Horasis Annual Meeting
25-26 January 2011, Zurich, Switzerland

a Horasis-leadership event

Driving Towards Sustainable Growth

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Co-chairs:
Ademola Adeyemi-Bero Chief Executive Officer, BG Nigeria, Nigeria
Francois Barrault Chairman and Founder, FDB Partners, France
Akil Beshir Chairman, Telecom Egypt, Egypt
Nasir Ali Shah Bukhari Chairman, KASB Group, Pakistan
Sandi Ceško Chairman, Studio Moderna, Slovenia
Esther Dyson President, EDventure Holdings, USA
Mark Foster Group Chief Executive Global Markets, Accenture, UK
Panayiotis Hadjipandelis Chief Financial Officer, Holy Archbishopric of Cyprus, Cyprus
Alan Hassenfeld Chairman, Hasbro, USA
Yoshito Hori Chairman, Globis Group, Japan
Steve Killelea Chairman, Integrated Research, Australia
Sung-Joo Kim Chairwomen, MCM Holdings, Korea
Anil Kumar Chief Executive Officer, Ransat Group, United Kingdom
Nicholas Parker Chairman, Cleantech Group, Canada
Martin Richenhagen Chief Executive Officer, AGCO, USA
Scott E. Rickert Chief Executive Officer, Nanofilm, USA
Edward Shenderovich Founder and Managing Director, Kite Ventures, Russia
Niraj Sharan Chairman, Aura, India
Johan Staël von Holstein Chief Executive Officer, Mycube, Singapore
Boris Nemtsik Chief Executive Officer (ret.), VimpelCom, Russia
Jean Rosanvallon Chief Executive Officer, Dassault Falcon Jet, France
Guy Spier Chief Executive Officer, Aquamarine Capital, Switzerland
Enki Tan Chief Executive Officer, Giti Tire, China
Lynn Tilton Chief Executive Officer, Patriarch Partners, USA
Alexander Wan Senior Advisor, China Daily Asia, China
Kimberly Wiehl Secretary General, Berne Union, United Kingdom

Co-organizers: CEO Clubs UAE
The Young Presidents’ Organization (YPO)

Knowledge Partner: B-International

Upcoming Horasis events:
Global Russia Business Meeting Limassol, Cyprus, 10-11 April 2011
Global India Business Meeting Naples, Italy, 26-27 June 2011
Global Arab Business Meeting Ras Al Khaimah, UAE, 9-10 October 2011
Global China Business Meeting Valencia, Spain, 7-8 November 2011
# Table of Contents

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>4</td>
</tr>
<tr>
<td>Redefining Sustainability, Growth and Capital</td>
<td>18</td>
</tr>
<tr>
<td>Sustainable Growth in the Frontier Markets</td>
<td>26</td>
</tr>
<tr>
<td>The Future of Digital Technology</td>
<td>28</td>
</tr>
<tr>
<td>Driving Towards Sustainable Growth</td>
<td>30</td>
</tr>
</tbody>
</table>
Foreword

At a time of great change and transformation, Horasis is committed to anticipate and shape the course of that change, serving as a platform where the future of our economies can be debated from different perspectives. Horasis is proud of its track record since it was incorporated six years ago. During the past years, hundreds of companies, organizations and business leaders have contributed to that success, and we remain grateful for that support.

In 2010, Horasis hosted the following meetings:

**Horasis Annual Meeting**
Zurich, Switzerland, 26-27 January

**Global Russia Business Meeting**
Ljubljana, Slovenia, 16-17 May

**Global India Business Meeting**
Madrid, Spain, 21-22 June

**Global Arab Business Meeting**
Ras Al Khaimah, UAE, 26-27 September

**Global China Business Meeting**
Luxembourg, Luxembourg, 21-22 November

We are now creating a traditional approach for the Horasis Annual Meeting at the beginning of the new year. In this we summarize the previous year in the world and monitor the trends from the past. Also, we make forecasts for the upcoming 11 months and propose appropriate novel actions evaluating their effectiveness into the New Year. The questions we ask are: What should be at the top of the agenda for the New Year? And which issues do businesses and governments need to deal with urgently? At the 2011 meeting, business leaders focused on an agenda designed to tackle the key issues facing the world and how best to restore sustained economic growth.

The 2011 Horasis Annual Meeting was full of insight, inspiration and leadership. With the support of Horasis’ visions community, Horasis convened 100 of the most prominent global leaders in Zurich on 25-26 January 2011 to assess the trajectory of the world’s economies, global imbalances and the post-crisis outlook for capitalism. Also, the meeting offered access to some of the world’s most sequestered leaders. Held under the theme ‘Driving Towards Sustainable Growth’, the Horasis Annual Meeting was the ideal occasion for the world’s business elite to shape the post-crisis environment.
Participants engaged in a thorough discussion on how to conceptualize and enact sustainable growth.

This report shall summarize the outcomes and observations that emerged from the meeting. We hope you find this report to be an insightful and timely guide to how participants of this Horasis Annual Meeting addressed the implications of the current economic, political and social challenges.

The Horasis Annual Meeting provided a one-of-a-kind setting for attendees to meet informally, forge business ties and gain fresh perspectives from a diverse group of leaders. The panel discussions spanned the world, from the future of the Eurozone and growth of the BRICs (Brazil, Russia, India, China) to investment opportunities in the frontier economies of Africa. The co-chairs debated a wide range of issues, from the rebalancing of Europe’s energy portfolio to world trade, from financial regulation to the process of innovation. Senior executives and government representatives from 25 countries attended the Horasis Annual Meeting, including the following co-chairs: Ademola Adeyemi-Bero, Chief Executive Officer, BG Nigeria, Nigeria; Francois Barrault, Chairman and Founder, FDB Partners, France; Akil Beshir, Chairman, Telecom Egypt, Egypt; Nasir Ali Shah Bukhari, Chairman, KASB Group, Pakistan; Sandi Ceško, Chairman, Studio Moderna, Slovenia; Esther Dyson, President, EDventure Holdings, USA; Mark Foster; Group Chief Executive Global Markets, Accenture, UK; Panayiotis Hadjipandelis, Chief Financial Officer, Holy Archbishopric of Cyprus, Cyprus; Alan Hassenfeld, Chairman, Hasbro, USA; Yoshito Hori, Chairman, Globis Group, Japan; Steve Killelea, Chairman, Integrated Research, Australia; Sung-Joo Kim, Chairwomen, MCM Holdings, Korea; Anil Kumar; Chief Executive Officer, Ransat Group, United Kingdom; Boris Nemsik, Chief Executive Officer (ret.), VimpelCom, Russia; Nicholas Parker, Chairman, Cleantech Group, Canada; Martin Richenhagen, Chief Executive Officer, AGCO, USA; Scott E. Rickert, Chief Executive Officer, Nanofilm, USA; Jean Rosanvallon, Chief Executive Officer, Dassault Falcon Jet, France; Niraj Sharan, Chairman, Aura, India; Edward Shenderovich, Founder and Managing Director, Kite Ventures, Russia; Guy Spier, Chief Executive Officer, Aquamarine Capital, Switzerland; Johan Staël von Holstein, Chief Executive Officer, Mycube, Singapore; Enki Tan, Chief Executive Officer, Giti Tire, China; Lynn Tilton, Chief Executive Officer, Patriarch Partners, USA; Alexander Wan, Senior Advisor, China Daily Asia, China; Kimberly Wiehl, Secretary General, Berne Union, United Kingdom.
The following session hosts led and summarized the discussions: Martin Roll, President, Martin Roll Company, Singapore; Usman Ghani, Chairman, AIMS, USA; Riaz Currimjee, Partner, Surya Capital, United Kingdom; Maria Livanos Cattaui, Member of the Board, Petroplus Holding, Switzerland; Thierry Malleret, Senior Partner, IJ Partners, Switzerland; Arun Sharma, Chief Investment Officer, IFC, USA; Nico Luchsinger, Founder, Sandbox, Switzerland; Annette Nijs, Former Dutch Minister of Education; Executive Director Global Initiative, CEIBS, China.

