EMERGING EUROPE

2021

Emerging Europe and the Asian Tigers

TOWARDS 2030

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The research is produced in two versions: a general one including general findings regarding all 23 investment promotion agencies; and a bespoke one including an additional chapter with findings and analysis of an individual agency's performance, available only for that agency.

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ANDREW WROBEL
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FOREWORD

Back in the early 1960s, South Korea, Taiwan, Singapore and Hong Kong were considered part of what was then known as "the third world" and were frequently referred to as "economically backward."

At the time, the global economy was just starting to recover from World War II and the Korean War of the early 1950s, with major advances in the accessibility and speed of air travel, combined with better telecommunications, opening up opportunities across the world.

The four countries — South Korea, Taiwan, Singapore and Hong Kong — boasted long-established ports and well-developed trade economies, highly educated populations, as well as robust post-colonial infrastructure. The British had influenced the development of Hong Kong and Singapore, the Chinese in Taiwan, and the Americans in South Korea. They were well positioned to benefit from the new period of global growth.

The governments of the four countries took the opportunity, introducing reforms with broad public support. As a result, between 1960 and 1995, average GDP growth in the four countries reached around six per cent per annum. This prolonged period of growth was the basis for each country to prosper into newly industrialised economies and then eventually into fully developed countries.

The achievement earnt them the label "Four Asian Tigers". Analysts, academics and economists have long debated the key factors behind their successful development but there are several which all agree made an impact.

The four countries' policies reflected a willingness to engage in public-private cooperation while ensuring that exchange rates reflected economic fundamentals, and interest rates yielded positive returns.

They implemented market-friendly economic policies that allowed industries to develop quickly. Each of them designed a market to facilitate exports and mostly free trade. They invested heavily in industrialisation, offered tax incentives to foreign investors, and made education a priority so as to secure access to a qualified labour force in the future. A strong, centralised state was another key element.

Since the fall of the Berlin Wall, the countries of emerging Europe have also seen massive growth. A number of them have joined the European Union and the North-Atlantic Treaty Organisation and have transformed from backward, post-communist countries into developed economies, sometimes at a rate even faster than the Asian Tigers.

In 2009, global index provider FTSE Russell promoted South Korea to developed-market status. Less than a decade later, Poland was also reclassified to developed-market status thanks to continuous improvements in its capital markets infrastructure, supported by the country's steady economic progress.

Emerging Europe and the Asian Tigers: Towards 2030 looked ahead at the political, social and economic relations between the emerging Europe region and the Asian Tigers over the next decade and discussed the two regions grow further in the post-Covid reality, aiming at developments in environment, social, governance (ESG).

This report summarises the opportunities that were identified, and the results of a survey carried out amongst diplomats, experts, entrepreneurs and business and civil society representatives.

IN BRIEF

South Korea

One of the most advanced economies in the world, South Korea has made incredible progress over the past few decades. At the end of the Korean War in 1953 it was a poor, agrarian society devastated by conflict and occupation. Today, it is an invitee at the G7 summit.

South Korea is now the world's largest producer of mobile phones, displays and semi-conductors while being the home of technology heavyweights such as Samsung and LG. Last year, it exported 100 billion US dollars worth of semiconductors alone.

In 2019, South Korea became the first country in the world to adopt 5G on a large scale and from 2014-19, it consecutively came first in Bloomberg's innovation index.

These accomplishments did not come about accidentally. For decades, the South Korean government has been providing favourable conditions for its homegrown corporations to flourish, issuing protectionist policies to support homegrown industries. Children are taught coding before they even begin grade school and corporations are given generous benefits in exchange for engaging in research and development.

In 2020, among all countries in the world, South Korea spent the second biggest proportion of its GDP on R&D, 4.5 per cent. Of this, 80 per cent came from private companies, which are given generous benefits to encourage R&D.

Today, South Korea is positioning itself to be a world leader in artificial intelligence, unveiling its AI strategy in 2016. The southern port city of Busan is already in the process of becoming a pioneering environmentally sustainable "smart city". A pilot project is already being launched, where residents enjoy high-tech services in everything from unmanned shops to personalised workout programmes devised by AI. 5G adoption is ahead of most of the world, with nearly 15 million users. If it continues on this path, South Korea will solidify its status as a tech powerhouse.

Taiwan

For more than 30 years, Taiwan has built itself a reputation for having the ability to compete with the best in the world in the tech industry. Despite its relatively small size and population, Taiwan has managed to flourish in electronic parts manufacturing.

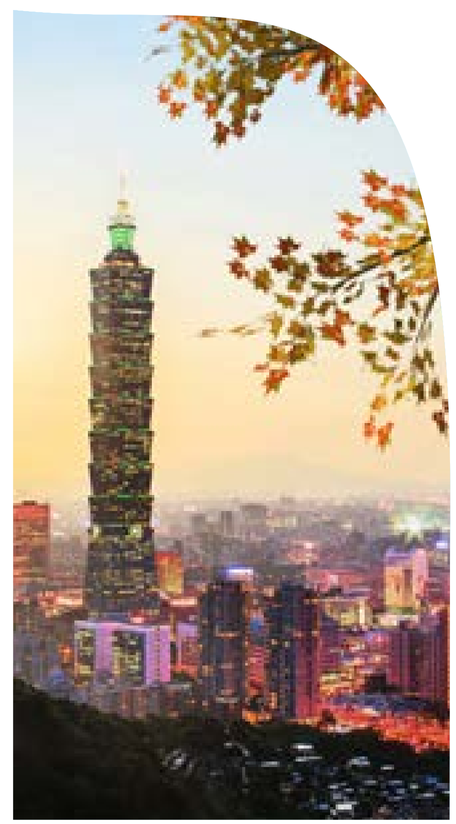
In 2020, Taiwan's exports in the computer, electronics and optical industries comprised 5.58 per cent of global exports – compared to 7.26 per cent for the much larger United States. Taiwanese firms have also pioneered the three-tier method of chip production.

Taiwan is home to the world's largest semiconductor foundry and in 2020 was responsible for 92 per cent of the world's leading-edge chip manufacturing. Taiwan Semiconductor Manufacturing Company, the world's largest chipmaker, is currently building a plant to produce three-nanometre chips, which are expected to be up to 70 per cent faster and more power-efficient than the most advanced chips in production.

This infrastructure is reinforced by three science-based industrial parks on the island.

In recent years, Taiwan's government has identified smart manufacturing as a cornerstone of its economy going forward. This has made the island and its firms put particular emphasis on AI, robotics and IoT technologies. In addition to this, Taiwan has made great strides in biotechnology, with more than 100 biotech firms registered on the stock market with a combined value of almost 25 billion US dollars.

Remarkably, 80 per cent of Taiwan's workforce is employed in SMEs. This gives the island a vibrant, diverse business environment, driving the remarkable innovation and growth seen over the last few decades.



Singapore

Already considered to be the business hub of the region, Singapore is another country which has been prioritising the development of its tech industry to great effect. For well over a decade, the government has made attracting the world's top tech firms a priority, offering low, simplified taxes and world-class IT infrastructure. Consequently, about 80 of the world's 100 biggest tech companies maintain a sizeable presence in Singapore, including giants such as Google, Facebook, Alibaba and Tencent.

Now, Singapore regularly acts as a "launchpad" for firms looking to enter the Southeast Asian market.

Despite being a city-state, Singapore nevertheless has a deep talent pool — composed both of locals and expats. Furthermore, the diverse country has English as an official language, making communication with the outside world significantly easier.

Now boasting more than 270 venture capital funds and at least 4,000 start-ups, Singapore has been consistently acknowledged for being a hub for innovation, placing 3rd in Bloomberg's 2020 innovation index.

Since 2014, the Singaporean government has been promoting its Smart Nation programme, providing free classes on coding, digital innovations and video conferencing. In 2019, it unveiled its AI strategy aiming to transform the economy. With continued government support and business-friendly policies, Singapore shows little signs of letting up in its drive to becoming Southeast Asia's tech hub.

Hong Kong

Despite being just a single (large) city, Hong Kong has managed to circumvent its size to become another economic hub in Southeast Asia. Part of the world's second largest technology cluster (along with the Chinese cities of Shenzhen and Guangzhou), Hong Kong has a large pool of skilled ICT professionals and a steadily growing start-up ecosystem.

Being historically a multi-ethnic city with close ties to the United Kingdom, a large proportion of the population is fluent in English. Since at least 1998, the local administration has identified the tech sector as a key part of the economy and has been supporting the development of the industry. The state-run Hong Kong Science Park houses more than 800 companies in five distinct clusters.

Recently, the administration has been putting particular emphasis on high-tech manufacturing, after more labour-intensive manufacturing projects largely migrated to cheaper locations. In June of this year, Chinese central bank officials proposed making Hong Kong and the Chinese city of Shenzhen a regulatory sandbox to trial cross-border transactions using the newly-inaugurated digital yuan.

With government support, integration with the ever-growing Chinese economy and a highly-skilled population, Hong Kong looks set to continue its path to becoming a regional hub in the tech industry.

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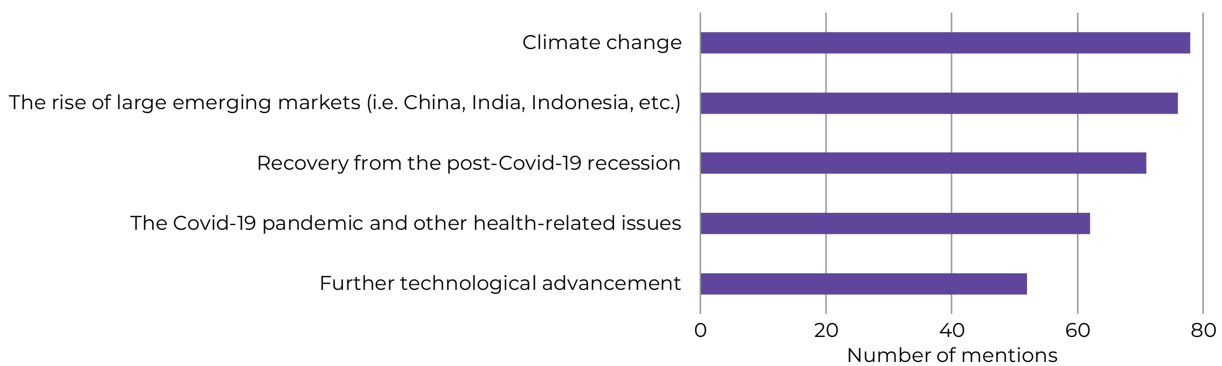
What do business **leaders think?**

As a part of the Emerging Europe and the Asian Tigers: Towards 2030 Programme, Emerging Europe collected and analysed more than 120 responses from entrepreneurs and business representatives to obtain their views on the opportunities, challenges and threats impacting future political and economic relations between the emerging Europe region and the Asian Tigers.

