

Asia-Europe Vision Group (1999)

FOR A BETTER TOMORROW:

Asia-Europe Partnership
in the 21st Century

Letter of Transmittal to ASEM Leaders

The Asia-Europe Vision Group established at the Second ASEM Summit in London in April 1998 hereby transmits the Asia-Europe Vision Group Report. The Report, a consensus, is signed by all the members who, though appointed by their respective governments, have served in the Group in their individual capacities.

At the inaugural meeting in Bangkok in 1996, the assembled leaders of Asia and Europe called for the development of a comprehensive partnership between our two regions. The Vision Group strongly endorses the view that the time is ripe for a renaissance in Asia-Europe relations. The ASEM process has made an admirable start, with initiatives involving not only government but also the business sector, and embracing culture, the arts and society. The Vision Group believes that ASEM activities must be seen in a longer perspective. There is much to be done to intensify and deepen relations, and the goodwill is there.

While the promotion of trade, investment and technology is important for economic growth and prosperity, closer relations between us must also rest on better awareness and understanding of the cultures of our two regions. Hence the emphasis on people-to-people relations as well as education and science. The Report is inspired by the conviction that the ASEM process now requires an overarching vision of Asia-Europe relations, over the long-term. If accepted by ASEM leaders, this vision can shape the direction of Asia-Europe relations over the next century. This is what we outline in our Report. The Report, drafted over nearly a year, includes nine major recommendations and twenty-two other recommendations in specific policy areas that the Vision Group believes will facilitate the building of mutual trust as well as bring real benefits not only to ASEM partners, but also to the rest of the world.

The Asia-Europe Vision Group is convinced that Asia and Europe can and must make concrete and concerted efforts to create a prosperous common living space in the 21st Century. The Vision Group hopes that the Report will enable ASEM leaders to co-operate in tackling complex and pressing global challenges by expanding the context in which relations between our two regions are to be conducted in the future.

Members of the Vision Group take satisfaction in making this contribution to strengthening ties between Asia and Europe and remain personally committed to the ASEM process.

Sincerely,

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Executive Summary

Asia and Europe find themselves in the midst of an economic, social and communications revolution, set to accelerate. These pose new challenges in the 21st Century. Given their history, cultural strengths and talents, it is imperative that Asia and Europe work together to make a strong and specific contribution, and to address these issues with urgency and tenacity.

Since the inaugural meeting of ASEM leaders in Bangkok in 1996, the ASEM process has got off to a good start. However, it is far from enough. After four years, it is time to move to a new and deeper phase of Asia-Europe relations. This second phase needs to be guided by an overarching vision which articulates the overall goal of strengthening relations between the two regions. It should be the vision which drives the process, and not vice versa.

Our vision is gradually to integrate Asia and Europe into an area of peace and shared development, a prosperous common living sphere in the 21st Century. This is a sphere in which our knowledge, wealth, cultural heritage, democratic ideals, educational assets, intellectual aspirations and our new technologies are closely intertwined and exchanged, without specific barriers or constraints. We envision the active integration of our intellectual forces and a vibrant exchange of culture and the arts between Asia and Europe. We envision correction in today's imbalance in student numbers between Europe and Asia, with a five-fold expansion in student exchanges between the two regions by the year 2025. We also visualise the progressive opening of markets with the eventual goal of free flow of goods and services by the year 2025. Integral to our vision are concrete actions to meet the serious environmental challenges today.

We include in our report nine major recommendations and 22 other recommendations which will help us achieve the vision.

Sustaining Economic Partnership

Liberalisation and Open Markets We need to ensure that liberalisation will continue and that protectionism will not rear its ugly head. It is critical for ASEM partners to undertake early action to reinforce the multilateral trading system and to co-operate to

achieve, as soon as possible, the success of the next round of international trade talks. *At the same time, the Vision Group recommends that ASEM partners set the eventual goal of free trade in goods and services by the year 2025 by adopting a strategic framework for the progressive freeing of trade in goods and services among themselves.*

Asia-Europe Co-operation for Financial Stability *The Vision Group welcomes the introduction of the Euro, and calls for closer macroeconomic policy co-ordination between the major economic players. In the area of international finance, we see a need for Asia and Europe to work together in order to achieve a co-ordinated response matching rapid financial globalisation.*

Enhancing Asia-Europe Trade and Investment Asia and Europe should take a quantum leap in co-operation regarding trade and investment. *The Vision Group recommends that the ASEM Leaders establish Asia-Europe Business Advisory Councils (BACs).* The main objective of the BACs would be to institute high level dialogue to promote Asia-Europe investment, with a membership including national government leaders and the CEOs of companies, domestic and foreign. Other initiatives include an Asia-Europe Trade Week, an ASEM work programme on electronic commerce and the establishment of an ASEM Advisory Network of Senior Executives.

Improved ASEM Infrastructure Framework *The Vision Group recommends that ASEM adopt an improved ASEM infrastructure framework for all key areas (energy, telecom, transport, water, environment, etc.), which are critical to inter-regional trade, technology sharing and investor confidence.* All modes of transportation between Asia and Europe, such as air transport, should be expanded through further liberalisation. Energy-related technology and infrastructure development is also important.

Science and Technology *The Vision Group proposes that an ASEM Information Technology Council be formed comprising members from both the public and private sectors to promote information infrastructure development in such areas as technical standards, electronic translation software and satellite TV broadcasting.* We recommend that the ASEM Ministers responsible for Science and Technology (R&D) meet on a regular basis to discuss common areas of concern. A virtual Asia-Europe Technology Transfer Centre should be established on the Internet.

Meeting the Environmental Challenge

One of the key priorities on the global action agenda is the enormous environmental challenges which both industrialised and developing countries face today. *The Vision Group proposes that ASEM develop closer long-term environmental co-operation: defining priority areas and objectives, with annual reviews, along with specific measures to attain these objectives; developing institutional capacity adequate to implement environmental policies. In order to realise these goals through concrete co-operation, and ensuring symmetry with other current environmental programmes outside the ambit of ASEM, the Vision Group recommends establishment of an ASEM Environment Centre.*

Enhancing Educational, Cultural and Societal Exchanges

The Vision Group believes that educational exchanges lie at the heart of achieving a deeper understanding between Asia and Europe. *To this end, we urge ASEM Leaders, at their meeting in Seoul in 2000 to issue an ASEM Declaration on Education.*

Our vision regarding educational exchanges is three-fold: a significantly better balance in student numbers between Europe and Asia within the next five years; a five-fold increase in the total number of students exchanged between Europe and Asia by the year 2025; and an improved balance between the numbers of Asian foreign students studying in North America and those studying in Europe.

A clear signal of the commitment of ASEM governments to the development of young talent and leadership potential on both sides is now urgent. *The Vision Group recommends creation of a prestigious, high-profile ASEM Scholarship Scheme.* ASEM scholarships will be awarded to the best and brightest of students for postgraduate study on an inter-regional basis, chosen for their quality of intellect and level of attainment.

The Vision Group proposes that the Asia-Europe Foundation (ASEF) be strengthened, so that it can better carry out an extended objective of promoting cultural co-operation and exchange between Asia and Europe. This can be done at ASEM III after ASEF submits a report card on its visions, achievements and aspirations. We also propose a biennial ASEM cultural festival and the establishment of ASEM twin cities.

Promoting Political and Security Co-operation

In order to promote better understanding between the two regions, the Vision Group, subscribing to the guiding principles laid down in Bangkok Summit, sees the dialogue between Asia and Europe on good governance in international relations as part of their political co-operation. *The Vision Group therefore recommends that ASEM Leaders at their meeting in Seoul in 2000 affirm the principles of good governance.*

Given the importance of political and security issues, ASEM should lend itself as a vehicle for political and security dialogue between Asia and Europe at different levels, and encourage, co-ordinate and support the involvement of both governmental and non-governmental organisations in political and security dialogue. ASEM partners could also explore ways and means to promote co-operation between the ASEAN Regional Forum (ARF) and the Organisation for Security and Co-operation in Europe (OSCE).

The ASEM Process

The Vision Group notes that the ASEM process will become more complex, not less. There is a need for a point of co-ordination, a focus for continuity ensuring momentum of the ASEM process and for communication on ASEM activities and achievements. The Vision Group therefore recommends the establishment of a lean but effective secretariat.

ASIA-EUROPE VISION GROUP REPORT

FOR A BETTER TOMORROW

Asia-Europe Partnership in the 21st Century

I. A VISION FOR ASIA-EUROPE RELATIONS

(1) The need for Vision

- 1 Asia and Europe find themselves in the midst of an economic, social and communications revolution, set to accelerate. The rapidly increasing integration of Western Europe and the formidable economic growth of Asia in recent decades have, in the context of globalisation, changed the political and social contours of the two regions. But there are new challenges ahead. While solutions to 21st Century problems will often by definition be global, Europe and Asia, given their history, cultural strengths and talents, must make a strong and specific contribution. Both regions confront multiple and increasingly complex challenges. To meet them successfully – and in turn commend their solutions to others – Asia and Europe must take a major step towards each other.
- 2 In a sense, the choice has been made. During their inaugural meeting in Bangkok in 1996, the ASEM leaders called for the development of a comprehensive partnership between the two regions.¹ In other words, Asia and Europe, through ASEM, have agreed to work together to achieve common objectives and to meet common challenges.
- 3 Since then, the ASEM process has got off to a good start. A number of worthwhile ASEM initiatives involving the government and business sectors in the areas of trade and investment, environment, education, culture and civil society have been launched. Examples include TFAP, IPAP, the Asia-Europe Business Forum, the ASEM Trust Fund, the Asia-Europe Environmental Technology Centre, the Asia-Europe Information Technology and Telecommunications Programme and the Asia-Europe Foundation (ASEF).