The Annual Meeting’s deliberations took place against the background of the turmoil in Egypt and elsewhere in the Arab world. Terrorism was also on the agenda, after the bombing of Moscow’s Domodedovo airport. Amre Moussa, Secretary General, League of Arab League States, Egypt, opened the meeting with a special address that hit the headlines. The Secretary General painted a lucid, inspirational vision for the future of the Arab world. Referring to the upheavals in Egypt and Tunisia, he explained that ‘the political uprising in Arab countries in recent weeks is linked to the region’s lack of economic stability.’ He also stressed the need for stronger economic connectivity between Arab countries as a way to alleviate joblessness and other problems facing the Arab world. ‘The Arab world needs a renaissance. And we need to emphasis education as the tool to achieve our goals’, he concluded. Maria Livanos Cattaui, Member of the Board, Petroplus Holding, Switzerland, commented that ‘we have to bridge cultures to restore stability and growth, in the Arab world and beyond.’

As world leaders flew into Zurich for the Horasis Annual Meeting, global economic recovery was showing signs of progress. ‘As the global economy embarks on a new phase of growth, the world needs a new framework that will make the economy more sustainable,’ said Maurice Pedergnana, General Secretary, Swiss Private Equity & Corporate Finance Association, Switzerland. ‘The dialogue amongst participants has started the process of moving policy toward realistic solutions,’ he continued. Darren Fogelman, Founder &
Managing Director, FTC Global, China, said: ‘2011 will be the year of strategic redesign: the worst of the crisis is over, and now it’s time to think big again.’ Still, the meeting occurred at a time of pronounced volatility – and heightened uncertainty – in the global economic system. Although there were signs of tenuous recovery from the global economic crisis, it was obvious to participants that the extent and speed of economic recovery would not be uniform across economies. Participants reached consensus that the divide between developing countries with large trade surpluses and low debt and developed countries with large trade deficits and high debt to remain a major theme in 2011. Furthermore, it was clear that the economic stimulus packages that were implemented to pull the global economy from recession ‘were themselves a serious constraint to future growth and vitality,’ as Panayiotis Hadjipandelis, Chief Financial Officer, Holy Archbishopric of Cyprus, Cyprus, put it. The debt crisis in Greece, the banking crisis in Ireland and ensuing financial malaise across Europe amounted to a serious warning sign that governments everywhere would be under increasing budgetary pressure. ‘Stimulus measures need to be scaled back as economic recovery unfolds’, added Guy Spier, Chief Executive Officer, Aquamarine Capital, Switzerland.

In January 2010, at the inaugural Horasis Annual Meeting, participants acknowledged that the signs of global economic recovery were increasingly evident. Still, primarily because of volatile growth across geographies, continued caution was the order of the day. One year later, at the 2011 meeting, the view was changed. The world is in a much
better state than many expected it would be a year ago. ‘I think the bottom has been hit and we have started on the uphill climb’, said James Fierro, Chairman, Recipco Holdings, Canada. To be sure, the signs of economic recovery now are far more evident – the pillars of the post-Lehman world seem to robust as world output levels have improved markedly. ‘The world economy is well placed. to continue recovery. Global trade has bounced back’, said Arun Sharma, Chief Investment Officer, IFC, USA. ‘And stock markets – although still very volatile – have rebounded’, continued Scott E. Rickert, Chief Executive Officer, Nanofilm, USA.

Still, as Martin Richenhagen, Chief Executive Officer, AGCO, USA, noted, ‘the case for continued caution is compelling.’ The caution is understandable. The private sector debt crisis of 2008-09 has translated into a public-sector debt crisis in 2010-2011. ‘We all realize the periods ahead are going to be challenging and tumultuous – growth is harder to come by’, said Oltmann Siemens, Chairman, Interleaseinvest Group, Austria. Despite positive signals, current trade flows are still below pre-crisis level. Skyrocketing of public debt continues – and debt is substantially higher than before the crisis. ‘Banks must restore trust. Banking systems in many countries have not yet fully recovered, and it remains to be seen whether or not government reform of the financial sector will effectively address the weaknesses exposed by the crisis’, stated Boris Nemsik, Chief Executive Officer (ret.), VimpelCom, Russia. ‘The financial sector of the developed world remains impaired and credit flows have not increased to the needed extent. Furthermore, there is a large liquidity overhang’, added Thierry Malleret, Senior Partner, IJ Partners, Switzerland. On top, ‘political risks will remain elevated, as budgetary cuts and high levels of unemployment impact developed nations while inflation in emerging markets might lead to difficulties’, concluded Jean Rosanvallon, Chief Executive Officer, Dassault Falcon Jet, France.

Among other things, the economic crisis has illuminated fault lines that were less apparent prior to the onset of the crisis. For instance, the dollar’s status as the world’s main reserve currency is under threat,
although – as the problems some of the Eurozone countries are facing show – there is a big question mark over the viability of the monetary union and hence of the euro itself. **François Barrault**, Chairman and Founder, FDB Partners, France, explained that ‘the euro crisis is deep and frightening. We face a crisis in competitiveness and structural adjustment in the European periphery. Europe’s shortcomings have been laid bare by the euro crisis.’ ‘Are we not learning fast enough to adapt to this new environment, or are we unable to change with the changing world fast enough?’ asked **Eberhard von Koerber**, Co-President, Club of Rome, Switzerland.

