

SHAPING
THE GLOBAL
AGENDA

Annual Meeting 2007

Annual Meeting 2007

WORLD
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Annual Meeting 2007

World
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Forum
Annual Report
2007-2008

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Foundation Board Members

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For more information about the Foundation Board visit page 32 or www.weforum.org/foundationboard

The **World Economic Forum** is an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas.

> Entrance of the Congress Centre in Davos during the Annual Meeting 2008



Executive Chairman's Statement

Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum

In today's increasingly interconnected and complex world, no single leader, nation or organization has the solution to the crucial issues that face us all. Climate change, terrorism, or water scarcity, all require a coordinated approach, one in which different stakeholders collaborate across geographical, industrial, political and cultural boundaries.

> Professor Klaus Schwab at the Annual Meeting 2008



2007-2008 was again a very successful year, maybe our most successful ever. We delivered on our promises to our partners, members and constituents, we expanded well into Asia, and we played a catalytic role in many global developments. In our initiatives, in our communities and in our own organizational design, we were more innovative than ever before. However, while I am proud, I am not fully satisfied.

The 34% increase in the number of Strategic Partners, 37% increase in the number of Industry Partnerships, as well as nearly 20% growth in revenues, are powerful demonstrations of the trust our communities install in us. But what pleased me the most was the superb degree of engagement of our Strategic Partners and Industry Partners in our different initiatives, and their demonstrated commitment to our mission to improve the state of the world. It is this engagement and commitment which makes the Forum so effective and so powerful. This report will enumerate many activities which demonstrate the sense of true corporate global citizenship. A great achievement in this sense was working together with over 100 CEOs, many governments and the most relevant research organizations to submit to the G8 on the occasion of its summit in Hokkaido the most comprehensive action plan to reduce carbon emissions based on government-business cooperation.

In 2007-2008, we broadened our engagement with the establishment of our Community of Global Growth Companies. These fast-growing businesses, many based in emerging economies, are set to be leading multinationals within a decade. The first Annual Meeting of the New Champions – or “Summer Davos” – in Dalian, People's Republic of China, brought together our first GGC members, along with Technology Pioneers, Young Global Leaders and the leaders of fast-growing regions and cities.

In pursuit of our mission to improve the state of the world, the Forum continues to work very closely with governments around the globe. This partnership was again demonstrated at our events by such distinguished participants as US President George W. Bush, British Prime Minister Gordon Brown, Mexican President Felipe Calderón, Japanese Prime Minister Yasuo Fukuda, Russian President Dmitry Medvedev and Chinese Premier Wen Jiabao.

The World Economic Forum has the ambition to be always ahead of its time. This year we laid the foundations for two new major creative breakthroughs, WELCOM (World Economic Leaders Community) and the Global Agenda Councils (GACs).

WELCOM is a powerful new online communication and collaboration space designed specifically for the world's top decision-makers. It will be rolled out throughout next year, providing global leaders with an unprecedented opportunity of continuous, instantaneous interaction. Making WELCOM possible is the result of a close partnership between the world's top technology leaders and the World Economic Forum.

It is not sufficient to strengthen interaction among our communities through a combination of face-to-face and virtual contacts. This interaction should be based on the best strategic insights and should always be forward looking. For this reason, we built on our knowledge of global expertise and with the help of the world's leading universities we established a network of Global Agenda Councils (GACs) which constitute now over 1,000 members, the world's foremost integrated collective intelligence system.

In November 2008, the Councils will gather in Dubai for the first Summit on the Global Agenda. Participants will identify the most pressing and prevailing global challenges and consider long-term solutions in a systematic and collaborative manner. Their conclusions will feed into the programme of the World Economic Forum Annual Meeting 2009 and, indeed, all of the Forum's work.

These two major breakthroughs (WELCOM and Global Agenda Councils) will allow us not only to improve our traditional activities but also to develop completely new services for our partners, members and constituents. The next year, 2008-2009, will allow us to show our communities the benefits of all those efforts.

over **1,000**

of the world's greatest minds have already been recruited to serve on our Global Agenda Councils, to address today's most pressing issues.

Nevertheless I am not satisfied, nor are my colleagues. Why?

The world, politically, economically and socially is struggling to cope with the growing complexity of globalization. As we know from our own work with the Global Risk Report, there are many challenges which we have to meet simultaneously. All these challenges require an interdisciplinary, proactive and, above all, multistakeholder approach. The time has gone when governments alone were in charge of managing our global affairs, securing through the appropriate multilateral systems and mechanisms a stable, prosperous and peaceful world.

Since its beginning in 1971, the Forum was based on and driven by the stakeholder concept: the need of business not only to serve its shareholders but also its stakeholders – all whose future depends directly or even indirectly on business decisions. Today business itself has become a stakeholder of global affairs – together with governments and other partners. I have defined this new dimension for responsible business – or “creative capitalism” as our member Bill Gates called it in Davos this year – as Corporate Global Citizenship.

What we have done during the past years, particularly in 2007-2008, was to build all the fundamentals to allow the Forum to become the foremost global multistakeholder organization. We have all the stakeholders in place, integrated as strong, selected and committed communities: business and also governments, and our specific, highly representative, highest level communities of NGO Leaders, Labour Leaders, Thought Leaders (Global Agenda Councils), Religious Leaders, Media Leaders, Young Global Leaders and Social Entrepreneurs.

We have developed the tools, processes and the expertise to create public-private partnerships and to be a catalyst in shaping global, regional and industry agendas.

We have developed internally the capabilities and capacities with 300 highly motivated staff in three major strategic locations (Geneva, New York and Beijing). We have introduced more robust, innovative internal processes and appointed a new human resources director and a new chief financial officer. We substantially reinforced the Managing Board, welcoming Børge Brende, a former Norwegian Minister for both the Environment and Trade and Industry. Also joining us in August 2008 is Robert Greenhill, former President of the Canadian International Development Agency (CIDA), and President and Chief Operating Officer of the International Group of Bombardier Inc. To work together with such committed, enthusiastic and service-oriented colleagues from over 55 countries is stimulating for all of us. This continual strengthening of our institution underlines our commitment to global excellence in both what we do and how we do it.

We will only be satisfied if we know we are making a unique contribution to improve the global governance system, demonstrating particularly the positive role business can play in it. To do so we have to strengthen the relevance of everything we are doing and we have to intensify the collaboration within our communities and between our communities.

> Presentation of Crystal Award to Emma Thompson, Annual Meeting 2008



> Professor Klaus Schwab and Yasuo Fukuda, Annual Meeting 2008



To allow us to focus on global excellence, we have decided to cap the number of our Strategic Partners at 100 of the world's most reputed companies, as we have already limited the number of our Foundation Members to 1,000 of the foremost global companies.

We will be even more rigorous in undertaking initiatives – to ensure we are always at the front end of global concerns. We will build our future on our specific strengths: an uninterrupted success story of 38 years, but above all, institutional values based on complete impartiality and independence with continuous and deep commitment to the mission “Improving the State of the World”, intellectual integrity, proven positive impact, transparency and representativity.

Indeed, with the world changing so quickly, we never will or should be fully satisfied as there will always be a lot to do for the unique multistakeholder organization that is the World Economic Forum.

“We will only be satisfied if we know we are making a unique contribution to improve the global governance system, demonstrating particularly the positive role business can play in it.”

Professor Klaus Schwab

Professor Klaus Schwab
Founder and Executive Chairman

> Professor Klaus Schwab welcoming newcomers at the Annual Meeting 2008



> Professor Klaus Schwab and Felipe Calderón, World Economic Forum on Latin America 2008



Managing Board Statement

As a Managing Board, our efforts are aligned fully with the Forum's mission of improving the state of the world by engaging leaders from public and private sectors in partnership and dialogue. In 2007-2008, as the following highlights show, we achieved significant successes around our three primary agendas.

Global Agenda

The Forum helped business shape the climate change discussions at the 2008 G8 Summit in Japan, via its industry leader-led Gleneagles Dialogue Initiative. The dialogue's detailed climate change recommendations were presented personally to Yasuo Fukuda, Japanese Prime Minister and G8 host, by Forum Executive Chairman, Klaus Schwab. Fukuda had used the Annual Meeting 2008 to launch the Cool Earth Partnership, a US\$ 10 billion fund to support developing nations to combat global warming.

For more information see www.weforum.org/climate

In January, the Forum and the United Nations announced a new framework to guide private sector aid after natural disasters. Agreed under our Humanitarian Relief Initiative, the 10 Guiding Principles will help companies deliver assistance in the most effective way.

For more information see www.weforum.org/en/initiatives/drn

In September 2007, the Forum's first Annual Meeting of the New Champions in Dalian, People's Republic of China, illuminated a fresh agenda for change. It brought together the world's fastest-growing businesses, those developing the technology that will transform tomorrow, and many of the world's most promising Young Global Leaders.

For more information see www.weforum.org/en/events/annualmeetingofthenewchampions

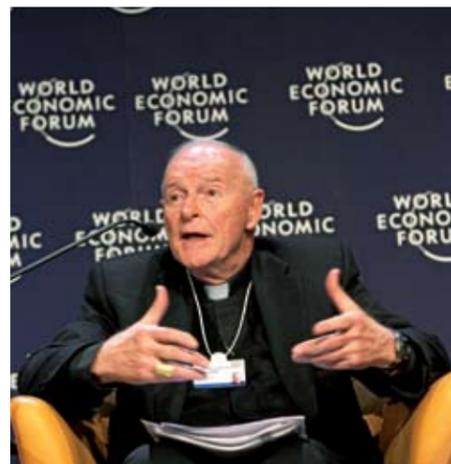
> Zeng Peiyan, Vice-Premier of the People's Republic of China (2003-2008), at the Annual Meeting 2008



> World Economic Forum on the Middle East 2008



> Theodore Cardinal McCarrick at the Annual Meeting 2008



Regional Agenda

In March, the Forum helped improve understanding of the tensions between the Islamic world and Western nations with a groundbreaking publication, *Islam and the West: Annual Report on the State of Dialogue*.

