

Sydney/Canberra/Melbourne
Brussels
Hanover
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Sopron/Budapest
8-16 March 2003



Australia
Central Europe
Entrepreneurial
Study Mission

Australia/Central Europe
Entrepreneurial Study Mission

Sydney/Canberra/Melbourne, Australia –
Brussels, Belgium – Hanover, Germany –
Vienna, Austria – Sopron/Budapest, Hungary

8 – 16 March 2003

REPORT

 **Global Access
Partners**

 **Management
Frontiers**



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EXECUTIVE SUMMARY

Global Access Partners and Management Frontiers made a decision in April 2002 to organise and lead a Mission to the European Union and Central Europe in March 2003. The aim was to identify and gain the maximum benefits available for Australian businesses as a result of the planned accession to the EU of ten new countries.

“The choice is between doing lunch and being lunch.”

Mr Mohàcsi Béla
Deputy Secretary of State
Hungarian Ministry for
Informatics and
Communications

The Mission encompassed four key activities to provide participants with as much benefit from the trip as was possible. The main elements of the Mission were:

- meetings at the European Commission in Brussels
- a visit to CeBIT in Germany
- the inaugural meeting of the Australia/Central Europe Business Leaders Forum (ACE BLF) in Sopron, Hungary
- Visit to Budapest: the Hungarian focus

The EU has put in place “accession arrangements”¹ with ten Central and Eastern European nations. The Australian Study Mission focused on the Czech Republic, Hungary and Slovakia (acceding in 2004), Romania (to accede in 2007) and Austria (a long established EU member country), which together constitute a large majority of the population (over 80 million) and GDP of the Accession Countries.

The Accession Countries will receive to around 22 billion Euro over the period 2004 to 2006. They can apply for funds in the area of infrastructure – transport and environment, regional funds – education, training, business and SME development, and general needs in relation to IT.

The Mission focused on relations among:

- Australia
- European Union
- Romania
- Czech Republic
- Hungary
- Slovak Republic

¹ Measures taken by the EU to help countries attain membership in the EU



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Austria was also invited to participate, as the eastern-most country of the current EU and a close neighbour of the Accession Countries, economically and geographically. Government and business representatives from Germany and Italy also participated in the deliberation of the ACE BLF.

The primary focus of the trip was the inaugural meeting of the ACE BLF - a gathering which will now become an annual event. The ACE BLF provides a meeting place for Australian and Central European government and business leaders to discuss pertinent global and national issues.

These discussions have already resulted in concrete economic outcomes with the signing of two Memoranda of Understanding. The first is to progress the building of an incubator for small and medium sized enterprises in Budapest, Hungary. The second is to establish an investment fund with a target of 20 million Euro for the purpose of investing further in Technology Park and Incubator businesses in Central European countries. These investments are eligible to attract a 3 for 1 contribution from the EU giving the Fund an effective 80 million Euro to invest.

The long term aim of the ACE BLF is to foster a deep understanding of the dynamics of the new economic order of Europe and the changes and challenges that will occur with the expansion of the EU. Discussions each year will allow political and business leaders to shape the environment to continue delivering the benefits of accession to their communities and their partners.

Participants in the Forum included three senior Ministers, business people and senior public servants from each of the countries involved.

Discussions during the Mission centred on the Information, Communication and Technology (ICT) industry; Incubators and Technology Parks; Education and the Environment. These were considered the areas of most interest to participants in Australia and Central Europe, and areas in which Australia is likely to gain the most from available EC funds.



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A set of fifteen outcomes resulted from the Mission and particularly the 2003 Forum. They included:

- An agreement to hold the Australia/Central Europe Business Leaders Forum (ACE BLF) annually;
- A Memorandum of Understanding for establishment of a 20 million Euro Central European Investment Fund;
- Agreements to proceed towards establishing an incubator at the University of Budapest in Hungary and a incubator group covering four regions in Romania;
- A protocol to establish the Central European Think Tank;
- A proposal to undertake research to set a strategy for future progress by the ACE BLF, and to develop a plan of action of co-operation within the Central European regions;
- A portal will be created as a common platform for sharing technical and promotional information about the IT market in each country;
- The possibility of university student exchange programs will be explored;
- Professional Associations and Chambers of Commerce will be invited to become actively involved in the ACE BLF process for expansion and development.

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ORGANISATION OF THE MISSION: THE STEERING COMMITTEE

Planning and coordination of the Mission was undertaken by Global Access Partners and Management Frontiers (see App.1&2). It was agreed that in order for the ACE BLF to gain support from the Governments at the level required, a Steering Committee be formed to coordinate these activities.

The Steering Committee met in Sopron in February 2003 to plan and coordinate attendees and discussions for the inaugural meeting of the ACE BLF in March. Those on the Steering Committee were as follows:

Mr Michel F Bosco

Head International
Cooperation, European
Commission

Mr James Larsen

Counselor Australian Embassy
to the EU representing Her Exc.
Mrs Joanna Hewitt, Ambassador to
the EU and Belgium

Mr Jiri Brabnik

Minister Counsellor, Ministry
of Foreign Affairs, Czech
Republic

Mr Branislav Lysak

Head, Asian Branch
4th Territorial Department, MFA
Slovak Republic, representing
His Exc. Mr Radomir Bohac,
Director Department of Asia,
Africa, Latin America, Ministry of
Foreign Affairs

Dr Jenö Faller

Principal, Faller&Faller

His Exc. Mr Svetlozar Panov

Ambassador to Hungary, Bulgaria

Prof Peter Fritz

TCG Group Managing Director
Chair ACE BLF, Australia

His Exc. Mr Sabin Pop

Secretary of State, Romania

His Exc. Mr Tomas Husak

Director Ministry of Foreign
Affairs, Czech Republic

His Exc. Minister

Dr Gerald Kriechbaum

Head Division for Asia &
Oceania, Federal Ministry for
Foreign Affairs, Austria

Dr Simon Sandor

Representing His Exc.
Prof Dr Peter Balazs
Secretary of State, Ministry of
Foreign Affairs, Hungary

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KEY OBJECTIVES OF THE MISSION

The following emerged as the objectives of most importance for participants in the Mission:

- Gain a better understanding of the scope for Australian businesses in Central Europe as a result of the process of accession into the EU of participating countries;
- Seek real and significant economic activities to flow from the Mission;
- Further enhance Australia's trade with the EU;
- Offer Australian know-how and demonstrate to the European countries involved the scope and ability of Australian businesses to assist in their adoption of EU standards and legislation;
- Educate and raise awareness of the opportunities that exists in Central Europe for Australia, and for Australian government and business to increase their awareness of the possibilities for trade in Central Europe;
- Discuss specifically issues of Information Technology and Technology Parks and Incubators;
- Learn from the visit to CeBIT of the possibilities for Australia's greater participation in the global ICT industry;
- Understand and develop the opportunities that exist for further research, investment and collaboration in the ICT industry;
- Establish a permanent dialogue between participating countries through the ACE BLF. Share ideas, knowledge and policy between nations, for greater cooperation and cohesion between Australia, Austria, Czech Republic, Hungary, Romania and Slovakia;
- Take advantage of the technologies available in participating countries for mutual economic benefits;
- Overcome a lack of money and resources, lack of information and any legislative blocks to progress in collaboration that might be presented;
- Increase opportunities for small and medium sized enterprises in participating countries to establish links between each other.



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DETAILS OF THE MISSION

MEETING AT THE EUROPEAN COMMISSION

On Monday 10 March, the Mission met with senior members at the European Commission (EC) in Brussels.

As the executive body of the European Union, the EC is responsible for representing the Union internationally. The EC had initiated and supported a variety of programs which aim to assist the Accession Countries in realising full membership of the EU. Funds available from these programs total 1 billion Euros per annum for each of the next three years.

These programs provide money for the Accession Countries that may be spent on products, services and expertise which countries like Australia may have to offer. Hence, it opens up access to markets for Australian business.

Meetings at the EC were held with:

Mr Christian Danielsson

Deputy Chief de Cabinet of Commissioner Gunter Verheugen
Commissioner for Enlargement

Mr William Noe

Program Manager, International Questions,
Director-General, Economic and Financial Affairs

Mr E. Liikanen

Member of the European Commission

Following briefings were held with the DG Information Society:

Mr Mathias Ruete

Director, Financial Instruments

Dr Michel Bosco

Head International Cooperation, European Commission



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Discussions focused around the European Union's aspirations as an information society. Its aim is to become the world's largest knowledge based economy by 2010.

The EU already has the advantage of an integrated research program and one network between its Member states, and the benefit of current and new members providing access to an increased pool of knowledge.

The aim of the EU research program is to establish coordinated projects across countries, with the creation of a virtual institute or network of excellence and the coordination of national policies for member states.