Aside from highlighting vulnerabilities in individual economies, the crisis revealed the lack of flexibility in policy responses. ‘European consumers have become more frugal – how shall we stimulate domestic demand?’ asked **Sandi Ceško**, Chairman, Studio Moderna, Slovenia. ‘Europe seems to be gripped by uncertainty, dealing a setback to one of the most momentous regional integration stories of the last half century’, opined **Thomas Wu**, President, MSM, Germany. ‘China has pledged to buy parts of Europe’s national debt in an effort to stabilize the continent’s finances. Chinese business leaders have confidence in the European market. China will be a long-term investor here,’ he concluded.

The BRICs (Brazil, Russia, India and China) are continuing to grow at a spectacular pace. **Alan Hassenfeld**, Chairman, Hasbro, USA, highlighted that the recovery in the global economy is asymmetrical – with the west lagging behind the BRICs. But ‘most companies, business leaders, regulators, citizens do not know where the next shoe is going to fall’, according to **Amir Yaar**, Managing Partner, Cigate.Asia, Israel. For sure, emerging markets, in both output growth and

**‘The current events in the Arab world may be ‘the perfect storm’, and that the world may just realize that there is an urgent need to move towards sustainable growth’**

*Alan Hassenfeld, Chairman, Hasbro, USA – on how to drive our future*
trade, are growing substantially faster than the developed economies. Still, emerging markets face risks of their own. The most alarming is a sharp rise in inflation – a result of strong domestic growth. **Edward Shenderovich**, Founder and Managing Director, Kite Ventures, Russia, observed that ‘the Russian economy is expected to perform strongly in the years ahead. The growth prospects in Russia seem to be more compelling than what is being observed in Western Europe, despite the obvious risks.’ **Martin Roll**, President, Martin Roll Company, Singapore, suggested that in the next 10 years, emerging markets could grow at a 7 percent average annual rate compared with a corresponding level of 1-2 percent in developed economies.

It is not difficult to realize why emerging markets – the BRICs in particular – have been the favorites of investors for the last decade. It has become conventional wisdom that the post-cold-war world will see rising powers such as the BRICS create what international relations experts call a 'multi-polar' order. ‘Investors, while maintaining a core exposure to the BRIC economies, should not close their eyes to other growth areas in the emerging world’, said **Akil Beshir**, Chairman, Telecom Egypt, Egypt. ‘Many of the smaller emerging and so-called 'frontier economies' have been making investor friendly reforms - they are growing at record rates and are attracting real interest from investors. These emergent economies are becoming a whole new motor for the global economy’, added **Nasir Ali Shah Bukhari**, Chairman, KASB Group, Pakistan. **Riaz Currinjee**, Partner, Surya Capital, United Kingdom, emphasized: ‘as investors sift through the new investment opportunities in the world, I believe that many of them are in the pre-emerging or new frontier markets, especially in Africa.’ **Ademola Adeyemi-Bero**, Chief Executive Officer, BG Nigeria, Nigeria, cautioned his co-panelists: ‘although many frontier markets are enjoying some of the highest growth rates in the world, some
are failing to benefit from the same levels of liquidity and investor interest as before the global recession. ‘**Steve Killelea**, Chairman, Integrated Research, Australia, concluded that ‘income distribution in some emerging and new frontier economies has remained imbalanced in favour of the rich. A serious backlash is brewing. Over-population, corruption, ethnic grievances and collapsing infrastructure are pushing many new frontier states towards failure.’

A reason for global concern is the unevenness of the recovery in the developed world. ‘Our economies remain in a difficult situation’, said **Jeffries Briginshaw**, Executive Director, TransAtlantic Business Dialogue, Belgium, citing a stagnant employment picture and warning that the developed world’s economies could be depressed by a possible slowdown in China. Although there are signs of renewed economic vitality in the United States, continued high unemployment threaten the efforts of the US government to energize demand for labour. Europe, for reasons already addressed, is on a slow-growth trajectory.

And after a period of protracted economic anemia, ‘the risk of slowing growth is still looming large. Japan is encountering serious obstacles in jumpstarting the economy. The Japanese economy has been stagnant for two decades and the country’s population is shrinking’, as observed by **Yoshito Hori**, Chairman, Globis Group, Japan.

The global economy has reached the point where growth will stop being led by government employment and start being led by private industries. **Kimberly Wiehl**, Secretary General, Berne Union, United Kingdom, raised that while the crisis has enfeebled many governments, it has strengthened parts of the private sector. Against the financial and economic pressures, many industries and individual companies have consolidated and are now in much better
shape – perhaps even better than ever. This is an important positive outcome of what are otherwise challenging economic circumstances. ‘Companies are starting to invest and ramp up for new work but’, Hany Assaad, Managing Director, Avanz Capital Partners, USA, said ‘at the time, businesses had learned through the prolonged recession how to do more with less, meaning that unemployment is going to remain high for years to come.’

Annette Nijs, Former Dutch Minister of Education; Executive Director Global Initiative, CEIBS, China, pinpointed though that ‘consolidations have generated short-term gains that may be – and likely are – unsustainable. To compete at a global level, the private sector must learn how to tap into international markets for talent, technology and customers.’ Yılmaz Argüden, Chairman Turkey, Rothschild, Turkey, underlined that any return to protectionist measures would be damaging to global economies.

‘Protectionism breeds inefficient local companies and, in the long run, destroys the very jobs that it seeks to sustain’, he said. ‘Even more dangerous than trade protectionism is the risk of a currency war’, added Mike Garrett, Chairman, Evian Group, Switzerland. ‘We will all be hurt by a global currency war.’

A major theme discussed at the meeting was the significance of technology to improve productivity and boost the global knowledge base. In the past, government often funded programs to ensure economic growth funded through higher taxes, but globalized competition and enormous public debt make this option more challenging for governments. ‘Technology, on the other hand, has helped to enable cross-border connections and contributed to enhancement of free trade and investment flows’, said Esther Dyson, President, EDventure Holdings, USA. Steam engines, electricity, computers, Internet led to productivity gains and economic growth. ‘Companies that integrate technology into its strategies will also boost their potential for sustainable growth. There is lot of reason for optimism in terms of technology-driven
growth. We need to do the necessary to ensure that technology related investments increase corporate performance’, observed Nico Luchsinger, Founder, Sandbox, Switzerland. Mark Foster, Group Chief Executive Global Markets, Accenture, UK, stressed that ‘Innovation does not just happen. It happens in market driven ecosystems.’ Johan Staël von Holstein, Chief Executive Officer, Mycube, Singapore emphasized that ‘social networking redefines the way our economies work. Still, we have to allow users to have complete control over their own information. We have to avoid a Wikileaks-type of anarchy.’ Nicholas Parker, Chairman, Cleantech Group, Canada, added that ‘record levels of activity from investors, governments and corporations demonstrates that the market for clean technologies continues to strengthen regardless of any non binding global climate change agreement – clean technologies are one of the most important drivers of global economic growth.’

