

G20

THE AUSTRALIA SUMMIT: BRISBANE

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MUNK
SCHOOL
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GLOBAL
AFFAIRS

G20 Research Group
UNIVERSITY OF
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Generating global growth

Strategies to stimulate economic recovery

Tony Abbott

Australia's PM on a pivotal moment for the G20

Focus on infrastructure

Perspectives on bridging the funding gap

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REAL WORLD

TRANSFORMATION IS IMMINENT

ITS ABOUT OUR PROSPERITY, JOBS AND PEACE

Six years after the global financial industry was brought to its knees by the worst crash since the Great Depression of the 1930s, the world is still struggling to regain the momentum it had before the crisis. Even though governments and leaders around the world have been trying to get their economies back in shape, millions of unemployed and those hit the hardest by the crisis believe a lot more needs to be done.

Adding to the concerns, many economists believe that the next crisis would be even more crippling than the one in 2008. To prevent a recurrence, leaders are looking for long-term and equitable solutions, which create balanced and sustainable economic growth.

“With the present economic challenges and the uncertainty, we must ask ourselves if we can enlarge the global economic pie rather than compete for the same and hence create a win-win outcome?” asks Dr. Ahmed Mohammed Ali, President of the Islamic Development Bank. “Can we deliver a real, sustained global economic growth that builds upon the demographics, the expertise, natural resources and the available infrastructure in every country and every city of the world? Can we support the needs of the real economy to make a tangible difference, mainly for manufacturing, agricultural and the service industry workforce?”

Furthermore Dr. Mohammed Ali added, ‘The answer is, yes. I believe we can’. According to the research done by the Global Coalition for Efficient Logistics (GCEL), an organization that brings together leading firms, governments and NGOs, this is possible. The results are overwhelming; so far more than 41% of the world’s manufacturing, agricultural and service industry workforce have confirmed the need for the proposed global initiative, which has **4 main foundations**:

The first foundation is a defined and achievable target that meets the world citizens’ aspirations and needs by reducing the global trade cost and combining the expertise of the developed economies with the youthful workforce in developing and emerging economies. This will increase global trade, leading to benefits of USD 11 trillion and 100 million new jobs.

The second foundation is a clear roadmap based on the economic strengths and the demographics of each region to reach the defined target. Pan-regional organizations entrusted by more than 150 countries have already validated and separately published these roadmaps.

The third foundation is the required tools provided by the world’s top technology firms that service 60% of our GDP, which for the first time have agreed to cooperate together. These firms have executed an exclusive agreement to work hand-in-hand delivering and maintaining the required tools at no cost to the end user.

Finally the fourth foundation is the global consensus; MOUs have been executed with about 75% of the world’s citizens through their representatives, governments, IGOs and NGOs, ensuring this initiative offsets monopolistic or geopolitical concerns. So far 63% of the G20 trade communities have agreed to undertake diagnostic trade surveys towards improving their economic wellbeing. One third have been completed where more than 88% want the Digital Economy Platform.



Dr. Ahmed Mohammed Ali

President of the Islamic Development Bank

Dr. Mohammed Ali says, "This Global initiative to empower Digital Economy, the HumaWealth Program, aims to support the innovation G20 leaders have been calling for. It is global in scope, founded on partnership and not competition, can be deployed rapidly across the globe at no cost to promote real economic growth."

He goes on to say, our legislatures make the rules, our governments administer our countries, and the real economic solution must come from each one of us.

The public sector can point the way forward and can assist in providing the tools. However, each citizen must be part of the solution creating productive communities committed to business excellence setting the foundation for a prosperous tomorrow.

Lastly Dr. Mohammed Ali stated, 'Our future begins with every following hour and each hour is valued by the decisions we make. The world's citizens will be judiciously watching their leaders. We all must make the decision that supports Human Wealth making a positive difference in our time and for generations to come.'

THE TRANSFORMATION HAS ALREADY STARTED

Leading this global initiative is a Swiss based non-profit public private partnership established with one purpose in mind: To deliver the true 21st Century Digital Economy to sustain global economic growth meeting the needs and aspirations of the world citizens. The Global Coalition for Efficient Logistics, GCEL, brings together leading firms, governments, and non-profit organizations to trigger economic development around the world.

