

PREPARED FOR
B20 TASKFORCES
KICK-OFF MEETING

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EMPOWERING THE DIGITAL ECONOMY

UNAVOIDABLE ANSWER

THE ANSWER TO

<p>The Answer To Sustain real economic growth is through trade growth</p>	<p>Economic Growth</p> 	<p>The custodians of the world economy agree that increasing trade is the key to achieve sustained economic growth and generate millions of new jobs. <i>THEREFORE...</i></p>
<p>The Answer To Achieve trade growth is through trade efficiency</p>	<p>Trade Efficiency</p> 	<p>History confirms that trade increase can be achieved through real economic integration and trade efficiency. <i>THEREFORE...</i></p>
<p>The Answer To Optimize the trade efficiency is through technology</p>	<p>Powered By Technology</p> 	<p>International organizations including the World Bank, WTO and UNCTAD have identified 6 elements as the key to increase trade efficiency through technology thus reducing trade cost and increasing trade. <i>THEREFORE...</i></p>
<p>The Answer To Attain the required technology is through technology industry</p>	<p>Global Partnership</p> 	<p>Protected by the international community, the best and brightest minds from the world's top technology firms and academic institutions will unprecedentedly combine their efforts under one roof to provide the desperately needed technology to the world's trade community at no cost. <i>THEREFORE...</i></p>
<p>The Answer To Monitor and govern technology industry is through a global Public Private Partnership (PPP)</p>	<p>PPP</p> 	<p>Public & Private sectors will work together capitalizing on each organization's capabilities and jurisdiction. The above represents the independent global monitoring mechanism required to offset geopolitical and monopolistic concerns at the same time ensuring rapid global deployment of the required technology providing benefits to all trade participants around the world. <i>THEREFORE...</i></p>
<p>The Answer To Meet the requirements of public & private sectors is through optimum value proposition</p>	<p>Value Proposition</p> 	<p>Reduce trade & operation cost, increase trade, expand service industry, establish SMEs funds, optimize the present logistics physical infrastructure, secure borders & flow of commerce, reduce carbon foot print, increase food safety, optimize disaster first response and create millions of new jobs globally. These are the required value propositions that will ensure the world's largest PPP. <i>THEREFORE...</i></p>
<p>The Answer To Realize the optimum value proposition is by delivering the tools to trade participants</p>	<p>Empowering Trade Communities</p> 	<p>The world's trade participants require the digital tools to improve their operations and market expansion, delivered by their trusted technology providers governed in a manner that offsets monopolistic and geopolitical concerns. At the same time ensuring continuous access to sustainable technology tools provided at no cost to them. <i>THEREFORE...</i></p>

The present economic unrest and the uncertainty of the future call on the world to look beyond conventional solutions. Consequently, in pursuing a sustained economic growth plan, the custodians of the global economy have turned to the digital economy without identifying what it is, what it should do or where they should start?

We must learn from history while leveraging 21st Century Tools thus securing prosperity for present and future generations.

History reveals to us that in 1956, the world witnessed the birth of "The marine container." This simple idea has revolutionized global trade, making it more secure and reducing its cost dramatically. Among other benefits, it reduced loading costs from USD 5.86 per ton to USD.16, a 36-fold savings. Widespread use of marine containers has contributed to major trade growth, underwriting job creation, and driving decades of real growth worldwide.

The formula that we can learn from history is clear: by reducing the cost of trade we can increase trade and boost our economy. However, the question remains: how can we reduce the cost of trade with 21st century tools?

World-renowned organizations e.g. The World Bank, United Nations and World Trade Organization have identified the key elements to reduce the cost of trade; integration, e-documentation, process, tracking and visibility, competence and cargo security.

We can aggregate all these elements and measure them not against "best in class" since this keeps us locked firmly in the box, but against what technologically is possible. The mission is clear, we must optimize the efficiency of these six elements by maximizing on what technology can make possible thus reducing the cost of trade and creating a new untouched service market industry worldwide. Again, the question persists: who can deliver the required tools to the world's trade community, and at what cost?

The tools cannot be the product of one company, country or region, it must be based on the best and brightest minds from the world's top technology firms combining their talents under one roof, monitored by a public and private consortium, to provide the desperately needed tools to the world's trade community. These tools will be rapidly delivered globally in a non-intrusive manner, free of cost to all end users. Thus, bringing innovation and transformational practices to fuel sustainable growth and prosperity.