The rapid growth of global markets has not seen the parallel development of institutions to ensure balanced, inclusive and sustainable growth. The staging point for discussion was that despite all founded criticism, capitalism is here to stay. The question, then, is not whether or not there is another more suitable system for our world economies, but rather how capitalism can be tailored to fit the changing challenges of our times. Clearly, the system of unfettered free markets is under scrutiny. The so-called ‘Anglo-Saxon model of capitalism’ might be replaced by a model which favours long-term orientation instead of the usual practice of speculation and short-term profit taking hence inheriting a more ‘Asian’ approach towards capitalism, as Enki Tan, Chief Executive Officer, Giti Tire, China, put it. Anil Kumar, Chief Executive Officer, Ransat Group, United Kingdom, added that ‘we have to maintain a balance between co-operation in the pursuit

‘Technology, on the other hand, has helped to enable cross-border connections and contributed to enhancement of free trade and investment flows’
Esther Dyson, President, EDventure Holdings, USA
of public goods and the creative power of competition; and between respect for social values and the pursuit of individual self-interest. The purpose of the economic activity must be realigned along the creation of shared values.’

‘The so-called ‘Anglo-Saxon model of capitalism’ might be replaced by a model which favours long-term orientation instead of the usual practice of speculation’
Enki Tan, Chief Executive Officer, Giti Tire, China

Capitalism is going to be ‘more female’ in the years to come. Lynn Tilton, Chief Executive Officer, Patriarch Partners, USA pinpointed that ‘women are now poised to drive the post-recession world economy. That growth represents the biggest ‘emerging market’ – bigger than opportunities in all BRIC economies combined.’ Sung-Joo Kim, Chairwomen, MCM Holdings, Korea, announced that ‘global economic growth cannot be restored without tapping into the power of women.’ Niraj Sharan, Chairman, Aura, India, added, that ‘India’s booming financial services sector is also benefitting from the female touch where more than half of chief executives are women.’

‘I did not consider myself as a ‘tea lady - I was determined to attack corruption’
Sung-Joo Kim, Chairwomen, MCM Holdings, Korea

At the close of the Horasis Annual Meeting, participants called for shifts in our economic models and practices to address the striking gaps exposed by the crisis. ‘We need to update our models of economic growth as we stand at a point at which existing practices and institutions are no longer enough’, said

‘Women are now poised to drive the post-recession world economy. That growth represents the biggest ‘emerging market’ – bigger than opportunities in all BRIC economies combined’
Lynn Tilton, Chief Executive Officer, Patriarch Partners, USA
Glenn Proellochs, President, B-International, Switzerland. Indeed, when dealing with the new complexities of our global economies, traditional methods seem less appropriate than ever. ‘Designing for a prosperous and sustainable future requires people with ideas, vision, and an understanding of what it takes’, added Usman Ghani, Chairman, AIMS, USA. The co-chairs, moderators and participants made the following proposals at the closing plenary:

• First, effective and timely consultation and coordination is necessary to address global economic and financial volatility. The G20 is the vehicle of choice to address the global challenges of today. Both the developed and developing countries should work together to minimise volatility and the risks to recovery. In addition, the private sector shall be included in economic consultations – the global community must create platforms where the public and private sectors can meet.

‘Many people suffer from greediness and a big ego, which sometimes may get in the way of just and fair progress within societies. Business leaders should step up their individual accountability for moving towards sustainable growth’

Glenn Proellochs, President, B-International, Switzerland

‘Are we not learning fast enough to adapt to this new environment, or are we unable to change with the changing world fast enough?’

Eberhard von Koerber, Co-President, Club of Rome, Switzerland

• And second, companies should genuinely embrace the wider world in which companies operate. All strategies and actions shall be oriented towards long-term goals. Capital and knowledge shall be channeled into productive investments, rather than into speculation. Policymakers and economic practitioners have to avoid a capitalism of the rich and powerful. The sharply widening gap between rich and poor in emerging and developed economies has to be closed. Inclusive growth shall be the guideline for the next decades.
The proposals are conceivable, but we will not reach them by accident. At a time of considerable uncertainty, the purpose of the 2011 Annual Meeting was to conceptualize strategies to drive sustainable economic growth. We hope you find this report to be an insightful and timely guide to how global leaders will combine their crisis management experience with new approaches towards economic competitiveness to ensure long-term growth. On behalf of Horasis, I would like to personally thank the co-chairs and moderators of the 2011 Horasis Annual Meeting. The Horasis Annual Meeting was a unique experience which would not have been possible without the dedication and enthusiasm of the members of the Horasis visions community.

It is our hope that the Horasis Annual Meeting will continue to serve as an important platform for stimulating discussions and creative solutions in the years to come. Horasis looks forward to welcoming you back to next year’s edition of the Horasis Annual Meeting which will take place in Zurich in January 2012.

Dr. Frank-Jürgen Richter
Chairman
Horasis: The Global Visions Community

Frank-Jürgen Richter, Chairman, Horasis – we need a convincing global economic strategy

Edward Shenderovich, Founder and Managing Director, Kite Ventures, on entrepreneurship in Russia

Mirjana Dimc-Perko, Member of the Board of Management, Gorenje, Slovenia
Participants reflecting what the major issues are in 2011

Chris Lindenmeyer, President, Schindler Elevator, Switzerland, pleading for the crisis not to be wasted

Riaz Currimjee, Partner, Surya Capital, United Kingdom, hosting the session on frontier markets

Chris Lindenmeyer, President, Schindler Elevator, Switzerland,

pleading for the crisis not to be wasted

Marc Deschenaux, Managing Partner, Deschenaux & Partners, Switzerland

Michel Hirsig, Director, Transports Publics Genevois, Switzerland

Jeffries Briginshaw, Executive Director, TransAtlantic Business Dialogue, Belgium

Riaz Currimjee, Partner, Surya Capital, United Kingdom, hosting the session on frontier markets
Redefining Sustainability, Growth and Capital

By John B. Kidd, Lecturer, Aston Business School, United Kingdom

The delegates at this Second Annual meeting were directed to a discussion of ‘Towards Sustainable Growth’ though they seemed determined to discuss broader issues that nevertheless encompassed sustainability and growth. Many micro-discussions within the networking during the Welcome Reception were concerned with the past and future role of banking – how to separate and redefine their workings within capital markets as distinct from their role in retail banking.

The latter affects strongly our personal pockets and thus our ability to borrow so as to obtain mortgages and so maintain the fluidity of labour markets. It also determines the ability of the Small and Medium enterprises to access working capital and credit so maintain their working relationships with buyers, suppliers and their workers.