In the history of mankind, there has never been an initiative of this magnitude and importance that will transform the lives of more than 7 billion people around the world. Captain Samuel Salloum, Co-Chairman of GCEL, remarked, "The key is in learning from history while leveraging 21st century tools. History reveals that over 60 years ago, a trucker invented the cargo container, which secured goods against theft and damage, reducing the cost of trade and loading costs. This improved trade efficiency, fueling decades of economic growth."

Captain Salloum further added, "International organizations including the World Bank, WTO and UNCTAD have identified the following 6 key elements as the key to increase trade efficiency through technology thus reducing trade cost and increasing trade:

1. Integration:

Connect trading partners by sharing shipment information in real time at a lower cost.

2. E-Documentation:

Migrate to online documentation avoiding unnecessary data entry, shipment delays and additional costs.

3. Processes:

Mitigate business risk such as delays, breakdowns and external requirements changes through a common process with trading partners.

4. Tracking & Visibility:

Obtain real-time shipment location & movement information with minimum technology required at no cost.

5. Competence:

Meet contractual and service obligations on time, with high quality at minimum cost.

6. Cargo Security:

Establish a safe environment with ease of customs clearances.

We have aggregated all these elements and measured them not against "best in class" since this keeps us locked firmly in the box, but against what technologically is possible. This represents the 21st Century 6 Elements Trade Efficiency Indicators (21- 6-ETEI), or the New Millennium Standard for Growth," says Captain Salloum.

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DIGITAL ECONOMY IS THE KEY TO OUR FUTURE

Logistics is the vital linchpin that connects our world,' Captain Salloum said, 'it is the lifeline that delivers our food, clothing and the material to build our cities, without it everything will come to a halt. Presently Logistics is fragmented and occupies a low priority in the global decision making process. This fragmentation is preventing the e-commerce, e-finance and e-insurance industries from reaching their full potential. Optimizing 21-6-ETEI will enhance logistics' efficiency and provide the real Integrated Digital Economy platform.

The HumaWealth Program's global deployment has been launched in 5 defined phases, with the first phase being Deployment Planning and Global Consensus where we have now amassed members and supporters totaling more than 150 countries, 25 IGOs/NGOs and the world's most prominent technology firms, Captain Salloum said.

The second phase includes the National Trade Efficiency Assessments that are designed to provide a comprehensive diagnosis of trade practices and present the voice of the trade participants to their leaders. So far, 63 pc of G20 countries citizens have committed to conduct these assessments and 35 pc have been completed.

In the third phase, the HumaWealth Genesis Event will be co-convened by the UNCDF, OAS, LAS, OIC, OECD and AU among other leading international organizations. This event will initiate an equal opportunity process to select the world's most trusted network of finance, insurance and technology firms acting as 'Gateways' to deploy the Digital Economy Platform. To date, the world's top 26 technology firms have executed strategic agreements as a first step towards deployment. Phase four involves the Benchmark Trade Lanes (BTL) where the Digital Economy Platform will be launched through BTLs in each of the four global regions over an 18-month period. The BTLs will include everyone participating in the trade pipeline from shelf to shelf. The last phase of the program, according to Captain Salloum, is 'Rapid Global Coverage', which will be achieved 12 months thereafter. It is enough that when each of the 12 Technology Gateways sign approximately 150 of their own customers by 2025, we will achieve 60% of the world trade volume. So far, 43 pc of the world's countries citizens have engaged in the assessment process and based on surveys to date 81 pc have no system and 88 pc want the Digital Economy.

Overall the key to our initiative is that we have designed an organization structure to make it sustainable while delivering new digital tools at no cost to the end user.