¹ In the context of ASEM, Asia is defined as the 10 Asian member states of ASEM. Similarly, Europe is defined as the 15 European member states belonging to ASEM, together with the European Commission. For Asia: Brunei, China, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. For Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, and the European Commission

- 4 This is a good beginning. However, it is far from enough. After four years, it is time to move to a new and deeper phase of Asia-Europe relations. This second phase needs to be guided by an overarching vision which articulates the overall goal of strengthening relations between the two regions. We have been asked not merely to chart where we stand, but where we want to go. It should be the vision which drives the process, and not vice versa. We do not need disorderly multiplication of ASEM activities; rather, systematically to implement projects which can make significant contributions toward achievement of the vision. Much will have to be carried forward by the private sector and on a people-to-people basis, rather than just in government circles.
- 5 Asia and Europe constitute two of the world's most influential regions. This will surely remain the case. A large part of the world's population lives in Asia or Europe. Despite the recent financial crisis, Asia, whether as manufacturer or market for the world's goods and services, is set to grow faster than any other region as the next century unfolds. European monetary union is meanwhile reinforcing Europe's own potential for growth, and enlargement of the Union, as well as integration of the economies of Central and Eastern Europe will further expand the markets of both. Barring totally unforeseen events, even the most conservative forecasts for the next quarter of a century suggest that the economies of Asia and Europe will remain two of the largest and most dynamic in the world.
- 6 Asia and Europe are host to some of the oldest civilisations in the world. Each can point to achievements spanning millennia. Each is acquiring increasingly a sense of contemporary regional identity. There is a widespread perception that, within the structures that give international relations their shape, the Asia-Europe relationship is relatively weak and its potential seriously under-used. We agree. We share the wish to see a better balance in the triangular relationship between North America, Europe and Asia in the interests of global stability. Trade links between Asia and North America, underpinned by the new APEC dimension, are notably strong. Many thousands of Asian students study in North America, contributing to a growing cultural understanding across the Pacific. Ties between North America and Europe are robust across the board, reflecting profound similarities between these two regions and close post-war focus on common interests.

(2) Medium to Long-term Vision

- 7 The perspective is long-term. Close ties between Asia and Europe must overcome both the challenge of physical distance and the challenge of events. The world faces a formidable set of issues as we move into the next century. These embrace economic, environmental, social, political and security-related problems - some shared, others very different. It is imperative that Asia and Europe work together to address these issues with urgency and tenacity. Consultation between them must become second nature. Both can exploit more fully the new opportunities emerging at an ever-accelerating pace in science, technology and communications. It is no accident that many of our concrete proposals rest on better exploitation of information technology. Our vision is conceived in terms of specific action programmes, against the background of substantially improved two-way communication. We realise that this vision is not going to be easy to achieve. It will take time, political determination, effort and resources.

- 8 Asia-Europe co-operation is not merely for the direct, bilateral benefit of the two regions. The synergy of this common endeavour will prove of tremendous value, not just for Asia and Europe, but for the global community. Through it, Asia and Europe will co-operate to achieve sooner than otherwise better solutions to problems which are essentially global in nature. In addition, ASEM countries can also co-operate in technical and financial assistance and humanitarian aid to developing countries. In other words, we see co-operation between Asia and Europe as embracing co-operation for direct mutual benefit; co-operation to achieve global objectives; and co-operation in assistance to third countries.

- 9 *Our vision is gradually to integrate Asia and Europe into an area of peace and shared development, a prosperous common living sphere in the 21st Century. This is a sphere in which our knowledge, wealth, cultural heritage, democratic ideals, educational assets, intellectual aspirations and new technologies are closely intertwined and exchanged, without specific barriers or constraints. We envision the active integration of our intellectual forces and a vibrant exchange of culture and the arts between Asia and Europe. We envision correction in today's imbalance in student numbers between Europe and Asia, with a five-fold expansion in student exchanges between the two regions by the year 2025. We also visualise the progressive opening of markets with the eventual goal of free flow of goods and services by the year 2025. Integral to our vision*

are concrete actions to meet the serious environmental challenges today.

II. SUSTAINING ECONOMIC PARTNERSHIP

(1) Liberalisation and Open Markets

- 10 Globalisation of the world economy is destined to intensify in the 21st Century. International investment and trade will become more essential not only to individual national economies, but also to the global economy as a whole to sustain growth. In an ever more globalising world, national economies will face difficulty fostering economic development relying exclusively on domestic resources.
- 11 Both Asia and Europe have benefited tremendously from the economic liberalisation of the past few decades. We cannot be certain however that the trend in favour of liberalisation will continue automatically. The Vision Group calls upon ASEM partners to resist protectionist measures. We shall all best be served by focusing on continued liberalisation in trade and investment. The recent Asian financial crisis has seen question marks raised once more about the free flow of goods and services. In some developed economies, there are signs of aggressive unilateralism, including frequent recourse to anti-dumping charges. In emerging economies hit by the crisis, the present woes could still stiffen resistance to further opening up and result in stronger economic nationalism.

Next round of international trade talks

- 12 *We must start now. It is critical for ASEM partners to undertake early action to reinforce the multilateral trading system and to co-operate to achieve, as soon as possible, the success of the next round of international trade talks.*

Major Recommendation #1:

Eventual goal of free trade in goods and services by 2025.

- 13 *At the same time, the Vision Group recommends that ASEM partners set the eventual goal of free trade in goods and services by the year 2025 by adopting a strategic*

framework for the progressive freeing of trade in goods and services among themselves.

The strategic framework must involve real commitment and establish clear deadlines and benchmarks. It must aim at extending free trade progressively across sectors, industries and markets, in a step-wise approach which recognises at each new stage differences inherent in the level of development achieved by the individual ASEM partners.

(2) Asia-Europe Co-operation for Financial Stability

14 The European Union's introduction of the Euro on 1 January 1999 is a watershed, heralding a new era in the international financial system. Given the importance of the EU in world GDP, trade and foreign investment, and its role in the international financial system, the Euro is likely to emerge as a major global currency, used as an international means of payment, a unit of account and a store of value, taking its place alongside the US Dollar and the Japanese Yen. The monetary policy adopted by the European Central Bank can thus be expected to have far more international impact than the policies of the individual central banks of the EU member states.

Major Recommendation #2:

Closer Macroeconomic Policy Co-ordination and Reform of the International Financial System

15 *The Vision Group welcomes the introduction of the Euro.* Not only will it lead to synergies within the EU, it could also have benefits for the international financial system as a whole. *The Vision Group calls for closer macroeconomic policy co-ordination between the major economic players.*

16 In the area of international finance, *the Group sees a need for a co-ordinated response matching rapid financial globalisation. In their bilateral dialogue as well as in multilateral fora, Asia and Europe should work together in favour of this co-ordinated response.* In particular, both must make special efforts to adapt the international financial architecture to the age of globalisation. The Vision Group urges that the major functions of the Bretton Woods institutions, as well as the BIS, be both strengthened and better co-ordinated. Management of exchange rates, substantial reduction in the volatility of short-

term capital flows and the strengthening of domestic long-term financial markets should be among the critical aspects of reform.

Global rules for enhancing transparency and prudent financial supervision

17 There is an urgent need for Asia and Europe to work together to achieve greater transparency and prudent financial supervision. The need for greater transparency centres on an imperative for a more complete, more accessible and more timely flow of information. *In the light of the recent Asian financial crisis, the Group recommends that particular emphasis be placed on enhanced transparency in information on foreign exchange reserves, in the accumulated external liabilities of both the public and private sectors and in the underlying soundness of financial institutions.* In addition to traditional channels, an efficient and cost-effective way of increasing accessibility is now also to publish detailed information on the Internet. In addition to the use of the ASEM Trust Fund, EU or bilateral initiatives should assist in establishing better transparency and improving dissemination of financial information.

18 *The Vision Group further recommends that governments should take steps to ensure that the quality of financial data reported by businesses and by financial institutions is accurate, reliable, comprehensive and in conformity with internationally accepted norms.* In this regard, the IMF's Special Data Dissemination Standards could be utilised. The Vision Group recommends that internationally accepted accounting practices and standards governing financial services be adopted and implemented by the ASEM partners. *The Vision Group further recommends that liberalisation of accounting and financial services be expedited, within the context of the WTO.*

19 The recent Asian financial crisis has reaffirmed the importance of sound domestic financial institutions and highlighted the necessity of prudent financial supervision at the national level. Weaknesses in this regard have unnecessarily exacerbated a difficult situation. *The Vision Group calls on ASEM authorities to co-operate in the fuller implementation of prudent financial supervision. In particular, this should include training of financial supervisors.*

(3) Enhancing Asia-Europe Trade and Investment

20 The Group notes that Asia-Europe trade has increased significantly.² The Vision Group is confident that it can increase still further. While appreciating the many initiatives which the ASEM partners have launched (such as The Investment Promotion Action Plan (IPAP), The Trade Facilitation Action Plan (TFAP), AEETC, ASEMConnect, AEITTP, etc.), *the Group believes that these must be urgently implemented and further expanded to have a significant effect on trade and investment.* Asia and Europe should now take a quantum leap in co-operation regarding trade and investment and the Vision Group makes the following recommendations.

Asia-Europe Trade Week

21 *The Vision Group urges ASEM partners to launch an Asia-Europe Trade Week (AETW).*

Held biennially, in alternating locations between Asia and Europe, starting from the year 2002 and in conjunction with the ASEM Summit, AETW should aim to contribute to a business environment that will foster increased trade between the two regions.

AETW should comprise business symposia, industry tours, business councils, Technomart (a technology exhibition), and trade fairs. Providing information and services to expand business opportunities, AETW can also support business co-operation to enhance economic growth across ASEM. In order to distinguish itself from conference-type activities, AETW would be organised around trade fairs, supplemented by a variety of business-oriented events. Each AETW could then focus on a specific industry pre-identified as having the potential to boost Asia-Europe trade flows. Each AETW can be organised by the host country of ASEM in co-ordination with the Asia-Europe Business Forum.

ASEM Work Programme on Electronic Commerce

22 *The Asia-Europe Vision Group recommends that ASEM launch a work programme on electronic commerce, calling upon contributions from international bodies. It urges*

² Between 1985 and 1997, trade between the Asian-10 and the EU more than quadrupled. Asian countries' exports to the EU rose from US\$37 bn to US\$158 bn, while imports from the EU increased from US\$30 bn to US\$138 bn. (Source: International Monetary Fund, *Direction of Trade Yearbook*, 1997.) By 1996, cumulative FDI flows and stocks of Asian ASEM partners to the EU amounted to US\$1.5 bn and US\$36 bn respectively, while EU FDI flows and stocks to Asian ASEM partners totalled US\$6.6 bn and US\$40 bn respectively that same year. (Source: Eurostat, no data available for Brunei and Vietnam; 1 Euro = 1.16 US\$(22/01/99))

members to educate current and potential users of electronic commerce in order more speedily to realise its economic and social benefits in both Europe and Asia. A global framework for rule setting and enforcement leading to an international convention in this area should be actively sought by ASEM partners, working together.

