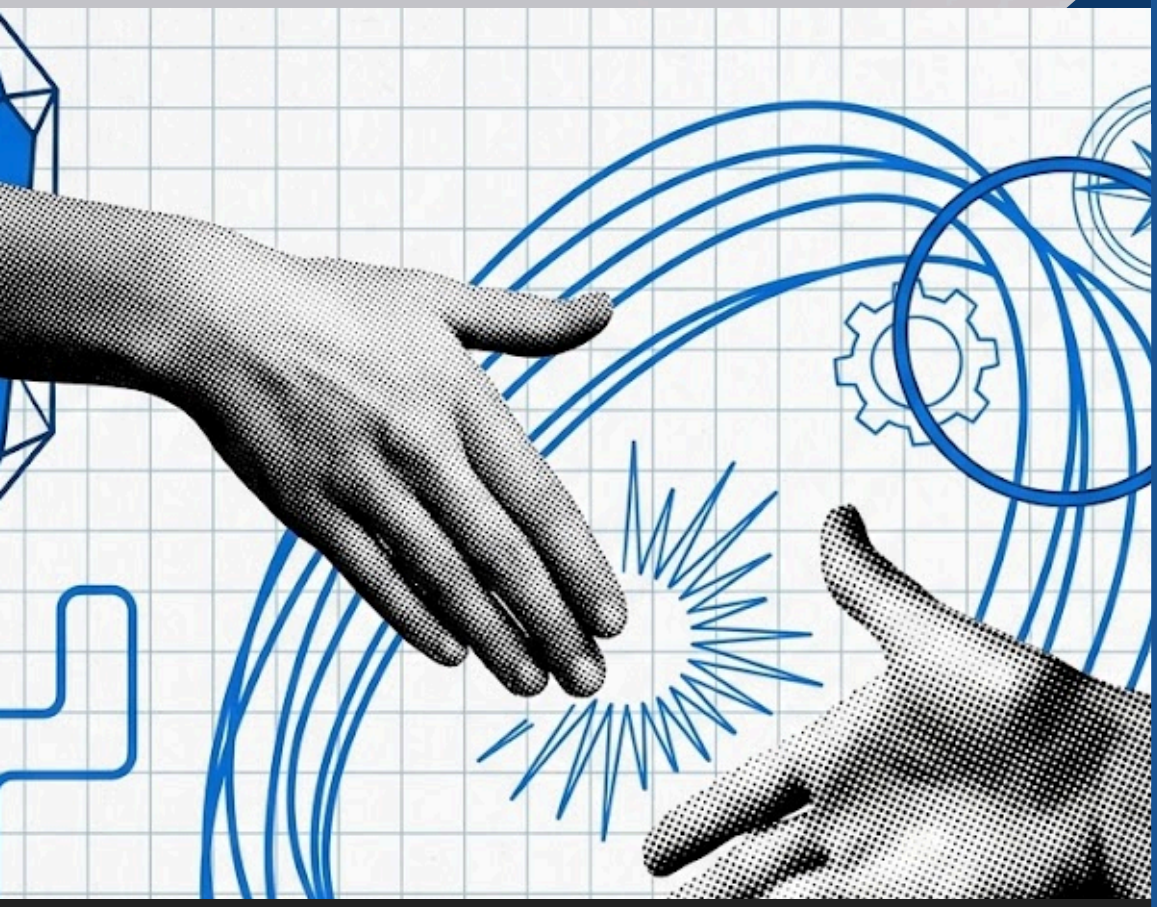


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CONFEDERATION OF ASIA-PACIFIC CHAMBERS OF COMMERCE AND INDUSTRY

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Table of Contents

01: ASIA-PACIFIC IN TRANSITION: GROWTH, COMPLEMENTARITY AND THE POWER OF REGIONAL COOPERATION 1

02: THE POWER OF PARTNERSHIP IN TRADE REFORM-HOW PUBLIC PRIVATE COLLABORATION IS TRANSFORMING TRADE SYSTEMS ACROSS ASIA PACIFIC 7

03: GREEN FUELS: TURNING SRI LANKA'S RENEWABLE ENERGY POTENTIAL INTO A NEW BUSINESS OPPORTUNITY 12

04: FOOD SECURITY AND CLIMATE VARIABILITY: ECONOMIC IMPLICATIONS FOR THE ASIA-PACIFIC REGION 16

05: HOW YOUNG ENTREPRENEURS IN THE ASIA-PACIFIC WILL THRIVE IN 2026 (AND BEYOND) 23



Asia-Pacific in Transition: Growth, Complementarity and the Power of Regional Cooperation

Darson Chiu Ph.D.

Director-General

Confederation of Asia-Pacific Chambers of Commerce and Industry

The Asia-Pacific economy is entering another important period of transition. Economic growth across much of the region remains resilient, but the environment in which businesses operate is becoming considerably more complex. Geopolitical tensions, technological transformation, demographic change, climate challenges and the restructuring of global supply chains are increasingly influencing trade, investment and corporate decision-making.

Yet amid these uncertainties, I remain optimistic about the long-term prospects of the Asia-Pacific. My optimism comes not simply from the region's relatively strong economic growth. It comes from its remarkable diversity. Across the economies represented within the CACCI network, we see different stages of development, different resource endowments, different industrial structures and different areas of competitive strength. Rather than viewing these differences as divisions, I believe they should be seen as sources of complementarity and opportunities for cooperation. This, in my view, will be increasingly important to the future of the Asia-Pacific economy.

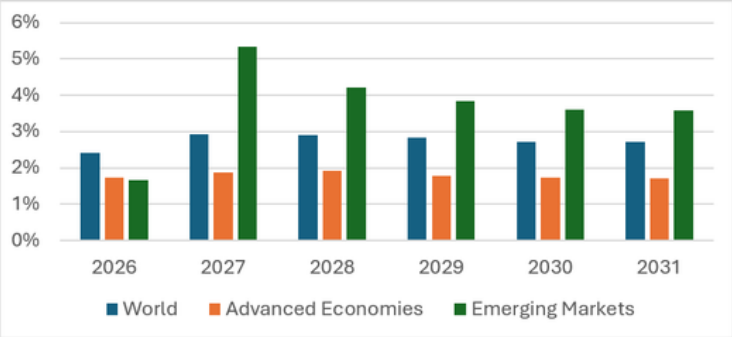
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Growth Across a Diverse Region

Forecasts from S&P Global Market Intelligence and the International Monetary Fund continue to indicate that Asia will remain one of the most dynamic parts of the global economy.

Growth prospects, however, vary considerably across the region, reflecting differences in stages of development, economic structures and domestic conditions. As the figure below illustrates, some emerging economies are expected to expand at relatively rapid rates, while more mature economies are projected to grow more moderately. These differences should not be viewed simply as a ranking of economic performance, but rather as a reflection of the remarkable diversity of the Asia-Pacific economy and the different roles its economies play in regional growth and development.

Figure-Real GDP Growth Rates (%)



Source: S&P Global Market Intelligence, Comparative Forecast Data, August 18, 2026

Several emerging economies are expected to record particularly strong medium-term growth. Vietnam and India, for example, are projected to achieve average real GDP growth of more than 6 percent during 2026–2031, while Uzbekistan is also expected to maintain strong expansion. Cambodia, Indonesia and the Philippines are among other economies with favorable medium-term growth prospects.

