



Eurasian Cooperation in the Post-Pandemic Era

Report on the Budapest Eurasia Forum 2020 E-Conference

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On 27 October 2020, following the 2019 Pre-Forum Session, the Central Bank of Hungary (Magyar Nemzeti Bank, MNB) organised the Budapest Eurasia Forum Conference for the second time, and this time under the title of “Eurasian cooperation in the post-pandemic era”. We are living in an ever-changing and dynamic era, in which unilateralism and the need for multilateral cooperation, protectionism and free trade, and the impact of a global technological revolution are present at the same time. Ensuring long-term sustainable development and growth is a key shared challenge for the countries of the region in this new era, for which multidisciplinary dialogue is essential, with particular emphasis on the geopolitical aspects of common goals. Enhancing the dialogue between Europe and Asia is significant not only from the perspective of 21st century megatrends, but also regarding the economic recovery from the coronavirus pandemic and multilateral cooperation. To this end, the MNB's series of conferences launched last year aim to provide a platform for European and Asian decision-makers and experts to enhance cooperation and dialogue. The forum's professional programme featured high-level decision-makers and recognised experts from China, Singapore, South Korea and several European countries on geopolitics and multilateral cooperation, the economy and finance, the future of smart cities and enhancing digital literacy.

A new world order began taking shape by the 21st century, leading to the effects of unilateralism and multilateral cooperation, protectionism and free trade, and the global technological revolution appearing in the global system at the same time. As a result of Asia's economic and innovation development, a shift in emphasis is unfolding in the international order, the central axis of which can be ensured by the cooperation between Europe and Asia, especially China. The Belt and Road Initiative (BRI), announced by Chinese President Xi Jinping in 2013, can be considered an official milestone in the new era, which will see the Age of Eurasia supersede the Atlantic Age. This expanding framework and directions of international cooperation covering Asia and Europe (New Silk Road, Digital Silk Road, Green Silk Road, Health Silk Road) show the pattern of the megatrends of the new era, which fundamentally determine the directions and nature of development. These megatrends can be the need and creation of long-term sustainable growth, including the technological revolution and the transformation of money, green thinking and the growing importance of geopolitics.

There is no doubt that we are living in an age of transformations towards a new world order, in which geopolitical cooperation initiatives are reshaping our international and economic relations, while parallel to this, the technological revolution is bringing radical changes to our daily lives, business, work or personal, and last but not least our health. Ensuring widespread sustainable growth and social well-being in the 21st century depends to a large extent on our ability to radically transform our economic models. The growing role of state-of-the-art technologies (robotics, AI),



the promotion of social catch-up and the importance of protecting the natural environment are challenges that require rapid and effective solutions.

The events of 2020 gave new impetus to the unfolding transformation and further highlighted the signs of a change in era. The COVID crisis has presented the world with challenges that could not be prepared for. Nevertheless, the crisis is also a stimulus for development since it forces the decision-makers to adapt to the circumstances by reviewing previous solutions and seeking to implement even more effective and sustainable measures. The changes involve both risks and opportunities, but the common goal is to develop methodologies that help take full advantage of opportunities and reduce risks.

Thus one of the most important questions today is what answers can we give to the processes taking place in the world that pose economic, technological and geopolitical risks? The secret to success and competitiveness lies in how quickly and efficiently we can adapt to the changed circumstances. In forming this recognition that lays the foundation for the future, and in finding a solution, the renewal of economic thinking plays a key role. The series of events of the Budapest Eurasia Forum initiated by the Magyar Nemzeti Bank offers a new platform for this. The forum will focus on the future of cooperation between the countries of Europe and Asia and on how to ensure sustainable cross-border economic growth. By focusing on Eurasia, the event reflects on the geopolitical transformation taking place today and the shift in focus that is making Asia, especially China, one of the dominant poles of the world economy.

In light of the pandemic, the event took place on 27 October this year under the title of “*Eurasian Cooperation in the Post-Pandemic Era*”. In line with the basic concept, the event's professional programme went far beyond the central bank and monetary policy issues in the classical sense, as achieving long-term sustainable economic growth requires interdisciplinary dialogue that includes issues of innovation, technology, geopolitics and education as well.