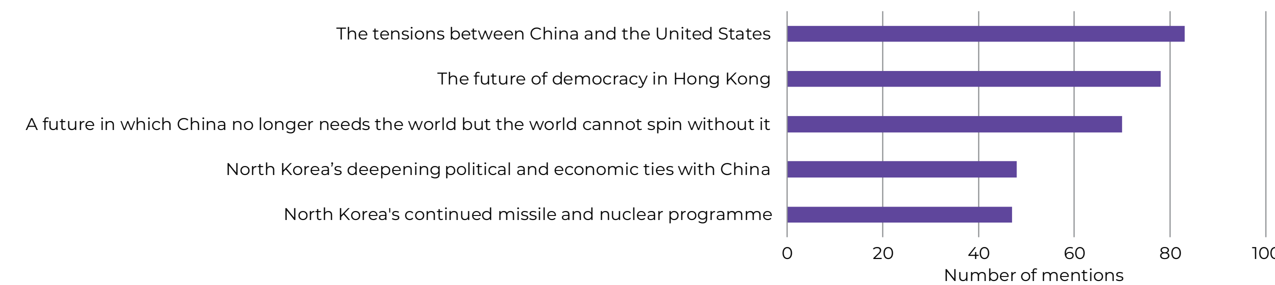
Respondents identified climate change, the rise of large emerging markets and recovery from the post-Covid-19 recession to be the main trends that will affect the Asian Tiger's political and economic relations with emerging Europe in the next decade. Each of these options was chosen by more than 50 per cent of respondents. In the meantime, cyberattacks, false news and disinformation are considered to have a significant effect on relations between the regions only by 9 per cent of respondents. It is worth noting that entrepreneurs and business representatives from the Asian Tigers region suggest that further technological advancement will not be among the most significant factors – only 26 per cent of respondents from the region picked such option. In contrast, 53 per cent of respondents from the emerging Europe region decided that technological advancement will have significant impact.

Chart 1. Top 5 global trends that will have the biggest impact on the Asian Tigers' political and economic relations with emerging Europe in the next decade



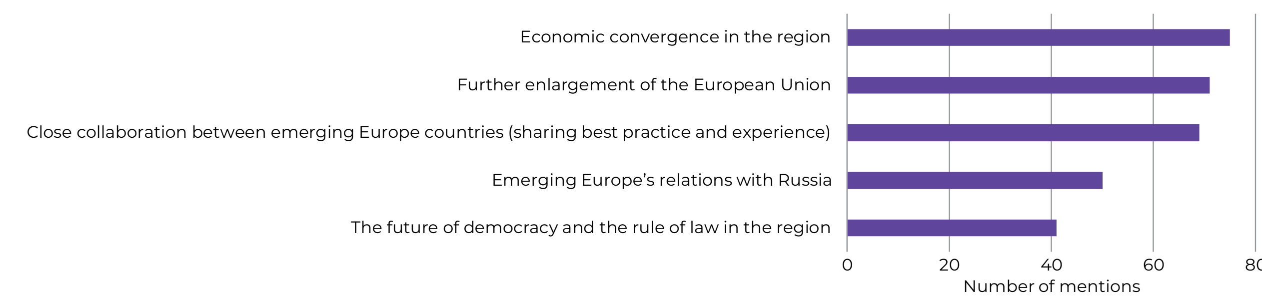
The tensions between China and the United States and the future of democracy in Hong Kong are considered to be the most influential social, political and economic events happening in the Asian Tigers as far as relations between the Asian Tigers and the emerging Europe region is concerned – 65 and 61 per cent of respondents respectively picked those options. More than 50 per cent believe that the establishment of China as a world's geopolitical and economic centre will make an impact on the relations between the regions. The respondents from both Asian Tigers and emerging Europe agreed on those factors being the top 3.

Chart 2. Top 5 social, political and economic events happening in South Korea, Singapore, Taiwan, Hong Kong and the region that will have the biggest impact on its relations with emerging Europe in the next decade



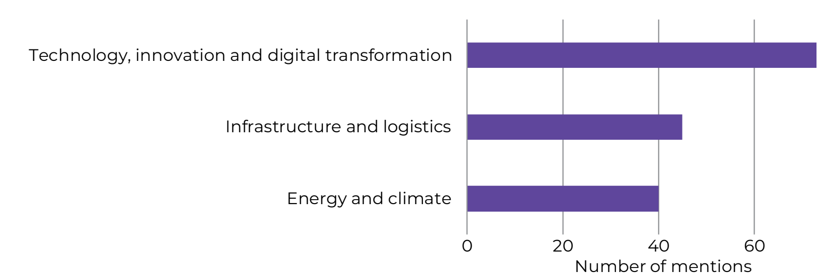
Economic convergence in the emerging Europe region, further enlargement of the European Union and close collaboration between emerging Europe countries are the top developments important for the future of emerging Europe-Asian Tigers relations. Each of these options were taken by more than 50 per cent of respondents. Almost a quarter (24 per cent) of respondents from the Asian Tigers region answered that further enlargement of NATO is one of three most important developments. In contrast, only 8 per cent of respondents from the emerging Europe region think it will have an impact on relations between the regions.

Chart 3. Top 5 developments important for the future of emerging Europe – Asian Tigers relations



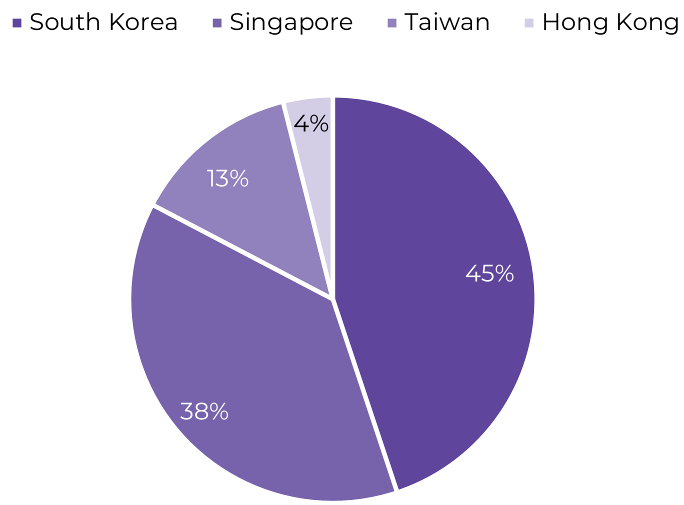
9 of 10 respondents believe that the emerging Europe countries and the Asian Tigers should strengthen their ties in the next decade. The same share suggests that investment flows between emerging Europe and the Asian Tigers in the next decade are going to be higher than in the previous decade. 57 per cent of respondents answered that technology, innovation and digital transformation is going to be the major field of cooperation between the countries of the regions, followed by infrastructure and logistics (35 per cent) and energy and climate (31 per cent). Less than 1 per cent answered that manufacturing is going to be one of the primary fields of cooperation.

Chart 4. Top 3 areas that are expected to attract more trade and investment between emerging Europe and the Asian Tigers in the next decade



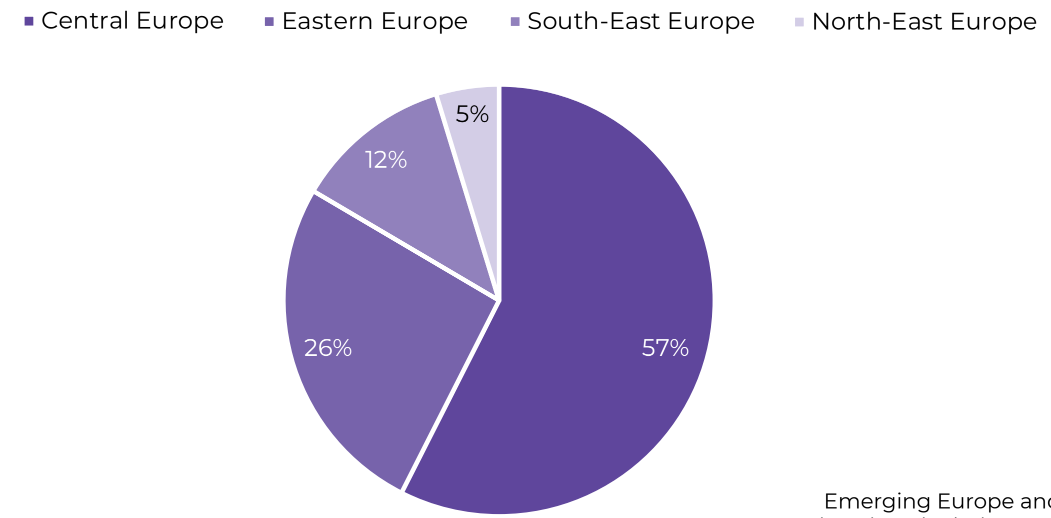
Respondents see the largest number of business opportunities for emerging Europe companies in South Korea (45 per cent) and Singapore (38 per cent) among the Asian Tigers countries. It is worth mentioning that 59 per cent of respondents from the Asian Tigers region chose Singapore, while South Korea and Taiwan were picked by only 18 per cent each.

Chart 5. In which Asian Tiger country do you see the largest number of business opportunities for emerging Europe companies?



Entrepreneurs and business representatives believe that Central Europe provides by far the largest number of business opportunities for companies from South Korea, Taiwan, Singapore and Hong Kong. Slightly more than a quarter of respondents picked Eastern Europe in this component. Only about 5 per cent of respondents suggest that North-East Europe provides the largest number of business opportunities for companies from the Asian Tigers, while almost 12 per cent of respondents from the Asian Tigers region answered so.

Chart 6. In which part of the emerging Europe region do you see the largest number of business opportunities for companies from South Korea, Taiwan, Singapore and Hong Kong?



Emerging Europe and the Asian Tigers' relations essentially experience influence from the global political and economic environment. Respondents believe that China and its activity is the most vital for the development of the Asian Tigers' relations with the region – 68 per cent mentioned it – followed by Russia and the United States (48 and 22 per cent respectively). Surprisingly, the leading EU countries – Germany and France – are not expected to influence the relations. They were chosen only by 8 and 1 per cent of respondents respectively.

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ESG targets: More carrot, less stick

WRITTEN BY JO HARPER

Environmental, Social, and Corporate Governance (ESG) can lead to greener, more responsible investment. But standards remain irregular: creating common denominators will be crucial.

The subject of Environmental, Social, and Corporate Governance (ESG) continues to take increased prominence in public and private debate, but their remains much to determine in how these principles should be implemented across emerging Europe.

According to Jeffrey Liebert, CEO of Gazelle Finance – which is involved in frontier financing and engaged in helping implement ESG practices in the countries of the former USSR – ESG is an opportunity to raise companies' performance.

