



Annie Tay is heading an IRM initiative to strengthen the professionalism of risk management in Asia Pacific – the world’s manufacturing powerhouse. Here she explains why improving the region’s ability to manage risks will help it capture the next wave of opportunities

While the countries that make up the Asia-Pacific region vary hugely in culture, geography and government, collectively they have become increasingly united in their growing share in global trade. Between 2015 and 2021, for example, Asia alone accounted for

9 per cent over the same period. Today, three-quarters of the world’s chip production is concentrated in four countries: China, Japan, South Korea and Taiwan. And the scale of manufacturing prominence is not just limited to components. China, Japan, Korea and South Asia also produce over half of the world’s vehicles (see and check graphics), and other

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57 per cent of global GDP, according to a study by the [McKinsey Global Institute](#). It is also home to 56 per cent of the world’s middle class. And rather than simply serving businesses and consumers in the West with competitively priced products, 59 per cent of Asia’s trade is with other Asian countries.

Nowhere has that dominance been more evident in recent years than in the semiconductor industry. Production of these components – the core drivers of our digital reality – has decisively shifted to Asia-Pacific. Whereas the US enjoyed a 37 per cent share of the world’s semiconductor manufacturing capacity back in 1990, according to analysis by the [Financial Times](#), that had fallen to just 12 per cent by 2020. The story in Europe is almost identical, with a 35 per cent share reducing to

prominent industries include textiles, technological equipment, energy, finance and insurance.

Complexity

These statistics underpin why what happens in Asia matters at a global level. The region is not without its challenges, either – given its geopolitical and geosocial complexities – so there is no one-size-fits-all solution to either the type of risks faced and how to mitigate them.

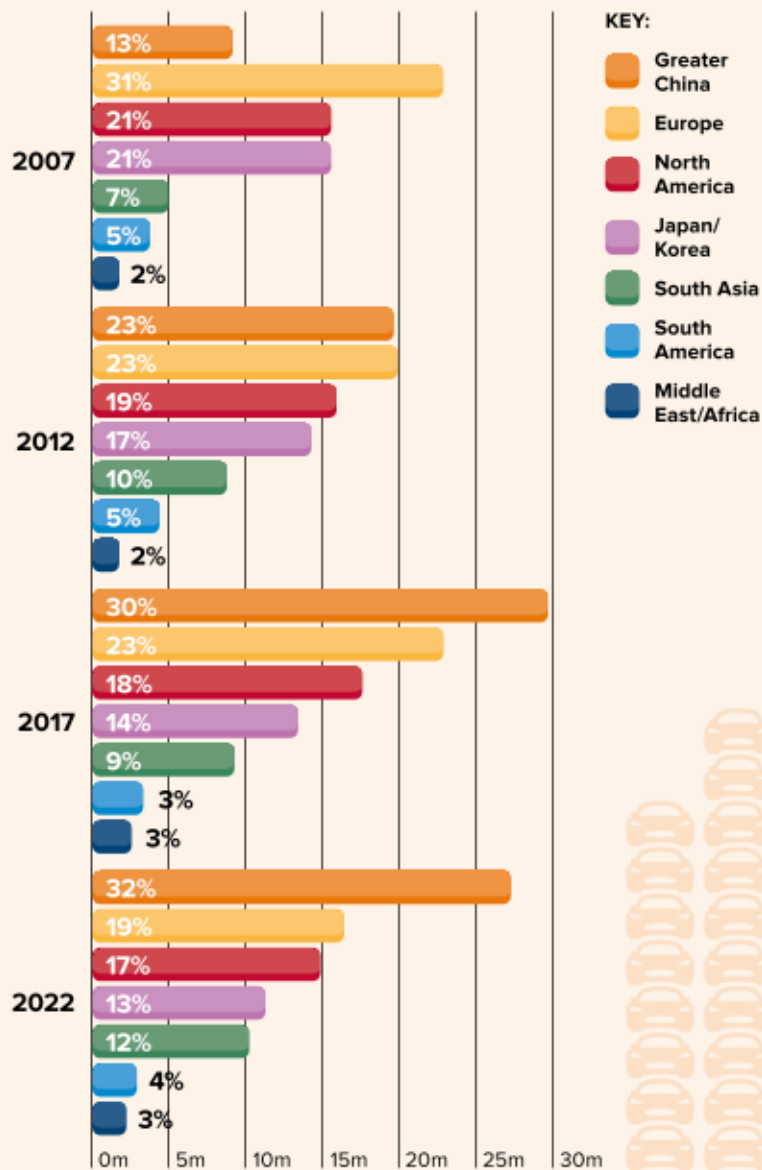
For Annie Tay, the IRM board member heading IRM’s strategy for the region, two of the most pressing issues commonly faced by businesses in the region today are climate change and the economic disruption to supply chains caused by geopolitical tensions. “The region is facing unprecedented challenges but also



incredible opportunities,” says Tay. “Effective risk management is the key to turning these challenges into opportunities.”

