



# A·P·O news

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## Yogyakarta welcomes APO Governing Body

Yogyakarta, Indonesia's historic and cultural city, rolled out the red carpet on 8–10 June 2004 to welcome delegates attending the 46th Session of the APO Governing Body. As delegates stepped off the plane, they were warmly welcomed with batik garlands, traditional Indonesian music, and delicious refreshments. All travel fatigue was immediately forgotten. It was a beautiful start to three days of a pleasant and fruitful meeting. In all, 54 delegates comprising APO Directors, advisers, and observers attended the meeting, which was hosted by APO Director for Indonesia Kirnadi and implemented by the Directorate of Productivity Development, Ministry of Manpower and Transmigration, the NPO of Indonesia, headed by Mr. Sutanto, APO Liaison Officer for Indonesia.



GBM delegates

**T**his year's Governing Body Meeting (GBM) was historic since Cambodia was formally inducted as the 20th and newest member of the organization. APO Chairman Dr. Shoaib Ahmed, in welcoming the Cambodian delegation to the meeting, said that there remains a number of countries in Asia and the Pacific which the APO would very much like to welcome into its fold. This is because unless all the countries in the region are growing together, the full potential of what this region could achieve will not be completely realized.

The opening session was graced by the Indonesian Coordinating Minister for Economic Affairs Dr. Dorodjatun Kuntjoro-Jakti, who gave the inaugural address, and Yogyakarta Vice Governor Sri Paku Alam IX, who extended a very warm welcome to all the delegates. Later in the day, APO Secretary-General Takashi Tajima gave his annual report and Indonesian Agriculture Minister Dr. Bungaran Saragih made a special appearance to speak on productivity and competitiveness in the agriculture sector of Indonesia.

APO Chairman Dr. Ahmed commenced the meeting with a statement in which he remarked that the developed member countries of the APO could contribute much to raising the productive efficiency of the least developed and developing fellow members. Growth in labor productivity, he said, must be strong to help firms restore profits as well as ensure robust long-term growth. He felt that there was justification for feeling frustrated with the administrative inefficiency prevailing in developing countries and that steps must be taken to outline a transformation blueprint, realign the setup to improve service delivery, and adopt proven business and governmental practices.

(Continued on page 6)

**"The dramatic modernization of the Asian economies ranks alongside the Renaissance and the Industrial Revolution as one of the most important developments in economic history."**

Howard Hendricks

### INSIDE

- 2.... Annual report of the Secretary-General
- 3.... The Secretary-General's schedule
- 4.... New APO publication
- 4.... Common Sense Talk
- 5.... Subregional GP project for six NPOs
- 5.... New APO Chairman and Vice Chairmen
- 6.... APO Photo Contest 2004
- 7.... p-Experts
- 7.... APO/NPO update
- 7.... Program calendar
- 8.... NPO-watch—Iran

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He next commented on entrepreneurship in the APO region, saying that when some entrepreneurs achieve success in the initial years of their business endeavors they assume that the good times in their business will never end. Most are not prepared for a reversal of fortune in their situation due to unforeseen external developments, like the recent East Asian financial debacle. He stressed that entrepreneurs, especially the younger ones, should aggressively leverage their investments, dramatically improve system productivity, and significantly reduce costs and delivery time. Only in this way can they make their entry into the vast markets in developed countries with confidence.

In his welcome address, Mr. Kirnadi, APO Director for Indonesia, said that the GBM would benefit enormously future productivity promotion and development in member countries. He added that the attendance of observers at the meeting would enable the extension of cooperation from among APO member countries to include countries and organizations outside the APO. Mr. Kirnadi further said that Indonesia had gained much from the support and assistance provided by the APO Secretariat and other member countries. He expressed the hope that the APO would continue to facilitate the exchange of information among member countries for the greater success of their productivity promotion efforts.

Mr. Paku Alam IX, Vice Governor of Yogyakarta, bade the delegates a warm welcome to his city. He cited a study by Prof. René Lysloff of the Department of Music, University of California, which examined the collision of modernity and tradition in present-day Yogyakarta, and how new technologies and media have changed Javanese culture into a local articulation of global technoculture. In inviting the delegates to see as much of Yogyakarta as possible, Mr. Paku Alam said that they were free to come to their own conclusions about Yogyakarta life and culture.

Mr. Paku Alam commented that the challenges facing the APO would be more complex than those of the past four decades. He believed that the three strategic pillars of the APO—strengthening competitiveness, harmony between productivity and the environment, and social fairness—should be accorded their own place and responsibility in combating emerging socioeconomic difficulties. Mr. Paku Alam expressed the hope that the GBM would yield new insights on how to respond proactively to the challenges he mentioned.

Dr. Dorodjatun Kuntjoro-Jakti, in his inaugural address, said that APO member states had recognized the importance of productivity in national development and that they were seeking various ways to increase productivity in all sectors. He added that the promotion of productivity was one of the APO's major achievements. Over the years, it has incorporated advances in the understanding of the determinants of productivity, including knowledge and IT. This shows that the productivity concept is dynamic and not static. The Minister pointed out that increased competition, internationalization and sophistication of markets, changing production-distribution systems, the global quest for decent work, and rising concerns over social, health, and environmental issues are making productivity even more important. In light of these challenges and to increase national productivity and living standards, the Minister called for new concepts and approaches in productivity improvement; the sharing of gains; broad-based improvement in education, health, and nutrition; support for economic activities at both micro and macro levels from policies and programs that accelerate productivity; encouragement of social dialogue and partnerships at national and enterprise levels; and strengthening institutional governance.

The Minister commented that the key to Indonesia catching up with the more advanced economies was through improving the productivity of farmers, workers, and enterprises. Although a long journey lies ahead, Indonesia will maximize its capabilities and strengths and synergize all parties and potentials to achieve higher national productivity. The Government of Indonesia, he added, was supportive of instilling a productivity culture in business, the bureaucracy, educational institutions, and all other sectors.

In concluding his address, the Minister expressed the hope that the GBM, in its discussion on policies and strategies, would take into account global issues, current and new challenges, and the specific circumstances of member countries. He then declared the 46th Session of the APO Governing Body open.

The Governing Body elected Mr. Hsu Sheng-Hsiung, APO Director for the Republic of China, as the APO Chairman for 2004–2005. The two Vice Chairmen are APO Director for Fiji Brian Singh and APO Director for India Lakshmi Chand. A new Secretary-General was appointed, Mr. Shigeo Takenaka of Japan, who will take office in September this year when Mr. Takashi Tajima completes his second and final term as Secretary-General. 