



THE

FUTURE

OF

TRADE



The Impact of
Digital

Securing
Talent

Shifting
Power and
Influence

Supportive
Regulation

Access to
Funding

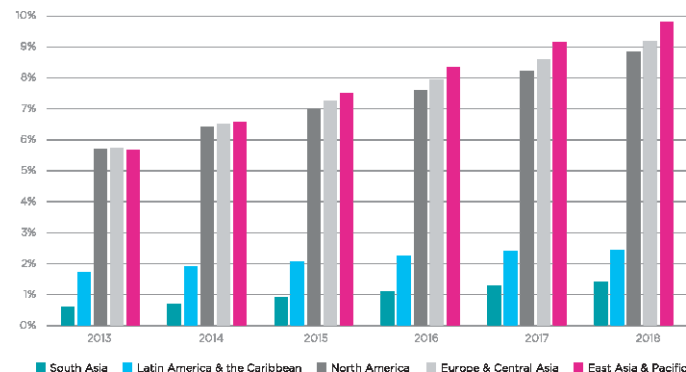
System
Efficiency

The Impact of Digital



E-commerce sales as % of total retail sales, by region (baseline scenario)

Source: E-Marketer, World Bank, Cebr analysis



\$40 trillion worth of goods make their way along ever shifting import and export routes around the world every year, and while the perception of ongoing economic malaise persists as we enter 2016, there is a light at the end of the tunnel for global trade. The future of trade is digital.

The Impact of Digital



The macroeconomic context for the digital industries

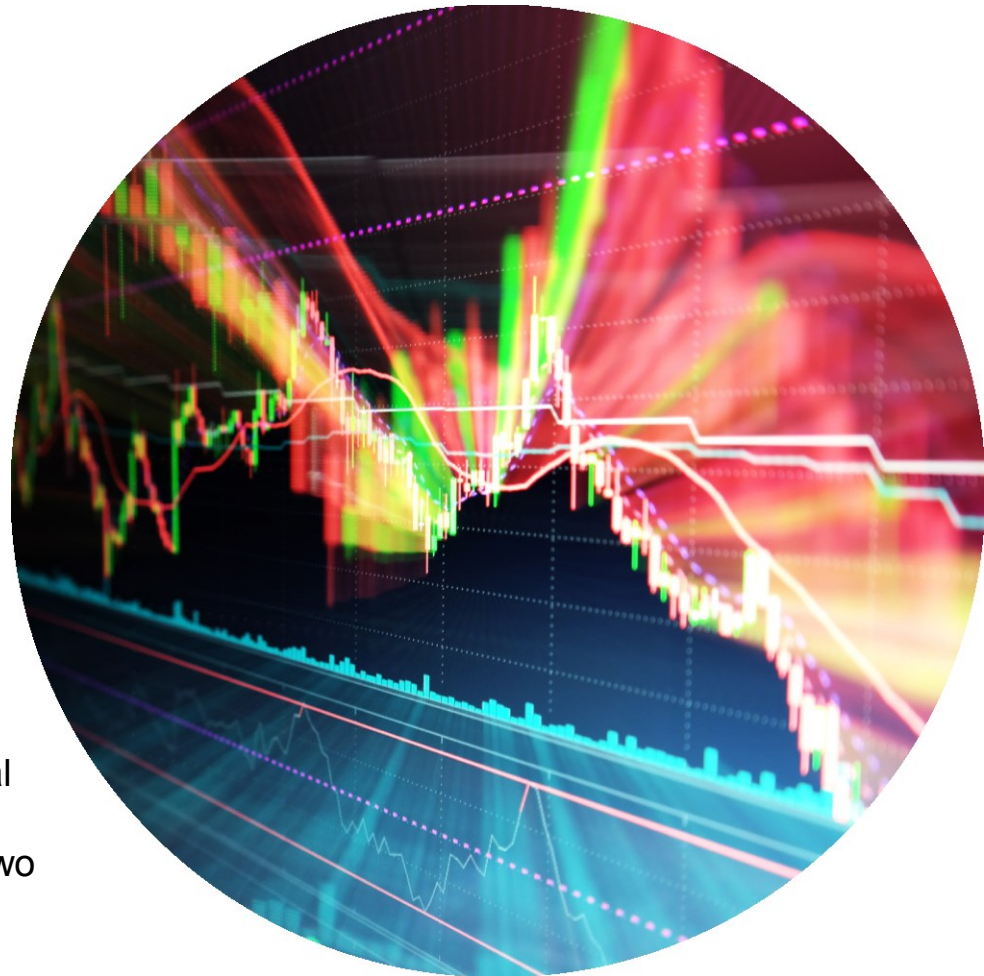
The share of Internet users has risen exponentially over the past two decades. Today, almost half of the world's population report to be users of the Internet.