The live studio of the E-Conference



The conference was opened by *György Matolcsy*, Governor of the MNB, who emphasised that we were at the dawn of a new era that would replace the Atlantic Age lasting since 1492. The Governor highlighted that the keyword in geopolitics and economic development in the 21st century was *long-term sustainability* permeating all areas of life, and that cooperation between regions had to take into account its geopolitical and economic aspects. The Governor pointed out that because of the pandemic, an unprecedented Eurasian coalition had been established in recent weeks and months, and China had supported European countries, including Hungary, in overcoming the epidemic. The pandemic seems to have developed a new type of solidarity in the relations between West and East. The world order is changing, according to the Governor of the MNB, serious consequences can be drawn from the events of the 1940s and 1970s, which could contribute to the promotion of Eurasian integration. The economy of the 1940s was not sustainable due to World War II, and the 1970s economy because of the oil crisis, which is why we need to learn from the mistakes of previous eras to create a sustainable Eurasian continent.

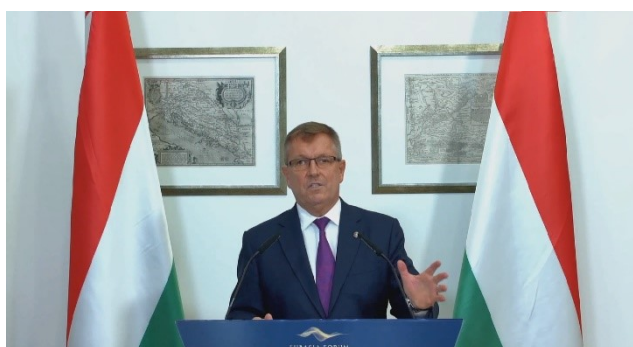
Xiaochuan Zhou, Vice Chairman of the Boao Forum for Asia and former Governor of the People's Bank of China (PBOC), also held a speech at the opening ceremony of the conference. He stressed the importance of enhancing international cooperation in the current geopolitical and economic challenges, pointing out Hungary's particularly important role in strengthening the Europe-Asia dialogue. *Zhou* emphasised that in the post-COVID-19 world, digitalisation and the digital economy would play an even more important role than ever before. In his opening speech, the Vice Chairman of the Boao Forum for Asia outlined the Chinese digital currency project and the efforts made to promote electronic payments (DC/EP¹). Mobile payment services are extremely popular in China, with the share of mobile payments reaching 57.6 per cent by June 2020. *Xiaochuan Zhou* also mentioned the factors that justify the development of DC/EP as well as the opportunities offered by the digital currency, including increased competition between commercial banks and telephone service providers.

Following the Vice President's speech, the Minister of Foreign Affairs and Trade *Péter Szijjártó* shared his thoughts on the East-West cooperation and Hungary's role in the Eurasian cooperation. The Minister emphasised that COVID-19 posed challenges to the world and had turned everyday life completely upside down. However, Hungary sees this new situation not only as a challenge, but also as an opportunity, which Hungary must make the most of. The Minister also spoke about the government's Eastern Opening initiative launched in 2010, which he called successful based on figures from recent years: since the introduction of the strategy, Hungary's exports to eastern countries have increased by 22 per cent and its trade volume by 25 per cent. Also, in 2019, for the first time, Hungary's largest foreign investor was not Germany but an Asian country, South Korea. The role of eastern countries in the Hungarian economy is also supported by the fact that 60 per cent of foreign capital investments came from these countries, while 40 per cent of the newly created jobs were contributed by investments from Eastern countries too. *Péter Szijjártó* emphasised that Hungary is happy to act as a bridge between Europe and Asia, and that the government supports all initiatives that serve to strengthen the Eurasian region.