These forecasts illustrate the growing economic dynamism found across South, Southeast and Central Asia. Expanding domestic markets, infrastructure investment, urbanization, manufacturing development and increasing regional integration are creating new opportunities for businesses and investors.

At the same time, growth rates tell only part of the regional story. Many of the more mature economies across the CACCI network continue to make indispensable contributions through technology, capital, advanced manufacturing, financial services, natural resources, agriculture, innovation and institutional expertise.

Australia and New Zealand bring considerable strengths in resources, agriculture, services and institutional capacity. Japan and Korea remain major centers of technology, manufacturing and investment. Taiwan occupies an important position in global semiconductor and advanced technology supply chains, while Singapore continues to play a significant role in regional finance, logistics and business connectivity.

Across Southeast Asia, economies including Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam and others contribute different combinations of manufacturing capacity, services, natural resources, consumer markets and increasingly sophisticated industrial capabilities.

South Asia likewise represents an important component of the region's future. India combines economic scale with a rapidly developing digital economy, infrastructure investment, manufacturing and a vast domestic market. Bangladesh, Nepal, Pakistan and Sri Lanka each bring their own economic capabilities and development opportunities, while continuing to deepen their connections with the broader regional economy.

Central Asia and the Caucasus are also gaining greater economic significance. Economies including Azerbaijan, Georgia, Tajikistan and Uzbekistan are benefiting from improving connectivity and their strategic positions linking different parts of Asia with Europe and the Middle East.

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What emerges is not a region with a single growth model, but an economic community with many different sources of strength. And that diversity matters.



Different Strengths, Shared Opportunities

It is tempting to compare economies primarily through GDP growth rates. But from a business perspective, the more important question is often not which economy grows fastest, but how the strengths of different economies can complement one another.

An economy with advanced technology may benefit from cooperation with an economy offering a rapidly expanding consumer market. A country with abundant natural resources may complement another with advanced manufacturing capabilities.

Financial centers can help mobilize capital for infrastructure and industrial development elsewhere in the region. Economies with young and growing workforces can connect with those facing demographic constraints.

Seen from this perspective, the diversity of the Asia-Pacific becomes an economic asset. The challenge is to create the connections that allow these complementary strengths to generate trade, investment and shared prosperity.

Supply Chains are Becoming More Connected—and More Complex

One area where this complementarity is becoming particularly visible is the restructuring of global supply chains. For several decades, companies organized production primarily around cost efficiency, specialization and economies of scale. Those considerations remain important, but today's businesses must also take account of resilience, geopolitical exposure, trade policy, technology restrictions, energy security and access to strategic markets.

The result is not necessarily the retreat of globalization. Rather, we are witnessing a diversification of globalization. Businesses are increasingly seeking multiple suppliers, production locations and markets. This process is creating opportunities across the Asia-Pacific region.

Southeast and South Asian economies can benefit from additional manufacturing and investment. Advanced economies can provide technology, capital, equipment and high-value components. Financial and logistics centers can facilitate the movement of investment and goods. Central Asian and Caucasus economies can contribute to the development of additional transport and trade corridors.

Supply-chain diversification therefore should not be viewed simply as production moving from one economy to another. It can create a broader network in which more economies participate at different stages of production and value creation.

For the business community, this also means that supply-chain management is becoming part of corporate strategy and risk management. Companies increasingly need partners across different markets—and chambers of commerce can help them find those partners.

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Technology is Redefining Comparative Advantage

Artificial intelligence (AI) represents another transformation that will affect virtually every economy in the region. Investment in AI, semiconductors, data centers, cloud infrastructure, digital services and advanced manufacturing is accelerating. Economies with established technology industries are naturally well positioned to participate in this expansion, but the opportunities extend much further.

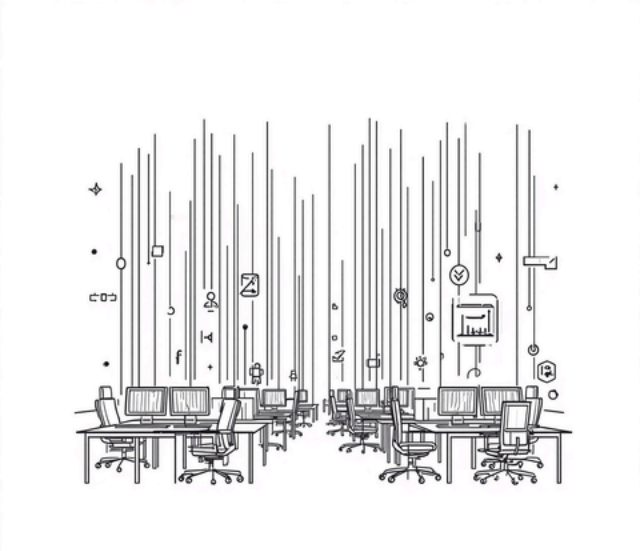
AI is not only an industry. It is increasingly a technology that can improve productivity across manufacturing, finance, logistics, agriculture, healthcare, retail and professional services.

This means that the benefits of AI will not necessarily be concentrated only in economies that manufacture advanced semiconductors or develop frontier technologies. The ability to adopt and apply technology effectively will also become an important source of competitiveness.

For emerging economies, digital infrastructure, education, workforce development and investment will therefore become increasingly important. For advanced economies, cooperation with growing markets can create new opportunities for technology deployment, investment and innovation.

Once again, the important word is complementarity. The technological strengths of one economy can support productivity growth in another, while the market opportunities of emerging economies can create new avenues for companies and investors from more mature economies.





Connectivity is Becoming an Economic Asset

Another important development is the increasing value of regional connectivity. The Asia-Pacific is not an isolated economic space. It connects the Pacific with South Asia, Central Asia, Europe and the Middle East. Improvements in transport infrastructure, logistics, digital connectivity and trade facilitation are making these relationships increasingly important.

This is particularly relevant to Central Asia and the Caucasus. Their geographical positions give them an increasingly important role in emerging trade, transport and energy corridors.

But connectivity should be understood more broadly than physical infrastructure. Financial connectivity allows investment to move across borders. Digital connectivity allows SMEs to reach customers in markets that were once inaccessible. Institutional connectivity allows business communities to understand regulations and identify partners. Personal connectivity creates the trust upon which many successful international business relationships ultimately depend. In this sense, connectivity itself has become an economic asset.

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Managing Risk Through Cooperation

The region nevertheless faces significant challenges. Geopolitical tensions and strategic competition are increasingly influencing trade, investment, technology and supply-chain decisions. Protectionism could raise business costs and reduce some of the efficiencies created through decades of regional economic integration.

Demographic change will affect economies differently. Climate change and the energy transition will require substantial investment. Exchange-rate movements, financial-market volatility, public debt and uncertainties in global demand will continue to test policymakers and businesses. No economy is completely insulated from these challenges.

Indeed, one lesson from recent global disruptions is that economic resilience cannot be achieved through isolation alone. Businesses need diversified markets, suppliers, sources of financing and reliable partners. This makes regional cooperation not merely desirable, but increasingly an element of economic resilience.

A Director-General's View: CACCI as a Connector

From my perspective as Director-General of CACCI, this is where our organization can make a meaningful contribution. CACCI brings together national chambers of commerce and business organizations across a remarkably diverse group of Asia-Pacific economies. Our members represent markets with different economic structures, development experiences and competitive strengths. I regard this diversity as one of CACCI's greatest assets.

