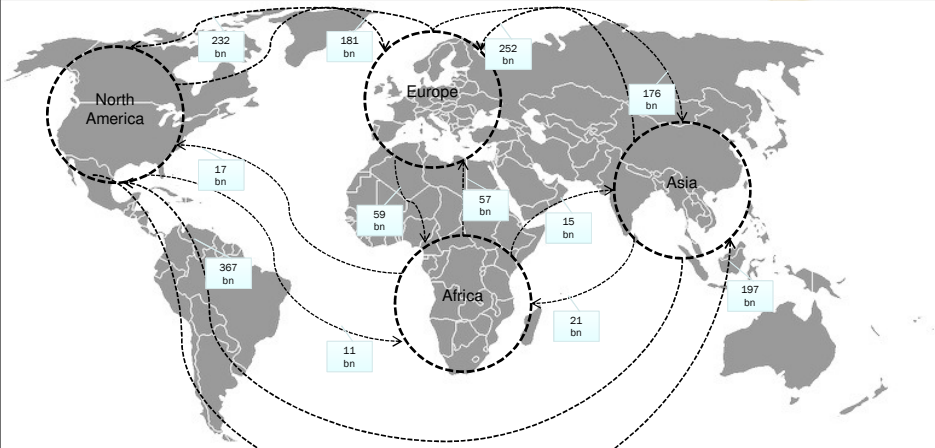
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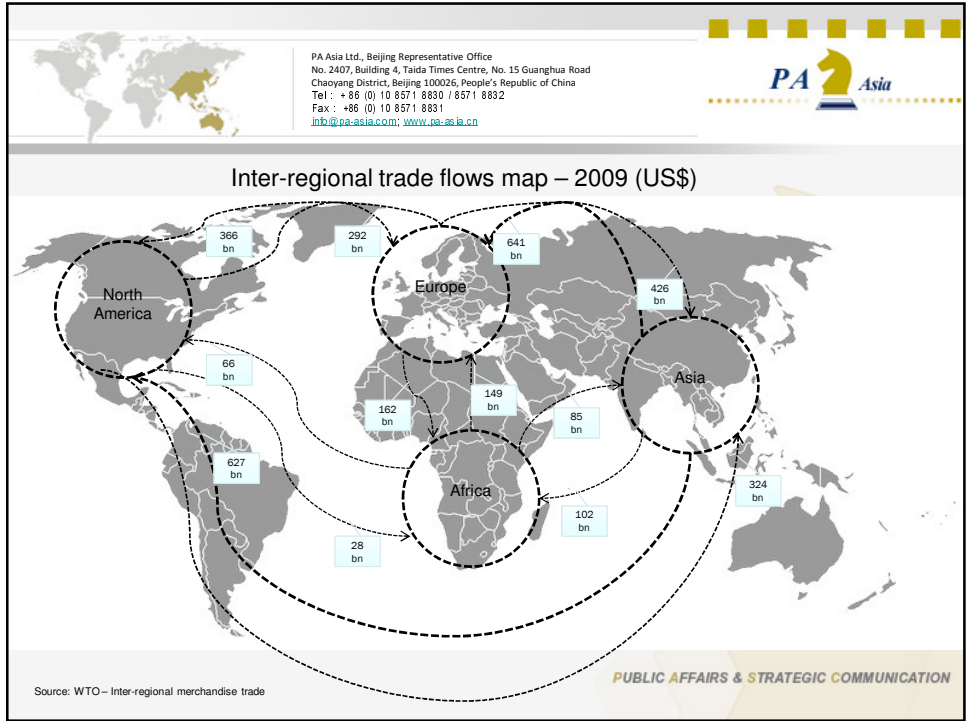


### Inter-regional trade flows map – 1999 (US\$)



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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