The required initiative must be global in scope, founded on partnership and not competition, non-intrusive, deployed rapidly across the globe, sustained and at the same time provided at no cost to the end user. This is the foundation of limitless possibilities towards the true digital economic era.



GLOBAL BENEFITS:

- Reduce Annual Trade Cost by USD 1.3 Trillion (T)
- Increase Annual Trade by USD 1.2 T
- Lower Unit Cost up to 15%
- Create USD 6 T Service Ind. Mkt. Opportunity
- Establish USD 1 T SMEs Grant
- Maximize Present Logistics Infrastructure Efficiency, Attract & Prioritize Investment
- Achieve Operation Excellence Through Higher Performance
- Secure Commerce & Borders
- Generate 100 Million New Jobs

GLOBAL CONSENSUS:

- **Macro:** MOUs and Published Economic Roadmaps with more than 75% of the world citizens
- **Micro:** 68% of the G20 Citizen representatives committed to the standard, of which 35% completed surveys resulting in 81% have no system and 88% demand the proposed answer
- **Tools:** World's top 26 technology firms servicing 60% of the world GDP committed to unite to deliver the tools free of cost to end-user

THE ANSWER IS

EMPOWERING DIGITAL ECONOMY (EDE)

Regulations and international programs are important to promote economic growth. The speed and the desired result is not meeting the economic ambitions of the world's citizens. The EDE can help to efficiently meet the regulatory requirements and achieve the objectives of international programs while providing the tools to:

- Increase Trade
- Empower SMEs
- Financing Growth
- Maximize Human Capital
- Enable Infrastructure & Investment



1- Scarce Demand & Low Buying Power

The world's demographics are changing. In high-income countries with 15% of the world's population, birth rates are low; the population is aging yet salaries remain high. This is an efficient and productive community challenged with low market demand. Meanwhile in mid- and low-income countries, birth rates are high, population is young and strong, but salaries are merely 20% of those in high-income countries. This is a highly populated community challenged with low buying power.

2- Lack Of Real Economic Integration

Inefficient and costly processes to match, execute, finance and integrate Buyers with Sellers of product and services.

3- Access and Speed of Trade Finance

Lack of integration of the financial institutions into the global value chain activities thus increases underwriting time, cost and risk thereby limiting the availability and approval of trade finance.

4- Absence Of Efficiency And Transparency In Global Value Chain

Multiple standards, processes and technologies in the same pipeline have created fragmented trade pipelines with inefficient communications between trade participants thereby resulting in the lack of transparency and visibility to manage trade transactions.

5- Inefficient Logistics Infrastructure

Restricted resource allocation caused by the lack of advance visibility of current and future trade volume. Bottlenecks at point of entries due to improper and lack of documentation. Congestion created at point of entries due to long time-dwell of shipments.

6- Cost And Speed To Meet International Requirements

Complex and time consuming information requirements involving the buyer, seller, country, industry, insurance and finance resulting in delayed or improper documentation thereby increasing business operations costs and interruptions in the movement of goods.

TRADE CHALLENGES



TRADE REQUIREMENTS

1- Stimulating Global Demand & Build Buying Power

Driving efficiency and business excellence will connect the youthful workforce of the mid and low-income countries with the expertise of the high-income countries thus build the buying power of the mid and low-income countries creating an unprecedented new global demand benefiting all.

2- Achieving Real Economic Integration

Promote an ecosystem that permits global integration of product and service offerings with the intelligent proficiency to match sellers to targeted buyers. This environment must be based upon dynamic, validated real-time information accumulated and continuously updated through the normal course of trade activities around the world. The main benefit of this ecosystem described above is that it allows the creation of the smart matrix that will provide the dynamic globally approved scoring level needed to:

- Ensure quality of services and products based on sellers' global activities.
- Facilitate and expedite product and service finance.
- Minimize insurance premiums and optimize coverage.
- Ensure speed of integration of sellers into the buyer's supply chain.
- Ensure the reliability and dependability of the logistics industry pipeline from seller to buyer.