The value of data

It has never been easier for organisations to gather and store information.

The impact of 3D printing

The role of the development in digital technologies as the single most important phenomenon of the past two decades cannot be overstated.



12%
Of
companies
around the
world use
3D printing
in some
capacity

The Impact of Digital



DMCC/CEBR Industry Digitalisation Index (IDI)

Establishing the potential for digital development and the impacts of this on trade is crucial. The IDI tracks businesses progress with digitalisation.

Upstream supply chain phase:

This component aims to measure the extent to which businesses are digitalising their practices when it comes to connecting with external suppliers.

Production phase:

This component aims to measure the extent to which businesses are digitalising their practices when it comes to their internal processes.

Downstream supply chain phase:

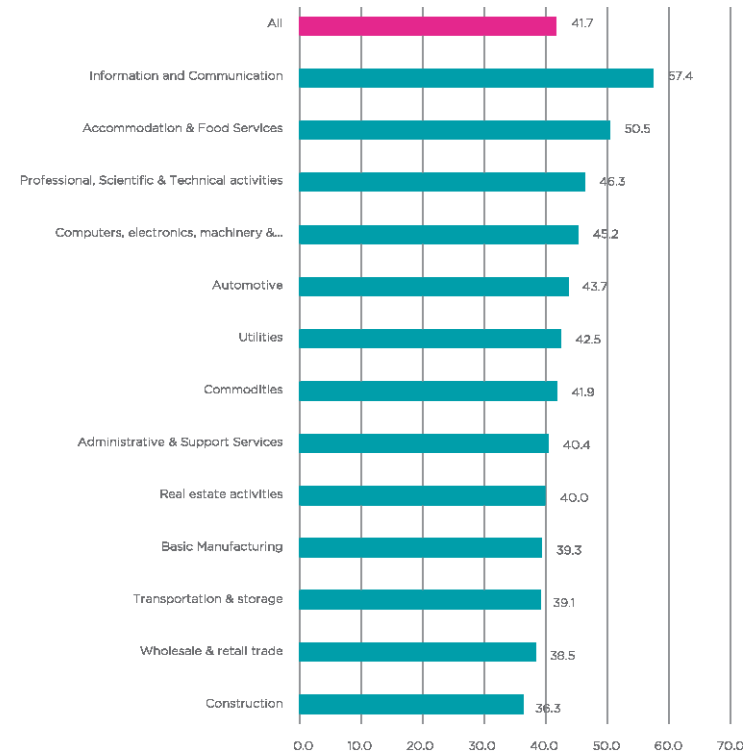
This component aims to measure the extent to which businesses are digitalising their practices when it comes to connecting with their clients – be it consumers, other businesses, or governments.

Digital infrastructure:

This final component looks at businesses' progress in setting up a digital infrastructure to support the digitalisation of the production phases covered in the rest of the index.

E-commerce sales as % of total retail sales, by region (baseline scenario)

Source: E-Marketer, World Bank, Cebr analysis

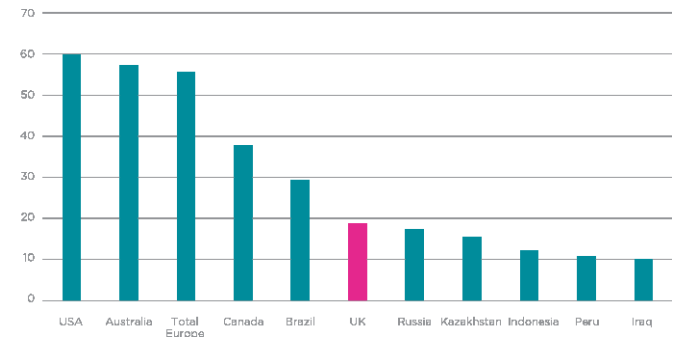


Shifting Power and Influence



Chinese FDI to top 10 recipient countries
2005 – 2013, USD billions

Source: Accenture 2014



Many of those who attended Future Agenda discussions expressed the view that we are witnessing the end of an era in international trade. Overall western markets are weakening compared to the new opportunities from emerging economies.