On a purely physical level, for example, Asia-Pacific is the most heavily impacted by extreme weather – including storms and flooding, according to the [World Meteorological Organization](#) (WMO). In 2023, the organisation recorded a total of 79 disasters associated with “hydro-meteorological hazard events,” or floods, cyclones, hurricanes, typhoons and droughts. On the ground, those disasters killed about 2,000 people and adversely affected 9 million others. There were also significant financial

WORLD VEHICLE PRODUCTION



Source: S&P Global Mobility

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social and governance practices, suppliers in Asia-Pacific will face new challenges and opportunities when integrating into the global supply chain,” she says. Many must learn how to implement effective ESG practices, be able to navigate carbon certification schemes and metrics capture – or risk a fallout to the global financial and economic system. Further, “If those businesses cannot get into the global supply chain, the whole world is going to suffer with shortages and price inflation – at least for a while until the new players can replace the conventional players sustainably,” she says.

For instance, the Asian textile industry, which is the largest supplier to the biggest brands in Europe, faces significant challenges. Environmental issues include water pollution and high energy consumption. From a social perspective, there are often poor labour conditions, and from a governance perspective, there are issues related to supply chain transparency. Substantial risks include potential exclusion from the European market, financial losses, reputational damage, legal action and reduced investor interest. That is why sound risk management practices are crucial for the industry’s survival and growth.

Systematically identifying, assessing and mitigating these risks can enable textile manufacturers to adapt to stringent European certification requirements, improve their ESG performance, and maintain their competitive edge. That would mean sustainability for this industry, not simply because of compliance

costs. WMO estimated that those could run to US\$160 billion by 2030 – or about 0.6 per cent of the region’s GDP. Deforestation, rising temperatures and a reduction in biodiversity through, for example, the disappearance of coral reefs are all well-documented issues.

“Some countries in the region are already well equipped to deal with natural catastrophes,” Tay says. She points to the fact that Indonesia, Taiwan and Japan, for example, are among those countries that have dealt

well with earthquakes and tsunamis for centuries. But from a regional perspective, the impacts of the business and regulatory culture arising around climate change risk have yet to properly bite – and the potential effects could be challenging.

Global impacts

“As the world moves towards accounting for carbon emissions, (renewable) energy metrics, and sanctions against those not embracing sound environmental,

needs but because it could also help build trust with stakeholders and secure the industry's position in the global supply chain.

Popular narratives often attribute the root cause of supply chain disruption to around 2018, when the then US president Donald Trump imposed US\$60 billion worth of trade sanctions on Chinese products. Tay, who travels extensively in the region, says that while the political moves sometimes paint a picture of a dramatic break between the two zones and can create rapid, unpredictable changes to trading practices, from a business perspective, the US and China are still closely interlinked. She recently returned from Guangdong in China – a province that exported a record \$1.16 trillion worth of goods in 2023 despite the rhetoric of separation – and estimates that between a third and a half of the customers she met were American. “In my experience, many of the American and Chinese business and hedge fund owners’ next generation are already increasingly fluent in Chinese and English interchangeably, and are building deeper relationships between each other,” she says. That is not to say that the economic and technological war between the East and West will not continue, but, in Tay’s view, it is likely to produce as many opportunities and herald innovation that could provide broader benefits to society.

Revolution in a revolution

Businesses not only need to be able to see how the world is changing but how to put strategies in place to transition sustainably to the future – and at speed to survive. Whether that means an organisation has to address its physical vulnerabilities or shift its processes to adapt to ESG requirements, there will also be opportunities to innovate in products and services to create new markets and achieve strategic objectives.

Tay’s background in insurance provides a case in point. Innovative insurers have been rushing



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to produce climate-related offerings over the past few years – everything from climate-related insurance for life and property against flood risk, heatwaves or agricultural crops. Some of these are underpinned by a new generation of risk assessment technologies, such as effective satellite imaging or specific risk parametrics that capture more granular, structured data and analytics. They are demanded by policyholders and investors alike, such as pension fund and asset managers, who are increasingly caged in by regulators and shareholder groups who want to see change through a country’s green-related policies.