¹ <https://www.dcc.gov.cn/en>



Hongbo Wu, Special Representative of the Chinese Government on European Affairs, former UN Under-Secretary-General for Economic and Social Affairs, addressed the opening ceremony as well. In his speech, he pointed out that countries around the world had to face challenges such as protectionism, unilateralism and increasing globalisation, as concerns are increasing, and that the coronavirus epidemic reached the world in these challenging times. The Special Representative also made some references to the future of China's foreign policy, adding that China's political goal is to conduct international relations peacefully and enhance cooperation, while its economic objective is to ensure innovative and green development. To meet the economic challenges posed by the coronavirus pandemic, smooth cooperation between Eurasian countries is particularly important and they have to work together to improve public health as well as to strengthen communication and information sharing between states. Attention must also be paid to promoting people-to-people contacts and supporting new drivers of growth, such as artificial intelligence, big data and smart manufacturing. *Wu* also referred to Sino-Hungarian relations, which were solid despite the pandemic.



György Matolcsy, Governor of MNB



Xiaochuan Zhou, Vice Chairman of the Boao Forum for Asia, former Governor of PBOC



Péter Szijjártó, Minister of Foreign Affairs and Trade, Hungary



Hongbo Wu, Special Representative of the Chinese Government on European Affairs, former UN Under-Secretary-General for Economic and Social Affairs



The rise of Eurasia - Geopolitics and multilateral cooperation in the wake of COVID-19

The first panel following the opening speeches, entitled “*The rise of Eurasia - How COVID-19 may reshape geopolitics and multilateral cooperation*”, focused on geopolitical changes in the post-pandemic period as well as issues related to multilateral cooperation. The panel was moderated by *Mihály Patai*, Deputy Governor of the Magyar Nemzeti Bank responsible for international relations, cash logistics, financial infrastructure, digitalisation and credit promotion. The panel discussion was attended by *Mehmet Huseyin Bilgin*, Vice President of the Eurasia Business and Economics Society, *Zhimin Chen*, Vice President of Fudan University, and *Pierre Heilbronn*, Vice President of Policy and Partnerships of the EBRD.



PANEL 1: The rise of Eurasia - Geopolitics and multilateral cooperation in the wake of COVID-19

In response to a question on the impact of the pandemic on international relations and new trends in cooperation between Asian and European countries, *Zhimin Chen* said that the coronavirus pandemic had disrupted international relations including border closures and uncertainties in global production and supply chains, and it also gave way to the strengthening of populist and extreme nationalist thinking. On the other hand, he added that all these problems needed to be addressed at source, and not magnified, as digitalisation still allowed for the organisation of online international meetings, business negotiations and multilateral forums, and society was able to function as usual thanks to today's advanced technologies. At present, digitalisation connects the world and ensures that a global collapse is avoided, as well as creating opportunities for further digital development. The mutual assistance between countries is proof that, despite the difficulties, the relationships between West and East can continue to develop this year as well. The Vice President mentioned the increase in rail freight traffic in Eurasia as an example. *Zhimin Chen* also highlighted that no revolutionary and fundamental changes could be seen in the system of international relationships and world politics owing to COVID-19 so far, but two factors could have a significant impact in the future. One is the faster development of “connecting paths” between countries, namely land (rail) and digital connections, including the expansion of Eurasian rail lines, and the



other is the dynamic development and resilience of East Asia in the Eurasian region. The rapid response and resilience of the East Asian region and China towards the pandemic could be a driving force in the Eurasian region and may stimulate the innovative and technological development of the countries. The current situation is an opportunity for change in terms of both international politics and technological innovation.

Mehmet Huseyin Bilgin and *Pierre Heilbronn* agreed with *Chen's* thoughts. In *Bilgin's* view, the pandemic shed light on new aspects of cooperation. Cooperation between Asian and European countries, including regional cooperation within the framework of the BRI, will display an increasing trend and will be essential in the post-pandemic period, as well as forming the basis for green renewal within Eurasia as well. The global pandemic significantly increases the economic risks for developing countries and can also have a strong negative impact regarding global inequalities. According to *Heilbronn*, while the crisis caused by the pandemic has posed many challenges to countries around the world and is teaching everyone to be resilient, it also offers plenty of opportunities. The current situation shows the effectiveness of the economic development models used so far as well as creating new development paths. Also, the crisis has highlighted the need to accelerate the digital transformation.

