

ASIA-EUROPE BUSINESS FORUM 2018

Connectivity - Building bridges between Europe and Asia

16th Asia-Europe Business Forum Chairman's summary

Connectivity – Building Bridges between Europe and Asia

Business leaders from Europe and Asia met on 18 October 2018 for the 16th edition of the Asia-Europe Business Forum (AEBF). This biennial business forum was organised by BusinessEurope in the margins of the 12th Asia-Europe Meeting (ASEM) in Brussels. High-level business representatives and CEOs from both regions had in-depth discussions under the overall theme “Connectivity – Building Bridges between Europe and Asia”.

A number of political leaders from Asia and Europe delivered keynote speeches to the business community. Nguyễn Xuân Phúc, Prime Minister of Vietnam, Erna Solberg, Prime Minister of Norway, Dato' Lim Jock Hoi, Secretary-General of ASEAN, Violeta Bulc, European Commissioner for Transport and Pavel Telička, Vice-President of the European Parliament delivered their perspectives and visions for a further strengthening of the ties between Asia and Europe. Held one month after the launch of the EU's connectivity strategy, the 16th AEBF was a golden opportunity for leaders from both sides to highlight the enormous untapped potential that still lies in further deepening and expanding the Asia-Europe relationship.

Open and rules-based trade is a key priority for the business community in Europe and Asia. Protectionism is not the answer. Companies are more innovative when there is competition. Consumers have a better choice of goods and services when markets are open to trade and investment.

Connectivity is a key priority in current EU-Asia relations. Many initiatives are currently underway, including projects of the Asian Infrastructure Investment Bank (AIIB), the European Fund for Strategic Investment (EFSI), the EBRD and the European Investment Bank. Several countries have launched their own connectivity strategies, including China, Japan, India, and ASEAN. In September 2018, the EU published its own strategy on how to better connect Europe and Asia. Drawing on the EU's experience of enhancing connectivity within its own borders and in its immediate neighbourhood, the EU's strategy aims to enable sustainable, comprehensive and rules-based connectivity. Business stakeholders welcomed these connectivity initiatives as a way of enhancing sustainable development, and emphasised that they should abide by market rules, transparency, open procurement and a level playing field for all companies.

The Asian and European business leaders took stock of the developments since the previous AEBF and renewed their commitment to boost economic and trade relations as well as to reinforce industrial collaboration in view of a more solid and sustainable integration across the two regions. This summary outlines the main points that were highlighted in the panel discussions at the AEBF. While the first panel discussed how



business and ASEM governments could work together to respond to future challenges and the second panel focused on the role of business in building bridges between Europe and Asia, discussions in both panels revolved around the theme of the forum – connectivity.

Panel on how business and ASEM governments can work together to respond to future challenges

- Intensify economic cooperation between Asia and Europe and strengthen trade and investment relations between the regions, including projects to enhance regional connectivity;
- Concluding ambitious trade and investment agreements will open new opportunities for European and Asian companies especially SMEs to develop closer cooperation, foster growth, jobs and innovation in a level playing field.
- Establish sound and stable macro-economic policy, an institutional, legal and regulatory framework which is transparent, consistent and stable as well as free, rules-based and non-discriminatory;
- Promote transparency and non-discrimination in public procurement, including on infrastructure projects, improved interoperability, implementation of common international standards, energy efficient solutions and use of sustainable finance;
- Promote cooperation between regulators and standard-setting agencies to counter market fragmentation and prevent barriers to trade and investment;
- Encourage the use of fresh sources of capital, including blended finance and innovative financing mechanisms, the emergence of new business models, the development and integration of new technologies;
- Improve the quality of projects with the help and advice of international institutions as well as representatives from the public and private sectors.
- Implement legal and administrative changes to speed up planning, procurement and implementation of publicly funded projects and execute well-structured contracts in a reasonable lead time;
- Make use of new technologies and new schemes to enhance efficient use of infrastructures and better manage demand;
- Recognize energy connectivity as a crucial aspect of physical and institutional connectivity. Intensify efforts for hard and soft infrastructure for cross-border energy transmission and energy security;
- Different connectivity plans should not be positioned against one another, but governments should rather see how such efforts can complement each other to achieve the most efficient results in terms of economic development for all.

Panel on the role of business in building bridges

- Transport and information and communication technologies create connections between people. Companies are essential in building the networks, physical or



digital, that are needed to make connections between Europe and Asia faster, more effective and more sustainable;

- With the trend on energy markets going towards renewable energies, the private sector in Europe and Asia has a key role in developing renewable sources of energy and is showing a strong commitment. But it also needs predictability in policies in order to calculate the investment risks. Therefore, the public support is crucial for enabling the deployment of renewable energies. Cooperation in the research on and development of these technologies must be strengthened. Only in this way, Europe and Asia can mitigate climate change while securing the supply of energy for the growing demand;
 - Companies are key to develop innovative technologies that will allow a more efficient use of resources, including energy, and smarter solutions to recycle materials and promote a more circular economy.
 - European and Asian companies need to cooperate more on e-commerce. There is an increasing number of digital platforms for goods and services being developed around the world and especially in Asia. Therefore, it is important that we have common rules that can facilitate e-commerce while respecting legitimate data privacy and security concerns and ensuring a level playing field;
 - While governments need to create the right environment, business can bring the most effective solutions for today's and tomorrow's challenges ranging from climate change to cyber security.
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