Our role is not to determine which economy has the best economic model or which market offers the greatest opportunities. Rather, our role is to help our members discover opportunities in one another.

A company looking for a new market should be able to find a partner through our network. A chamber seeking investment should be able to connect with potential investors elsewhere in the region. Businesses looking for technology, suppliers, financing or professional expertise should be able to benefit from relationships built across the CACCI community.

This is why business missions, investment matchmaking, conferences, policy dialogue, sectoral councils and exchanges among our member chambers remain important. They create the human and institutional connections through which economic opportunities become actual business relationships. As the economic environment becomes more complicated, I believe this connecting role will become even more valuable.



Cooperation is the Key

Looking ahead, the Asia-Pacific will continue to change. Some economies will grow more rapidly than others. Some will lead in technology and innovation; others will offer expanding consumer markets, manufacturing capabilities, natural resources, human capital, financial expertise or strategic connectivity.

There is no reason for these different strengths to compete in a zero-sum manner. On the contrary, the diversity of the region gives us an opportunity to build an economic network in which the strength of one economy can complement the strength of another. For me, this is perhaps the most important conclusion we can draw from the regional economic outlook.

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The future of the Asia-Pacific will not depend solely on how fast individual economies grow. It will also depend on how successfully we connect our markets, businesses, technologies, capital and people. Cooperation is therefore the key.

CACCI cannot remove geopolitical uncertainty, eliminate economic cycles or determine the direction of technological change. But we can help our members navigate these changes together.

We can create opportunities for dialogue. We can connect chambers and businesses. We can encourage partnerships across borders. And, most importantly, we can help build the trust that makes long-term economic cooperation possible. The Asia-Pacific's diversity is one of its greatest strengths. Our task is to connect that diversity. That, I believe, is where CACCI can make a difference.

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The Power of Partnership in Trade Reform

How Public Private Collaboration is Transforming Trade Systems Across Asia Pacific



Anders Rehnberg

Deputy Director

Global Alliance for Trade Facilitation

Trade facilitation drives economic growth by cutting the time, cost, and complexity of cross-border trade. Streamlined customs, better infrastructure, and digital tools help businesses, especially small businesses, access regional and global markets.

Across Asia Pacific, many governments are pursuing a common ambition: making trade simpler, faster and more inclusive. But successful trade reform requires collaboration between the public and private sectors to ensure those reform efforts address real-world challenges.

The Global Alliance for Trade Facilitation is donor-funded initiative that supports developing countries in simplifying border processes through public-private partnerships. In several countries across Asia Pacific, our projects have strengthened the efficiency and predictability of cross-border trade by implementing digital systems, modernising Customs procedures, or building export capacity in smaller businesses.

GLOBAL ALLIANCE FOR TRADE FACILITATION

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Trade Reform Benefits From Broad Partnerships

The Alliance brings together governments, donors, MSMEs, and global businesses as equal partners to design and implement reforms. Every Alliance project is:

- Co-created by governments and the private sector
- Demand-driven, responding to locally identified trade barriers
- Locally owned, ensuring long-term sustainability

Our network of nearly 50 global business partners contributes industry expertise and advocacy in addition to identifying trade bottlenecks. We also work closely with embassies, bilateral missions and business networks from donor countries to ensure our projects support their development priorities and address their companies' trade challenges abroad.

Chambers of commerce and business associations play a particularly important role in this process. As representatives of their country's private sector, they help identify the trade bottlenecks faced by their members, organise roundtables with business and government and ensure that reforms address real challenges. As formal partners in Alliance projects, Chambers are involved throughout the project lifecycle and help maintain public-private dialogue beyond the reform process.



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Digitalisation Works Best When Built Around Traders' Needs

One of the clearest lessons from the Alliance's trade reform efforts is that digitalisation succeeds when the businesses using these systems are involved from the outset.

In Bangladesh, our project to implement an ePort management system at Bhomra Land Port demonstrated the value of this approach. Freight forwarders and customs clearing agents worked with border agencies through a project steering committee to design a system that reduced paperwork and minimised errors, enabling faster processing of consignments.

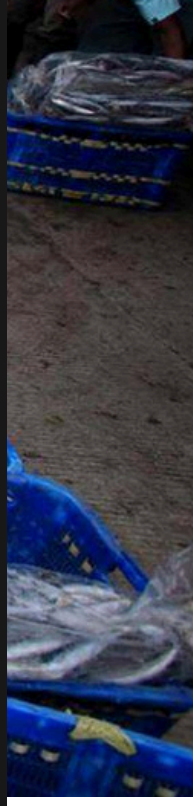
Similar partnerships helped improve agricultural trade in Thailand and Fiji. The adoption of the IPPC ePhyto Solution brought together plant protection authorities and agro-food traders to replace paper-based phytosanitary certificates with secure electronic exchanges. Beyond reducing administrative burdens, these systems improved market access for exporters and increased trust between the public and private sectors.



For Fiji, where geography creates additional barriers to trade, close engagement between exporters and local authorities helped ensure that the new digital certification system took into account the logistical limitations of traders. Allowing exporters to access the system through local Biosecurity Authority offices has reduced processing times by an estimated 56% and lowered costs, showing how solutions developed with users in mind can help even smaller economies overcome structural constraints.

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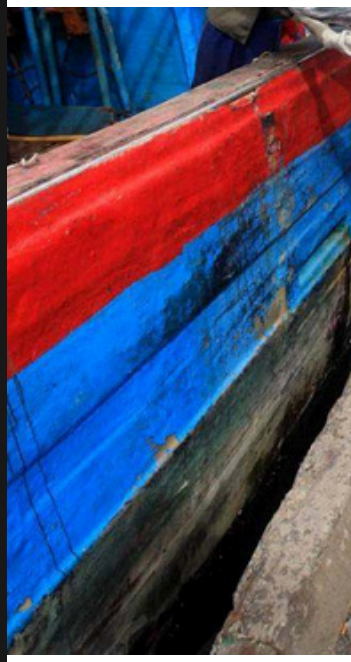
Partnership-Driven Reforms can Make Trade More Inclusive

Trade reforms have the greatest impact when they enable more businesses, including smaller enterprises, to participate in international markets.

In Cambodia, we worked with Customs, postal authorities, logistics providers such as DHL and small businesses to address barriers faced by micro, small and medium-sized enterprises (MSMEs). By developing a digital platform connecting Customs and Post, alongside an e-logistics solution, the initiative helped more than 600 MSMEs access postal and express delivery services for small packages for domestic and international e-commerce.



Collaboration Helps Balance Efficiency and Safety



Governments regulate border processes but businesses drive trade. Making trade efficient while maintaining regulatory oversight requires close cooperation between government agencies charged with ensuring public safety and the businesses that rely on predictable border processes for growth.

Indonesia's experience in modernising inspections for fish and fishery products showed how this balance can be achieved. By working with relevant authorities and industry stakeholders to understand where delays occurred and where risks were highest, our project to optimise risk management processes in Indonesia introduced more targeted, risk-based inspections.

The result was a 40% reduction in physical inspections while maintaining food safety safeguards, generating annual savings of approximately US$2.3 million for the private sector and creating a more predictable trading environment.

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Looking Ahead: Tackling the Next Generation of Trade Challenges





As trade challenges become increasingly interconnected, collaboration between governments and businesses will remain essential. Digital transformation, resilient food systems and the movement of essential goods all require solutions that bring together different areas of expertise.