Shifting Power and Influence

Europe

There is general consensus that the Euro experiment has had its day.

China

China continues to be a major global force, consuming a vast array of commodities including over half the world's production of aluminium and nickel, over 40% of its copper, zinc, tin, steel and lead and more than 30% of the global cotton and rice.

India

With a perfect population pyramid, a massive domestic market, a growing middle class, more successful home-based multinational private companies and world class expertise in IT and process innovation, all the ingredients for India to be a top 3 economy are certainly there.

Russia

Things are not looking good in Russia. Its population is expected to decline by 10% over the next decade; it has lost access to secure water and food previously available through Former Soviet Union neighbors and its economy is corrupt and dominated by firms whose revenues depend on political contacts rather than economic efficiency.



25%

The quantity of global GDP growth over last decade
Attributed to China

Shifting Power and Influence

Middle East

OPEC economies need to accelerate the shift from oil dependency and increase economic diversification, improve education and open a greater variety of employment opportunities to Nationals.

Africa

Africa as a continent has, on average, grown its economy by at 5% per annum over the last decade.

Latin America

Latin America's economy began to slow in 2011 in tandem with a gradual fall in global commodities prices.

United States

Even though its reliance on international trade remains one of the lowest of any developed economy, it has been at the centre of a global trading framework since the end of the Second World War.

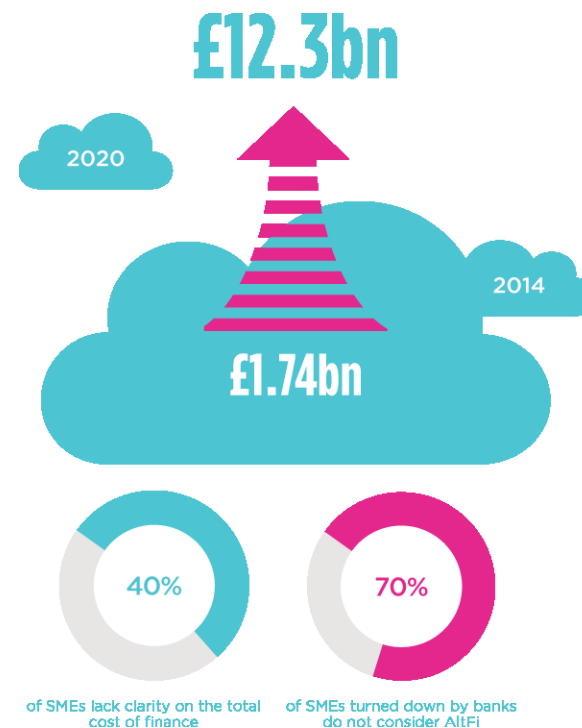


33%+
South-South
trade is likely
to account for
over a third of
global trade by
2025.

Trade Funding and Finance



Growth of AltFi market



Today, the sum total of money in the world is about \$60 trillion of which about a tenth is held as coins or bank notes. The remaining 90% is held as digital money on computers servers. As a result the vast majority of transactions by value are executed by moving electronic data from one computer file to another without any exchange of physical cash.

Trade Funding and Finance



The role of money in trade

There are multiple benefits to digital money not least that it is cheaper than cash to handle which by most estimates, costs society as much as 1.5% of GDP; it has low administration costs, reduced security costs and is traceable thus reducing the risk of loss of funds from corruption.

The role of currencies

Many are looking for new mediums of exchange. As such some believe that, rather than the dependence on the USD, we may see growth in alternative currencies and money networks, and the first state issued fiat digital currency's.



500%
IMF data
show trade
grew six-fold
from 1980 to
2015 while
GDP doubled

A New Geography Of Talent



Concept of a global career and the key elements that it captures



Across the world it is difficult for companies to recruit the right people for the right jobs. Paradoxically many professionals can't get work, finding themselves either with the right skills in the wrong place or with the wrong skills to cope in an increasingly technical and interconnected world.

A New Geography Of Talent



Education for all

For millions of people, especially the children of poor and minority families, getting more education is the best advice.

Elite global nomads

The privileged few, fortified by sought-after skills and protected by the passports of their choice, dominate the top echelons of the corporate world.

Digital overload

Many blame talent shortages on the speed of change generated by the digital economy.