The present restrictions in the retail bank’s cash flows attract the ire of the press, and the people of many developed nations blame their government and their regulators for this mess. However the capital markets are becoming very strongly regulated, in part through the new pressures due to the enactment of Basel III which severely restrict the freedoms that ‘banks’ used to have across all their operations – some of which left them at risk of holding insufficient funds to cover rapid capital flows due to real or perceived risks. Basel III is supposed to force Banks to maintain higher funding levels and to reduce their risk exposure, but its rules have uncovered several unintended consequences (a phrase that cropped up fairly frequently during this Horasis Annual Meeting): in the Banks case resulting in strong constraints on their retail branches to lend to the SMEs (small and medium enterprises) and to individuals. There was some strong feeling expressed that the money arising through several governments ‘quantitative easing’ had in fact exacerbated, and not reduced the retail banks’ freedoms through the background application of Basel III: again, unintended consequences. During the later discussions we heard how SMEs were being starved of cash, thus whole economies starved of the manufacturing from these small firms that all firms, both large and medium depend upon. Eurostat says that there are 20 million SMEs in Europe representing 99% of all businesses and they contribute to over 50% of European added value business: globally we find similar percentages. It is in the best interests of governments to support their SMEs. But some bankers do not feel the same way, being more commercially inclined and they wish to enhance their shareholder’s value so they prefer to lend to less risky large firms. Some delegates mentioned that they thought there were few resource restrictions in any sector and the recent ‘financial crisis’ was only a brief state of disequilibrium: as did some bankers of the Basel III issues – both aspects therefore were only the sharp shocks.
of a step change into a new form of equilibrium. Therefore might we be moving into a new period of redefining sustainability, growth and capital movements? What ought we to call these emergent revisions and the new era of their operations?

We reconvened on 26 January with a sense of anticipation to attend one of the three Working Breakfast debates discussing ‘strategic sustainable growth’ in (a) developed countries, (b) emerging countries, and (c) the frontier countries [which I will choose to report].

This session was chaired by Riaz Currimjee, Partner, Surya Capital, United Kingdom.

Ademola Adeyemi-Bero, Chief Executive Officer, BG Nigeria, Nigeria, told us that his company looked to uphold operations that would support integrity with production security between themselves and good [trusted] partners. Guy Spier, Chief Executive Officer, Aquamarine Capital, Switzerland, described his business of investing in frontier markets using relatively low-tech methods of analysis, essentially looking for larger partners with high ethical values who would naturally protect his own interests and his relatively smaller investments.

Akil Beshir, Chairman, Telecom Egypt, Egypt, noted that his enterprise was alone in the world of telecom companies in not having an integrated mobile phone group, relying instead on a 45% stake in Vodafone that provides strong income streams. Telecom Egypt declares strong profits even though land line use is falling; but not withstanding the good profits its other indicators are falling (eg growth, cash flows, etc). Guy Spier noted that at a first level of analysis he was less interested in the environment or climate change – these concepts are divisive and ought to be managed by governments. His concern was to check that his partners were well governed. On the other hand, Ademola Adeyemi-Bero was concerned that ‘frontier’ firms were risky, and that searches for greater certainty in projects that were competing for resources need to offer long-term trajectories.

The biggest challenge was therefore for the local firms to meet international standards and ethics. Governments would not be the driver, but (again) he stressed the nature of integrity and ethics in partnerships that would raise a nation’s sustainability. Akil Beshir suggested the notion of ‘sustainability’ was predicated on better education as some studies have shown that mass education has driven up growth and personal wealth in some countries – for instance, a 10% increase in mobile ownership might show a 1% increase in GDP. He illustrated that in developed markets mobile use growth was in texting or music/games downloads while in the developing areas mobile use was more and more directed at business growth, information acquisition, and mobile banking with no increase (even negative growth) in fixed line penetration. I injected my apprehension about the definitions of sustainability, growth and so on noting that sustainability (in the developed world) might equate to a mediocre target, and the associated concept of ‘frugality’ inclined me to consider ‘lost causes’. However, the new uses of mobile phones in a frontier country were neither ‘sustainable’ as there was no history of their use to ‘sustain previous use’, nor was that development ‘disruptive’ as it did not cut out older developments (eg fixed lines) as there were so few. We must be careful about our definitions, yet we have need to be evangelical in our pursuit of new and beneficial technologies or practices, but not to be so ‘over the top’ as to become the subject of ridicule – betting on the risks and the developments is a hard process. Other delegates raised concerns about water resources as a global issue and one in which many factors contribute in a complex way, but in which education of all is important just as is sustained inwards investment. Riaz Currimjee, the Chair, offered a summary encapsulating the need for local governments to work transparently, to support education and to support local champions so as to reduce misconceptions of the region while enlightening investors to enable solutions faster than in earlier times.
Immediately following the opening discussions the Opening Plenary Session concentrated on the evolution of the world economy in next 6 to 12 months. The plenary was chaired by Maria Livanos Cattaui, Member of the Board, Petroplus Holding, Switzerland with Amre Moussa, Secretary General, League of Arab League States, Egypt, presenting a keynote address as well as fielding several questions on the very topical news of unrest in Tunisia, Lebanon, Egypt and the Yemen where local populations were revolting against years of oppression – looking for democracy instead of dictatorship, transparency instead of corruption and nepotism, and thus becoming free to manage their own lives. Amre Moussa noted all the Arab nations have a high proportion of young persons who, sadly, carried high rates of unemployment and were inclined to ‘revolution’ – yet happily most of their protests were relatively calm and their respective governments had reacted reasonably wisely. In response to being questioned about the weakest of the 22 Arab states he replied cautiously noting that Yemen had difficulties but Iraq was moving towards normality whereas Somalia had its own difficulties. Overall he was optimistic about all the 22 nations; come back to this question in 5 years he suggested, we will have seen many changes, and maybe many of the old ‘conservatives both in the Arab world as well as outside may have resolved their current antagonisms, though we are collectively responsible to some extent for the present state. Better education will help, as will better representation in the ‘G’ groups – G2, G8, G20, G-many. There is a ‘clash of civilisations’ but as he had said when addressing the sixty-first session of the UN General Assembly on 8 June 2006, ‘... respect for human rights and all freedoms without distinction on the basis of faith, colour or thought is the way to create a new world’. It might be of interest to note a cross reference to the 1st Horasis Global Arab Business Meeting 26-27th September, 2010 in Ras Al Khaimah, United Arab Emirates in which we noted “...there would be around 20 million unemployed citizens in the Arab world by 2025 and the region needs to transform itself to an advanced knowledge deploying industrial society to face the challenge”. Many at the Arab Global Business Meeting were worried about the prospect of having a huge overload of angry, uneducated youths across the Arab world: education for all was a recurrent theme. Perhaps now, following the present unrest that Amre Moussa was discussing with us in Zurich, may the time for leaders in the 22 Arab nations to begin to educate their young, both men and women, with relevant modern knowledge fitting them for living and working in the 21st Century.
Maria Livanos Cattaui asked the other panellists for comment, firstly Anil Kumar, Chief Executive Officer, Ransat Group, United Kingdom. He returned to the question of the ‘reform of the UN’ noting that the UK attempted in the late 1980s to enlarge the brief of the Security Council to encompass broader discussions with more members: this was rejected at the time, but perhaps we might see this happen soon. He also thought that China and India will firstly consider their internal issues then embrace the UN groups of G2/8/20 – but the G-everyone would lack form and focus. Basically he feels that local management of issues is more effective than a remote pressure from a ‘G’, or an IMF, etc. Martin Richenhagen, Chief Executive Officer, AGCO, USA, tended to be ‘bullish’ about the global state of agriculture based on his internal analyses – yet this was tempered by a recognition that resources, especially water, needs to be nurtured across the globe; and a return to open Free Trade was a necessity as bi-laterality, and that protectionism distorted the real marketplace. He remained confident that farm incomes will rise due to high commodity prices notwithstanding the stress of speculation in some commodities, but he skirted the issues of local unrest, even rebellions arising due to the these higher prices. We ought to note the present rise in food prices – by December 2010, the FAO Food Price Index (FFPI) surpassed (slightly) its peak in June 2008, reflecting increases in world prices of all food commodities. Anil Kumar in other discussions stated he was a little worried about speculation in commodities across the whole market place; and also he felt that ‘money’ was too free as, again, speculators were looking for instant returns which damaged the middle classes and smaller businesses.