Electronic commerce provides a fundamentally new way of conducting commercial transactions and forging new and more direct relationships between businesses, consumers, and governments. In order to realise the potential of electronic commerce governments must recognise the leading role of the business sector. Where legislation is necessary, rules should be simple, balanced and within a legal framework that is consistent across international borders. In the absence of such a framework, e-commerce will take longer to become fully accepted.

Promoting Investment

- 23 Wide benefits accrue from FDI inflows. These include faster growth of output, income, employment and exports; sharing of advanced technology with the host economy; and transfer of innovative management and organisation techniques.
- 24 There is a need to open up local markets to foreign investors. *The Vision Group stresses the importance of ensuring an attractive investment climate in order to increase FDI flows between ASEM partners.* Such a climate includes sound macroeconomic fundamentals, a transparent and non-discriminatory legal, policy and regulatory FDI framework with well-functioning law courts and enforcement procedures, a fair and transparent tax system, efficient, low-cost financing and credit systems, a good R&D base, skilled human resources and well-maintained infrastructure. In this context, the Vision Group especially emphasises the need for a corruption-free environment, for sound business ethics, corporate accountability and good corporate governance. *In all these areas, the Vision Group recommends ASEM partners to benchmark their investment policies and regulations against those of countries which are considered within ASEM partners as particularly successful.*
- 25 The Vision Group believes that the IPAP is one important first step in ASEM investment co-operation. Considering the current and future investment needs and opportunities in Asia, however, most notably in infrastructure, the Group concludes that an intensified, more focused effort is needed to promote FDI between Europe and Asia. With the aim of

achieving a quantum leap in FDI between ASEM partners, the Group has identified a series of priority issues and recommendations as follows.

Major Recommendation #3:

Asia-Europe Business Advisory Councils (BACs)

26 *The Vision Group recommends that the ASEM Leaders establish Asia-Europe Business Advisory Councils (BACs).* With the intention of extending BACs to all Asian and European partners, the Group initially suggests that one be set up in each region. The main objective of the BACs would be to institute high level dialogue to promote Asia-Europe investment, with a membership including national government leaders and the CEOs of companies, domestic and foreign. The Asia-Europe BAC in each country can also act as a forum for foreign investors in that country in which common problems relating to the investment climate can be discussed, and advice be given to governments and regulators on critical investment, trade and market access related issues. The scope of the Asia-Europe BACs would range over different key areas, such as intellectual property rights, market access, deregulation, infrastructure, land rights and company ownership.

ASEM Advisory Network of Senior Executives

27 To promote business opportunities and cross border investment in ASEM partners by SMEs, which face special difficulties, the Group seeks formation of an *ASEM Advisory Network of Senior Executives*, a non-profit association of active and/or retired executives on a non-profit basis who can share their wealth of experience and business know-how in an interactive forum with small businesses. The aim is to help SMEs decide on how, where, when, and with whom to engage in business and investment, and how best to explore strategic alliances and market opportunities.

(4) Improved Infrastructure

Major Recommendation #4:

Improved ASEM Infrastructure Framework

28 *The Vision Group recommends that ASEM adopt an improved ASEM infrastructure framework for all key areas (energy, telecommunications, transport, water, environment, etc.), which are critical to inter-regional trade, technology sharing and investor confidence.*

An improved ASEM infrastructure framework implies the following main actions:

- substantial public policy reforms such as sustained infrastructure liberalisation and stabilisation, including freeing prices, trade and the entry of new market players;
- benchmarking the current status of, and especially the large gaps existing in, ASEM public-private infrastructure financing needs, legal forms of partnerships, guarantee instruments (e.g. EIB, ADB, WB, IFC) and anti-corruption measures taken by the World Bank (WB), the Asian Development Bank (ADB) and the OECD; and
- systematic cost-benefit analysis of the most viable infrastructure projects since the volume of both public and private co-financing for ASEM projects is often lower than the number of projects identified.

29 The Vision Group here cites initiatives in transport and energy, both areas with very large demands on capital.

30 The leaders of Asia and Europe have stated their commitment to forging closer physical ties, as well as to strengthening political, economic and cultural links between ASEM partners. Improving maritime, rail, road and air transport - within and between the regions - is essential. *The Vision Group recommends that all modes of transport between Asia and Europe be expanded through further liberalisation. Protectionism must be eliminated and free competition among carriers be encouraged by introducing measures such as transparency in tendering and procurement procedures.*

31 As an example, we highlight air cargo - one of the fastest growing modes of transport.³ Globalisation, just-in-time manufacturing and distribution, as well as increased competition, are factors leading exporters and importers in Asia and Europe to become increasingly dependent on air cargo. E-commerce will further boost this sector.

Aviation Agreements and Aerospace Development

³ Although world air cargo accounts for only 1% to 2% of the world's transported goods by weight, it handles 37% by value and is forecast to continue to grow at an average annual rate of 6-7% over the next two decades.

32 ***The Vision Group makes a specific recommendation that the ASEM partners negotiate liberalised aviation agreements.*** If circumstances require, liberalisation can be achieved in two steps: first and soonest possible for air cargo and second for passengers. ***In both cases, special attention must be paid to security and safety.***

33 Liberalisation should be accompanied in parallel by joint meetings of the ASEM partners to review airport planning and investment requirements within and between the ASEM partners, also with the aim of maximising the positive impact of infrastructural investment throughout the two regions. ***The Vision Group also argues strongly for strengthening co-operation in aerospace development especially in aerospace component production and heavy maintenance centres serving all types of aircraft.***

Energy Co-operation

34 Energy projects usually absorb huge amounts of capital for the required infrastructural investment. In addition, they have significant environmental implications. ***Energy is thus an important area in which the Group believes ASEM partners should co-operate to mutual benefit.***

There are at least four possible areas of ASEM co-operation for ***energy-related technology and infrastructure development:***

- It is essential to expand the use of *natural gas*. This requires strengthening the supply infrastructure, both cross-border pipelines and LNG infrastructure. International co-operation is bound to become increasingly important, especially private sector participation in both LNG and pipeline infrastructure.
- *Nuclear power* remains important as an energy source. Use of nuclear power however demands the highest standards of nuclear safety and full safeguards under the terms of agreements with the International Atomic Energy Agency (IAEA). To build trust and confidence, both domestically and with neighbours, transparency in nuclear materials handling is also a vital criterion, as is effective waste management.
- The use of *coal* offers many advantages, as its cost is low and supply is stable. From an environmental point of view, however, numerous problems remain before pollution can be minimised. It is crucial to develop Asian-European co-operation on both new clean coal technology and high efficiency coal combustion technologies.
- *Renewable energy sources* such as wind, solar and biomass should be jointly developed and implemented wherever possible.

(5) Science and Technology

- 35 To meet the challenges of the 21st Century, Asia and Europe must greatly reinforce their co-operation in science and technology, as well as technology transfer. This means mobilising the full resources of existing ASEM mechanisms, so that the two regions can promote science and technology-led development in such a way as to ensure their common prosperity. Governments cannot impose time limits or directions for the results of scientific and technological research: they can only gather its fruits, as and when these emerge. Though differences in the level of science and technology exist among ASEM partners, each region has its sources of excellence in research centres and companies, varying according to scientific discipline and technological area. As ASEM co-operation deepens, these sources of excellence will increasingly be called upon to play a lead role in transfer and co-ordination also vis-à-vis the other region.
- 36 Intensified two-way technology transfer between Asia and Europe is an important precondition for attaining the employment potential of knowledge-based industries and services in both. Creation of global communications networks will facilitate better utilisation of R&D and technology capabilities. Asia-Europe networks in information technology should be set up, especially in technology transfer, dissemination of business information, distance learning, telework and e-commerce. Private and public networks comprising people and organisations dealing with information technology should be promoted in Asia and Europe and the relevant policy implications explored.
- 37 To enable technology, knowledge and know-how transfer to realise its full potential as a sustained driving force in the development of the two ASEM regions, measures must be implemented to ensure the protection of intellectual property rights and patents, such as the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Information Technology

Major Recommendation #5:

ASEM Information Technology Council

38 *The Vision Group proposes that an ASEM Information Technology Council be formed comprising members from both the public and private sectors to promote information infrastructure development in such areas as technical standards, electronic translation software and satellite TV broadcasting.*

39 Building the information superhighway will launch a new era of communication and interaction between the two regions. The establishment of super high-speed networks, either by cable or by satellite, will open up infinite possibilities and opportunities for co-operation in all fields. Co-operation in R&D in information technology needs to be approached from two sides. The first is the technical, by which ASEM partners work together in order to contribute to the development of universal standards and compatible hardware configurations/specifications. The second is content. Countries in Asia and Europe can utilise an inter-regional information infrastructure network for all kinds of multimedia applications, ranging from the cultural - for instance production of movies and TV programmes - to the academic, such as joint study programmes and co-development of educational tools and materials. We note that much is already happening.

40 One of the most effective tools facilitating greater exchange between linguistically diverse peoples of Asia and Europe will be *electronic translation software* to help overcome language barriers. Measures should be taken to promote and expand the commercial development and use of electronic translation software. Meanwhile, governments should actively consider support for non-commercial purposes.

41 Another effective medium to boost cultural and social exchange and mutual understanding between Asia and Europe is *satellite TV broadcasting*. Liberalisation of satellite broadcasting in a context of suitable regulation will encourage better knowledge and understanding of our societies and cultures and assist in overcoming the distance barrier between Asia and Europe.

Asia-Europe Co-operation in the Design of Science and Technology Policies

42 *The Vision Group recommends that the ASEM Ministers responsible for Science and Technology meet on a regular basis to discuss areas of common concern*, also with a view to exploring possibilities for co-operation in big science and technology projects.

The Group believes that dialogue in *science and technology policy* should include:

- a) Information and communications technologies; biotechnology especially in agriculture and in medical applications; energy technologies and alternative energy sources; environmental technologies;
- b) the role of the state in technology policy and the ability of government to steer technological development;
- c) ecological and social considerations in technology policy;
- d) methodology and standards in risk assessment;
- e) common ethical standards in research and development.