Analysing the role of multilateral institutions, *Vice President Heilbronn* spoke about the fact that the EBRD and other international institutions naturally give priority to support for states with limited financial resources during the crisis as well. In his view, only multilateral cooperation and joint action can create an opportunity for recovery in Eurasia. *Heilbronn* highlighted that green bonds play a very important role in sustainable development, so the EBRD is present in the green bond market both as an issuer and investor, as evidenced by their recent target of ensuring green bonds account for 50 per cent of their investments by 2025. The EBRD has always been open to developing partnerships with other international institutions and has supported the work of the Asian Infrastructure Investment Bank (AIIB) from the outset. The EBRD believes building relationships that support a sustainable economy and flexible supply chains is important in both directions, so they count on the work of not only the international European institutions but also of the Asian ones. The EBRD is a special laboratory from the aspect of Eurasian partnership and multilateral cooperation. Cooperation between these institutions is also extremely important, as is the development of a 'common agenda', where the trust between countries would be increased by jointly developed standards which would also contribute to mutual understanding. Regarding the New Silk Road project, *Zhimin Chen* underlined that the BRI initiative focused on infrastructure developments (construction of roads, bridges and power plants) at the beginning, but over the years the Chinese expanded the project and intensified cooperation along three more "silk roads" the construction of which is not only of Chinese but also of global interest. These are the *Digital Silk Road*, the *Health Silk Road* and the *Green Silk Road*. The Digital Silk Road has become more appreciated in the current situation because the role of digitalisation is crucial to overcoming the impacts of the pandemic.

Reflecting on the cooperation between CEE countries and Turkey, *Bilgin* emphasised that the potential of relations between the two regions lay in being a bridge between West and East and in adopting a strategic position in global trade, production, energy security and health cooperation as well as migration problems. Close cooperation between countries and regional cooperation are also particularly important for exploiting these opportunities. According to the participants in the



discussion, one task for the future will be to create a common platform not only focusing on issues related to politics, economy, climate change, sustainability and energy strategy, but that these would also be complemented with the discussion of health and digitalisation issues for the 21st century.

Challenges and opportunities for sustainable growth in Eurasia

The second panel of the Budapest Eurasia Forum, entitled *“Well-balanced and sustainable growth in Eurasia after COVID-19 - Changes, prospects and the future”*, was opened by *Barnabás Virág*, Deputy Governor of the Magyar Nemzeti Bank responsible for monetary policy and financial stability, who introduced the topic by saying that COVID-19 had brought about tectonic changes, including accelerating digitalisation processes for example, as well as being a significant game changer for decision-makers, too. The crisis caused by the coronavirus pandemic is deeper and more widespread than the financial crisis of 2008/2009 was, which he evidenced with a few figures: in 2020 some 30 countries around the world will experience a decline in GDP of more than 10 per cent, compared to 2009, where the same number was 7. As a result of the current crisis, central banks around the world used the tool of monetary easing and increased their balance sheets. In addition to monetary policy, *Barnabás Virág* also emphasised the supporting role of fiscal policy which can alleviate the negative economic effects of the crisis. Spearheading the recovery from the crisis is China, an Asian country that will continue to expand in 2020, despite more than two-thirds of countries sinking into recession this year. The Deputy Governor added that the European Union's economic performance could lag behind the Asian region this year and next. In his view, the coming years and decades will be determined by sustainable development and digitalisation.



