

# INFOCUS

**Pause**

**Pivot**

**Profit**

**Documenting  
a lost year**

**Economic  
components of a  
pandemic era**

**What to do  
about 5G**

**The rise and rise  
of sustainable  
finance**

# OUR PAST EVENTS YEAR 2020

With worldwide lockdown and travel ban, COVID-19 had a profound impact on our overall operation and planned events for year 2020. Adapting to the situation, we managed to conduct a number of international level events, while still remaining safe at home.



## WIEF Roundtable Kota Kinabalu 2020

### Economic Rejuvenation: The Path to Growth

The 16th Roundtable was held on 12 and 13 March 2020, at The Magellan Sutra Resort, Sutra Harbour Resort, Kota Kinabalu, Sabah, Malaysia. It was the first in the WIEF Roundtable series to be hosted locally, since its launch in Manama, Bahrain in February 2011.



## #iEmPOWER

### Developing Content Strategy For Digital Marketing

WIEF Businesswomen Network (WBN) organised the #iEmPOWER workshop series, on 10 August and 12 August 2020, virtually, via zoom platform. Trainer, Angeline Ann Samuel, CEO and Founder of A Tech International, explained about the importance of content and context for digital marketing, as well as about brand storytelling and how to maximise visibility and reach in social media.

Part 1:



Part 2:



## WIEF IDEALAB 2020 SERIES | SUSTAINING STARTUP ECOSYSTEMS



### First Edition Supporting Startup in the COVID-19 Era

The first edition was held on 23 June 2020. The topic of this pioneering event was crafted to reinforce the endurance of the heavily affected entrepreneurs and startups, amidst the global crisis, as well as to address the changing landscape, during and post COVID-19 pandemic.



### Second Edition Workshop Taking Your Business: Starting Strong, Growing Fast

The second edition of WIEF Idealab 2020 was held on 15 July 2020. The webinar was on the changing landscape during and post COVID-19 pandemic, as well as to assist start-ups and home-based entrepreneurs in adapting to the online business environment.



### Final Edition ThinkTalk: Enticing Youth to Agribusiness

The final edition of WIEF Idealab 2020 Series was on 29 September 2020. The topic of this workshop was to address worrying global food insecurity and the rising average age of farmers, the most recent being 59.4 years in 2019, according to Integrated Food Security Phase Classification (IPC).



## thinkTALK a community dialogue session

### Reinforcing Digital Business: Accelerating Growth Amid Turmoil

WIEF Young Leaders Network (WYN) organized the WIEF thinkTALK webinar on 20 October 2020 via Zoom platform. The role-player, Frances Valintine (CNZM), Founder of Tech Futures Lab, New Zealand, emphasized on the urgency for traditional businesses to shift towards digitalisation.

Organised by



Joint Organiser



WIEF - SIDC Communicate with Clarity  
**POWERTALK**  
**WEBINAR 2020**



**Moving Forward :**

# Banking & Capital Market Trends

Stay afloat,  
capitalise on  
strengths and  
get insights  
from industry  
experts.

- 📍 8 December 2020 (Tuesday)
- 📍 11.00AM (GMT+8:00)

Please contact us for more information

📞 +603 2163 5500    ✉️ [marketing@wief.org](mailto:marketing@wief.org)

[www.wief.org](http://www.wief.org)



# 05

## First Words

*Pivot and Grow* by Chairman of WIEF Foundation 05



# 06

## Quick Focus

Documenting 2020: The Lost Year 06



# 08

## Opinion

Fluidity of the New Norm 08



# 11

## Economy

Economic Components of a Pandemic Era 11



# 14

## Business

Business Agility at the Fore 14  
Big Difference in Little Ways 17  
Supporting Startups Post-pandemic 20  
Ingredients for Content 23  
Tourism in the Time of Corona 25



# 26

## People

Travel in the New Norm 26



# 32

## Tech

What to Do About 5G? 32



# 35

## Finance

The Word on Sustainable Finance 35

The Emissions Expense 40



# 43

## Green

Not so little effort 43

Harvesting Interest 46

Leading Sustainability in Style 47

A Breath of Purified Air 51

## About IN FOCUS

It is a complimentary bi-annual publication. Its inaugural issue was published in November 2017 and it is an extension of WIEF Foundation's online bank of articles that is constantly growing to cater to the reading pleasure of the global business community. Do drop us a line on economic and business-related matters you think we should report on.

## Editorial Info

IN FOCUS online  
Web: [infocus.wief.org](http://infocus.wief.org)  
Email: [infocus@wief.org](mailto:infocus@wief.org)  
Digital version:  
[infocus.wief.org/digital-version](http://infocus.wief.org/digital-version)

IN FOCUS editorial  
Su Aziz, [su@wief.org](mailto:su@wief.org)  
Design by Amphibia Digital Sdn Bhd

IN FOCUS publisher  
Address: WIEF Foundation, 157 Hampshire Place Office, 1 Jalan Mayang Sari, 50450 Kuala Lumpur, Malaysia.  
Tel: +603 2163 5500

## ON THE COVER, ISSUE 7

*Pause. Pivot. Grow.*

Photo by Alex







**2020** will forever be remembered as the lost year. Thankfully, it's almost over. As this year cautiously morphs into a new one, the global population tread uneasily in an anxious world, precariously balancing the old and new norm while conforming the best way they know how. With the help of calculated government policies and benevolence, it is hoped, they will find firm footing once more. But not before taking care of the details.

The devil, I always say, is in the detail.

The economic blow in the past year, delivered by the pandemic to every industry on earth, has resulted in one concrete thing: survival of the fittest. Or at the very least, the ones who pivoted with complete dexterity. Many governments had to rethink their economic strategy and mobilise economic growth boosters in forms of various incentives as well as programmes, to assist businesses and the population through a daunting economic period. Along with this, agility to manoeuvre obstacles, also contributes toward economic revival.

One thing's for sure, the significance of SMEs as an economic booster, or growth tool, is significantly acknowledged. Thus, efforts to narrow and bridge the funding gap to raise capital are heightened for SMEs as well as startups. In fact, it sits in the topmost on many governmental economic agenda. Through such support, economic growth of key sectors seems imminent and as always, it is not without a big dose of technology.

Fundamental ingredients of growth have always included sustenance and innovation. This applies to businesses as much as living creatures. Today, in preparation for a post pandemic era, strategic collaborations within a region, or even across continents, is certainly a prerequisite. Even more so than before the pandemic. By now, many have realised that unity acts as a retaining wall that contains the flood of pessimism and economic destitute.

With that in mind, and on an optimistic note, the seventh issue of the Foundation's in-house magazine records opinions of individuals and efforts by industries – ranging from agriculture to travel – preparing for a post pandemic era. While the lockdown period afforded most to sit and reflect, many business folks have begun to pivot their business model and striding toward much needed growth. We, at the Foundation, are rooting for them, as always.

Sincerely, I hope the articles in this issue of *In Focus* will inspire optimism as we leave 2020 behind and step into 2021. We cannot, and should not, face a new decade running on empty, nor without relying on one another – united we are strong, divided we fall. Therefore, strengthen the camaraderie, evolve on a new mindset and fill up the coffers. Let us move on and be confident of prosperity during a new normal.

Happy New Year, everyone. May 2021 be a blessed one. ■

by **Tun Musa Hitam**  
Chairman of WIEF Foundation



# DOCUMENTING



COVID-19 has had a profound impact on a number of industries across the globe. **Reyana Nacerodies** records opinions of thought leaders featured in this issue on losses during the pandemic and how all-important recovery can be achieved.

# THE LOST YEAR



DAVID  
PROSERPIO

*USC Marshall Assistant Professor of Marketing*

*United States*

*Area of expertise: The sharing/ gig economy*

Losses have been large for some companies in the gig/sharing economy like Airbnb. However, despite a period of extremely low revenue, it seems that many of these companies are now recovering from the hit. A key factor for a strong recovery is the ability of these firms to adapt to the different types of consumer needs that the pandemic generated. The pandemic reminded these companies that without their users, they're not worth a penny.



SIMON  
MAIR

*Ecological Economist*

*United Kingdom*

*Area of expertise: Climate change and economic*

The pandemic has highlighted a crack in the economic system. The system dictates that you can buy a meal in a restaurant two metres from strangers, but don't sit in a garden two metres from your friends. In this way, the responses to the COVID-19 pandemic have been driven by the same logic and values that ran the economy prior to the pandemic. That is, the market comes first. Recovering economic losses would be a mistake. Instead, I believe that all industries must think about what they offer in non-economic terms and think about how they best deliver that. This is the basis from which we start to build a better system.



**TROY  
MORLEY**

*Senior Industry Analyst*

*United States*

*Area of expertise: 5G*

One thing that's certain in this time of great uncertainty is that, communications networks are essential. As many around the world have been forced to work or study from home, the impact on the communications networks – both wireless and wireline – has been remarkable, and the networks have done a fantastic job of handling the extra load. 5G New Radio (NR) brings with it a myriad of growth opportunities that have been anticipated for the last eight or so years since work on 5G began. These growth opportunities were clear six months ago. While the outlook now has become somewhat less clear, Frost & Sullivan believes the pandemic only changes the timeline – from a big picture view, the changes are minor.



**ANDREW  
NORTON**

*Director*

*International Institute for Environment  
and Development (IIED)*

*United Kingdom*

*Area of expertise: Environment and  
sustainability*

As COVID-19 dominates global attention and action, it's critical governments remember that their urgent action is also needed to stop the twin emergencies of nature's destruction and climate change. While the pandemic led to a temporary dip in global greenhouse gas emissions, this must not distract from the urgent need for rapid fundamental changes in infrastructure, energy, land use and industrial systems to set us on a path to net zero emissions globally by 2050 at the latest. The tragedy of COVID-19 proves urgent, collective action is possible.



**ROBERT  
SKIDMORE**

*Chief Sector and Enterprise Competitiveness  
International Trade Centre (ITC)*

*Area of expertise: SME*

In its flagship report entitled the *SME Competitiveness Outlook 2020*, the ITC analyses the impact of the pandemic on small firms, international supply chains and trade. It provides projections and a 15-point action plan for businesses, policymakers and business support organizations to weather the crisis – and gear up for a 'new normal' that needs to be resilient, digital, inclusive and sustainable.

It reminds entrepreneurs, governments, business support organisations and international organisations must take specific measures to survive the effects of the 'great lockdown' imposed in the wake of the pandemic. It also contains guidance on how to ensure that MSMEs are at the forefront of generating resilience, inclusiveness, sustainability and growth in a future new normal.

## THE AGILE BUSINESS CONSORTIUM

*United Kingdom*

*Area of expertise: Agile business practices*

The current COVID-19 pandemic has undoubtedly caused enormous individual and organisational hardship and loss. But perhaps it has also provided the disruption required to breakout of traditional mindsets and ways of working, where the strength, talent and resilience of individuals is what has, and always will, make the biggest difference.



Image by Laura Makaltses for UN Global Call Out To Creatives from Unsplash

**TERESA  
GHILARDUCCI**

*Labour Economist*

*United States*

*Area of expertise: Labour and retirements*

The COVID-19 recession has created even more uncertainties and difficulties for older workers. The pandemic has exposed flaws in the retirement system. Low coverage rates make it harder for people to save on their own. We still see only half the labour force with retirement coverage. The retirement system was broken to begin with, but it's really failing people now. We need to lower the Medicare eligibility age, raise social security benefits by USD200, and create a universal pension system. ■

Ecological economist, **Simon Mair**, deliberates on the reality of, and potential learnings from, our new normal.

# FLUIDITY OF THE NEW NORM

A dictionary definition of the word 'norm' doesn't suggest fluidity. Definitively, a norm is something that is usual, typical and standard. Occurrences and experiences of the last year have been described as unprecedented and our norms have either been interrupted, disrupted or brought into question. There are a number of possible outcomes, some of which are already in motion, but nothing is cast in stone.

## Describing the New Norm

Our day-to-day normal is very different. At present, I'm legally prevented from seeing my parents and grandparents who live in a local lockdown area in the United Kingdom. I'm unable to hug friends. Social norms have changed.

Our economic norms, however, haven't changed at all. I'm encouraged to go to the pub, to shop. My employers are planning for me to return to work in September. This is all to protect the accumulation of monetary wealth. Making money has been the main driver of our economy for 300 years and it continues to be the key driver today. The reason I can't see my family, is to protect my ability to shop. The economic norm of making money is protected at the expense of social lives in the UK.

There's a common joke among people living in or near local lockdown areas in the United Kingdom. It's said that, 'you can do whatever you want, as long as you're somewhere with a card machine'. In short, a choice has been made. To reduce COVID-19 infection rates, you have to reduce close contact between people. In practice, this has meant taking part in fewer activities with other people. The choice is whether you prioritise allowing people to do activities that are part of the market, that is, buying and selling, or those that are free. The United Kingdom government has chosen the former in order to protect 'the economy'.



C





**‘Hopefully we will use this crisis to rebuild, produce something better and more humane.’**

### **A Necessary Reality**

These actions are necessary only to protect our current capitalist reality. It's possible to build other ways of provisioning our economies. It's undeniable that some level of work, exchange and consumption would be needed. But there's also no doubt that we could reduce the scale of this quite dramatically. Doing so would create space to support more non-commercial activity, such as seeing friends and family.

### **In a State of Flux**

COVID-19 is a crack in the system. Through this crack we get a glimpse of the brutality of the system. The system dictates that you can buy a meal in a restaurant two metres from strangers, but don't sit in a garden two metres from your friends. In this way, the responses to the COVID-19 pandemic have been driven by the same logic and values that ran the economy prior to the pandemic. That is, the market comes first.

However, we can also glimpse a possibility here. During lockdowns around the world, many people have stopped working. Yet the world kept on turning. If we can find a way to manage the social fallout of unemployment, then perhaps we can all work less. In other words, if, as a society, we choose to distribute things like food, shelter and utilities universally, and unconditionally, perhaps we can free up time to be away from the commercial world and spend more time with friends and family.

COVID-19

## Key Areas to Consider in the New Norm

The responses to the COVID-19 pandemic are amplifications of the dynamic that drives other social and ecological crises – the prioritisation of one type of value over others. The challenge is how we break this norm and build a new one. Capitalism has 300 years of institutions and power that it will use to reinforce its preferred norms.

The first step in breaking the old norm is political resistance – done smartly, not violently. We have to organise around the principle of universal provision of basic services. Projects like a universal basic income or universal basic services, provide the basis of greater freedom enabling us the space to build the institution that will foster new norms. The challenge is how we break this norm and build a new one.

**‘The responses to the COVID-19 pandemic are amplifications of the dynamic that drives other social and ecological crises – the prioritisation of one type of value over others.’**



## What's to Come?

Standard political rhetoric tells us that the economy is fixed, that it can't be changed. In reality, the economy is embedded within society. This means that we can change it. We must change it if we are to be more resilient in the face of future crises – both in terms of pandemics and climate change. Chasing the accumulation of money makes it harder to deal with pandemics and climate change. We have to build an economic system that is able to do something more than make money.


There are a number of possible futures, all dependent on how governments and society respond to the coronavirus and its economic aftermath. Hopefully, we'll use this crisis to rebuild, produce something better and more humane. But we may slide into something worse. ■

**‘...the responses to the COVID-19 pandemic have been driven by the same logic and values that ran the economy prior to the pandemic. That is, the market comes first.’**



### About the Author

**Simon Mair** is an ecological economist based in United Kingdom, who has applied his mind to the study of the existing economic system in order to consider a new one. Simon holds a PhD in ecological economics, a master's degree in environmental management and a bachelor's degree in environmental science. He proposes that we need a very different kind of economics if we are to build socially just, and ecologically sound, futures. He suggests that COVID-19 has posed a case in point.