The current priority areas for the EC's research are:

- Genomics and biotechnology for health
- Information society
- Nanotechnologies
- Aeronautics
- Food safety
- Sustainable development
- Knowledge for citizens
- Anticipating society's needs

Participants learnt directly how they could gain from the Accession program through involvement in business collaborations, and were able to appreciate the practical implications for Australian government and business.



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VISIT TO CEBIT AND THE ICT WORLD FORUM

From Belgium the Mission travelled to Hanover, Germany to experience first-hand the impact of CeBIT, the world's largest exhibition for information and telecommunications technology. Participants from Australia visited the trade show and the main IT Hall of the Exhibition.

In the afternoon Senator Alston addressed the ICT World Forum, which was attended by dignitaries and ICT leaders from around the world. His topic was *"The transformational effect of ICT – the real meaning of the new economy."* The Mission participants also attended the official opening of CeBIT 2003 by the Chancellor of Germany, Mr Gerhard Schröder.

On the following day, Senator Alston opened Future Parc – an area of the Exhibition dedicated to research and new technologies, and strongly supported by Australian IT companies.

MEETING AT THE AUSTRIAN MINISTRY OF FOREIGN AFFAIRS

The Mission members then travelled to Vienna, where they were briefed at the Austrian Ministry of Foreign Affairs. The topic of this briefing was *"Dynamics of Central Europe and Business Opportunities that the Accession Program Presents"*.

For Austria, Central Europe is a high priority. It sees great benefit for its own economy in this enlargement of the EU, primarily because of a mutual acknowledgement of the importance of its existing relationships, and also because efforts are being made to capitalise on Austria's advantage due to its geographical proximity and traditional ties with Central Europe.

Currently over 1,000 regional headquarters for Central Europe are located in Austria. These include Alcatel, Coca-Cola and Hewlett Packard. Trade with Central Europe has created jobs and economic growth. The region of Central Europe is Austria's second largest trading partner. Exports have increased by 400% in the period of 1990–2001.

Austria also is one of the most important investors in Central Europe, and an important employer in the region.



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**INAUGURAL AUSTRALIA/CENTRAL EUROPE
BUSINESS LEADERS FORUM (ACE BLF)**

The centrepiece of the Mission was the Inaugural Australia/Central Europe Business Leaders Forum (ACE BLF).

The idea of the Forum arose from recognition that the forthcoming accession of Central European countries into the EU presented large potential opportunities for Australian business and government.

This notion was the starting point for forming the Australia/Central Europe Business Leaders Forum (ACE BLF) with the support of Australia, Austria, Czech Republic, the EC, Hungary, Romania and the Slovak Republic.

The ACE BLF will now become an annual event and will provide a meeting place for business and government leaders. It will give a platform for discussion and understanding, with a view to establishing concrete economic outcomes.

Over and above the annual meeting, interested parties from participating nations will form committees to monitor the progress of agreements, and to encourage new business initiatives between the annual meetings. A Council will be formed to advise on issues of interest and on the annual meeting.

This Forum is set to become a unique business driven initiative. Participants in future will cover the whole spectrum of business, political and public life.

The four main areas of focus for the ACE BLF are:

- To explore the region's interest in policies of the European Union and to provide a channel for the opinions of those living in these nations on issues across Europe.
- The affairs of the region will be discussed, with special consideration being given to economic and environmental issues, social diversity and the public service, to find ways and means of improvement.



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- The group will open up new forms of cooperation and support the integration process in Eastern and Southern parts of Europe.
- Changes in opportunity that may emerge from accession will be recognised and discussed.

The group will also provide support to the Region as it enters global debates with its own interests and values. This includes the increasing expectation of sharing global responsibilities. The challenge is for each nation to represent its interests in worldwide discussions as part of the Central European Region.

Aims and objectives of the ACE BLF

As a result of the foregoing, it was agreed that the following should constitute aims and objectives of the ACE BLF:

- Act as an information guidance tool for policy makers which supports cohesive interaction between Central European countries within the European continent;
- Be a facility to gather and transfer knowledge about the social and economic trends of Central European nations and support their acceptance within the European continent;
- Encourage the sharing of ideas, knowledge and policies between nations;
- Provide an understanding of the dynamics of accession into the EU for those countries involved and shape the environment to deliver benefits from accession;
- Enable countries to take advantage of the changes from accession in terms of real business opportunities, and capitalise on these for both industry and government with a special focus on SMEs;
- Provide an environment where leaders can recognise and understand the forces unleashed by change and respond with appropriate measures.



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Participants

Participants attending the ACE BLF 2003 included representatives of eight nations:

- **Australia**
- **Austria**
- **Bulgaria**
- **Czech Republic**
- **Hungary**
- **Italy**
- **Romania**
- **Slovakia**

In addition to these nations, the European Commission was also represented (For a full list of those who attended, please see App. 4).

The Forum

The 2003 inaugural meeting of the ACE BLF was held in Sopron, Hungary on Thursday, 13 March, following a gala dinner at the Pannonia Med Hotel the previous evening.

As chair of the ACE BLF, **Prof Peter Fritz** (Australia) gave a welcome speech. This was followed by the signing of a 20 million Euro fund for investments in Central Europe. The Agreement for this fund was signed by Prof Peter Fritz (Australia), Group Managing Director, TCG Group of Companies, and Dr. Cordt (Austria), Chairman and CEO of Cordt und Partners.

The first project under consideration is the establishment of an incubator with the Budapest University of Economics. It is expected that the investments of the fund will qualify for EU support at a ratio of three to one.

The after dinner speaker was **Mr Kálmán Kovács**, Minister of Informatics and Communications of Hungary.

Plenary Session of the ACE BLF

The Plenary Session of the ACE BLF was held the following day and chaired by **Dr Brian Scott** (Management Frontiers, Australia).

The Forum was opened by **Prof Peter Fritz**, who spoke about the aim of the Mission from the Australian perspective, which was primarily to learn about business opportunities for Australian businesses arising from the EC's enlargement policies.

Prof Fritz highlighted the importance of the institutional environment, and spoke about the role of government and the strong support received from the Australian Government as demonstrated by Senator Alston's presence.

He also spoke about the role of SMEs, the use and importance of EC and government grants, and the need to invest long term in Central Europe rather than taking a short term and more parochial approach.

On innovation, Prof Fritz observed that the attraction of many innovative products in the market was often driven by people's desire to be more comfortable, and to be "lazier". He used the example of car window wipers or tyres with air for cars.

The Romanian Minister for Communications and Information Technology, **Mr Dan Nica**, addressed the Forum on the subject of IT in Romania.

Romania already has a well-developed IT/Communications strategy at the Government level, including very successful Romanian e-government and e-procurement projects.

Mr Nica spoke about Romania's ICT Task Force, which includes seven Ministers (including the Prime Minister). This Task Force ensures a coherent and coordinated approach for the implementation of the Information Society in Romania, having as main tasks the approval of all major projects in the field of information technology and communications initiated by public institutions, or those initiated by



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or benefiting national companies or companies where the state is a major shareholder.

The objectives of the ICT Task Force are as follows:

- securing the improvement of services for citizens
- a better quality of life
- a broader access to information
- decrease of bureaucracy
- increase of the degree of social integration
- faster economic growth and higher economic competitiveness for the Romanian economy
- an easier access to new outlets

The Romanian Government was keen to support software parks/incubator concept and offered to provide 50% of funding for each of up to five incubators.

The Honourable Senator **Richard Alston**, Australian Minister for Communications, Information Technology and the Arts, spoke about developments in the European Union and the Accession Countries and their relevance to the Australian Economy. He then described the advantages which can be gained through working with Australia, including competitive advantages which Australian technologies hold. He instanced IT applications used by Australian wine producers in testing soil and elements in wine-growing areas.

Senator Alston focused on the transformational potential of IT. He explained that Australia is the third largest ICT market in Asia and achieved a world “first” in e-Government (all Government information was online by 2001; and it is now moving to establish all Government services online). Australia is now third in the world in terms of government per capita investment in ICT, he added.

Australia has become known as a strong IT innovator, and the Government’s ‘Backing Australia’s Ability’ policy and package includes incubators in every State and around 60 Cooperative Research



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Centres. There are now two centres of excellence in ICT (Sydney plus nodes) and Biotechnology (Melbourne).

The Australian government announced four national research priorities in late 2002:

- Health
- Environment
- National security
- Frontier technologies

Mr Michel Bosco, from the European Commission Directorate on Information, is Head of “International Cooperation” in Europe's 4 billion Euro Information Society Technologies (IST) Program (1998-2002).