"It can help differentiate good from great companies. But standards are very irregular. It's a constant game of trade offs, but ESG is a positive, and is good for business," he says.

Liebert was speaking at Emerging Europe and the Asian Tigers: Towards 2030, an event held jointly in the Polish capital Warsaw and the South Korean capital Seoul on April 29, which explored sustainable future relations between the emerging Europe region and key Asian markets, with a focus on ESGs.

Discussions focused on how businesses should – but also actually do – operate, asking if fair and sustainable trade and investment, social-impact investing, sustainable sourcing and supply chains, as well as fair and sustainable trade are possible to achieve.

Opening up economies will be crucial to at least making such positive developments a possibility, believes Jae-Joon Lim, CEO and president of the Korea Exchange. "Poland and South Korea both shared vibrant economic growth only after opening up their economies," he says. "We are focused on good governance, which is all part of our ESG strategy. We want to ensure that corporations understand the importance of ESG principles."

Carrot and stick in Korea

HyoSang Ryou, a professor at Soongsil University in Seoul, notes that while Korea and emerging Europe are two very different regions, they share the need to follow ESG standards as used in the EU and the US.

"Some suggest ESG is being used as another way for richer countries to colonise emerging markets, creating unseen tariff barriers, but that is not always so," he says.

"We must use carrots, not sticks."

International trade and investment are an engine for inclusive economic growth, which is vital in the global post-Covid-19 recovery, he adds.

In January, Korea's Financial Services Commission (FSC) unveiled measures to improve corporate disclosure rules in South Korea. These included initiatives to promote ESG and responsible investing, including implementation of mandatory ESG disclosures for listed companies.

In a statement, the FSC said it recognised the "growing significance of ESG factors and responsible investing" and concluded that it was "necessary to set up an appropriate regulatory environment."

In June 2020, the Korea Exchange itself launched a platform dedicated to what it calls Socially Responsible Investment (SRI) bonds to promote sustainability. By January 2021, there were approximately 550 products registered on the platform.

The Korea Exchange now plans to issue guidance on ESG disclosures to promote voluntary disclosure by listed companies by 2025. It will phase in mandatory ESG disclosures by 2030, when all KOSPI-listed companies will be required to disclose ESG information.

For foreign investors, the implementation of mandatory ESG disclosures for listed companies should increase the amount of data relevant to sustainable investment decisions in South Korea and could therefore make the market more attractive as interest in sustainable investing grows globally, the Korea Exchange believes. It remains to be seen whether the FSC or other regulators in South Korea will apply similar principles to unlisted companies.

> It's a constant game of trade offs, but ESG is a positive, and is good for business.

Fitch Ratings says the new regulations may contribute to a growing volume of data that "could influence the willingness and ability of investors and other financial institutions to apply ESG due diligence and exclusionary processes."

Korea joins the Hong Kong Exchange in introducing mandatory ESG disclosures, while most other authorities in the region have either voluntary guidelines or requirements only on a 'comply-or-explain' basis.

Many Korean financial institutions have already instituted policies to begin implementing these commitments. The Samsung Group, for example, stated in November that all group affiliates would phase out coal-related investments. A number of South Korean insurers – including Samsung Fire and Marine Insurance, Dongbu Insurance and Shinhan Life Insurance – have signed up to the UN Environment Programme's Principles for Sustainable Insurance Initiative since 2010.

Financial institutions are also increasingly keen to promote positive social outcomes, such as employment generation via SME financing. Corporate governance improvements represent another field that has drawn more attention in recent years, particularly among the country's large conglomerates, or chaebol.

Building consensus in Europe

In Europe, the European Fund and Asset Management Association (Efama) believes accelerated development of the mandatory European sustainability reporting standards (ESS) could "become a game-changer unleashing the impact of sustainable finance."

Efama says that mandatory ESS were "essential for the achievement of the European Union's Green Deal objectives and evolving sustainable finance policies, and at the same time, drive cooperation towards convergence behind a global sustainability reporting architecture."

Agnieszka Gajewska, public sector and infrastructure lead for Central and Eastern Europe at PwC, says building consensus was a precondition of successful roll-out of ESG in less developed economies.

"Rule-based trade is essential," she adds, saying that an EU report in January showed that 42 per cent of firms that said they were ESG-ready were actually not.

In terms of distribution of assets in ESG funds, Europe has 47 per cent of assets considered as 'ESG'. With 40 per cent of assets, the US is catching up. Australia and New Zealand account for another seven per cent, while Japan accounts for six per cent. Moody's puts the value of ESG debt funds globally in 2019 at 200 billion US dollars, up from just over 2.5 billion US dollars in 2012.

"What we are seeing and hearing is that ESG is an opportunity to create value," adds Gajewska. "What we need now are to define common denominators as to what we understand as 'green'."

Poland: Small but growing fast

Poland is currently at the beginning of its road towards a more substantial level of ESG investment, but in 2019 the Warsaw Stock Exchange started to publish an index dedicated to companies that observe ESG criteria.

The total value of assets accumulated in the the four ESG-listed funds at the end of 2019 was 1.7 billion złoty (373 million euros), which is 0.6 per cent of all assets in Polish investment funds. The share of ESG funds globally already is about 15 per cent.

Marek Dietl, CEO of the Warsaw Stock Exchange (GPW), notes however that while the Korea bourse was twentyfold bigger than the GPW, the Warsaw bourse was the fastest growing in the EU and with an energy exchange was a little more diversified.

"We have more similarities than differences," he says. "We followed South Korea's strategy for capital market development. Although Korea's capital market is much larger, we have seen similar developments in recent years, including the rapid growth of trade volumes."

"In Poland we are working hard to create a narrative around ESG, promoting it across all sectors, including those where there is room for improvement. The message is being well received: we really hope that it will lead to greener and more responsible investment.

Smaller investors **key to Warsaw bourse success**

WRITTEN BY JO HARPER

The Warsaw Stock Exchange, the largest capital market in Central and Eastern Europe, turned 30 in April and has never been more successful. This success is increasingly down to the high number of retail investors taking a punt on the markets. Following Korea's model has also helped.

Marek Dietl, the CEO who over the past four years has led the rapid rise of the Warsaw Stock Exchange (GPW) to its current status as a regional powerhouse, does not shy away from admitting where the bourse has taken inspiration.

"We followed South Korea's strategy for capital market development," he says.

Like Poland, South Korea was once an authoritarian state, but over the past four decades has emerged as an open, truly global economy with reach far beyond its borders: it is regularly singled out as a model for other economies in transition, an example of how they can get things right.

"In the mid-2000s we gradually opened the door to the listing of companies," says Jiwon Jung, chairman and CEO of the Korea Exchange.

"This, as well as great IT infrastructure and high stock market liquidity have been the key factors in our success over the past 10 years."

Jung adds that since the outbreak of the Covid-19 pandemic there has been renewed interest from individual investors.

"More and more are entering the market, and they are increasingly aggressive."

Retail investors

Marek Dietl says that the Warsaw exchange has also seen rapid growth in trade volumes, and that it too is being driven by individual investors.

"Although Korea's capital market is much larger than ours, we have seen similar developments in recent years," he says.

"An much of that is related to retail investors. We have seen great developments in terms of foreign investment companies – which have gained up to a 60 per cent share in our trading volumes, but retail investors still now account for around 10 per cent. They are an important group because they're early adopters," Dietl adds, pointing out that trading volumes this year are up 70 per cent.

"We are miles away from becoming the same size as the Korea exchange, but we have more in common than there are differences. The constant growth of Polish GDP and the extremely fast growth of exports – in manufacturing and tools – led to an improvement of the economic standing of Poland."

Jiwon Jung also points to the infrastructure of the Korea exchange, which deals not only with stocks, but bonds and derivatives.

"It's a comprehensive exchange," he says.

"This great IT infrastructure meat that we were able to establish trust in the market."

Back in Poland, if proof were needed that Warsaw's stock exchange is now a major player, look no further than Poundland's owner pursuing a 4.5 billion euros listing in the Polish capital rather than on the London stock market.

Steinhoff International Holdings, Pepco's South Africa-based owner, opted for Poland owing to its large presence in the country.

It trades from more than 3,000 stores across 15 European markets, under the Pepco brand in Central and Eastern European countries.

The first stores using the Pepco brand opened in Poland in 2004, and the country now has more than 1,000.

As and when it happens, Steinhoff's IPO will follow some spectacular successes of late.

The IPOs of Play Communications (1.03 billion euros – the biggest IPO of a private company in GPW history), Dino Polska (394 million euros) were all major hits, while in October 2020, the GPW hosted Europe's biggest IPO of the year, when shares in Polish e-commerce group Allegro rose more than 60 per cent on their debut, giving the online retail company a market value of almost 19 billion euros.

Retail investors – from across the region – can't get enough of the Warsaw action, it seems.

New ESG guidelines can strengthen **Polish capital market**

WRITTEN BY MAREK GRZEGORCZYK

A new set of ESG (environmental, social, governance) reporting guidelines could strengthen the position of the Polish capital market – already the largest in Central and Eastern Europe – as investors become increasingly aware of non-financial factors.

The Warsaw Stock Exchange (GPW) has published its first set of ESG (environmental, social, governance) reporting guidelines for investors and listed companies, together with an ESG reporting manual.

Produced in collaboration with the European Bank for Reconstruction and Development (EBRD) and Steward Redqueen, a specialised consultancy that works across the globe advising organisations on impact and sustainability, the guidelines aim to address some of the challenges facing investors and the financial industry, both in terms of legislation and the rising awareness of the public, who are increasingly sensitive to how companies approach ESG issues.

The guidelines also, however, highlight new business opportunities, such as growing demand for sustainable products and services, the aspiration of businesses to be attractive employers, as well as changing customer behaviour.

"The guidelines provide hands-on tips and solutions based on recognised international non-financial reporting standards," says Izabela Olszewska, a member of the GPW management board.

"The guidelines have been designed with the contribution of many capital market institutions which understand the imperative of raising the standards of ESG reporting. They will provide small and mid-sized companies with a roadmap for measuring their impact on the environment while defining a code of good practice for market leaders."

The GPW's ESG reporting guidelines explain why ESG disclosures are important, what they really are, and how to start reporting.

However, reporting is a complex process as there is no one-size-fits-all approach. With a view to stakeholders' needs, companies need to find solutions that best fit their business models and business segments. The guidelines describe the process step-by-step from a practical perspective.

The GPW is planning to offer a range of information initiatives addressed to issuers, including webinars and training rounds.

Strengthening the Polish capital market

From an international perspective, the guidelines should strengthen the position of the Polish capital market – already the largest in Central and Eastern Europe – and investor interest in companies listed on the GPW.