For more information see www.weforum.org/pdf/c100/islam_west

The SlimCity initiative was launched at the Annual Meeting 2008 and brings together administrators from some of the world's leading cities and the private sector to explore ways to use resources more efficiently.

Building on *The Gulf Cooperation Council (GCC) Countries and the World: Scenarios to 2025* report from 2007, the Forum explored possible futures for the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the United Arab Emirates in detailed scenario planning reports. The reports indicate how each nation might look in 2025 under three distinct scenarios.

For more information see www.weforum.org/en/initiatives/scenarios/gccscenarios

The Global Education Alliance, part of the Forum's Global Education Initiative, started working towards delivering universal primary education in the Republic of Rwanda. This brings private sector partners such as Cisco, Intel and Microsoft into cooperation with governments in the Fast Track Initiative, which is a global partnership working to meet the education Millennium Development Goals.

For more information see www.weforum.org/en/initiatives/gei

> Indra K. Nooyi, CEO, PepsiCo, at the Annual Meeting 2008



The Forum's Global Risk Network provided a timely analysis of the threats to the world economy with its *Global Risks Report* in January 2008. The report focused on four issues where multiple risks converge: systemic financial risk, food security, supply chains and the role of energy.

For more information see www.weforum.org/en/initiatives/globalrisk

The Forum's Global Health Initiative continued to drive private-public health partnerships. Its new report, *Business Coalitions Tackling AIDS: A Worldwide Review* – developed with UNAIDS, the World Bank and GTZ – demonstrates how business coalitions are helping thousands of companies tackle AIDS in the workplace.

For more information see www.weforum.org/en/initiatives/globalhealth

The Business Alliance Against Chronic Hunger (BAACH) was initiated by Forum member companies and partners to develop sustainable, scalable business-led solutions to poverty and hunger. The initiative works on three levels: it builds networks of global and regional leaders to galvanize public-private collaboration to address hunger and food security; it defines practical business models to reduce hunger and poverty worldwide; and it catalyses action on the ground in Africa. The Alliance has focused initial action work in Kenya, where a group of 30 companies and organizations are leading 14 pilot initiatives in Kenya's poorest district, Siaya, during 2008.

For more information see www.weforum.org/en/initiatives/hunger

> Annual Meeting 2008



Industry Agenda

In February, we furthered our Partnering Against Corruption Initiative (PACI), with the first survey of signatory companies. This showed that more than 90% now have formal anti-corruption programmes, one-in-four of which have been verified by an external third party. Almost 140 companies with combined revenues in excess of US\$ 800 billion have now signed up to PACI.

For more information see www.weforum.org/en/initiatives/paci

The Forum's Investors Industry group published *The Global Economic Impact of Private Equity* in January 2008. This examined thousands of transactions involving private equity over almost four decades and provided a valuable analysis of the sector's impact on employment levels and corporate governance.

For more information see www.weforum.org/en/about/centreforglobalindustries

The Forum's Working Towards Wellness initiative partnered with the World Health Organization to help fight conditions such as diabetes, obesity and heart disease, which claim more than 30 million lives each year. The initiative focused on improving health through workplace programmes on diet and exercise. Discussions in Africa, China and India among experts from around the world led to a joint report *Preventing Noncommunicable Diseases in the Workplace through Diet and Physical Activity*, in May 2008.

For more information see www.weforum.org/en/initiatives/wellness

A new roadmap showing how businesses can work with public bodies to improve the environment for sustainable growth was launched at the Annual Meeting 2008. Partnering to Strengthen Public Governance, supported by the CEOs and chairmen of 14 corporations, is the latest strand of the Forum's Global Corporate Citizenship initiative.

For more information see www.weforum.org/documents/pr/gcci_report_20080111.pdf

> Mahdi Hadavi, Theodore Cardinal McCarrick, Abdullah Ahmad Badawi, Tony Blair and David A. Harris at the "Faith and Modernization" session at the Annual Meeting 2008



Our communities – working with our members and partners

At the Forum's core are its Members and Partners. These communities grew strongly this year, enabling us to accelerate work on existing industry and global agendas and to embark on initiatives in new sectors.

> Annual Meeting 2008



“In 2007-2008 the number of Strategic Partners increased from 71 to 95 companies – a rise of over one third.”

The World Economic Forum provides a unique platform for business to engage as a key global stakeholder. Private sector organizations are involved in the Forum at varying levels of engagement.

Members

Our 1,000 member companies represent the foremost global companies committed to improving the state of the world. They are a tremendously and increasingly diverse group, drawn from all industries and all regions of the world. They are at the heart of all our activities and provide invaluable support to our mission.

This year we welcomed 100 top companies, drawn from over 18 industries, including over one quarter from emerging economies.

Industry Partners

Many of our members elect to become more deeply involved in the Forum's activities and initiatives through our Industry Partnership Programme. These Industry Partners are actively involved in the Forum's activities, including industry-specific issues, cross-industry efforts and globally relevant strategic challenges.

Now in its third year, the number of Industry Partnerships grew by 37% to 269, spread across 18 industries. These companies contributed to over 25 active initiatives, as outlined in “Shaping the Industry Agenda” (page 27).

Strategic Partners

Our Strategic Partners represent some of the world's leading corporate citizens and are our most committed members, providing essential leadership in support of the Forum's mission. Our Strategic Partners are a key force in our activities

and communities. They help shape our initiatives, projects and task forces and give intellectual guidance throughout the participation of their most senior executives on steering boards and advisory groups.

This year, the number of Strategic Partners grew 34% to a record 95. The 24 new Strategic Partners represent not only the addition of recognized world leaders, but also an increased commitment from expanding industries like private equity and geographies as diverse as Asia, the Middle East and Russia.

Given the special nature of the Strategic Partnership relationship we have decided to cap the number of Strategic Partners at 100, as we have already limited the number of Foundation members to 1,000 of the world's foremost companies.

Global Growth Companies

Last year, the Forum launched a new community of Global Growth Companies to complement our existing membership base. These GGC companies have the potential to become leaders in the global economy within the next five years. GGCs take an active role in the Forum's regional meetings, using the opportunity to share best practices and meet with global political and business leaders. Members of the Community also hosted several information gatherings around the world, further strengthening community ties.

Since its inception last year, more than 200 companies from more than 40 countries have joined the Forum's Community of Global Growth Companies (GCCs). The Inaugural Annual Meeting of the New Champions in September 2007 formally launched the Community. Highlights included an informal session with China's Premier Wen Jiabao.

> Inaugural Annual Meeting of the New Champions



> Umaru Musa Yar'Adua, President of Nigeria, at the Annual Meeting 2008



New members

100 new members joined the World Economic Forum this year, 35 of these also joined our Industry Partners Programme.

- ABX Logistics Worldwide SA/NV*
- Access Industries Inc.
- Aetna Inc.
- AMB Property Corporation
- Apollo Management LP*
- Ascension Health
- Assicurazioni Generali SpA
- Autodesk Inc.*
- Banco de Chile
- Berggruen Holdings Inc.
- Best Buy Co. Inc.*
- Burger King Corporation*
- Campbell Soup Company*
- Cinven*
- COFCO Limited
- Cognizant Technology Solutions
- Commerzbank AG
- CPP Investment Board
- Creative Artists Agency
- Dangote Group
- DaVita Inc.
- Developers Diversified Realty Corporation
- DLA Piper
- DLF Ltd
- Duke University Medical Center and Health System*
- Ecolab Inc.
- Enel SpA*
- EQT Partners AB*
- Eton Park Capital Management LLC
- Evonik Industries AG*
- First Data Corporation

- Fortis*
- Fortress Investment LLC*
- Gávea Investimentos
- GLG Partners LP*
- Grant Thornton International LLP*
- Greylock
- Grupo Nacional Provincial SAB
- Grupo Televisa SAB*
- Haci Ömer Sabanci Holding AS
- Harman International Industries Inc.
- Highbridge Capital Management LLC*
- Hitachi Ltd
- Huawei Technologies Co. Ltd*
- Iberdrola*
- ICAP Plc
- Immofinanz AG
- IMS - Health
- International Post Corporation (IPC)
- Jones Lang LaSalle Inc.
- Julius Baer Holding Ltd
- Kamaz Inc.
- Khazanah Nasional Berhad*
- Khosla Ventures
- Kohlberg Kravis Roberts and Co.*
- Land O'Lakes Inc.
- Leighton Holdings Ltd*
- Macy's Inc.*
- Massmart Holdings Ltd
- Mérieux Alliance Group
- MetLife Inc.
- Mzabi Group
- Newmark Knight Frank*
- Och-Ziff Capital Management Group*
- OMX AB*
- Orkla ASA
- Pacific Alliance Group

- Pemex - Petroleos Mexicanos*
- ProLogis
- Prudential Plc*
- PSA Peugeot Citroën*
- Quest Diagnostics Inc.
- QVT Financial LP*
- Rich Products Corp.
- Rolls-Royce Plc*
- Samba Financial Group (Samba)
- Sasol Limited*
- Sherpalo LLC
- Sime Darby Bhd
- Simon Property Group Inc.
- SNCF (Société Nationale des Chemins de Fer)
- SOHO China Limited
- Starwood Capital Group
- StratREAL (Strategic Real Estate Advisors Ltd)*
- T. Rowe Price Group Inc.
- Temasek Holdings (Pte) Ltd
- The Pepsi Bottling Group
- Third Avenue Management LLC
- Thomas H. Lee Partners LP
- Towers Perrin
- TVM Capital GmbH
- United Industrial Corporation (OPK)*
- Vestas Wind Systems A/S*
- Walton Street Capital L.L.C.
- Wesizwe Platinum Ltd
- Whitbread Group Plc
- William Morris Agency Inc.
- Wm Morrison Supermarket Plc

For more information see www.weforum.org/en/about/members+and+partners

*have also become Industry Partners

> James Dimon, Chairman and CEO, JPMorgan Chase & Co., at the Annual Meeting 2008



> David J. O'Reilly, Chairman and CEO, Chevron, at the Annual Meeting 2008



Strategic Partners

As of 30 June 2008, the following companies were Strategic Partners of the World Economic Forum

Engaging our communities and our constituencies

Our Members and Partners are supported and complemented by a number of other communities.