Past epidemics had long-lasting effects on economies through illness and loss of lives. **Reyana Nacerodien** explores key economic components and the influence Covid-19 has had on these.

# Economic Components of a Pandemic Era

**W**hile COVID-19 is marked by widespread containment measures and comparatively fewer fatalities, the impacts of these remain unprecedented despite experience with past epidemic. It's the most serious global health crisis since the Spanish flu in 1918, but stands out as one of the most costly economic events in recent times. Human existence is marked by health-related events with far-reaching impacts and implications for populations across the globe.

In the last century, various strains of influenza have had differently devastating effects as has the West African Ebola epidemic in 2014 and the Zika virus epidemic in 2015. A 2017 study by the Society for Risk Analysis showed that the impact of pandemics on health, welfare, and social and economic stability is substantial, with estimates of economic losses alone exceeding USD6 trillion over the next century.

Disease severity and the presence, or absence, of vaccinations play a role in the effects of an outbreak, but past experience demonstrates major outbreaks as being catalysts for change. Stanford historian, Walter Scheidel's research shows how disease outbreaks in the past disrupted the status quo and catalysed change, though cautions that it's likely the change will be less socially significant with the coronavirus. What's evident, however, is the rethinking and, at times, reformulation the lived experience of the pandemic has brought to the fore.

## Retirement

When companies assert that they can help you reimagine your retirement, their intention is to offer sound financial advice on how you can retire comfortably with financial security and maintaining a certain lifestyle ensuring your affairs are taken care of. COVID-19 pandemic's far-reaching implications have extended to the notion of retirement too. Materially, the outbreak has a global impact on markets and, in turn, on retirement-focused investments.



Teresa Ghilarducci is the Bernard L. and Irene Schwartz professor of economics at The New School for Social Research and the Director of the Schwartz Center for Economic Policy Analysis (SCEPA) and The New School's Retirement Equity Lab (ReLab). She's a labour economist and recognised expert in retirement security. Assessing COVID-19 impact in the field of retirement, she notes, 'COVID-19 recession has created even more uncertainties and difficulties for older workers.'

According to Teresa, calculations show that the pandemic will force another 3.1 million older workers into poverty in their retirement, with many forced to choose between risks to their health and their need to earn a salary. The result is people draw down their retirement savings before retirement, assume more debt, or apply for Social Security earlier than planned. As a result, people who are middleclass workers now will be poor or near-poor retirees for the rest of their lives.

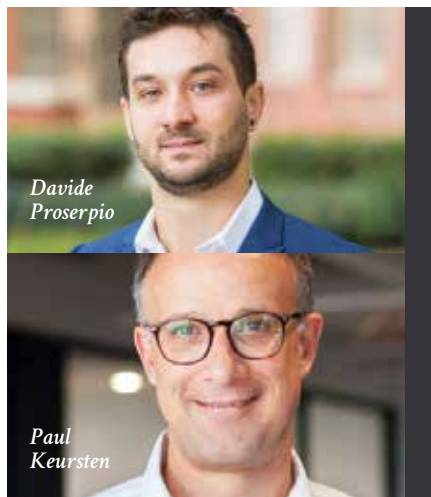
'The pandemic has exposed flaws in the retirement system. Low coverage rates make it harder for people to save on their own. We still see only half the labour force with retirement coverage. The retirement system was broken to begin with, but it's really failing people now. We need to lower the Medicare eligibility age, raise social security benefits by USD200, and create a universal pension system,' adds Teresa.

## Gig Economy

The individual 'gig' has been heightened through the pandemic. The flexible, temporary nature of jobs, generally conducted through online means that define the concept has, in many instances, become the norm amidst imposed lockdown restrictions. In recent times, further ease of access and efficiencies such as cost savings that startups in this economy have generated, have been favourable to consumers and have had ripple effects in the industries in question.

USC Marshall Assistant Professor of Marketing and Kenneth King Stonier Assistant Professor of Business Administration, Davide Proserpio, was one of the first academics to study the sharing economy. This was when he was completing his PhD research focused on the case of Airbnb within the context of Austin, Texas, where Airbnb supply was highest at the time. Research found that the causal impact on hotel revenue was between eight and 10 per cent with lower priced hotels and those hotels not catering to business travellers being the most affected. Impact assessments showed less aggressive hotel room pricing to the benefit of all consumers, not just participants in the sharing economy.

Today, Davide is considered a leading expert in the so-called 'gig' economy sometimes referred to as the sharing economy. In assessing the impacts of COVID-19, he observes, 'Some platforms that aren't very popular may disappear, but the whole concept of the sharing economy will survive along with the best players, such as Uber and Airbnb.' He notes valuable lessons for these businesses through their COVID-19 experience. 'The pandemic reminded these companies that without their users, they aren't worth a penny. So, I hope that this will fundamentally change the way they are treating their workers.'



## The Physical Landscape

Physically, many of us have been told to work from home, as social movement is restricted. While this proved one of the key challenges of COVID-19, many industries and businesses took the opportunity to change their operational landscape for the future. Eight years ago, business partners Paul Keursten and Mark Seftel partnered with the renowned V&A Waterfront in Cape Town, South Africa, to create the now well-known Workshop17 collaborative space.

When they first started in 2012, co-working was seen as something for startups and individuals. Although their members were mainly entrepreneurs, small businesses and professionals, corporates enjoyed coming out to the space for meetings and events, as it offers a very different environment than the usual. The company saw a steady growth and growing interest from companies who see their spaces not as a temporary solution, but as a better alternative than having their own office. It enables them to focus on their primary business while the rest is being taken care of externally. It also grows their network. In the last years, more and more companies see the benefit of a serviced and flexible workspace solution like the ones being offered.



Paul agrees that the COVID-19 experience has brought about a re-evaluation of the landscape of workspaces. 'The office of the future will no longer be a specific space in one building, but a combination of physical spaces accompanied by virtual office resources that enable online meetings, planning and collaboration. The future of the office became clearer to us during COVID-19 lockdown. Physical workspaces will always be relevant, but the need to keep our members connected inspired us to re-evaluate our value proposition and shift our focus to provide flexible solutions offering an interchangeable mix of physical and virtual spaces and functionalities. We intend to be a work solutions provider to enable corporates, entrepreneurs, freelancers, and others to be productive wherever they choose to operate from – at home or in one of our physical workspaces.'



## MSMEs

'COVID-19 has not only emerged as a global health emergency but also severely affected economic welfare across the world,' says Dorothy Ng'ambi Tembo, Deputy Executive Director ad interim of the International Trade Centre (ITC) from January to September 2020. 'The World Bank warns that the pandemic may drive 100 million people back into extreme poverty. The crisis will have a profound economic impact in developing countries resulting in large scale unemployment and decrease in incomes.'

These implications, according to Dorothy, are an immediate threat to livelihoods in the short term and will lead to adverse retirement outcomes. Those with retirement savings will likely experience a decrease in the value of their assets, not only from falling financial markets but also from a lower capability to contribute to their pensions and a reduction in their savings as a result of associated financial distress. 'Furthermore, remittances, a lifeline for many in the developing world, are expected to decline sharply. While an urgent response is required to support the immediate needs of many in the

developing world, attention should also be paid to the impact of the pandemic on retirement outcomes.'

The ITC has put together a 15-point action plan, with concrete advice for small businesses, business support organisations and governments, to help Micro, small and medium-sized enterprises (MSMEs) during the crisis and beyond. Key recommendations for immediate response to the crisis include:

### *For Businesses*

- Adapt business processes by applying common-sense precautions and restructuring operations.
- Re-orient activities and resources to ensure business continuity during lockdown.

### *For Governments*

- Expand and facilitate access to trade finance for MSMEs, including those run by women or young entrepreneurs.
- Spur digitalisation of trade documents and procedures, in collaboration with private sector.

### *For Business Support Organisations*

- Channel flow of trusted information and build bridges to deploy solutions rapidly.
- Coordinate collective actions by SMEs for resilience, scale and efficiency.

'With the pandemic still ongoing, businesses, governments and business support organisations will have to function under a 'new normal' in international trade. To support MSME recovery in this evolving environment, we recommend, not only preparing to operate in, but also building business models and ecosystems that thrive in a digital, global economy geared towards resilience, inclusiveness and sustainability,' says Dorothy.

The repercussions of the pandemic have had varying degrees of destruction. For those at the bottom of the pyramid, the blow has been devastating. MSMEs, particularly those in developing countries, have been disproportionately affected by the crisis. International Trade Centre's research has highlighted the compounded impact on small businesses. Over 60 per cent of MSMEs have reported they are strongly affected by the crisis, compared with 42 per cent for large companies. The effects on women and youth-led firms are even more dire, as they are on average smaller in size and tend to have fewer assets and limited cash reserves as a cushion to the lockdown induced liquidity shortages.

MSMEs account for 70 per cent of jobs in countries around the world and are the backbone of global economies, and as such, require dedicated resources to support their recovery. Any recovery plan must, therefore, include MSMEs because of their critical role. As the only multilateral agency fully dedicated to supporting the internationalisation of MSMEs, the ITC has been helping small businesses to navigate through the COVID-19 storm. ■

**A**gile Business Consortium is a global leader in promoting business agility, having contributed to knowledge on the subject for over 25 years. It's the world's oldest agility-orientated organisation and has contributed to the certification of more than 100,000 people around the globe. The organisation's thought leadership has supported businesses on their agile journeys and ensured continued growth in knowledge through agile research, case studies, resources and tools that help you to compete in today's disrupted world. The Consortium's outputs and the work of their members have been challenged by the experience of COVID-19 but it has also led to key learnings and invaluable experience.

### Business Agility Understood

While definitions of agility abound, it's generally held and understood that flexibility and adaptability are needed for companies and organisations to traverse market evolution, fast-paced developments and, ultimately, change. The Consortium holds that an agile business is one that embraces an agile philosophy and values at its core, from its people and culture, to its structure and technology.

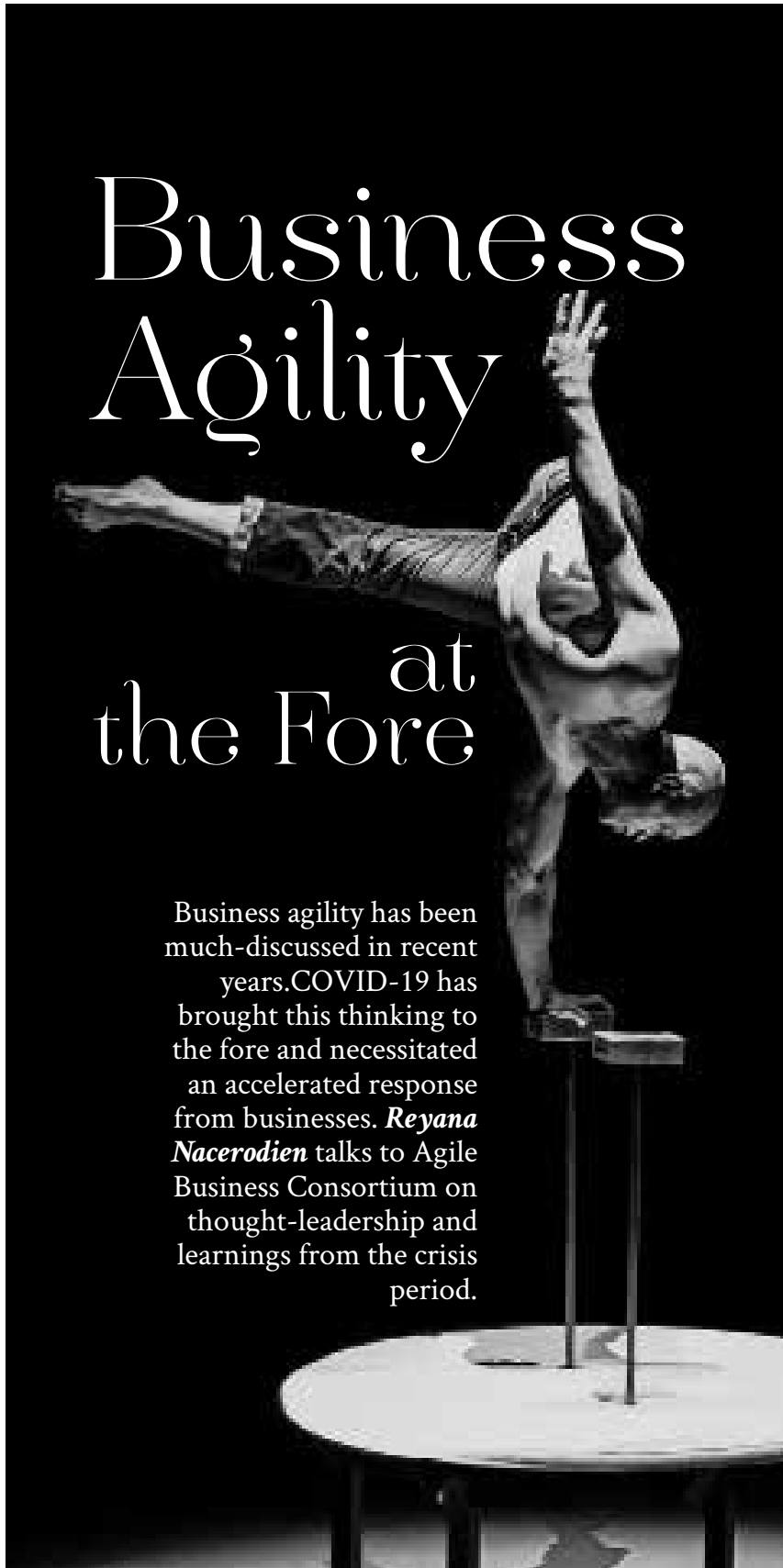
Katie Taylor, vice chair of the Agile Business Consortium explains, 'The term business agility is often used to discuss the adoption and evolution of values, behaviours and capabilities that enable businesses and individuals to be more adaptive, creative and resilient in turbulent times. Business agility is about much more than just another enterprise-wide set of processes. To be truly agile, an organisation needs to operate in a very different way, with leadership, values and norms all reinforcing an inclusive culture and mindset.'

Consequently, an agile business is customer centric and can respond quickly and effectively to opportunities and threats found in its internal and external environments be they commercial, legal, technological, social, moral or political.

# Business Agility

at  
the Fore

Business agility has been much-discussed in recent years. COVID-19 has brought this thinking to the fore and necessitated an accelerated response from businesses. **Reyana Nacerodien** talks to Agile Business Consortium on thought-leadership and learnings from the crisis period.



Previously, the path to agile ways of working have been difficult to initiate whilst maintaining stable business as usual. However, COVID-19 has provided the catalyst often required to drive change. 'The future is unpredictable, and with the world and its technology changing ever faster, it's creating greater uncertainty in our needs and requirements. Businesses that embrace agile are able to adapt faster, delivering value often by testing the environment and remaining customer focused,' is the long-held view of the Consortium as affirmed by Katie.



*Katie Taylor & Emily  
Ruffle of the Agile  
Business Consortium*



## Agility Amid a Pandemic

From the Consortium's point of view, the current pandemic and issues such as Brexit are the epitome of a VUCA (volatility, uncertainty, complexity and ambiguity) world. The value of business agility as a response by innovative organisations is the combination of effective strategies, new thinking and recent research that has been proven to help businesses thrive and outperform their peers. Organisations today can only fulfil their vision and mission by anticipating and constantly adjusting in the face of volatile conditions.

JCURV, a Consortium partner, works with leading global and UK-based firms including several FTSE 100 companies. The two organisations collaborated to survey more than 1,800 people covering executives, heads of transformation and delivery teams to understand what learnings could be taken from how companies have responded to the COVID-19 crisis, that would strengthen agile ways of working.