3- Expedite Trade Finance

Promote an ecosystem that allows the creation of the smart matrix based upon Ultimate data qualities initiated by a single source of data triggering an action in real life dynamically validated and continuously updated by multiple sources from around the world in the same data pipeline. The above can;

- Mitigate Trade Finance Risk - Minimize underwriter risk based upon borrowers' historic and future global trade finance activities.
- Minimize Transaction Risk - Maximize lenders' capability to electronically direct loan proceeds to the borrower's preapproved sellers of products and services.
- Reduce Asset Recovery Risk - Ensure the capability to seize assets in the trade pipeline for rerouting or liquidation thus minimizing asset impairment loss that can be insured.

4- Realizing Efficient And Transparent Global Value Chain

Promote an ecosystem that allows the creation of the smart logistics environment that will provide the ability to:

- Minimize standardization requirements.
- Create a point-to-world integration environment.
- Transform Logistics Service Provider (LSP) contract obligations into electronic metrics, enabling real-time monitoring of contracted vs. forecasted vs. actual performance.
- Create an optimum E-Documentation environment that minimizes keystrokes and errors, as well as validating data from multiple sources within the same pipeline.
- Provide the required tools to plan and manage global trade lanes from shelf to shelf at no cost to end users.

5- Maximize Efficiency of Present Logistics Infrastructure

Maximize the efficiency of present logistics infrastructure, thus enabling national trade visibility dashboard to attract national and international investment.

6- Ease And Minimize The Cost Of Meeting Evolving Regulatory Requirements

Promoting a point-to-world integration environment will reduce the time needed to publish and reinforce new evolving regulatory requirements. The wealth of dynamic, validated data available in such environment will satisfy the majority of new requirements by automatically populating the newly required data elements.

1- Lack of Profitability and Diversification Of Revenues

Financial institutions are faced with negligible revenue growth in overly saturated markets characterized by: a highly competitive environment, difficulties to expand market share, costly to create new valuable services, customers' with poor revenue growth and low profitability and reputational risk due to money laundering and fraud.

2- Burden of Regulatory Requirements On Financial Institutions And Clients

Industry regulatory requirements are placing additional encumbrances on the Financial Institutions such as: costly compliance reporting requiring more data validation, restrictions on service and product offerings, greater monitoring of bank and its customers' transactions, economic scenario stress tests and stringent capital adequacy and liquidity requirements.

3- High Credit And Transaction Risks

Financial institutions are risk averse organizations, however, they have historically been faced with: loans that are secured by hard assets with declining value, a low turnover of their inventory thereby raising their portfolio risk, and lack of prospective customer's trade information to identify credit worthiness in order to provide new services towards enhancing revenues and profitability.

4- Lack Of Integration To The Global Trade

The custodians of our global, regional and national economies are calling for banks to expedite trade finance for trade expansion and job creation. However, the lack of supply chain integration providing dynamic visibility is resulting in: insufficient customer trade history, current and future activities performance resulting in greater underwriting risk, poor visibility to ensure that funds provided to customers are spent in the proper place and at the right time, improper documentation to properly collateralize the banks assets in the trade pipeline, reduced bank profitability due to lower quality of bank assets and hindrances for "Aid for Trade" to reach its goals

3.1.2 5- High Risk And Difficulties To Prioritize Physical Infrastructure Investments

Limited availability of funding resources to meet the market demand placing pressure on prioritizing infrastructure investment based on unpredictable future revenues to achieve required economic growth and investment returns.

FINANCING GROWTH CHALLENGES



FINANCING GROWTH REQUIREMENTS



1- Increased Profitability And Diversified Revenue Portfolio

Seamless integration into the dynamic global trade financial activities provides access to a new multi trillion market opportunity:

- Dynamic, integrated link to the supply chain facilitating market expansion providing new and complementary trade finance services
- Attain a greater portion of the "customer wallet" through improved customer service and satisfaction thereby ensuring customer loyalty and retention
- Reduce trade finance risk due to customers' increased liquidity and profitability through their reduced trade costs of 30% and operating costs by up to 15%

2- Ease of Meeting Regulatory Requirements By Financial Institutions And Clients

Real time, dynamic and validated transaction monitoring resulting in better informed decisions to manage asset portfolio and achieve higher Tier One capital asset ratios through:

- Improved data validation reducing cost of compliance
- Transparent monitoring of bank and customer transactions with dynamic exception reporting
- Improved compliance with economic scenario stress tests
- Achieving improved capital adequacy and liquidity requirements

