



اتحاد المصارف العربية  
Union of Arab Banks



GLOBAL COALITION  
FOR EFFICIENT LOGISTICS



**INSME**  
LOCAL STRENGTH • GLOBAL REACH  
International Network for SMEs

# DIGITAL ECONOMY COMMUNIQUE

Jump-Start the  
Global Economy

May 26, 2020

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**On this 26<sup>th</sup> day of May of the year 2020, the signatories of this Communique have gathered online during the COVID-19 imposed locked down and social distancing to execute their conviction towards the necessity to deploy the Digital Economy Platform as a main driver to jump-start our economic recovery and achieve sustained global economic growth.**

**WHEREAS**, the Arab Region has much economic potential given its large population, young workforce, and high birth rates; however, its growth is severely constrained by the COVID-19 pandemic, declining oil prices, low buying power, and excess trade costs.

**WHEREAS**, the banking industry faces several challenges including (1) reduced revenues and lower customer retention, (2) high underwriting, transaction and asset recovery risks to shareholder capital, (3) increasing competition from Fintech, (4) the high burden of regulatory compliance, and (5) the de-risking phenomenon.

**WHEREAS**, the Small and Medium Enterprises (SMEs) are also faced with numerous challenges including (1) high operational costs, (2) ineffective channels to reach new markets, (3) obstacles to access financing and insurance, and (4) unreliable integrated logistics systems, among other factors. These challenges restrict their ability to grow their trade and confine their aptitude to take their place as the ultimate dynamo for the global economy, and particularly in developing economies.

**WHEREAS**, the G20 Leaders, and in line with their global commitment towards their citizens and the citizens of the world, have adopted the deployment of the Digital Economy as a key policy directive towards achieving sustainable economic growth and creating better economic prosperity today, and for generations to come.

**WHEREAS**, the signatories agree that implementing the Digital Economy is a necessity to jump-start national, regional and global economies, they realize that: (1) Digitization on a national basis will cost billions of dollars as technology providers charge recurring fees to build, maintain and enhance replicative systems incapable of generating sufficient self-sustaining revenues, (2) Since commerce involves multiple parties across countries, the use of multiple systems exacerbates the current fragmentation among value chains which increase inefficiencies, (3) National systems alone fail to capture the business performance and risk measures of their international B2B trade partners thereby hindering business decisions, trade and job growth, (4) The overall efficiency of national commerce is dependent upon the efficiency of international commerce as the optimization of global value chains must be measured from shelf to shelf, and (5) A national solution alone limits the ability for buyers and sellers of products and services to find each other, including the required financing, insurance and logistics to move products globally. Clearly, digitizing the global value chains country-by-country will not work.

**WHEREAS**, the program also digitally “Jump Starts” the global economy by providing the necessary work-at-home tools that support “Productive Physical Distancing.” At the same time, this program empowers the e-commerce-e-finance, e-insurance, and e-logistics industries to get the engines of manufacturing and agriculture humming again, among nations and their trade partners worldwide.

**WHEREAS**, the Union of Arab Banks (UAB), the Union of Arab Chambers (UAC), the Global Coalition for Efficient Logistics (GCEL), and the International Network for SMEs (INSME) share a common conviction and understanding that the challenges above are inter-related. Accordingly, the signatories embrace the power of today’s technology that can join the significant demographic strengths of the Arab region to increase trade and create greater employment as well as expand banking services and enable greater financial inclusiveness for SMEs.

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**In light of the above**, the Parties have issued this Communique with the following **“Call for Action”** by public and private sector leaders in the Arab Region, as well as in other regions worldwide, thereby delivering significant benefits to the B2B participants and meeting their economic ambitions:

1. Deploy the Digital Economy Platform, which will provide benefits to all trade participants within the Arab World, and their trade partners around the world, through a global Public-Private Partnership (PPP) that offsets geopolitical, monopolistic and data privacy concerns.
2. Maximize on the use of innovative Digital Economy Platform (DEP) tools to achieve greater efficiency and transparency among trade participants within the Mediterranean region, and with their trade partners globally. This innovation shall (1) reduce the risk of doing business, (2) increase trade, (3) create jobs, and (4) expand market opportunity, all of which will result in economic prosperity regionally and globally.
3. Adopt the pioneering financial tools of the DEP that will (1) reduce the banking industry’s cost of underwriting and regulatory compliance, (2) control and regulate the reasons and impacts of de-risking, (3) minimize transaction risks, (4) lessen asset impairment losses, and (5) expand financial services; all of which will create a new projected USD 7.5 trillion revenue opportunity by 2030 to the financial industry.
4. Digitize the Arab World’s Small and Medium Enterprises (SMEs) and their trade partners globally through the DEP to (1) reduce high trade and operations costs, (2) facilitate access to finance and insurance, and (3) better connect businesses with distant markets to increase trade.
5. Building on GCEL knowledge and achievements, to issue a Digital Economy Guideline for the Arab Countries which will provide an overview of the ways to implement transformation toward Digital Economy and give an overview on the key action alerts to be avoided.