Barnabás Virág, Deputy Governor of MNB is opening the second panel

The keynote speech of *Kyuil Chung*, Deputy Governor of the Bank of Korea, was built on precisely these two main topics, green growth and enhancing digitalisation. To overcome the profound economic impacts of the pandemic and to support the economic reforms of the South Korean



administration already underway, the government unveiled the new USD 133.1 billion economic development strategy for the Asian country, the Korean 'New Deal' programme, in the summer of 2020. The government has high expectations of the strategy, and the project will enable South Korea to play an even more decisive role in the world economy after COVID-19. The main goals of the strategy are for South Korea to transform from a "fast follower to a first mover", to help the transition to a carbon-neutral economy and to develop an inclusive social system from an unequal society. The three main pillars of the project are the *Digital New Deal*, the *Green New Deal* and the *Stronger Safety Net*, and the administration is planning to restructure the economy along these three lines. The Digital New Deal aims to maintain and further develop South Korea's competitive advantage in infocommunication technologies by creating a modern, digitally driven economy and society; the purpose of the Green New Deal is to ensure sustainable development and a carbon-neutral and energy-efficient transition of the current economic system, while the third pillar calls for the structural transformation of the country's labour market and the strengthening of its social safety nets. *Chung* also referred to the digital currency (CBDC) project of the Bank of Korea, where testing could begin in 2021.

Qi Zhang, Director-General of the Development Research Center of the State Council of China, took a similar view, stressing that the coronavirus pandemic has shaken the world economy to an unprecedented extent. In her keynote address, *Zhang* emphasised that the pandemic also posed challenges to multilateralism and international cooperation, but in addition to the disadvantages, the benefits must also be recognised and the opportunities offered by the pandemic must be seized, such as digitalisation that became a new driver of economic growth in the recent period, and in the future this trend will only intensify. The Director-General stressed that due to China's timely control of the epidemic, and the fact its economy rapidly resumed growing, investments increased by 5.2 per cent in the country in the first 9 months of 2020. *Zhang* said China's goal in the coming period is to promote open and inclusive economic cooperation, which will allow further market opening and bring benefits to all parties.



Kyuil Chung, Deputy Governor of the Bank of Korea



Qi Zhang, Director-General of the Development Research Center of the State Council of China

In the panel discussion following the keynote speeches, *Bofei Hu*, Deputy General Manager of the China Construction Bank, *Danae Kyriakopoulou*, Chief Economist and Director of Research of the Official Monetary and Financial Institutions Forum (OMFIF), *Sopnendu Mohanty*, Chief FinTech Officer of the Monetary Authority of Singapore (MAS) and *Changchun Mu*, Director-General of the Institute of Digital Currency at the People's Bank of China attended and answered questions



related to globalisation/deglobalisation processes, the rising debt levels of states, the situation of commercial banks, and central bank digital currencies, among other things.

Mohanty and *Kyriakopoulou* shared their thoughts on globalisation and deglobalisation trends. According to the MAS expert, during the pandemic the emphasis shifted from efficiency and productivity to resilience and sustainability, and the role of the high-tech economy became all the more important. There has been an increase in electronic payments in Singapore and Asia, especially around retail payments, where this was not common practice before the pandemic. An important challenge in the future, according to Mohanty, is that economic policymakers need to find the right infrastructure and solutions for cross-border data flows. OMFIF Chief Economist *Danae Kyriakopoulou* called for global action to recover from the pandemic as well as stressing the need to reduce social inequalities and take aspects of sustainability into account. The increased debt



PANEL 2: Well-balanced and sustainable growth in Eurasia after COVID-19 - Changes, prospects and the future

levels also call for decisions at international level, especially for poorer countries, but this process has already begun. The leading economist also reflected on the debt to GDP ratio and said that the debt level should be looked at more holistically, as it is a ratio which includes GDP itself, and if borrowing reduces its decline, then it will also make the actual debt more sustainable. Much depends also on combining different policies too. At present, higher fiscal policy expenditures represent the right path, but there are also risks to reliance on stimulus packages, and this is especially true for monetary policy stimuli.