Captain Samuel Salloum

Co-Chairman - GCEL

G20 COUNTRIES'

LEADING PRIVATE AND PUBLIC ORGANIZATIONS

EMBRACE DIGITAL TRADE INNOVATION THROUGH THE HUMAWEALTH PROGRAM

Leading private and public organizations from six G20 countries have taken leadership in empowering the Digital Economy. Recognizing that true economic growth must come from trade innovation and harnessing the powers of the 21st century technology, India, Indonesia and Saudi Arabia have completed trade efficiency assessments, while they are in process in Australia, China and Turkey.

The stated Trade Efficiency Assessments represent an essential phase of the 18-month HumaWealth Program, a global economic development initiative that delivers real economic integration creating billions in new trade and millions of jobs throughout the world.

The following are accounts of success stories from opinion leaders in 6 G20 countries affirming their commitment to deploy the HumaWealth Program that supports the G20 Leaders in advancing their goals, thus meeting the ambitions of the world's citizens.

India: The Silicon Valley of the East

On December 31, 2010, India's Confederation of Indian Industry (CII) signed an MoU with the HumaWealth Program signaling the start of the Asia Benchmark Trade Lane (BTL). On July 7, 2012, CII announced the deployment of the India-Indonesia BTL, starting with a Trade Efficiency Assessment conducted in cooperation with the Indian Ministry of Shipping, Indian Institute of Management Udaipur (IIMU) and CII. The study identified ways of reducing India's annual trade costs by USD 40.5 billion, while increasing trade by USD 161 billion, opening access to a new USD 6 trillion services market opportunity and creating a USD 1 trillion SME fund thus generating millions of jobs.

Indonesia: One of The World's Fastest Growing Economy

Indonesia was one of the first G20 countries to embrace the HumaWealth Program. Its National Trade Efficiency Assessment was jointly conducted by Indonesia's Ministry of Trade, Coordinating Ministry for Economic Affairs, Ministry of Industry, Ministry of Communications and Information Technology, Institute Teknologi Bandung, Frost & Sullivan, and Indonesian Chamber of Commerce & Industry. The study identified Indonesia's projected benefits including USD 22 billion of reduced trade costs and the creation of nearly 3.4 million jobs.

Saudi Arabia: One of The Largest Oil Producers in The World

With the launch of a study on trade efficiency and shelf-to-shelf shipping of Saudi exports, the Kingdom joined this global initiative towards implementing the Digital Economy. The Council of Saudi Chambers (CSC) hosted the release of the Saudi Arabia Trade Efficiency Assessment report which was conducted in cooperation with the CSC, Saudi Customs, Saudi Ministry of Commerce and Industry, League of Arab States, Islamic Centre for Development of Trade, International Islamic Trade Finance Corporation, Nielsen Company and Frost & Sullivan.

Welcoming the program, Eng. Khaled Al-Otaibi, CSC Secretary General, said "The Kingdom is set to implement this initiative as a G20 member. The study offers deep analyses on challenges hindering the Kingdom from achieving trade efficiency, and aims at enhancing digital economy."

On August 7, 2014 **China's Top 500 Foreign Trade Enterprises Club** joined the Global Initiative with an MOU to conduct Trade Efficiency Assessment of China's trade practices. Deployment of the Digital Economy is projected to reduce China's trade costs by USD 148.6 billion, increase trade by over USD 400 billion and create millions of jobs.

China: The World's Largest Manufacturing Economy



Mr. Zhao Yan, China Top 500 Executive Chairman exchanges MOU with GCEL to conduct China Trade Efficiency Assessment

Mr. Zhao Yan, China Top 500 Executive Chairman explained: "Our business leaders are continuously supporting innovation. The Digital Economy tools are key to increasing trade efficiency within China and between our trade partners globally. What distinguishes this invitation is the potential role that China can play not only as a user of the proposed tools, but also as a deployer. Thus, expanding China's technology, financial and insurance service industry worldwide coinciding with our national strategy. The first step is to conduct the Trade Efficiency Assessment to achieve two main objectives – to assess how much trade participants are presently maximizing on what technology makes possible. Two, to present how the Digital Economy can prepare China for the 21st Century Trade Efficiency Era. We must hear from the trade participants working on the ground".