Emily Ruffle, head of insights at the Consortium explains the three main findings derived from the survey:

1. COVID-19 has forced many organisations to operate at unprecedented levels of pace in order to adapt.
2. Organisations have been able to achieve this step change by radically changing the way they manage change using agile principles.
3. Overwhelming concern about whether these learnings and practices gained from the crisis will be sustained as the world returns to some level of 'normality'.

'The survey highlights that organisations have been able to achieve these unprecedented results as they have introduced or amplified many of the agile principles at enterprise level. These principles include empowerment, flatter hierarchy, openness to test and learn, transparency and cross-functional working,' elaborates Vikram Jain managing director of JCURV.



*Vikram Jain  
of JCURV*

Vikram adds their many clients comment on how meetings are radically more effective as they are being run with clearer objectives and more rigour. 'We've seen several organisations already start to downsize their offices or even consider going permanently virtual, like Facebook. A reduced office footprint would radically reduce overheads and create a business operating model that could ignite competitive advantage,' he says.



## The Future is Agile

Beyond the crisis, will the learning hold true for future generations of workers? Consortium research highlighted and affirmed an oft-cited fact that 60 per cent of today's 11-year olds will go on to have jobs that haven't been invented yet. 'As a generation, those under 30 years of age are used to these kinds of uncertain environments and are adept at managing them. Many of this generation don't use the word agile, instead they reference adaptability, flexibility, resilience, complex problem solving, creativity and more,' says Emily. 'What we do know, based on a 2018 World Economic Forum report, is that the top 10 skills for jobs in 2022 include a large proportion of specifically agile skills.' These include:

- analytical thinking and innovation
- active learning and learning strategies
- creativity, originality and initiative
- technology design and programming
- critical thinking and analysis
- complex problem solving
- leadership and social influence
- emotional intelligence
- reasoning, problem solving and ideation
- systems analysis and ideation.

These are all skills required in the Consortium's agile teams and in the very near future, the skills that businesses want to see in almost all their employed talent including those already in the workforce. Discussions have found that members of Generation Agile are most importantly looking for empowered teams, flexible working and organisations that put people first.

'What some have failed to consider is that the naturally agile generation has a different working approach to traditional business. Agile employees thrive best when they are within an environment which supports their needs, and businesses that don't meet their requirements for an agile culture are at a significant disadvantage when it comes to recruiting,' says Emily.

## Embracing Agility

The Consortium's framework for business agility offers a holistic approach with guidance for organisations on their agile journey. It's also useful to consider business agility from three perspectives:

1. Strategic agility – MIT research shows agile firms grew revenue 37 per cent faster and generated 30 per cent higher profits than non-agile companies.
2. Employee engagement – businesses focussed on passion and purpose outperformed S&P 500 companies by a factor of 14 over a 15-year period.
3. Innovation – Google products such as Gmail have been powered by employee '20 per cent time'.

There are some who are already getting it right. The Consortium cites Timpson shoe repairs in the United Kingdom (UK) where the success of Timpson shows how strategic agility contributes to success. The shoe repair market had been in decline since the 1960s and threatened the survival of the organisation. By changing the strategic focus of the business and diversifying, Timpson has become the UK's fastest growing specialist locksmith service. The values of the business, based on trust and respect, have helped drive this success and are listed in the Magic Dust section of the Timpson website.

A summary of the key Timpson values and what they consider to be common sense principles:

- Aim to be the best – a fall of five per cent in profit can cause misery and make the business difficult to manage. Timpson puts the emotion first.
- Enjoy change – they think only five years ahead, let their imagination run riot and keep investing.
- Visit the business – meet the people. The business holds that information from your eyes and ears is worth more than any spreadsheet.
- Keep looking for ideas – they crop up in the most unusual places when you least expect them. Give them a go and don't fear failure.
- Show leadership – the CEO should listen, consult and make decisions to set strategy.
- No secrets – colleagues have a right to know what's going on.
- Upside down management – customers are king, those that serve customers are next. The Chairman is at the bottom.
- Amaze customers – should be the first line of any strategy.

## Final Words

Several exco-level leaders that formed part of the survey conveyed their main concern that learnings from the pandemic experience would be forgotten as soon as lockdown restrictions are eased. Evolution is key. Harnessing the COVID-19 experience is essential. Adapt, keep what works well and lose less helpful practices. Small and sustained changes is all it takes to begin the journey and these often add up to the biggest changes. ■

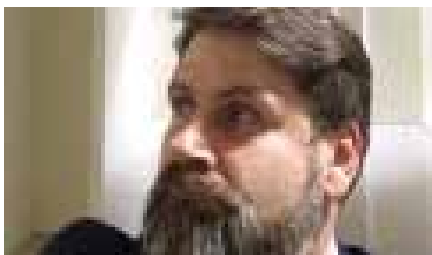




# BIG Difference in Little Ways

The role SMEs play has long been deemed vital for economic growth. **Reyana Nacerodien** finds out how and why SMEs are drivers of a lethargic pandemic, and post-pandemic, economy.

Many reports have stated that micro, small and medium-sized enterprises are responsible for more than two thirds of all jobs worldwide and they account for the majority of new job creation. However, definitions for these businesses vary from region to region. So, with the absence of global definition of SMEs, several organisations have adopted their own. For instance, the World Bank, states that an SME is a firm with 99 employees or fewer, whereas for Asian and African development banks, an SME is a firm with 50 employees or fewer. The European Commission defines SMEs according to a mixture of employee, revenue and asset criteria.



Robert Skidmore

Robert Skidmore, Chief Sector and Enterprise Competitiveness at the International Trade Centre (ITC), says that's just semantics and practically, the contribution SMEs make is far-reaching. Established in 1964, the ITC is the only development agency that's fully dedicated to supporting the internationalisation of SMEs. The agency is mandated to assist these businesses in developing and transition economies to become more competitive and connect to international markets for trade and investment. The butterfly effect lies in the raising of incomes and job creation, especially for those marginalised such as in the case of women, young people and poor communities.

'Definitions of SMEs sometimes include microenterprises. However, microenterprises have some unique features. They're often single-worker undertakings, have few or no fixed assets and don't maintain financial or other types of records. Many microenterprises don't have a bank account and may be shut out from the financing sector. Although definitions vary, the competitiveness of the SME sector is a key indicator of the competitiveness of national economies,' says Robert.



## Current Landscape

According to recent statistics from the ITC, globally, SMEs make up more than 95 per cent of all firms, accounting for approximately 50 per cent of value added and 65 per cent of total employment, when both formal and informal SMEs are taken into account. They further account for 90 per cent of new jobs in low income countries. This amounts to between 420 million and 510 million SMEs, 310 million of which are in emerging markets. Despite this contribution, such businesses still face major challenges.

Oawais Khan, Deputy Coordinator Growth for Rural Advancement and Sustainable Progress (GRASP) and ITC Policy Advisor says there are three especially important topics that suggest areas of challenges for SMEs and the staff that own or work for them: working conditions, low productivity and lack of regulation.

Such businesses are plagued by a perpetual skills shortage given limited investment and opportunities for training and development and even equipment or facilities when compared to larger business counterparts. Coupled with that, higher wages and better conditions attract skilled labour resulting in a skills deficit in the sector.

Productivity, according to Robert, is a complex term that must often be discussed within a context. The horticulture sector, for example, is very prone to issues associated with post-harvest losses which also impact the returns to the farmer. 'It's important to note that this has knock on effects across the value chain as the prices available to processors may be high because of lower productivity. This could lead to import substitution and/or a transfer of higher prices to the consumer. Moreover, climatic impacts are also affecting productivity and it is likely that the incidence of extreme weather will continue. If SMEs don't build their adaptive capacity, productivity will likely be negatively impacted.'

## Small but Vital

'SMEs not only support economies but also the delivery of Sustainable Development Goals (SDGs) primarily through four channels – employee impacts, business practice impacts, sectoral impacts and national economy impacts.'

A wider approach to increasing competitiveness of Sri Lankan SMEs is the hallmark of the EU-Sri Lanka Trade-Related Assistance project. It is supporting SME export competitiveness and value addition in sectors with high potential for economic growth and development and addresses compliance standards and efficiencies in cross border procedures, which are key constraints to market access, especially for SMEs.

The International Trade Centre (ITC) also focuses on making markets more transparent for SMEs. The EuroMed Trade Helpdesk funded by the EU, for instance, is a free one-stop-shop for country and product-specific information on tariffs and duties, import and export procedures, as well as market requirements. In addition, a network of national focal points in each participating Mediterranean country will respond to enquiries on intra-regional trade issues and ensure information is kept up to date. The EuroMed Helpdesk is available in English, French, Arabic and Turkish.







## Affirming SME's Economic Role

'SMEs are important drivers for sustainable economic growth in economies, precisely because the role that they play is tangible and bankable. Job creation and sustained increased income arise from the role SMEs play in various sectors,' Owais affirms. He cites the Pakistani example where a significant portion of the country's economy GDP comes from SMEs and mostly from the agricultural sector. 'In this sector, the development of a small processing plant accessible to small holding farmers not only creates jobs at the plant, but also helps ensure farmers are able to sell their produce and reduce post-harvest losses within the context of the supply-demand dynamics governing the market of course.'

In its flagship report SME Competitiveness Outlook 2020, the ITC analyses the impact of the pandemic on small firms, international supply chains and trade. It provides projections and a 15-point action plan for businesses, policymakers and business support organisations to weather the crisis and gear up for a 'new normal'. It reminds entrepreneurs, governments and business support organisations globally to take specific measures to survive the effects of the 'great lockdown' imposed in the wake of the pandemic. It also contains guidance on how to ensure that MSMEs are at the forefront of generating resilience, inclusiveness, sustainability and growth in a future new normal.

## A Case in Point: GRASP

Growth for Rural Advancement and Sustainable Progress (GRASP) is a six-year project, funded by the EU being implemented by the International Trade Centre. The project aims to eradicate poverty in rural areas of Balochistan and Sindh provinces in Pakistan. The project focuses on enhancing the productivity and profitability of the horticulture and livestock sectors. Gender mainstreaming, entrepreneurship development, product adaptability to market demands and use of information and communications technology (ICT) are pivotal to achieving the project's objectives.

Azher Choudhry, National Coordinator for the project explains, 'Market surveys are carried out first. Then training and knowledge products are developed and targeted at small enterprises as well as farmers with the most accurate information to make them competitive. Learning from experience, the project's interventions are focused on selected value chains in selected districts so as not to spread the resources too thin to make a difference.'

GRASP primarily is about productivity in sectors such as horticulture, livestock and productivity of the farm. 'Currently, yields for most major crops are well below global average in terms of productivity per acre. Not only will that impact the returns to the farmer but also the competitiveness in terms of the impact on prices,' says Azher.

'GRASP also recognised there are informal financial services being provided through market actors that compete with traditional financial service providers at the farm level. These market actors are often working across value chains and have relationships that can span generations but the transactions taking place remain unregulated. Also, building the capacity of SMEs to meet criteria to become bankable is an important set of activities within GRASP,' Azher adds.



Azher Choudhry

## Final Words

'In the context of GRASP successful SMEs show resilience and ability to respond to market dynamics. The concept of market dynamics driving decision-making is something that GRASP has always pushed for and that has helped shape the design of the project,' Azher explains.

More holistically, Azher concludes, 'SMEs can't thrive without the right infrastructure in place to create an enabling environment and to push for innovation. So, an enabling environment to support SMEs through appropriate policy and regulatory systems need to be in place, work at the production level addressing constraints to productivity and promoting value addition and lastly, support the markets that bring various actors together as well as remove barriers to access information. This can help ensure that industries are able to sustain growth and flourish, while remaining as economic contributors they've grown to be.' ■

# Supporting Startups Post-pandemic

WIEF Young Leaders Network's virtual Idealab 2020 Series saw two experts discussing on what support startups need to change and seize opportunities during a post-pandemic period. *Su Aziz* summarises the session.

**H**ow can startups access funding to ensure business longevity post-pandemic? Two experienced entrepreneurs discussed this during the WIEF Youth Network (WYN) Idealab 2020 Series on sustaining startup ecosystems.

## Meet the Panelists



**Gopi Ganesalingam** is the vice president of global growth acceleration at MDEC, a Malaysian government agency tasked to develop the country's digital economy. Gopi himself is a finance professional and an entrepreneur with several businesses under his belt. He worked for the likes of Matsushita, American Express and Google.



**Ebrahim Patel** wears many hats but is first and foremost an entrepreneur from South Africa. Currently, he's the managing director of SiyaXoxa Technologies in Durban and also the Chairman of WYN as well as a member of WIEF Foundation's International Advisory Panel.



## **Ebrahim:** *Agility and Collaboration of Government with Private Sector*

Ebrahim gave a brief overview of how dire the current economic situation is. In the last three months, he said, 'the impact [on the] global economy has been worse than the three years that it took the 2008 crisis.' The evidence of the negative impact resulted in the projection of a USD30 trillion deficit of global governments by 2023. 'That's a huge figure to be contemplating,' he added. 'It has forced governments to bring in economic intervention at a very rapid pace to save economies and kickstart them with a USD13 trillion stimulus package across the globe.'

The lockdown had caused schools to shut for months at a time. '1.6 billion [students] in 191 countries were affected by the fact that they couldn't go to school for three months. Now, that in itself means that that impact is going to translate into the next two years as grades can't progress, unless there's serious intervention by government[s],' Ebrahim observed and continued how, 'We've seen greater unemployment than in the time of WWII and 195 million job losses in just two months. That encapsulates some of the issues that we face as a global economy.'

This of course, includes a stagnating manufacturing sector due to dropped demand and its losses. However, Ebrahim saw a silver lining: countries can find where the gaps are in the local manufacturing sector. 'For me, this is a revolution and it comes out of how entrepreneurs review where we [stand] as startups. How do we move forward? It's an opportunity to pause. A time for reflection and change the purpose of our business. How do we change?' asked Ebrahim. '[This] is an opportunity to pivot [your] organisation.' Examples given were international fashion houses making face masks instead of haute couture and F1 racing teams re-engineering processes to make ventilators.



Ebrahim questioned the point of how can businesses and entrepreneurs cultivate agility? What's more, agility is needed in governments as well. 'We're now seeing that there's a great trend towards government and the private sector, across the globe, working together,' he said and added, 'In Africa, we've created a procurement portal which all governments on the continent subscribe to. Suppliers can access the portal, see what's required by the governments and how they're able to supply. [This] create opportunities for small businesses.'

While you may think that COVID-19 is the end of the world, but Ebrahim concluded, 'It's actually the start of the new world. It's the start of a new way of doing things, new opportunities and [a] little positive message to say that, let's look for the opportunities that would come out of this adversity.'

### **Gopi: *Going Digital, Borderless and Governmental Efforts***

Gopi, rightly, believed that SMEs need to go digital, 'When you go digital, you don't confine yourself to just one country because when you're on a digital platform you become borderless [and] the whole world is your marketplace. Also, SMEs [must] understand what you're selling, who your customers are and take advantage of the global markets. I think the future [will be] SMEs servicing the global market. It will be very competitive [which is] good for the consumer. SMEs have to wake up and [realise] the world has changed.'

Once COVID-19 was declared a pandemic, Gopi explained how MDEC rolled out more than 44 different offline to online initiatives and kept in touch with the industry through online dialogue where feedback to understand issues was given and listened to, created a directory of digital resources that were able to address problems and encourage SMEs to switch to e-commerce. 'We provided a lot of digital thought leadership webinars, where experts from MDEC as well as external ones, advice the industry folks on what can be done,' he added.