Investors need to know how well companies are prepared to manage ESG factors, which may become a precondition of access to capital. Improved quality of ESG reporting will support economic transition in line with the sustainable development goals.

"The guidelines aim at supporting the transition to a climate-neutral, green, competitive and inclusive economy and position GPW as a sustainability leader in the region," says Grzegorz Zielinski, regional head of Central Europe and the Baltics at the EBRD.

"The guidelines we developed are based on extensive engagement with a range of stakeholders from Poland and international investors," adds Wouter Scheepens, partner Steward Redqueen. "Our goal was to build on EU regulations and international sustainability reporting frameworks in such a way that Polish issuers and other interested parties will be happy to use this product."

The Asian Tigers-EE **marketplace**

After a slump in the mid-2010s, trade and investment levels between Central and Eastern Europe and the four Asian Tigers are booming.

Economic activity between the four so-called Asian Tigers (South Korea, Taiwan, Hong Kong and Singapore) and Central and Eastern Europe has been picking following a slump between 2015 and 2016, new data from Emerging Europe shows.

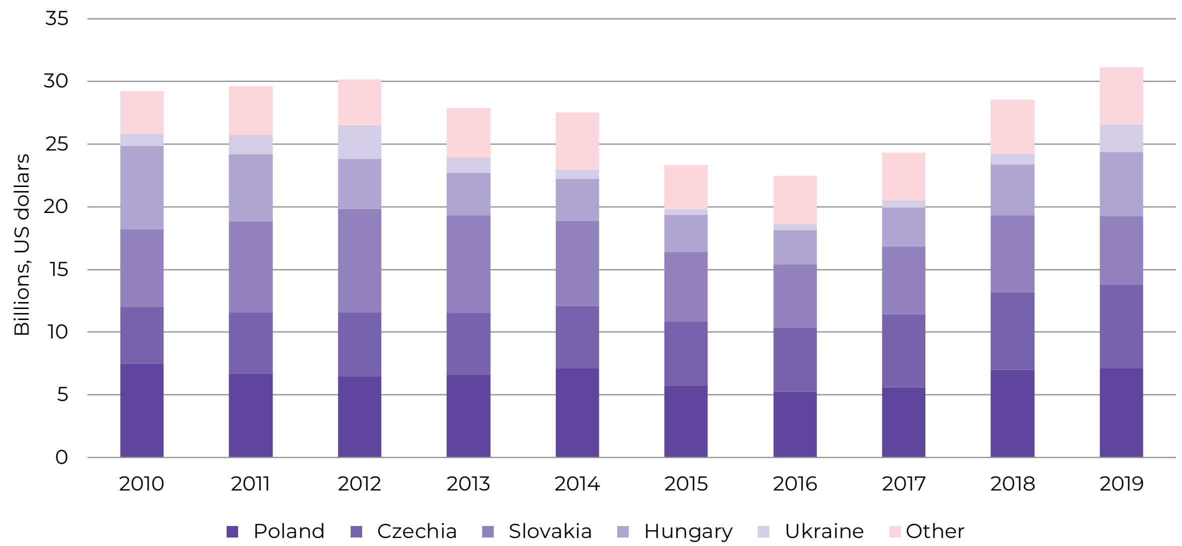
When it comes to the import of goods from the Asian Tiger countries to the region, there was an increase of 39 per cent in 2019 compared to 2016.

The top five countries importing from the Asian Tigers are Poland, Czechia, Slovakia, Hungary and Ukraine, and all five have seen increased levels of imports over the past five years.

In Poland, import of goods increased by 24 per cent, in Czechia by 30 per cent, in Hungary by 71 per cent and in Ukraine by a staggering 405 per cent.

Belarus meanwhile, despite not being one of the top five countries for overall imports, nevertheless saw imports from the Asian Tigers increase 273 per cent between 2015 and 2019.

Chart 1. Import of goods from the Asian Tigers to emerging Europe



Exports up too

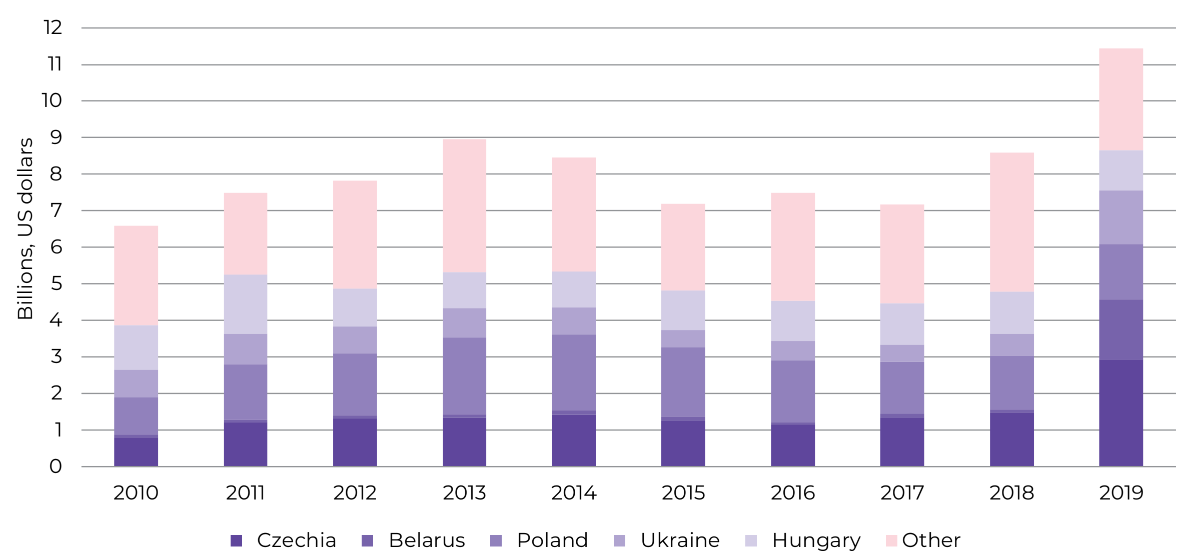
Goods going the other way have also recovered from a slump from 2015-17, increasing by 60 per cent since 2017.

According to the United Nations Conference on Trade and Development (UNCTAD) the export of goods from Czechia to the four Asian countries increased by 100 per cent between 2018 and 2019. Belarus also saw a significant increase in exports — an astonishing 1,600 per cent, from a paltry 96 million US dollars (78.5 million euros) to 1.6 billion US dollars (1.3 billion euros).

Ukraine has also exported more in the observed time period, seeing an increase of 139 per cent.

Czechia, Belarus, Poland, and Ukraine all exported goods worth more than one billion US dollars (818.2 million euros) to the Asian Tigers in 2019.

Chart 2. Export of goods from emerging Europe to the Asian Tigers



In 2019, South Korea was by far the largest trading partner of Poland in terms of trade of goods. For Czechia it was Hong Kong. Ukraine's biggest Asian Tiger trading partner was Taiwan.

Chart 3. Import of goods from the Asian Tigers to the selected emerging Europe countries in 2019

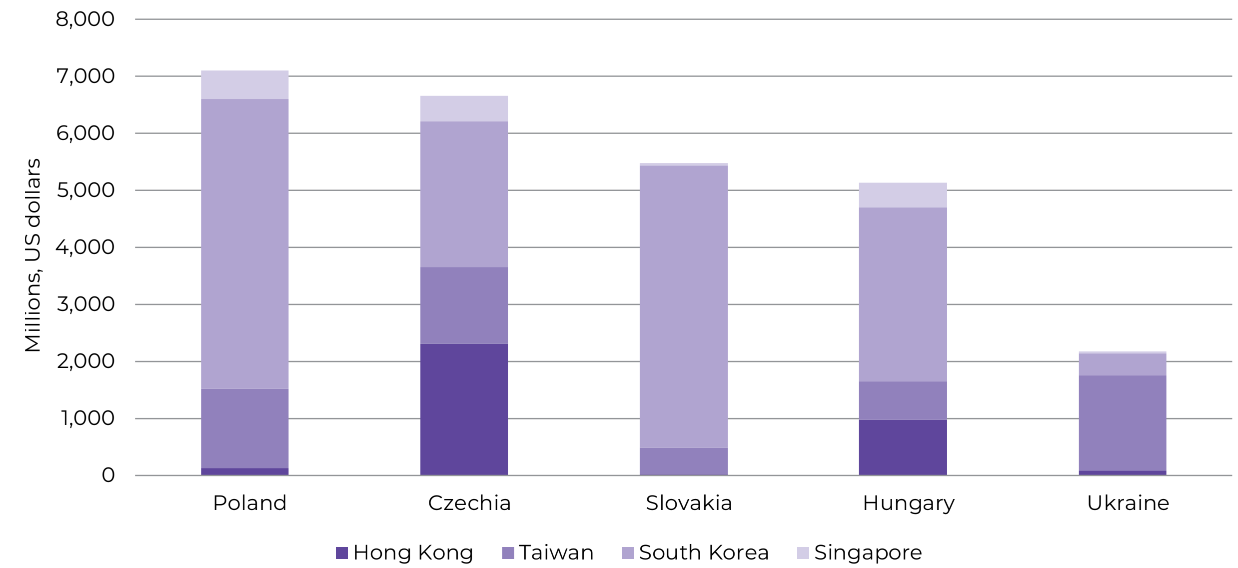
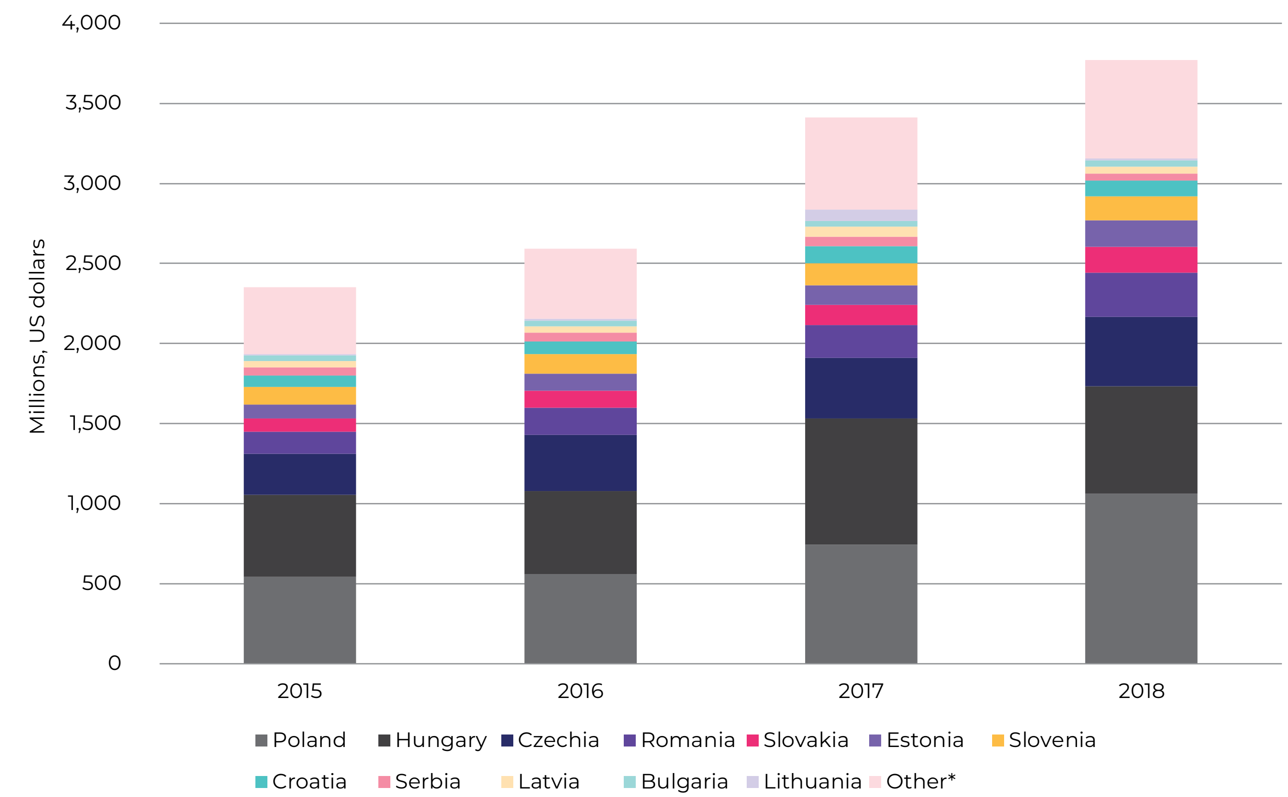