Virtual Technology Transfer Centre and Co-operation between Technology Transfer Centres

43 Our intention is that technology transfer between Europe and Asia be improved in both directions. *With the aim of identifying supply and demand for new technologies and for joint projects, a virtual Asia-Europe Technology Transfer Centre should be established on the Internet.* The Centre should be run in close co-operation with the science and technology and business communities of both regions.

The Virtual Technology Transfer Centre should:

- act as a forum for discussion and exchange;
- function as an open market for Asia-Europe technology co-operation;
- disseminate information about new technologies;
- seek co-operation between institutes or companies of both regions;
- provide information exchange on available financial and structural support for common projects, such as joint-ventures, venture capital, the exchange of personnel, shared-cost R&D programmes.

44 *The Vision Group recommends that co-operation between technology transfer centres in Asia and Europe initiated in environmental technologies be extended to all fields of technology, establishing a network linking Asian and European technology transfer centres.* In the area of co-operation in technology transfer, co-operation between the SMEs of both regions should receive special attention. Lack of adequate information and limited access to finance constitute the chief bottlenecks. Dedicated information networks and other measures in which SMEs can be directly involved should be put in place.

45 *The Vision Group recommends promotion of an Asia-Europe network of centres of excellence in key technologies.* Co-operation between research institutes, universities and

think-tanks can be encouraged through conferences, seminars and joint R&D activities. Increased exchange of researchers should be accompanied by more intensive use of electronic media such as the Internet with the aim of establishing networks of experts linking the two regions.

“Non-Marketable” Technologies – Solutions in Health Care

46 Certain technologies are vital to the promotion of living standards but are non-marketable. One example of a non-marketable technology is R&D on public health. Countries in tropical and sub-tropical regions are still afflicted by major diseases, e.g. malaria, for which no satisfactory drugs have been developed, the so-called orphan drugs. Other maladies, such as epidemic water-borne diseases and tuberculosis, which were believed to have been conquered at the level of treatment, now appear resurgent. While there are EU and other government funded R&D programmes and others financed by aid-to-development organisations targeting such diseases, only a small proportion of the massive research budgets of the major pharmaceutical giants is dedicated for instance to tackling tropical diseases, largely because of the low purchasing power of those affected. The Group sees a strong case for co-operation in the delivery of health care, building on our respective traditions in medical skills and medical education.

47 The Vision Group strongly believes that substantial economic and social gains can be achieved through improved access to better health care for the poorer populations of emerging economies. Specifically, in this context, ASEM partners are urged to promote research on orphan drugs, as an example for a non-marketable technology. Based on encouraging experiences gained in the US Orphan Drug Programme and based on considerations within the European Union, *we strongly suggest three measures in order to support the research on orphan drugs:*

- *favourable financial treatment for qualified clinical research expenses that can be attributed to the development of an orphan drug;*
- *intellectual property provisions to allow an adequate return to the research enterprises;*
- *orphan drugs should receive fast-track approvals, as well as a reduction or waiver in admission fees by the relevant national agencies.*

(6) Economic Assistance

48 In our vision, from the outset, we have seen co-operation between Asia and Europe as having three goals: for mutual benefit, to achieve global objectives, and in assistance to third countries. We believe that by strengthening our links we shall be all the stronger and better able to help non-members, especially in the developing world.

49 There has been asymmetry between Asian ASEM partners and European ASEM partners in economic assistance. Some Asian members are recipients of economic assistance, while most European members are donors. Once the Asian economies overcome their current difficulties and return to growth, a larger number of Asian ASEM partners will be able to extend economic assistance to other developing countries throughout the world.

Co-operation in Economic Assistance

50 *The Vision Group recommends that Asian ASEM partners and European ASEM partners start to co-operate in economic assistance to the rest of the world.* The experiences of many of Asian ASEM partners, as late developers, should prove especially valuable to other, now developing, countries. Combining these with the experience and knowledge accumulated by traditional donor countries in Europe and Asia should be an ideal basis for expanded ASEM co-operation. Co-operation between ASEM partners in medical work in third countries and in disaster relief is already possible. The 21st Century should see aid workers and volunteers from all the ASEM partners working together for sustainable development across the world and the consolidation of a tradition of co-operation between their respective NGOs.

III. MEETING THE ENVIRONMENTAL CHALLENGE

51 One of the key priorities on the global action agenda is the enormous environmental challenges which both industrialised and developing countries face today. The Vision Group is convinced that the difficulties ASEM partners face in reconciling today's environmental imperative with the need for economic growth can be turned to positive effect, and the two become self-reinforcing. The global agenda adopts ambitious time scales.

52 Industrialisation and urbanisation led to massive depletion of natural resources and environmental pollution on a wide scale in ASEM partners. Today, with our increased awareness of the preconditions for sustainable development in order to ensure the survival of the planet, there is much knowledge that can be derived from the European experience, in terms of its policies as much as its technologies, its mistakes as well as its achievements. Using this as a basis, constructive and concrete co-operation within ASEM offers decisive improvement in environmental quality to both ASEM partners and the rest of the world. Acting today means considerably lower costs than acting later, when the regional and global environment will have deteriorated further.

53 Over recent decades, global problems related to degradation of natural resources and to pollution have increased dramatically. Natural resources are depleted by excessive use. Fresh water scarcity on a global scale, deforestation, degradation of coastal and marine areas, soil depletion and loss of bio-diversity are just some of the instances. Air and water pollution, in particular in megacities, has reached levels that are already giving rise to serious human health problems, as well as to negative impact on the environment, inevitably influencing prospects for long-term economic growth. The handling and disposal of solid waste is now a major issue.

54 International agreements on the environment can provide a basis for ASEM co-operation. It is essential that all ASEM partners implement all the international environmental conventions and agreements. Countries that have not yet acceded must be prompted to do so. Support should be accorded to those that have difficulties meeting the agreed standards and criteria. Action under ASEM should specifically support work called for under international environmental protocols and agreements or target areas where as yet international agreement is lacking.

Areas for Concerted Priority Action

55 Against this background, the Vision Group envisages specific priority areas for concerted action by ASEM. These are sustainable use and conservation of natural resources, urbanisation, industrialisation and institution and capacity building. Target dates could take into account the current level of development of individual ASEM partners and be benchmarked accordingly.

For each of these *priority areas*, a concrete action plan needs to be drawn up.

a) Sustainable use and conservation of natural resources:

- sustainable use of forest resources, including internationally agreed certification systems and new renewable sources of timber and fibre to eliminate the pressure on virgin forests;
- better watershed management systems for water supply, hydropower and flood control;
- transboundary watershed and river basin management plans;
- sustainable use of lacustrine, coastal and marine resources.

b) Urbanisation:

- adoption of urban planning and land management to guarantee the quality of life of populations, especially those living in the megacities;
- drinking water and waste water management regimes especially for the megacities;
- improvement of fuel quality in ASEM;
- switch to more sustainable energy sources also for domestic use drastically to reduce pollution levels.

c) Industrialisation:

- sustainable energy policies;
- environmental certification;
- elimination of use of toxic and hazardous chemicals and their safe disposal;
- consensual rules for producer responsibility and liability.

d) Institution and capacity building:

- effective and autonomous environment protection agencies and chemicals inspection agencies;
- a common set of environmental indicators, for adoption as a basis for environmental monitoring and benchmarking.

Major Recommendation #6:

ASEM Environment Centre

56 *The Vision Group proposes that ASEM develop closer long-term environmental co-operation:*

- *defining priority areas and objectives, with annual reviews, along with specific*

measures to attain these objectives;

- *developing institutional capacity adequate to implement environmental policies.*

57 *In order to realise these goals through concrete co-operation, ensuring symmetry with other current environmental programmes outside the ambit of ASEM, the Vision Group recommends establishment of an ASEM Environment Centre.*

The ASEM Environment Centre can take as its basis the existing Asia-Europe Environmental Technology Centre, but expand this to encompass the following:

- organisation of meetings of ministers for environment;
- annual country examinations of objectives, instruments and results of environmental policies, with benchmarks set on the lines of the OECD annual examinations;
- a clearing house for legal, technical, technological and commercial information;
- a forum for co-ordination of environmental co-operation and R&D undertaken by national and multilateral institutions, governments and NGOs;
- development of common standards and indicators for environmental monitoring and benchmarking;
- an ASEM environmental information centre and databank;
- a high profile environmental technology centre with adequate financing and public-private involvement, to identify the most critical environmental objectives and projects.

Burden Sharing and Finance

58 Given the diversities between ASEM partners, it is important to implement burden sharing. The Group believes that this could be done in different ways. One is burden sharing in fulfilling the Kyoto Protocol. Should it be decided within the EU, this could be introduced in the ASEM context. Given the present global pattern of environmental problems, the EU should direct more of its environmental investment and financing to Asian partners. Under the auspices of the ASEM Environment Centre, substantial transfer of institutional know-how should take place. In specific areas, innovative channels for EU environmental financial assistance could be created, targeting, for instance, reforestation, ozone depletion, and carbon emissions reduction projects. Co-operation between the ADB, EIB and IBRD could be enhanced in order to ensure finance for more projects in line with ASEM environmental priorities. The Group sees it as important to mobilise the World Business Council for Sustainable Development and other relevant NGOs. Furthermore, the Vision Group calls for examination of a system of tradable CO₂ certificates in order to enhance the implementation of environment-friendly technologies for the protection of our climate.

IV. ENHANCING EDUCATIONAL, CULTURAL AND SOCIETAL EXCHANGES

Major Recommendation #7:

Declaration on Education

59 The Vision Group believes that educational exchanges lie at the heart of achieving a deeper understanding between Asia and Europe. High quality human resources are also crucial for motivating investment decisions, thereby sustaining economic growth. *To this end, we urge ASEM Leaders, at their meeting in Seoul in 2000 to issue an ASEM Declaration on Education.* In our view, the Declaration should take a long-term view of educational requirements and set ambitious goals. Looking broadly at education, it should focus on the need for students in each region and at all levels to expand their understanding of the other region. Opportunities opening up through the use of information technology and electronic data transfer can be exploited to good effect.