> Linah Mohohlo, Governor of the Bank of Botswana, at the World Economic Forum on Africa 2008



Technology Pioneers

The Technology Pioneers programme recognizes companies which are designing or developing technologies that have the potential to change the way business or society works.

Technology Pioneer companies help the Forum identify and address future-oriented issues on the global agenda. In 2007-2008, 39 new companies were identified as Technology Pioneers by a panel of global technology experts. The new intake brings the number identified since the programme's 2000 inception to more than 350.

Technology Pioneers actively participated at the Inaugural Annual Meeting of the New Champions, in Dalian, People's Republic of China, in September 2007, with more than 30 participating in the Annual Meeting 2008.

For more information visit
www.weforum.org/techpioneers

The Forum of Young Global Leaders

Young Global Leaders (YGLs) are a diverse and dynamic community of the world's most promising leaders, all selected before they reach the age of 40.

In March 2008, the YGL nominations for 2008 were announced, with the group of 245 individuals, from 65 countries, including 121 business leaders. The Forum of Young Global Leaders now brings together more than 800 exceptional individuals from business, government, public bodies, academia and the arts.

The third Young Global Leaders Annual Summit took place in Dalian, People's Republic of China, in September 2007. Discussions built on the work of the YGL task force on Future Mapping for the Global Agenda, which seeks to identify major trends in health, education, the environment, global governance, development and poverty.

Other YGL task forces operate in the fields of education, global security, health and development. This year, other new initiatives included the Table for Two initiative. This tackles obesity and life-style related diseases in industrialized countries and hunger and malnutrition in developing countries.

The Diversity Initiative, meanwhile, will highlight the business case for a diverse workforce and create an information hub of case studies of best practice.

2007-2008 marked the inaugural year of the Forum and Harvard's Kennedy School of Government's YGL Executive Education course. More than 110 YGLs completed the 10-day module.

For more information visit
www.younggloballeaders.org

> Manouchehr Mottaki, Minister of Foreign Affairs of the Islamic Republic of Iran, Annual Meeting 2008



> Young Global Leaders at a workshop session at the Annual Meeting 2008



Women Leaders and Gender Parity Programme

The Annual Meeting 2008 saw the first meeting of our Global Gender Parity Group. This community of leaders was established by our Women Leaders and Gender Parity Programme to address the gender gap. Its members are drawn from all sections of society and, fittingly, represent an equal number of women and men.

In Davos, the group examined the challenges and opportunities linked to gender gaps in the workplace, education, politics and health. They exchanged best practice and identified effective strategies to optimize the use of talent. The programme also launched Regional Gender Parity Groups, committed to closing gender gaps in Latin America, the Middle East and Africa.

In 2007-2008, the programme published its third Global Gender Gap report. This captures the size of the sexual divide in 128 countries across four areas: economic participation and opportunity, political empowerment, educational attainment, and health and survival.

The programme remains committed to maximizing women's participation at Forum events. Women's participation at the Annual Meeting has risen from 8% in 2002 to 17% in 2008.

For more information see www.weforum.org/en/communities/women+leaders+gender+parity

The International Media Council

The International Media Council (IMC) is a community of 100 respected and influential media figures, ranging from publishers and editors-in-chief to columnists and bloggers. It meets at the World Economic Forum Annual Meeting and, since 2007, at the Annual Meeting of the New Champions.

At the Inaugural Meeting of the New Champions in September 2007, the IMC's agenda included an evaluation of opportunities for media companies in China with industry leaders from the media and entertainment sector.

At the Annual Meeting 2008, the cornerstone of the discussion was on the future and the value of media. This included a regional perspective from Latin America, with an exchange with Alvaro Uribe Velez, President of Colombia, exploring how the media influences the political process in his country.

For more information see www.weforum.org/en/communities/internationalmediacouncil

128 nations

were assessed in our third Global Gender Gap report to capture the size of the sexual divide in each country.

Schwab Foundation for Social Entrepreneurship

The Forum works closely with The Schwab Foundation for Social Entrepreneurship to highlight leading innovators who have combined business principles with a public purpose. Social entrepreneurs address the world's most pressing problems with solutions that are sustainable, replicable and measurable.

The Foundation searches for, and selects, world-class social innovators through its Social Entrepreneur of the Year competitions. In 2007-2008, the Foundation screened more than 1,300 applications to pick 27 social entrepreneurs from around the globe. The chosen entrepreneurs are invited to the Annual Meeting and to Forum regional meetings.

Initiatives this year included:

- ▶ The instigation of more than 70 social entrepreneur/business partnerships
- ▶ A social entrepreneur workspace session at the India Economic Summit
- ▶ The linking of social entrepreneurs with more than US\$ 50 million of capital to help them grow their ventures
- ▶ A Social Entrepreneur Summit in January 2008 in Rüschiikon, Switzerland

For more information visit www.schwabfound.org

“I had the privilege to participate in the launch of the Global Gender Parity Group – a topic I feel has been neglected for too long – and to witness the commitment the Forum put behind it.”

Orit Gadiesh, Chairman, Bain & Company Inc

> Soud Ba'alawy, Executive Chairman, Dubai Group



> WorkSpace session 2008



> William H. Gates III and Professor Klaus Schwab at the Annual Meeting 2008



Shaping the global agenda

The World Economic Forum works with global leaders throughout the year. Our meetings, initiatives and online networks provide a unique environment where leaders can engage with peers from all parts of society and the globe in a spirit of collaboration and openness.



"The World Economic Forum on Latin America 2008 will help us all build a much better Latin America."

Felipe Calderón
World Economic Forum on Latin America 2008



"The light of liberty is beginning to shine in the Middle East... Nations have the opportunity to move forward with bold reforms."

George W. Bush
World Economic Forum on the Middle East 2008



"It is critical to combat terrorism to enhance security and encourage investment."

Alvaro Uribe Velez
World Economic Forum on Latin America 2008



"Governments should join with the private sector, NGOs and faith groups in a common approach to issues such as water and health."

Gordon Brown
World Economic Forum Annual Meeting 2008



"Our meeting has a positive impact on the business environment in Russia and its investment component."

Dmitry Medvedev
World Economic Forum Russia CEO Roundtable 2008



"Collaboration is the keyword to progress on the issues of climate change, Africa's development and the global economy."

Yasuo Fukuda
World Economic Forum Annual Meeting 2008



"There is much better clarity in the political leadership on the African continent about where we need to go."

Thabo Mbeki
World Economic Forum on Africa 2008



"The World Economic Forum New Champions are new forces in the changing world economic environment."

Wen Jiabao
Annual Meeting of the New Champions



"Let us invest in our young people, work with them, listen to them, tap their energy and respect their hopes."

H.M. King Abdullah II
World Economic Forum on the Middle East 2008



"The challenge is now to the developed world, bring down your emissions and we will stay below that."

Palaniappan Chidambaram
World Economic Forum Annual Meeting 2008



"Not one challenge in the world today will get better if we approach it without confidence in the appeal and effectiveness of our ideals."

Condoleezza Rice
World Economic Forum Annual Meeting 2008



"I speak to those most vulnerable to climate change, who suffer the most grinding poverty. Let 2008 be the year of the bottom billion."

Ban Ki-moon
World Economic Forum Annual Meeting 2008



"There must be a breakthrough that can convince Congress, US farmers and other economic actors there is enough in a Round package for them."

Susan Schwab
World Economic Forum Annual Meeting 2008



"We must harness the resources and skilled manpower and involve our people more in development."

Raila Odinga
World Economic Forum on Africa 2008



"If you could just direct 1% of sovereign assets into investment opportunities in Africa, you could put US\$ 30 billion into African development."

Robert Zoellick
World Economic Forum Annual Meeting 2008



Shaping the global agenda

The greatest challenges facing humanity can only be addressed collaboratively. The Forum helps facilitate collaborative dialogue and action throughout the year by bringing leaders together to address fundamental global issues, such as the environment, economy, resource shortages, health and education.

> Hamid Karzai, President of Afghanistan, at the Annual Meeting 2008



World Economic Forum Annual Meeting 2008

The Annual Meeting once again provided an unrivalled platform for leaders from all walks of life to shape the global agenda. More than 2,400 participants assembled in Davos in January, tapping into the collective wisdom of leaders from business, government, the media, academia, the arts and civil society.

This year's gathering, the 38th Annual Meeting, took The Power of Collaborative Innovation as its principal theme. The absence of leadership and stewardship at the global level is seen as a major obstacle to making progress on the global agendas. Collaboration and innovation are at the core of the Forum's multistakeholder model and this year's theme resonated with the leaders in Davos, as they sought new ways to address global challenges together.

Up to and during the Annual Meeting, world events continued to reshape the agenda. First and foremost was the intensifying global liquidity crisis, triggered by the collapse of the US sub-prime market the previous year. The credit drought in mid-January confirmed that global financial markets were navigating uncharted waters and that underlying risk management models should be renewed.

The Forum's Global Risk Network provided a timely contribution to the debate with its *Global Risks Report 2008*, including a special focus on systemic financial risk. Among the sessions addressing this challenge was the World Economic Brainstorming (WEB), which brought together 200 economists, policy-makers and executives to map out critical obstacles to growth in the coming year. And, in a first for Davos, the heads of major sovereign wealth funds also participated in cross-industry discussion covering a broad range of economic topics.