He spoke about the 200 million Euro European Union economic cooperation programs for the promotion of the Information Society in the Mediterranean countries (EUMEDIS), Latin America (LIS), and the Asian countries (Asia IT&C). He also spoke of efforts by the European Commission towards the expansion of the pan-European Research network, GEANT, to the rest of the world, as well as towards the Association of Central and Eastern European countries and Turkey.

Mr Bosco also spoke about the importance of three factors: accessing external expertise, political consensus and integration. He also explained the importance of “cohesion funds”.

Mr Mohàcsi Béla, Deputy Secretary of State from the Hungarian Ministry for Informatics and Communications, spoke about his Ministry's aim to move Hungary forward, so that Hungarian companies would be competitive in IT technology within the EU. He explained that Hungary needs to continue to exploit IT to survive: the choice is between “doing lunch and being lunch”.

Dr Mariano G. Cordone, Senior Officer of the Italian Institute for Industrial Promotion, spoke about INSME, the International Network for Small and Medium Sized Enterprises.



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INSME is an international initiative promoted and managed by the Italian Government aimed at providing support to intermediaries and networks of intermediaries specialising in the field of innovation and technology transfer to Small and Medium Enterprises (SMEs).

Dr Cordone explained that INSME is an international hub, a facilitator and catalyser of activities and projects, which targets intermediaries and their networks in order to stimulate SME innovation processes. Its aim is to promote and strengthen innovation services and technology transfer for SMEs by taking advantage of the use of ICT. Taking the form of a non-profit association with international members, the Network represents a community of political and technical stakeholders to establish a permanent dialogue on policies, programmes and initiatives to improve the competitiveness of intermediaries and their networks. The INSME website (soon to be portal) is *www.INSME.info*

Her Excellency **Mrs Hana Hubáčková**, Ambassador Extraordinary and Plenipotentiary of the Czech Republic in Hungary, gave support to the ACE BLF, saying it is the right moment and that Central Europe is the right region for this initiative. The Czech Republic had brought a large delegation, including representatives of IT, innovation, industry, foreign affairs and trade promotion, to learn from those present.

The focus in the Czech Republic is on four economic freedoms: people, capital, goods and services. It is willing to forge/create cooperative links with Australia.

Dr Hans Kogler, Minister Plenipotentiary of the Austrian Ministry for Foreign Affairs, spoke about Austria's role as a bridge between the established EU and the Accession Countries. Austria feels well positioned to play a cooperative/coordinating role with new members of EU because of historic and economic links.

Dr Kogler offered Austrian companies in Central Europe as a bridge to Australian business entry to this region.

Mr Milan Kurucz, Chargé d'Affaires of the Slovak Republic in Budapest, spoke about the importance of the event. The free market in Slovakia is less developed, but the government hopes that the ACE



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BLF will set the foundation for future trade and investment developments. Slovakia is willing to consider any offers of cooperation to advance the Slovakian economy.

Break-Out Sessions

With the aim of devising more solid plans for business, two break-out sessions were held, one on Information Technology and Telecommunications and the other on Science and Technology Parks.

Information Technology & Telecommunications

Issues and factors were identified and included the need to educate and raise awareness of IT & T opportunities in Central Europe and Australia.

The opportunities Australia offers were outlined, and so were the opportunities for trade on the part of the Accession Countries. Future university student exchange programs were also discussed.

Participants agreed that there are some possible barriers and blocks to the progress of the Forum. There were defined as:

- problem of ready access to private investment funds;
- lack of information on markets and productive capacity;
- possible legislative blocks.

To confront the issue of information gaps, it was suggested that a publication be produced with opportunities, lists of SMEs/companies/cooperatives, sources of tender etc. This could potentially be promoted on the INSME and/or other portals.

The next steps in developing ACE BLE were seen to include:

- overcoming the information gap
- raising awareness, each about the other
- creating a portal to provide a common platform for sharing information
- developing and elaborating a plan of action on cooperation between the regions

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- collecting information from each member about their organisation in relation to innovation and technology transfer.

Technology Parks and Incubators

The break-out session on Technology Park and Incubators devised solid outcomes and objectives. These are:

1. To establish a private investment entity within Romania, whose purpose would be to act as a commercial vehicle to advise and invest in technology parks and incubators initially.

It was agreed that Sibiu, Galati, Arad and Bucharest would be the initial locations involved. Representatives from these centres would plan to visit Australia in the next two months to pursue the matter further. The Memorandum of Understanding, signed in Sopron on 12 March 2003, established an investment fund with 20 million Euro. This would be augmented by EU grants of 60 million Euro, making 80 million Euro in total funds available to be invested.

Action: It was proposed that a secretariat be established and government support be sought on this. The organisation is to seek admittance into the Czech Republic Technology Park Association. Advice on this was to be sought during the next week.

2. To facilitate co-operation between the Central European Technology Parks and Ballarat Technology Park focusing particularly on environmentally related areas.

Action: A framework is to be established for inter-working between environmental companies established within each of the two organisations.

3. To establish a link between software and development companies established in the Central European Technology Park and the Ballarat Technology Park, and to facilitate trade and exchange of expertise and people.



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Action: A framework is to be developed for exchanging software specialists and other experts between the European and Australian locations.

4. To facilitate and provide entrepreneurial training interchange, including business development programs, involving both Central European Technology Parks and the Ballarat Technology Park.

Action: Identify opportunities for training and collaborative working of entrepreneurs between the above Technology Parks.

Outcomes of the 2003 Forum

I.

The Australia/Central Europe Business Leaders Forum (ACE BLF) will become an annual event with an appropriate committee and funding. This annual event will be known as the **ACE BLF**.

II.

A protocol was signed to establish the **Central European Think Tank**, which it is hoped will attract funding support from the EU, and also from Governments of the participating Central European countries.

III.

A Memorandum of Understanding (MOU) was signed between JTP (represented by Peter Fritz) and Cordt and Partners (Austria) to set up a 20 million Euro **Central European Investment Fund**. With EU grants, it is hoped the Fund will have an effective 80 million Euro to invest in Technology Parks and Incubators in Central Europe.

IV.

A MOU was signed by JTP and the University of Economics, Budapest to undertake a feasibility study to establish an incubator at the University of Budapest.



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V.

An agreement was developed to set up an incubator group covering four regions in Romania. The country's Minister for IT has signalled that Romania is prepared to provide 50% of the base funding, with the EC agreeing to consider funding for 25%. The remaining 25% will be raised from private industry. The next meeting to determine feasibility will be held in Australia.

VI.

The Australian Consulate in Romania has been approached by various local authorities, venture capital companies and IT businesses with expressions of interest in joining partnerships with Australian IT incubator groups, Technology Parks and software application developments.

VII.

Research is planned to gain more information on the needs and objectives of participants, and to set a strategy for further progress by the ACE BLF. The research will focus on identifying the type of information the Accession Countries need, and how best to educate and raise awareness about the ACE BLF initiatives.

VIII.

A plan of action on cooperation within the Central European region will be developed out of discussions at this Forum.

IX.

A publication will be developed to provide information regularly to the ACE BLF members. The publication will contain information on opportunities available to members and lists of companies, calls for tenders, and other information deemed appropriate. This could be published and promoted through the INSME and/or other portals.

X.

A portal will be created as a common platform for sharing technical and promotion information about the IT market in each country. It will be dedicated to the promotion of bi-lateral business contacts between Australia and the Accession Countries.



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XI.

Further consultation will take place on the possibility of university student exchange programs in Business/Commerce, Information Technology and Communications, Marketing and Management.

XII.

Information will be collected from each member about his/her organisation's activities, especially regarding innovation and technology transfer, and for the further development of reports following up this Forum.

XIII.

Those Professional Associations and Chambers of Commerce which may be able to assist, and benefit from, the ABE BLF processes will be identified and contacted. In the Australian case they will be encouraged to stimulate Australian business interests, and possibilities for investments. The report from this meeting will be circulated to each national Chamber of Commerce.

XIV.

Central European delegates came to the view that, in terms of software, the Australian market should be a natural extension of US and European-English markets.

XV.

Initial planning should now proceed for the next Forum, which will be held in Austria in March 2004.

MEETING WITH THE HUNGARIAN DEPARTMENT OF THE PRIME MINISTER

On its final day the Mission received a special briefing in the Budapest Parliament House from the Deputy Secretary of State within the Prime Minister's Department, Dr Janos Rapcsak.

Dr Rapcsak discussed how The Luxembourg Declaration in 1997, in which consideration was given to new Accession Countries, proved the starting point for a spectacular period of economic progress in Hungary. Since then Hungary's growth rate has been double that of the EC, and the economy has become more dynamic and entrepreneurial.

