



1ST ASIA-EUROPE ECONOMIC AND BUSINESS FORUM (AEEBF1) CHAIRMAN'S SUMMARY

Transitioning to a New Normal: Leveraging Global Value Chains, Multilateralism and the 4IR

The 1st Asia-Europe Economic and Business Forum (AEEBF1), convened upon the initiative by the Ministry of Commerce of the Kingdom of Cambodia with supports from the Council for the Development of Cambodia (CDC), the Asia-Europe Foundation (ASEF), and other partners, gathered world leaders, policymakers, academics, businessmen and development partners from both Asia and Europe on 24 November 2021 in Phnom Penh, Cambodia. The forum, regarded as the first of its kind having combined both the Economic and Business Forum, was hosted as one of the main side events of the 13th Asia-Europe Meeting (ASEM13). Around 5,000 leading and well-versed participants from Asia and Europe partook, both physically and virtually across multiple platforms, engaging in thorough discussions under the consolidated theme of “*Transitioning to a New Normal: Leveraging Global Value Chains, Multilateralism and the 4IR*”.

The AEEBF1 was honorably and gracefully presided over by **Samdech Akka Moha Sena Padei Techo HUN Sen**, Prime Minister of the Kingdom of Cambodia, sharing his views on its pivotal roles in generating inclusive and sustainable growth for both Asia and Europe in his opening remarks. This event was honorably participated by distinguished world leaders of public and private sectors including **H.E. Dr. Aun Pornmoniroth**, Deputy Prime Minister, Minister of Economy and Finance of Cambodia; **H.E. Mr. Mikhail Myasnikovich**, Chairman of the Board of the Eurasian Economic Commission; **H.E. Mr. Pan Sorasak**, Minister of Commerce of Cambodia; **H.E. Mr. Franck Riester**, Minister Delegate for Foreign Trade and Economic Attractiveness, attached to the Minister for Europe and Foreign Affairs of France; **H.E. Mr. Csaba Óry**, Ambassador of Hungary Accredited to the Kingdom of Cambodia; **Hon. FDr. Ar. Siti Rozaimeriyantay** DSLJ Haji Abdul Rahman, ASEAN Business Advisory Council Chair 2021; **Neak Oknha Kith Meng**, Chairman of Cambodia Chamber of Commerce; **Ms. Luisa Santos**, Deputy Director-General of BusinessEurope and other illustrious figures from Asia and Europe. Successfully concluded with fruitful outcomes, the AEEBF1 reaffirms the commitments of all participants and partners to strengthen ties between Asia and Europe while transitioning into a New Normal, especially amidst the rise of the 4IR, and to strive together on recovering the economy in the post-Covid-19.

The AEEBF1 took place in an unprecedented time of the global pandemic, while simultaneously at a time of which globalization has been experienced at a level the like of which has never been seen

before in the history of mankind. In alignment with the theme “Strengthening Multilateralism for Shared Growth” of the ASEM13 which reaffirms the importance of Asia-Europe partnership and action-oriented cooperation in addressing global and regional issues, particularly the Covid-19 pandemic, it is therefore indispensable that the AEEBF1 gathered all relevant entities to discuss and reflect the formidable challenges and disruptions posed by the global pandemic while looking ahead to ways and means by which Asia and Europe could together strive in and achieve the inclusive and sustainable growth of Asia and Europe via leveraging the interconnected globalization, global value chains and multilateralism in consideration of the Sustainable Development Goals (“SDGs”), particularly women empowerment and green businesses/investments, as the world shifts into the new context of 4IR and adapts to the New Normal in the aftermath of the COVID-19 pandemic.

Dedicated to these aforementioned aspirations, the AEEBF1 comprised 3 presentations and 3 panel discussions, in which all distinguished participants shared their respective views, experiences, knowledge, and best practices, of all realms from both public and private perspectives, and addressed recommendations to the ASEM leaders.

The said three presentations are (1) WTO’s multilateralism: Asia and Europe’s contribution, (2) Asia-Europe Partnership for Sustainable GVCs in the New Normal, and (3) Economic Diplomacy between Asia and Europe: An Engine of Growth and Prosperity. These presentations emphasized the importance of multilateralism linked to the emergence of bilateral and multilateral free trade agreements, which remain as the key drivers in promoting economic development and growth. Along with the 4IR, digital transformation and electronic commerce have been boosting productivities, competitiveness, and economic diversification of micro, small and medium enterprises (MSMEs) which are the backbone of income generation and job creation as well as youth and women entrepreneurship. It highlighted a joint effort to solve many confronting challenges to ensure the resilience of regional supply and global value chains, thereby contributing substantially to trades and investments as the driving forces for progress and employment creation, especially as an impulse for industrialization of the developing economies. These are what Asia and Europe shall embark on to ensure the growth in the new context of global potential trades full of resilience, competitiveness, sustainability, and inclusiveness. In this connection, the deployment of new technologies and artificial intelligence (AI) are ways and means for relevant partners including developing countries to leverage for economic development in the context of 4IR and the transitioning to the new normal.