Australia: One of the World's Best Countries to do Business



ACCI CEO Ms. Kate Carnell exchanges MOU with GCEL joining Global Initiative to empower the Digital Economy

The Australian Chamber of Commerce and Industry (ACCI) signed an MOU, solidifying Australia's leadership in empowering the Digital Economy. The MOU followed the launch of the Australia Trade Efficiency Assessment kickoff meeting.

Ms. Kate Carnell, ACCI Chief Executive Officer stated "In the shadow of the disappointment surrounding the delay in the implementation of the 'Bali Package' on trade facilitation, ACCI is pleased to join with GCEL on a global public-private sector led initiative to reduce time and costs in international trade, which could lead to enormous economic growth and job creation opportunities."

Turkey: Where East Meets West



TÜSİAD Secretary General Mr. Zafer Yavan executes MOU with GCEL to empower Digital Economy in Turkey

Turkey's TÜSİAD signed an MOU to deploy the Digital Economy expected to save Turkey USD 16 billion in trade costs. On the occasion, Mr. Zafer A. Yavan, TÜSİAD Secretary General said "The world recognizes that trade is essential to sustain economic growth. Therefore, in order for trade to reach its full potential and for economies to achieve real economic integration, we must commit to trade efficiency in order to reach peak performance levels. To this end we will be pleased to support GCEL in conducting a National Trade Efficiency Assessment in cooperation with Turkish public and private sector experts. This diagnostic assessment will provide guidance to our members, who represent more than 80% of our country's non-energy foreign trade, as to the tremendous opportunities to further strengthen Turkey's trade environment through the Digital Economy Platform."

The above Countries represent 43% of the world's population and 63% of G20 citizens. Of the assessments completed to date, the results were staggering: 81% of trade participants have no system and 88% want the proposed Digital Economy because they know it is possible to be delivered through the HumaWealth Program. So far, one-third of the G20 citizens demand the Digital Economy.

INNOVATION BY & FOR ALL

UNLEASHING A NEW WAVE OF GLOBAL ECONOMIC PROSPERITY

People often wonder what the next big thing is. A new phone or a computer? But the real big thing must be assessed by its impact on humanity over a long term. HumaWealth indeed is the Next Big Thing because of its magnitude and ever-lasting impact.

H.E. Dr. Surin Pitsuwan remarked, "Trade efficiency is no longer an option and with the Digital Economy, we will drive this efficiency."

