



15th ASIA-EUROPE BUSINESS FORUM JOINT BUSINESS DECLARATION

Promoting connectivity for economic growth between Asia and Europe

Business leaders from Europe and Asia gathered on 13-14 July 2016 for the 15th Asia-Europe Business Forum (AEBF) at the State Palace of Mongolia in Ulaanbaatar. The forum was organized by the Government of Mongolia just prior to the 11th Asia-Europe Meeting (ASEM) in Ulaanbaatar. It was hosted by the Government of Mongolia within the framework of marking the 20th Anniversary of ASEM and 11th ASEM Summit, and was chaired by Mr. Ganbold Davaadorj, CEO of Erdenes Oyu Tolgoi LLC, Mongolia. Over 700 leading business representatives and government officials from Asia and Europe participated in the forum. High-level business representatives and CEOs from both regions had in-depth discussions under the overall theme “Connectivity for Economic Growth between Asia and Europe”.

The AEBF was honored by the opening speech of H.E. Mr. Erdenebat Jargaltulga, Prime Minister of Mongolia, who shared his view on the output of the AEBF. The AEBF was honored by the attendance and contributions made by distinguished political leaders from Asia and Europe: H.E. Mr. Elbegdorj Tsakhia, President of Mongolia, H.E. Mr. Jean Claude Juncker, President of the European Commission and H.E. Mr. Nguyen Xuan Phuc, Prime Minister of Viet Nam who addressed the forum and shared their visions regarding further strengthening of the ties between Asia and Europe.

The business leaders agreed to provide strong impetus to boost investment to achieve strong, sustainable and balanced growth and bring together policies and actions to improve the investment environment, support small and medium sized enterprises (SMEs), and promote knowledge sharing. Discussions took place on providing support to higher productivity, inclusiveness and growth, and help ensuring a strong corporate governance framework that would support private investment. The business leaders acknowledged the importance of actions on energy, including improving energy efficiency, increasing investments in clean energy technologies and support research and development related activities, and would remain committed to ensuring inclusive and sustainable growth in Asia and Europe. They underlined the enormous untapped potential that still lies in further deepening and expanding the Asia-Europe relations. The AEBF took stock of the business developments since the previous AEBF. They considered the possibility of consolidating the existing partnerships and promoting further business and economic cooperation, bearing duly in mind the challenges and opportunities for developing business-friendly environment. Asian business leaders inquired about the

latest developments in Europe, especially in the European Union and how that might affect the business environment between Europe and Asia.

Four plenary sessions focused respectively on building an inclusive economy nationally and internationally, Asia-Europe connectivity, integrating SMEs into global value chain and promoting investment and green development. Having considered these issues the business representatives have addressed specific recommendations to ASEM leaders.

Asian and European business leaders renewed their commitment to boost economic and trade relations, reinforce industrial collaboration and support SMEs across the two continents.

The reports on each plenary session are enclosed to this Joint Business Declaration and their main recommendations are summarized below.

Plenary session on “Building an inclusive economy”

- Ensure developing nations’ economic benefits such as unimpeded access and favorable condition for transit countries from political and economic union/association such as EU, EAEU, ASEAN, etc.;
- Stress the central role of the WTO in setting global trade rules, administering a rules-based multilateral trading system and enhancing the rule of law.
- Welcome the positive outcomes of the Tenth WTO Ministerial Conference held in Nairobi in 2015. Advancing negotiations on remaining Doha issues and addressing in the WTO other issues of importance to today's global economy would bring significant economic results;
- Create conditions that the corporate social responsibilities of multinational corporations contribute to the community and regional development and assisting SMEs;
- Establish stable macro-economic frameworks that encourage and facilitate trade and investments, commit to further liberalizing economies, fight protectionism and refrain from policies that impede free flow of trade and investments;
- Ensure coherence between parallel trade initiatives, work towards the adoption of global standards, as well as promoting the harmonization and mutual recognition of technical regulations and standards in order to prevent regulatory divergences;
- Ensure the respect and effective protection of intellectual property rights at a global level, facilitate business-to-business cooperation and transfer of technology on commercial terms;
- Commit to reinforce joint efforts in fighting infringements of Intellectual Property Rights, including in particular online counterfeiting and piracy;
- Strengthen dialogues among the civil society, private sector, government and multilateral institutions;
- Ensure transparency and the rule of law in order to prevent and fight corruption.

Plenary session on “Asia-Europe Connectivity”

- Intensify economic cooperation between Asia and Europe, strengthen trade and investment relations between their regions, including projects to enhance regional connectivity and welcome regional initiatives such as Mongolia-Russia-China Economic Corridor Program;
- Recognize the significance of connectivity in all dimensions between the two regions to economic prosperity and sustainable development and its untapped potential in investment and trade. Highlight digital connectivity as a key element of connecting Asia and Europe;
- Pursue a holistic program of connectivity which recognizes the interlinkages between physical, institutional and people-to-people connectivity;
- Recognize energy connectivity as a crucial aspect of physical and institutional connectivity. Intensify efforts for hard and soft infrastructure for cross-border energy transmission and energy security;
- Emphasize the important role of the Asian and European business community and private sector, including small and medium-sized enterprises, in contributing to sustainable and inclusive economic growth while consolidating existing partnerships and addressing a new path of economic cooperation.

Plenary session on “Integrating SMEs into global value chain”

- Promote business environment that make SMEs more attractive and competitive for global value chains and facilitate upgrading opportunities so as to overcome their participation constraints; ease the market access, enhance people’s education and skills;
- Assist SMEs to access finance and investment; provide loan guarantees, tax incentives and duty free access;
- Foster enabling environment for new businesses through providing tariff reductions and promoting business start-up support services.
- Provide open, transparent and predictable investment policies, lower investment barriers, promote foreign direct investments; provide opportunity for domestic SMEs to integrate and benefit from global value chains;
- Engage in value chains depending on the ease, cost and reliability of international trade flows while goods and services cross borders, minimize trade barriers;
- Promote e-commerce to reduce administrative and logistical costs.

Plenary session on “Investment and Green development”

- Major investments in green development are vital to meet the challenges of 21st Century. Clarity of the roles of different stakeholders is stressed: (a) Governments (strategies, policies, and incentives); (b) Development banks

(financing, priority for renewable energy); (c) Private sector (innovation, PPPs); and (d) United Nations/regional organizations (capacity building, awareness and dialogue);

- Mainstream sustainable green development into national development plans/strategies;
- Develop innovative incentives and reorient existing public resources to greener activities, including through the development of green bonds and mitigate risks for private equity funds to invest more in robust climate-friendly low-carbon development initiatives;
- Introduce and enhance sustainable finance practices in the banking and finance sector through collaborative efforts from the Government, private sector including finance associations;
- Improve education and training initiatives to improve works force in key sectors; build public awareness and encourage of using green technology and energy; improve and develop carbon emissions credit/price schemes.

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