Stimulus packages were born out of these collaborations and dialogues. Currently, according to Gopi, the stimulus package is on how to restart the digital economy. 'We've got tons and tons of programs that are coming up,' he said. There are 1,616 different types of stimulus packages consisting of training on working from home to tax relief of funding.

### **Manoeuvring the Post- pandemic Economic Slump: Resilience, Pivot and Mentors**

'It's a very difficult question,' Ebrahim admitted. 'Because each country and society has got different demands [as well] needs. And I think what startups need to have, and this is probably common across [the board], is ability and agility to move with speed, in line with demand as it comes about, [and] to identify where new demand's coming from.'

Gopi said, '[Be] resilient. And it's about pivoting.' Also, to lookout for opportunities and seek out mentors. '[Talk] to entrepreneurs who went through the 1997 and 2008 crises. How did they overcome it? What made Airbnb [a success]? MDEC creates platforms on which mentors talk to entrepreneurs and on funding. Find a mentor from the same sector as you are. For example, if you're in logistics, get a mentor who has done logistics before.' ■



WIEF Businesswomen Network's #iEmPOWER Digital Marketing Workshop focuses on content as an important marketing tool. From the virtual workshops, **Su Aziz** picks out a few useful ingredients.

# Ingredients for Content



## Why is Content Marketing so Useful?

According to trainer of the workshop, Angeline Ann Samuel, CEO and founder of A TECH, content allows consumers to differentiate good from bad services or products. 'Showcase your content everywhere possible,' she says. Which brings it to what channels to leverage on, online? 'Be smart in terms of content development. Optimise your content and make sure it has good returns in terms of traffic to your website,' she advises. Furthermore, content increases traffic to websites and in turn increases consumer interest which sell more products and services. Content is shareable. This trait allows consumers to share your content and thus, attract potential consumers of your products or services.

## What are the Ingredients for Content?

Begin with information on your website. All information there should answer all questions regarding your company, products and services while your search sites are ubiquitous in various channels. Then, showcase your passion by telling a story. 'Showcase the great stories of what your company is about and yourself as its founder. How did you develop the idea for the company? Why did you start the company? What are you currently working on? What are your goals for the next five or ten years? Also, tap into your customers' dreams, their expectations and their goals when you're developing content,' she says. 'Use icons such as celebrities, inspire people and maximise all the senses of your consumers.'

Videos, Angeline reminds, is an effective way to showcase your products or services. 'Get the CEO or market leaders to talk about it and elaborate on it,' she says. This is a way of influencing consumers' senses and making your products or services tangible, as well as appealing to potential customers. 'This is because through video, you're actually giving consumers a peek at yourself from a different perspective,' she explains.

The fundamental difference between emotion and reason, according to Angeline, is that emotion leads to action while reason leads to conclusion. 'So, every time you're going to develop content, remember to get in touch with your emotions, rather than just a logical point of view,' she reminds and adds that this is because content marketing revolves around experiences and people take action when they're able to connect with products or services in terms of emotions as well as reasoning.



Six goals of building content:

1. brand awareness
2. lead generation
3. engagement
4. sales
5. customer retention and loyalty
6. up-selling and cross-selling

For a more corporate feel, showcase employer and employees' profiles, as well as the making of your product in images and videos. Perhaps, feature employee of the month, testimonials from your consumers, tutorials that include tips of your products, activities you're doing, how you can be effective to consumers, as well as products and services that you think are popular at the time. These are a few examples of how consumers can be interested in your products or services, and follow your content.

## How to Use Multiple Channels for Content Marketing?

Websites, blogs, social media platforms such as Twitter, Facebook and YouTube, Angeline explains, are channels to market your content. 'It's essentially where others talk about you,' she adds. Also, included are group pages and paid media such as YouTube as well as Facebook advertisements.

Using multiple channels require adapting one concept by changing its content such as graphics, background and images. For example, instead of an image, use a video. This is where you're repurposing for maximum effectiveness. 'Add your experiences as well,' Angeline reminds. How? By adding what you feel and think about your products, as well as what you get out of it. Tell your story on why did you create the product, what is it for, how did you build your company or even on the current trends.' In short, make your products or services relatable, as well as relevant to the consumers.

## How to Sell and Promote?

Keep to the 80-20 model. According to Angeline, always keep in mind to talk 20 per cent of the time about the products, services or discounts and 80 per cent about your company. The latter, she adds, is when you sell a dream to the consumers, '80 per cent of the time it's all about the content that has nothing to do with discounts nor services and products. Instead, it's something that educates, gives consumers value and make them interested in your products or services.'

## How to Create a Community, Trust and Value?

'A community is a business page where everyone comes in and talks about your products or services, and asks you questions,' Angeline explains. 'Act like a group where you're able to educate your consumers. You bring value to them. Through this, you create engagement and engaging content. When you create a community, you create empathy and that's when they'll care about your products or services. Part of the result is that you'd look like a thought leader and people will follow you.' Accessible connectivity between businesses and consumers, create a certain degree of value and trust.

## What is the Story of Your Brand?

In short, a brand story is the history of your brand. Angeline used the brand Nike as an example. 'It's one of the most successful manufacturers of sports gear but it doesn't just sell sports gear. It has a persuasive, emotionally rich story – it's all about hard work, perseverance and doing your very best. It really motivates you. That's why Nike has a community that follows it. Why you need a brand story is because you can then create content that actually make people understand and care about your business. They have empathy for your brand and be loyal to it.'

Angeline states six questions that will guide the creation of your brand story:

1. What's your reason for selling the product?
2. Why did you start?

3. Who are your staff?
4. What's your corporate mission?
5. What have you achieved?
6. Where are your gaps?

Through these six questions, Angeline believes that you'll understand your company better and thus, understand your brand story behind it which will enable you to create content that will intrigue the consumers.

## How to Strategise for Social Media Content?

You'll need a social media content strategy because, according to Angeline, 'A strategy helps you save time and help you understand why a social media marketing plan works or otherwise.' There are three questions you should ask that could help achieve better strategy for social media content:

1. Who is the content for?
2. How does the target market benefit you?
3. How do the consumers benefit from your products or services?

Next, analyse social media channels and choose ones relevant to your business. For example, Facebook is news and entertainment that is also a useful platform for videos. While Twitter is a news platform, LinkedIn is a professional network and Pinterest is a visual-based platform.

Finally, do an audit of your business and a competitive inventory:

- Who's your competition?
- What do you understand about your competition?
- What is different about their social media content compared to yours?
- How can you outdo your competition?
- How can you do better in terms of social media platform?

To answer these, Angeline advises, first understand your unique selling point, what is it that you're good at in social media and how are you different from your competition. Also, Angeline stresses the importance of understanding your consumers or target market. ■





# Tourism in the Time of Corona

1. **Visit local** seems to be Singapore's motto during this pandemic where its adults will each receive SGD100 in digital SingapoRediscovers Vouchers to spend on staycations, tickets to leisure attractions and local tours. The SGD320 million economic scheme is part of its efforts to prop up the tourism sector. (source: Straits Times)

2. **Flights to nowhere** just might stave off withdrawal symptoms of not traveling for some. Japan's ANA Holdings Inc. sold tickets to around 300 'passengers' for a charter flight to nowhere, where they get a 90-minute Hawaiian resort experience on an Airbus SE A380 that would normally fly Tokyo-Honolulu route. (source: Bloomberg)

3. Tour company Antarctica Flights is chartering Australia's Qantas Airways crew and Boeing Co. Dreamliners for **sightseeing trips over the southern ice cap** between November 2020 and February 2021. The flights will be between 12 and 14 hours, and a business-class seat with full in-flight service costs USD5,850. (source: Bloomberg)

4. Qantas is selling its **merchandise** normally reserved for its premium passengers such as pajamas and AUD25 amenity packs of hand cream, tea bags, chocolate biscuits and smoked almonds, to name a few. Oh, and bar carts fully stocked with mini bottles of wine and champagne for around AUD1,000. (source: Bloomberg & CNN Travel)

5. Malaysia's economic **stimulus package (PENJANA)** allocates RM1 billion to support SMEs in the tourism sectors. It's also providing support to the tourism and tourism-related sectors through tax incentives such as exemption of tourism tax, exclusion service tax for hotels and income tax relief for tourism expenses. (source: MOF Malaysia)

6. Thai Airways teases passengers through its inflight meals. It has opened a chic **restaurant** complete with airplane seats and accessories at its Bangkok headquarters. It's open Wednesday to Friday at 7am, according to its Facebook post. (source: Bloomberg & Thai Airways Facebook)

7. Meanwhile, Singapore Airlines cancels its flight to nowhere plans and holds dining experience on board its A380 as well as home delivery service of its first and business class meals. (source: Channel News Asia)

8. As early as February 2020, AirAsia put up an offer for its **Unlimited Pass** at only RM499 for any number of flights to five countries including Korea and Australia with one-year validity, expiring in March 2021. The Pass was on sale for only a week. (source: Air Asia)

9. Japan's **Go to Travel Campaign** started in July 2020 till January 2021. Now, it allows 50 per cent discount on domestic travel to almost all Japanese destinations, in both monetary and voucher forms. (source: Japan Times) ■



COVID-19 was totally out of left field for tourism industry across the globe. Almost a year of travel restrictions has left the industry deflated but creatively pivoting to stay alive. **Su Aziz** lists down a few innovative touristy business ventures.

## UNWTO Global Guidelines to Restart Tourism 2020

United Nations World Tourism Organisation's (UNWTO) website states: The guidelines were produced in consultation with the Global Tourism Crisis Committee and aim to support governments and private sector to recover from an unparalleled crisis. Depending on when travel restrictions are lifted, the UN specialised agency warns that international tourist arrivals could fall by between 60 per cent and 80 per cent. This puts 100 – 120 million jobs at risk and could lead to USD910 billion to USD1.2 trillion loss in exports.

It's focused on seven priorities for tourism recovery based on the pillars of mitigating the economic impact, developing safety protocols and coordinated responds and fostering innovation:

1. provide liquidity and protect jobs
2. recover confidence through safety and security
3. public-private collaboration for an efficient reopening
4. open borders with responsibility
5. harmonise and coordinate protocols as well as procedures
6. added value jobs through new technologies
7. innovation and sustainability as the new normal (source: UNWTO)

# Travel in the New Norm

Convenient tour packages, direct and affordable flights have paved the way for mass tourism. *Su Aziz* speaks to two travel influencers on what would be the travel trend post-pandemic and if it's time to revive slow travel.



*I took the bus from Taiping to Bagan Serai and stopped at the simpang in Semanggol to admire the padi fields. This photo was taken by the bus conducto.*





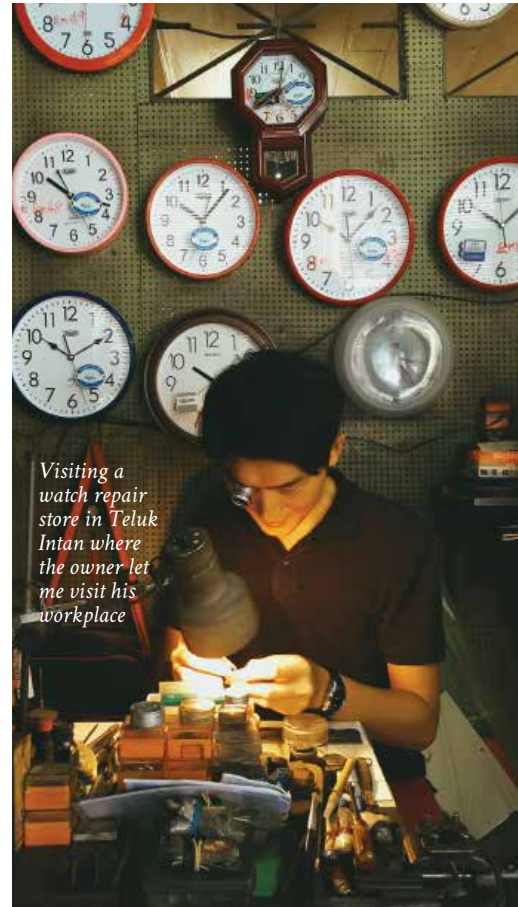
## Taking Things Slow with Ching Fu

Lam Ching Fu has been traveling since 2002, right out of sixth form. 57 countries later, and having seen countless wonders of the world, he's now 39 years old and has authored and published his travel book on Malaysia called *My Journey by Bus*, in which he documented his bus travels around the country. However, traveling as he knows it is over. Now, during the time of a pandemic, borders are locked indefinitely and travel restrictions certainly put a damper onto this favourite past time for many.

When asked why a travelogue on Malaysia? He explains how little he knows his own country, 'I left Malaysia after high school. Often friends from all over the world has asked what to see, visit in Malaysia, and what were the hidden places. At that time, I didn't have much chance to travel, not even around Malaysia. I could only memorise what was lifted from the internet and assumed people's travelogue as my own experience. I felt ashamed, and it became a major reason why I decided to travel around Malaysia. After all these bus trips around Malaysia, including Sabah and Sarawak, I can proudly now tell my friends of my own Malaysian experience.'

Ching Fu was born in the Malaysian state, Perak, in a charming kampung, or town, of Tanjung Malim. He now resides in Kuala Lumpur, only an hour and a half away from his hometown, Ching Fu's travel bug started when he left for Japan to study for five years. 'I had gone there to do my bachelor's degree. Japan was unique, especially for a kampung boy who was given a chance to visit a metropolis such as Tokyo and Osaka,' he said. 'What's more their culture was completely different, evoking my curiosity further. Thus, during school and public holidays, I'd always travel around with my friends. Getting around in Japan was basically easy. City, towns and villages were well-connected, and that allowed me to explore everywhere.'

Slow travel seems to be his chosen style. Although, for the longest time, the art of slow travel has been forgotten. Today, it is rapidly becoming a travel trend, during the digital age that affords many people time and luxury of working remotely. 'Post-pandemic is giving us a good chance to rediscover tanah airku, or my homeland – its history, culture, religion, food and nature,' says Ching Fu. 'Also, I hope the authorities will seriously re-package the local travel objectives. This is the perfect time for each of us to take our time, travel domestic and not just rush through.'



*Visiting a watch repair store in Teluk Intan where the owner let me visit his workplace*



*With the kids in Kuala Kedah*

Travel, he adds, is essential. 'There are so many pros to travelling, even if we can only travel domestic now. I don't mind travelling alone, wandering around is simply amazing. I continued this travel style when I was working in Singapore and Malaysia. I always headed out somewhere on the weekends.' While in Japan, Ching Fu loved city life very much. 'I could access all towns and other cities easily by hopping onto the trains and buses,' he recalls. 'But when I moved to Hiroshima to continue my studies, I loved the slow life there even more. I didn't have to rush to the train station, the trains were never full unlike those in Osaka and Tokyo which were packed like sardines during peak hours. My campus was located on the west of Hiroshima which was a small town but it had everything. After two years living a slower-paced life there, I learned to enjoy university life, spending quality time with friends and I explored small towns on weekends. I'd get on the train to a destination, spend a night there and slowly explore before leaving.'

Ching Fu's travel style has adapted, somewhat, to suit a pandemic period. 'I travel alone and I choose offbeat travel destinations. So, I seldom get in contact with people. Now, the extra things I need are face mask and hand sanitiser. For those traveling around, I'd suggest, don't choose famous tourist attractions. Instead, try exploring offbeat places, roads and travel spots. It'll save you from being stuck in traffic jams too,' he advised.