Concerns over market volatility and systemic financial risk captured headlines early on in Davos, but the leaders taking part were continually mindful of the broader global agenda. In the opening session, US Secretary of State Condoleezza Rice observed that "what comes front and centre for all of us is the turbulence – political and economic – in our world". The presence of Hamid Karzai, President of Afghanistan, and Pervez Musharraf, President of Pakistan, also served to remind participants that international efforts to bring stability to those two countries were far from resolved, given the dangerous revival of terrorism and extremism.

Climate change too remained a high priority at the Annual Meeting 2008, which closely followed on from the UN Climate Change Conference in Bali, Indonesia. There was great interest in understanding exactly what framework for reducing global emissions will emerge to succeed the current Kyoto Protocol by the end of 2009.

In a timely address, Prime Minister Yasuo Fukuda of Japan, the host of the G8 Hokkaido-Toyako Summit in July, chose Davos to launch a Cool Earth Promotion Programme. The programme focuses on three areas, energy efficiency, emission reduction and innovation. In support of the programme, the premier announced a new Japanese fund, the Cool Earth Partnership, offering US\$ 10 billion for clean energy technology and emissions reduction projects.

The Forum maintained its climate change link with the Japanese premier after Davos, in the run-up to Japan's hosting of the G8 summit. In June 2008 Executive Chairman Klaus Schwab presented Fukuda with a detailed list of climate change recommendations to feed into the G8 agenda.

2,400

leaders from the worlds of business, government, the media, academia, the arts and civil society participated in our Annual Meeting.

> Annual Meeting 2008



The pragmatic recommendations were drafted by more than 100 CEOs and chairmen of leading companies, as part of the Forum's Gleneagles Dialogue Initiative.

Other environmental concerns on the Annual Meeting agenda were food and energy shortages. Water scarcity was another worry, with fears that future conflicts could be fought to secure supplies. In his first appearance at the Annual Meeting as United Nations Secretary-General, Ban Ki-moon warned: "Population growth will make the problem worse... as the global economy grows, so will its thirst." Ban cautioned that "many more conflicts lie just over the horizon" and highlighted the fact that the Millennium Development Goals (MDGs), which call for halving the proportion of people without access to safe drinking water by 2015, were key to avoiding such conflicts.

The secretary-general also announced in Davos that he would gather world leaders at the UN this September "for a critical high-level meeting on the MDGs, focusing in particular on Africa".

In this context, the Annual Meeting highlighted the fact that industry has an important role to play in addressing such global issues. Business leaders expressed willingness to develop frameworks for engagement around the concept of corporate global citizenship. In a related vein, the chairmen and CEOs of 14 global corporations were founding signatories to Partnering to Strengthen Public Governance, a new roadmap showing how businesses can work more effectively with public bodies.

In 2008, for the first time, the Forum invited the public to participate directly in the Annual Meeting. Through a link-up with YouTube, people around the world were invited to record their answer to the Davos Question: What one thing do you think that countries, companies or individuals must do to make the world a better place in 2008? There were more than 7 million visits to the site and a selection of responses from the public were shown to the Annual Meeting. Many participants, including rock star Bono and Israeli President Shimon Peres, recorded their own answers.

For more details see
www.youtube.com/thedavosquestion

Open Forum Davos 2008

The Open Forum, organized in cooperation with the Federation of Swiss Protestant Churches, runs concurrently with the Annual Meeting. It offers a possibility for an open debate between members of the public and participants at the Annual Meeting on globalization and its consequences.

The Open Forum 2008 again attracted a wide range of local people from all walks of life. More and more travelled to Davos specifically to participate in the Open Forum, including a group of students from Geneva's international school.

Topics covered in the seven sessions included the resurgence of religions, the role and impact of private equity and hedge funds, the US after the 2008 presidential elections, the climate change divide and virtual worlds. In all cases, the Open Forum allowed in-depth conversations and lively discussions between the public and participants of the Annual Meeting.

"The challenges to ensuring access to medicines, vaccines and quality healthcare in the developing world are complex. Sustainable solutions will only come from building partnerships that implement comprehensive approaches."

Richard T. Clark, Chairman, President and Chief Executive Officer, Merck & Co.

Panellists included: Mohammad Khatami, President of the Islamic Republic of Iran (1997-2005); Howard B. Dean Chairman, Democratic National Committee, USA; Pascal Couchepin, President of the Swiss Confederation, Federal Department of Home Affairs, Switzerland; Achim Steiner, Executive Director, The United Nations Environment Programme, and Reid Hoffman, Chairman and President of the LinkedIn Corporation, USA.

Annual Meeting of the New Champions

The Inaugural Annual Meeting of the New Champions, a "Summer Davos", took place in Dalian, China, in September 2007. This event brought together the Forum's Global Growth Companies, our new community of fast-growing businesses, along with Technology Pioneers and Young Global Leaders. The communities were also joined by leaders from some of the world's most dynamic cities and regions.

More than 1,700 people, representing 90 nations, attended. The first 125 Global Growth Companies, 40% of which were Asian businesses, were welcomed into founder membership in Dalian. These New Champions were able to share ideas with each other and with representatives of established businesses – a true mixing of the old and new economies.

Wen Jiabao, Premier of the People's Republic of China, told participants that his country recognised the need "to co-operate with the international community on the basis of equality and mutual benefit to promote balanced, universal and win-win progress in economic globalization". Addressing the role of the New Champions, he praised the Forum for reflecting the international community's "strong desire to establish a new international economic order".

The Dalian summit also allowed the Forum to continue to expand its efforts in health. Its Global Health Initiative delivered Health@Dalian, a series of high-impact public and private sessions on both chronic and infectious diseases. And the Forum's Young Global Leaders used the gathering to launch "Table for Two", a two-pronged initiative that aims to tackle obesity in developed nations and hunger in the developing world by encouraging healthy eating in company cafeterias and restaurants. For each meal consumed, 20 cents is donated to fund healthy school meals in a developing country. The Forum and the World Health Organization also collaborated on a two-day conference in Dalian highlighting effective workplace wellness programmes.

The resounding success of the event set a strong precedent for the Second Meeting of the New Champions, taking place in Tianjin, China, in September 2008.

For more information see
www.weforum.org/en/events/archivedevents/annualmeetingofthenewchampions

> Shimon Peres, President of Israel, at the Annual Meeting 2008



> Wen Jiabao, Premier of the People's Republic of China at the Inaugural Annual Meeting of the New Champions



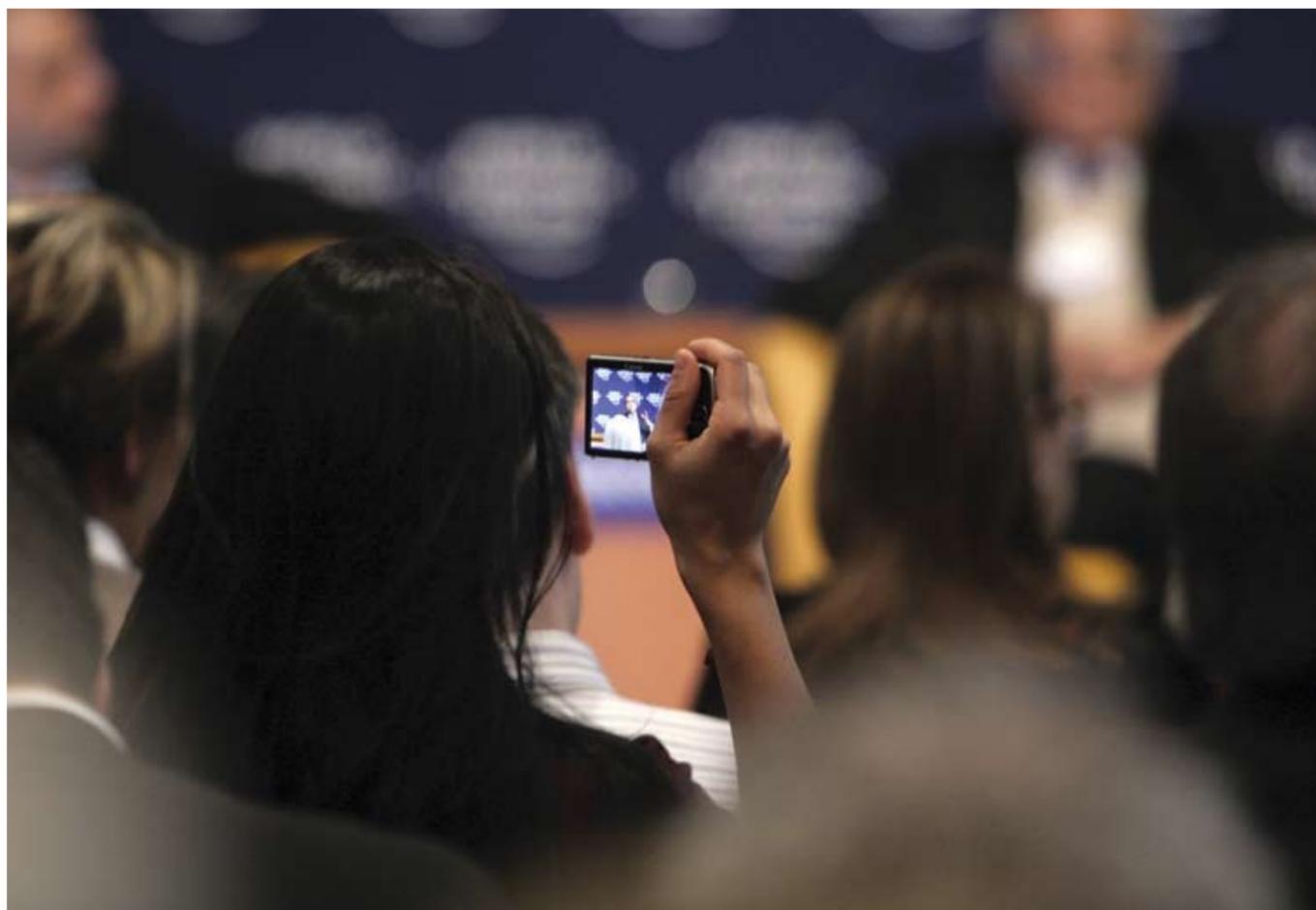
> Tony Blair, Middle East Quartet Envoy and Member of the Foundation Board of the World Economic Forum



Facilitating international private-public partnerships

Much of the work of the World Economic Forum is done away from the media spotlight. Throughout the year our Members and Partners work alongside governments, academics and public bodies on important programmes and initiatives that help tackle major global issues.

