



5th Asia Europe Business Forum Chairman's Statement

Vienna, Austria, 28-30 September 2000

The Fifth Asia Europe Business Forum (AEBF V) was successfully held in Vienna from 28th to 30th September, 2000. The Forum was chaired by Mr. Helmut List, chairman of AEBF V, and around 200 leading business people and government representatives from Asia and Europe participated.

Important developments both in Europe (e.g. enlargement process, Euro) and in Asia (e.g. regional integration such as ASEAN + 3) render the dialogue between the two regions even more relevant. The business community from Asia and Europe agrees on the importance of the ASEM process and is eager to contribute to it.

Globalisation, the accelerating speed and ease of modern business processes require a dynamic, open and transparent framework for business to flourish. We need to concentrate our efforts to move towards a global framework of rules, procedures and key standards common to all nations and consistent worldwide. In this way, we can realise the enormous potential for business growth, the creation of wealth and the availability of jobs for all citizens in Asia and Europe. We as business people being at the heart of economic activity can provide practical input from first-hand experience for the necessary change.

In the spirit of the ASEM process, we believe ASEM III is an important opportunity to directly present the results of AEBF V to the Heads of State and Government on October 20-21, 2000. More direct interaction between business leaders and government is crucial to the forwarding of the process. We welcome the opportunity for a closer link with senior officials and would call on ASEM leaders to enter into a more structured and more regular two-way dialogue, with the AEBF for the timely implementation of the measures we have proposed. The AEBF welcomes the fact that senior officials have reported on the state of implementation on the recommendations of AEBF IV. We look forward to further reports from senior officials.

We undertake to provide our recommendations and support as clear and specific in a manner as possible with a suggested implementation plan wherever possible.

AEBF V adopted the following recommendations concerning trade, investment, financial services and SMEs;

Trade:

- The possibility of paperless trading on the basis of modern information technologies should be thoroughly and speedily processed by the relevant



authorities of ASEM partners within a period of 2-3 years.

- Concerning the different national product inspection and testing standards, ASEM officials should identify sectors in which testing centres in Asia and in Europe could be accredited to test according to the standards required by the other party.
- Governments should identify in which fields Mutual Recognition Agreements (MRA) could be achieved. Transparency of standards-related regulations should be assured by establishing a database on different standards required by ASEM countries as soon as possible.

Investment:

- Stable legal, political and security framework is acknowledged to be a prerequisite to attract Foreign Direct Investment flows. The adherence to the principles of transparency and non-discriminatory treatments by governments are essential conditions to attract Foreign Direct Investments.
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- The rule of law and the protection of Intellectual Property Rights are underpinning a good investment climate.
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- New and more effective programmes for long-term capital investment should be considered within existing international financial organisations.

Financial Services:

- Strong domestic capital markets will help shield the Asian economies from the impact of future external shocks. Well-developed institutionalised savings mechanism are a key feature of mature capital markets: regional governments should contribute to the developments of such savings mechanisms by providing fiscal and other incentives which would contribute to the growth of mutual funds, pension and insurance products.
- European financial institutions are already contributing to the recovery and recapitalization of Asian banking systems in various ways including direct equity investment, joint ventures and technical assistance agreements. AEBF believes that the growing participation of European banks in Asia should be encouraged with particular emphasis on the benefit of sharing their experience in the area of risk assessment and management, recognising the paramount importance to the Asian region of addressing with finality the problems of non-performing loans (NPL).

SMEs:

- SMEs need to have better access to specific financing schemes provided by governments.



- In order to increase the quality of human resources, incubation centres should organise training programs on managerial and technological skills, and governments should minimise entry barriers for business co-operation with SMEs, such as joint ventures, technical co-operation, marketing co-operation and exchange programs.

AEBF V adopted the following recommendations concerning Information Technology, Life Sciences and Physical Infrastructure:

Information Technology:

- AEBF expresses its support for the work of the Global Business Dialogue on e-commerce. Asian and European governments and businesses should proactively work together to develop a set of internationally applicable rules in the fields of data protection and consumer privacy, billing and taxation of electronic transactions and dispute resolution in transnational electronic commerce. The OECD Global Action Plan for Electronic Commerce should be regarded as an important guideline for the further development of e.-Business both by governments and enterprises from Asia and Europe. This creates a digital bridge rather than digital divide.
- Both European and Asian enterprises are suffering from a lack of highly skilled persons within the IT, telecom, electronics, communications and "new media" area. The AEBF calls on governments in Europe and Asia to increase investments in education and training and to enable mutual cross-border mobility for highly skilled workforce.
- The next (r)evolutionary step after electronic business will be mobile business. Governments should take actions to foster the development of mobile business, to open licences for UMTS infrastructure operations at reasonable costs and to enable mobile communication for everyone throughout Asia and Europe.
- In order to stimulate the use of Information Technology by business and consumers, a move to e.- government seems indispensable. Such a move would allow for better co-operation between European and Asian governments and stimulate the sharing of ideas and experiences between countries.

Physical Infrastructure:

- The Public-Private-Partnership (PPP) is not "privatisation", it should be understood as a partnership between the private and the public sector.
- In order to manage infrastructures the different social patterns, cultures, traditions, environments and state of development have to be taken into account. Misunderstandings on the nature, the scope, the extent and the forms of PPP have to be overcome. Additional effort has to be made to continue to better appreciate the possible content of PPP. It is impossible to



have a common formula for all countries and all projects.

- AEBF recommends the organisation of seminars including senior officials to disseminate ideas about PPP and draw up a set of "best practices".

Life Science:

- Each country should articulate its own vision and health care delivery. Concerning e.-health, AEBF recommends that governments explore the utility and role of web technology in optimising healthcare delivery.
- Co-operation in the area of R&D especially in the field of Life Science and Health Care Industry should be encouraged. Infrastructure R&D in some ASEAN countries is adequate to support such projects e.g. genotyping and phenotyping to enhance understanding of disease etiology and improve treatment regimes.
- AEBF realises that conventional pricing places these pharmaceuticals beyond the reach of large populations which need them. Conventional pricing also promotes undesirable practices like differential pricing, parallel importation - as well as counterfeiting, which is considered to be criminal. Reference pricing, whilst in appeared valid as a base, is unsatisfactory in that it fails to give due recognition to innovation and the cost of R&D. Therefore AEBF recommends licensing agreements between IPR owners and local manufacturers.
- Recognition of GMP (good manufacturing practice) certification by ASEM countries would add value. AEBF recommends harmonisation of inspection processes in order to avoid unnecessary duplication of studies and thus delays in accessibility for patients.

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