Chart 4. Export of services from selected emerging Europe countries to the Asian Tigers



When it comes to services exports, Hungary leads the emerging Europe region, with three per cent of the country's services exports heading for the four Asian Tigers in 2017. The percentage dropped to 2.5 per cent in 2018 however. In Estonia meanwhile, the trend is upwards, with its amount of services exports to South Korea, Taiwan, Singapore and Hong Kong reaching just over two per cent in 2018.

Chart 5. Import of services from the Asian Tigers to the selected emerging Europe countries

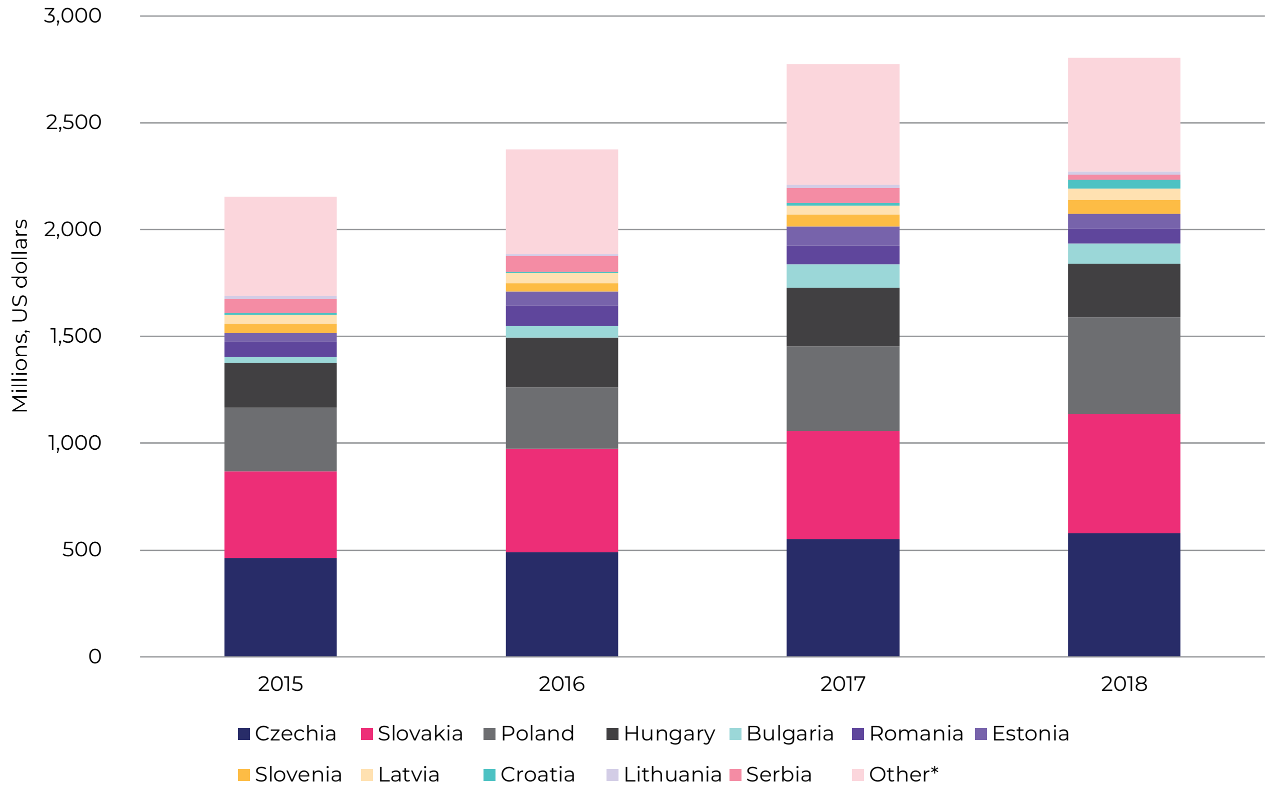


Chart 6. Share of services export from the selected emerging Europe countries to the Asian Tigers

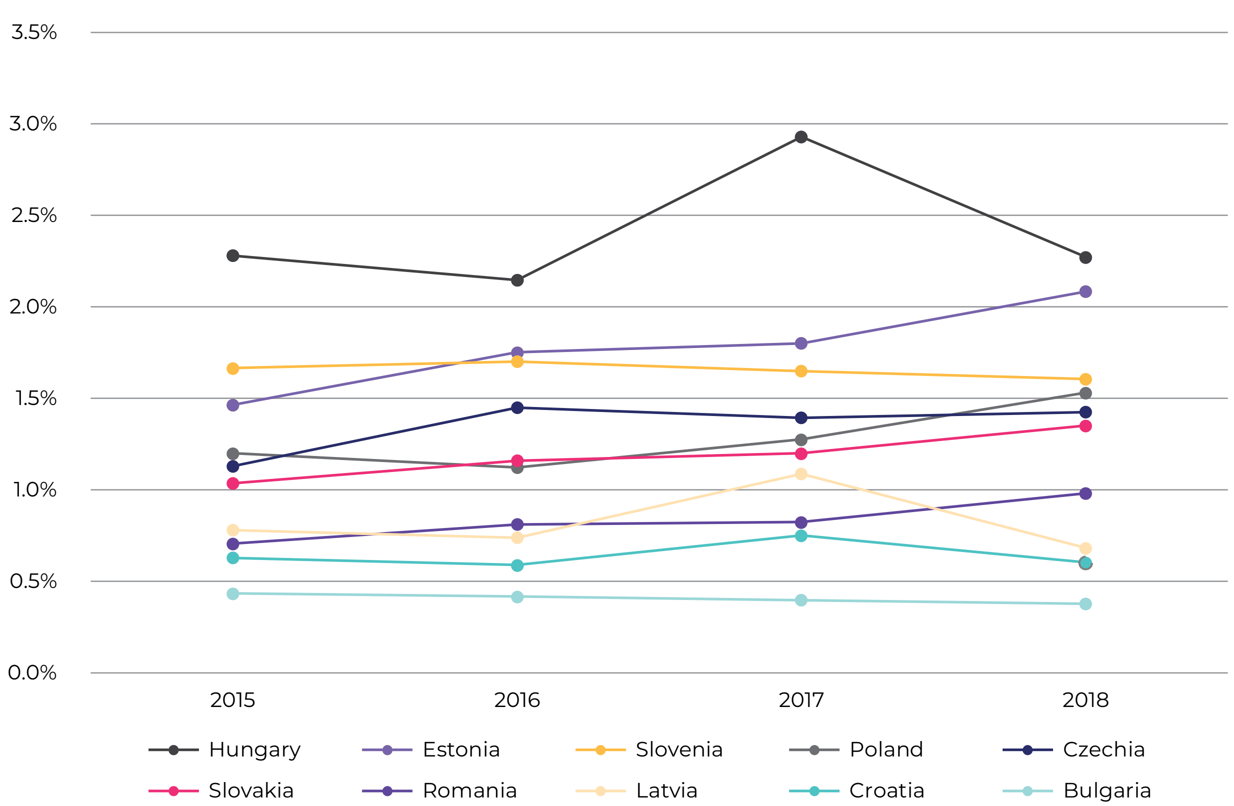
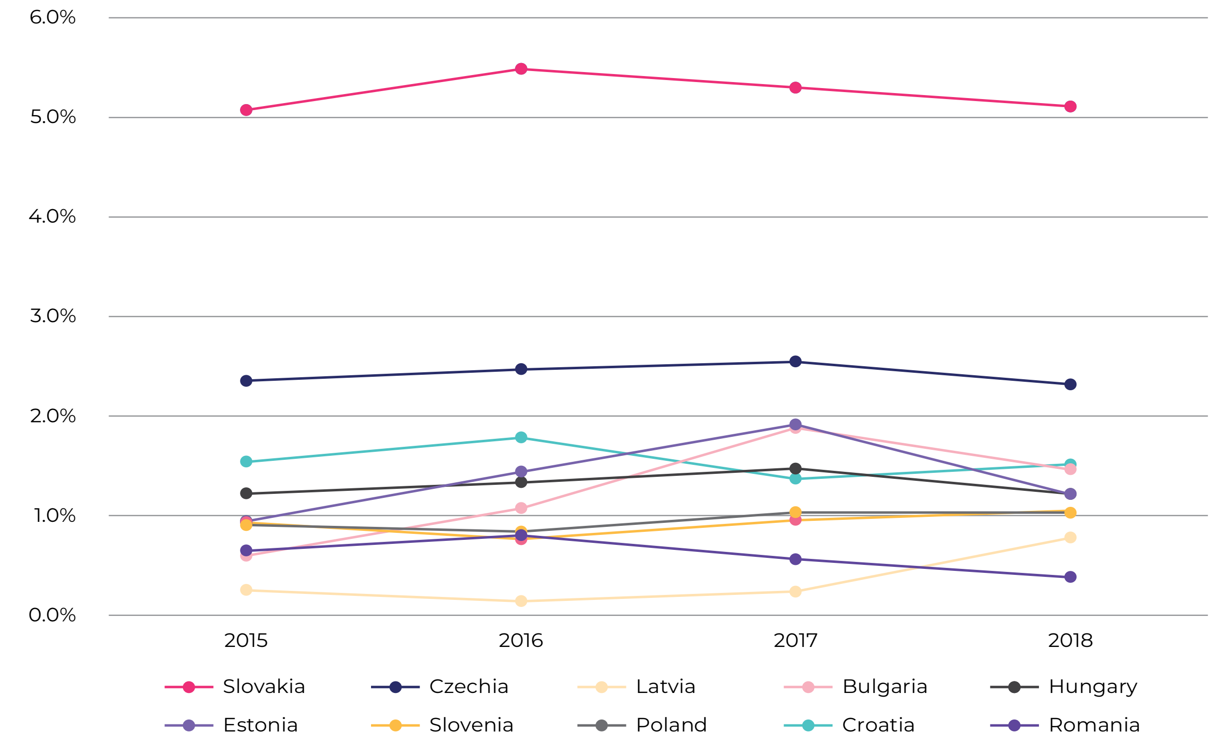