> Annual Meeting 2008



This year, the following programmes were particularly active:

Global Health Initiative (GHI)

The GHI's mission is to engage businesses in public-private partnerships to tackle HIV/AIDS, TB and malaria and to improve health systems. www.weforum.org/en/initiatives/globalhealth

"Sustainable solutions will only come from building partnerships that implement comprehensive approaches drawing on the complementary expertise of all stakeholders. Through the GHI, the Forum has created new public-private partnerships and led the way in understanding how to make such collaborations work effectively."

Richard T. Clark, Chairman, President and CEO, Merck & Co.

Climate Change Initiative

The Route to Copenhagen Climate Change Initiative will catalyse public-private workstreams to provide pragmatic recommendations to help governments negotiate the successor to the Kyoto Protocol, at a major December 2009 UN meeting. www.weforum.org/en/initiatives/ghg

"Business is a very important actor when it comes to fighting climate change. It's good to see that so many companies have come together to deliver a solid statement to the G8 leaders and are ready to step up to their responsibilities."

Peter Bakker, CEO, TNT

Energy Poverty Action (EPA)

EPA delivers business expertise and best practice to reduce energy poverty by developing innovative, scalable and replicable energy projects. www.weforum.org/en/initiatives/energypovetryaction

"Eskom has actively participated in Forum initiatives, such as EPA. We are proud that through this concerted effort, with other Forum partners, EPA has made major progress in developing energy solutions for marginalized rural communities in sub-Saharan Africa."

Jacob Maroga, CEO, Eskom Holdings

Global Education Initiative (GEI)

The GEI aids the roll-out of relevant, sustainable and scalable national education sector plans by catalysing partnerships between the private and public sectors. www.weforum.org/en/initiatives/gei

"As a GEI steering board member, we have seen the power of multistakeholder partnerships to improve the quality of education and to enable today's students to play a central role in growing the global knowledge economy."

Craig Barrett, Chairman, Intel Corporation

Business Alliance Against Chronic Hunger (BAACH)

BAACH is a cross-industry, multistakeholder initiative that harnesses business expertise to generate market-based solutions that alleviate deprivation. www.weforum.org/en/initiatives/hunger

"The Business Alliance Against Chronic Hunger is a pioneering initiative to develop business solutions to hunger and poverty that are sustainable for both the community and the company."

Michael Treschow, Chairman, Unilever

Community of West and Islam Dialogue (C-100)

The C-100 is a community of business, political, religious, media and academic leaders that promotes dialogue and understanding across different segments of Western and Muslim society. www.weforum.org/en/communities/c100

"A major milestone in the C-100's work has been the publication of our first annual report. The growth of the profile of this unique community reflects the Forum's sustained commitment to this vital arena of our time."

Lord Carey of Clifton, Archbishop of Canterbury (1991-2002)

Managing Our Future Water Needs Initiative

The Water Initiative aims to secure safe, sustainable water for all by raising awareness, leveraging the competencies of international business, and catalysing new multi-stakeholder platforms. www.weforum.org/en/initiatives/water

"When society faces global challenges like water scarcity, we all need to come together to leverage our individual efforts. Business leaders have a critical role to play. Supporting the communities we serve is not just enlightened self-interest, it is quite literally self-interest."

E. Neville Isdell, Chairman and CEO, The Coca-Cola Company

> Wendy Luhabe, Chairperson, Industrial Development Corporation, South Africa, and Co-Chair of World Economic Forum on Africa 2008



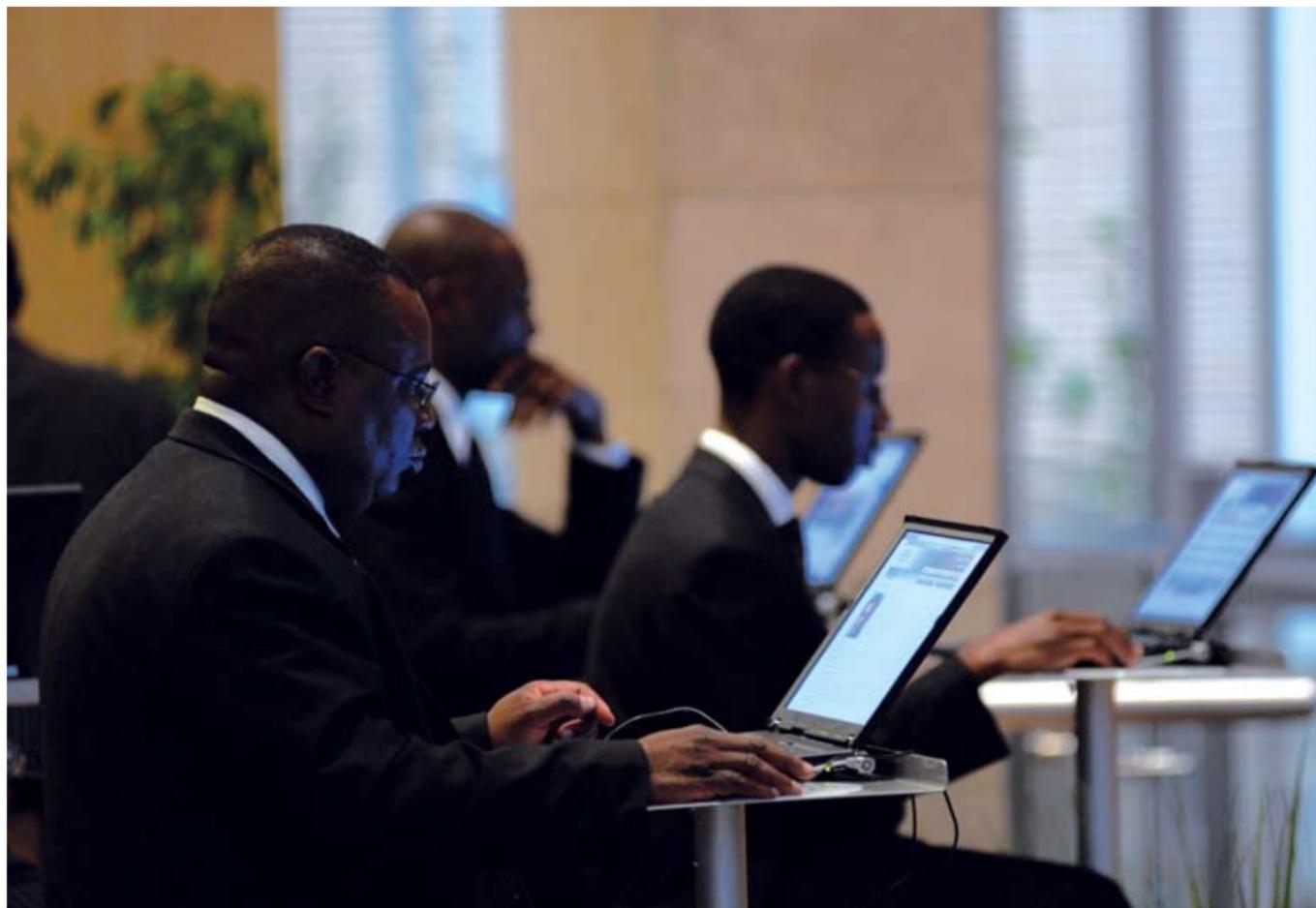
> Annual Meeting 2008



Shaping the regional agenda

The Forum's programme of annual summits complements our Annual Meeting by focusing attention on key regions. In 2007-2008, more than 4,000 leaders, from all parts of society, participated in a number of regional events.

> World Economic Forum on Africa 2008



World Economic Forum India Economic Summit

More than 800 leaders from 40 nations gathered in New Delhi in December 2007 for the 23rd India Economic Summit.
www.weforum.org/en/events/archivedevents/indiaeconomicssummit2007

"As India continues to expand its global leadership, we must work with its leaders to balance its rapid growth with continued commitment in areas of social responsibility."

Hector Ruiz, Chairman and CEO of AMD and Summit Co-Chair

World Economic Forum on Latin America

Our Latin America meeting took place in Cancun, Mexico, in April 2008. The event explored the topic "Securing a place in an uncertain economic landscape". www.weforum.org/en/events/worldeconomicforumonlatinamerica2008

"This meeting will help all of us build a much better Latin America, one that looks to the future with optimism."

Felipe Calderón, President of Mexico and meeting host

World Economic Forum on the Middle East

US President George W. Bush was one of 12 national leaders at the World Economic Forum on the Middle East in Sharm El Sheikh, Egypt, in May 2008.
www.weforum.org/en/events/archivedevents/worldeconomicforumonthemiddleeast2008

"One of the goals I have for this summit is to give greater visibility to innovative, market-based approaches to social and environmental problems."

Paul Rice, President and CEO, TransFair and meeting Co-Chair

World Economic Forum on Africa

The theme "Capitalizing on opportunity" engrossed 900 leaders from 50 countries at the meeting in Cape Town, South Africa, in June 2008.
www.weforum.org/en/events/worldeconomicforumonafrica2008

"In the globalized era of the 21st century, government alone cannot do everything and how to bring other partners into the process of responsible decision making is a very big challenge, one which the World Economic Forum is helping to lead."