Bofei Hu representing China Construction Bank shared her thoughts with the audience on the role of commercial banks after COVID-19 and the changes due to the pandemic. *Hu* pointed out that the commercial banking sector is undergoing three major changes in the wake of the coronavirus: to begin with, the global recovery will be lengthy and unbalanced and it will be shrouded in uncertainty; secondly, the loose monetary policy is increasing liquidity and causing volatility in asset prices; and thirdly, the impact of the crisis varies by sector, with tourism, for example, being particularly hard hit. Meanwhile, some industries are recovering quickly and taking advantage of the



potential of online sales and digital transformation. With regard to Chinese commercial banks, she added that the institutions had reached a consensus that serving the needs of the real economy was the main goal. Banks themselves have made great strides in digitalisation, with China Construction Bank, for example, providing loans to SMEs and family entrepreneurs during the epidemic via a mobile application, which has the advantage of enabling quick loan applications, in just a few minutes, while the disbursements and repayments are made online too.

The topic of central bank digital currencies was discussed in the remaining time of the panel discussion. On the potential introduction of the CBDC, *Changchun Mu* shared his thoughts, saying he sees several turning points when a central bank may want to introduce a digital currency. One example of this is that if the use of various private digital means of payment (issued by private actors) increases, the central bank should consider introducing a CBDC to protect financial sovereignty. Furthermore, if retail payments are operated by private payment service providers (e.g. Alipay, WeChat Pay in China), this system has its own (technological) life cycle risk, such as downtimes and outages. In such cases, the central bank must intervene through the CBDC by providing a backup solution. The introduction of the central bank digital currency can also be stimulated by shortcomings in the central bank's own payment system. Finally, if a country has a large population and those living in less developed, remote regions may not yet have access to (traditionally operating) financial services. Increasing access (financial inclusion) can be an incentive for central banks too. *Mu* also pointed out that the PBOC has distinguished three different categories during the CBDC development process: token, account and current account-based pathways, but any of these will be usable in their system and he has no personal preference.

On the question of whether there could be some sort of preferred order of introduction for different types of CBDCs, *Mohanty* highlighted that the Monetary Authority of Singapore was the first to think about the possibility and role of a CBDC for clearing between credit institutions. In Singapore, banking services are widespread - with more than 95 per cent banking coverage among the population - so there is no real need for a separate CBDC to be used by both the public and companies. Money can be transferred from one account to another in a matter of seconds, virtually free of charge. At the same time, the primary focus of the CBDC for clearing between credit institutions is operational efficiency, which may solve long-standing problems in interbank transactions. This is especially true for cross-border interbank transactions. Central banks can use this type of CBDC in international settlements, making them cheaper, faster, more secure, and much more efficient. SME transactions basically consist of two steps: one is the delivery of the product and the other is the (post-delivery) payment. These two separate processes can also be combined through smart contracts, in which the CBDC for clearing between credit institutions also plays a role. A smart contract is a single transaction that includes payment, thus eliminating the risk of uncertainty and non-payment.

At the end of the panel, *Barnabás Virág* asked the participants about the introduction date for the CBDC. *Bofei Hu* pointed out that the Chinese may already have experienced CBDC to some extent as they are already experimenting with it in several major cities. The participants in the experiment quickly adopted the central bank digital currency and were actively involved in its use. Its application is very similar to what they are already used to in the already widespread use of digital payments, so she believes it may be introduced in the near future. *Kyriakopoulou* also referred to the Chinese example and added that its introduction in China is already imminent. However, the



introduction of a truly international, so-called *synthetic global digital currency* that has already been raised in the past will not happen in the near future. Some central banks have taken some steps in the euro area, but as we are talking here about the framework of a common currency, it will take significantly more time. *Mohanty* pointed out that Cambodia has already issued a kind of CBDC, which is a good indication that digital money offers a huge leap by making it possible to avoid building a traditional and expensive retail payment system. In terms of the CBDC for clearing between credit institutions, he said it is expected to appear as early as next year. *Mu* also agreed with the previous speakers, but indicated at the same time that although China had already started a pilot programme, this was not yet an official introduction. Further preparations are needed regarding both the technical and legal aspects.