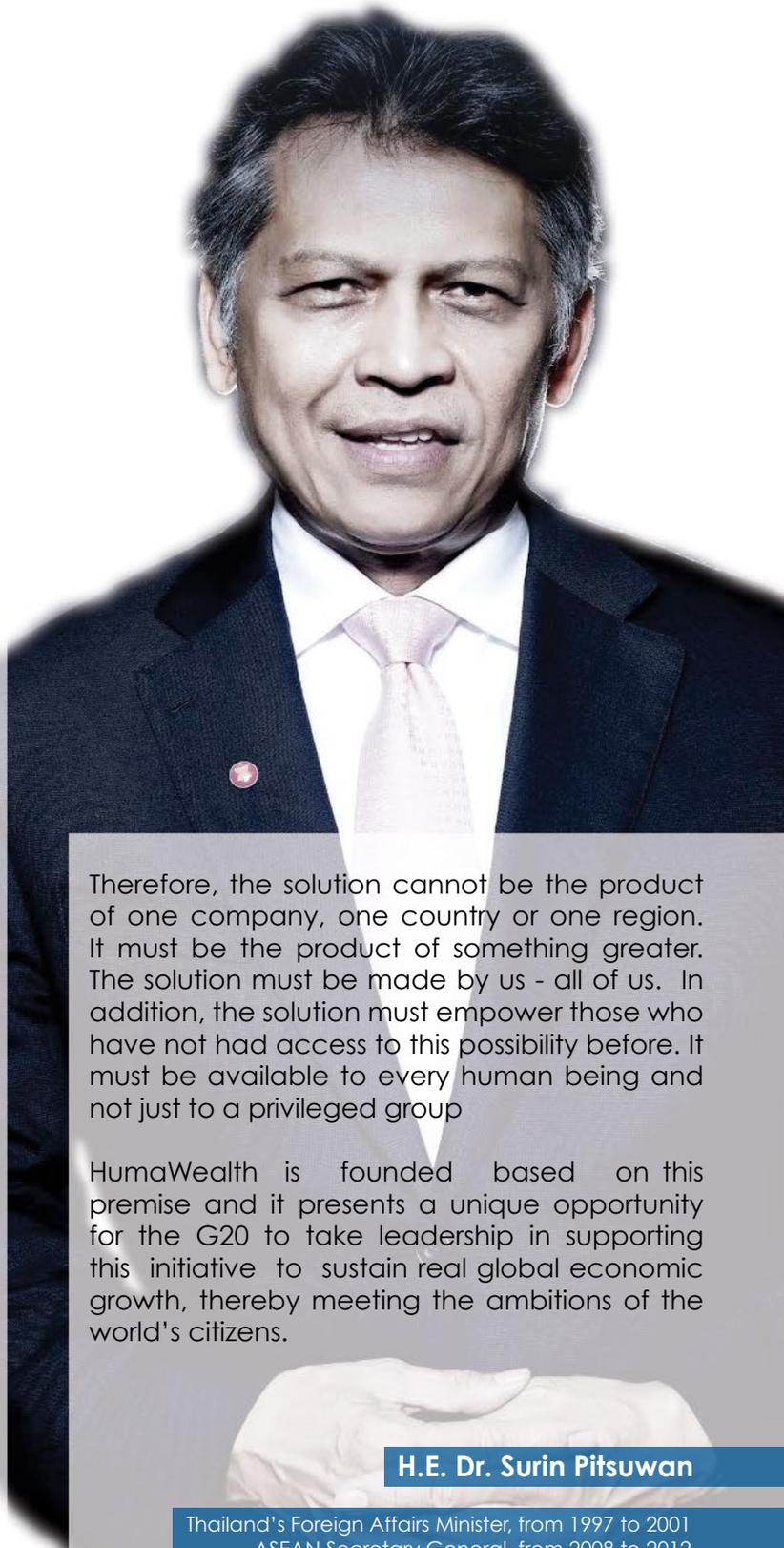
"Our global initiative covers the B2B environment globally. Currently this market is USD 109 trillion and is projected to reach USD 235 trillion by year 2025. Trade efficiency enhancement, including trade cost reduction, trade increase, a new market opportunity for the service industry and a global SME fund will generate USD 11 trillion by then," he adds.

A consortium of the best minds representing 56 organizations from 56 countries will govern, deploy and ensure that the global initiative meets the ambitions of all. They will drive continuous innovation and place it at the fingertips of end users at no cost.

Dr. Pitsuwan says "While many stakeholders are calling for swift implementation of the WTO Bali Agreement, others are for increased action on finance and investment, national growth plans and employment. Our initiative drives a practical and tangible opportunity to undertake all of these simultaneously."

HumaWealth will benefit the entire world by reducing annual trade costs by USD 1.3 trillion, increasing global trade by USD 1.2 Trillion, adding USD 7.5 Trillion to the services market, creating a USD 1 trillion SME Fund and also generating nearly 100 million jobs. It will also secure trade against cargo terrorism and increase SME access to trade finance and global markets.

As a former WTO Director General once stated, "Economic leadership has to come from a complex interaction of a group of countries that take the lead, it's not one person; it's a system."



Therefore, the solution cannot be the product of one company, one country or one region. It must be the product of something greater. The solution must be made by us - all of us. In addition, the solution must empower those who have not had access to this possibility before. It must be available to every human being and not just to a privileged group

HumaWealth is founded based on this premise and it presents a unique opportunity for the G20 to take leadership in supporting this initiative to sustain real global economic growth, thereby meeting the ambitions of the world's citizens.

H.E. Dr. Surin Pitsuwan

Thailand's Foreign Affairs Minister, from 1997 to 2001
ASEAN Secretary General, from 2008 to 2012
Chairman of GCEL Asia Advisory Board, Current