The Alliance's ongoing work in Asia Pacific continues to build on this partnership model. In Cambodia, we are digitalising phytosanitary certification, drawing on experience implementing the IPPC ePhyto Solution in more than ten countries, including Thailand and Fiji.

In Nepal, through the ADEPT programme, a partnership between the Alliance and UNICEF, efforts are underway to streamline the import of healthcare products. Bringing essential medical supplies into the country can currently involve up to 18 separate steps and take as long as 100 days. By convening public authorities, humanitarian actors and supply chain stakeholders, the project aims to simplify procedures and improve access to critical goods, particularly for children and vulnerable communities.

As governments across Asia Pacific continue to modernise border processes, the Alliance is preparing to launch projects in selected countries and is currently working to identify priority challenges. Engaging with the private sector will be essential to this process, and the Alliance is seeking to connect with Chambers across the region to strengthen existing partnerships and build new ones.

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Green Fuels: Turning Sri Lanka's Renewable Energy Potential into a New Business Opportunity



Prof. Wijendra J. Bandara

Chairman
Sri Lanka Sustainable Energy Authority

| www.energy.gov.lk

The global energy landscape is undergoing a profound transformation. The world is moving from an energy system dominated by coal, oil and natural gas towards one increasingly based on renewable electricity, advanced energy-storage technologies, and low-carbon fuels. For Sri Lanka, this presents both a challenge and a major opportunity.

The Global Shift Towards Green Fuels

Around the world, governments and businesses are exploring renewable fuels for applications where direct electrification is difficult. Green hydrogen has attracted particular attention — global demand exceeds 100 million tonnes annually, yet the vast majority still relies on fossil fuels.

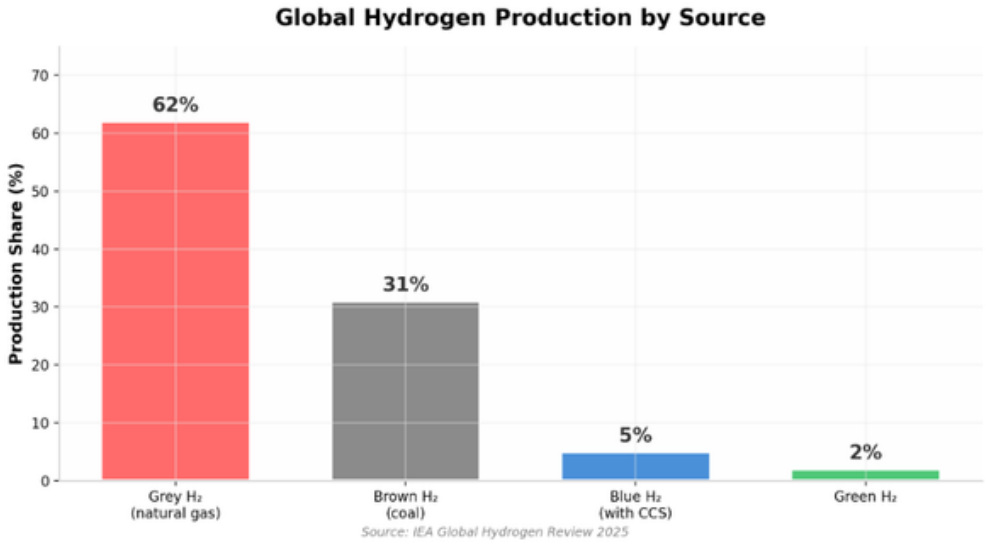


Figure 1: Global hydrogen production by source (Source: IEA Global Hydrogen Review 2025)

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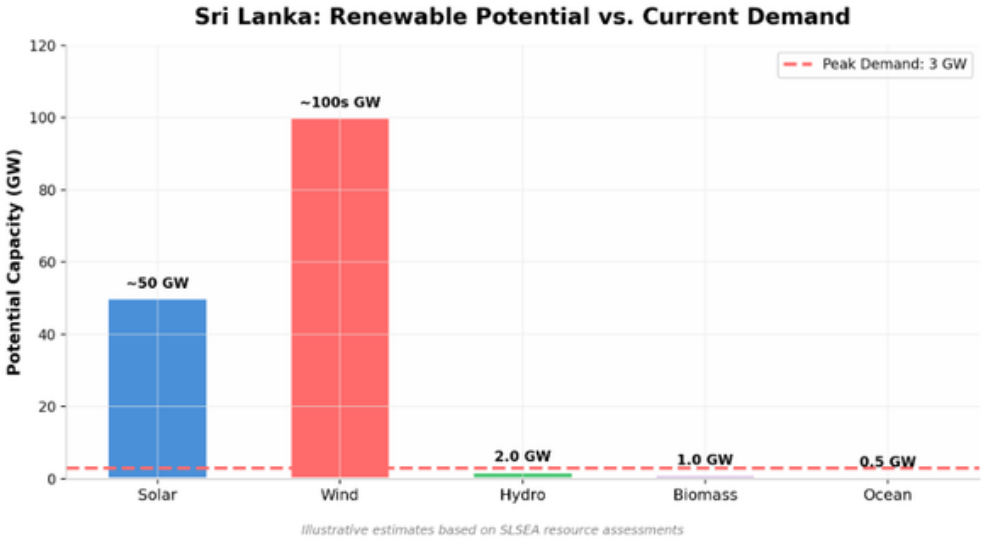


Figure 2: Sri Lanka — renewable potential vs. current demand
(Illustrative estimates based on SLSEA resource assessments)

Sri Lanka's Renewable-Energy Advantage

Sri Lanka possesses a diverse renewable-energy resource base. Peak electricity demand is around 3 GW, while resource assessments indicate wind potential alone could support hundreds of gigawatts of generation.

Policy target: 70% renewable electricity by 2030, with a net-zero target in 2050.

From Renewable Electricity to Green Fuels

Solar and wind generate electricity. That electricity powers electrolysers to split water into hydrogen and oxygen. The resulting hydrogen can be used directly or converted into ammonia, methanol and synthetic fuels.

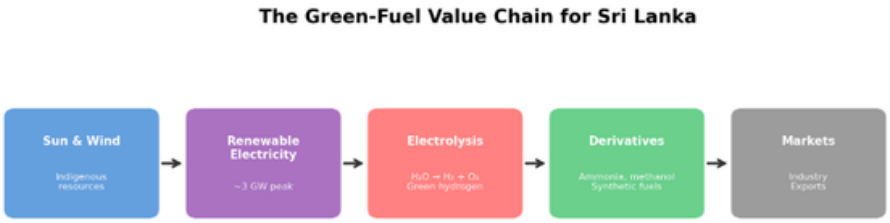


Figure 3: The green-fuel value chain for Sri Lanka



Figure 4: Emerging business opportunities in the green-fuel ecosystem

An Opportunity for Sri Lankan Business

The development of a green-fuel economy could create an entirely new business ecosystem extending far beyond hydrogen production itself.

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Sri Lanka's Geographical Opportunity

Located close to major international maritime routes in the Indian Ocean, Sri Lanka has the potential to participate in emerging regional markets for low-carbon fuels.