What's next for this world traveller? He has published *My Journey by Bus* featuring Perak, Penang, Perlis and Kedah in both Chinese as well as English languages, and a Chinese version of his book on Pahang, Terengganu and Kelantan in September 2020. He plans to compile Negeri Sembilan, Melaka and Johor trips, showcasing places he visited by bus, next year. ■



*Kuala Kedah after a bus ride from Alor Setar to Kuala Kedah where I met a group of kids flying kite. It's been ages since I flew one and they let me fly theirs.*



*3841 Interaction between bus conductor and passenger (like friends, because she took bus few times a week to town for daily groceries)*

### Ching Fu's observations on changes in travel trends during the past decade, 2000 – 2020:

When I was in sixth form in Kuala Lumpur, I started relying on the internet for information on places I was going to visit. Now, with the smartphone, things have changed in that it encourages people to explore by simply asking Google. I remember when I was exploring Europe more than a decade ago, I always drew maps in my notebook with simple directions from train stations to my accommodation. Now, we simply follow Google Map. Even though I love checking out tourist attractions and holding a physical map, that changed for the convenience of a smartphone. Online hotel booking for me, haven't changed much since I had already been doing it 15 years ago. Except now, there are more options such as Agoda, Trivago and Airbnb.

### Ching Fu's most memorable travel experience and biggest lesson learnt while traveling, 2011:

It was in Brazil. I hadn't realised that I was in close proximity to the city favela, or shantytown. My digital camera was snatched off me, which I tried to resist and was punched in the nose. I was then pickpocketed by the lady who pretended to help me and was once again helped by another lady who truly got things sorted by confronting the other two offenders in the favela. At the end of the whole saga, I got back my camera and money. In fact, I received more money than I had initially lost. What the incident reminded me was that there are always both good and bad people everywhere. And it's also my biggest lesson learnt while traveling: Human's the main character of civilisation. No matter what, we have to deal with various human behaviours. When you read a description of a place, you'll appreciate how people built the town you're visiting, about their leaders, how they lived and today, how they managed the past to deal with the future. Thanks to slow travel, I get to see these details. Basically, I realised that people are fundamentally good. While some of may not come across as such, but once they get to know you, they'll offer their best to you.





## *Hitting the Road with Junanto*

Junanto Herdiawan started traveling since he was 15 years old. 'I travelled across Java island, from the city of Semarang, Yogyakarta, Magelang to Solo. I travelled by bus and train with two of my friends. It was the initial moment that sparked the travel bug for me,' he recalls. 'You can only feel the true experience of travel when you hit the road. I saw many things during traveling, from beautiful scenery, exotic culinary, to people and culture. Since that moment on, I travelled to many places in Indonesia and abroad. My first time abroad was to New York City in the United States, in 1990. It was a wonderful experience to see the city and the people in the city that never sleeps.'

Born and bred in Jakarta, 48-year old Junanto has been director of the communications department at the Bank Indonesia, the past two years. Over the years, and through his unconventional travel photos on Instagram, the father of two has garnered over 30,000 followers.

'The pandemic has changed my travel habit very deeply. For the last three or four months, I couldn't travel anywhere. By every measure, the pandemic has decimated the travel industry. Now, we see regions and countries slowly opening up their borders. But I believe that the impact of pandemic has changed how we think, act and travel. At least, for the short term,' he says. 'Even though my desire for travel is still high, with the pandemic protocol like social distancing, wearing of face mask and temperature checks, I prefer not to travel long distance.'



Junanto plans to visit Japan when the pandemic period is over. 'I have many stories and memories there,' he explains. 'For now, a staycation is one option for traveling during the post-pandemic. We could go to a resort by the beach or mountain, and stay there for a period of time. Also, in the short term, social distancing measures is still needed for traveling. Wearing a mask, using hand sanitisers and washing hands, are a must.'

Like many countries in Southeast Asia, tourism is a big revenue for Indonesia. Just how does it plan to recover from the pandemic low period? 'Crises have shown us that travel is one of the world's most resilient sectors, and I believe this time will be no different, including in Indonesia,' Junanto replies. 'The underlying demand of the tourism industry in Indonesia comes from a growing middle class and millennials. Glimmers of hope can already be spotted in the last few weeks, where some tourist destinations are beginning to open up, and many domestic as well as international travellers are starting to dribble in.'

Indonesia is a big country with numerous travel destinations such as Lake Toba, Komodo Islands, Raja Ampat in West Papua, and of course, Bali as well as Lombok. The country has more than 200 million people, and most of them are young people. Junanto believes that domestic travel will recover first because there are no travel restrictions. 'Indonesians can access domestic destinations by car and plane. The Indonesia government has started a campaign called Cleanliness, Health, and Safety (CHS) Protocol. There are also workshops and publications for its travel industry and travellers through many channels.'



*Junanto's unconventional shots record his travels to many gorgeous landscapes*



Even though it won't be the same, people will still travel post-pandemic. The most important thing is, the travel industry must ensure that the CHS protocol is in place to bounce back.'

For Junanto, the most memorable thing about traveling is the experience of meeting different people. 'I lived in Japan for three years, during 2010-2013, and it was truly memorable. I travelled to many Japanese cities, learnt their culture, people and the Japanese way of life,' he says.

'Traveling, I believe, is an important part of life. In Islam, Muslims are encouraged to travel and to learn about each other. God created people, male and female, tribes and families, so that you may learn about each other. How can we find out the differences that God created? Through traveling. Each time I travel, I discover more and more the many differences in the world – religions, races, people, cultures, food and more. Also, through traveling, you learn to respect others and the differences between us humans. You learn that you are not the only one.' Yes, that's certainly humbling. ■

### **Junanto's forecast on travel trends in the next five years:**

The short answer is nobody knows for sure. The discovery of vaccine is crucial to answer questions related to post-pandemic situation. But I think travel will recover in stages, maybe it will begin from region to region, and then country to country. People still need to travel, there are things that can't be replaced by digital and can't be satisfied by virtual reality. It's different to feel, to embrace nature, to smell the sea, hear the ocean, feel the wind in your face, the magic of mountains and the flavours of local food. Those can't be replaced and they're what make people always want to travel.

### **Junanto's observations of the evolution of travel trends in the past decade:**

Technology and Internet have become a game changer in every sector and has shaped the way people travel. Now, more travellers plan their trips through the internet, including myself. Travel has become easier. We can do without guide books such as Lonely Planet thanks to Tripadvisor online, paper maps, phone cards and different currencies due to digital payment system. Searching as well as booking hotels, flights and travel insurance, have become extremely convenient. The digital medium has helped me find the perfect holiday or travel destinations. Not to mention social media platforms that help travellers a lot through accessible reviews and guides. What's more, during the 1990s and earlier, you'd need to wait for your films to be processed and photos printed. Sometimes, only to find out they were out of focus or your film had 'technical' mishaps. Do you remember how frustrating that was? The pandemic aside, traveling during the 21st century has been so easy.

# WHAT TO DO ABOUT 5G?

Much has been written and discussed about the game-changing 5G but now is the time to fully understand its potential and what it can do for us. **Reyana Nacerodien** chats with a senior industry analyst of Frost & Sullivan who focuses on 5G.

**A**mid pandemic responses, Guo Ping, Huawei's former rotating Chairman, delivered a keynote speech at the Global System for Mobile Communications (GSMA) Thrive in June. His message? 'With the help of 5G, industries are going digital at a faster pace. Next, we will work with our partners on industry applications to help our customers unleash the potential of 5G, generating the first round of dividends from major 5G applications.' Those dividends have already come to fruition considering applications developed on the basis of 5G, AI, cloud and big data, have played a significant role during the COVID-19 outbreak.

## The Power of 5G


The impact of 5G technology has been touted as a major game changer. Commentators affirm that its transformative reach will, upon implementation, immediately begin to be felt across a number of sectors and, as the rollout expands, it'll begin to fundamentally influence the way we live, work and interact. The extent of the influential power of this technology is somewhat confirmed in the current political debates about it and the entities who have been early adopters in both development and action.

Troy Morley, senior industry analyst within Frost & Sullivan's ICT practice, is an experienced software professional who covers the global 5G network infrastructure market. He affirms, 5G is here albeit at an early stage, now it's about figuring out what to do with it. '5G New Radio (NR) is often misrepresented and only shown from the consumer side. For the consumer and for small businesses, 5G NR today is just improved 4G LTE. 5G coverage will improve over time and 5G promises to eventually be much faster,' he says.

'4G enabled many new things and new ideas – the explosion of social media, Uber, Lyft, AirBnB and more,' says Troy. '5G will eventually open the door to new ideas and new possibilities, but it needs to mature and be available to a larger population. It'll take some time, possibly even years, to reach a critical point, even in markets where coverage is the most advanced such as the United States, South Korea and China. However, it's important to realise that 5G is rolling out faster than 4G did.'







**‘This tech can help consumers, but also potentially businesses of all sizes.’**

– Troy Morley

Troy concedes that the hype around 5G is perhaps a bit ahead of reality at this point, though there are developments that can be harnessed right now. ‘One piece of 5G is available that can make a difference sooner, rather than later,’ he says. Fixed Wireless Access (FWA) promises fibre-like speeds and bandwidth without having to install fibre. FWA can provide Internet access to places where the economics don’t make sense to install fibre to the benefit of particular socio-geographic locations. ‘This tech can help consumers [and] also potentially businesses of all sizes,’ he adds. Given his expert view of the market, Troy notes that the real potential of 5G comes from industries and enterprises, though most of this potential is a few years away.



From a development and evolution perspective, 5G is standards-driven and Troy observes three main releases of the standards that are driving the 5G era:

**First release**, Enhanced Mobile Broadband (eMBB), came out in 2019 and reflects what’s rolling out now, including FWA. eMBB is an extension of services enabled by 4G LTE networks that allowed for a high data rate across a wide area.

**Second release**, Ultra-Reliable and Low-Latency Communications – considered one of the three key application scenarios of 5G – was just frozen and will start showing up in the world in 2021.

**Third release**, Massive Machine-type Communications, is a few years away. The second and third releases are all about industry and enterprise.

## What to Expect?

‘History tells us to expect the unexpected,’ Troy jokes. With commentary on the subject of 5G abound, differing opinions of what’s next are on offer. ‘When the last generation of wireless technology – 4G LTE – debuted in 2009, no one could have predicted the changes that would follow,’ he says. The use cases that drove the development of 4G LTE had little to do with the disruption its introduction caused in unexpected industries. 5G is the next generation of wireless technology and despite a limited global rollout, that generation seems to have already landed.

‘I’d like to say I know what 5G’s Uber or Airbnb is, but unfortunately, I don’t have a crystal ball,’ Troy admits. However, earlier this year, his research and experience informed a report he drafted. The report laid out a few of the high-level use cases that 5G will enable and noted a few broad areas that 5G will impact:

- automotive, transportation and autonomous vehicles
- manufacturing industry and automated factories
- government and smart cities
- healthcare

‘The technical promises of 5G are known: faster data speeds, better response times, higher densities of devices, more reliable and more available, designed to assist massive numbers of things as well as support vehicle-to-anything communication, and much more, all while being more energy-efficient,’ says Troy. ‘While it sounds both exciting and a bit scary, I look at the automotive and transportation industries as well as autonomous vehicles. Yes, cars and trucks that don’t have a driver. 5G NR will provide the next steps to move us towards this futuristic-sounding goal.’ He then concludes, ‘Automated factories? Smart cities? Advances in healthcare? 5G will be a key piece of making these objectives a reality.’





**‘One of the things that business and enterprise can do now is to investigate the potential of what 5G can do for them down the road.’**

– Troy Morley

## What to Do?

The hype around 5G is very real, and warranted, considering the myriad of growth opportunities that have been anticipated since work on it began. Use cases can be considered in so far as they are applicable. The high expectations though arguably limited understanding of the evolutionary potential of the technology leave some businesses and organisations questioning what their next step should be. ‘One of the things that business and enterprise can do now is to investigate the potential of what 5G can do for them down the road,’ Troy advises.

‘There are hundreds of use cases that are feeding the standards. It’s true that every enterprise will have different needs and there’s no one size fits all use case. What companies may find is that 4G may help them now and make the upgrade to 5G down the road that much easier because much of what eventually makes up 5G has been tried in various forms in 4G,’ Troy adds.



**‘Automated factories? Smart cities? Advances in healthcare? 5G will be a key piece of making these objectives a reality.’**

– Troy Morley

## Final Bytes

Even with COVID-19 and the uncertainty it has brought to most industries and economies, future developments and associated opportunities with 5G haven’t been diminished. Though 2020 was hailed as the year that more of these developments would come to fruition and be experienced in the market, the pandemic has caused some setbacks. Troy affirms that the global pandemic will change the long-planned and long-anticipated rollout of this next generation of mobile technology, but only in its time frame. Even now the virus itself offers possible use cases for where 5G NR could potentially be used in future, such as enabling remote healthcare.

‘5G will enable and greatly expand the reach of remote healthcare. Doctors may be able to treat a larger number of patients remotely. While large urban centres likely have the wired networks needed for remote healthcare, a 5G NR wireless network expands the extent of the population that could be assisted. In other words, 5G could provide a useful tool with remote healthcare to assist in a health emergency,’ says Troy.

Globally, future plans are necessitated by industries’ and individuals’ inherent dependency on technology. This has only been exacerbated by the global experience of COVID-19. Troy and his team at Frost & Sullivan eagerly anticipate all facets of 5G as they unfold over the next decade or so, and advises all businesses to do the same. ■





---

# THE Word on Sustainable Finance



Here, **Su Aziz** asks two sustainable finance experts from WWF-Malaysia on the impact of climate change on the economy, how to counter it, and just how sustainable finance can better an ailing environment, achieve SDGs while making a profit.

---

‘Climate change will prompt significant structural adjustments and paradigm change to the global economy at a magnitude far greater than COVID-19 with irreversible, long-term repercussions,’ says Dr Adam Ng, Sustainable Finance Expert at WWF-Malaysia. A 2019 Economist Intelligence Unit study estimates that on average climate change will cost three per cent of GDP globally by 2050, and more in less developed regions such as Africa and Latin America. In Malaysia, according to its central bank, the economy sustained a total damage of approximately RM8 billion between 1998 and 2018 due to climate change-related events.

‘The financial sector is increasingly aware of how climate change creates increasingly untenable physical risks to social and economic wellbeing, while also creating transition risks,’ adds Dr Keith Lee, Senior Vice President, Asia Sustainable Finance of WWF-Malaysia.

## Gaining Recognition and Momentum

‘Given the wide-ranging consequences of physical and transition risks for financial portfolios and financial stability, it’s unsurprising that multiple parts of the financial sector are paying attention,’ says Keith. He notes how the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) have been critical for driving climate risk into mainstream financial thinking, as has the formation of the Network for Greening the Financial System (NGFS), which calls on central banks and supervisors to support the TCFD recommendations, conduct climate stress-testing and integrate climate risks into prudential supervision.

‘Major investors are driving considerations for climate change down the investment supply chain by committing to achieve net-zero portfolios by 2050, such as through the Net Zero Asset Owner Alliance. And engaging with portfolio companies to accelerate decarbonisation, for example, through the Climate Action 100+ initiative,’ Keith adds.

Keith, whose background combines experience in finance and sustainability, believes the momentum will only continue to grow. ‘Certainly on climate change and also on nature loss, as evidenced by the recent announcement of a Task Force on Nature-related Financial Disclosure (TNFD), which aims to replicate the TCFD’s success on climate risk for nature loss and is now supported by several national governments and major financial institutions including DBS, AXA and the World Bank. However, significantly more resources and efforts from all stakeholders are needed for sustainable finance to become truly mainstream,’ he reminds.

## Risks and Opportunities

‘The financial sector will be widely impacted in view of its interconnectedness and exposure to various business models, economic sectors and geographies,’ says Adam. ‘Both the physical effects of climate change as well as environmental degradation plus the transition to a low-carbon and more circular economy, drive financial risks. Liability risks from climate-related legal cases, as a subset of either physical or transition risk, could also impact the financial sector.’