Chart 7. Share of services import from the Asian Tigers to the selected emerging Europe countries



FDI

When it comes to foreign direct investment (FDI) the Asian Tiger countries see much higher levels of both inward and outward flows than emerging Europe. In 2019, Hong Kong alone had a higher inflow of FDI (68.4 billion US dollars or 55.9 billion euros) than all the countries of the emerging Europe region combined — 57.9 billion US dollars or 47.3 billion euros.

Outward flow, as in money countries invest abroad, is much the same. Hong Kong again leads the way with 59.3 billion US dollars invested (48.5 billion euros), way more than the emerging Europe total of 16.3 billion US dollars (13.3 billion euros).

Poland has benefited the most from FDI outflows from the Asian Tigers. In 2018, South Korea surpassed China as the country with the most investments in the country. In 2019, South Korea invested a total of 990 million US dollars (810 million euros) into Poland.

Indeed, Poland is now increasingly seen as South Korea's gateway into the European Union. According to the Polish Investment and Trade Agency, there are already 260 companies from South Korea investing in the country. These investments are predominantly in infrastructure, energy, e-mobility, and green technology.

South Korea also has a significant presence in Hungary, where it invested more than one billion US dollars in 2018 and around 600 million US dollars in 2019.

Overall, trade and investment ties between the Asian Tigers and emerging Europe are strengthening, with imports and exports recovering from the mid-decade slump of the 2010s as Asian countries becoming more and more involved in investing in the region.

Chart 8. Outward FDI of the emerging Europe countries compared to outward FDI of the Asian Tigers

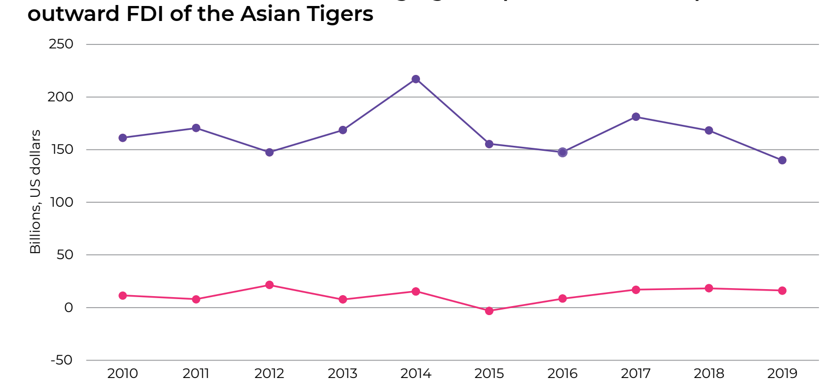
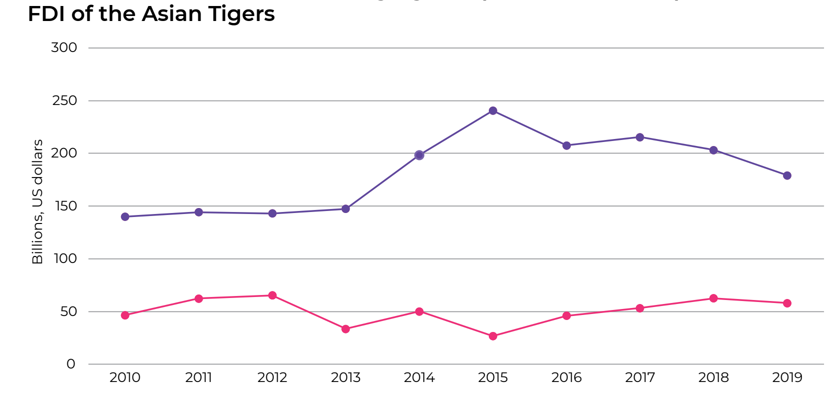


Chart 9. Inward FDI of the emerging Europe countries compared to inward FDI of the Asian Tigers



*Emerging Europe estimates
Source: UNCTAD

Emerging Europe and the Asian Tigers **poised to lead on ESG**

AGNIESZKA GAJEWSKA
PwC CEE Leader for ESG, Public Sector & Infrastructure | Global International Development Leader

Emerging Europe and the Asian Tigers, with their growing economies, have a fundamental role to play in creating a framework for ESG.

Emerging Europe, like the rest of the planet, is taking a hard look at the post-Covid world economy.

Companies are finding that they are still confronted with the same long-term issues that they were tackling at the end of 2019. Moreover, the solutions and implementations that were put on the back burner as the world came to terms with the pandemic are also being put into play.

It is pertinent to today's recovery that emerging Europe reconnects with growing and developing markets such as the Asian Tigers, with ESG providing a framework for this reconnection.

ESG in the spotlight

ESG is a set of building blocks for environmental, social, and governance improvements. Within these blocks, the environmental has recently taken centrę stage, with the European Commission reaching a preliminary agreement on a European Climate Law on April 21, 2021.

With the climate law on the horizon, emerging Europe's manufacturers will have to communicate clearly with their Asian counterparts on the E in ESG: how a greater environmental emphasis will impact the rules of engagement.

The new law will put firm reporting requirements regarding owned and non-owned environmental outcomes of both inputs and production. This means that not only EUmembers themselves, but also their partners worldwide will have to report on concrete criteria in order to participate in trade.

There are regional specifics to ESG, and in some countries ESG is often confused with Corporate Social Responsibility (CSR).

This can affect the focus on ESG. Business partners from across Europe, whether in the EU or not, might find themselves in the position of needing to clarify the differences and the very real-world changes that ESG will bring to the business community everywhere. As I said at the recent conference, Emerging Europe and the Asian Tigers: Towards 2030, "Real reporting requirements are now in place and they will affect pretty much everything we do."

Agreements needed

I see the need to find common denominators, some common language, to ensure that investors, suppliers, and trading partners are working toward the same vision.

This is important so that we understand what we are measuring. An EU report from January 2021 claimed that 42 per cent of companies, with what they labeled "green" products, had mislabeled or misrepresented them in some fashion.

Therefore, it is incumbent upon us in Europe to ensure that we ourselves are able to properly apply this environmental legislation as it arises, and take the same lessons to both corporate governance and our social responsibilities.

Asian investors are more aware of ESG than their manufacturing counterparts. The MSCI 2021 Global Institutional Investor survey shows that approximately 79 per cent of Asia-Pacific investors increased ESG investments due to the Covid-19 pandemic.

The pandemic did not initiate the movement, though. The PwC Private Equity Responsible Investment Survey conducted in 2019 showed that out of 162 respondents, 67 per cent of respondents had identified and prioritised sustainable development goals that are relevant to their investments. This is almost double the percentage from 2016.

What this shows is that emerging Europe companies are going to have to make a real effort to learn about the goals and understanding related to ESG that their investors, suppliers, and partners actually have, and not make assumptions.

Indeed, since economies across emerging Europe and Asia are both rapidly developing each in their own way, it's possible to imagine a situation where one partner takes the lead on ensuring that environmental regulation is met, while taking a learning position when it comes to rapidly moving governance regulation, for example, especially in terms of the digital economy.

S&G for M&A

While the headlines are about the E in ESG, emerging Europe's business climate is very much about the S and the G as well.

The M&A environment these days covers not just due diligence on financials and corporate structure. What corporate response teams and employee resilience measures are in place are important questions when a company comes on the market these days, and this needs to be transmitted to our potential partners and investors in Asia.

After all, Covid was and is a global problem, and we all need to be able answer "what if" on a broader plane than before. For Asian investors in particular, a robust ESG programme that is clearly laid out creates real value.

Governments will be a vital source of ESG direction, though the concept is still young and there are still areas open for discussion. How to come to agreement on balancing investor, manufacturer and consumer needs in a sustainable and measurable manner has absorbed the best minds world-wide for generations now, and ESG provides a way forward.

But it will be up to each company, each representative of each company, to work with partners in a way that reflects commonly agreed ESG tenets.

Emerging Europe and the Asian Tigers, with their growing economies, have a fundamental role to play in that.

Taiwan: A country that could become a greater economic **partner for emerging Europe**

ANTHONY KIM
Research Manager and Editor of the Index of Economic Freedom, The Heritage Foundation

Trade and investment ties between Taiwan and CEE are at record levels, but there's still plenty of room for more.

Taiwan is a dynamic free market democracy whose resilient economy offers unique opportunities for greater trade and investment relationships with countries in Central and Eastern Europe.

In fact, the ongoing Covid-19 pandemic has shown why emerging Europe should be in the business of preserving and advancing freedom, civil society, and other democratic values in practical economic partnerships with like-minded and willing allies, such as Taiwan.

Taiwan's trade dependent economy is driven by a competitive manufacturing sector that encompasses electronics, machinery, petrochemicals, and information and communication technology products.

The European Union is Taiwan's fifth largest trading partner, with the bilateral trade totaling over 35 billion US dollars in 2020. Equally notable is that concerning investment, the EU has become the largest source of foreign direct investment in Taiwan, with its investment in Taiwan exceeding 45 billion US dollars last year.

Direct flights

Taiwan's economic engagements at a more specific country level in emerging Europe have been deepening as well.

For example, Taiwan and Poland have been proactive in promoting trade and investment partnerships despite the pandemic, with trade between the two countries expanding by 13 per cent in 2020. Reflecting these growing bilateral economic ties, Poland established its Investment and Trade Agency in Taipei to facilitate greater business interaction between Polish and Taiwanese companies, with particular focuses on biotechnology, ICT, clean energy technology, food industries, among others.

Also welcome is that LOT Polish Airlines launched its first-ever direct passenger and cargo charter flights between Poland and Taiwan in 2020 and subsequent charter flights are also planned for this year.