Figure 5: Strategic location along major shipping routes (Illustrative map — not to scale)

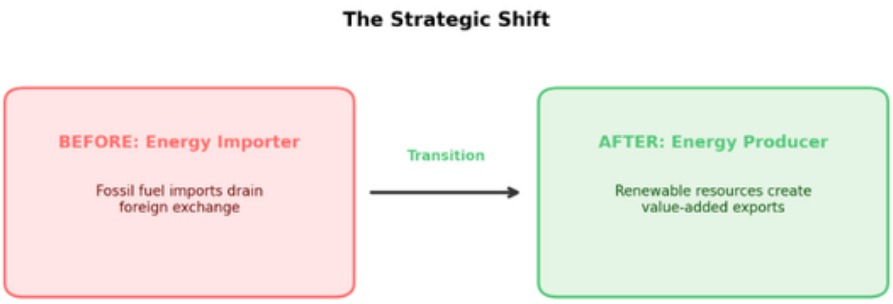


Figure 6: The strategic shift — from energy importer to energy producer

Green Fuels and Energy Security

Every year, Sri Lanka spends substantial foreign exchange importing fossil fuels. Green fuels could extend the benefit of indigenous renewables to sectors that cannot easily be electrified.

The Challenges

Green fuels should not be treated as a technological miracle. The economics remain challenging, and many announced projects globally have been delayed or cancelled.

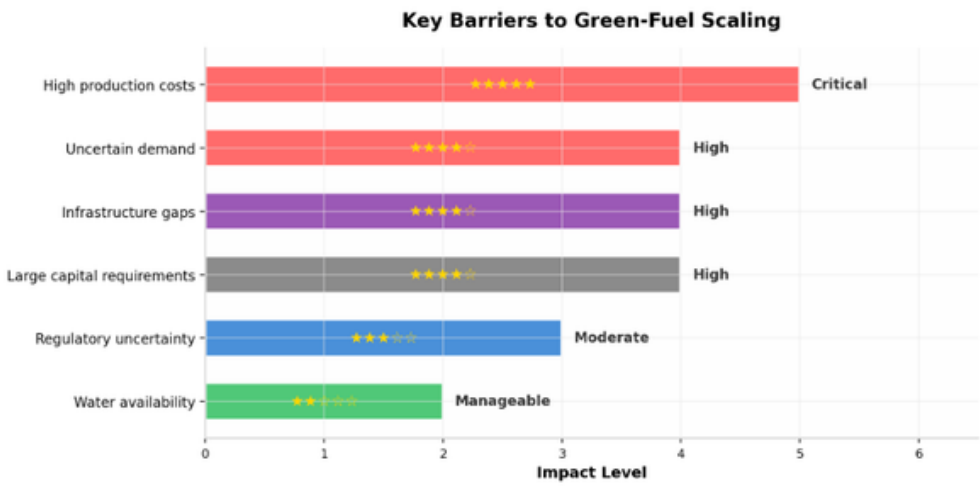


Figure 7: Key barriers to green-fuel scaling

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The Way Forward: Five Principles

1. **Use renewable energy as the foundation** — Accelerate solar, wind, hydropower and biomass development
2. **Prioritise economically meaningful applications** — Focus on sectors where electrification is difficult
3. **Create a business-friendly investment environment** — Private investment is essential for infrastructure and technology
4. **Develop standards, safety systems and certification early** — Critical for participation in international green-fuel markets
5. **Build local capability** — Universities, research institutions and industry collaboration

A Policy Foundation for Sri Lanka's Green-Fuel Future

The National Policy on Green Hydrogen in Sri Lanka provides a framework for developing a safe and sustainable hydrogen ecosystem, covering production, storage, transportation and end-use. It is now formally included among the national energy policy resources of SLSEA.



Figure 8: Policy and investment timeline (2024–2050)

From Importing Fuel to Exporting Clean Energy

Sri Lanka possesses renewable resources that can provide the foundation for a more secure energy system. If developed strategically, they can support not only electricity generation but also the production of value-added green fuels and industrial products.

The green-fuel economy is no longer a distant global concept. It is an emerging opportunity that Sri Lanka is beginning to prepare for — and businesses and investors that engage early could be well positioned to participate in this new chapter of the country's economic development.

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Atif Ikram Sheikh

President

Federation of Pakistan Chambers of Commerce and Industry & Vice President of CACCI

Food Security and Climate Variability: Economic Implications for the Asia-Pacific Region

Food security remains a global challenge, driven by the synthesis effects of climate change, economic uncertainties, and supply chain disruptions. Climate variability is a global phenomenon that threatens food security and agricultural development by reducing yields and lowering crop quality due to rising temperatures, irregular patterns of precipitation, and extreme events. Climate change is affecting all dimensions of food systems, i.e., production, processing, distribution, and consumption, and is increasing pressure on agriculture, fisheries, and rural livelihoods.

Food security and climate change have both been integrated into the United Nations Sustainable Development Goals (SDGs), with SDG 2 focusing on achieving food security, improving nutrition, and promoting sustainable agriculture, and SDG 13 focusing on combating climate change and its impacts on different sectors. Despite technological advancements, the climate is still a key factor in determining agricultural productivity in many countries.

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Asia Pacific Food system: Environmental Crisis

GHG emissions	Air pollution	Deforestation	Land	Water	Marine resources
24% of Asia's total greenhouse gas emissions come from the agri-food sector (40% of global total)	Agriculture air pollution exposure causes at least 450,000 premature deaths in Asia every year (85% of global total)	75% of forest area lost in Asia-Pacific is due to conversion to cropland	60% of Asia-Pacific's grasslands are degraded due to overgrazing by livestock, conversion to agriculture, and alien species invasion	Agriculture accounts for 91% of freshwater use in South Asia.	64% of the fisheries' resource base in Southeast Asia is at a medium to high risk from overfishing



Disasters in the Asia Pacific Region

The Asia-Pacific is a disaster-prone region and highly susceptible to climate variability due to geographical variation from coastal territories to mountainous areas, deserts, small island states, and the tropical to polar zones. According to the Emergency Events Database, 358 natural hazard-related disasters were recorded in 2025 globally that affected 110.2 million people and created economic losses of US$ 169.7 billion. According to data, Asia and the Pacific remain one of the world's most vulnerable regions, accounting for an estimated 75 percent of people affected by disasters globally. About 180 disasters have been recorded in the Asia-Pacific region due to floods, storms, and other natural calamities. Indonesia, Malaysia, the Philippines, China, Myanmar, Vietnam, India, Thailand, Pakistan, Afghanistan, etc. are the main countries that are affected by calamities.



Figure 1 | Climate Affected Countries in Asia and Pacific Region

Moreover, the report of the Economic and Social Commission for Asia and the Pacific also indicates that 88 percent of measurable environment-related SDG targets are projected to be missed by 2030, despite different initiatives taken by the countries to reduce carbon emissions and other greenhouse gases.

Economic Implications of Climate Change:

The Asia-Pacific region represents 60 percent of the global population and about one-fifth of the world's agricultural land. The agricultural sector provides livelihoods, drives rural development, alleviates poverty, ensures food security, and contributes to regional economic stability. The Asia-Pacific region is the largest and most diverse agricultural market globally, with major production in rice, wheat, sugarcane, and fruits, and significant contributions from China, India, and Southeast Asian countries.

