

P R E F A C E

The beginning of what became a seven-year search for Asia's green shoots reaches back to Mumbai in May 2007. I had just joined the Asia Business Council after 25 years in journalism, and while in India I met Jamshyd Godrej, whose Godrej & Boyce group is one of India's oldest and best-regarded companies. A project that Jamshyd had developed in Hyderabad had recently been ranked as the world's most energy-efficient building of its type. Jamshyd and his team's work symbolized a new phase to the rise of Asia, one that moved beyond low-end manufacturing.

After the publication of an Asia Business Council book on green buildings later that year, I began to look more broadly at what Asian business was doing to meet the region's environmental emergency. The more I looked, the more evidence I found of Asian companies engaged in large-scale business activities designed both to profit from and to help solve Asia's environmental challenges.

At a conference in Hong Kong at the end of 2007, Andrew Brandler, the CEO of CLP Holdings, announced the company's promise to reduce the carbon intensity of its electricity by more than seventy-five percent by 2050. This was a globally unparalleled pledge by a major utility. Subsequent conversations with Andrew provided the catalyst to embark on this book; Andrew and others at CLP were a major source of support.

In April 2010, I spent a fascinating day with Dong S. Kim of the SK Group, one of South Korea's *chaebol*, a group whose annual sales total more than \$100 billion. At the SK Energy Research Institute outside of Seoul, Kim oversaw an annual budget of \$250 million that included spending on a number of clean energy projects, including one to produce plastics from carbon dioxide emissions. It was a sustainability-focused research budget that few companies anywhere could match.

A few weeks later, back in Mumbai, Anand Mahindra—a graduate of both Harvard College and Harvard Business School—told me that focusing on sustainability would create a new wave of growth opportunities for his company, Mahindra & Mahindra. Anand recounted a meeting he had just attended with a group of Indian government officials and an NGO representative. Everyone in the group seemed to think that environmental sustainability could only come at the cost of economic growth. “I said it reminded me of this time in the 1980s where people used to see quality and cost as antithetical. Americans were scratching their heads and saying ‘how do the Japanese get ahead of us in quality?’ Then some Americans went and had a eureka moment and they realized that better quality lowers cost. The world is waiting for a eureka moment in sustainability. Sustainability is an opportunity for growth. If you can make that shift, you are into a whole new phase of growth.”

In the chapters to come, I'll look at the environmental challenges that companies face, and will profile a number of Asian businesses that are taking innovative measures—in areas from solar and wind power to green buildings and electric cars to water services and sustainable tropical forestry—in response. These profiles show how private firms are using technology, money and, above all, employee ingenuity to begin solving Asia's environmental challenges. These activities are not greenwashing, philanthropy, or “corporate social responsibility,” but hard-headed business responses to opportunity born out of crisis. The final section of the book is an appendix (Companies to Watch) comprising brief profiles of key environmental businesses of some representative companies, mostly Asian.

I don't want to oversell how widespread this transition is, or how fast it's happening, but visits to factories and farms throughout Asia convinced me that this transition is for real. It is happening because there are business opportunities.

But businesses can't act alone. Many Asian companies are ready, willing and able to act to help solve the region's environmental problems—but governments do not know how capable these companies are, and they do not understand the powerful role that private companies can play in solving

social problems. The state needs to set the rules of the game, to aid and incentivize greener business. What sorts of rules are needed? That's one of the major questions this book will explore. From higher prices for scarce resources and an end to fossil fuel subsidies, to better engagement with grassroots groups and civil society, government can play a powerful role in addressing one of the most important struggles of our century—how to live on a planet whose resources we are consuming too fast. We can live well, and we can continue to raise the quality of life for the billions of people who do not have light or running water in their homes as well as for those city-dwellers whose hopes of a better future are endangered by pollution and shoddy infrastructure. Asia has focused on top-line GDP growth, which is politically popular. And certainly, growth matters. But the quality of growth matters now as never before.

This book is not encyclopedic—crucial topics such as sustainable fishing and the promise of nuclear power are covered only in passing. And there are businesses I had to leave out as well—including the SK Group and Mahindra & Mahindra. But what I do hope you'll come away with is a sense of possibility and promise. Sustainable growth is possible, and businesses—so often painted as villains, and sometimes rightly so—must lead the way. I am indebted to many people who shared their time and expertise with me. Some of them are quoted in this book, but most are not. The list below of those who helped me is partial, but acknowledges my principal intellectual debts.

Above all, I want to thank the trustees of the Asia Business Council who gave me the freedom to pursue this project as I wished. I especially want to thank Council Chairs Narayana Murthy, Qin Xiao, Marjorie Yang and Jaime Zobel de Ayala.

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A final note: Some of those quoted in the book are members of the Asia Business Council; many are not. This book was written independently and the opinions are mine. So too are any errors, whether of commission or omission. I hope that this work will stimulate debate, inspire confidence that there is a way forward, and lead to faster action to solve one of the defining challenges of our age.

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THE GREENING OF ASIA