According to NGFS, these risks could result in credit and insurance or protection loss such as devaluation of properties, rise in claims, lower household and business wealth, financial market loss that can include lower corporate profitability and increased litigation leading to fair value loss, as well as feedback loops of financial contagion and wider economic deterioration impacting the financial system.

Given the impact of climate change on firms’ values and bottom lines, Adam feels that financial institutions should integrate considerations for climate change in their

considerations for climate change in their strategies and risk management processes and include oversight of this in their board’s responsibilities.

‘In particular, it’ll be key for financial institutions to conduct climate risk assessments and scenario analysis in order to understand and manage their exposure to climate-related risks. Financial institutions should also engage with clients and portfolio companies to transition their business models, scale up financing for low-carbon, resource efficient and climate resilient business models and set Science Based Targets to achieve net-zero portfolios by 2050,’ says Adam.

‘Climate change mitigation and adaptation also bring new opportunities. The Global Commission on the Economy and the Climate has estimated that transformative investments in energy, cities, food and land use, water as well as industry could be worth USD26 trillion by 2030,’ says Adam. ‘This represents a significant source of opportunity for the financial sector, which has a key role to play in enabling these investments and driving the low-carbon transition.’





Adam explains how the Bank for International Settlements has called upon central banks and supervisors to play a coordinating role in the policy response to climate-related financial risks that includes:

1. Calling for international monetary and financial cooperation.
2. Coordinating prudential regulation, monetary policy with fiscal policy and carbon regulations such as Green New Deal and beyond.
3. Integrating sustainability into corporate and national accounting frameworks.

‘For example, in Malaysia, its central bank and Securities Commission Malaysia established the Joint Committee on Climate Change (JC3) in September 2019 to drive and coordinate the financial industry’s collective response to climate risks and opportunities with representatives from across the financial sector, key government agencies and institutional investors,’ Adam elaborates.

### Measuring Effectiveness

‘The effectiveness of sustainable finance ultimately depends on the commitments, strategic direction and policies set by financial institutions at the highest level of decision making,’ Adam says in response. ‘In particular, the policies and expectations used to assess and engage with companies over sustainability performance, and how they report on the impact of their activities and investments, should align with global standards and be scientifically and contextually meaningful. The same is true for reporting on impacts from issuance of sustainable finance instruments such as green bonds.’

As an advocate for sustainable and Islamic finance, Adam draws an example to measure the effectiveness of sustainable finance, ‘Reporting on emissions reductions isn’t meaningful unless compared with reductions required to achieve the Paris Agreement for the relevant sector and geography. Similarly, reporting on water use without considering the surrounding context of a freshwater basin may not represent credible contributions to improving the sustainability of the basin.’

One way to facilitate such reporting, according to Adam, is through participation in and reference to initiatives such as the Science-Based Targets Initiative, which helps corporates and financial institutions set Paris-aligned emissions reduction targets, or the Alliance for Water Stewardship which promotes and certifies best practices for basin-wide water management. Other science-based multi stakeholder sustainability standards such as the Roundtable on Sustainable Palm Oil for palm oil and definitions such as High Carbon Stock and High Conservation Value concepts for forests, can also facilitate meaningful impact reporting for other issues.

### Channelling Capital Flows

Keith explains that sustainable investment mainly refers to the due consideration of environmental and social (E&S) factors such as climate change, nature loss, human and labour rights abuses, when financing companies and projects. ‘This could range from outright exclusions, to integration of E&S factors into investment processes, to impact investments that explicitly target positive E&S outcomes.’

‘Fundamentally, sustainable investment helps address environmental degradation by linking companies’ cost of and access to capital to their E&S performance and helping to align their business models with a low-carbon and sustainable future,’ he continues. ‘Investors can help achieve this by assessing E&S performance of companies as well as future trajectories. Then, factoring this into valuation and portfolio construction. Investors can also engage in dialogue with company management to influence companies, improve their sustainability and business performance.’

What’s more, Keith points out that sustainable investment can also redirect and scale up financing for business models that address climate change and reverse nature loss. ‘A Paulson Institute report recently found that to reverse biodiversity decline by 2030, we’ll need to spend an additional USD711 billion per year on average over the next 10 years. New and innovative financing solutions will be required to crowd in private capital and scale business models that support livelihoods while protecting and restoring nature. An example is the newly announced Global Fund for Coral Reefs, a blended finance instrument that will invest USD500 million to protect and restore coral reefs while supporting local communities and business.’

### Relevance in a Post-pandemic Era

‘At first glance, sustainable finance may appear to be losing relevance in the face of the pandemic,’ observes Adam. According to the Social Progress Index 2020, COVID-19 has delayed progress towards the UN SDGs by 62 years and Vivid Economics’ Green Stimulus Index reports most government stimulus measures are undermining progress towards a low carbon economy.



‘However, many increasingly support the view that the pandemic is a dress rehearsal for future and more disruptive impacts from climate change and environmental degradation. What’s more, the interlinkages between zoonotic diseases like COVID-19, climate change and nature’s destruction provide strong reasons to stop financing deforestation and climate change,’ says Adam. ‘Notably, UN Secretary-General and IMF Managing Director have called for green recoveries. A recent report by University of Oxford on fiscal recovery packages emphasised the importance of a stable climate as well as the protection and enhancement of natural capital, among other things, as crucial features of high-productivity economies of the future.’

Adam’s optimistic that sustainable finance can play a pivotal role in ‘building back better’ by enabling and scaling public as well as private investment in sectors and initiatives that offer ‘win-win-wins’ for job creation, social benefits for the poorest and public health. ‘This would include clean physical infrastructure investment, ecosystem resilience and regeneration, clean investment, and climate-smart agriculture. Financial institutions can also leverage their influence to advocate that companies and governments don’t sacrifice long-term sustainability for short-term economic gain. Despite the setbacks affecting the global economy, we believe that sustainable finance will continue to be relevant and all the more important as the norm far beyond the post-pandemic era.’

### Achieve SDGs and a Healthy Bottom Line

Keith explains how sustainable finance will be central to achieving the SDGs in two ways:

1. Financial institutions can engage with and support companies to transition their business models by incorporating environmental and social best practices that also contribute to the SDGs. Food system transformation is a great example. Research has identified the F&B sector including agriculture, food manufacturing, retail and services as being the most relevant to achieving the SDGs, contributing in particular to social SDGs including Goal 4 (Quality Education) and Goal 2 (Zero Hunger), in addition to multiple environmental SDGs including Goal 13 (Climate Action), Goal 14 (Life Below Water) and Goal 15 (Life On Land). Financial institutions can thus contribute to these SDGs by working with companies to eliminate deforestation and community, labour and human rights abuses from food supply chains. Such initiatives wouldn’t come at the expense of the bottom line, given evidence from a growing body of research, including a recent study by McKinsey, supporting the view that corporate ESG performance positively impacts shareholder value’.

2. Sustainable finance will be vital for plugging the SDG financing gap, estimated by the UN in Sept 2019 to be USD 2.5 trillion per year, but which will only have grown due to the COVID-19 crisis. SDGs are already a common theme in sustainable debt issuance, with SDG bonds being a class in their own right, and many issuers of green and sustainability bonds and loans mapping the use of proceeds to SDGs. Mexico recently issued the first ever sovereign SDG bond, which will finance projects across areas such as literacy, healthcare, sanitation and electrification.

## Governmental policies or incentives needed to boost sustainable finance

by Dr Adam Ng,  
Sustainable Finance Expert  
WWF-Malaysia



The following is a non-exhaustive list of policies or incentives to boost sustainable finance:

1. A national green finance roadmap and strategy to set policy expectations and steer the financial institutions toward the intended direction and target. For example, the United Kingdom's Green Finance Strategy, EU Sustainable Finance Action Plan, and Securities Commission Malaysia's Sustainable and Responsible Investment Roadmap.
2. National taxonomies and classification of sustainable economic activities that are aligned with global standards to guide decision-making and minimise green washing such as EU taxonomy.
3. Legal disclosure and transparency policies for financial institutions to report sustainability-related information, including how it's embedded in strategy, policies, risk management and processes. Over time, such disclosures and data analytics will support more appropriate pricing of sustainability risks as well as capital allocation.
4. Policy incentives to promote green as well as socially responsible financing and investment activities such as tax incentives and government subsidies.

5. Government grants and seed funding to support investments in clean technology and businesses, including climate-smart agriculture as well as nature-based solutions and capacity building in climate risk assessment. As for blended finance, it'll require governments to provide concessionary public capital to attract private capital into projects that need investment but are otherwise too risky for mainstream investors.

6. Removal of policy barriers and implementation of proper pricing of negative externalities to level the playing field such as removal of fossil fuel subsidies, meaningful carbon pricing and other applications of the polluter pays principle.

Multiple complementing building blocks are required for systems to work efficiently and effectively. While the implementation of these policies and incentives are, however, not uniform across countries, greater harmonisation will promote more efficiency, reduce arbitrage and increase confidence of investors and businesses.

## Ways to overcome three main challenges of applying sustainable finance

by Dr Keith Lee,  
Senior Vice President  
Asia Sustainable Finance  
WWF-Malaysia



1. In order for sustainable finance to effectively drive the transformation of our economy, the financial sector needs to redirect capital to sustainable economic activities.

However, the data required remain lacking due to poor corporate sustainability disclosure practices, particularly in emerging markets. Existing data tend to be insufficiently standardised or scientifically meaningful, making it difficult to compare performance or know whether efforts on sustainability actually drive positive change. Regulators will need to play a greater role not only in requiring a minimum level of disclosure, but by providing guidance to ensure that disclosures are standardized. Greater reference to existing multi-stakeholder sustainability standards and initiatives will be critical for this, as will the creation of taxonomies that define sustainable economic activities. Meanwhile, geospatial technologies and AI will also help overcome data challenges by increasing the amount of information available for due diligence and monitoring.

2. Further work is needed to understand the range and extent of financial impacts from climate change and environmental degradation. Existing progress on climate stress-testing by central banks has not fully accounted for physical and transition-related climate risks together, risks related to biodiversity loss, or second-order effects resulting from interlinkages between climate change and biodiversity. Additional research and collaboration among regulators, financial institutions and science-based organizations is urgently needed to address this.

3. Lastly, growing demand for sustainable investment opportunities will be suboptimal as long as the pipeline of bankable projects remains insufficient. While blended finance can to an extent address mismatches between project risk and investor risk appetite, addressing bankability will require better project implementation in the form of more support from governments and development finance institutions, improved stakeholder engagement, transparency and innovative business practices. ■





# The EMISSIONS EXPENSE

Carbon finance harnesses the power of further human activity in the market and economy to address the main cause of changes in the climate. *Reyana Nacerodien* reports.

**B**eyond research, it's common knowledge that the environment is spiralling out of control and more needs to be done to mitigate negative change. Most scientists agree that human activity is the main cause of these changes in the climate. Climate change dynamics are on a trajectory of intensification which may require the use of new and notable measures to address the global problem. Over the years, as concern over the impacts of climate change increased, policymakers have sought cost effective ways to reduce greenhouse gas emissions, in an attempt to find means that address environmental concerns without undermining the achievement of development objectives.

The carbon market, which equates to an estimated USD100 billion annually, is an important part of this quest. It uniquely allows countries and companies who experience high costs in reducing their environmental impact to pay others with lower costs to undertake emission-reducing activities. In this way, the overall costs of reducing emissions at a global level can be considerably lowered.

## The Bottom Line

A lot of jargon is shared on the topic of carbon finance. Carbon finance originated from commitments by global players to reduce their carbon emissions and those commitments translating into emissions restrictions for industries and associated companies. Emissions reductions need to be proven and verified to gain credits – basically, given a price – which can then be 'traded'. Emissions trading is one form of carbon finance alongside carbon tax which countries impose on companies – all of this with a view to creating a low carbon economy.

Essentially, carbon finance is a means for companies to tackle their carbon emissions as action is no longer considered a 'nice to have' but rather, demanded by fellow businesses, consumers and the general market. In so doing, responses to SDGs are generated. Should countries find it difficult to reduce emissions, in their own country or territory, they can buy emission reductions from other countries or invest in emission reduction projects in developing countries to receive carbon credits. In this way, projects can harness the vast resources and capital countries and businesses can provide and, in turn, the cost of meeting Kyoto targets is reduced for them.

The International Institute for Environment and Development (IIED) has since it was founded in 1973 evidenced positive change cases in its mission to build a fairer, more sustainable world, using evidence, action and influence, working in partnership with others.





*Neha Rai of IIED,  
photo by Mike  
Goldwater*

Neha Rai is a senior researcher on climate change at the IIED whose work focuses on researching the quality, quantity and effectiveness of climate finance, offering support to country governments to access as well as manage climate finance, ensuring climate actions are well monitored and evaluated. 'Carbon finance is most relevant to the highest carbon emitting sectors such as energy (particularly the use of fossil fuels), transport, industry, construction, and agriculture as well as forestry (which accounts for nearly 25 per cent of global emissions),' explains Neha. 'Sectors such as agriculture and energy are most important as they are the biggest emitters. Energy accounts for 35 per cent of global emissions.'

## The Current Market

In surveying the current market, Neha says, 'Despite the number of carbon pricing initiatives such as carbon tax and emission trading schemes increasing since 2018, they only cover 20 per cent of total greenhouse emissions. One key problem is the carbon price is far too low. At just USD10 per ton of carbon dioxide equivalent (tCO<sub>2</sub>e), companies do not have an incentive to invest in green technologies. It needs to be at least USD40 per tCO<sub>2</sub>e for it to be more costly for companies to emit greenhouse gases if it is going to be effective in helping to cut global emissions to and meet the Paris Agreement targets and tackle climate change.' Finance and financial actors have a key role to play in the climate change battle.

## A Case in Point

The intercountry carbon finance discussions can appear somewhat removed from impacts and achievements on the ground. It's often poorer, more marginalised communities that are engaged in negative climate contributing activities and find it difficult to make a change given the impact on their livelihoods. What's worse, is that it's this part of global populations that bear the brunt of climate change realities too. This is abundantly evident in the agricultural sector. The agricultural sector offers a case study for the application and impact of climate initiatives including carbon finance. Despite the sector being pivotal to climate focus and development, it remains highly politicised.

'The sector is crucial for food security and employment – about 60 per cent of low income countries' populations are employed in agriculture. As a result, politicians are wary of imposing a carbon price on its emissions despite it being one of the largest emitters. Also, doing this could lead to a drop in production (due to using fewer inputs such as fertilisers), a decrease in income and profits, or cause farmers to leave the sector,' Neha notes. 'But these problems can be addressed by giving farmers incentives such as tax credits and compensation to sequester soil carbon in their farmland by rotating crops or using limited chemical fertiliser and other inputs, for example, or improving the quality of their production under a carbon price scheme,' says Neha.





IIED feels it's important that governments and institutions work with the people who are most affected by the impacts of climate change in developing countries. It's key that their priorities are heard and that they are involved in the solutions to address climate change so their needs are met and climate finance is used effectively. In essence, it'll develop the local foundations to make sure of equitable distribution of future financing that will genuinely benefit the rural poor.

IIED and development organisation Hivos launched a two-year strategic partnership in 2015 to provide research-based policy advice to improve sustainable food systems and access to energy in developing and emerging countries. Research explored carbon financing as a means to promote cleaner coffee agriculture in Nicaragua by determining the feasibility of payments for ecosystem services (PES) as incentives to promote a shift to sustainable smallholder agriculture. The Sustainable Agriculture in Coffee Plantations in Nicaragua project provides a case to help understand the potential of carbon-offset funding for small stakeholder agriculture in coffee-producing landscapes.