This region encompasses a wide range of climates and farmlands, resulting in substantial differences in agricultural output between countries. China and India rank among the top five globally in arable land, supporting large-scale production of staple crops such as rice, wheat, and tea. Southeast Asian countries have specialized crops; for example, the Philippines produces coconuts, Thailand produces natural

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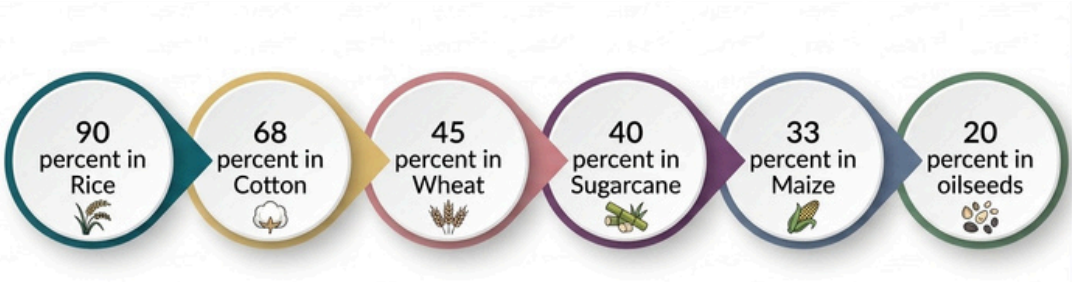
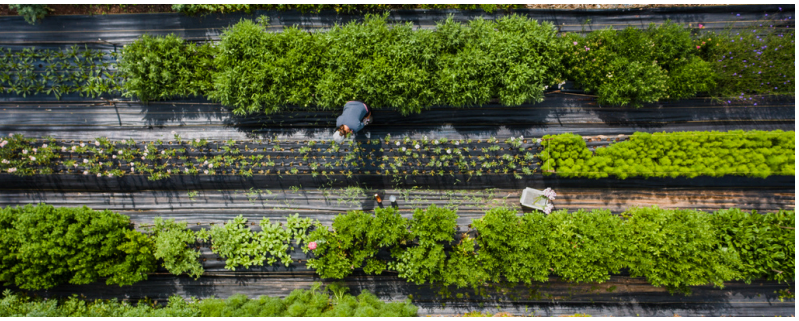


Figure 2: Asia Pacific Contribution in Global Agriculture Production

rubber, Vietnam produces coffee, and Malaysia produces palm oil. Indonesia, with the largest agricultural land area in Southeast Asia, produces a variety of crops for both domestic consumption and export. We can observe that prolonged drought has affected rice crops, the rise in sea level has reduced agricultural land, ocean warming and acidification reduces fish production, and extreme weather has declined tourism activity, etc. Small-scale farmers, who constitute the majority in the Asia-Pacific region, are especially vulnerable to the impacts of climate change, which also creates a vicious cycle of poverty.

The economic implications of climate change are far-reaching and complicated, affecting different sectors, including agriculture, tourism, coastal resources, food security, employment, labor productivity, and human capital. These interdependencies and challenges underscore the potential for climate change to aggravate income inequality and poverty among those already in vulnerable situations. Around 300 million vulnerable people live in Asia-Pacific, which reflects the importance of a stable and affordable food system. It is essential to consider the costs and benefits associated with proactive measures toward climate change mitigation and adaptation.



The agricultural sector in Asia and the Pacific has experienced a considerable decline in total output over the past few years due to natural disasters, including extreme weather, soil pollution, and post-harvest issues. Asia and the Pacific account for roughly 47 percent of all disaster-related agricultural losses worldwide, with losses amounting to around 5 percent of global agricultural GDP. These combined crises pose an immense threat to agricultural crops and agro-based industries, prompting governments to increase imports and reduce exports; thereby disrupting trade flows and creating food insecurity.

The World Bank has projected that the economic cost of climate change averages 2 percent of GDP, and in the case of developing countries, the cost is 3 to 4 percent of GDP. The other projected figure indicates that the GDP of Asia-Pacific may decline by 3.3 percent by 2050 and 10 percent by 2100 if timely proactive climate action is not taken. Moreover, several studies projected the cost of climate change finance i.e., 4 percent of GDP, which may create pressure on fiscal resources and divert the development budget of the affected countries .

On the other side, food inflation has been experienced due to demand and supply dynamics and gaps that can affect purchasing power and standard of living of the masses. Climate change can affect employment through disruptions in the supply chain caused by extreme weather events, resource scarcity, and changes in production processes. This, coupled with economic downturns, has exacerbated the challenge for households to secure adequate food supplies. Climate change can affect long-term human capital accumulation, productivity, and economic growth.

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The Food and Agriculture Organization (FAO) formulates the Food Insecurity Experience Scale to classify food insecurity based on the population's constraints in acquiring food throughout the year. The outcome of this scale indicates that the Asia-Pacific region experiences severe to moderate food insecurity prevalence in between 30 percent to 40 percent of the world, reflecting the transformation of agrifood systems in Asia-Pacific countries.

Together with the physical impacts, climate change is creating greater uncertainty for businesses to invest with confidence in the short to long term. This may fluctuate FDI inflows depending on a country's level of economic development. Developing countries tend to experience a decline in FDI flows due to rising temperatures, while developed countries may observe an increase in FDI flows. This observation presents a new perspective for understanding the finance of climate change mitigation and adaptation efforts.

By incentivizing investments in climate-resilient agriculture, infrastructure, sustainable fisheries, and the conversion to renewable energy sources, new job opportunities may be created that can promote economic growth, stability, and development. Therefore, the impacts of climate change on economies are multifaceted, combining direct short-term effects on GDP with indirect long-term effects on human capital and growth. Understanding these circumstances is vital in formulating effective climate change mitigation and adaptation strategies.

Agricultural Trade of the Asia Pacific Region:

Different agricultural commodities dominate global agricultural trade from Asia-Pacific countries. Wheat remains one of the world's most widely exported staple crops, with Russia leading exports, and several Asia-Pacific countries are leading importers. Rice exports are led by India, Thailand, Vietnam, and Pakistan and major importers are Indonesia, Philippine and China. Indonesia, Malaysia, and Papua New Guinea dominate in palm oil exports and Pakistan, India and China are leading Palm oil importers. Ecuador, Guatemala, Costa Rica, and the Philippines excel in banana exports, and China and Japan are in imports. China, South Korea, and Japan are strong in food preparation, while Australia leads in cattle meat exports and China, Japan and South Korea are in imports .

In addition to the above trade, there is significant potential for regional trade, as many high-income countries, like Singapore, South Korea, Japan, Australia, and New Zealand, heavily rely on agricultural imports for food security. These countries have low import tariffs for agricultural products that reflects the potential market for other countries to export the agricultural based products.

Overall, climate change has affected several countries and created food insecurity, posing challenges to achieving the UN SDGs for many nations, as well as stabilizing food supply and food prices at sustainable levels. It is expect ed that the extent, frequency, and magnitude of such climatic extreme events in the future will intensify, compounded by human-induced factors that further undermine food security in the Asia-Pacific region by reducing agricultural production, arable land availability, and trade and food prices. Without significant intervention, projections indicate that production of major crop yields could fall by 17% globally by the 2050s, which policymakers and other experts should address at different platforms for concrete solutions .