Hungary's National Development Plan highlights five operational programs:

- Human Resource Development
- Environment and Infrastructure
- Economic Competitiveness
- Agricultural Development
- Regional Development

The key principles for establishing EU partnerships are programming, concentration (especially SMEs) and additional funds from EU in the form of subsidies and support.

Hungary is now experiencing some economic difficulties, with a number of multinational corporations closing in the last 12 months. The SME sector is also in some danger, since accession-related issues may see it down-size. It does, however, remain a priority for government.

Privatisation is the big challenge. There is acknowledgement of the need for change in attitude, and for business and industry to take advantage of the opportunities of accession without delay. Accession challenges the SME sector because there will be increased competition with existing EU members, as well as with other Central European nations.



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**OUTCOMES OF THE AUSTRALIA/CENTRAL EUROPE
ENTREPRENEURIAL STUDY MISSION**

The week-long Mission achieved the following outcomes:

1.

A better understanding of the potential for Australian businesses and government (state and federal) to take advantage of EU enlargement opportunities.

2.

A better understanding among the participants from Australia of the EU's process and rules of enlargement.

3.

A better awareness of problems being faced by the Accession Countries, and implications for building collaboration with companies in Central Europe.

4.

Providing greater awareness to people from the EU and Central Europe about Australian Government priorities and the capabilities of Australian business, especially in the areas of IT, Technology Parks and Incubators.

5.

The building of extensive new and valuable contacts in Central Europe and in the EU.

6.

The opportunity for IT Minister Nica (Romania) to visit Australia. (Senator Alston, the Australian Minister for IT, conveyed the invitation personally.)

7.

Recognition of a strategic, timely opportunity for Australia to expand into new developing markets. In particular, opportunities in services in strategic capabilities (ICT, biotechnology, advanced manufacturing, environmental technologies and design), and also in incubator development and training, were identified.



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8.

The Federal and Victorian Governments were able to identify opportunities for SMEs in Central Europe, and to see the role government might play as a facilitator of these opportunities.

9.

A better understanding was gained about the workings of the European Commission, and how it works in relation to accession programs in practical terms.

10.

A first-hand understanding, through the visit to CeBIT, of how the ICT industry is marketing, promoting, and progressing in the post dot-com era.

11.

A better understanding of the unique place of Austria as a bridge between the current EU and the new Accession Countries, due to its geographic position and its historic and traditional links.

12.

An opportunity, through travel and first-hand experience, to understand the Hungarian scene. The Mission members learned not only about the economy's rate of growth, but also about its dynamic nature, due to the Government's focus on building business and its push for privatisation through SMEs.



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CONCLUSION

Members of the Mission to Central Europe and the European Union all regard it as having been a resounding success. It outperformed expectations and fully achieved its objectives.

The Mission included the following key elements:

- Meeting key decision makers in the European Commission
- A guided visit to CeBIT and the ICT World Forum
- Meeting with the Austrian Ministry for Foreign Affairs
- The Inaugural Australia Central Europe Business Leaders Forum (ACE BLF)
- Meetings with senior representatives of the Hungarian Prime Ministers Department, Ministers, public servants and business leaders

The meeting with the European Commission explained to participants how they could gain business outcomes from the Accession program and the practical implications for this for Australia. They also learnt the value of accession beyond the money that will flow from the grants and funds. The Accession program allows investors in these countries to have greater security and this perception is crucial to accession economies.

The visit to CeBIT exposed Mission participants to global innovations in technology and provided an opportunity for Senator Alston to address the ICT World Forum.

A number of tangible outcomes of the Australia Central Europe Business Leaders Forum (ACE BLF) held in Sopron Hungary, including a protocol for a new think tank, an MoU for a Central European Investment Fund, and plans and agreements for establishing incubators in Hungary and Romania.

The Australia Central Europe Business Leaders Forum, as noted previously is now planned to be an annual event, and will be hosted by a different participating country each year.

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The Australia/Central Europe Entrepreneurial Study Mission has created inroads for Australian government and business that would otherwise never have been made. It has also introduced participating Central European nations to new opportunities for government and business relations with Australia.

Thus the Mission has created a platform for Australia to continue discussions and build strong relationships with Central Europe and the European Union.

APPENDICES

Appendix 1: Global Access Partners (GAP)

GAP is a network of influence that gains results through high level discussions which bring about shared knowledge, progress and policy change. GAP promotes Australia's capacity to find solutions to the challenges and issues facing the global community and translates these solutions into business opportunities.

It shares the vision of its partners as it strives to assist them in gaining a business advantage. It aims to give small organisations access to large markets through its network of key leaders from both business and government.

Global Access Partners' approach is as old as business itself, and success in business is still largely a matter of personal connections and informal business networks. As the saying goes, *"people prefer to do business with those they know and trust"*.

Plans for this year include the following high level international events:

- **GAP Environment Forum**
"Moving Beyond The Rhetoric" to find practical outcomes for business in building sustainability. Discussions will focus on water, energy and IT. Meeting key decision makers in the European Commission will be an important feature of this Forum.
- **GAP Bio Informatics Forum**
By developing solid foundations in this emerging industry, Australia can increase its participation and share in the global knowledge exchange.
- **Virtual Opportunity III**
With the support of the Commonwealth and NSW Governments, and the participation of the OECD and EU, discussions at this Forum will facilitate understanding of changes, opportunities and consequences of the information age.

Global Access Partners Pty Ltd
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Appendix 2: Management Frontiers

Management Frontiers has the mission of putting new knowledge and information to work for the benefit of people and organisations.

One of its main roles is to provide high-level leadership study programs and policy consulting services for senior executives in corporations, public sector organisations and in education.

Headquartered in Sydney, Australia, the Company is international in its character and activities, and has conducted over 70 high level programs in 20 countries.

Management Frontiers seeks to raise the quality of decision-making and the calibre of leadership in client organisations by opening up new avenues of information sharing and communication and by developing innovative approaches to analysis and planning.

Its activities centre on:

- producing and conducting familiarisation and executive study programs for leaders in business and education
- assisting organisations with policy development and analysis and with improving management decision making and processes
- convening leading-edge conferences and seminars and providing specialist briefings
- supplying a wide range of general and client-specific information services relating particularly to international best practice and benchmarking.

Management Frontiers Pty Ltd

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**Appendix 3: Outline of current situation
in some participating countries**

AUSTRALIA

Australia has become a significant economy in global terms and hence trade with Central Europe is of importance to Australia and to the Central European nations it trades with.

Australia has a place on the world stage in terms of IT and is the third largest ICT market in Asia. It is the first in the world for e-Government (all Government information was online by 2001; and a program to establish all Government services online is now taking place). Australia is also third in the world in terms of investment in ICT.

As an English-speaking country with people from many different cultural, ethnic and religious backgrounds, Australia has a lot to offer Europe. It is also a bridge to the other side of the world e.g. South East Asia for European and Central European nations.

Through participation in Central Europe markets Australia brings:

- neutrality in contribution and partnership
- innovative products that will provide competitive advantage
- infrastructure and financing
- liaison with Australian companies already working in the region
- trade opportunities for the Accession Countries into Australia.

AUSTRIA

Geography and history give Austria an already established relationship with Central Europe. Much is being done to capitalise on this advantage in Central Europe which is already a high priority for Austria. The government sees the benefits they can gain from EU enlargement of these nations.

Currently over 1,000 regional headquarters for Central Europe are located in Austria. This includes Alcatel, Coca-Cola and Hewlett Packard.



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Trade with Central Europe has created jobs and economic growth in Austria and the region is their second largest trading partner. Exports have increased by 400% in the period of 1990 – 2001.

Austria is one of the most important investors in Central Europe, and an important employer in the region.

There is potential for an influx of unskilled labour, which could add to existing unemployment problems in Austria and Germany, but they feel they have the most to gain from enlargement.

CZECH REPUBLIC

The Czech Republic has a population of 10.3 million and a GDP of US\$55 billion. It is centrally located in Europe and is completely landlocked by the surrounding countries of Germany, Austria, Poland and the Slovakia Republic.

Since the collapse of communism in 1989, the Czech Republic has been undergoing major privatisation and reconstructing. The establishment of a full market economy has been tempered by political stalemates as the Government usually have not held a parliamentary majority.

Regardless of political short comings, the Czech Republic has grown substantially during the last decade. After two years of economic recession in the late 1990s, the Czech Republic has now recovered with a 3-4% rate of growth over the last three years.

High levels of foreign direct investment have spurred economic recovery, although until recently Australia's involvement in trade and investment has for the most part been minimal except in its traditional role as a major supplier of wool. However, in recent years there has been investment from Australia to the tune of nearly US\$60 million from such organisations as Brambles, Mincom and Village Roadshow.