Sadako Ogata, President, Japan International Cooperation Agency and meeting Co-Chair

World Economic Forum Russia CEO Roundtable

In June 2008, around 80 CEOs and chairmen from Member companies met with the new Russian President Dmitry Medvedev, in St Petersburg, just one month after his inauguration.
www.weforum.org/en/events/archivedevents/worldeconomicforumrussiaceoroundtable2008

"We were deeply impressed by the president's knowledge of the business challenges and opportunities in Russia and his willingness for an open and transparent dialogue."

Muhtar A. Kent, President and COO of The Coca-Cola Company and roundtable Co-Chair

World Economic Forum on East Asia

Leaders from 25 nations gathered in Kuala Lumpur, Malaysia, in June 2008 to discuss the meeting's topical theme "Responding to new uncertainties".
www.weforum.org/en/events/archivedevents/eastasia

"This meeting is a good opportunity to study what changes are happening in the region and how we can collaborate to affect its politics and economics."

Takao Kusakari, Chairman, Nippon Yusen Kabushiki Kaisha (NYK Line) and meeting Co-Chair

> Professor Klaus Schwab and US President George W. Bush, World Economic Forum on the Middle East 2008



> Outside the Sharm El Sheikh International Congress Center, World Economic Forum on the Middle East 2008



Shaping the industry agenda

Our strong partnership with industry, across all sectors and geographies, is central to our mission. In 2007-2008, we continued to shape the industry agenda, expanding our relationships with established global businesses and developing a new community of emerging and growing companies.

> Workshop at the Annual Meeting 2008



Industry Partnership Programme

Our Industry Partnership Programme grew strongly over the past year with a 37% increase in the number of partnerships. It now incorporates 269 partnerships across 18 industries, an intensive programme of meetings, and more than 25 specific projects.

Four industry sectors – energy, financial services, information technology and investors – now have more than 30 companies, enabling these groups to effectively represent their global industry. As well as representing individual sectors, however, their programme also provides a shared platform for collaboration between industries.

During 2007-2008, the programme coordinated initiatives, ranging from major research reports to those designed to have an immediate impact in their target sector. The growing number of members, meanwhile, means we are confident that we will reach our ambitious launch target of 300 commitments by the end of 2008.

The programme is managed in conjunction with our North American affiliate, the World Economic Forum USA, and is led from New York, the headquarters for our Centre for Global Industries.

For more information see www.weforum.org/en/about/industrypartnershipprogramme

Annual highlights included:

- ▶ A call to action at the Annual Meeting 2008 by our Industry Partners to raise awareness about water scarcity and highlight the need for urgent action. The aim is to make water a strategic management issue for both businesses and governments
- ▶ The commissioning of a groundbreaking study on *The Global Economic Impact of Private Equity* by the Investors Industry Partnership. The study shared the work of a distinguished academic team drawn from leading global institutions

- ▶ The Automotive, Energy and Engineering, and Construction partnerships successfully launched the cross-industry SlimCity initiative to focus on energy and resource efficiency in the urban environment.

The International Business Council

The International Business Council (IBC) is a far-sighted community of 100 respected chief executives from all industries. They meet twice yearly for informal and private exchanges.

Topics at the IBC Summer Meeting in 2007 ranged from dealing with the new investor landscape, to finding better ways to combat corruption. The winter sessions, during the Forum's Annual Meeting 2008, included exchanges with the heads of sovereign wealth funds and with Yasuo Fukuda, Prime Minister of Japan.

Some IBC members served as mentors at the Inaugural Annual Meeting of the New Champions in Dalian. Members also took part in the CEO Roundtable in St Petersburg, an opportunity to meet in private with the newly elected President of the Russian Federation, Dmitry Medvedev.

For more information see www.weforum.org/en/communities/internationalbusinesscouncil

> World Economic Forum on the Middle East 2008



Collective intelligence

Our Strategic Insight teams harness knowledge in support of our members, and our wider mission. They build and sustain networks of experts to develop industry and sector knowledge, measure competitiveness and stimulate fresh thinking.

> Michael E. Porter, Wang Jianzhou, Indra K. Nooyi, Gordon Brown, H.M. Queen Rania Al Abdullah, Peter Sands and John T. Chambers at the session “Corporate Global Citizenship in the 21st Century”, Annual Meeting 2008



Global Competitiveness Network

In 2007-2008, the Forum's Global Competitiveness Network extended both its audience and its remit.

The 28th edition of the network's *Global Competitiveness Report* (www.weforum.org/en/initiatives/gcp) was launched in October 2007. The report is widely seen as the key international reference guide to measures of competitiveness, providing global rankings for over 110 indicators. The latest edition features a record 131 economies, up from 125 in 2006. For the first time, its findings are published on a special interactive website: www.gcr.weforum.org

The Global Competitiveness Network embodies the Forum's three decades of experience in analysing the factors that make an economy competitive. By highlighting the strengths and weaknesses of individual economies, our benchmarking reports provide a platform for dialogue and aid effective formulation of improved economic policies and institutional reforms. The Global Competitiveness Network team works with leading academics worldwide to ensure that the latest thinking and research on global competitiveness is incorporated into our reports.

In June 2008, we published our first *Global Enabling Trade Report* (www.weforum.org/documents/getr08_browser). This highlights the key role international trade plays in economic development and was produced in conjunction with the Industry Partnership for Logistics and Transport. It features data, rankings and analysis of the factors enabling trade in 118 economies, as well as fresh thinking and research from prominent trade experts and industry practitioners. We also produced our second *Travel and Tourism Competitiveness Report* (www.weforum.org/en/initiatives/gcp/travelandtourismreport), in March 2008, with the Industry Partners for Aviation, Travel and Tourism.

In April 2008, the Global Competitiveness Network published its seventh *Global Information Technology Report* (www.weforum.org/en/initiatives/gcp/global+information+technology+report) covering 127 economies worldwide. The report, produced in conjunction with INSEAD and sponsored by Cisco Systems, has become the world's most comprehensive and authoritative assessment of the impact of information and communication technologies on development and the competitiveness of nations. The report – themed “Fostering innovation through networked readiness” – emphasizes that a dependable, rapid and accessible IT network is an essential public infrastructure.

We also produced two important national competitiveness studies. At April's World Economic Forum on Latin America in Cancun, Mexico, we presented a white paper: “Assessing the Foundations of Mexico's Competitiveness: Findings from the Global Competitiveness Index 2007-2008”. This study offers a snapshot of Mexico's competitive landscape and suggests priority areas for the design of a national competitiveness strategy. The following month, the Global Competitiveness Network launched the first *Ukraine Competitiveness Report* (www.weforum.org/en/initiatives/gcp/countrystudies).

Global Risk Network

The Global Risk Network marries perspectives on risks from business, expert institutions and academia, and policy-makers. Now in its fourth year, the network's role is growing in importance as new risks arise in areas such as financial stability, water and food supply, and energy security.

The Global Risk Network tracks and evaluates changes surrounding a set of 23 core risks, considering both the probability of risk events occurring and the seriousness of their potential impact. In particular, it explores the links between different areas of risk, including the economic, financial, technological and geopolitical spheres. The result captures how combinations of global risks might play out in different economies and industries.

Our flagship report *Global Risks 2008* (www.weforum.org/en/initiatives/globalrisk) was published in January 2008, in association with Strategic Partners Citigroup, Marsh & McLennan Companies, Swiss Re, Wharton School Risk Centre and Zurich Financial Services. It focuses on four issues where multiple risks converge: systemic financial risks, food security, supply chains and the role of energy. With concerns mounting over write-downs in the financial sector triggered by the sub-prime crisis, sharply rising energy and food prices and increasing pressure on water supply and quality, the analysis was very timely.

As awareness of global risk grows, businesses and governments are increasingly keen to know what systems can be developed to manage these risks. During the course of the year, we ran workshops in China, the US, Europe and India to evaluate the likely evolution and consequences of demographic, political and social trends, the associated risks and how they may be linked.

131 economies

were ranked against 110 indicators of competitiveness in the 28th edition of our Global Competitiveness Report.

> Annual Meeting 2008



Systemic financial risks were under particular scrutiny in 2007-2008. The network launched a dialogue series on the topic which included a workshop at the World Economic Forum on East Asia, as well as a meeting in New York on "Identifying the next crisis: perspectives on systemic financial risk".

Through our Region@Risk series, we extended our analysis of global risks in regional contexts, with reports on India, the Middle East and Latin America. The regional studies provide invaluable insight on risk areas pertinent to each regional context and to channel discussions at the corresponding regional meetings. (For more information see www.weforum.org/en/initiatives/globalrisk/reports).

Scenario planning

The World Economic Forum's scenario planning energizes debate to illuminate the repercussions of today's decisions and, crucially, to bring together stakeholders with diverse world views. Each scenario is a story about the future, it is not a prediction, rather an attempt to sketch the boundaries of what might happen.

In 2007-2008 the scenario planning team worked with the Forum's Industry Partners on five major scenario projects, engaging more than 600 participants in highly interactive and thought-provoking workshops.

> Annual Meeting 2008



Building on The Gulf Cooperation Council (GCC) Countries and the World: Scenarios to 2025 project from 2007, the Forum explored the future of Saudi Arabia, Bahrain and the United Arab Emirates in three separate studies. Each represents a so-called "deep-dive", a focused view on how each nation might look in 2025 under three distinct scenarios for the region. The scenario approach was used to support sessions at the World Economic Forum on the Middle East in May 2008 under the theme "Learning from the Future".

Our Engineering and Construction: Scenarios to 2020 project (www.weforum.org/scenarios) examines the future business environment that those involved in capital-intensive and infrastructure projects will face. The scenarios were constructed over the course of a year through discussions and workshops involving more than 100 industry stakeholders. Outcomes were presented at the Annual Meeting 2008, outlining four possible scenarios for the sector.

The Financing Demographic Shifts: Pension and Healthcare Scenarios to 2030 project (www.weforum.org/scenarios/financingdemographicshifts) examines the future of retirement and health services in a rapidly ageing world. A cross-industry team developed scenarios at the global level, as well as completing country-specific studies of Italy and China. The project includes an overview of strategic options for key stakeholders. An interim report was published at the Annual Meeting 2008, with the full study due to be published at the Annual Meeting of the New Champions in Tianjin, People's Republic of China, in September 2008.