3- Lower Credit And Transaction Risks

A smart finance matrix providing the dynamic scoring level needed to:

- Mitigate trade finance risk based on borrowers historic and future trade finance activities
- Minimize transaction risk by allowing lenders to electronically direct loan proceeds to the borrowers preapproved sellers, andv
- Reduce asset recovery risk providing the capability to seize assets in the trade pipeline for rerouting or liquidation to minimize asset impairment loss

4- Seamless Integration To The Global Trade

Dynamic link to the global supply chains, including the state of shipments within the trade pipeline, to increase trade finance activity that will provide:

- Dynamic access to market information including trends by region to assess validity of customer sales forecasts, product pricing, and raw material costs, as well as changes in market demand by industry and regions
- Faster asset turnover increasing liquidity and reducing risk of asset devaluation
- Expanded service revenue streams such as freight finance, inventory finance, receivable finance, bill consolidation, and foreign currency exchange driving increased profitability

5- Improved Prioritization of Physical Infrastructure Investments And Maximize Return

Promote national trade visibility dashboard with dynamic information regarding current and future trade volumes to efficiently manage resources to avoid shipment bottlenecks. This will also provide the ability to distinguish those businesses and regions that achieve operations excellence. This will assist to optimize existing physical logistics infrastructure and prioritize future investments to achieve projected returns.



1- Inadequate Financial Resources To Meet Physical Infrastructure Investment Requirements

Presently the projected funding needed for infrastructure investment by 2030 exceeds USD 57 trillion wherein the sources of such funding have not yet been identified.



2- Difficulties to Attract National And Foreign Direct Investment

It is challenging to justify projected returns on infrastructure investment based on a complex set of market conditions and assumptions. The debate often centers around: the investment must first be made before the volume can be generated, or, the volume must first be proven before the investment can be allocated.

3.1.2

3- Difficulties To Prioritize Physical Infrastructure Investment To Achieve Economic Growth And Investment Returns

Limited availability of funding resources to meet the market demand places pressure on prioritizing infrastructure investment based on unpredictable and often volatile future revenues to achieve required economic growth and investment returns



4- Lack of Soft Infrastructure To Maximize The Capacity Utilization of Logistics Physical Infrastructure

Absence of proper technology tools contribute to inefficient logistics physical infrastructure creating bottlenecks in the flow of commerce

INFRASTRUCTURE & INVESTMENT CHALLENGES



INFRASTRUCTURE & INVESTMENT REQUIREMENTS



1- Adequate Financial Resources To Meet Physical Infrastructure Investment Requirements



Maximize the efficiency of global trade through the use of digital tools thus reducing the cost of trade, increasing trade and providing a new service market opportunity. This will provide greater profits and tax revenues for the private and public sectors, respectively, to re-invest in physical infrastructure.

The above promotes the emphasis on transport sector infrastructure investments generating high returns, and making more investment funds available for the other sectors.

2- Attract National And Foreign Direct Investment



Promote a National Trade Dashboard that identifies the present and future trade volumes required to achieve the projected returns to justify national and foreign direct investments.

3- Ease in Prioritizing Physical Infrastructure Investment To Achieve Economic Growth And Investment Returns

1.2.3

Provide clear indicators on which industries and locations achieve operations excellence enabling the prioritization of investments for the highest returns.

4- Use of Soft Infrastructure To Maximize The Capacity Utilization of Logistics Physical Infrastructure



Encourage use of digital tools by increasing throughput at port and border crossings and reducing shipment time dwell to maximize capacity utilization throughout the logistics pipeline.

1- High Cost For Operation Efficiency

The cost to improved operation efficiency and quality hinder SMEs growth. This impacts the SME ability to respond to high market demand.

2- Access To Market

The cost to market access, and the ineffectiveness of the available marketing channels impedes SMEs to gain market share.

3- Access And Speed To Financing

The burden on SMEs to minimize underwriter risk is challenging. Furthermore, the lack of integration of the financial institutions into the global value chain activities increases underwriting time, cost and risk thereby limiting the availability and approval of trade finance.

4- Complex Financial Regulations

Financial industry regulatory requirements are placing additional encumbrances on the Financial Institutions such as: costly compliance reporting requiring more data validation, restrictions on service and product offerings, greater monitoring of bank and its customers' transactions, economic scenario stress tests and stringent capital adequacy and liquidity requirements. The foregoing minimizes SMEs access to trade finance.