Austrade reports that Australian companies have also supplied sophisticated software to Czech mining companies and there have been other electronics exports supplies. There are reported to be current opportunities for Australian suppliers in:



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- Innovate solutions (in information and communication technologies)
- Facilities access control (biometrics)
- E-banking and e-commerce products
- Transaction and information security

The Ministry of Industry and Trade has recently outlined the country's broad economic objectives through its "Strategy to Enhance Economic Growth". The Strategy is aimed at accelerating growth through exports, investments, and development of programmes fostering modernisation, restructuring and innovation.

HUNGARY

Hungary, a country strategically situated between Eastern and Western Europe, has a population of just over 10 million, and GDP of approximately US\$85 billion.

Stable economic and political conditions have provided a platform for strong, even vibrant economic growth in recent years. Hungary's GDP growth rate was 5.2% in 2000 and 3.8% in 2001 – the latter more than double the EU average. Unemployment levels have recently dropped to 5.7%, two percentage points lower than the EU average.

These figures are even more impressive when the reasons for growth are examined. Foreign investment in Hungary rose in 2001 by 52% to US\$2.7 billion. Over US\$22 billion has been invested in the country during the last decade.

Moreover, the primary thrust of growth in recent years has been in information and communications technology. Major foreign investment has focussed on:

- Telecommunications products and components
- Consumer electronics
- Computers and peripherals
- Information technology, electronic commerce
- Electronics components for the automotive industry



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Among significant investors in these industries have been Sony, Bosch, TDK, Samsung, Philips, Siemens, IBM, Ericsson, Nokia, Deutsche Telecom, Audi, and General Motors.

The emergence of Hungary as a high tech region has included the establishment of more than 100 industrial parks and many incubators. The Hungarian Government is committed to ICT as a centrepiece in the country's future economic development, having established an Information Development Strategy and a Program for the Support of Research, Development and Innovation

The EU has committed an annual budget of approximately US\$14 million to Hungary from 2000 to 2006 through its PHARE and SAPARD programmes,

ITALY

The Italian Government participated in the ACEBLF in order to promote INSME - International Network for Small and Medium Sized Enterprises (www.insme.info), an international initiative currently managed through the Italian Institute for Industrial Promotion (www.ipi.it). This initiative is part of the Bologna Process, the follow up to the first OECD Ministerial Conference on SMEs and Globalisation (Bologna, June 2000).

INSME is aimed at providing support to intermediaries and networks of intermediaries specialising in the field of innovation and technology transfer to SMEs. INSME encourages the development of synergies, alliances and collaboration between governments, international organisations and NGOs, intermediaries and their networks with regard to strengthening and setting up new policies, programmes and initiatives on innovation and technology transfer to SMEs

Italy's motivation for participation in the ACEBLF was threefold:

1. Further involve the Accession Countries, some of which were taken into consideration as part of the INSME Feasibility Study
2. Promote INSME on both a political and technical level, through contacts with high-level politicians involved in the ICT sectors and contacts with intermediary heads. INSME is targeted to Governmental bodies, International Organisations and NGOs, intermediaries and their networks, thus participation in the ACEBLF helped INSME to make



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contacts with its prospective users and thus achieve its objective to set up an International Community of political and technical stakeholders working in the field of innovation and technological transfer.

3. Keep abreast of newly developing intermediaries (such as the Science Park that the Central European Development Fund is planning to develop) and intermediary networks that the Italian Government has been monitoring through the INSME Process. INSME aims to provide support to existing intermediaries and network of intermediaries at national, regional and international level, by specialising, integrating and internationalising their offerings set with regards to innovation and technology transfer to SMEs. It will achieve this through acting as an information hub, and as a facilitator and catalyser of existing intermediaries, and networks of intermediaries.

ROMANIA

The Romanian Government has established an ICT (Information, Communication and Technology) Task Force, which includes seven Ministers (including the Prime Minister). ICT is a priority for the Government, both in terms of services and for building the economy.

ICT in Romania is currently growing at 15%, which is almost double the growth rate of ICT worldwide (currently 8%). The Government has in place incentives for SMEs to build the industry. A major priority of the Romania Government is transparency through electronic means. They have set up a government portal, which has been in use for the past 12 months and is also being further developed. It provides a variety of services by electronic means including the electronic system for public purchases.

This web-based system is reducing costs and is more transparent and efficient. It has increased the amount of information to which providers have access, and at the same time has reduced bureaucracy, corruption and fraud. The reduction of these has long been a priority for the government.

Romania is keen to maximise the benefit for entrepreneurs and researchers by encouraging more Technology Parks and Incubators. These will enable them to use high technologies effectively within the economic process.



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Through Technology Parks, the government aims to stimulate investments for the improvement of the regional economic infrastructure especially in the area of industrial, scientific and technological parks. There is co-financing with a state budget of ROL 583 billion from 2003-2005.

SLOVAK REPUBLIC

The Slovak Republic, which borders Austria, Hungary, the Ukraine, Poland and the Czech Republic, has a population of 5.4 million and GDP of US\$23 billion.

The Slovak economy has grown steadily since 1994, but there remain major economic problems, including a persistent 18% unemployment rate.

Slovakia has had stable government since 1988, and has been strongly supported by the international community. It became a member of the OECD in July 2000, and the EU has given strong support.

The current Government is pursuing a program of privatisation, and has worked to put an end to Slovakia's era of political and economic isolation.

There has been some significant foreign investment, including Deutsche Telekom's acquisition of Slovakia's telecommunications carrier for US\$900 million. Foreign investment has mainly come from Europe and totalled US\$2.9 billion in 2000.

The government has introduced a package of incentives to foreign investors, including a 10 year tax liability for greenfield investors. These are over and above EU accession country incentive programs.

Investment in Slovakia by Australia remains low, although in late 1999 QBE acquired the Slovak Investment Insurance Company, as part of a network of QBE investments in Central European countries. There is now a Trade and Economic Co-operation Agreement between the two countries, and a Double Taxation Agreement has been put in place.

While Slovakia is a small country in population and size, there are investment possibilities of interest in telecommunications and related industries.

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Appendix 4: List of participants at the ACE BLF

AUSTRALIA

The Hon. Senator Alston R.

Minister, Department of
Communications, Information
Technology and the Arts

Mr Chambers D.

Managing Director
M2M Connectivity

Mr Charody J.

Company Director
Formerly Minister for Trade
Central Europe (Australia)

His Exc. Mr Cruise L.

Ambassador, Australian
Embassy to Hungary

Prof Fritz P.

Group Managing Director
TCG Group of Companies

Mr Jeffery S.

Director, Ballarat University
Technology Park

Mr Larsen J.

Counsellor, Australian
Ambassador to the EU

Prof Parker A.

Managing Director
Peak Performance Development

Mr Price J.

Senior Trade Commissioner
Austrade

Mr Rosen D.

Information Economy Adviser
Department of Communications,
Information Technology
and the Arts

Dr Scott B.

Chairman, Management Frontiers

Ms Taranto J.

Managing Director
Hannover Fairs Australia

Mr Thiel A.

Counsellor, Austrade Hungary

Ms Williams H.

Secretary, Department of
Communications, Information
Technology and the Arts

Dr Williams L.

Director, Department of Premier
and Cabinet Economic Policy
(Victoria)

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AUSTRIA

Mr Beck A.

Chairman and CEO
Plan und Bau

Dr Kogler H.

Director
Ministry of Foreign Affairs

Dr Cordt H.

Chairman and CEO
Cordt und Partners
Former Deputy Minister of
Finance

Mr Panholzer G.

Federal Ministry for
Economic Affairs and Labour
Division for International
Innovation and Technology

CZECH REPUBLIC

Mr Brabnik J.

Ministerial Counsellor
Ministry of Foreign Affairs
of the Czech Republic

Mr Kolozsvary O.

First Secretary, Embassy
of the Czech Republic in Hungary

Mr Dlouhy P.

Representing Confederation of
Industry of the Czech Republic
Association of Innovative
Entrepreneurship of the Czech
Republic, Society of Science and
Technology Parks of the Czech
Republic

Mr Proksik J.

Director of Conception Department,
Ministry of Environment of the
Czech Republic

Dr Hejda P.

Member of the Academy
Council, Czech Academy of
Sciences

Mr Seidl J.

Director
CzechTrade Office in Hungary

Her Exc. Hubackova H.

Ambassador Extraordinary
and Plenipotentiary of the Czech
Republic in Hungary

Mr Podhorsky V.

Ministry of Transport, Ports and
Telecommunications

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EUROPEAN COMMISSION

Mr Bosco, M.

Head International Cooperation
Directorate-General, Information Society

GERMANY

Mr Langsfeld, H.

Partner, FM Group

HUNGARY

Mr Agota G.