“Many industries, including the finance sector, are changing because of ESG,” Tay says. This

revolution at the heart of a behavioural revolution related to climate change is likely to be a 30-year project, she believes. “People will need relevant education first and foremost about the significance of these changes if they are to be able to create a future for businesses – there is a green field of opportunities for the younger generation seeking impactful work and compensation – that is for sure,” she says. “And while regulators may have started the ball rolling on sustainability policies, we are starting to realise, as we dig deeper, that it goes to the root of what businesses do. They are going to need to change their whole business model and its processes to succeed.”

That will require a strategic and operational step change for many



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change and managing material risks,” Tay says. “When things are not that cushy and there is no buffer of wealth to protect you, you tend to be more alert about how to manage the downsides to survive. While that culture can be found all over the world, those practices are common in many parts of Asia-Pacific even if risk is not measured and thought about in the same way we tend to think about it in the UK.”

That is not to play down countries in which political instability and corruption loom large. But it also serves to highlight how Western styles of risk management and regulation have to be practical in the context of existing cultures in Asia-Pacific if they are to gain traction.

And while regulated businesses, such as the energy sector or financial services organisations, will be forced to take that step, the vast majority of the rest will follow only if they have a financial or social motive to do so. Although, Tay believes, the younger generation are more switched on to climate-related issues, which has often become a core part of their education. On the other hand, she says, risk management can help countries see the bigger picture in a holistic way. So, if, for example, governments act against deforestation, such as plans currently afoot in some countries, then it must also consider the economic consequences for local people and their well-being. “There is a whole ecosystem and a societal impact around such issues – and that is what enterprise risk management is used for and why it is important to have the technique to correlate risks to get the right balance for action to avoid undesirable consequences

to lives and the planet.”

“To survive in the new world, they will need to know the new world rules,” Tay says. “If that involves being sustainable in the face of climate change in order to provide goods and products to Europe, then it will be a natural progression for those businesses who want to take that route.”

Building awareness

As a non-profit, professional association with a strong track record in delivering professional education qualifications, CPD, training, advisory and sector-specific risk management members network, IRM is well placed to help organisations to make the transition from managing risk just intuitively to incorporating real science in a holistic way, according to Tay. As a body that provides Ofqual-accredited qualifications with an enterprise risk management focus, she believes that it is ideally placed to enhance risk management’s standing as a discipline and a science and to advocate for its critical role in pivoting to sustainability.

IRM also has a strong track record of bringing people together to network and make professional connections among Asian risk professionals and stakeholders. That approach has recently paid dividends in Africa, with the blossoming of its regional interest group. IRM has also been actively involved in risk management standard setting in the public government sectors. In addition, the IRM Foundation has supported communities, including working with the Red Cross in the recent flood events in Kenya and the Kibera slum (the largest urban slum area in Africa) and in supporting the education

companies – and an ability to be agile in identifying and mitigating risks and in grasping opportunities. In some Asia-Pacific countries, such as China, where governance is more centralised, the ability to move at speed and adapt could provide a lasting commercial advantage, she believes. However, in other countries, where there has been long-running political instability, such as Taiwan and Indonesia, or extreme natural catastrophes, she feels that risk management intuition is high. Businesses in those countries are already adept at managing risk and acting swiftly to mitigate its worst impacts, so quickly pivoting to systematic risk management and resilience could bring huge benefits.

Magic sauce

“The magic sauce to resilience and sustainability is managing


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and wellbeing of children.

Tay is spearheading IRM's strategy in Asia-Pacific as chair of the Asia Board and will be closely supported by Victoria Robinson (see pages 16 & 17) at the executive level. Robinson has switched roles from IRM's director of marketing in London to head of partnerships for the region. The Board and the management team's goal in the first stage will be to raise awareness of IRM, its risk management educational offering

and its ethos in targeted countries. This will entail engaging with local decision-makers in the public and private sectors to help them understand how risk management can be a force for positive change. Tay and the rest of the Board will be overseeing the strategy and leveraging on the decades of experience and contacts that Board members have to help open doors and connect with key stakeholders to enable IRM to drive progress on awareness, education and risk

management professionalism.

While it is too early to provide any public key performance metrics for IRM Asia, Tay says the team will have clear accountability comprising internal KPIs for IRM Asia based on a firm understanding of what success should look like. "Success would be the realisation that one can actually have the necessary training to manage risk effectively – just as one can in the actuarial or medical professions. That risk management is a science and a discipline which looks beyond operational risk or climate change and has an integrated whole picture – the stuff that organisations are going to have to deal with to remain relevant and to survive in the short term and for future years to come." 

