

APEC CEO SUMMIT PANEL DISCUSSION

Athenee Hotel, Bangkok, Thailand

November 17, 2022

[00:00:01]

MS. TIAN WEI: Thank you so much, Mr. Moritz. I see that compassion in the way that you deliver your messages about the resilience, about sustainability and agility of the business world in working with other communities of the society.

Now, the three speakers are the brilliant minds and leave me with very little room to ask questions already, but let me do a little bit. I learned from Lao Tzu, one of the ancient philosophers in history.

So I'll have to ask questions from two ends of the same question. First of all: short term versus long term. Every one of us here face that question.

You talk about investment. Wonderful! But where is the money? Short term. What about the future? How do we know that?

We love the directions you three gentlemen pointed to all of us in the Asia Pacific. But we cannot guarantee the certainty of the future you described. So what about short-term, long term?

Let's go this way. Is it okay this time? Professor Schwab, briefly: short term? Long term?

CHAIRMAN KLAUS SCHWAB: Certainly we have to think long term and as I mentioned, we have to think in strategic terms. Swiss do not exclude to be very preoccupied with certain short-term issues.

I'm thinking particularly and here, by the way, this region has a great advantage with higher macroeconomic stability in general compared to some of the European countries. Because fiscal policies are now very difficult to be adopted in order to invest into the future. As you rightly said, we have squeezed out the national budgets and the capabilities of the government facilitating investments into the future. So business has to come in whatever you can. And I would invest now as far as I can and particularly invest into being at the top of the digital and green economy because the Swiss will pay the dividends in the future being at the forefront of the digital and green economy.

MS. TIAN WEI: What about for a president of a country in the Asia Pacific? Short term, long term?

[00:02:40]

PRESIDENT FERDINAND R. MARCOS JR.: Well, I'll be specific to the Philippine experience. Short term issues are very simple. It is actually at this point, it is survival for many of our people simply because prices of fuel, prices of food has risen up to such an extent that they simply cannot afford to survive without assistance from the government.

And hence we are still presently in the Philippines providing just direct cash transfer payments. This is not something that we prefer to do. I don't think that anyone is particularly enamored with direct cash transfer payments. But it is the only way that we can mitigate the situation that our people have.

So that is something that we are hoping with the creation of jobs and with the growth of the economy to slowly begin to dial down and with the pandemic beginning to ease, at least in our case, then there's a great deal of hope that that emergency situation will slowly resolve itself into some kind of normalcy.

In the long term, there really are --- I agree with Mr. Moritz --- the changes that need to be made are structural. They have to be done structurally because this is a different world, this is a different economy. And as we were discussing in the green room, he says, we're not playing catch up. And I said, even if you were, what are we trying to catch up to, 2019? I don't think that that's the plan. And so we have to be --- we cannot be too married to the ideas that we were holding as truths before. And we have to be willing to make big changes, but with recognition from what is actually happening around the world.

But when we make these structural changes, I'd like to pick up on the point that Dr. Schwab made, is innovation. We must allow still innovation to --- we must still continue to encourage innovation and to recognize innovations that can actually help and immediately put them into play or put that, if it's a product, to market or if it's a system, to implement that system.

So the agility that Mr. Moritz is saying, I think, is the key to the future in the long term for not only the Asia Pacific Region, in the Pacific Region, but for the whole world.

MS. TIAN WEI: Thank you, Mr. President.

Short-term, long term, Mr. Moritz.

CHAIRMAN ROBERT MORITZ: Let's be very clear for the politicians and the business leaders in the room. You actually need to

survive the next two years to be able to thrive over the long term. And that requires you to deliver the trust and the outcomes in the immediacy to have the confidence and the trust of others to be willing to change for the long term. You need to deliver the results in the next two years to find the investment capacity to fuel the future.

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So as we think about this, it's a combination of two things. One is making sure you're delivering on the explicit needs in the short to enable the success in the long. Second is to describe and enable the journey. Right now we talk about climate, for example, in Klaus's point and the President's points. It is not so black and white or binary to stop X and the move to Y -- that will be catastrophic to some economies and communities.

It is the journey, a just and inclusive journey, that's going to be very important. And making sure that the narrative is better understood by our stakeholders to better manage the short and long term is very, very important.

MS. TIAN WEI: Second question, what kind of state of the world are we in and therefore the Asia Pacific Region? Is it being defined as you know --- I could use in many different languages to describe the same thing or similar things, but in English it will be rivalry, competition or cooperation, which we have seen in trade mechanisms in at least the Asia Pacific region for decades.