For more information visit:
www.weforum.org/scenarios

> Professor Klaus Schwab at the Annual Meeting 2008



Global University Leaders Forum (GULF)

The Global University Leaders Forum (GULF) adds to the Forum's intellectual capacity and is a community to enhance insights. Presidents of the following universities are members:

- Ecole polytechnique fédérale de Lausanne (EPFL);
- Eidgenössische Technische Hochschule (ETH) Zurich;
- INSEAD;
- Indian Institute of Technology Madras;
- Keio University;
- University of Tokyo;
- Tecnologico de Monterrey;
- University of Tsinghua;
- Peking University;
- National University of Singapore;
- University of Cape Town;
- London Business School;
- London School of Economics and Political Science;
- University of Oxford;
- University of Cambridge;
- Columbia University;
- Johns Hopkins University;
- Caltech;
- Georgetown University;
- Harvard University;
- University of Pennsylvania;
- Massachusetts Institute of Technology;
- Yale University;
- and Brown University.

"Through our Region@Risk series we extended our analysis of global risks in regional contexts, with reports on India, the Middle East and Latin America."

> Annual Meeting 2008



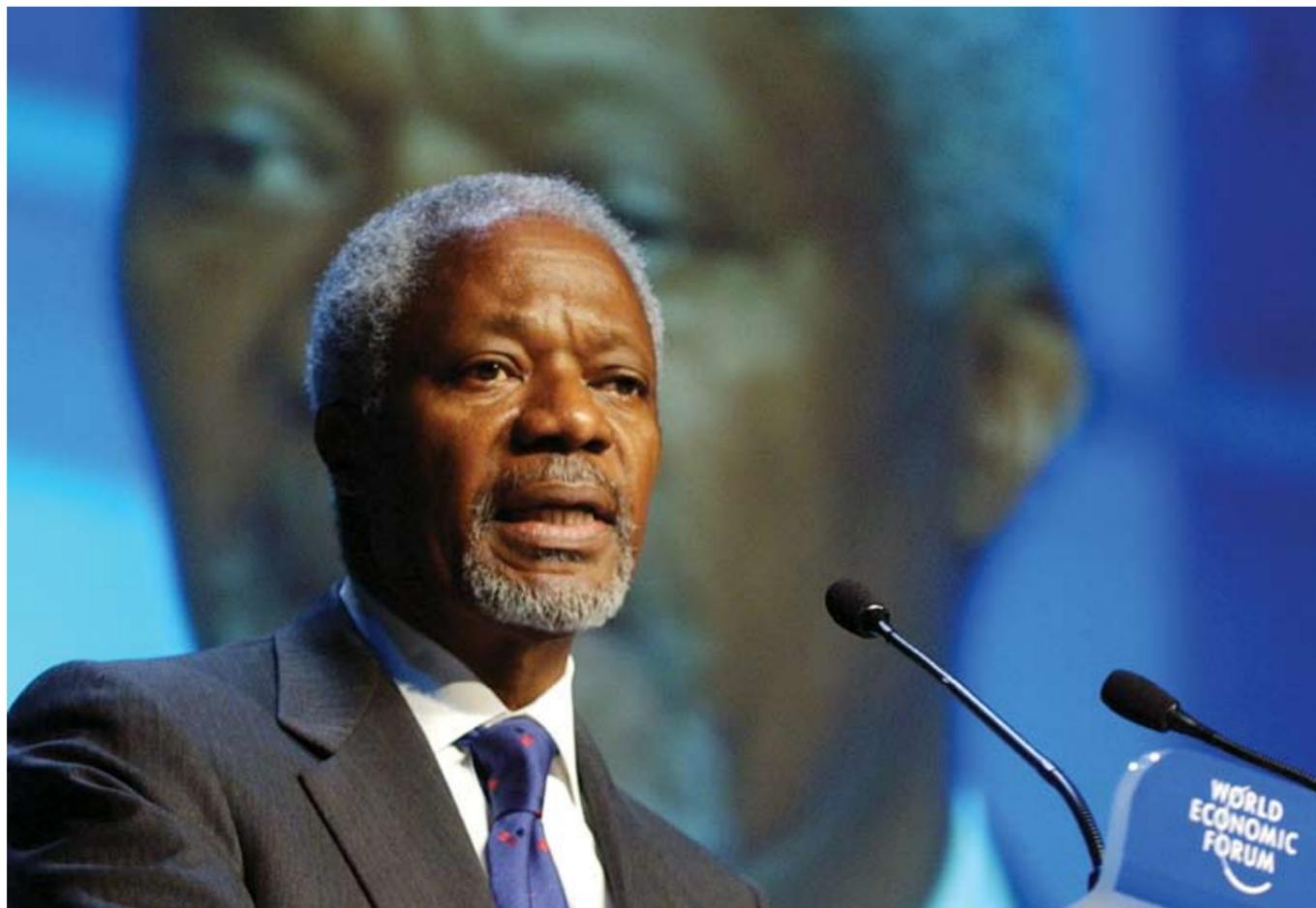
> Annual Meeting 2008



Our organization

An organization is only as strong as its leadership. The World Economic Forum is guided by a Foundation Board of exceptional individuals, who act as guardians of our mission and values and ensure strong corporate governance.

> Kofi Annan, Secretary-General, United Nations (1997-2006) and Kofi Annan Foundation;
Member of the Foundation Board of the World Economic Forum



The Foundation Board

The Foundation Board is responsible for maintaining business and public confidence by ensuring an exemplary standard of governance throughout the Forum. It acts as the Board of Trustees and guardian of the Forum's mission, values and brand.

Foundation Board members are individuals with unique leadership experience from business, politics, academia and civil society. They do not represent any personal or professional interests. Membership criteria include integrity, global vision, leadership experience and engagement in world affairs.

The board supervises the activities of the Foundation and its bodies including approving the strategic direction of the Forum, defining the roles of the Managing Board and committees, and approving the annual accounts and the Foundation's budget.

Each member sits on at least one of the four board committees: the Audit Committee, the Executive Committee, the Strategy Committee and the Programme Committee.

As of January 2008 the board added four new members: Kofi Annan, Secretary-General, United Nations (1997-2006); Susan Hockfield, President, Massachusetts Institute of Technology, USA; Christine Lagarde, Minister of Economy, Industry and Employment of France; and Joe Schoendorf, Partner, Accel Partners, USA.

During the Annual Meeting 2008, Flavio Cotti and Lord Carey whose three terms of three years had come to an end, did not seek re-election. The board expressed its great appreciation for their engagement and friendship.

> H.M. Queen Rania Al Abdullah



On 1 July 2008, the Foundation Board comprised:

- > Klaus Schwab, Executive Chairman
- > Josef Ackermann, Chairman of the Management Board and Group Executive Committee, Deutsche Bank, Germany
- > Kurt Alig, Secretary
- > Kofi Annan, Secretary-General, United Nations (1997-2006)
- > Tony Blair, Middle East Quartet Envoy, United Nations
- > Peter Brabeck-Letmathe, Chairman of the Board, Nestlé, Switzerland
- > Victor L. L. Chu, Chairman and Chief Executive Officer, First Eastern Investment Group, Hong Kong SAR
- > Michael S. Dell, Chairman and Chief Executive Officer, Dell, USA
- > Niall FitzGerald, Deputy Chairman, Thomson Reuters, United Kingdom
- > Orit Gadiesh, Chairman, Bain & Company, USA
- > Carlos Ghosn, President and Chief Executive Officer, Renault, France; President and Chief Executive Officer, Nissan, Japan
- > Rajat K. Gupta, Chairman of the Board, The Global Fund to Fight AIDS, Tuberculosis and Malaria; Senior Partner Emeritus, McKinsey & Company, USA
- > Susan Hockfield, President, Massachusetts Institute of Technology, USA
- > Christine Lagarde, Minister of Economy, Industry and Employment of France
- > Maurice Lévy, Chairman and Chief Executive Officer, Publicis Group, France
- > Nandan M. Nilekani, Executive Co-Chairman, Infosys Technologies, India
- > Ivan Pictet, Senior Managing Partner, Pictet & Cie Private Bankers, Switzerland
- > H.M. Queen Rania of the Hashemite Kingdom of Jordan
- > Joseph P. Schoendorf, Partner, Accel Partners, USA
- > Peter D. Sutherland, Chairman, Goldman Sachs International, United Kingdom
- > Heizo Takenaka, Director, Global Security Research Institute, Keio University, Japan
- > Ernesto Zedillo Ponce de Leon, Director, Yale Center for the Study of Globalization, Yale University, USA

For more information about the Foundation Board, visit www.weforum.org/foundationboard

Managing Board

The Managing Board acts as the executive body of the Foundation. It ensures that activities fulfil the mission of the World Economic Forum and acts as its representative to outside parties. In 2007-2008, the Managing Board consisted of:

- > Klaus Schwab, Executive Chairman
- > André Schneider
- > Richard Samans
- > Børge Brende (since 1 January 2008)
- > Robert Greenhill (as of August 2008)

For more information about the Managing Board, visit www.weforum.org/leadershipteam

Directors

- Mark Adams**
- David Aikman*
- Guy-Serge Baer
- Carine Benetti
- Jennifer Blanke
- Børge Brende**
- Denise Burnet
- Jean-Loup Denereaz
- Laurent Desnoux
- Elizabeth Dreier
- Sherif El Diwany
- Christoph Frei*
- Malte Godbersen*
- Guy Goodwin
- Lee Howell*
- Julianne Jammers
- Stéphanie Janet
- Jeremy Jurgens
- Massimo Marino
- Fon Mathuros
- Fiona Paua*
- Gilbert Probst**
- Rick Samans**
- André Schneider**
- Mirjam Schoening
- Sheana Tambourgi
- Regula Waltenspuel
- Dominic Waughray
- Alex Wong*

* Senior Director

** Managing Director

The Forum Community

The skills, knowledge and dedication of our people are essential to the success of the Forum. They are drawn from diverse international backgrounds and experiences, mirroring our broad global agendas. The first of our Global Leadership Fellows graduated this year, helping shape a new generation of Forum ambassadors.