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Agricultural Outcomes of Asia Pacific Countries

Countries	Share of Agriculture in GDP	Total Agricultural Exports	Aggregate Live Animal Exports	Top Export item	Top Export Item by Volume
China	6.78	$102.21 Bn	$1.47 Bn	Food Preparations	$9.73 Mn
Indonesia	12.61	$49.86 Bn	$2.07 Mn	Palm Oil	$20.01 Mn
Australia	2.04	$46.13 Bn	$730.95 Mn	Cattle Meat	$8.70 Mn
Thailand	8.71	$45.32 Bn	$200.38 Mn	Rice	$6.40 Mn
India	16.29	$43.97 Bn	$20.38 Mn	Rice, Paddy	$11.65 Mn
Malaysia	8.13	$33.21 Bn	$239.25 Mn	Palm Oil	$13.54 Mn
Russia	3.0	$26.74 Bn	$102.49 Mn	Wheat	$9.55 Mn
Vietnam	11.86	$24.84 Bn	$1.74 Mn	Rice	$3.63 Mn
Singapore	0.03	$13.89 Bn	$2.94 Mn	Food Preparations	$6.23 Mn
South Korea	1.46	$9.57 Bn	$329,230	Food Preparation	$2.80 Mn
Ecuador	9.5	$9.53 Bn	$81,000	Banana	$3.35 Mn
Paraguay	11.0	$7.70 Bn		Soya beans	$3.17 Mn
Pakistan	23.74	$7.60 Bn	$1.35 Mn	Rice, Paddy	$4.19 Mn
Philippines	9.08	$7.02 Bn	$28,260	Coconut oil	$2.19 Mn
Japan	1.50	$6.29 Bn	$21.00 Mn	Food Preparation	$1.43 Mn
Kazakhstan	3.88	$5.07 Bn	$30.38 Mn	Wheat	$1.12 Mn
Myanmar	20.83	$5.02 Bn	$82,700	Rice	$1.34 Mn
Cambodia	16.58	$4.61 Bn	$308,000	Rice	$1.89 Mn
Uzbekistan	18.33	$3.47 Bn	$7.36 Mn	Beans dry	$538,046
Sri Lanka	8.30	$3.23 Bn	$881,430	Tea leaves	$1.39 Mn
Iran	10.80	$2.26 Bn	$29,720	Pistachios	$636,918
Laos	16.77	$1.87 Bn	$404,030	Casava	$459,060
El Salvador	5.0	$1.39 Bn	$6.55 Mn	Sugarcane	$179,546
Papua New Guinea	17.0	$1.35 Bn	$120	Palm Oil	$616,216
Azerbaijan	7.5	$1.28 Bn	$448,360	Cotton ginned	$177,120
Bangladesh	11.16	$778.66 Mn	$10	tobacco	$149,272
Mongolia	7.29	$447.74 Mn	$4.98 Mn	Animal Hair	$125,987
Nepal	21.87	$401.99 Mn	$1,520	Soya bean Oil	$83,457
Kyrgyzstan	8.61	$395.32 Mn	$48.92 Mn	Beans Dry	$47,723
Timor-Leste	20.0	$23.89 Mn	--	Coffee	$11,387

Source: FAO, USA

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Concluding Observation and Policy Advocacy



Climate actions in Asia and the Pacific are important for addressing the consequences of climate change on the region's diverse and growing populations. These actions encompass three interconnected pillars: adaptation, mitigation, and resilience. Mitigation measures aim to reduce greenhouse gas emissions, thereby curbing the rate of climate change and its effects on human development. Resilience efforts focus on strengthening the capacity of societies and economies to withstand, adapt to, and recover from climate-related shocks, safeguarding the development gains made thus far. Within the Asia-Pacific context, addressing these climate actions is essential for navigating the complex challenges posed by climate change on population dynamics, such as health, social services, economic growth, human mobility, urbanization, and food security. As the world's population grows and is expected to reach 9.1 billion by 2050, the impacts of climate change on meeting the increased demand for food will become even greater challenges for developing countries.

There is a dire need for cooperation between countries to resolve food insecurity-related challenges in the future during the frequent and greater magnitude of climatic extremes. The use of advanced and technologically innovative approaches, along with the transparent sharing of data among countries, is necessary and should be supported by global transboundary frameworks. Investment in warning systems and revitalizing coastal ecosystems is crucial.

The promotion of smart agriculture, including biotechnology for drought-resistant crops and precision agricultural techniques, can also help in resolving food insecurity issues. Advanced countries in the Asia-Pacific region should assist and share their best practices related to climate-resilient agricultural technologies with other affected countries in the Asia-Pacific, aiming to strengthen the adaptive capacity of the agricultural sector and safeguard food security. Food availability in the region can be strengthened through increased investment in agricultural R&D, improved food transportation infrastructure, and ensuring supply chains. In addition, increasing forest areas can enhance nature-based approaches to flood protection by slowing and storing water in forested headwaters.

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How Young Entrepreneurs in the Asia-Pacific Will Thrive in 2026 (and Beyond)

Michael Lim

Founder & CEO, Solopreneur Launch; Vice Chair, CACCI YEGAP

Young entrepreneurs are struggling.

We are facing unprecedented challenges compared to previous generations. AI continues to rapidly disrupt the job market, and conflict around the world continues to impact the global economy.

But my time consulting for government policy always taught me one thing:

Never waste a good crisis.

As young entrepreneurs, we were built to thrive amid uncertainty, complexity, and volatility.

Some of the world's great companies, such as Airbnb, which launched during the 2008 Global Financial Crisis, and Alibaba's Taobao, which launched in the middle of the 2003 SARS outbreak, were created under the pressure of extreme conditions.

But that's exactly what made those businesses so resilient.

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1/ Leveraging the power of technology

My grandmother owned a flower store in Singapore.

Growing up, I saw how hard she worked to make ends meet. She was the first entrepreneur that I ever knew. Whenever I visited from Australia, I worked in her store. She paid me $5 per day. This was 2005, and child labor laws were a bit different back then.

But this was a core memory for me.

I remember my grandmother doing everything herself. Marketing, operations, and finance all relied on her. She didn't have the technology available that I have access to every day.

Everything had to be executed manually.

But young entrepreneurs today have access to more technological leverage than ever before.

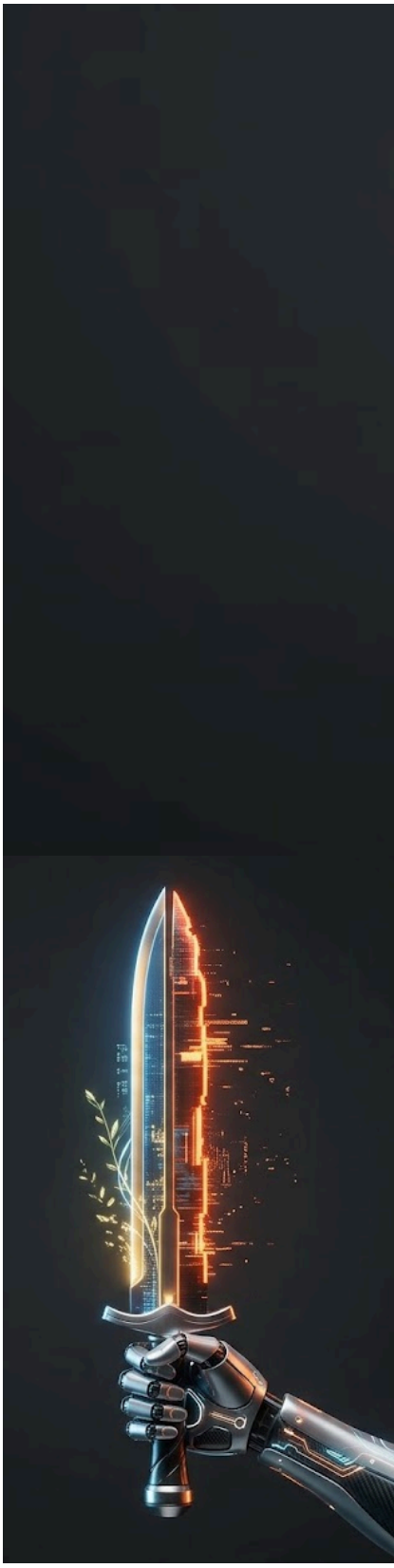
The average entrepreneur in 2026 has more access to tools and knowledge than a US President did 50 years ago. What once required dozens of staff can now be done with a $ 20-per-month subscription to an off-the-shelf AI model that works for you 24/7 and is never sick.