The project offers a good opportunity to combine coffee and carbon. It's based on a highly valuable crop with potential for inseting with a high degree of co-benefits in terms of wider ecosystem benefits and small stakeholder livelihoods. Activities that generate carbon credits also generate benefits for the farmer – which should also provide long-term incentives to participate.

According to an IIED joint report on the project Coffee and Carbon Offsets for Smallholders, 'Carbon emission reductions in the project are expected over the course of 20 years via the establishment and maintenance of aerial biomass referring to trees in the coffee agroforestry system, soil carbon biomass from composting, and avoided emissions from nitrogen reductions. The project is expected to produce higher coffee yields, better disease control, improved coffee quality and a reduction in defective coffee beans, coupled with important socio-economic benefits by improving the income and livelihoods of farmers and strengthening farmer organisations. Business benefits along the value chain will be enhanced by improving environmental resilience at the production end of the value chain, and instruments like inseting (offsetting within existing value chains) can provide important funding to ensure long-term stability.'

Carbon emissions were measured using the CamBio2 methodology developed by the Educational Corporation for Costa Rican Development with support from Hivos. To access international markets the project worked with the Gold Standard and the Fairtrade Foundation through a new partnership to develop a Fairtrade Carbon Credit Standard. By promoting different activities related to agriculture, renewable energy, energy efficiency and forest management the standard seeks to enable greater access to and participation in the voluntary carbon market for the most disadvantaged communities, to deliver a greater proportion of carbon income to them and increase their resilience to the effects of climate change.

This is seen within the pilot project where 17,198 carbon credits were issued from the 178 participating farmers with a crediting period is 20 years. As many of these low-cost emission reduction opportunities are in developing countries, carbon projects could be beneficial for development as well as for addressing climate change. Carbon projects could offer a way of tapping into additional funds to finance development programs.

## Leading the Charge

A number of corporations, including Exxon, BP, Microsoft and Google, have introduced internal carbon pricing where the decisions they take on risks and future opportunities are taken in relation to the impact of climate change. Microsoft, for example, is using income or receipts from an internal carbon fee to finance emission reduction initiatives such as renewable energy and energy efficiency investment. Similarly, BP believes that stable and well-designed carbon pricing adds a cost to energy production and energy products, but it also provides a basis for future investment and a level playing field for all energy sources.

Financial tools such as carbon emission trading to reduce the impact of greenhouse gases (GHG) on the environment by giving financial risks and opportunities impact corporate balance sheets and market-based instruments are capable of transferring environmental risk as well as achieving environmental objectives. This facilitates issues regarding climate change and GHG emissions, which must be addressed as part of strategic management decision-making. ■



# Not so little effort



Not everything should be at the mercy of the bottom line, declare **Pete Teo** and **Lisa Ngan**, founders of *A Little Farm on the Hill*. However, self-sustenance, a degree of environmental preservation and profit are key in farming. Here's their point of view.



Agriculture, we notice, isn't looked upon by young people as an attractive occupation the world over. The fact that the average age of farmers in the developed world is 55, underlines this. The root of this problem is unsustainably low food prices. It makes for good politics but at the same time makes farming barely feasible for small farmers.

In Malaysia, we also need better institutional support for farmers. Policymakers need to have a vision about agriculture beyond oil palm and giant corporations. Our leaders need to take small business food production seriously before our children will.

At our farm, we don't place great emphasis on self-sufficiency. Rather, we like to support businesses that help us do what we do. For example, we buy worm casting rather than make it ourselves. This allows us to support a local worm farm. It also keeps our manpower needs in check and deepens the organic farming ecosystem in the country. We believe it's impossible to do everything ourselves, and it's in fact undesirable to do so in the larger scheme of things.





## Our Story by Pete Teo

*A Little Farm on the Hill*, which is our 6-acre farm, is located near Janda Baik village in Pahang, Malaysia. We married a decade ago, left our urban life six years ago and moved here. While Lisa was an architect who worked in London and Kuala Lumpur, I taught social theory at the LSE in London, and worked in Hong Kong as a songwriter as well as music producer. After which, I moved to Kuala Lumpur, where I took on jobs in finance and construction before resuming my career in the arts, making music and films for the next two decades.

If you ask us how old we are, we'd say, too young to disco but too old to TikTok. Lisa's a city girl, she grew up in the capital city while I was born in Tawau, Sabah. Both of us lived in cities until we built this farm. For the longest time, we refused to live in landed properties because we didn't want a garden, but now we look after nothing but a very large organic vegetable garden. Talk about irony, eh?



The most fundamental difference between our life then and our life now, is time. We were both in extremely time-driven professions where deadlines dictated everything. Time has different implications on a farm. For instance, while it was previously possible for us to shorten time by putting more resources into a task, it's not possible to do that now. Plants take as long as they take to grow and there is little you can do to change that. So, you quickly learn to be patient and respect the natural cycle of biology. The result is that we have more time to do things we love and actually be with people.

Another change is the physical environment in which we live. Our farm is surrounded by tropical jungle and bisected by two streams. The air is pristine and all you hear are sounds of nature. There is no light pollution so the sky is filled with stars at night. This is very different from the city where air pollution and the never-ending rumble of motor vehicles dominate. Whenever we go to the city now, we wonder how we managed to live in cities for so long.

The trigger to start a farm was a desire to do something different with our lives. Lisa had always been a serious cook and it got to a stage where she wanted to do that more than architecture. Meanwhile, I'd gotten into a space where I was increasingly tired of the media-centricity of my work. So, when the opportunity came to make a change, we grabbed it.

## Effort. Diversification. Profit.

Ours is a small farm located atop a hill. So, we called it *A Little Farm on the Hill*. It's about 45 minutes by car from Kuala Lumpur. It's a certified organic farm that also has an exclusive farm-to-table restaurant onsite. We have eight staff and grow about 30 different varieties of fresh produce that we supply to fine dining restaurants in Kuala Lumpur.

Like many small farms throughout the world, we have a diversified revenue stream. While the farm side of our business supplies restaurants in Kuala Lumpur with fresh produce, the restaurant side of our business fills a niche market for high end farm-to-table dining. The two sides are co-dependent and symbiotic.

We heavily rely on the internet and automation. For instance, our irrigation is largely done by automated timers. Likewise, our sales, administrative as well as accounting processes are cloud-based and automated too. This digital backbone allows us to keep headcount down and expenses manageable.

Our farm income is a mix of fresh produce and restaurant sales. We wouldn't say it's lucrative although it's certainly profitable and self-sustaining.



The surest way to raise productivity on our farm is to stop growing crops outdoors and put everything under rain shelters. This takes the rain out of the equation and raises yield during the wet season. But it would also be extremely environmentally unsound to do this. Nothing lives in desert-like soil under rain shelters. There would be no earthworms, no birds, no bees and no beauty. We love the vibrant ecosystem at our farm too much to do this to it. Not everything should be at the mercy of the bottom line.

## A Day at the Farm

Work is planned weekly and carried out daily. The day begins with morning meetings by both the farm and hospitality teams. Daily tasks vary from pruning, sowing, harvesting to recipe testing, vegetable pickling, meat smoking, and the like. Everyone then gets on with their allocated chores until lunch time, when we gather to eat before the afternoon's work. When the day is done, everyone returns to their quarters to cook dinner and rest. With a mix of migrant and local staff living on site, it's important to nurture a respectful and multicultural ethos here. It's one of the most important things we do.

There's a natural connection between growing food and serving food, in that what we do must not only nourish but also taste good. Yet great produce is only possible when it's grown in healthy soil, which in turn is premised upon the health of the entire ecosystem at our farm. In short, what we do is ultimately about taking beneficial stewardship over the land and everything that dwells upon it. It's an old fashion idea, but one that's more relevant than ever in an age of environmental degradation and global pandemic. This aspect of what we do is basic but hugely appealing and nourishing.

## Advice, Thoughts and Observations

The global food production system is highly dysfunctional at the moment. Beef agriculture accounts for 30 per cent of the greenhouse gas released into the atmosphere. Synthetic fertilisers and pesticides are killing our fields and rivers. We produce 30 per cent more food than we need yet millions are still starving. We're not sure about agriculture being the future of business but it certainly needs to change. Most importantly, we need to change the way we consume. The hidden environmental cost of the present situation is unsustainable.

There's a romantic notion attached to farms like ours, driven by glamorised food programs on television and the increasing alienation of urban life. While the agrarian lifestyle does provide relief to a time-poor urban existence, the media hype doesn't address the immense hard work and poor financial reward of running a small farm. Thus, it's important for someone thinking of starting a small farm to know that traditional family farms are closing down all over the world because they don't have the scale economy to compete with industrialised giants. In such a situation, it's vital for small farms to provide differentiated services or products.

In our case, we couldn't possibly survive without building expertise and specialisation in the fine-dining restaurant sector. If we were a traditional small farm supplying Sunday markets or retail stores, we would have closed years ago. It's incredibly important to know your market and innovate away from competing on price alone.

## A Forecast on Future of Farming

The global food production system is highly dysfunctional at the moment. Beef agriculture accounts for 30 per cent of the greenhouse gas released into the atmosphere. Synthetic fertilisers and pesticides are killing our fields and rivers. We produce 30 per cent more food than we need yet millions are still starving. We're not sure about agriculture being the future of business but it certainly needs to change. Most importantly, we need to change the way we consume. The hidden environmental cost of the present situation is unsustainable. ■



# Harvesting Interest

**Darren Tan** of ComCrop led the final session of WIEF Idealab 2020 Series in September. He focused on agribusiness and how to make it attractive for young people. Here are a few points.

**B**etween 2012 and 2017, the asset size of investments specialising in food and agricultural jumped from USD27 billion to USD73 billion – about 25 per cent jump each year and this has led to innovations such as LED lighting as well as solar panels.

## Opportunities

Investments are pouring into the agricultural industry. There's a lot of potential for growth. Opportunities in agriculture lie in areas such as academic research and automation that includes figuring out controlled environment, programming using AI as well as inclusivity in the agricultural industry that could afford people with disabilities jobs.

For those who'd like to venture into farming, start small with a few plots of land and allow yourself to learn from other people. Then expand from there. Cost is still a big issue. Technology will cost money but costs are coming down. More importantly, don't be too seduced by technology because you do need a spectrum of experience. It's really good to just learn from different sources.

A lot of investments tend to focus on the tech companies involved in agriculture. However, tech companies may not have experience in actually growing crop. On the other hand, agricultural entities tend to focus on keeping things consistent and running. Thus, there needs to be a midpoint between the mechanism and the end product.

## Is Farming Lucrative?


Yes, it is. It's because the price of food will not always stay the same. The need for fresh and healthy vegetables will increase. Soon, the cost of living and average vegetables will rise as well. Traditional farming costs are lower. Its operating costs are lower and what you earn will also be lower. But urban farming can reduce the timing from farm to consumer. Generally, there's a premium on fresh and healthy vegetables. So, it works out in the end.

Agribusiness is just like any other business. It's a lot about common sense, about understanding as well as being willing to try and learn. There's a lot of perseverance needed. At the moment, what's common in most countries where there are already developed networks to sell the produce to restaurants through a distributor or directly to supermarkets. Eventually, as decentralised farms become more commonplace, there may then be another network to sell directly to the community.

As for turning a farm into an organic one, don't forget that different countries have different organic standards. Most of the time, productivity of an organic farm is a little bit less by around 70 or 80 per cent. There's the complexity of making sure that you meet the organic standards every other year. ■







A clothing brand from Amsterdam creates a positive impact in countries where their cutting-edge style denims are made and sold. **Reyana Nacerodien** chats with them on environmental and social responsibilities.

---

# SUSTAINABILITY IN STYLE

The clothing industry was quite different when G-Star RAW first made its appearance way back in 1989. Since inception, the brand's philosophy of 'Just the Product' ensuring the brand remained dedicated to denim craftsmanship while encouraging its evolution. The resultant commitment to innovation has helped the brand push denim design to new heights, both in terms of aesthetics and ethics. Now more than ever, conscious consumers are demanding evolution identifying the garment industry as one of the major pollutants of our environment. The brand is not only responding, but leading the charge through environmental plus social responsibilities, and cutting-edge style.

## Long Term Thinking

G-Star first majorly influenced the industry in 1996, introducing wearable and desirable raw denim products to a market populated with heavily treated and stonewashed garments. Later that same year, head designer Pierre Morisset disrupted the denim world with his invention of 3D Denim.

The Amsterdam-based denim brand has been making serious strides with regards to environmental and social responsibility for over a decade proving more agile and on the environmental pulse than competitors Levi's and Wrangler that have been around for decades more.

## Impressive Denim Engineering

G-Star's sustainability philosophy states, 'Sustainability is a condition for doing business at G-Star and a process of continuous improvement'. This philosophy asserts how the brand's focused on the innovation of denim. Which means, when they design, they design for the future, not only in how their products look, but also the wider impact they have. To ensure the brand's longevity, they believe it's crucial for to think innovatively about the impact they have on people and the planet.

For G-Star, this means future-proofing denim by investing in sustainable innovation and incorporating it in everything they do. They focus on a circular approach to how denim is made and used by their customers to create tomorrow's classics: quality denim of the future with respect for people and the planet in a transparent manner. The brand holistically focuses on responsible supply chain, sustainable products and sustainable operations, and give back through the GSRD foundation which is the brand's corporate non-profit.

The foundation works towards creating a positive impact on the lives of people and communities in those countries where G-Star products are made and, therefore, supports projects that focus on education and entrepreneurship. The brand's decision to support projects focused on entrepreneurship and education is based on the belief that these can help people leverage opportunities to become more self-sufficient, either as proactive employees or through self-employment. 'Under either scenario, a stable income leads to greater economic independence and social development'. To date, the foundation has supported 90 projects with an estimated impact on 150,000 people's lives.

Innovation and perfection of the products are imperative to G-Star, preferring to practice product engineering rather than design. In 2018, the brand launched its proclaimed most sustainable jeans ever. The G-Star Elwood RFTPi was developed with the first denim fabric in history to be Cradle to Cradle (C2C) Certified™ at the Gold Level by the C2C Products Innovation Institute – known to be the most rigorous certification process in the world.

Through careful analysis of each part of the denim design process, and unpacking all possibilities to reduce the environmental impact at every step, the product broke new ground in sustainable denim manufacturing.

The C2C Institute is a non-profit that has become one of the most significant players in the conversation about the circular economy, an idea that is predicated on the practice of reducing or eliminating waste by creating products that can be re-used in their entirety in some other format after their initial use ends. (One example of this would be using pineapple fibres that are a by-product of the food industry to make handbags). As growing consumption rates fuelled by fast fashion result in more and more garments ending up in landfills every year, many are looking to the circular economy as the only viable option for fashion to correct its current disastrous course.



The latest news from the brand is that they'll soon present the first black C2C Gold Level Certified denim fabric. G-Star has been building on the C2C certified fabric ever since the Elwood RFTPi jean. After launching the Most Sustainable Jeans Ever, the brand has launched a low dip version of the fabric (using only two indigo dips instead of eight), a stretch version (where a two per cent sustainable stretch fibre was added for comfort) and they've launched a product range where the C2C Gold level certification went beyond the fabric and the full product was certified, resulting in a 100 per cent recyclable product.

With various adaptations to the initial innovation, G-Star is able to further increase the use of these circular fabrics throughout their entire collection. By continuously expanding the sustainable offer throughout collections and providing more sustainable choices, the brand's making it easier for consumers to join the change.



## Operating on a Clear Conscience

The company has been investing in conscious production since 2006. Since then, the brand has joined initiatives with the likes of the United Nations and non-profits like Greenpeace, the Sustainable Apparel Coalition and others to address both environmental and social issues that dominate the fashion manufacturing industry. The journey to produce 'the most sustainable jeans' line built on this foundation.