60 *Our vision is three-fold:*

- *a significantly better balance in student numbers between Europe and Asia within the next five years;*
- *a five-fold increase in the total number of students exchanged between Europe and Asia by the year 2025;*
- *an improved balance between the numbers of Asian foreign students studying in North America and those studying in Europe.*

Major Recommendation #8:

ASEM Scholarship Programme

61 A clear signal of the commitment of ASEM governments to this shared intellectual endeavour, and to stimulation and development of young talent and leadership potential on both sides, is now urgent. *The Vision Group recommends creation of a prestigious, high-profile ASEM Scholarship Scheme.* ASEM scholarships will be awarded to the best and brightest of students for postgraduate study on an inter-regional basis, chosen for their quality of intellect and level of attainment. The Vision Group's concept pays

conscious tribute to the Fulbright Awards: it sees as well overdue a similar initiative in the Asia-Europe context. The ASEM label and style are essential components.

The ASEM Scholarship Programme can adopt the following guiding principles:

- creation of a prestigious, high-profile programme initially for scholarships at graduate level, emphasising the proven quality of recipients and participating institutions;
- generation of mixed public and private financial support;
- participation by all ASEM partners ensuring a neutral and even-handed utilisation of resources via a central organisation;
- cost-efficiency.

62 Details of the proposed schemes will clearly require elaboration by Education Ministers, but *the Group would welcome strong endorsement of this proposal by the ASEM Leaders in Seoul*. Preparatory work would best be undertaken before ASEM III, in order to facilitate launch of the Scheme immediately afterwards.

63 Given financial constraints, the scheme will have to be introduced on a limited basis initially, with a proviso that it be progressively extended to cover increasing numbers of recipients and/or additional categories. The Group appreciates that the scheme will not be easy to fund in current circumstances. Nevertheless, every effort should be made, drawing on mixed public and private financial support. *The Vision Group believes that two hundred ASEM Scholars per annum at the start is an achievable target.*

Forum of ASEM Education Ministers and Heads of Universities

64 Educational exchanges and education curricula are, in our view, central to the deepening of mutual understanding over the long term. Decision-makers responsible for education at all levels should discuss and review the whole field and its place in the ASEM context. *We propose that ASEM Education Ministers meet at regular intervals to discuss, decide upon, benchmark and review the progress of ASEM education initiatives. We further propose that an ASEM Network of University Heads be established, comprising national representatives, charged with furthering Asia-Europe university exchanges of students and faculty, and with the introduction of greater Asian content into European university education, and vice versa.*

We must *facilitate student mobility* to broaden the scope and expand the numbers of student exchanges between Asia and Europe. Besides firm commitment from public policy, university administrations will need to be on board. The Vision Group argues for a critical review of issues which may be restricting exchanges. These include:

- lack of transparency in, and recognition of, national diplomas;
- limited number of globally recognised university degrees;
- limited linguistic capability;
- lack of information on available study options;
- bureaucratic administrative regulations and visa difficulties;
- accommodation shortage;
- inadequate briefing for visiting students.

Dual Degree, Targeted Language Teaching, Simplification of National Academic Regulations, and Survey of School Curricula

65 *The Vision Group recommends:*

- *examination of the European Credit Transfer system and the dual degrees programme;*
- *development of more international courses targeting linguistic needs and abilities and the challenges of difficult languages ;*
- *simplification of national regulations governing, for instance, student mobility and recognition of qualifications;*
- *dissemination of student exchange information on the Internet.*

66 In a rapidly changing world, *school curricula* require continual refashioning if we are to develop in time the next century's skills. As part of this process, the Vision Group calls upon educational authorities to survey current teaching curricula and specifically to introduce a greater Europe-Asia dimension by:

- identifying the skills mix for 2025;
- evaluating the additional creative impetus given by personal initiative in learning, as opposed to traditional rote learning methods;
- extending the study of Asia in European curricula, and vice versa;
- promoting study of common topics, ranging from the sciences to the social sciences and the humanities;
- promoting staff exchanges between European and Asian schools to develop a corps of ASEM teachers with expertise on the Asia-Europe interface.

Online Virtual University

67 *The ASEM Vision Group proposes the establishment of an On-line Virtual University involving universities and academic institutions within ASEM, as well as others in non-ASEM developing countries.* On-line education is not constrained by space, faculty and time. It gives an opportunity for advanced learning to a different, broader group of people at lower cost, making tertiary education more accessible and affordable to a far wider public. It is a major step in the democratisation of educational opportunity.

Establishment of ASEM Visiting Professorships

68 Our universities and research institutes are writing the intellectual script for the 21st Century. We have to ensure that it has meaning for each of us. The Group identifies development of tertiary sector teaching projects specific to Asia-Europe as a priority, along with the nurturing of specialised centres of excellence in the two regions. A stronger European presence on Asian campuses is needed. *In order to encourage the exchange of faculty between Asian and European universities, the Vision Group recommends that ASEM Visiting Professorships be established on selected campuses.*

69 Educational exchanges should not be confined to the formal education system alone. *We favour the expansion of the scope of training exchanges to cover the relevant experts and civil servants in fields such as the environment, infrastructure planning and management, regional and urban planning, legal and financial systems. Companies have an important role to play in this context.*

Strengthening ASEF – a forum for societal and cultural exchanges

70 The Asia-Europe Foundation (ASEF) established by the ASEM Leaders in Bangkok has initiated over twenty valuable projects in the area of society and people, including the creation of networks among students, intellectuals, artists, journalists, parliamentarians and representatives of NGOs as well as leaders of government and business.

71 The Vision Group believes that current activity represents a good start, but ASEF is at present a small organisation with limited funds. We need broader-based societal exchange between Asia and Europe. ASEF should be encouraged to expand its activities in connecting the civil societies of Asia and Europe.

Forum for Societal Exchanges - Strengthening ASEF

72 *The Vision Group proposes that ASEF be strengthened, so that it can better carry out an extended objective of promoting cultural co-operation and exchange between Asia and Europe.* This can be done at ASEM III after ASEF submits a report card on its visions, achievements and aspirations.

Biennial ASEM Cultural Festival

73 *We propose the establishment of an ASEM Cultural Festival, a cultural exhibition and performing arts event to be held every two years at a venue alternating between Asia and Europe.* The Group urges ASEF to work closely with the host of the ASEM Summit in organisation of the Festival.

ASEM Twin Cities

74 In both Asia and Europe, a large part of the population is constrained to live in ever growing cities. In many areas, degradation of the urban environment has become so bad as to jeopardise the well-being of its inhabitants, with negative spill-over into the rural sector as well. The Vision Group goes beyond appreciation of the commercial advantages of closer co-operation between cities to an attempt to tackle our fundamental need to make the urban environment tolerable for coming generations. Twinning cities has been a success story in creating common bonds across national boundaries in Europe. *The Group recommends that ASEM introduce a Twinning of Cities Scheme linking European and Asian cities.* Besides the gain in goodwill and mutual understanding, the Group's objective is to exchange knowledge and technology concerning urban planning. Among the key

issues linked to urbanisation are water supply, sewage and solid waste disposal, and mass transit systems. Lack of proper water supply in urban areas leads to too high, or even prohibitive, pricing and discourages investment, as well as to public health problems; traffic congestion and its resultant pollution generate similar problems. Co-operation could take place within the existing framework of the Asia-Europe Forum of Mayors of Cities. Initiatives such as the EU's Asia Urbs Programme should be further developed.

V. PROMOTING POLITICAL AND SECURITY CO-OPERATION

75 The ASEM Leaders, in their meeting at Bangkok in 1996, affirmed their commitment to fostering political dialogue, as described in paragraphs 5 – 8 of the Bangkok Chairman's Statement. The Vision Group subscribes to these guiding principles.

Major Recommendation #9:

Affirmation of the Principles of Good Governance

76 The Vision Group is of the view that good governance is of fundamental importance to the well-being and quality of life of the countries of Asia and Europe. In order to promote better understanding between the two regions, the Vision Group, subscribing to the guiding principles laid down at the Bangkok Summit, also sees the dialogue between Asia and Europe on good governance in international relations as part of political co-operation. *The Vision Group recommends that ASEM Leaders at their meeting in Seoul in 2000 affirm the principles of good governance.* Good governance, in the understanding of the Group, can be achieved by fulfilling at least the following conditions:

- respect for civil and political rights, as stipulated in the International Covenant on Civil and Political Rights;
- respect for social, economic and cultural rights, as stipulated in the International Covenant on Economic, Social and Cultural Rights;
- the establishment and maintenance of institutions and practices that guarantee the above rights.

77 In addition, in order to promote better understanding between the two regions, the Vision Group recommends development of the dialogue between Asia and Europe on good governance and human rights.

78 Political and security ties linking Asia and Europe are considerably weaker than economic ones. This is in large part due to the very different security environments of the two regions and to the different degrees of interaction among the major powers. This notwithstanding, the stability of each region is clearly in the security interests of the other. Moreover, there are many actual and potential political and security issues which warrant closer co-operation between Asia and Europe. The Vision Group cites as examples of new

security threats terrorism, international drug trafficking, proliferation of weapons of mass destruction and their means of delivery, information piracy, and cyberwarfare. None of these discriminate between national or regional boundaries. Security developments in other areas also have both direct and indirect bearing on the security and stability of all the ASEM partners.