5- High Landed Import And Export Costs

The high landed import and export costs place a major burden on SMEs competitiveness in the global market place.

6- Unreliable Logistics To Reach Market

The lack of logistics reliability places additional burden on inventory carrying costs, among other factors, thus resulting in lost market opportunity for SMEs.

7- Lack Of Systems And Integration

The cost of efficient systems and the inability of integration into the global value chain contribute to lost market opportunity when integration is a business requirement.

8- Lack Of Sustainable Funding

Although the world recognizes the importance of SMEs on the global economy, still SMEs have no recurring and sustainable funds to support SMEs growth around the world. Even when limited funds are available the adopted funding criteria often do not maximize the return on economic growth.

SMES CHALLENGES



SMES REQUIREMENTST



1- Low Cost For Operation Efficiency

We should insure that SMEs can achieve increased operational efficiency through the use of digital tools, at no cost, delivered by a trusted network offsetting geopolitical and monopolistic concerns, with continuous and unrestricted access.

2- Greater Access To Markets

We must promote an ecosystem that permits global integration of product and service offerings with the intelligent proficiency to match sellers to targeted buyers. This environment must be based upon dynamic, validated real-time information accumulated and continuously updated through the normal course of trade activities around the world and not based on unsubstantiated reviews that are today in place.

3- Improved Access And Greater Speed To Financing

We must promote the dynamic link of financial institutions to the global value chain creating a smart finance matrix providing the dynamic scoring level needed to expedite financing by mitigating trade finance risk based on borrowers historic and future trade finance activities, minimizing transaction risk by allowing lenders to electronically direct loan proceeds to the borrowers preapproved sellers, and reducing asset recovery risk providing the capability to seize assets in the trade pipeline for rerouting or liquidation to minimize asset impairment loss.

4- Ease To Comply With Financial Regulations

We must promote the use of real time, dynamic and validated transaction monitoring resulting in better-informed decisions to manage asset portfolios and achieve higher Tier One capital asset ratios through:

- Improved data validation reducing cost of compliance
- Transparent monitoring of bank and customer transactions with dynamic exception reporting
- Improved compliance with economic scenario stress tests
- Achieving improved capital adequacy and liquidity requirements

5- Lower Landed Import And Export Costs

We must learn from history while leveraging 21st century tools. History confirms that trade increase can be achieved through real economic integration and trade efficiency. World Experts including the World Bank, APEC and UN have identified 6 elements as the key to increase trade efficiency through technology thus reducing trade costs and increasing trade: Integration, Processes, E-documentation, Tracking & Visibility, Competence and Cargo Security. The tools to achieve the above must be made available by world-trusted network to the SMEs at no cost.

6- Reliable And Dependable Logistics To Reach Market

We must promote the tools to advance the efficiency of the logistics industry thus achieving dependable and reliable logistics global value chains. This is the required solid foundation for market expansion and profitability to SMEs in developed, developing and emerging markets.

7- Global Access To Technology And Integration

We must ensure that SMEs have free access to technology that promotes a point-to-world integration environment.

8- Abundant Sustainable Funding

Recurring funding is needed for SMEs to expand their business based on their commitment to business excellence, measured on the prospects of the ROI and job creation. The above should be validated through past and real-time commercial data activities of the geographic location where the funds will be allocated.



1- The Real Economy Is Not The Driving Theme In The Global Economy Arena

Lack of demand is forcing the emphasis on financial engineering for fast wealth creation which is attractive to decision makers. However, this comes at the cost of growing the real economy that drives sustainable employment.



2- Poor Global Market Demand Due To Uncontrollable Challenges Driven By Demographics Trends

The world's demographics are changing. In high-income countries with 15% of the world's population, birth rates are low; the population is aging yet salaries remain high. This is an efficient and productive community challenged with low market demand. Meanwhile in mid- and low-income countries, birth rates are high, population is young and strong, but salaries are merely 20% of those in high-income countries. This is a highly populated community challenged with low buying power.



3- Unmatched Capacity Building To Job Requirements

Lack of visibility to industry employment needs places burden to build human capacity that matches employment requirements.