Partnerships with purpose

BY VICTORIA ROBINSON

IRM aims to help organisations foster resilience and growth throughout Asia-Pacific

As I step into my new role as the head of partnerships for Asia at IRM, I am keen to engage with members and stakeholders in an exciting initiative to grow IRM's presence across the Asia-Pacific region: to promote risk management education and the value of qualified risk managers and risk intelligence for business. One of the objectives of our partnerships plan is to better understand the unique risks in



Asia. By learning about these specific diverse regional challenges, we aim to customise our risk education offerings and improve the relevance of IRM's content and services.

With the invaluable support of our board members, Annie Tay and Mariam Chrichton, and our senior members in Asia, IRM is well positioned to address the unique challenges and opportunities in this dynamic and rapidly evolving economic landscape.

Close collaboration

As Annie has aptly noted, Asia-Pacific is not only a powerhouse in global manufacturing but also a critical area for emerging economic opportunities and complex challenges. My aims are to collaborate closely with members, businesses, higher education institutions (HEIs) and our stakeholders across the region to enhance and promote risk management education, thereby fostering resilience and sustainable growth. Annie will also provide valuable links into regional regulators.

We have a range of partnership opportunities available, including:

- Corporate partnerships
- Media partnerships
- Thought leadership



- Events
- Wider sponsorship, joint projects and curriculum development.

Upcoming engagements in key cities

To kick off this initiative, I will be visiting several key cities across the region in September, just as this magazine hits your inboxes! These visits are not only an opportunity for me to introduce IRM's world-leading education programmes, training and advisory services, but also a platform to listen to local challenges and needs. I am eager to meet with members and interested parties in the following cities:

Hong Kong: Known for its strategic importance in global finance, Hong Kong serves as a pivotal hub for business and education. My visit will focus on working with the Hong Kong Chapter of IRM, engaging with leading business schools, the British Council and senior members of the professional community. The objective is to promote the value of risk management careers and our globally accredited certifications, delivering presentations and

fostering a deeper understanding of risk management principles.

Kuala Lumpur, Malaysia: As a rapidly growing economy, my visit will focus on engaging with Chambers of Commerce, business schools, local risk management associations and senior IRM members. I'm looking forward

facilitate those discussions.

You can reach me via email at Victoria.Robinson@theirm.org – I am eager to hear your thoughts, understand your challenges and explore how we can work together to build a resilient and sustainable future for the benefit of business and society.

“ The objective is to promote the value of risk management careers and our globally accredited certifications

to meeting one of our Senior Executive Route Assessors.

Singapore: Often referred to as the gateway to Asia, Singapore's strategic position makes it a vital player in regional trade. My discussions here will focus on engaging with senior members in the financial services sector and leading business schools. I'm looking forward to giving presentations on risk management careers to students, helping to prepare the next generation of risk professionals and making sure they are aware of our free student membership offer for anyone studying a risk/business and management degree.

I will also be attending Risk.Net's Asia Risk Congress 2024, of which we are a proud partner. It would be great to meet and network with risk professionals who are attending.


Invitation to connect

These visits are a chance for me to represent the IRM, to meet our members and strengthen our networks. They are also an invitation to all stakeholders in the region to join the conversation. I'd like to encourage members, partners and interested parties to connect with me. Whether you are looking to strengthen your organisation's risk management maturity, upskill your staff or simply want to learn more about IRM's initiatives, I am here to

At IRM, we believe in the power of collaboration and knowledge sharing. Our goal is not only to educate but also to create a community of professionals who are equipped to tackle the risks and opportunities of the future. By aligning with global standards and fostering local expertise, we can help businesses across the Asia-Pacific region thrive amid uncertainty.

As we move forward, I am excited about the prospect of building stronger partnerships and advancing the profession of risk management. The journey ahead is filled with potential, and together, we can make significant strides in ensuring that businesses in the region are well prepared for whatever challenges may come and that our members are leading the conversation.

We are also looking to develop our Asia-Pacific groups and chapters and would welcome expressions of interest from anyone interested in joining us – please email Nathalia.Ascanio@theirm.org for further information. You can also visit: [Join our community \(theirm.org\)](https://theirm.org/join-our-community)

Visit our partnerships page here: [Asia Partnerships landing page \(theirm.org\)](https://theirm.org/asia-partnerships) 



Victoria Robinson is head of partnerships for Asia at IRM.