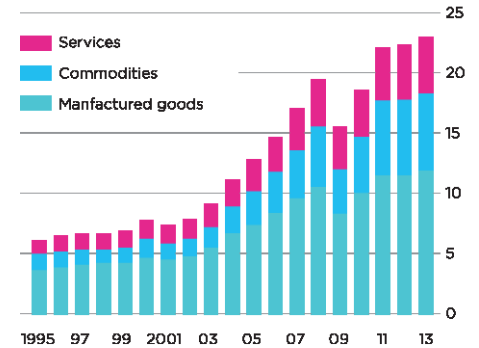
#1
In 2015 New
York was
ranked the
most
competitive
city in the world
with London
second

Standards Driving Trade

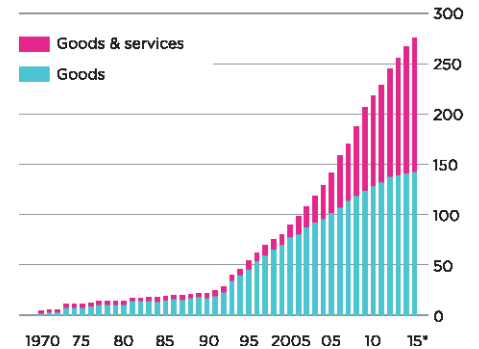


Exports, \$tn

Source: UNCTAD; WTO



Cumulative number of trade agreements



A good share of new international regulation is increasingly aimed at freeing up trade to make it simpler and less bureaucratic. Whether at global or regional levels, governments around the world are seeking to improve the trading landscape for the goods their country produces, some more successfully than others.

Standards Driving Trade



Regional Alternatives

So, with global agreements failing to progress, the number of regional trade agreements has grown considerably - from around 70 in 1990 to more than 270 at the time of writing.

Role of Non Tariff Barriers

Within the global and local trade context, there has been a gradual shift away from tariffs, in developed economies but this has been coupled with the introduction of more so called 'non tariff barriers' such as environmental or safety standards which can, in some cases, restrict imports.



\$115

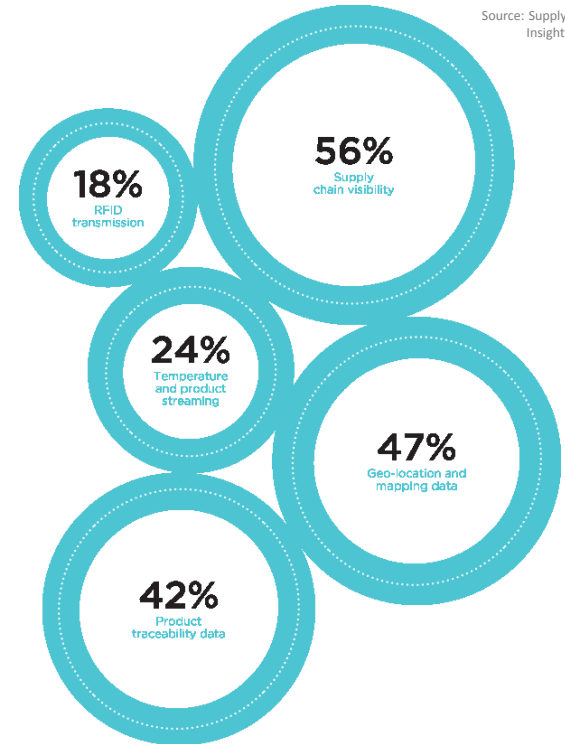
The sum, per container, to be saved under customs automation

Systems Efficiency



Stability to use data sources for big data opportunity

Source: Supply Chain Insights 2013



Over the next decade, as trade continues to evolve, many see significant improvements occurring in the overall efficiency of the system. At both global and regional levels, there will be enhancements that reduce waste, improve transparency and smooth the flow of goods.

Systems Efficiency



Open Supply Webs

It wasn't long ago that companies sought to manage their own supply chains to optimize delivery to production facilities and then on to distributors and retailers.

Autonomous Vehicles

While many are excited about the impact autonomous vehicles will have on moving people, others see that it is their ability to move goods will be the real change over the next decade.



50%
of the cost of deliveries is incurred during the last mile of the journey

About DMCC

Dubai is perfectly positioned at the centre of the world of trade, connecting East with West and North to South. DMCC, the world leader in global trade, is at the heart of Dubai with a mandate to develop a world class commodities hub and attract foreign direct investment. DMCC is Made for Trade.

The logo for DMCC, consisting of the letters 'DMCC' in a bold, blue, sans-serif font.

Our Partners in The Future of Trade



ASTROLABS

future
agenda

جامعة نيويورك أبوظبي



NYU | ABU DHABI