4- Proper Measurements Of Productivity To Drive Employment

Absence of proper training, required tools and performance measurement to drive efficiency.



5- Lack Of Motivation To Maximize Human Capacity And Productivity

The emphasis only on short-term personal financial gain as a main motivation could limit human capacity and country productivity growth. In other words there is no visibility of individual contributions to his/her organization and society economic growth, which represents a vital foundation to his/her future generation prosperity.

EMPLOYMENT CHALLENGES



EMPLOYMENT REQUIREMENTS



1- Real Economy Must Be The Driving Theme Thus Delivering Sustained Employment Growth

Our efforts must be concentrated on the following three main economic pillars of the real economy; manufacturing, agriculture and their supporting service industry. We must prioritize our efforts starting with the above pillars recognizing the high return on employment growth they represent.

2- Sustained Global Market Demand Is A Must

Connecting the strengths of the world communities creating wellbeing across humanity must be our global mission statement. We must connect the youthful workforce of the mid and low-income countries with the expertise of the high-income countries thus building the buying power of the mid and low-income countries creating an unprecedented new global market demand that could result in more than 100 million new jobs benefiting all.

3- Human Capacity Building Must Be Effectively Synchronized With Projected Employment Market Opportunity

The creation of national real economy dashboards can provide visibility on future production volume as well as product and services planning. The above will allow the development of human capital to meet employment market demands.

4- Increase Employment Productivity Must Be A Country Strategic Objective

Employment productivity is optimized when the proper tools are provided to perform a specific duty, training is performed to use the tools efficiently, and a performance monitoring mechanism with escalation capabilities for accountability is implemented. Recognizing that efficiency and transparency is a requirement to attract investment, trade and to stimulate market demands the above must be part of country strategic objectives.

5- Provide The Tools And Economic Progress Visibility To Build A Better Future For Our Generations

To build a solid foundation for our economic future requires a collective effort by the public and private sectors. The first step to this partnership is visibility of economic progress, which in return could promote stronger motivation. Therefore we must promote for national real economy dashboards that provide the required indicators for increased productivity today and for the generation to come.

Proposed Digital Economy Policy Framework

Premise In Brief:

The custodians of the world economy agree that it is significant to focus on the real economy and to connect the strengths of the world communities creating wellbeing across humanity, thus stimulating global demand.

The above is the foundation that promotes the rebalancing of the world economy based on the demographic trends that are sweeping our world today and impacting future generations to come.

The Digital Economy (DE) is the required tool to achieve the above; in brief; it will efficiently connect the youthful workforce of the mid and low-income countries with the expertise of the high-income countries thus build the buying power of the mid and low-income countries creating an unprecedented new global demand benefiting all. At the same time, it will create a new service industry market generating millions of new jobs that match the demographics, education levels and expertise of the high-income countries.

The main arena to achieve the above is the global trade. Therefore, we must plug-in the DE to the global trade. However, it is imperative to recognize that the above falls under The Nations Security Solution (NSS). The NSS is developed for a comprehensive adoption addressing nations' interdependent needs. The global trade impacts the daily lives of 7 billion people around the world and involves the mother of all industries, the global B2B market projected to reach USD 235 Trillion by 2025. Therefore, the G20 must set the policy framework to promote the Empowering of the Digital Economy. This policy can encompass the following:

Trade

Financing Growth

SMEs

Infrastructure & Investment

Human Capital

We Must Maximize on The Technology Era:

In the digital era we must ensure that what technology makes possible is available to trade participants around the world in order to increase trade efficiency and deliver real economic integration.

Geopolitical Balance Is A Must:

A global network of organizations must secure geopolitical balance in the governance and deployment of the DE.

Monopolistic Concerns Must Be Offset:

No one organization, country or region should monopolize the DE as it must be provided through a group of organizations working in a synchronized manner, each within its own expertise and jurisdiction.

Digital Economy Must be Delivered by a Trusted Network:

The DE must be delivered by a trusted network and be continuously available to all end-users with unrestricted access.

An Independent & Self-monitoring Mechanism is Required:

A comprehensive framework of independent and self-monitoring mechanisms to ensure optimum transparency to the public must be in place when Empowering DE.

The Digital Economy Must Be Self-sustaining at No Cost:

The DE must be self sustaining and available to the end users around the world at no cost.