From a broader policy perspective, Taiwan has indeed become a positive and more attractive economic partner for a number of countries in emerging Europe.

The small nation has been unambiguously visible with its impressive record as a constructive member of the world community, despite efforts by mainland China to isolate it. Taiwan clearly provides a positive example of a pathway to development and prosperity based on high degrees of both political and economic freedom.

A free country

In its latest edition of Freedom in the World, an annual report that assesses political rights and civil liberties around the globe, Freedom House classifies Taiwan as a "free" nation. The report notes that "Taiwan's vibrant and competitive democratic system has allowed three peaceful transfers of power between rival parties since 2000, and protections for civil liberties are generally robust."

Taiwan's free-market economic development is equally important and remarkable. Steady economic growth, enhanced by the pursuit of sound economic policies, has made the country one of the most prosperous in Asia.

According to the recently published Heritage Foundation 2021 Index of Economic Freedom, Taiwan is the sixth-freest economy in the world, just behind Singapore, New Zealand, Australia, Switzerland, and Ireland.

Inching ever closer to the ranks of the economically "free", Taiwan has achieved its best ranking in the 27-year history of the index. The People's Republic of China, by contrast, is "mostly unfree" as the world's 107th-freest economy (out of 178 countries rated) and is likely to stay that way.

Not surprisingly, Taiwan and the US have enjoyed a long history of practical cooperation based on the mutual commitment to shared values, and there is much room to grow the practical partnership. Taiwan has proved to be a reliable and steadfast partner for America.

With Taiwan's development into one of Asia's - and the world's - most vibrant democracies, the island economy's relationship with emerging Europe has steadily grown stronger too. Trade and investment have become one of the most important dimensions supporting the critical relationship between Taiwan and countries in emerging Europe.

Still, more can be done, and Taiwan's growing economic relationships with emerging Europe would benefit from greater strategic focus and clarity, particularly given that emerging Europe and Taiwan have a lot to offer to each other.

It's time to pursue and capitalise on that mutually beneficial opportunity to a greater degree.

Covid-19: Learning from the Asian Tigers

WRITTEN BY JO HARPER

Some countries in Asia have dealt far better with Covid-19 than those in Europe, often as a result of previous experience with similar viruses in the recent past. What can we learn from them?

"Innovation in healthcare has seen a boost during Covid-19 pandemic. But we need to be careful in our optimism: we need to make sure that the innovations we use are sustainable, and can be used in the long term," says Tamás Békási, RIS business creation manager, EIT Health InnoStars, a network of best-in-class health innovators backed by the EU.

"Healthcare innovation and healthcare has become a more popular topic than ever. We are living in an era where we have thousands of innovations coming from healthcare, but also institutes that can utilise these innovations," he adds. "Investors see big potential in health innovation but sometimes don't have the background to evaluate and measure these kinds of projects."

According to Békási, Europe and US are still "a little slow" compared to Asia.

"Europe has some great technology, but we are perhaps not using it as well as some parts of Asia. This is where we can learn from the Asian Tigers: how to better utilise the innovations we create."

Korea and Taiwan's experience

So what can we learn from the Asian Tigers?

Korea has been one of those countries that has dealt with Covid-19 in an exemplary way. So far, the country has recorded fewer than 125,000 cases of coronavirus, and just 1,800 deaths. This in a country of 52 million people, including one of the largest and most densely populated cities in the world.

"The biggest factor was that in 2015 we experienced a similar disease and made preparations," says Ki-Suck Jung, a researcher from Hallym University.

"That was MURS [Middle East respiratory syndrome]. A few people died, hospitals shut, our society almost came to a halt. The economic loss was 12 trillion won (around nine billion euros). After that we made thorough preparations. The national economy is more important than personal information, that was the conclusion we reached as a result of the MURS experience."

Jung says that one of the things Korea really learnt was the importance of contact tracing.

"When [Covid-19] appeared, we were able to trace contact easier," he says.

"We used credit card info for tracing, and almost all Koreans have phones, so we can use GPS to trace mobile phone location. Many Koreans also have transportation cards, which we can use to trace where they went. We also use CCTV surveillance cameras," he adds.

But even Korea's experience was not perfect, he admits, especially when it comes to common data standards, and data sharing.

"In Korea, 10 per cent of healthcare is provided by the public sector, the remainder by the private sector. The data is not unified among the private sector healthcare providers: that is why there are issues with common data. In the future, we need to create a common data warehouse."

Another of the Asian Tigers, Taiwan, also had experience of a virus outbreak on which to draw: SARS, in 2003. It too has dealt with Covid-19 remarkably well for a country with a population of 24 million people: just 12 people have died with coronavirus since the pandemic began.

> Big data gave us a far more detailed apparatus with which to work.

Ethan Tu, the founder of Taiwan AI Labs, a developer of powerful artificial intelligence algorithms, says that the country leveraged big data early.

"It gave us a far more detailed apparatus with which to work," he says. "We had government data, national health insurance data, including medical histories. We also developed an open source social distancing app last April. We were able to detect Covid-19 even before PCR tests were available."

"We put all the data into a centralised database, now we leverage the same protocol, so the data will stay in the original hospital or original hospital device. We used the same protocol with machinery training, so we made AI more robust," he adds.

He says that Taiwan's approach was "open and clear".

"I think we were very lucky."

Vaccines alone are not enough

Back in emerging Europe, Ivana Kostić, the co-founder of Health Tech Lab Serbia, part of the Medicines Optimisation Working Group within the European Connected Health Alliance, says the moving forward, we need to remembers that while vaccines are the solution, they are alone not enough.

"In Serbia, we're in a good way," she says. "In the Western Balkans, there is still a long way to go. This is why its important to learn, set a direction, decide on the next steps in order to gather data, deal with privacy issues, and gain more technological experience," she says.

"Multiple respirators that were produced by hand in the Serbian ecosystem, several instruments clearing the air in hospitals and homes, several solutions, apps that were detecting or calculating," Kostić said.

"What we are very happy to see is that there is this empathy where people from different technological backgrounds – not all focused on health – were refocusing on health and were assisting us," she adds.

Kostić also says that Covid-19 has offered a boost for digitalisation.

"The Serb government is definitely making a great deal of efforts to digitalise, as well as implementing emerging technology. We truly hope we will cooperate on the same level as Asia," she says.

"We can definitely learn from Asian countries and from other experiences round the world."

Besides the Asian Tigers, she points to Israel. "It is the start-up nation. We can see from their results during this pandemic that they are leading at the moment. And it's all based on innovation and start-ups."

Harnessing funding and know-how to deliver the infrastructure CEE needs

WRITTEN BY MAREK GRZEGORCZYK

Emerging Europe is likely to see huge investment in infrastructure in the coming years, much of it financed by the European Union's Covid-19 recovery fund. But how to make it sustainable? What can the region learn from the experience of the Asian Tigers?

With very few exceptions, in most of the countries of Central and Eastern Europe poor infrastructure remains one of the key factors impacting the region's ability to really make the most of its potential.

Whether its intra-national or international, infrastructure is lacking, although help would appear to be on the way, primarily in the shape of the European Union's Covid-19 recovery fund. Several countries – including Romania and Poland – have already earmarked a large proportion of this money for investment in better – and more sustainable – infrastructure.

Any kind of infrastructure development needs to take into consideration not just its impact on the environment but on people.

But here's the rub: how we define sustainable infrastructure?

Emerging Europe sought out the views of some leading experts in the field, all with experience in both Central and Eastern Europe and in the Asian Tiger countries (South Korea, Singapore, Hong Kong and Taiwan).

According to Sergiu Jiduc, a sustainable infrastructure finance lead at WWF Singapore, it's a difficult topic to define, "as it it may mean different things for different stakeholders".

"What's important," he says, "is that we think about the infrastructure we build: how will it determine our ability to reach global climate goals over the next half century?

"It needs to be low carbon, there's no other way. All the infrastructure being planned now needs to be net zero."

Thomas Lubeck heads up the International Finance Corporation's (IFC) public-private partnership (PPP) transaction advisory services for Asia and Pacific. He says that sustainability goes well beyond "hard" infrastructure such as transport links and power generation, and that we also need to think about "soft" infrastructure such as healthcare and education.

"These are equally important," he says. "Any kind of infrastructure development needs to take into consideration not just its impact on the environment but on people.

"Sustainability and ESG [environment, social, and corporate governance] is at the core of what the World Bank Group, of which IFC is a part, is doing," he adds. "What we will be doing moving forward is looking far more at diagnostics at the country level to try and map out where there is room for improvement."

In Central and Eastern Europe, one of those areas is unquestionably heating: how we heat our cities, our towns. In large parts of the region, this is still done using inefficient district heating systems where energy losses are huge.

As a result of their inefficiency, tied to the fact that they are often associated with the region's communist period, they are broadly viewed as backwards. It's therefore interesting to find out from Kwihyun Kahng, general manager of the global business department at the Korea District Heating Corporation, that Seoul – recognised as one of the most technologically advanced cities in the world – makes use of a centralised district heating system, one which is – it should be pointed out – far more efficient and climate-friendly than those in operation in Central and Eastern Europe.

"In Korea, district heating was adopted in the early 1980s, largely replacing coal, which was highly pollutant. We switched to LNG and in doing so tried to find ways to supply heat to many people as efficiently as possible. District heating was the answer," he says. "It can play a key bridging role towards zero emissions."

Looking at sustainable infrastructure more broadly, Kwihyun Kahng suggests that Covid-19 has served to concentrate minds on finding more sustainable ways of ensuring resilience, be it heating or logistics.

"This was a trend we were seeing already," he says, "but Covid-19 has sped the process up. Across the globe policymakers now realise that sustainable infrastructure is no longer a nice idea, it's something that needs to be far more concrete."

Thomas Lubeck agrees.

He says that with budgets under pressure because of the need to divert funding to healthcare systems, "governments have realised that they need to think about how they can be more efficient in their delivery of infrastructure, and the private sector has a role to play here, in the form of public-private partnerships".

The innovative solutions we need

The WWF's Sergiu Jiduc also feels that governments alone will not be able to finance the infrastructure needed in coming years.

A big supporter of the Finance to Accelerate the Sustainable Transition (FAST) infrastructure initiative, he says that FAST puts together loans and allows institutional investors to access them, reducing risk exposure.

"And this," he adds, "should lead to the more innovative solutions we need."

When it comes to logistics, innovation is certainly the way forward, believes Thomas Lubeck.

"The transport sector accounts for around one quarter of global emissions," he says. "In Europe, there is a study which shows that empty trucks are a key contributor to those emissions. There is real scope for improvement here, for companies to disrupt the market, especially when it comes to the last mile: this where we are looking, at companies that disrupt this space."