We moved on to the Boardroom Dialogue Sessions. Herein participants were to identify the relevant drivers for the refinancing of the global economy, the repositioning of global trade/investment, and the renewing technological innovations to drive economic growth. There were three groups a) Refinancing of the Global Economy, b) Repositioning of Global Trade and Investment and c) Renewing Technological Innovations – I will report on group (b) chaired by Arun Sharma, Chief Investment Officer, IFC, USA.

Kimberly Wiehl, Secretary General, Berne Union, United Kingdom, noted her group is the leading association for export credit and investment insurance worldwide, working for cooperation and stability in cross-border trade and providing a forum for professional exchange among its members. Importantly for all, it undertakes independent risk assessments of the US$ 1.5 trillion of global trade, seeing it was again stable – indeed, through the financial crisis trade continued broadly unabated, but its risk cost was rising. There was a semblance of normality globally, yet at the second layers and deeper, trade tended now to be restricted to a local reach as the ‘new normal’, partly as one of the unintended consequences of Basel III implementations. She offered a global view, whereas the second speaker Lynn Tilton, Chief Executive Officer, Patriarch Partners, USA, gave a passionate speech about her hard, incessant toils after leaving 20 years of Wall Street behind to generate ‘a giving back’ to the community from her portfolio of firms. She said she has become an industrialist and a real trader and she asserted that the US is in a perilous state as its SMEs are starved of cash. However, she has inculcated a love of work in her employees through her own example of hard work and of knowing every nuance of each business. Importantly, while she does not shirk competition she abhors distortion and unfair support by some of her competitors – in other words, unfair trade ought to
be banned. She says her Patriarch Partners portfolio of 74 firms (at present) has mitigated risk by being control-active investors. Control means that the investment funds themselves own a controlling interest in the equity, and control the boards; active investing is undertaken by her highly experienced operational executives who work on site at the portfolio companies; they are road warriors who travel where their talent is most needed. Experience has taught her that success is only realized by the way of active, hands-on creation of enterprise value. After informing her workers of the synergies in the portfolio she is not averse to trading overseas if that adds value to her firms: her workers understand this need to think global and work local. The next speaker also discussed a similar set of values: **Francois Barrault**, Chairman and Founder, FDB Partners, France, described his own ‘hands-on empowerment of local managers’. He is a firm believer in breaking down ‘silo attitudes’, and while he actively decentralises and abhors HQs (the tendency to ‘silo’) he insists that his managers really must understand their job and that they communicate their targets clearly and openly. Further, he is a strong advocate of face-to-face meetings as one ‘can smell’ one’s discussants, and so get to know them instinctively.

**Lynn Tilton** and **Francois Barrault** passionately demonstrated their individualistic approach to management to us though their different verbalisations seemed to offer different approaches. Underpinning their words were the same beliefs in the empowerment of all their staff, through knowledge exchange, and through transparent honest leadership. They are examples we ought to laud. Finally **Jean Rosanvallon**, Chief Executive Officer, Dassault Falcon Jet, France, from his years of experience in the aerospace industries notes that Asia will become a very important player – both as a buyer and as an original equipment manufacturer, so we in the developed world will have to take care to compete fairly and openly and not rely on the high entry barriers that once gave protection to the few, like Boeing and Airbus Industries. Maybe a third of all planes sold over the next 20 years will be bought in Asia: increasingly many will be built there. The audience noted that ‘fair’ was a flexible definition globally, yet ‘local’ was an observable effect everywhere: we must support ‘local’ but not artificially by subsidies or by artificial trade barriers, but by transparency, education and co-operative work ethics. We thus returned to our needs to be ethical, have good governance and to be honest with our suppliers, customers and workers.
We adjourned for a brief networking break followed by the Closing Plenary Session to recap and synthesize key conclusions of the day’s discussions in the context of the global economic crisis and to outline a roadmap conceptualizing how to enact sustainable growth. This plenary was chaired by Annette Nijs, Former Dutch Minister of Education; Executive Director, Global Initiative, CEIBS, China who suggested that it may be NGOs who drive change in global management closely followed by the larger corporation, with governments lagging behind – therefore, the session was to discuss ‘how do we achieve sustainable growth?’ She called on Sung-Joo Kim, Chairwomen, MCM Holdings, Korea, to open the discussion. Sung-Joo Kim related a little of her brief business history which commenced as a business owner in 1990 determined to succeed in the male-dominated Korean system in which she did not consider herself as a ‘tea lady’ – she was determined through being the ‘waif’ of her family to support feminine values in business, and to attack corruption via her strong ethical beliefs (aided by her Christian values). Her ethical stance has been rewarded by the International Association for Human Values (IAHV) recognising Sungjoo Group as an ‘Outstanding Corporation’ at the 2009 Ethics in Business Awards. The Korean company’s motto of ‘succeed to serve’ and Sung-Joo Kim’s philosophy of women’s empowerment was also noted with respect and honour. Her strong values were expressed at our meeting with her telling us of her continuing fight against corruption by using the strength of IT and accounting to bring better value to the customer, and by not throwing ‘geisha parties’. She suggested her emotional intelligence, and undoubted ability to multi-task has allowed her to pursue her ethical goals worldwide. Steve Killelea, Chairman, Integrated Research, Australia, presented to us surprising evidence on the cost of global conflict: for the period 2006-2009, the total economic impact of the cessa-
Finally the Chair called on Glenn Proellochs, President, B-International, Switzerland to offer a summary and overview of the session. He suggested we all were too greedy, with too large an ego, and too optimistic. We must look to preserve the basic needs of humanity, in particular and urgently the water, food, and energy supplies. After this, we must enhance all the basic infrastructures so rural activity can supply urban communities, and regional trade can expand across borders to lift inter-regional trade (which in many regions does not take place to any degree), as well as to enhance global trade but without the bias of protectionism and artificial subventions. The Internet may be of help here. We in the audience are privileged, but many in the world have a life-horizon of less than five years. We have an opportunity to help them to add to their income by educating for entrepreneurship, but their SMEs need a better access to cash than exists at present. It is difficult, he said, to act ethically day by day but we must get back to the certainty of ‘a handshake being a contract’: we must respect each other as we did some years ago.