**Union of Arab Banks** – UAB is a non-profit, Arab pan organization, consists of 360 member from the Arab League member states and Europe, including Banks, Arab Central Banks, Banking Associations, and Financial Institutions, with its Board of Directors comprised of 20 high-level dignitaries, representing 20 Arab states. The UAB aims to identify and promote effective initiatives that enhance digital economy transformation and empower its member’s banks in the Arab region, and the UAB has also embarked on an Ecosystem wide transformative initiative to elevate the state of Digital readiness amongst its members at all levels, covering all aspects and tackling all barriers be it local or regional, cultural, regulatory, or technological through multilateral dialogues, capabilities building, intra and inter-industry collaborations, and harmonized partnerships with actors in the private and public sectors, towards making a safe transition into the digital economy and leaving no financial institution behind.

**Union of Arab Chambers of Commerce** – UAC is an independent non-governmental, non-profit regional legal entity founded in 1951. The Union was the first Arab Economic Institution to work at the non-governmental level in order to promote the idea of economic cooperation and integration among the Arab Countries. UAC is considered to be the legitimate representative of the Arab private sector through chambers and federations in 21 Arab countries, and support their intellectual and administrative bodies and their technical and informational capacities to perform this role to the fullest extent; coordinating their opinions and positions at the regional and international economic bodies. UAC has taken several initiatives to build an effective Arab economy through a digitization project for technology adoption and digital transformation for all its members. These initiatives aimed to expand the overall Arab countries business exchange volume and provide a wide range of unique services to businesses through the Arab world and other continents.

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**Global Coalition for Efficient Logistics** – GCEL’s members, and supporters include more than 150 governments through their pan-regional organizations, 26 IGOs/ NGOs and the world’s most prominent technology firms with 2.7 million employees servicing 60% of the world’s GDP. These organizations have come together to launch the tangible economic development program called the “HumaWealth Program” to deliver more efficient and secure trade through a global Digital Economy Platform (DEP) for the B2B marketplace.

**International Network for Small and Medium Enterprises** – INSME is a legally recognized not-for-profit association working under the auspices of the OECD – Organisation for Economic Co-operation and Development. The Association gathers innovation and technology transfer stakeholders including governmental bodies, international organizations, NGOs, business support organizations, chambers of commerce on an international scale.

**IN WITNESS HEREOF,**

The authorized representatives of the below organizations have signed this Communique in four original copies in the English language on the 26th day of May of the year 2020.

**Union of Arab Banks (UAB)**



Mr. Wissam Fattouh  
Secretary-General

**Union of Arab Chambers**



Dr. Khaled Hanafy  
Secretary-General

**Global Coalition for Efficient Logistics  
(GCEL)**

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Captain Samuel Salloum  
Co-Chairman

**International Network for Small and  
Medium Enterprises (INSME)**

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Dr. Sergio Arzeni  
President



**DIGITAL ECONOMY COMMUNIQUE  
ANNEX**

**The below summarizes the foundations for the issuance of this Communique.**

1. Following 15 years of R&D to define what the Digital Economy tools should resemble, the Global Coalition of Efficient Logistics (GCEL) conducted the "G20 Nations Case Study", a diagnostic assessment of trade efficiency based on what technology makes possible today, in collaboration with 90 G20 ministries, IGOs, NGOs, academia, and private sector experts.
2. The results of this Case Study were staggering: (1) nearly 90% of B2B participants lack required integrated systems, (2) the banking and insurance industries are among the least integrated clusters within the global value chains, causing the loss of enormous market opportunities, and (3) 95% of respondents have commonly defined and want the digital tools provided by the Digital Economy Platform to be more competitive.
3. The same Case Study revealed that the Digital Economy Platform provides the opportunity to (1) increase the world's 2030 GDP by 17%, (2) create a new USD 20.5 trillion digital services industry and (3) generate more than 400 million jobs by the year 2030.
4. The signatories concur that to achieve the promise of a truly global Digital Economy, a global solution is required covering all countries to maximize efficiency within the global B2B value chains as commercial transactions pass from shelf to shelf. Such a solution must be delivered by a trusted technology network involving multiple firms to offset geopolitical, monopolistic, and data privacy concerns, yet provided free of cost to the end-users, sustained by a unique business model.
5. Recognizing the need to maximize the power of the Digital Economy, 30 top technology firms (with USD 400 billion in revenues and a 3.1 million workforce), have executed strategic agreements with GCEL towards selection as 13 exclusive firms to deploy the Digital Economy Platform. The selected firms will operate under one roof protected by the international community to deploy the Digital Economy Platform at no cost to the end-user.
6. The Coalition involves the public sector representing 75% of the world's citizens. Also, the Coalition encompasses the private sector comprised of the world's leading technology, e-commerce, finance, and insurance firms with USD 1.5 trillion revenues and a 4.7 million workforce providing the Digital Economy platform at no cost to the end-users.

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