MP Sopron

His Exc. Prof Dr Balazs P.

Secretary of State
Ministry of Foreign Affairs

Mr Beck G.

Company Director

Prof Dr Chikan A.

Rector, University of Economics
Budapest

Dr Faller J.

Principal, Faller and Faller

Dr Gal J.

Associate Professor
University of Western Hungary

Mrs Gal M.

General Manager Sip Kft

Mr Havas A.

Director, Sopron Region Water

His Exc. Dr Kovacs K., MP

Minister, Communications
Department

Mr Ludas L.

Director I-Cell Kft

Mr Mohàcsi B.

Deputy Secretary of State
Hungarian Ministry for Informatics
and Communications

Dr Nagy K.

National Advisor on IT
Prime Minister's Department

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Dr Rapscak J.

Deputy Secretary of State
Prime Minister's Department

Dr Simon S.

Deputy Director
Department of Foreign Affairs

Dr Tabajdi C., MP

Deputy Head, Parliamentary
Committee for European Union
Integration

Mr Uszta J.

Deputy Director
Prime Minister's Department

Mr Walter D.

Company Director
Mayor of Sopron

ITALY

Dr Cordone, M.

Istituto Promozione Industriale

ROMANIA

Antip, A.

Relaitatea TV

Prof Ardeleanu, A.

"V. Goldis University of Arad"

Dr Baltac, V.

Chair and Managing Director
Softnet Inc., Head of the
Association for Information
Technology and
Communication of Romania

Prof Banciu, D.

Managing Director ICI

Buzila, L.

Counsellor, Austrade

Calinescu, C.

Cucereanu, A.

Chamber of Commerce and
Industry of Romania
Bucharest - IT Department

Dima, I.

B1TV

Dimitrescui, M.

Radio Romania

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Dragan, L. D.

Totalsoft SA

Dumtrache, A.

Mediafax

Fabian, C.

Florian, D.

TVR

Ganciu, O.

Director, Department of
Information Technology

Guirgea, M.

Prima TV

Malcion, N.

Mazilu, E.

Mircea, L.S.

Prefectura Judetului Sibiu

Moisen, S.

Antena 1

Monea, E.

Független újságíró/
Independent

Necula, M.

Guvernul Romaniei,
Prefectura Judetului Galati

The Hon. Nica, D.

Minister for Information Technology
and Communication

Nica, M.

Rompress

Panzaru, V.

Petrescu, C.

Director, Department of Information
Technology

Prof Petrila, T.

“V. Goldis University of Arad”

Pirvoiu, L.

TVR

Pogonaru, C.

Prima TV

Popescu, C.

Relaitatea TV

Popescu, C.I.

Miniszterium (VIP)

Prodan, M.

Robiu, I.

Everinentul Zilei

Socol, I.

Siveco Romania SA

Soviani, R.

B1TV

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Mr Talpes, F.

Managing Director, Softwin Inc.,
Head of the Chamber for
Information Technology and
Communication of Romania

Vilciu, T.

Pro TV

Voicu, D.

Vornicu, R.

Antena 1

Wago, Z.

Pro TV

SLOVAC REPUBLIC

Mr Cubrik M.

Director, Department for
International Co-operation
Ministry of Environment

Mr Kliment P.

Commercial Counsellor
Embassy of the Slovak
Republic in Budapest

Mr Kurucz M.

Chargé d'affaires a.i.
Embassy of the Slovak
Republic in Budapest

Mr Lysák B.

Head, Asian Branch
4th territorial Department
MFA of the Slovak Republic

Mr Mikulec J.

Project Manager
Slovak Investment and Trade
Development Agency (SARIO)

Mrs Nováková K.

Director, Department of Foreign
Assistance, Sector Co-ordinator
Ministry of Environment

Mr Podhorský V.

Director General, Division of
Posts and Telecommunications
Ministry of Transport, Posts and
Telecommunications of the Slovak
Republic

Mr Rusinko S.

Head Direct Marketing Department
Slovak Investment and Trade
Development Agency (SARIO)

Appendix 5: Biographies of Australian participants

Senator the Hon Richard Alston

Senator Alston has been Deputy Senate Leader, both in Opposition and Government, since 1993. He is now Australia's longest serving Federal Minister for Communications.

In November 1999 Senator Alston was honoured with the Award for Outstanding Contribution to the IT Industry by the Asian-Oceanian Computing Industry Organisation and in May 2000 was voted Best Asian Communications Minister by Telecom Asia magazine's Readers Choice Awards.

He chairs both the Ministerial Council for the Information Economy and the Online Council of Commonwealth and State Ministers. He is a member of the Prime Minister's Science, Engineering and Innovation Council and the Cultural Ministers' Council and is also Patron of the Australian Information Industry Association National IT Award Program and the Australian Computer Society.

Since coming to Government, Senator Alston has led a number of highly successful telecommunications and IT trade missions to Silicon Valley, Israel, Hong Kong, Indonesia, Korea, the Middle East and South America.

He obtained an LLB from Melbourne University and has since completed four further degrees on a part-time basis - BA, B.Com (Melb) and LLM & MBA (Monash). Prior to entering Parliament he was a barrister for many years.

Senator Alston has been a Liberal Party Senator representing Victoria since 1986 and has been continuously on the front bench for the last 13 years with more than eleven years in the communications portfolio. He has also had responsibility for a number of other key portfolios including Social Security, Childcare, Superannuation and Retirement Incomes.

He was Victorian State President of the Liberal Party 1979 - 1982 and has been a member of the Party's Federal Executive for more than 12 years.

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Senator Alston has long been interested in the economic and social implications of new technologies. He was first appointed Shadow Minister for Communications in 1989 and has chaired major parliamentary inquiries into the ABC and foreign ownership of Fairfax. His MBA thesis was on the role of cross subsidies in the telecommunications sector.

Senator Alston is very involved in the Arts, both personally and professionally. He has been a Governor of the National Gallery of Australia Foundation and is keenly interested in modern literature, Aboriginal art and oriental rugs, as well as being a long time supporter of the Melbourne Theatre Company.

Prior to entering Parliament, Senator Alston was active in a number of major national non-government organisations, especially in the field of overseas aid. He was Federal President of the United Nations Association of Australia, National Chairman of the Australian Council for Overseas Aid and Chairman of the International Disaster Emergencies Committee. Since entering Parliament he has been the inaugural Chairman of the Afghan Australia Council and a sponsor of the Eritrean Relief Association.

Mr Daryl Chambers

As head of Ericsson Mobile Phones in Australia, Daryl was responsible for sales, customer relations, marketing, service and finance. He grew the business from scratch in 1991 to over \$200m in 1997 and established Ericsson as one of the strongest brands in Australia.

Daryl was instrumental in Ericsson entering the modules market in Australia. In 1999 Daryl moved to UK where he was responsible for a large specialist engineering and global commercialisation project for Ericsson, which included managing a team of 250 engineers. He then moved to working on channel and segmentation strategy for Ericsson globally before being involved in the merger with SonyEricsson.

Daryl is now an owner in GTM Resources Pty Ltd, a company focussed on growing niche cellular opportunities in the Oceania region. GTM is the authorised distributor for SonyEricsson machine communications modules and Telular Fixed Cellular products.

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Professor Peter Fritz, AM

Peter Fritz is Managing Director of TCG, a diverse group of companies which over the last 31 years has produced many breakthrough discoveries in computer and communication technologies. In 1993, some of the 65 companies in the Group were publicly floated on the Australian Stock Exchange as TechComm Group Limited, with great success. Another former TCG company floated on the New York Stock Exchange in November 1997 for US\$600m, making it the largest technology company ever to be established in Australia.

The TCG model of corporate structure is now part of many university undergraduate and Masters' programs in Business Management in Australia and around the world. Peter Fritz chairs a number of influential government and private enterprise boards and is active in the international arena including having represented Australia on the OECD Small and Medium Size Enterprise Committee. He is the holder of six degrees and professional qualifications, is a recipient of the Order of Australia, and has received many other honours.

Mr Stanley Jeffery

Stan Jeffery is currently a candidate for Doctor of Technology at Deakin University, Australia and he has more than sixteen years' senior management experience and international exposure in high technology-related areas.

Currently he is Director of the Ballarat Technology Park in Victoria. This Park is home to two IBM operations and a number of other IT companies. He is also a director of Information City Victoria, part of a worldwide Information City Group.

Concurrently he also serves as MD of the company Integrated Company Growth Services ICGS, which is providing the Malaysian government (MAVCAP) with an outstandingly successful training program for entrepreneurs, being conducted throughout the nation.

