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Green procurement and green purchasing: SME focus

In recent years, the importance of green purchasing by the public and private sector to reduce environmental damage has been a focal point throughout the globe. Consumers are becoming more aware of the earth's fragility and the need to preserve its resources. In light of the negative impact inflicted on the environment to date, consumer preference is for environmentally friendly goods and services. Governments are under pressure to take a firmer stand to reduce environmental hazards, and many have enacted new laws, prompting enterprises to take responsibility for the entire life cycle of their products and services.

The initiatives popularly termed “green procurement” and/or “green purchasing” mean that buyers require suppliers and manufacturers to meet certain environmental standards and requirements. The Japanese government introduced green purchasing legislation, i.e., the Law Concerning the Promotion of Eco-Friendly Goods and Services by the State and Other Entities, in May 2000. To achieve a sustainable society, Japan has sought to promote greener purchasing and to disseminate information. The Republic of Korea has also been a leader in the promotion of green procurement, introducing an array of government policies. As of 1992, the Republic of China called for at least 88% of products procured by government agencies to be certified with a Green Mark ecolabel.



Workshop participants visit Ohkawa Printing Co. Ltd. in Totsuka, west of Tokyo 15 July 2010. APO/Eriko Sugita



Participants inspect the green purchasing printing process at Ohkawa Printing 15 July 2010. APO/ES

Many multinational corporations have launched innovative environmental programs for both their own operations and for their suppliers to ensure their market stakes. These suppliers are typically SMEs, located primarily in APO member countries. To investigate the current issues in green procurement and green purchasing among APO member countries, the APO first organized a study meeting on Green Procurement in 2007. The *Green Productivity and Green Supply Chain Manual* was published in 2008 to disseminate this concept.

As a part of these initiatives, a workshop was hosted jointly with Japan's Ministry of Economy, Trade and Industry and the Japan Productivity Center in Tokyo, 11–17 July 2010. Eighteen participants from 10 member countries attended, and their interactions were so enthusiastic that country paper presentations extended two hours past the scheduled hour. When they stepped out of the JPC's Conference Room, the skies had already turned dark.

“The lectures were really good. They put the concepts into perspective for actual practice,” said Thai participant Dr. Chayo Trang-Adisaikul, Deputy Secretary General of the Federation of Thai Industries. “The concepts of green procurement and green purchasing are slightly abstract, but here they were categorized into something digestible.”

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"I am convinced that there is great demand for eco-products and it will contribute to long-term sustainability of business," commented Angelisa Cabalda Calalo, General Manager of clothing manufacturer Naduma Enterprises.

The workshop involved lively exchanges of information and opinions. The principle concepts, roles, and actual practices of GP were examined, as well as legislation and initiatives in Japan, the ROC, and ROK. Participants discussed how similar practices and initiatives could be implemented by SMEs in other member countries.



Plant-derived printing ink containing soybean oil is examined at Ohkawa Printing 15 July 2010. APO/ES

One of the field visits took participants to Ohkawa Printing Co. Ltd, a 30-employee SME that utilizes an eco-friendly printing service system, "Eco Line," which covers the entire printing process from sales to paper selection,

printing, binding, and product delivery. The company has been recognized for its initiatives with the 2005 Green Purchasing Award, hosted by Japan's Green Purchasing Network, and the 2010 Yokohama Environmental Activity Award. In spite of today's tough business environment, Ohkawa is a bullish market player. Company President Tetsuo Ohkawa led participants on an inspection tour of the factory in Totsuka, west of Tokyo, answering questions about company management and operations.

"Seeing 'green' ideas in actual practice was great," said Thailand Productivity Institute ISO & KM Consultant Kunchuda Disyabutra. "Inspection of actual implementation at a successful SME is something that's adaptable for us. I'd like to see more companies in different industries," noted compatriot Dr. Chayo Trang-Adisaikul. "It's been an eye-opener," stated Koh Jyh Eng, Executive Director of furniture maker Koda Ltd in Singapore.



Ohkawa Printing Co. Ltd. President Tetsuo Ohkawa (R) is all smiles as he takes workshop participants around his factory 15 July 2010. APO/ES

Each Eco-products International Fair (EPIF, *see page 6*) host country has established a green purchasing network. Dr. Handito Hadi Joewono, Indonesia Green Purchasing Network Preparatory Committee Chairman, and Mr. Supramaniam Sinnasamy, Green Purchasing Network Malaysia, also attended the workshop. "Both Dr. Handito and Mr. Supramaniam were eager participants," said APO Industry Department Director Setsuko Miyakawa. "Throughout the sessions, they devoured information on advanced case studies. The EPIF is more than a one-off event and triggered green procurement and green purchasing movements in each of the host countries, prompting a positive change in society. The GP workshop is part of the APO's strategic efforts to ensure that these movements keep their momentum, with firm roots in each of our member countries." 