The outcomes of each panel discussion are summarized and enclosed to this Chairman’s Summary as follows:

Panel Discussion 1: “The Resilient 4th IR for Asian and European Trade Synchronicity amidst Global Pandemic”

In order to inspire a global long-term economic sustainability and resilience, abolishing trade protectionism and synchronizing trade and development levels of Asia and Europe, with the enhancement of cybersecurity and green development in the 4IR and New Normal, are indispensable for ensuring inclusive growth amongst developing countries and the promotion of MSMEs if new technologies and needed skills can be embraced.

- Ensure environments and foundations for inclusive growth, especially amongst developing nations via synchronizing trade and development levels of Asia and Europe as the global trade and investment, in the post-pandemic, are to be ushered by the 4th industrial revolution;
- Create institutional frameworks at different levels to effectively incorporate the 4IR into trade and investment agenda as well as to foster enabling environment in assisting new businesses including MSMEs through a variety of incentives and programmes to maximize benefits from the 4IR in the New Normal;
- Commit to the joint-effort to best prepare the workforces and the restructuring of businesses in embracing new technologies and skills required for the 4IR;
- Ensure a safe and effective cybersecurity environment from imminent possibilities of cyberthreat as the global businesses and governances turn into the 4IR-inspired realms;
- Strengthen dialogues and cooperation among all relevant stakeholders including the governments, private sector, civil society, and multilateral institutions; and
- Expand regional and international cooperation in promoting and mainstreaming sustainable development practices, green businesses, while incorporating green development agendas into national development plans/strategies to inspire a global long-term economic sustainability and resilience.

Panel Discussion 2: “Expediting Economic Recovery in the New Normal and 4IR: Inclusive Multilateralism and Digitalization”

Expediting economic recovery in the New Normal and 4IR, digitalization, along with multilateralism, existing in light of strengthened public-private partnership through providing necessary schemes and incentives which can promote the participation of MSMEs in regional and global value chains and leverage advantages from the potential FTAs between countries, play pivotal roles.

- Further intensify multilateralism through different frameworks including but not limited to free trade agreements at various levels to strengthen economic cooperation and practices of free trade, investments and partnerships between countries and regions to mitigate the disruption caused during the pandemic;
- Emphasize strong and actively intertwined public-private partnership in promoting and reinforcing global and multilateral mechanisms;
- Provide necessary schemes and incentives to further promote the participation of MSMEs in regional and global value chains and to leverage advantages from the potential FTAs between countries; and

Panel Discussion 3: “Advancing Global Value and Supply Chain to Mitigate the Challenges Arising from the Current Pandemic”

The impacts of the COVID-19 pandemic have caused disruptions to the global supply chain yet were short-lived. This disruption has been expected to push for more vertical integration. Such impacts, however, can be mitigated by technologically advanced global value and supply chains through establishing necessary frameworks to inspire new patterns and models of global value and supply chains, implementing legal and administrative adjustments, and providing necessary incentives and assistance for business and industrial communities.

- Enhance the advancement of global value and supply chain through digitalization and adaptation to other necessary transformations to ensure the reliability of international trade flows as well as to ensure resiliency and ease further possibilities of disruption caused by global supply/demand shocks and other forms of uncertainty;

- Establish necessary supporting frameworks to inspire new emerging patterns and models of global value and supply chain including contactless delivery, nearshoring, intra-regional transactions, localization, inter alia, as well as green infrastructure to re-accelerate the global trade as countries recover from the pandemic;
- Provide necessary incentives and assistances for business and industrial communities to remodel themselves into green business, taking advantage of the future connected and technologically advanced global value and supply chains; and
- Implement legal and administrative adjustments, where needed, to speed up planning, procurement, and implementation of new infrastructure projects with the applications of new technologies and schemes to enhance the efficient use of infrastructure.

The AEEBF1 was successfully organized and proudly achieved its objectives with fruitful outcomes to boost economic growth, trade, investments, and sustainable and inclusive development for all nations.