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Early he spent almost two years as CEO of a Malaysian company called Optixlab in Kuala Lumpur, and has also been Director and Chairman of a number of Malaysian start up companies, and an active member of the Malaysian Venture Capital Association

Prior to joining OptixLab, he was a founding Director of the Australian Technology Park Business Incubator and International Business Centre, during which time he established start-up technology companies in the areas of multimedia systems, Advanced Internet systems, e-Commerce and telecommunications systems: totalling sixty-five companies with an 85% success rate. He has also consulted widely on establishment of technology parks in Australia.

In addition to establishing start-up companies, he also has more than nine years experience in research, product, market and sales development with Toshiba and Wang labs. Earlier in his career he was a design engineer at ICL, working on the Northern Universities Super Computer System at Manchester University.

Mr James Larsen

James Larsen is a career diplomat with the Australian Department of Foreign Affairs and Trade. He is currently Counsellor at the Australian Mission to the European Union in Brussels responsible for relations with the EU on WTO trade matters, justice and home affairs issues, and science and technology cooperation.

Prior to Brussels, James was Deputy Legal Adviser, Department of Foreign Affairs and Trade in Canberra, as well as Director of the Administrative and Domestic Law group. He has also previously served in the Australian Embassy, Bangkok.

James joined the Department following four years of private legal practice with Minter Ellison in Melbourne. He has a Bachelor of Arts and Bachelor of Laws from the University of Melbourne.

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Mr Allan Parker

Allan Parker is the Managing Director of Peak Performance Development Pty Ltd, a Sydney based consultancy company operating in the areas of Organisational Change Facilitation, Training and Dispute Mediation. His areas of expertise include Presentation Skills, Sales Training, and Facilitation, Negotiation and Mediation training. He has been a Consultant with many of Australia's leading organisations regarding organisational change.

In addition to work in Australia, Allan Parker frequently works in the U.K. and in Asia. His clients have included Microsoft, Apple, DST International, the Arab Malaysia Merchant Bank, the Hilton Hotel, Macquarie Bank and Exxon Mobil.

His best-selling books include 'Switch on Your Brain', and 'Negotiator's Toolkit', and (as co-author) 'Beyond Yes - Negotiating and Networking'.

Allan is a member of the Curriculum Advisory Committee to the Faculty of Law, University of Western Sydney who are responsible for the design, development and delivery of the Graduate Certificate and Masters of Dispute Resolution. He is also a certified mediator with the NSW Law Society.

Mr Danny Rosen

Danny Rosen is Adviser to the Australian Minister for Communications, IT & the Arts, and is responsible for the development and coordination of advice to the Minister on information economy issues. Prior to this position, Danny worked as a lawyer with Minter Ellison in the Corporate and Technology practice groups.

Danny graduated with first-class honours in Bachelor of Law and Commerce degrees at Monash University, and has recently been awarded a Fulbright Postgraduate Scholarship to the United States.

Dr Brian Scott, AO

Dr Brian Scott has been Chairman of Management Frontiers since its establishment in 1985. Prior to this he was Chairman of the W D Scott Group of Companies, at the time the largest Australian-owned management

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consulting group. He serves on various company boards, including the ANZ Banking Group, and for four years was President of the Institute of Directors in Australia. He was also Chairman of the Australian Government's Trade Development Council from 1984 – 1990, and was a member of an Australian Government Committee of Inquiry on "Australia's Relations with the Third World".

Brian Scott has been extensively involved with education and educational institutions throughout his career. He has served on boards, advisory boards, or as review committee chairman, for one Asian and seven Australian universities. He has served on several government committees reviewing aspects of the education sector, including Effectiveness and Efficiency in Higher Education (member) and a comprehensive review of the NSW Government's Education Profile (Chairman).

Dr Scott holds degrees from Sydney, Stanford and Harvard, and is one of less than ten Australians who are Fellows of the International Academy of Management.

Ms Jackie Taranto

Jackie Taranto is Managing Director, Hannover Fairs Australia Pty Ltd. She reports to the parent company Deutsche Messe AG in Hanover Germany (DMAG), the biggest exhibition company of its kind in the world. DMAG is a joint venture between the City of Hanover and the State of Lower Saxony, and organises 5 of the 10 largest trade fairs in the world.

Jackie has been in the exhibition and conference industry for more than 10 years. She moved to Australia from Canada in 1987 and became an Australian in 2000. Prior to her appointment as the Managing Director of Hannover Fairs Australia, she owned her own consultancy company, Pacific Conference Management, specialising in services for exhibition and conference organisers in the Asia Pacific region and Europe. She also established a successful electrical contracting business catering to the specific needs of the event industry.

Ms Helen Williams, AO

Helen Williams became the Secretary of the Department of Communications, Information, Technology and the Arts in January 2002.

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She joined the Commonwealth Public Service through the Administrative Trainee Scheme in 1970, and from 1971 to 1984 occupied various positions in the Treasury, the Department of Finance and the Department of the Prime Minister and Cabinet.

She was appointed Secretary to the Department of Education and Youth Affairs in January 1985, chairing the Interim National Board of Employment, Education and Training in 1987.

In 1988, she moved to the Department of Transport and Communications where she was in charge of the Communications side of the Portfolio and was a member of the Boards of Australia Post, AUSSAT and the Overseas Telecommunications Commission; returning to the Department of the Prime Minister and Cabinet in 1990 as head of the Commonwealth State Relations Secretariat.

Ms Williams became Secretary of Department of Tourism in July 1993, and was appointed a member of the Board of the Australian Tourist Commission.

She became Secretary of the Department of Immigration and Multicultural Affairs in March 1996 and was a member of the Administrative Review Council from 1996–1999. In February 1998, she became Australian Public Service Commissioner and, in addition, Parliamentary Service Commissioner from December 1999.

Ms Williams is a member of the Management Advisory Committee of the Australian Public Service and a fellow of the Australian Institute of Management. She is a member of the Board of the Australian Sports Commission and of the Council of the National Library of Australia.

Dr Lynne Williams

Dr Lynne Williams has worked as an economist in the public sector for over 20 years. She started her career as a labour economist, working in several State and Commonwealth research agencies. From 1990 to 1996 she headed the Economic and Locational Research Branch at the (Federal) Bureau of Immigration, Multicultural and Population Research.

From October 1996 to March 2001, Dr Williams was the Principal Adviser,

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Research at the (Federal) Productivity Commission. At the Commission Lynne headed a unit responsible for co-ordinating and monitoring the Research Program. She also guided, advised and refereed the research output as appropriate, and co-ordinated consultative processes as input to determining the Commission's research directions.

In April 2001, Dr Williams accepted the position of Director, Economic Policy in the Victorian Department of Premier and Cabinet. Her area has particular responsibility for advising the Premier on industry, innovation and regional policy, ICT, tourism, industry and occupational regulation, the Commonwealth Games, and financial and budgetary matters.

Dr Williams has degrees in economics from the University of Melbourne (MA), the London School of Economics and Political Science (MSc), and Monash University (PhD), and has taught at the University of Melbourne and Monash University.

Mr John Price

Prior to joining the Australian Trade Commission (Austrade), John Price worked in a sales and marketing capacity with Australia's largest company BHP, two United Kingdom organisations and an American multi-national.

As a Trade Commissioner with Austrade he has previously had postings in London, Washington and Los Angeles.

His current position is that of Senior Trade Commissioner, Central Europe. Based in Warsaw, he manages Austrade's five Central European offices, responsible for expanding Australia's trade with countries stretching from the Baltics to the Balkans.

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Appendix 6: Participant feedback

“Dear Peter, Many thanks for organising what I found to be a tremendously valuable and worthwhile visit to Central and Eastern Europe. It was an invaluable exposure to EU challenges and opportunities and I hope that all members of the delegation will feel that it was a very worthwhile exercise. Certainly I look forward to future discussions with you about how we might be able to drive the agenda forward.”

Senator The Hon. Richard Alston
Minister for Communications,
Information Technology and the Arts
Sydney, Australia

“I hope you have now recovered and taking some rest. The visit was excellent and a credit to you and the organisation. Well done!”

Stan Jeffery
Managing Director ICGS
Ballarat University Technology Park
Victoria, Australia

“Your team organised a great delegation and I really appreciate the opportunity to participate with the group. We believe this Mission will benefit and grow Australia’s profile and business opportunities, through the developing activities of the Australia Central Europe Business Leaders Forum and events such as CeBIT.”

Jackie Taranto
Managing Director Hannover Fair Australia
Sydney

“Peter, thanks again for a very interesting event in Sopron. You really did a great job in getting all these very important people around the table.”

Dr Herbert Cordt
Chairman and CEO, Cordt & Partners
Vienna, Austria

“Let me congratulate on the successful conference you organised in Sopron. I thank you very much for the opportunity to present the INSME to such a high level audience. I do look forward to further contacts and collaboration in the

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preparation of the Istanbul OECD ministerial conference on SMEs in 2003 and its business symposium.”