Political and Security Dialogue

79 *Given the importance of political and security issues, ASEM should lend itself as a vehicle for political and security dialogue between Asia and Europe at different levels. ASEM should encourage, co-ordinate and support the involvement of both governmental and non-governmental organisations in political and security dialogue. Political co-operation has to be built on shared interests and values, capable of acting as the basis for mutual trust and respect. There is still some groundwork to be done in order to ensure that all ASEM partners can work together in the fullest harmony.*

80 *In order to further facilitate and enhance the Asia-Europe political and security dialogue, ASEM partners could explore ways and means to promote co-operation between the ASEAN Regional Forum (ARF) and the Organisation for Security and Co-operation in Europe (OSCE).*

81 *ASEM should pay particular attention to, and co-operate on, issues of international concern calling for solidarity such as famine relief, refugee movements, human rights, workers' rights, the exploitation of women and minors and international crime.*

Designation of Joint Training Centres and Facilities for Peacekeeping Operations

82 *The Vision Group welcomes the UN peace-keeping training seminars and workshops organised under the auspices of ARF. It notes that ASEM partners could provide training centres and facilities where Asian, European and other peace-keepers could be jointly trained. Where possible, existing military and civilian facilities both in Europe and in Asia should be managed with flexibility to serve also as peace-keeping training centres.*

83 *The Vision Group also calls upon ASEM to promote greater transparency in the security and defence areas*, including the more widespread publication of national defence white papers and strengthening the commitment of ASEM partners to a broad spectrum of international confidence and security building measures. In particular, *the Vision Group recommends that ASEM partners commit themselves to determined action to stem proliferation of weapons of mass destruction and their means of delivery, encouraging universal compliance with the Nuclear Non-Proliferation Treaty (NPT), the Comprehensive Nuclear-Test-Ban Treaty (CTBT), the Chemical Weapons Convention (CWC), and the Biological Weapons Convention (BWC).*

Strengthened Dialogue among Asian Countries

84 *The Vision Group encourages the Asian members of ASEM to increase dialogue among themselves.* Strengthened co-ordination among the Asian members of ASEM would result in more effective dialogue within ASEM itself across a broad front, including economic as well as political co-operation. The Group envisages more frequent meetings of senior officials with greater use, for example, of the ASEAN-7 + 3 format.

Managing Social Imbalances

85 The Vision Group draws attention to the issue of social cohesion for these reasons:

- declining economic output currently experienced in Asia has caused an unprecedented rise in unemployment and, in certain countries, poverty and starvation. Social repercussions could prove a threat to cohesion and have politically destabilising effects;
- globalisation per se could result in greater, not less, inequality in income distribution as a result of the relative scarcity of skilled and well-educated workers, on the one hand, and the relative abundance of low and unskilled workers, on the other;
- technological change is accelerating of restructuring of industry as well as the obsolescence of skill sets and job categories. The worker of tomorrow must be prepared to perform a series of different tasks in his/her lifetime, with re-training and reskilling at periodic intervals. Without this, employability will become a real issue for those too ill-equipped to occupy the increasingly technologically-intensive jobs of the future.

Managing Social Imbalances

86 All countries face the challenge of managing social imbalances, and the need to prevent social inequalities, including inequalities in income distribution and in access to education, from rising to levels at which they pose a threat to social cohesion. The Vision Group seeks a major new focus for social policy⁴ on ensuring the employability of the individual, particularly in the female workforce. For this ambitious goal, a raft of measures is required: financing retraining of the unemployed, and their placement in the labour market, mobilising all the human resources available to an economy, extending entitlement to the highest standards of education and training to all, irrespective of gender or social class. Trained human resources can then be utilised flexibly yet respectfully, without preconceptions or discrimination in terms of promotion and expected levels of achievement, and without exploitation. The Vision Group believes more effort and resources have to be channelled towards achieving a better functioning labour market and to the provision of life-long education.

87 In addition, the fight against absolute poverty must be accentuated as general prosperity increases. In many ASEM partners a gender problem is exacerbated by wide disparities with regard to educational opportunities and place in the labour market. Women constitute an often unrecognised, and disproportionately large part of the low-paid and non-skilled work force. The exploitation of child labour destroys chances of education and blights youth. We would welcome further debate on the consequential family policy issues. The human rights aspects of social cohesion have also to be addressed. Social cohesion is a prerequisite for political stability.

88 ***The Vision Group calls on ASEM partners to focus on raising productivity, extending employability - particularly of the female work force - and reskilling as central aspects of social policy. It recommends this as a further area in which exchange of experience and best practice would be beneficial. In this regard, it welcomes the contribution of the ASEM Trust Fund.***

⁴ In most developed countries, there has been a change in basic thinking as regards *social policy* in recent years. Ongoing debate is leading to a new direction in social policy, with:

- less emphasis on traditional social welfare, and more on social policy aimed at increasing productivity and competitiveness;
- greater emphasis on how to ensure the overwhelming majority of the population an active role in society, overcoming differences in gender and class;
- attention to how society can re-integrate marginalised groups back into society;
- more emphasis on preventive and pro-active, rather than reactive, measures.

VI. THE ASEM PROCESS

89 The Vision Group is strongly of the opinion that the ASEM process is valuable and must continue, into the future. It notes three features affecting the long-term development of ASEM.

90 First, there needs to be a greater awareness of ASEM among populations in ASEM partners. The ASEM process has to move beyond government circles. There needs to be a greater engagement of the business sector, of society and, above all, of the peoples of our two regions.

91 Second, in addition to meetings of ASEM Ministers of Foreign Affairs, Economic and Finance, we recommend meetings of ministers responsible for the Environment, Science and Technology and Education to cement deepening political and social interaction between the two regions.

92 Third, there could be expansion of the membership of ASEM.

ASEM Secretariat

93 Given these three considerations, the Vision Group believes that the ASEM process will become more complex, not less. The Vision Group cautions that the current institutional framework is insufficient and likely to constrain the positive evolution of the ASEM process. There is now a need for a point of co-ordination, a focus for continuity ensuring momentum of the ASEM process and for communication on ASEM activities and achievements. Such a point of co-ordination should have the ability to set a timetable and ensure that it is maintained. *The Vision Group therefore recommends the establishment of a lean but effective secretariat.*

VII. CONCLUSION

94 We conclude with a conviction that the Vision Group exercise has proven intellectually refreshing and important in substance. Much work has been accomplished. The sustained and closely focused discussions have themselves been a plus for long-term relations and have enormously strengthened our own confidence in the ASEM process. The Group's carefully planned encounters constitute perhaps an example to be followed in other subject areas. Discussion has naturally thrown up areas of disagreement, but the process demonstrates that much can be resolved through debate.

95 As we look ahead, we are impressed by the breadth of agreement within the Group on the chief themes – economic and financial strategy, our strong leaning towards open trade, the stress we lay on maximising educational opportunity and technological advances so that we can deliver a better life for ordinary people, and the importance we attach to enhanced exchanges in the area of civil society. The title of the Vision Group Report points deliberately to "A Better Tomorrow". It underlines the need for much stronger partnership between Europe and Asia as we confront the major challenges of the next century.

96 We make no particular claims for the Vision Group beyond this, but we do see the substance of our work as a continuum. The present Report marks neither the start of the ASEM process, nor a considered roll of honour. ASEM already has significant achievements to its name; through our paper, we signal for renewed impetus. In particular, we look forward to strong focus among and between the ASEM partners on the challenges ahead, concerted effort to co-operate in all available fora, and progressively closer engagement in the ASEM process of a wide variety of social, economic, cultural and educational interest groups, a critical component in the strategic deepening of our relations.

Appendix I

Glossary of Acronyms

ADB	Asia Development Bank
AEETC	Asia-Europe Environmental Technology Centre
AEITTP	Asia-Europe Information Technology and Telecommunications Programme
AETW	Asia-Europe Trade Week
APEC	Asia-Pacific Economic Co-operation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEF	Asia-Europe Foundation
ASEM	Asia-Europe Meeting
BAC	Business Advisory Councils
BIS	Bank For International Settlements
BWC	Biological Weapons Convention
CEO	Chief Executive Officer
CTBT	Comprehensive Nuclear-Test-Ban Treaty
CWC	Chemical Weapons Convention
EIB	European Investment Bank
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IMF	International Monetary Fund
IPAP	Investment Promotion Action Plan

LNG	Liquefied Natural Gas
NGO	Non-Governmental Organisation
NPT	Nuclear Non-Proliferation Treaty
OECD	Organisation for Economic Co-operation and Development
OSCE	Organisation for Security and Co-operation in Europe
R&D	Research and Development
SME	Small and Medium Enterprise
TFAP	Trade Facilitation Action Plan
TRIPS	WTO Agreement on Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
WB	World Bank
WTO	World Trade Organisation

Appendix II

Terms of Reference of the Asia-Europe Vision Group

I. Background

1. H.E. President Kim Young Sam of the Republic of Korea proposed an Asia-Europe Vision Group in the first ASEM held in Bangkok in March 1996. The First ASEM Foreign Ministers' Meeting in Singapore in February 1997 supported the establishment of the Asia-Europe Vision Group at ASEM II in 1998 to provide ideas for the development of the ASEM process into the next century.
2. As ASEM is aimed at developing a comprehensive partnership between Asia and Europe, it would be beneficial for ASEM at this initial stage to pool the wisdom of those outside the government who could offer forward-looking and constructive ideas for its future progress.

II. Objectives

3. In order to fully realize the potential for enhanced cooperation between Asia and Europe, ASEM should take a forward-looking approach and develop a medium- to long-term vision which would help guide the future direction of the ASEM process into the 21st century.
4. To this end, it would be useful that an ad hoc Vision Group be established, which would review the present state of Asia-Europe relations and make recommendations on measures that would advance a comprehensive Asia-Europe Partnership agreed upon by the Leaders in Bangkok in March, 1996.
5. A Vision Group could consider and assess the likely shape of the ASEM partnership in the medium- to long-term and identify policy priorities and issues to be addressed for the future development of the ASEM process.
6. Driven by a non-governmental approach, this Vision Group could provide valuable and objective perspective and input in setting the future course of Asia-Europe cooperation.

III. Terms of Reference

7. The terms of reference of the Vision Group are as follows :
 - i) To examine the full scope of current Asia-Europe relations :
 - identify both the close ties and the weak links between the continents;
 - consider the causes of the present state of affairs.
 - ii) To develop a medium- to long-term vision for enhanced cooperation between Asia and Europe:
 - reflect on how the recent trends of globalization and regionalism are likely to affect future Asia-Europe relations;
 - seek further exploitation of the close ties between Asia and Europe, and propose ways of narrowing gaps and building bridges between the continents;
 - envisage the likely shape of the ASEM process in the first decade of the 21st century and beyond, and examine how ASEM can evolve.
 - iii) To identify and recommend practical measures for advancing the development of ASEM through cooperation in the political, economic, cultural and other spheres:

- propose policy priorities and avoid duplication of existing and new practical measures for the long-term success of the ASEM process.
8. While avoiding duplication with existing projects on Asia-Europe cooperation under the ASEM umbrella, the Vision Group may take into account the outcomes of other non-governmental follow-up actions in fulfilling the above-mentioned terms of reference.