Even before 2006, the brand pursued what was considered unconventional collaborations with artists and fellow product manufacturersequaly committed to innovation, technology and craftsmanship. The same approach now continues with an added measure of consciousness but still pushing the envelope.

G-Star's collections that encourage sustainable ventures include:

*Raw for the Oceans* – a collection that was as the collection's advertising states, quite literally, aimed at 'turning the tide on ocean plastic pollution'. The collection offers an example of how G-Star Raw works to reduce its impact on a textile level by experimenting with unusual materials like nettle and even the brand's own garment waste. In this case, the material was recycled ocean plastic. This collection was the culmination of a long-term collaboration between G-Star RAW, environmental group Parley for the Oceans, Pharrell Williams and textile company Bionic Yarn.

Parley for the Oceans encourages creatives to repurpose ocean waste and raise awareness of the growing issue stating the organisation's belief that the power for change lies in the hands of the consumer and the power to shape this new consumer mindset lies in the hands of the creative industries. Similarly, Bionic Yarn is committed to making the world a better place with a better product and engineers fully traceable high-grade textiles and polymers made with coastal and marine plastic.



Garments in the Raw for the Ocean collection were all created using fabrics developed in collaboration with the textile company and the environmental group. Ocean plastic was broken down and woven with other materials to create the fabrics used. Parley for the Oceans is said to have removed and repurposed roughly 700,000 PET plastic bottles from the sea in 2015 for the collection.

*The Forces of Nature capsule collection* – G-Star RAW teamed up with American actor, rapper, singer and songwriter, Jaden Smith, for a sustainable denim collection launched in the fall of 2018. All garments in the collection were engineered with sustainable materials and design innovations developed by G-Star RAW. The was drawn and envisioned by Jaden and features denim products that are also C2C Gold Level Certified™. The collaboration further offers testament to G-Star's commitment to truly try and make a difference in an industry that is responsible for a great part of the world's pollution.

Jaden explains in his own words, 'I was first brought into G-Star by Pharrell, someone whom I respect and admire. What they have been doing with sustainable innovation recently has been so inspiring, especially with the launch of their most sustainable jeans ever. They are at the forefront of denim sustainability, on top of the denim game. G-Star's a great place for me to collaborate, learn and make a positive impact on denim and fashion.'





## Detoxing Fashion

Beyond seasonal collections, the brand's corporate social responsibility foundation, GSRD, provides educational programming for the communities that produce its garments and its long-term partner factories are recognised as some of the industry's cleanest and best.

In 2013, Greenpeace exposed that Chinese factories working for renowned fashion brands discharged wastewater, containing traces of hazardous chemicals, into rivers and oceans. Like many others, G-Star signed a Detox Commitment with Greenpeace to address this issue and ban the use of hazardous chemicals from its products and production processes by January 2020.

With the deadline expired, G-Star is now proud to report that wastewater tests of its suppliers responsible for 85 per cent of its production volume show a compliance rate of 95 per cent. Aligned with other efforts to be a transparent company, their Sustainability Report 2019 explains how G-Star and its supply chain partners have managed to achieve this, as well as how they'll continue to work on the topic of chemical management in the future.

Today, G-Star has over 5,000 points of sale in 58 countries. ■

### G-Star's 3D Denim Concept

'3D Denim' is a method of jeans construction, never before seen in the denim industry. Unlike traditional patternmaking, which approaches the garment as a flat object, 3D Denim sculpts around the body's form. Using additional leg panels and darts, with baked and laundered finishing treatments, 3D Denim creates a fit and silhouette unique to G-Star. Now with iconic status, the G-Star Elwood marked the first 3D Denim style, succeeded by the Arc and Type-C.

## How the G-Star Elwood RFTPi Jeans is Made

**1. Cleanest indigo dyeing process:** G-Star RAW collaborated with DyStar to combine pre-reduced indigo with a liquid based organic agent that replaces the regular use of sodium hydrosulphite which is a major problem in indigo dyeing. This uses 70 per cent less chemicals, 15 per cent less indigo, no salts and produces no salt as a by-product during the reduction and dyeing process. This also saves water and leaves clean, recyclable water effluent.

**5. Open-source access:** This is applied for the entire denim industry. C2C Certified™ at Gold level sustainable fabric development process can be accessed and used by anyone through the C2C Institute's Fashion Positive Materials library. This open source means G-Star is quite literally giving away their trade secrets allowing others the opportunity to use the process and resulting fabric in the hopes of facilitating an infinite number of applications for the material and sustainability possibilities.

**2. Most sustainable washing techniques:** G-Star worked with Saitex to make and wash the garments by employing sustainable technologies and renewable energies. 98 per cent of the water is recycled and re-used, while the other two per cent evaporates naturally. Not one drop of water is wasted or discharged into the local environment.

**4. 100 per cent organic cotton:** Using cotton which is grown without synthetic fertilisers and toxic pesticides sustains and improves the health of soil, ecosystems and society as a whole.

**3. Eco-finished:** These buttons make each garment 98 per cent recyclable. When recycling denim, the top block is often discarded as it's too complicated to remove the zippers and rivets from the denim. So, G-Star replaced all rivets and zippers with eco-finished metal buttons. In addition, all labelling and carton packaging are responsibly sourced.





# A Breath of Purified Air

In 2015, Dutch artist *Daan Roosegaarde*, created the first smog free tower in Rotterdam. **Reyana Nacerodien** writes on how it offers game-changing solutions to deal with smog.

Clean air is a hot topic globally as climate considerations mount. Air pollution is one of the most pressing global problems where large cities face great threats regarding health issues and many are trying to find solutions to deal with micro dust. Some climate-orientated innovations have focused on purifying the air we breathe which is, at present, subject to constant pollution. This air pollution was further defined early in the 20th century. The word 'smog', a contraction of the words smoke and fog, was then coined to reference intense air pollution.



'True beauty is not a Louis Vuitton bag or a Ferrari, but clean air and clean energy.'

- Daan Roosegaarde

In 2013, on a visit to Beijing, Dutch artist, Daan Roosegaarde, was confronted by this. During his stay, he experienced a smog-filled view from his hotel room. On that visit, he became aware of local children were kept indoors because of the severity of the air pollution. Rather than be dismayed at the state of affairs, Daan was inspired to make a difference. One of his innovations, the Smog Free Tower, has been an ongoing experiment in recent years in cities like South Korea, China, Poland and the Netherlands. Today, his designs are, quite literally, bringing about a breath of purified air.

41-year old Daan is an artist and innovator. He's a creative thinker and maker of social designs which explore the relation between people, technology and space and best known for creating landscapes of the future. He studied fine arts and graduated from the Berlage Institute in Rotterdam with a master in architecture. He founded Studio Daan in 2007, where he works with his team of designers.

Daan is an advisor for Design Singapore Council, visiting professor at the University of Monterrey in Mexico as well as Tongji University Shanghai, and a member of the NASA innovation team. He has been selected by Forbes, WIRED and Good 100 as a creative change maker. To date, Studio Roosegaarde has won a number of awards including the Gold Award from Design for Asia, Hong Kong.

## The Smog Free Project

The broader Smog Free Project is a long-term campaign for clean air in which Daan and his team of experts created what has become known as the world's first smog vacuum cleaner. A smog tower is a structure designed to work as a large-scale air purifier, fitted with multiple layers of filters which trap fine dust particles suspended in the air as it passes through them.

At seven metres tall, the Smog Free Tower is one of the largest air purifiers in the world, sucking in smog through its top. It uses patented positive ionisation technology to produce smog free air in public spaces, allowing people to breathe and experience clean air. It's equipped with environment-friendly technology and uses a small amount of green electricity, only 1170 watts, to cleanse an estimated 30 cubic meters per hour – having been tested and validated by the Eindhoven University of Technology in the Netherlands.

The tower captures and removes up to 70 per cent of the ingested PM10 and up to 50 per cent of the ingested PM2.5. Clean air is released through vents along its six-sided body creating 360-degree coverage around the tower thereby creating an almost circular zone of clean air surrounding the structure. Through its operation, the tower provides a local solution for clean air such as in parks while offering an aesthetic art installation. Daan affirms his vision by holding, 'True beauty isn't a Louis Vuitton bag or a Ferrari, but clean air and clean energy.'





## The South Korea Example

Cities in South Korea were among those that recorded record levels of dangerous air pollution last year leading the government to impose stringent implementations to help curb the problem. According to the National Institute of Environmental Research, seven major cities in the country had extremely high levels of dangerous fine particulate matter (PM2.5) pollution. Seoul has already introduced emergency measures, such as limiting vehicle use, curbing the use of coal-fired power stations and cutting the amount of dust generated by building sites and power plants. These, however, have had limited success and there are many days where a thick haze of smog is clouds people's experience.

Air pollution problems have also caused political tension between the country and neighbouring China. Some South Korean public health experts claim that China is responsible for between 50 per cent and 70 per cent of fine dust pollution in the Seoul area, home to almost half the country's population. Prevailing westerly winds transport such pollution.

In response to what has been termed the 'social disaster', South Korea's Public Art Project (APAP) invited Daan to build a Smog Free Tower in Pyeong-chon Central Park in Anyang, South Korea which, they hope, will become an iconic landmark in the park. 'It imposes a strong will to improve the quality of life for the public, conveying the message of a symbiotic relationship between the city and the environment through the means of art; a campaign for the landscapes of the future,' Daan explains.

## Smog Free Spinoffs

Pushing the boundaries of environmental response and design, Daan and his team have crafted interesting offshoots to the smog free tower.

### Smog Free Rings

The launches of smog free towers in Rotterdam, Beijing and South Korea were followed by the release of the Smog Free Ring offering a tangible souvenir of compressed smog particles. The unique piece of jewellery is individually crafted by Daan's team in the Netherlands and unique is a first in the world. Smog Free Rings can be purchased through Studio Daan and its sales contribute to the development of the Smog Free project and its global tour. Each Smog Free Ring is the equivalent of 1000 m3 of clean air for the city. Rings have become popular gifts among design, tech, fashion and green enthusiasts, and have even used as engagement and wedding rings.



### Smog Free Bicycle

Daan went into an exclusive partnership with ofo, the Chinese bike sharing programme with over 20 million registered users and Tezign, a leading Chinese design platform, to develop the Smog Free Bicycle in China. The innovative bicycle basically 'inhales' polluted air, cleans it, and releases clean air around the cyclist providing a healthy and energy friendly solution for urbanites, combatting both traffic congestion and pollution issues in the city.

The bicycle draws its inspiration from the Smog Free workshop held in Beijing which featured artist Matt Hope and Professor Yang from Tsinghua University. 'Beijing used to be an iconic bicycle city. Together with Chinese and Dutch expertise we will bring back the bicycle as a cultural icon of China and as the next step towards smog free cities,' says Daan.



## Smog Eating Billboard

In his capacity as visiting professor in environmental design, Daan worked with students from the UDEM University in Mexico on a range of projects, one of which was to bring about the smog eating billboard which was inspired by the Smog Free Project. The project takes advantage of existing city panoramic structures to clean up polluting particles through an intelligent coating process that involves sunlight and wind.

Acknowledging the 900 billboards in the heavily polluted city of Monterrey in Mexico, the project turned the billboard concept on its head by prioritising the need for clean air. Monterrey is currently affected by two problems, air pollution and visual pollution, occupying the first places not only nationally, but also in Latin America. This project proposes to take advantage of the existing structures of the city panoramas to clean the polluting particles through an intelligent coating process in which sunlight and wind are involved. It consists of offering an

are involved. It consists of offering an additional alternative solution to mitigate air pollution and generate a real impact.

Results illustrate that the smog eating billboard emits clean air the equivalent of 30 trees every 6 hours, giving clean air to 104 people daily and can function for five years. 'It was great to work with the students and take a problem and transform it into a potential. I am really proud to see them go from academic research to a real project. I do not believe in utopia, a perfect solution, but protopia, step by step improving reality,' says Daan.

The smog eating billboard consists of a coated surface with a chemical that attracts the particles of contamination, and then purifies them, in a process called photocatalysis. The project will have a large impact on the city scale of Monterrey where there is little space for trees and pollution is trapped in the valley surrounded by mountains. The billboard article that was not designed to help the environment, in this case, serves as a tool to create a positive impact on the city.



*Daan Roosegaarde*

## Last Breath

Though the output of Daan's Smog Free Tower is limited to its immediate surroundings thereby fuelling scepticism from critics, it offers an innovative solution to deal with the very real problem of air pollution. Its establishment in various locations has contributed to smog reduction activities and served as an educational event, raising awareness and encouraging citizens to do their bit to reduce air pollution.

More than 80 per cent of people in urban areas are exposed to air quality levels that exceed World Health Organisation limits. The organisation warns of the major public health risks of air pollution given its links to a host of respiratory and cardiovascular illnesses. The Smog Free Project is a part of Daan's larger body of work entitled 'Landscapes of the Future' which seeks to connect people, technology and space to improve the quality of daily life in urban environments. ■



*Image credit: Daan Roosegaarde,  
www.studioroosegaarde.net*

Communicate with Clarity

# POWERTALK

Short, concise, thought-provoking discussions with prominent figures from all around the world, on global and economic issues that matter. This is a platform where differences are welcome, debates are beneficial and the best interest of the community is always the priority.



## Let's Talk.

Ideas . Inspire . Instigate

Get more information and follow:

- ☎ +903 2163 6500
- ✉ [marketing@wief.org](mailto:marketing@wief.org)
- 🌐 [www.wief.org](http://www.wief.org)
- 🌐 World Islamic Economic Forum Foundation
- 📺 [wief\\_foundation](http://wief_foundation)
- 📺 WIEF FoundationTV
- 📺 @WIEF\_Foundation
- 📺 @WIEF\_Foundation







**Roundtables have been held in many cities including:**

*Istanbul, Moscow, Johannesburg, Dhaka, London, Tokyo, Jakarta, Phnom Penh.*



**2,700 +**  
PARTICIPANTS



**14**  
COUNTRIES

## WIEF Roundtable (WRT)

WIEF Roundtable provides a unique avenue where regional and local entrepreneurs as well as investors congregate to discuss business issues. Also explore new creative ideas to existing objectives. This programme provides an important leverage on economic strengths that help transform a common vision into reality.

## WIEF Education Trust (WET)

WET is established to promote and strengthen human capital development through collaboration, education and training. It aims to provide educational opportunities to people at large by garnering support and resources from the Muslim world.

WET

**Programmes include:**

*Global Discourse Series, Social Enterprise Forum and Awqaf Development Exchange (ADEx).*

**1,000 +**  
PARTICIPANTS



**15**  
COUNTRIES



**WBN**

WIEF  
BUSINESSWOMEN  
NETWORK

## WIEF Businesswomen Network (WBN)

WBN has paved paths for businesswomen to access relevant entrepreneurial resources through various programmes. Its global partnerships and collaborations with other businesswomen organisations, empower businesswomen and support their positive economic contribution.



**1200 +**  
PARTICIPANTS



**52**  
COUNTRIES

**Programmes include:**

*Online Marketing Workshop, Women Entrepreneurs Workshop and WIEF TeaTalk.*



WIEF  
YOUNG  
LEADERS  
NETWORK

## WIEF Young Leaders Network (WYN)

WYN aims to promote cross-border business opportunities and social projects for the common good. It's a global youth network for young pioneers and changemakers to connect as well as collaborate focusing on creating top-class leadership mentality under the tagline Learn.Empower.Earn.Return.

**Programmes include:**

*IdeaLab and Young Fellows.*

**1,200 +**  
PARTICIPANTS



**146**  
COUNTRIES