Simona Marzetti
Director Istituto per la Promozione Industriale
Rome, Italy

*“Sehr geehrter Herr Peter von Fritz!
Herzlichen Dank für die Einladung zu der mehr als gelungenen Veranstaltung. Ich persönlich - aufgrund unserer 15-jährigen Entwicklungserfahrung im zentraleuropäischen Bereich - habe den Eindruck, dass hiermit hervorragende Voraussetzungen für eine Umsetzung der angedachten Ideen geschaffen wurden. Dazu möchte ich herzlich gratulieren! Wir werden mit Herrn Dr. Cordt, die aus unserer Sicht notwendigen Kriterien für die rechtliche und wirtschaftliche Grundlage von EU-Forderungen soweit analysieren, dass die nächsten Schritte entsprechend zielgerichtet eingeleitet werden können.”*

Alfred Michael Beck
Chairman and CEO, S+B Plan & Bau GmbH, Austria

“Congratulations for the outstanding organisation of the Australia – Central Europe Dialogue event in Sopron. The media coverage and impact on the IT business community in Romania are unprecedented; this is not an overstatement. We have already been approached by various local authorities (other than those attending in Sopron), VC’s and IT business with expressions of interest in partnerships with Australian IT Incubators, Technology Parks and software application developments.”

Liviu Buzila
Counselor Austrade, Bucharest, Romania

“Please accept my best wishes from Prague and congratulations to the successful meeting in Sopron. I do hope that your ambitions towards Central European region (and especially Hungary and Romania) have been satisfied, and we really appreciated having a chance to meet Australian delegation headed by Senator Minister Alston.”

Jíří Brábek
Ministerial Counselor
Ministry of Foreign Affairs
Prague, Czech Republic

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Appendix 7: Photo gallery



Prof Peter Fritz, Dr Csaba Tabajdi and Prof Attila Chikan signing the Memorandum of the establishment of the Central European Think Tank



Minister Dan Nica (Romania) at the press conference



Senator Richard Alston (Australia) at the press conference



Dr Mariano Cordone (Italy) at the ACE BLF Plenary Session

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Appendix 8: Itinerary of Mission

Saturday 8 March 2003

Afternoon: Flight: Sydney - Brussels

Sunday 9 March 2003

Morning: Arrive Brussels

Late Afternoon: Registration, briefings

Sunday Evening: Welcome Dinner

Monday, 10 March 2003 - Brussels

All Day Briefings and Discussions at European Commission Headquarters

Evening: Formal dinner

Tuesday, 11 March 2003 - Hanover

Morning: Flight: Brussels - Hanover

Rest of Day: Visit to CeBIT 2003 Exhibition

Pre-Opening escorted visits to selected Exhibition sites
Lunch with CeBIT officials and other guests
Briefing session with senior CeBIT officers

Afternoon: Address by Senator the Hon. Richard Alston to ICT World Forum

Evening: Attendance at dinner marking Official Opening of CeBIT by the Chancellor of Germany

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Wednesday, 12 March 2003 – Hanover/Vienna/Sopron

Morning: Further visit to CeBIT, and opening of CeBIT's Future Parc exhibit by Senator Alston

Late morning: Flight Hanover - Vienna

Afternoon: Briefing session with senior Austrian Government officials on Central European developments

Coach to Sopron, Hungary

Evening: Inaugural Australia Central Europe Business Leaders' Forum (ACEBLF)
Gala Dinner with welcome speech by Hungarian Minister for Information Technology

Thursday, 13 March 2003 - Sopron

9:30-12:00 Plenary Session of the Australia Central Europe Business Leaders' Forum (ACEBLF)
Addressed by representatives of EC and participating countries

12:00-12:30 Press conference and informal interaction

12:30-14:00 Lunch

14:00-15:45 Break-out sessions of the ACEBLF led by Session Chairs

15:45-16:00 Afternoon tea

16:00-17:00 Report by moderators on the conclusions, recommendations and agreements from break-out sessions.
Closing remarks by Forum Chair.

Evening: Informal dinner

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Friday, 14 March 2003 - Budapest

Morning: Coach to Budapest

Afternoon: Meeting with senior Government officials at Parliament House

Evening: Dinner and Opera

Saturday, 15 March 2003 -Budapest

Morning: Tour of the City

Afternoon: Free

Sunday, 16 March 2003 – Budapest

Morning: Review session of the Mission.

Afternoon: Flight: Budapest - Sydney

Tuesday, 18 March 2003

Morning: Arrive in Sydney



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Appendix 9: Background information relating to relevant EC structures and programmes

The European Union (EU) is made up of 15 member states, comprising some 380 million people, from Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the UK. These member states have joined together in order to improve political, economic and social co-operation across Europe and to foster a cohesive and collaborative approach between themselves.

The European Union and Australia are major trade and investment partners, and Australia is now the 6th largest supplier of agricultural products to the EU. The strong bilateral relationship between Australia and the EU has led to a number of agreements being signed, including a Joint Declaration on Relations between Australia and Europe, a Mutual Recognition Agreement on Conformity Assessment, and an Agreement relating to Scientific and Technical Co-operation.

European Commission (EC)

The European Commission is the executive body of the European Union and is responsible for representing the Union internationally. It has oversight of promotion and negotiation of trade relations and co-operation between the European Union and other countries.

A major priority for the European Union in recent years has been enlargement of the EU to include Central and Eastern Europe. In order for the so-called Accession Countries, (which include the Czech Republic, Hungary, Poland, Romania and the Slovak Republic, amongst others) to gain full member status, they must comply with and sustain certain economic, political and social criteria. The EC has initiated and supported a variety of programs which aim to assist these countries to realise full membership. These programs can now provide opportunities for access to these markets on the part of countries like Australia.

European Investment Bank (EIB)

The European Investment Bank is the financial arm of the EU. Its aim is to contribute and to facilitate the economic development of all member countries. The Bank is supporting the "Innovation 2000 Initiative", which aims to encourage investment by "promoting the information society,



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research and development, innovation and competitiveness, as well as human capital". It has allocated between EUR 12 and 15 billion (\$A21-27 billion) over the next three years to this initiative.

European Bank for Reconstruction and Development (EBRD)

The EBRD was established in 1991 to assist Central and Eastern Europe to develop market economies after the collapse of communism. The EBRD has also been involved in projects on a private industry basis as well as a national or local government level, and it encourages foreign companies to apply for EBRD funding.

Accession Program

Poland, Hungary, Slovenia and the Czech Republic are expected to become fully integrated members of the European Union in the next several years, and the EU has formulated accession strategies to encourage this outcome. In order to achieve full membership of the EU, Accession Countries must demonstrate stability both economically and politically, and the adoption of EU standards and legislation. EU accession strategies have fostered investment, particularly including the development of trading relationships between accession countries and foreign companies. The plans for fast-tracking economic development in these countries provides opportunities for Australian investment and establishment of trade partnerships.

Central European Initiative (CEI)

The Central European Initiative was founded in 1989 by Austria, Italy, Hungary and Yugoslavia after the collapse of the communist system. It is a sub-regional co-operation initiative designed to be non-institutional and flexible. Its primary aim is to integrate and build relations between these countries which have had fundamentally different economic and political histories. It has essentially wished to provide a vehicle for discussions of joint initiatives, programmes and projects for the promotion of co-operation between countries and to establish links with other European organisations, such as the European Commission.

Financial Instruments for Accession Countries

There are three financial instruments, now available to provide assistance to Accession Countries in preparation of their full integration into the European Union.



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i) PHARE Programme

The PHARE Programme (the initials relate to Poland and Hungary, the first two countries to be involved with the Programme) is concerned with strengthening the existing infrastructure and regulatory bodies in Accession Countries in order to ensure compliance with EU standards. The development of a competitive market economy within a stable economic framework is imperative to becoming a full EU member state. The PHARE programmes also support the redevelopment and transformation of public administration to achieve transparency and strengthen economic positions.

ii) ISPA (Instrument for Structural Policies for Pre-Accession)

The ISPA is concerned with supporting projects within the environment and transport sectors to enhance compliance for Accession Countries. The ISPA contributes to the funding of transportation links, (i.e. rail, road and airport infrastructure) and investment in environmental infrastructure (such as provision of drinking water, treatment of sewage etc).

iii) SAPARD (Special Accession Programme for Agriculture and Rural Development)

SAPARD is aimed at addressing the agricultural sectors of Accession Countries and assisting them in problems associated with rural development. The programme also aims to establish a legislative framework to bring agricultural priorities of accession countries in line with the European Union's own policies.