That's incredible progress in a relatively short period of time.

Alongside AI, the combination of increasing Internet penetration, widespread social media use, and the ubiquity of smartphones gives every entrepreneur access to:

- A global marketplace of potential customers.
- The world's library of information and knowledge.
- The ability to acquire customers for low-to-no cost.

But technology can be a double-edged sword.



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With technology, we can create impact at a scale unimaginable for my parents. Especially for my grandmother's generation. When I show her how my business operates with social media, my iPhone, and AI, she can't believe her eyes.

But technology's power is limited by how we use it.

One powerful way to leverage technology is to empower entrepreneurs worldwide to build virtual networks and communities. These communities transcend borders, policies, and regulations. From Australia, I can connect with young entrepreneurs in Brunei, Timor-Leste, or Laos.

I'm not saying technology will replace in-person relationships.

But online communication can complement and enhance in-person touchpoints.

This generation of entrepreneurs will need to leverage technology more than ever before. The world feels increasingly fragmented and polarized. One antidote to this chaos is ensuring entrepreneurs aren't isolated and lonely.



Relationships reduce business risk /2



Since 2022, I have served as Vice Chair representing Australia on the Young Entrepreneurs Group Asia-Pacific (YEGAP), part of the CACCI.

Over the last four years, I've built a strong network of entrepreneurs across the region, including from Mongolia, Japan, Malaysia, Singapore, Brunei, Indonesia, Timor-Leste, Vietnam, Laos, Cambodia, and many others.

Without YEGAP and CACCI, I wouldn't have a platform to connect with entrepreneurs across the region who value what I do: community, social impact, and using business as a force for positive change.

In a world of AI, networks and communities like this will be more valuable as they become rarer.

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We are living through a trust recession. People no longer believe what they see online.

Whether online or in-person, this fundamental truth remains:

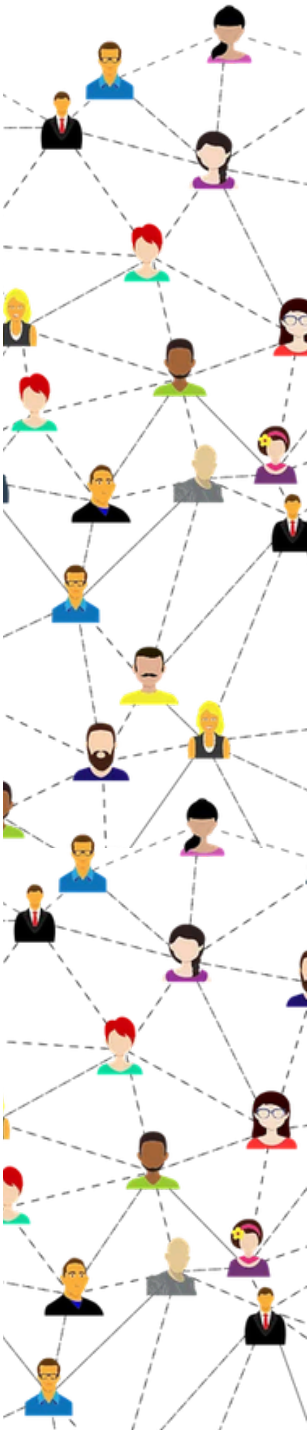
Business happens at the speed of trust.

Relationships matter for more than business connections, trade, and having a good time. When business gets tough, the deep relationships you share often help you get out of sticky situations.

Relationships hedge against the uncertainty we're currently experiencing in the world.

Many young entrepreneurs are not only investing in in-person networks like traditional chambers of commerce and industry, but also building their own networks on places like WhatsApp, Zalo, Slack, Telegram, Discord, Skool, and many others where community is at the center of what they're doing.

This is why I'm seeing more young entrepreneurs invest in in-person events and then complement them with online platforms. These relationships have helped me navigate uncertainty and find hidden opportunities for business growth.



Managing an Environment of Uncertainty /3

Adversity has shaped young entrepreneurs.

For our generation, every decade has ushered in unprecedented change.

- 2001: Dot Com Bubble Pops
- 2008: Global Financial Crisis
- 2020: The Global Pandemic
- 2022: ChatGPT is released

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These are once-in-a-generation events that seem to happen every decade for this generation. In Australia, we don't have the privilege of building a business in a stable market of unprecedented growth and no recessions like previous generations.

But our success is directly tied to our ability to handle uncertainty.

As a generation, we've grown up in a world filled with Volatility, Uncertainty, Complexity, and Ambiguity (VUCA). While this has brought real hardships, it's also created a generation that's resilient and can adapt to change.

But I'm not here to make excuses.

In business, you can only play the hand you're dealt in the environment you're in. There's no point wishing that reality was different or that you were in a different financial environment.

This is the strength of this generation of entrepreneurs. We've grown up with new technologies that reshape entire industries seemingly overnight. The pandemic was a once-in-a-100-year phenomenon.

Yet, we persist and keep building despite the economic headwinds.

Tough times create tough entrepreneurs.
Tough entrepreneurs create enduring businesses.
Enduring businesses create economic prosperity.

I'm not saying uncertainty is easy to manage. It's hard.

But entrepreneurial networks provide insurance against uncertainty.

Rather than retreating into isolation, entrepreneurs need to be connecting with each other more than ever. In uncertain moments, this is our opportunity to shape the future together.

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What do young entrepreneurs need moving forward?

The next 3-5 years are critical for entrepreneurs.

We are reaching a new turning point in the world. I know every generation likes to claim it's unique. But this time it might actually be true. Put all the megatrends I wrote about above together, and no other generation compares.

But while this might feel overwhelming right now, there is good news.

A crisis is an opportunity to build a better future.

But only if we take the right set of actions.

We need help to:

- Close the AI and digital skills gap. Technology only levels the playing field if everyone can use it. Young entrepreneurs, especially in emerging ASEAN economies, need affordable access to AI tools and practical training, not just policy papers about the future of work.

- Invest in cross-border networks. Governments, chambers of commerce, and industry bodies should fund youth trade delegations, regional exchanges, and mentorship programs that connect young entrepreneurs across the Asia-Pacific. Relationships built today become tomorrow's trade corridors.

- Make risk-taking survivable. Uncertainty is not going away, so young founders need better access to early-stage capital, simpler rules for doing business across borders, and support systems that treat failure as a step in the process rather than the end of the road.

We can't control the future.

We can only control what we do today.

But the actions we take today build the future we want tomorrow.

Thanks for reading,

Michael

If you want to keep in touch, sign up HERE.

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