IV. Composition and Organization

9. Each ASEM partner may appoint a member to the Vision Group. The members should participate in the Group in their individual capacity rather than as representatives of their particular country or region. The Vision Group members would be of high calibre and international repute such as former government ministers, renowned academics, and prominent figures in the mass media and business circles.
10. The Vision Group should be allowed to determine its own organizational and procedural matters.
11. A member of the Vision Group will be elected as Chair in the first meeting and his or her government will provide the secretariat services for the Vision Group including :
 i) coordinating administrative arrangements for meetings ;
 ii) providing administrative support including the publication of reports for the Vision Group members between meetings and other activities as directed by the Chair.
12. The Vision Group may elect a Vice Chair on the condition that if the Chair is an Asian, then the Vice Chair shall be a European, and vice versa.
13. Reports to the Ministers and the Leaders and other substantive decisions will be adopted on the basis of consensus by the participating members.
14. The Chair will submit progress reports to Senior Officials' Meetings in order to keep senior officials informed of the progress in the activities and other substantial developments of the Vision Group.
15. It is proposed that the meeting of the Vision Group be held alternately in Asia and Europe. The host country will provide logistic support including the meeting venue and functions.
16. While the expenditure directly associated with the meetings will be covered by the host country, other expenses including travel and accommodation costs should be borne by the participants themselves.

V. Time Frame

17. The Vision Group will be organized before the end of 1997 with a view to being launched at ASEM II in London, U.K. The work of the Vision Group will be completed before it reports to the Foreign Ministers' Meeting in 1999.
18. The report of the Vision Group will be submitted to the Foreign Ministers' Meeting in 1999 and to ASEM III in 2000 along with the Ministers' views on its recommendations. Its recommendations relating to cooperation in economic and financial areas will be

reported as appropriate to the other relevant Ministers' Meetings.

Appendix III

Biographies of Members of the Asia-Europe Vision Group

Dr. Il **SAKONG** Chair (Republic of Korea) is currently Chairman and CEO of the Institute for Global Economics, a private non-profit research institute based in Seoul. Dr. SaKong served in the Government of the Republic of Korea as Minister of Finance (1987-88) and Chief Economic Secretary to the President (1983-87). He also was Senior Counsellor to the Minister of Economic Planning (1982), and Senior Economist of the Presidential Council on Economic and Scientific Affairs (1979-80). Before joining the Korean Government, Dr. SaKong held the positions of Senior Fellow, Research Director and then Vice President of the Korea Development Institute (KDI) (1973-1982). Since 1989, he has been Special Consultant to the International Monetary Fund in Washington D.C. Dr. SaKong has written/edited numerous books and articles on the Korean economy, on economic development, international finance and trade policy issues. Dr. SaKong attended Seoul National University and took both his Masters and Ph.D. at the University of California at Los Angeles (UCLA). From 1969 to 1973, Dr. SaKong was Professor of Economics and Finance at New York University (NYU) and a Visiting Lecturer at the University of Sheffield, UK.

Sir John **BOYD** Vice-Chair (United Kingdom) is Master of Churchill College Cambridge, the national memorial to Sir Winston Churchill. Sir John studied at Cambridge and Yale before joining the British Diplomatic Service. He served twice in China and twice in Hong Kong, as well as in Bonn, Washington and New York. He was Chief Clerk at the Foreign and Commonwealth Office before his appointment as HM Ambassador to Japan, 1992-1996. Not a professional academic, Sir John Boyd has a particular interest in contemporary educational and technological issues. He is co-chair of the Nuffield Languages Inquiry and is a non-executive director of BNFL. Sir John is a Trustee of the British Museum and of the Wordsworth Trust, and is a Governor of the Royal Shakespeare Company. He is also Chairman of the David Davies Memorial Institute.

Mr. Robert S. **ARENDAL** (Luxembourg) made his career in transportation, holding various management positions in both shipping and air cargo in Europe, as well as the United States. In 1970, he became part of the management team that founded Cargolux Airlines International of Luxembourg and later held the position of Senior Vice President Sales, Marketing and Cargo Services, as well as Deputy CEO. He founded ra associates in Luxembourg, an air cargo management company, in 1998 and is currently also Advisor to the Chairman and CEO of Atlas Air. He is a founding father and past Chairman of TIACA (The International Air Cargo Association).

Mr. Camilo **BARCIA** (Spain) is Director of the Cabinet of Foreign Policy Analysis and Prospective in the Spanish Ministry of Foreign Affairs. He has served as Ambassador of the Kingdom of Spain to the United Arab Emirates, to Japan and to Sweden. Ambassador Barcia is also a former Spanish Permanent Representative to the European Union and the former CEO of SODIGA, the Society for the Economic Development of Galicia.

Mr. Percy **BARNEVIK** (the European Commission) is Chairman of the Boards of ABB Asea Brown Boveri Ltd (electrical engineering), of Investor AB (principal owner of the Wallenberg companies) and of Sandvik AB (specialty steel and tools). He is also a Member the Board of Directors of General Motors, USA. He is a member of the European Round Table of Industrialists, the World Economic Forum Foundation Board, the Centre for Strategic and International Studies, Washington, the Advisory Board of the Council on Foreign Relations, USA, the Business Council of American CEOs, as well as Chairman of the European Union Enlargement Work Group. He holds honorary degrees in economics, law, science and technology, and honorary fellowships from the London Business School, the Royal Academy of Engineering,

UK, and Duke University, Raleigh, USA.

Dr. Bernardino **GOMES** (Portugal) is Member of the Board and Executive Director of the Luso-American Development Foundation and President of the Portuguese Atlantic Committee. He was President of the Atlantic Treaty Association from 1988-91. Chief of Staff to Prime Minister Mario Soares from 1982-85, he was Head of the Policy Planning Staff at the Ministry for Foreign Affairs in 1977-82. An advisor to the Portuguese Ministry of Foreign Affairs and to the National Defence Institute, Dr Gomes is an expert on international relations and defence. He graduated in Political Science from the University of Louvain, Belgium.

Datuk **HASSAN** bin Harun (Malaysia) is Chairman and CEO of KUB Malaysia Berhad. He is also Chairman of Universiti Tun Abdul Razak, the first on-line virtual university in Malaysia and a member of the Board of the National Education Fund Corporation, an institution established by the Malaysian Government to finance students at the tertiary level. He is a senior member of United Malays National Organisation (UMNO) and sits on its economic council, and its education and social development bureaux. From 1988-91, Mr. Hassan was a Senator in the Parliament of Malaysia and, from 1991-96, a member of UMNO's Supreme Council.

Dr. Jaime C. **LAYA** (the Philippines) is Chairman of the National Commission for Culture and the Arts. A chartered accountant, Dr Laya is Chairman of KPMG/Laya Mananghaya & Co. He has held senior positions in government and in academia, serving as Minister of Education, Culture and Sports (1984-86), Minister of the Budget (1975-81), Chairman of the Monetary Board and Governor of the Central Bank of the Philippines (1981-84), and Professor and Dean of the College of Business Administration, University of the Philippines. He initiated restoration of the fortifications of Intramuros (the historic centre of Manila) and served as head of the Intramuros Administration from its establishment in 1979 until 1986. He has also sat on the Boards of various government, private corporate enterprises and NGOs. Dr. Laya has written numerous books and articles on fiscal and monetary policy, economics and accounting, education and culture.

Dr. **LEE** Tsao Yuan (Singapore) is the Director of the Institute of Policy Studies (IPS), a non-government public policy think-tank established in 1987 to study issues of policy interest to Singapore. An economist by training, Dr. Lee obtained her Ph.D. from Harvard University in 1982. She has written on the Singapore economy, ASEAN and the Asian NIEs. Her current research interests centre on Singapore's external economic relations, such as ASEAN, APEC and ASEM, as well as entrepreneurship and business issues. She sits on a number of committees and councils in Singapore. She served as Singapore's APEC Eminent Persons Group representative in 1994-95 and was Singapore's representative to the ASEAN-EU Eminent Persons Group in 1995-96. She was a Nominated Member of Parliament from September 1994 to December 1996 and was re-appointed in October 1997 to serve a second two-year term.

Ambassador **LIU** Shan (China) joined the Foreign Service of the People's Republic in 1949 after having completed his education at the University of Communication and Beijing University. Between 1949 and 1972, he served as functionary, section chief and division chief of the Consular Department of the Chinese Foreign Ministry. After a period lecturing and in publishing, he returned to the Ministry in 1983 as deputy-director of the Policy Research Department until 1985. From 1985-89, he was Chinese Ambassador to Belgium and Luxembourg, and Chief of the Mission to the European Community. In 1990, Ambassador Liu was appointed as deputy director-general of the Foreign Affairs Office under the State Council, to become President of the Foreign Affairs College 1992-98. Between 1993-97, Ambassador Liu was a member of the National Committee of the Chinese Political Consultative Conference. He is now a member of the China Council for Promotion of International Trade. He has authored, chief-edited and translated a number of books and articles, most recently, *New Dimensions of China's Diplomacy*.

Ambassador Liu is currently guest professor at Beijing University and the Foreign Affairs College.

Dr. Suhadi **MANGKUSUWONDO** (Indonesia) is Professor Emeritus of Economics at the University of Indonesia, Jakarta and Vice Chairman of the Trade and Management Development Institute. He is chief editor of the professional journal *Economics and Finance in Indonesia* and serves on a number of advisory committees advising the Indonesian Government. He served as the Indonesian member of the APEC Eminent Persons Group from 1993-96. From 1975-83 he was Director General of Foreign Trade in the Ministry of Trade and 1983-88 head of the Ministry's Research and Development Agency.

Dr. Rainer S. **MASERA** (Italy) is Co-Chief Executive Officer and Director General of S. Paolo Imi. He also teaches international finance at LUISS University in Rome. He was Head of the Bank of Italy's Research Department 1982-84 and Central Director for Economic Research from 1985-88. From 1988-98 he was Director General of Istituto Mobiliare Italian S.p.A. which then merged with Istituto Bancario San Paolo di Torino to become S. Paolo Imi. From 1995-96 he was Italian Minister of the Budget and Economic Planning and Minister for the Co-ordination of European Union Policy. In 1996 he was appointed member of the Board of Directors of the European Investment Bank. Since June 1998, he has been Vice-Chairman of ABI, the Italian Banking Association. Author of numerous books, articles and essays on domestic and international monetary policy and financial economics, some of which translated into French, Spanish, Chinese, Russian and Arabic, Dr Masera's first degree was in Statistics at the University of Rome. He holds a D. Phil. in Economics from Oxford.