Maybe we start with Mr. President on that.

PRESIDENT MARCOS: As I described, I think one of the great advantages that APEC and the countries in the Indo-Pacific, Asia Pacific Region have been able to manage is that very difficult balance between cooperation and competition.

And yet we seem to, for the most part, I would say, we have done it. And that is what has driven the growth of the region, is that we are able to compete with one another. But when we find opportunities where partnerships will give the better result, we are all perfectly willing to enter into those partnerships as well.

So that, I think, is going to be key. We have done it before. It is the nature of APEC. If we continue to do that and strengthen that, I think it will be to the great benefit of all countries.

MS. TIAN WEI: Thank you.

Professor?

CHAIRMAN SCHWAB: I think we should not underestimate the social pressures which make governments in principle today more egoistic because they have to serve their people first. That it's a responsibility despite the situation for business leaders and particularly for political leaders. And it is the helpfulness of organizations like APEC, like the World Economic Forum and so on to remain the connectors on the global level. Because we never should forget we are one humanity and in all ages we had village cooperation and we had national cooperation. Now we need global collaboration if we want to survive. Just look at climate change.

[00:08:57]

CHAIRMAN MORITZ: Let me analogize to PwC. There's days where we compete fiercely with our competitors. There's days we come together to collaborate on societal opportunities and we did so working with the World Economic Forum where the consulting and accounting firms came together to land a recommended set of metrics. Because the challenge was not business and a P&L [profit and loss], it was societal. Likewise, countries and companies need to do the same. The challenges we see today in Covid, it was one small example, albeit a challenging one.

Climate being the next cannot be solved with competition in mind and it does not limit itself to geographic borders or competitive landscapes. So it has to compete when appropriate and collaborate as much as possible to the extent possible.

And as we sit here today, we are starting to see more signs where the world is trying to take those ones coming out of the G-20 meetings or some of the other meetings that have been recently announced. And that hopefully gives us some more bright spot in the world of clouds that we see in front of us.

MS. TIAN WEI: And I'm sure of the fruitful results, shall I say, of the G-20, particularly on the sidelines. Many bilateral meetings, including between the two world's largest economies are going to bring us a lot of opportunity for cooperation as well.

Last question. Oh my God, we only have 30 seconds left. Maybe we have one more minute for our speakers. Just very briefly, you all talk about building trust. It's not easy building trust or rebuilding trust. We know how difficult it is, especially over the past few years. We might not be able to see each other in person and we can't see each other's shoes also. Not just here, zoom, right, so on that point, how can we efficiently rebuild trust then?

I start with Mr. Moritz. Yeah,

CHAIRMAN MORITZ: Very quickly. But we're short on time. You need to engage and listen carefully. We have two ears and one mouth. Twice as much listening, maybe singular talking from our own point of view.

And second, the world we have lived in in the last three years does not help. It creates more conflict or more risk of interpretation. We need to physically --- as human species --- get back together again socially and physically.

[00:11:30]

MS. TIAN WEI: I like that, human species.

Yes, Mr. President please.

PRESIDENT MARCOS: In the political context, the way to earn trust is to perform the best politics --- I always say the best politics is performance because it's something that cannot be taken away from you and it is something that actually makes a difference in people's lives. [applause]

MS. TIAN WEI: Walk the talk, perform.

PRESIDENT MARCOS: Perform and you will get the trust back of the people. And that is what we all politicians and I'm sure even people from the business side, that's what we strive for.

MS. TIAN WEI: Thank you so much.

CHAIRMAN SCHWAB: Short answer.

MODERATOR: Professor Schwab --- microphone.

CHAIRMAN SCHWAB: Short answer to be trusted leaders. Now, what does it mean to be a leader and a trusted leader? You have to have brains, soul, heart, muscles and good nerves.

Let me explain. You have to be really professionals who look forward, strategists, you have to have purpose. I think you get the trust if you show that you live up to a purpose. Finally, the heart you have to do with passion what you are doing and the muscles you have to translate into action and walks the talk. And finally, as we say, behind the crisis, preparing for better times, we have to have good nerves.

MS. TIAN WEI: Thank you. [applause] Gentlemen, thank you so much. I think today we have a wonderful scene-setting panel. Not only deliverables for the short term but also philosophical thinking into the future.

Once again, one more applause [applause] to these speakers. Mr. President, Professor and Mr. Chairman. Thank you. Thank you so much.

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