Smart cities for a healthy future - Thoughts on innovative urban development and digital literacy

The third panel of the forum entitled “*Smart cities for a healthy future? Innovation in Urbanisation and the Importance of Digital Literacy*” focused on smart city developments and the aspects of digital literacy in response to effects of urbanisation experienced worldwide. The panel was moderated by *Norbert Csizmadia*, President of the Pallas Athéné Domus Meriti Foundation (PADME), who in his introductory thoughts highlighted the importance of connectivity, the key role of digitalisation in the future and the “*fusionopolis*” phenomenon created by the international cooperation of smart cities. *Norbert Csizmadia* also briefly outlined the main issues discussed in his book entitled *Geofusion*, which, in line with the theme of the panel, examines the effects of digital transformation and state-of-the-art technologies on urban life and urbanisation, among other things.



Norbert Csizmadia, President of the Pallas Athéné Domus Meriti Foundation (PADME) is opening the third panel

The basic ideas of the panel discussion were formulated in a speech by *Jianduan Jiang*, Director-General of China State Construction and Engineering Corporation, and a presentation by *Eng Chye Tan*, President of the National University of Singapore. As the head of a large Chinese corporation, *Jiang* also stressed that the COVID-19 pandemic has triggered significant changes in the multipolar world order that need to take humanity even more in the direction of openness, cooperation and



development. The company dealing with the development of smart cities is involved in implementing tens of thousands of projects every year, thus it has significant experience in sustainable urban infrastructure development. *Tan* outlined the smart city programme in progress in Singapore, which he saw as a model for smart city development. Highlights of the programme include residential-centric, open-access design, cloud-based design, and data sharing — all in the context of cybersecurity and data protection. In practice, this also involves inclusive digital training and skills development for the population, which require the setting up of new virtual networks and a digital helpdesk too. A solid IT infrastructure, secure and reliable data architecture, a regulatory framework and a digitally educated population are essential for the sustainability of cities of the future. According to the researcher, the pandemic has significantly slowed Singapore's economic growth down, but also created an opportunity to continue digitalisation.



Jianduan Jiang, Director-General of China State Construction and Engineering Corporation



Eng Chye Tan, President of the National University of Singapore



PANEL 3: Smart cities for a healthy future? Innovation in Urbanisation and the Importance of Digital Literacy



Following the thought-provoking speeches, four panelists reflected on the above topics in a moderated discussion: *Leena Ilmola-Sheppard*, Senior Scientist, International Institute for Applied Systems Analysis, *Li Jin*, Executive Vice President of Fudan University, *Bruno Lanvin*, President of the Smart City Observatory, and *Jung Hoon Lee*, Chairman of the Smart City Committee of the Seoul Metropolitan Government and Professor at Yonsei University. The speakers agreed that we are moving towards a technology-oriented society which should be followed by the corporate sector, the labour market and the transformation of society. To do this, smart cities must set up supply systems that act as safety nets and provide the population with demonstrable and tangible practical benefits. It is important to note that smart city initiatives can exhibit spectacular results, especially in overcrowded, socially disadvantaged cities. The situation caused by the pandemic has clearly highlighted solutions that can also be applied to the concept of smart cities, such as the QR code-based health system (Shanghai Health Code Open Platform) introduced in Shanghai. On the problems of trust among users, the panel participants see the answers in a regulatory framework, in expanding the knowledge of the population, in the paradigm shift and in more open information management. The experts participating in the discussion stressed the importance of human capital development and talent management, which is supported by more and more digital solutions.

The panel's concluding idea assessed the regional-based similarities and differences of smart cities: the experts say that clear differences can be identified between the initiatives determined by local, specific cultural backgrounds and needs, thus individual solution strategies are born everywhere. As for the disparities, the preference for sustainable solutions is a regional feature of Europe, while in the case of Asia, most projects focus on public transport developments. By combining the characteristics of the two regions, a more adaptable smart city model can even develop in the long run, the basic conditions of which are improving connections and building on the basis of similarities.

The successful 2020 event was supported by the *Shanghai Forum*, the *Fudan Development Institute*, the *Singapore FinTech Festival* and the Austrian-based *International Institute for Applied Systems Analysis*. Thanks to the digital platform, the event reached nearly 2,000 viewers.