It is quite difficult to draw conclusions from such wide-ranging discussions, but several aspects are becoming clearer. First, we don’t really know how to define unambiguously ‘sustainability’ across the globe – it is a feel-good concept like ‘motherhood’ being somewhat indefinable, but we each feel we can recognise it. However we must engage in measuring ‘sustainability’ for, if we do not measure and define, how then can we comment on progress in this area? Second, there is the issue of ‘growth’. Again to all it means different things, to some it is a simple act of life itself which may be limited to a few years or sadly only a few months. We have to somehow allow the globe to ‘grow’ while garnering its resources – human and material – to be better integrated. Our delegates understood this problem and in a myriad of ways are doing something about it, but yet there is no general groundswell of opinion of how this may best be achieved. We are all too greedy perhaps. Thirdly ‘capital’ and its management via the banks provided many points of concern during the discussions, many pointed to the ‘unintended consequences’ of regulation; in part the Basel I, II and now III. Well meant regulation is needed, but their effects tied into the financial crisis have not done enough good; and we heard of the harm it is doing by throttling the SMEs of the globe who are feeders to necessary manufacturing in all nations.

We may however become more confident through the Horasis Annual meeting and similar gatherings. Herein we talk of the issues we face and learn of the solutions others may have found that may partially resolve our issues – so we become stronger. By this knowledge exchange we may collectively influence others.

The Horasis Annual Meeting – a platform where the future of our economies can be debated from different perspectives
John Cook, Chairman, Rock Lake Associates, United Kingdom, in discussion with participants

Albrecht Graf Matuschka, President, Matuschka Group, Germany – governments are under budgetary pressure

Sesto Giovanni Castagnoli, President, World Spirit Forum, Switzerland – on globalization and values

Lynn Tilton, Chief Executive Officer, Patriarch Partners, USA – on the US’ declining competitiveness

Elena L. Barmakova, President, Fontvieille Capital, USA and Boris Nemtsov, Chief Executive Officer (ret.), VimpelCom, Russia - on the US’ declining competitiveness

John Cook, Chairman, Rock Lake Associates, Switzerland, asking a question
Sustainable Growth in the Frontier Markets

By Henricus J. Stander III, Partner, Surya Capital, United Kingdom

For many decades, the received wisdom was that when the US caught a cold, emerging markets caught pneumonia and frontier markets went into cardiac arrest. But if the systemic financial crisis of 2008 offers any insights into lessons learned, it is that today’s frontier markets have quietly been taking their preventative medicine and generally have emerged from the global crisis in surprisingly robust health. The sustainability of that health was explored during a packed working breakfast on frontier countries at the 2011 Horasis Annual Meeting.

By the end of the session a noteworthy consensus had emerged that the prognosis for frontier markets looks unusually promising for the foreseeable future. Participants noted that, while OECD countries likely will face a decade of rising debt to GDP ratios, higher taxation, depreciating or weak currencies, and lower economic growth, the less developed world appears instead to be enjoying the opposite macroeconomic symptoms: historically low external debt positions, favourable current accounts, relatively high foreign currency reserves, and buoyant growth driven by domestic demand rather than solely export-led growth. Others noted that it is this latter factor, burgeoning domestic demand, that perhaps most distinguishes the frontier markets today from the frontier markets of last decade. Throughout the 1990s, the growth strategies employed by the NICs, ASEAN, India, China and parts of Latin America were explicitly supportive of export-led growth reliant on the US consumers’ seemingly insatiable appetites.

Indeed, much has changed in the intervening decade. If Africa is examined as perhaps a prime example, it is domestic demand that has propelled 74% of the greater than 5% growth experienced over the past decade. While mining and hydrocarbon exports plunged during the crisis, domestically-oriented sectors like financial services, housing, communications, and consumer products maintained strong growth trajectories.

Despite a few outliers, the maturing political fabric across the 54-nation continent has yielded the peace dividend enabling this growth. And that growth is in many cases torrid. The IMF forecasts that Africa will contain 7 of the 10 fastest growing economies in the world over the next several years and firms such as McKinsey, Boston Consulting, Group, Monitor, Goldman Sachs and Morgan Stanley have all issued recent reports on this overlooked renaissance spreading across Africa.

Among the many questions investors, companies and governments are asking is whether this is a false dawn or a sustainably new set of participants in the world's economic recovery. Clearly, in the case of Africa, as with all frontier markets, sustainability will be defined within the context of resource constraints – a point debated at length during the Horasis discussion. Few however contested the view that the constraints imposed by human capabilities, access to financial capital, environmental endowments, and institutional effectiveness will shape the pace and trajectory of most frontier markets’ growth. How individual nations choose to cultivate, harness and manage those endowments to build inclusive competitive advantage over time will be decisive in answering the sustainability question.

Certainly, some countries such as Cote D’Ivoire will continue to be restrained for a time by factional elites stuck in a governance model characterized by rentier entitlement
with which frontier market elites are often associated. Others such as Tunisia, will finally succumb to the collective will of a middle-class, long-suppressed by their rentier rulers, and usher in their own Jasmine Revolutions. While yet others, such as Rwanda or Ghana will have transitioned into an age of political maturity enabling considered national debate and inclusive collective choice. The evidence suggests that legitimate, broad-based social compacts generate the paths to sustainable growth which are enduring within our resource-constrained world.

