



11th Asia Europe Business Forum Chairman's Statement

Beijing, China, 21-23 October 2008

The 11th Asia-Europe Business Forum was held in Beijing on October 21-23, in parallel with the ASEM 7 Summit. H.E. Xi Jinping, Vice President of the Peoples' Republic of China attended the opening ceremony and highly appraised the effective role of AEBF. The Forum was chaired by Mr. Wan Jifei, the Chairman of the China Council for the Promotion of International Trade (CCPIT). Over eight hundred leading business representatives and government officials from both Asia and Europe participated in the Forum.

The general theme for AEBF 11 was "Seize the Trend, Time for Action & Public-Private Partnership". This reflected the determination of business circle to reinforce collaborations with government, take effective measures, and actively react to the global economic situation which currently allows no optimism.

H.E. Xi Jinping welcomed recommendations regarding the economic cooperation between Asia and Europe. Chinese government encourages and supports Chinese business circle to actively participate in AEBF, and is willing to provide favourable environment and conditions for Asia-Europe business cooperation. Three hundred AEBF11 participants were invited to attend the Opening Ceremony of the ASEM 7 on 24 October, which showed the importance ASEM leaders attached to the business sector.

The participants expressed great concern with the world economic situation and development trend at the present stage. In addition, in order to promote further development for Asia-Europe cooperation, the participants agreed that both ASEM members should utilize this platform to strengthen regional cooperation, and construct a healthy, stable, controllable and predictable business environment.

In view of that, the Forum set up five Working Groups to launch discussions on issues of common concern, including Financial Security, Energy Cooperation, SME Development, Trade and Investment Facilitation and Environment and Climate Change.

On the basis of the two-day discussions, the AEBF produced a set of recommendations to be submitted to the Heads of State and Government. Mr Wan Jifei, the Chairman of AEBF11 and CCPIT, will present these recommendations to the ASEM 7 Summit.

The key messages of AEBF11 are the following:

- Firstly, the world economic situation allows no optimism at the present stage. It is the responsibility of government to maintain economic stability. Immediate actions and effective measures are in great need to save market confidence.



The business circles are willing to be in line with government initiatives and make their efforts to restore the financial viability and business activities.

- Secondly, in the context of economic globalization, the effort of a single country will hardly take effect, but the give-up of any one would definitely bring negative impacts on the others. Therefore, ASEM members should rely on this platform to seek a new model for regional cooperation and better support the development of business cooperation within the region.

In addition, each working group produced the following recommendations:

FINANCIAL SECURITY

- We call for the establishment of an Emergency Funding Mechanism with clear procedures for speedy approval for countries that are facing systemic risk to their financial systems. The co-operation of ASEM member countries in this respect should be widely profiled in order to create confidence for people that countries cannot collapse;
- We would urge governments to intervene proactively by using fiscal and monetary policy to spur the real economy when it becomes adversely affected by the financial crises;
- Better global communication and co-operation on macro & micro surveillance with a view that the standards of these surveillance and early warning signals should be standardized. Any standards (including ethics) and regulation framework (e.g. Basle II) to be created out of this co-operation should include the views of large emerging economies like China and India;
- We are of the view that there is no need for more regulations, but better and more comprehensive regulatory framework and enforcements which are more evenly applied and implemented across different countries. We recommend that rating agencies should also be regulated on a global standardized basis;

ENERGY COOPERATION

- To initiate and implement sustainable energy strategy, putting emphasis on the development and utilization of renewable energy, as well as the application and popularization of energy conversion, conservation, and storage technology, thus improving energy efficiency; Meanwhile, to carry out economic and technical cooperation in these areas, especially the technical and financial support to the developing members of ASEM;
- To encourage through governmental instruments the commercial development of alternative energy technologies, including:
 - Flexible and investment friendly regimes;



- Tax and subsidy regimes that encourage the emergence of new businesses built on rational economics and sound science and do not negatively affect food supplies;
- Supportive Research and Development programs, encouraging joint research between European and Asian universities, research institutions and businesses;
- Supportive programs for public-private partnerships in the development and operation of early stage alternative energy projects;
- To encourage cross-border enterprises' investment on energy projects in the ASEM region, especially investment on energy efficiency and renewable energy and to put governmental programs in place to encourage this cross-border investment;
- To encourage and support the business/private sector to participate in the energy cooperation of ASEM, to establish effective dialogue mechanisms between the authorities and the business/private sector, and to invite representatives of Asia-Europe Business Forum to attend the official meetings of ASEM in energy cooperation;

SME DEVELOPMENT

- To create a sound social, cultural and legal environment, as well as a fair and transparent market environment for the development of SMEs, and the growth of entrepreneurship, thus fully releasing the vitality of SMEs;
- To improve the infrastructure for the development of SMEs, through exploiting and integrating all administrative and social resources, making full use of the advantages of public goods;
- To intensify the social responsibilities of SMEs and realize the sustainable and harmonious development of enterprises and society;
- To encourage a cooperative relationship between SMEs and large companies for mutual benefits;
- To promote vocational training and experience sharing sponsored by the developed countries at the emerging markets;

TRADE AND INVESTMENT FACILITATION

- To draw up and implement the specific time-table for the Asian-European trade and investment facilitation action plans referring to APEC's Second Trade Facilitation Action Plan (APEC TFAP II), and to identify the range of reducing the transaction cost;
- To urge all ASEM members to further implement the WCO SAFE Framework, and to improve the efficiency in submission of documents for imports/exports



through implementing the Single Window mechanism;

- To hold the ASEM Investment Promotion Agencies Roundtable Meeting, and to conduct dialogue and information exchange among the investment promotion networks of ASEM's members;
- To enhance policy coordination and dialogue in the fields of Ecommerce, standard and conformance as well as intellectual property right, aiming to create a better environment for improving trade and investment facilitation;

ENVIRONMENT AND CLIMATE CHANGE

- To urge all ASEM-members to make all the necessary efforts to reach an agreed outcome on the full, effective and sustained implementation of the convention through long-term cooperation, now, up to and beyond 2012;
- To involve actively the private sector in the elaboration and implementation of ASEM's consensus and objectives in this field;
- To actively promote the cooperation among ASEM members on environment protection, and climate change combat, consistent with the principle of common but differentiated responsibilities and respective capabilities;
- To urge all ASEM-members to secure a true even playing field in import and export of advanced environment-friendly equipments and techniques;
- To enhance the cooperation among EU and member Asian countries in the fields of energy saving and environment protection, new energy development and utilization, and human resource training related to environment protection.

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