The final word goes to Sergiu Jiduc, who is hopeful that the vast amounts of EU money about to spent in Central and Eastern Europe will be used wisely.

"Hopefully we will see more collaboration with the Far East, using their know-how for those projects which are really necessary, such as electric railways.

"It's about harnessing know-how and funding to deliver the kind of infrastructure we need."

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From hobby to global business: **The rise and rise of TECHIIA**

WRITTEN BY CRAIG TURP-BALAZS

Emerging Europe speaks with Yura Lazebnikov and Oleg Krot, two Ukrainian esport-gamers who have turned their love of esports into a major international business poised to become a global phenomenon.

A common thread that links many technology entrepreneurs from Central and Eastern Europe is the need to think globally from the very beginning.

Often, it is the relatively small size of a firm's home market that necessitates a global outlook in order to ensure growth and scalability.

TECHIIA originated in Ukraine, but has since become a global firm with more than 1,000 people on board. TECHIIA today is a holding company that brings together a number of businesses across the world operating in IT infrastructure, software development and integration, real estate development, merchandise manufacturing and distribution, and esports.

"By 2016 or so we already had companies in 15 countries, all in diverse places, and to be honest it had become a bit of a mess," says TECHIIA's co-founder Yura Lazebnikov. "Yes, we dare to look beyond, but it became clear that if we wanted to grow the business it would need to be reorganised into the holding that would make everything scalable."

With its diverse interests now under one umbrella, Lazebnikov and co-founder Oleg Krot say that they are ready to turn their multi-million US dollar company to a multi-billion US dollar one.

"We invest our own resources and we attract investments. The plan is to expand into new markets and new industries. TECHIIA meets compliance requirements in all sorts of places and jurisdictions," says Krot.

"Now we are ready to deal with the US banks, the Asian banks, the European banks. We have everything they need."

Not the least of which is massive growth potential.

While Krot and Lazebnikov say that at present the largest part of TECHIIA's revenue comes from IT engineering projects and software development, it is in esports that they see the biggest scope for growth.

From hobby to global business

For the gregarious, globetrotting pair, gaming is where it all began.

Krot and Lazebnikov have known each other for 20 years, and met when they were both working on different IT projects but shared a passion for gaming: a love that neither appears to have lost.

They set up their first common enterprise, WePlay Esports, in 2012, to organise Dota and World of Tanks tournaments for gamers in Ukraine and CIS countries.

They went into orbit – a long one – and were soon organising several tournaments each week for gamers across the world.

But still they were unsure if their hobby could become a business.

"Then we were contacted by a representative of Logitech, the firm that makes the world's best gaming kit," says Krot. "They wanted us to help them promote their high-end gaming products, and I think that's when it all clicked: that's when we realised that this could be a whole lot more than a hobby."

They were right.

According to EsportChart, in 2020 streaming views increased by 83 per cent (not just in esports) due to the Covid-19 pandemic, and the number of streamers (influencers) increased by 154 per cent. These are record growth rates for gaming streaming.

According to Newzoo, a gaming and esports analysis firm, the value of the global esports market will climb to just short of 1.1 billion US dollars by the end of this year, of which 833.6 million US dollars will come from media rights and sponsorship.

This growth is driven by a sharp increase in the size of the esports global audience, with the number of global enthusiasts – defined as those who watch competitive gaming more than once a month – set to jump to 234 million in 2021.

Esports may have started out as little more than tech savvy youngsters finding ways to play against each other online, but quickly has become a global business and cultural phenomenon.

TECHIIA is no different, and has used its gaming expertise

But TECHIIA is far more than WePlay and esports.

Indeed, as Lazebnikov explains, while WePlay Esports was the first company under the TECHIIA umbrella to be founded, it has since been joined by several other enterprises that make use of the firm's tech expertise.

One of these is Enestech, a firm which develops software and hardware for the esports business. It has grown from a basic management tool used by a company-owned chain of gaming lounges to a full-blown, one-stop solution for thousands of businesses of all sizes across 65 countries. There is also J:Mind. Systems, an IT service company, and WP Merchandise, which produces, distributes and sells gaming, movie and comic book accessories, merchandise and equipment. Also, in-house venture studio VRTX Venture Lab, which discovers and grows new businesses for TECHIIA, was created in the holding. In total, now TECHIIA unites more than 10 companies and business projects.

> Asia is the most loyal market for esports. In some countries esports has become a kind of religion.

Beyond Ukraine

TECHIIA has until now been built almost exclusively with Ukrainian talent, but that is changing fast, even if Covid-19 has slowed down its expansion in Asia, the US.

"Asia is the most loyal market for esports," says Krot. "In some countries esports has become a kind of religion."

Latin America is the next target, with a major new office set to open in Sao Paolo, Brazil.

"We do not see any borders or limits for our business," says Lazebnikov. "Our ambitions are global. We are ready for expansion."

But while both Lazebnikov and Krot are keen to point out that the business is now indeed global, they are proud of their roots and are setting about making Ukraine a European centre of esports excellence, and they have support from Ukraine's government to make that happen.

Last year the pair signed a memorandum of cooperation with the Ukrainian Ministry of Digital Transformation for the development of the information technology industry, construction of data centers, the development of esports, and STEM education.

The pair are effusive in their praise for the support that they have received.

"The digital transformation ministry understand that what we are building is something sustainable, something that will bring people to Ukraine, both physically and virtually."

Now, TECHIIA is willing to forge partnerships worldwide in different business industries – from IT engineering to real estate, from esports to data centres that will address the global problem of high-speed data processing.

But the pair are always ready to remember where it began.

"We never forget that this all started because we had a weird hobby: gaming," says Lazebnikov.

About the Towards 2030 Programme

Emerging Europe's mission is to foster sustainable social, economic and democratic growth in 23 countries of Central and South-eastern Europe and the Caucasus. The organisation works towards its mission by raising awareness of the investment, trade, cultural and tourism potential of the region — and bringing together a global, like-minded community with a stake in the region.

The Towards 2030 Programme looks at various parts of the world, individual countries and regions, analyses the geopolitical and economic circumstances, identifies business opportunities and discusses challenges that can have an impact of the development of political and economic relations between the emerging Europe region and other geographies.

Some of the regions the programme looks at:

- the United States
- the United Kingdom
- the Asian Tigers (Hong Kong, South Korea, Singapore, Taiwan)
- the DACH countries (Austria, Germany, Switzerland)
- the Middle East
- China
- Africa
- Latin America

All regional editions of the programme consist of:

- a survey involving businesses, sector associations, the diplomatic community, non-governmental organisations and think tanks. It covers opportunities and threats impacting future political and economic relations.
- a hybrid conference (offline in two locations addressed to local audiences and online for a general audience) featuring business leaders and media representatives.
- a report including survey findings as well as executive summaries of the discussions carried out at the conference and additional research. The report is distributed to decision-makers and is also available upon request.

Emerging Europe and the Asian Tigers: Towards 2030, carried out in Q2 2021, was the third edition of the series, with a conference organised in partnership with MoneyToday, South Korea's leading online business publication.

This edition looked at the political and economic relations between the emerging Europe countries and South Korea, Singapore, Taiwan and Hong Kong in the context of sustainable recovery from the global pandemic.

Covid-19, which has served as the first real proof-point for sustainability, is driving even greater scrutiny of environmental, social and governance (ESG) topics that have gained prominence in recent years.

The recovery from Covid-19 needs to be sustainable and resilient, fully based on principles of environmental protection and sustainable development as we must build back better and together. It is, therefore, important to work on future-proof solutions jointly.

At this unique event, two groups of countries, the Four Asian Tigers — which have steadily retained a high rate of economic growth since the 1960s — and the emerging Europe region — the fastest developing part of the Old Continent — shared experiences and discussed solutions to create a foundation for a more sustainable future.

The programme explored the growth of both regions' biggest economies — South Kore and Poland — and looked at both countries' capital markets.

In 2009, global index provider FTSE Russell promoted South Korea to developed-market status. Less than a decade later, Poland was also reclassified to developed-market status thanks to continuous improvements in its capital markets infrastructure, supported by the country's steady economic progress. Two different counties with two different social and economic backgrounds but with the same stamp of success. The session discussed the role of stock exchanges as change agents giving investors, issuers, regulators, and policymakers guidance to enhance performance on ESG issues and encourage sustainable investment.

International trade and investment are an engine for inclusive economic growth, which is vital in the global post-Covid-19 recovery. The second session looked at environmental, social, governance (ESG) and its application in economic relations between the Asian Tigers and the emerging Europe region. The panellists discussed the shift in how businesses operate: fair and sustainable trade and investment, social impact investing, sustainable sourcing and supply chains, fair and sustainable trade, innovation and digital transformation, as well as the accelerating move toward re-shoring or moving operations to more environmentally aware countries.

The Covid-19 pandemic has exposed the health care system's shortcomings and vulnerabilities in several geographies. Maintaining or restoring health, while minimising negative impacts on the environment and leveraging opportunities to improve it, to the benefit of the health and well-being of current and future generations, is a clear post-Covid goal. The third session investigated how to build on the Covid-19 experience, tried to foresee the future of healthcare and how it can benefit from AI, Big Data and other technologies.

Creaking infrastructure limits growth by preventing businesses and people from making the most of economic opportunities. With e-commerce turnover increasing by 15-20 per cent per year, there is an ongoing structural shift in retail supply chains — and shopping has become far more complex, offering new challenges to urban planners, retailers and logistics companies. The experts who joined the last session spoke about how short-term chaos resulting from the Covid-19 pandemic can bring long-term transformation and help plan and build efficient infrastructure to improve transport links and what role technology, innovation and sustainability will play in shaping the future of our cities.

SURVEY DEMOGRAPHICS

Total number of respondents: 127

Type of organisation

A business	**47%**
A think tank / NGO	**14%**
An embassy	**13%**
A chamber of commerce	**12%**
Academia	**9%**
An industry association	**5%**

Country/region

Emerging Europe	**57%**
Asian Tigers (South Korea, Singapore, Hong Kong or Taiwan)	**27%**
Central Asia	**9%**
Western Europe	**6%**
UK	**1%**

Industry

Financial services	**19%**
Technology, innovation and digital transformation	**16%**
Energy and climate	**15%**
Infrastructure and logistics	**15%**
Health and life sciences	**13%**
Politics and government	**10%**
Education	**3%**
Real estate	**2%**
Other	**7%**

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- K.E.Y. Platform, the global conference of Money Today Media providing entrepreneurs, scholars and experts from across the world to explore Korea and exchange insight and know-how
- Warsaw Stock Exchange
- TECHIIA
- PricewaterhouseCoopers Central and Eastern Europe
- Global Tech Advocates and London Tech Advocates

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