Our view is unapologetically optimistic. There will be bumps along the winding road to sustainable, healthy long-term growth. But having invested in the BRIC economies when they entered a similar phase of transition from frontier to emerging market status, we observe almost all of the same fundamental drivers at work in Africa. But in addition, in countries like Tanzania, Mozambique, and Zambia an appreciation for the good governance values of transparency, legitimacy, and accountability have been dramatically helped by the brushfire speed with which communications infrastructures have spread. Several participant in the Frontier Market session noted that the impact of the internet and mobile telephony on African life has been dramatic and cannot be over-estimated. The empowerment resulting from access to and creation of information has profoundly affected the political, economic and social trends shaping the continent and in fact has already contributed to a broader more inclusive dialogue. Recently, that dialogue has thus far chosen peace as a solution for tribal power disputes in Kenya, Nigeria and arguably even in Zimbabwe. As communications networks spread and become more ubiquitous, one can envision a not too distant future, where nationalism overcomes tribalism, where the desire for resource stewardship eclipses the consumptive privileges of patronage and where inclusion into the global community is assertively won by companies with durable competitive advantage, instead of begged for at the doors of ODA donors.

By the end of the discussion, most of the working breakfast participants seemed to agree, that the fundamental economic drivers are all well in place for sustained growth in many of the frontier markets. Moreover, as prosperity spreads, we can foresee an accelerated transition to mature political discourse within and across neighbouring nations in frontier markets such as Africa. Once rooted, that process can only reinforce the sustainability of the growth dynamic currently underway. And that, in turn, will ensure the strong pounding heart of Africa and other frontier markets when the next financial crisis shakes the world.
Usage of digital technologies has grown tremendously in recent years. 2 billion people are now connected to the internet; and internet services like Facebook and Twitter have not just grown rapidly in terms of users (Facebook now being at an unprecedented 600m), but have also infiltrated many aspects of our daily lives – from consuming news to coordinating events with friends. Simultaneously, the question of where we go from here has become ever more pressing. Online digital media, in all its forms, has become demystified by its own success: New technological features aren’t as exciting anymore just because they are new – the question of what purpose these technologies serve has become more important.

The panel debating this question at the Horasis Annual Meeting started out with discussing the obvious elephant in the room – Facebook –, and its recent 50bn dollar valuation. Esther Dyson, President, EDventure Holdings, USA, who is an angel investor in many internet start-ups and has written about this space for many years, pointed out that while people will probably continue to connect over Facebook, it’s not necessarily the company that will make all the profit from it: Already now, gaming platform Zynga, which integrates closely with Facebook, is getting its fair share of revenue. Facebook, argued Dyson, can only survive as part of an ecosystem.

Johan Staël von Holstein, Chief Executive Officer, Mycube, Singapore, a Swedish internet entrepreneur, added another point of critique: privacy. Right now, Staël von Holstein argued, platforms like Facebook and Twitter are owning what we put online – and with that, increasingly our digital lives. He compared the current state of the internet to the Soviet Union, and promised that his (unlaunched) service Mycube will bring back complete control to users.

After discussing the intricacies of social networking, Nicholas Parker, co-founder of Cleantech.com, and advisory group, rightly pointed out that these questions are currently irrelevant for a vast majority of the people on this planet. The real question, said Parker, was how digital and especially mobile technology can be applied to spur sustainable growth in developing economies. He sees a huge potential in the convergence of energy and information technologies: Smart systems and grids, for example, could help us better manage and control our energy consumption. Esther Dyson also pointed to the start-up TXTEagle that uses text messaging to crowdsource certain tasks, thereby creating a source of income for people in developing countries and remote areas.

As digital technology is influencing more and more aspects of our everyday lives, the issue of digital literacy becomes more pressing. This point was made by Mark Foster, Group Chief Executive Global Markets and Management Consulting at Accenture. The consulting group had identified digital literacy as one of the main conditions for success in a report published on the same day as the panel took place. Panelists and participants agreed that spreading digital skills was imperative for companies as well as governments, and called upon executives everywhere to connect more often to a younger, digitally savvier crowd.
Ulrich Becker, Managing Director, Credit Suisse, Switzerland

Participants sharing a light moment

Efthyvoulos Paraskevaides, Chairman, EP Global Energy, Cyprus

Sergey Demin, Chief Executive Officer, Snegiri, Russia

Ulrich Urban, Chairman, Catsby Fin, Switzerland

Thomas Wu, President, MSM, on inflationary pressure in China
Driving Towards Sustainable Growth

By Annette Nijs, former Dutch Minister of Education and Science, and current Executive Director Global Initiative, CEIBS, China

During the closing plenary session of the 2011 Horasis Annual Meeting, the panelists tabled a number of new ideas and actions which are crucial for a successful roadmap to the world. There was a strong consensus that resolving social issues and new values should be high on the agenda in the new reality. The discussions at the plenary session therefore reflected the main message which was expressed at the recent US-China summit between President Obama and President Hu Jintao – ‘mutual respect’ is crucial for future steps forward.

Sung-Joo Kim, Chairwoman, MCM Holdings, Korea draw the attention of the audience towards the female factor as a force and source to reach out for sustainable growth. She illustrated this with her own example: whilst her father passed on the family wealth to her brothers – a typical South Korean custom in those days – Ms Sung-Joo Kim was left to take her own life in her own hand. The South Korean business woman built her own fashion emporium through the global relaunch of MCM. She has become one of the leading business women in the world. She stressed the need for improved inclusion of women in the business and political world as it will bring forward the importance of the ‘soft’ power, which is so much needed in this era where ‘hard’ power needs to be balanced by ‘soft’ power.

Steve Killelea, Chairman, Integrated Research, Australia, introduced a new gem of an idea into the discussion by reasoning that executives should aim to make their own contribution to a peaceful world. ‘Managing the population’ is also for business leaders one of the most important risks which requires careful management. He expects that more and more often people take to the streets, like recently in Greece, France, UK and currently in Tunisia, Egypt and Lebanon. Steve Killelea explained that the Global Peace Index (GPI) is an attempt to measure the relative position of nations’ and regions’ peacefulness. Factors examined by the authors include internal factors such as levels of violence and crime within the country and factors in a country’s external relations such as military expenditure and wars.
Alan Hassenfeld, Chairman, Hasbro, USA – a worldwide leader in children’s and family leisure time entertainment elaborated on recent events across the Arabic regions and expressed his feelings that the current events may be ‘the perfect storm’, and that the world may just realize that there is an urgent need to move to sustainable growth which brings about a just, fair and equitable growth. ‘Putting the community’ first is a must for all people and all companies everywhere in the world if we want to transform the world onto a more sustainable growth path. Only when we start asking ourselves what we can do, and when we take action will we change the world into a better place. Alan Hassenfeld is a champion of corporate philanthropy, but he also encouraged the participants of the Horasis Annual Meeting to take private action.

Glenn Proellochs, President, B-International, Switzerland, delivered the closing comment in which he built upon the atmosphere of the discussion in the panel. He pointed out that many people suffer from greediness and a big ego, which sometimes may get into the way of just and fair progress within societies. He pleaded that business leaders should step up their individual accountability for moving towards sustainable growth.
Global trade has bounced back.
Nightly view from the meeting venue, on Zurich airport