> World Economic Forum staff



Our people

Our headcount stands at 302 (2006-2007: 277), reflecting the growing needs of our mission and strategy. We continue to attract extremely skilled, motivated and internationally trained people, enhancing our diverse, multistakeholder focus.

Our staff represent 55 nationalities, of whom 58% are women and 83% are graduates, with 7% holding a PhD. The average age of our team is 36.

Global Leadership Fellows

Now entering its fourth year, our Global Leadership Fellows programme is drawing talented young professionals from around the world. The programme aims to develop leaders who are highly competent in both the public and private sectors and well-versed in key global, regional, and industry issues.

Following the first graduation in June 2008, nearly 70 fellows are now working for the Forum.

Fellows are full-time Forum employees for three years, while simultaneously following Master's level coursework. The programme consists of two years of academic courses with a third year dedicated to project work, leadership workshops, coaching and mentorship.

Classes are taught by leading lecturers and tutors drawn from our Academic Partners, which include INSEAD, Columbia University and London Business School.

World Economic Forum, China

Our Beijing Representative Office continued to expand the Forum's membership base in China. The office strengthened our relationships with additional stakeholders including government, academia and civil society.

The Beijing team supports our work with Chinese Forum members, potential members and Global Growth Companies. Another 40 companies have joined the Forum's communities and activities since July 2007.

In partnership with the National Development & Reform Commission, the Beijing office places a strong emphasis on further developing government relations. In the past year, we harnessed wide government support and forged formal working relations with 15 ministries in the Chinese Central Government and over 20 provincial and municipal governments. Chinese Premier Wen Jiabao participated in the Inaugural Annual Meeting of the New Champions in Dalian.

Nationality

American	31
Andorran	1
Argentinian	3
Australian	4
Belgian	2
Brazilian	3
British	25
Cameroonian	1
Canadian	10
Chinese	10
Colombian	1
Croatian	1
Czech	1
Danish	2
Dutch	13
Egyptian	1
Eritrean	1
Ethiopian	2
Finnish	2
French	23
German	22
Greek	1
Guatemalan	1
Hungarian	1
Indian	6
Irish	5
Italian	12
Japanese	5
Kazakh	1
Kenyan	1
Korean South	1
Latvian	1
Lebanese	2
Malagasy	1
Mexican	3
Moroccan	3
New Zealander	1
Nigerian	1
Norwegian	2
Pakistani	2
Polish	3
Portuguese	2
Romanian	2
Russian	2
Singaporean	1
Slovak	1
South African	2
Spanish	11
Sri Lankan	1
Swedish	9
Swiss	54
Thai	1
Tunisian	2
Ukrainian	1
Venezuelan	1
Average age	36

55 nationalities

are represented in our staff, of whom 58% are women and 83% are graduates, with 7% holding a PhD. The average age of our team is 36.

Our financial results

The Forum delivered a good financial performance in 2007/2008, with income up by over 18%. The strong results reflected the continuing success of our activities, including the new Global Growth Companies programme, and the high number of members who demonstrated their commitment to the Forum by becoming Strategic or Industry Partners.

> Artist capturing ideas at a WorkSpace session at the Annual Meeting 2008



Despite the increase in our activities, and the corresponding expansion of our Geneva and Beijing offices, we maintained a tight control on expenditure, with staff costs increasing by under 9% – less than half our rise in income.

As a non-profit organization, we do not focus on delivering surplus. However, the strong year allowed us to add Sfr 2,388,248 to the Foundation reserves, increasing the overall total by 12% to Sfr 22,308,475.

Looking ahead to 2008/2009, despite the more uncertain economic climate, we are confident our prudent financial direction and strong programme will enable the Forum to have another successful year.

Financial policy

Our financial policy indicates that, in principle, members' fees cover operational costs, events are funded through cost contributions and projects are supported by income from partnership contracts.

The World Economic Forum may accept grants, donations, legacies and other contributions or subsidies that are consistent with its mission. The Forum makes no payments to political personalities, parties or other organizations and avoids involvement in national politics.

Auditors

The World Economic Forum's financial results are audited by PricewaterhouseCoopers, which examines the balance sheet and accounts. The *Annual Report*, along with other institutional documents, is submitted to the Swiss Federal Government, which acts as the Foundation's legal supervisory body.

Year	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Total income*	74,058,911	83,336,839	104,766,543	114,574,874	135,658,953
out of which					
members' fees	25,137,257	26,546,382	26,410,294	27,763,874	34,507,970
participation fees	20,543,108	20,824,213	27,063,138	30,160,303	33,760,750
partnership	24,552,385	31,035,927	44,668,943	50,881,934	58,701,386
Total expenditure	72,307,790	82,083,503	102,735,578	111,805,027	133,270,705
out of which					
personnel costs	29,620,236	35,723,308	40,035,452	47,887,856	52,046,876
office costs	9,044,738	9,253,213	12,537,175	11,884,632	14,679,276
activity-related costs	33,642,815	37,106,982	42,732,347	52,032,539	66,544,553
Surplus to be added to the Foundation capital	1,751,121	1,253,336	2,030,965	2,769,846	2,388,248
Foundation capital	13,866,079	15,119,415	17,150,380	19,920,227	22,308,475
Total staff					
full time	134	162	204	247	266
out of which seconded by Forum members	5	5	7	8	11
part time	28	31	25	30	31

These figures refer to the World Economic Forum Geneva only (including its operations in Beijing).

*all key figures in Swiss francs

World Economic Forum USA

The World Economic Forum USA is the Forum's North American affiliate and the headquarters for the Centre for Global Industries. We focus on better serving our members and partners, and integrating industry – and other private sector expertise – into our organization.

> World Economic Forum USA staff



18 industries

are represented by the 279 companies who make up our Industry Partnership Programme.

The Forum USA team made tremendous progress this year. Our Industry Partnership Programme, under which we serve companies from both our New York and Geneva offices, included 269 partnerships – an increase of over 37% from 2007. These partners span a total of 18 industries.

The Centre for Global Industries hosted various events and meetings, published a number of reports and studies and led key task forces and working groups. Highlights included the:

- ▶ Mobilization of a public-private partnership on agriculture water use and water policy reform (Food & Beverage industry group)
- ▶ Establishment of an active working group on Systemic Financial Risk, comprised of private sector risk experts, central banks and finance ministries (Banking & Insurance industry groups)
- ▶ Presentation of private sector recommendations on climate change at a G8 ministerial meeting in Germany (a consortium of multiple industries)
- ▶ Publication of a major research report *The Global Economic Impact of Private Equity* (Investors industry group).

The range and quality of work is a testament to the expanded Forum USA team, which included 44 New York-based staff. These professionals, drawn from around the world, included four secondees from partner organizations.

On behalf of the Forum USA team, I would like to thank all our Partners and other experts who have supported our programmes this year. We look forward to continuing to work together.

Jean-Pierre Rosso
Chairman, World Economic Forum USA

The World Economic Forum USA was incorporated in December 2005 as a non-profit business league based in New York. It is impartial and tied to no political, partisan or national interests. Forum USA is an affiliate of the World Economic Forum, and its relationship is governed by an affiliation agreement, which is a contractual agreement under which the Forum USA coordinates with the World Economic Forum when conducting its activities. It is a non-profit organization under section 501(c) 6 of the Internal Revenue Service Code.

For more information see: www.weforum.org/usa

The Board of Directors of the World Economic Forum USA oversees the overall business and affairs of the organization. It comprises:

- Jean-Pierre Rosso (Chairman)
- Alfred Berkeley
- Alan Boeckmann
- William George
- Rajat Gupta
- Joe Schoendorf
- Kevin Steinberg (Secretary)

Day-to-day operations for the Forum USA are led by a Management Committee, which serves as its executive body. The committee is:

- John Moavenzadeh
- Sarita Nayyar
- Jean-Pierre Rosso
- Kevin Steinberg, Chief Operating Officer

For more information about the Board, officers or staff, please go to www.weforum.org/usa/leadershipteam

Financial results

Year	2007/2008
Total income*	19,177,060
out of which	
members' fees	–
participation fees	–
partnership	15,536,249
other income	3,640,811
Total expenditure	21,186,004
out of which	
personnel costs	6,227,217
office costs	1,289,999
activity related costs	13,668,788
Surplus	(2,008,944)

*all key figures in US\$

The Forum USA's financial results for the 2007-2008 year exceeded its budget, resulting in a net loss of US\$ 2,008,944 from US\$ 19,177,060 in revenues. All Forum USA financials are reported in US dollars, consistent with US GAAP.

The Forum USA's primary source of financial support is membership/partnership dues paid by the Forum's Industry Partners and Industry Associates. In addition, the Forum USA received an initial loan of working capital from the World Economic Forum, which was repaid in June 2008.

Our mission and values

The World Economic Forum is an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas.

The Forum was incorporated by Professor Klaus Schwab as a foundation in 1971 and has its headquarters in Geneva, Switzerland. It is impartial and not-for-profit and is tied to no political, partisan or national interests.

Our culture combines the best elements of entrepreneurship with those of public service. Thus, our motto is "entrepreneurship in the global public interest".

We cultivate public trust by never compromising our institutional integrity. We constantly strive to win the respect of our members and constituents by ensuring everything we undertake is "first in class". We can serve our communities best by making ourselves a role model for a highly interactive, open and fast learning community.

Our mission is best realized through activities which promote economic and social development. We believe that economic progress without social development is not sustainable, while social development without economic progress is not feasible.



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