Major-General Pehin Dato Haji **MOHAMMAD** Haji Daud (Brunei Darussalam) is a member of the Privy Council of Brunei Darussalam. He served in the armed forces for 30 years and retired as Commander of the Royal Brunei Armed Forces in 1990 with the rank of Major General. He became Brunei's Ambassador to the Arab Republic of Egypt and the Kingdom of Morocco from 1993-95. From 1996-97, he served as Brunei's Permanent Representative to the United Nations in New York. He is now a member of the Board of Directors of the Sultan Haji Hassanal Bolkhiah Foundation.

Ambassador J. Ørstrøm **MØLLER** (Denmark) is Danish Ambassador to Singapore and Brunei Darussalam and formerly State-Secretary in the Royal Danish Foreign Ministry from 1989-97. After graduating from the University of Copenhagen, he joined the Danish diplomatic service. He is a member of the Board of Governors of ASEF (Asia Europe Foundation) and the Council of the World Future Society. He is the author of numerous books on a broad range of topics, in particular European integration and international economic questions.

Mr François-Xavier **ORTOLI** (France) is Honorary Chairman of Total and Honorary Chairman of MEDEF International. Inspector-General of Finances. He was appointed in 1958 as Director General of the Internal Market at the European Commission, in 1962, Principal Private Secretary to Prime Minister Pompidou, and in 1967, Commissioner-General for the French National Plan. Entering Government the same year, he successively assumed the portfolios of Public Works and Housing, Education, Economics and Finance. In 1968, he was elected to the National Assembly. From 1969-72 he was Minister of Industrial and Scientific Development. In 1973 he began a four year term as President of the European Commission, of which he was then Vice President, holding the Economic and Financial Affairs portfolio, until October 1984. From 1984-90, he was Chairman of Total. He holds honorary doctorates from the Universities of Oxford and Athens.

Dr. Phisit **PAKKASEM** (Thailand) is Chairman of Thai Investment and Securities Plc. and Chairman of Asian Global Transpark Development, as well as Executive Advisor to the C.P. Group. He is also on the Board of Trustees of Thailand Development Research Institute and Kenan Institute Asia. He

has previously held the positions of Secretary-General of the National Economic and Social Development Board of Thailand, member of the Court of Directors of the Bank of Thailand, Secretary to the Council of Economic Ministers, Economic Advisor to two Prime Ministers of Thailand and Advisor to UN/FAO Rome. He is an academic member of the Phi Beta Kappa Society of the U.S.A., and Visiting Fellow at Wolfson College Cambridge and was educated at Claremont Men's College and Harvard. He has authored books on a wide range of domestic and international economic issues.

Mr. Albert **REYNOLDS** (Ireland) was elected Prime Minister of Ireland in February 1992 and re-elected in January 1993. A former businessman, he became leader of the Fianna Fail party and held government office in 1979 as Minister for Telecommunications and Transport, in 1987 Minister for Trade, Energy, and Commerce, 1988-91 Minister for Finance. Mr. Reynolds was President of the Council of European Union Finance Ministers in 1990, during which the initiative to move to a European Monetary Union and a single currency was launched. Upon his election as Prime Minister, Mr. Reynolds focused on bringing peace to Ireland and he has received numerous honours in both Europe and in the United States for his successful peace efforts. When he resigned in December 1994, he left a legacy of budget surplus, low interest rates, low inflation, strong economic growth, and the highest employment rate in over 40 years.

Dr. Heinz **RIESENHUBER** (Germany) is a member of the German Federal Parliament since 1976. From 1982 until 1993, he was Federal Minister of Research and Technology. In 1993, he was appointed to the Committee on Economics and Technology. Since 1994 he is Co-President of the German-Japanese Cooperation Council for High-Technology and Environment Technology and since 1996 President of the German-American Academic Council. Since 1995 he is an Honorary Professor of the University of Frankfurt. From 1966-71 he worked for Erzgesellschaft mbH im Hause Metallgesellschaft AG, Frankfurt; since 1968 as Managing Director. From 1971-82 he was the CEO of Synthomer Chemie GmbH, Frankfurt. He is a member of several national and foreign Advisory Panels and Supervisory Boards. He has received many honors and honorary doctorships: Dr. h.c. of Weizman Institute/Israel; Dr. h.c. Krakau/Poland; Dr. h.c. Surrey/England; Dr. h.c. Georg-August-Universität Göttingen; Großes Bundesverdienstkreuz mit Stern; Grand Officier de la Legion d'Honneur (France); Großes Goldenes Ehrenzeichen am Bande Republik Österreich; Order of the Holy Treasure with Star and Shoulder Ribbon (presented by the Emperor of Japan). From 1955-65 he studied science (majoring in chemistry) and economics at the Universities of Frankfurt and Munich. He received a Diploma in Chemistry. Dr. rer. nat; Assistant Professor.

Mr. Michael **SOHLMAN** (Sweden) is Executive Director of the Nobel Foundation in Stockholm since 1992. He was Director of the Budget at the Ministry of Finance from 1985-87, Under-Secretary of State at the Ministry of Agriculture from 1987-89, and Under-Secretary of State for Foreign Trade at the Ministry for Foreign Affairs from 1989-91. He is a member of the Board of Directors of the International Crisis Group (ICG) and the Institute for International Economic Studies at the University of Stockholm. From 1995-98, he was a Board member of the Swedish International Development Authority, (SIDA).

Dr. Helmut **SOHMEN** (Austria) is Chairman of World-Wide Shipping Group Ltd. and of N&T Argonaut AB. These companies own and operate large tanker and bulk carrier fleets in global trade. He is also Deputy Chairman of the Hongkong and Shanghai Banking Corporation Ltd. and a Director of HSBC Holdings plc. Dr. Sohmen is currently Chairman of the Pacific Basin Economic Council PBEAC in Honolulu, as well as Honorary Chairman of the Austro-Chinese Friendship Society, and a member of the Federal Chancellor's International Advisory Group in Vienna. Dr. Sohmen previously served as the member from Austria of the ASEAN-EU Eminent Persons Group, and was Chairman of the Baltic and International Maritime Council (BIMCO) in Copenhagen, Chairman of the Hong Kong General Chamber of Commerce, the Hong Kong Shipowners Association, and the Hong Kong Academy for Performing Arts. In the 1980s, Dr.

Sohmen was a member of the Hong Kong Legislative Council and of the Hong Kong Basic Law Consultative Committee.

Prof. Alfred van **STADEN** (the Netherlands) took a master's and doctorate in political science at the University of Amsterdam. In 1977, he was appointed professor occupying an endowed chair of Diplomatic History at Leiden University, and three years later he became full professor of international relations at the same university, where he continues to teach. From 1986-89 he served as Dean of the Law School at Leiden. Between 1990-97, he was the chairman of the Dutch Government Advisory Council on Peace and Security. In 1995, he became Director of the Netherlands Institute of International Relations 'Clingendael'. He has published extensively on topics of international security, European integration, and Dutch foreign policy.

Prof. Akihiko **TANAKA** (Japan) is Professor of International Politics at the Institute of Oriental Culture at the University of Tokyo. He obtained a B. A. at the University of Tokyo in 1977 and a Ph.D. in political science at Massachusetts Institute of Technology in 1981. He was appointed Associate Professor at the University of Tokyo in 1994, assuming his current position in 1998. He was Visiting Professor at Ruhr University Bochum 1986-87 and a Senior Associate Member at St. Antony's College Oxford 1994-95. He has served as a special member in various Japanese government advisory councils and has published many books and articles on international politics and foreign policy.

Mr. Christoffer **TAXELL** (Finland) has been President & CEO of Partek Corporation since 1990. A member of the Finnish Parliament from 1975-91, he served as Minister of Justice from 1979-87 and Minister of Education and Science from 1987-90. He is a lawyer by profession, starting his career as a university teacher. He is, or has been, a member of the board of a range of companies, foundations and industry associations in both Finland and Sweden.

Dr. Prof. Nguyen Quang **THAI** (Socialist Republic of Vietnam) is Vice President of the Development Strategy Institute of Vietnam (DSI) and Director of the World Economy Department of DSI. He is Professor of Economics at Hanoi University and a Member of the Central Committee of the Vietnam Economic Association. He is a country member of the Economic Committee of APEC. He has authored books on a wide range of international economic issues, development policy, the environment and sustainable development.

Baron Hugo **VANDAMME** (Belgium) has an MSc in Electrical Engineering and is a member of the Management of BARCO since 1974. In 1989, he was appointed President & CEO of the BARCO Group. Baron Vandamme is a member of the Executive Committee of Fabrimetal, the Flemish Economic Federation (VEV) and the Federation of Belgian Enterprises (VBO/FEB). He is also active as a member of the Flemish Council for Research Policy (VRWB) and the Fund for Scientific Research – Flanders (FWO). He presides on the Belgo-Indian Chamber of Commerce & Industry. He is a Board member of several companies, including Société Générale de Belgique, Dexia Belgium n.v., Sare Lee/DE.

Prof. Constantinos **VERGOPOULOS** (Greece) studied Law, Political Sciences and Economics at the Sorbonne and in Athens and has been Professor of Economics at the Universities of Paris and Athens. He has also been Visiting Professor at Princeton, Montreal, Mexico, Rio de Janeiro, Caracas, Buenos Aires, Lima, Calabria, and Thessalonica. He is an international expert in economics and is a member of the Molitor Group on Deregulation in the European Union. The author of many books, articles and reports on agrarian and agri-business economics, development studies, and international economy, Prof. Vergopoulos is currently working on issues of European economic and monetary integration.

AEVG Meetings

Seoul	Preliminary Meeting, 2-3 March 1998
Cambridge	1st Meeting, 5-6 April 1998
Singapore	2nd Meeting, 2-3 July 1998
Rome	3rd Meeting, 3-4 October 1998
Tokyo	4th Meeting, 8-9 January 1999
Lisbon	5th Meeting, 6-7 February 1999

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