



The New Global Trade Order

Highlights from the Asia House conference in Dubai



THE NEW GLOBAL TRADE ORDER

SESSION 1: THE FUTURE OF TRADE

H.E. HAMAD BUAMM
President and CEO
Chief Officer of Commerce and Industry

WOLFGANG ISCHINGER
Chairman
March Security Conference and former German Ambassador to the US and UK

ANTHONY GARDNER
Senior Counsel
Baker & Hostetler LLP and former US Ambassador to the EU

DOUG LIPPOLDT
Chief Trade Economist
HSBC Global Research

Hosted by: Rafael Lavrence, Chief Executive, Asia House

HSBC

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DMCC
Michael Lawrence
Asia House
EXECUTIVE

THE NEW GLOBAL
TRADE ORDER

#GlobalTradeOrder

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The New Global Trade Order

Highlights from the Asia House conference in Dubai

More than 300 figures from business and diplomacy assembled for the major Asia House dialogue, The New Global Trade Order, in Dubai on 22 April 2018.

Held in partnership with DMCC, the conference tackled the biggest issues facing global trade, from shifts in policy to the disruptive forces of technology.

Featuring speeches and panel discussions with government ministers, World Trade Organization officials, and senior business leaders, the conference aimed to help delegates better understand – and capitalise on – the emerging global trade order.

NEW GLOBAL TRADE ORDER

The New Global Trade Order received official support from the United Arab Emirates Ministry of Economy

Speaking about the dialogue, His Excellency Abdulla Al Saleh, Undersecretary for Foreign Trade at the UAE Ministry of Economy, said: “The objective is clear; discuss, debate and explore the issues that will help business leaders and policymakers better understand - and capitalise on - the new global trade order.

“As such, announcing our support at UAE Ministry of Economy for this signature event made perfect strategic sense.”



Speeches from influential figures in global trade



“ There can be nothing more important to all of us in the 21st century than the rise of Asia, which is changing the balance of world power.

“ The Middle East is an increasingly important element in that rise. ”

Lord Green, Chairman, Asia House



“ I am delighted to be here and pleased to share the view from the WTO on regional trade agreements and the multilateral trading system. ”

Yonov Agah, Deputy Director General, World Trade Organization



“ Some of the world’s leading thinkers on global trade and investment are taking part in this conference.

“ This conference has added value and importance because it is taking place at a time when the global trading order is changing rapidly. ”

His Excellency Abdulla Al Saleh, Undersecretary for Foreign Trade at the UAE Ministry of Economy



“ Despite attempts of some around the world to close the doors to trade, many remain wide open if you just look in the right places – especially in Asia.

“ Asia consistently proves to be an open and willing partner to do business. ”

Ahmed bin Sulayem, Executive Chairman, DMCC

Three compelling panel discussions

The conference featured three panel discussions focusing on the most pressing issues in global trade. Thought-leaders from diplomacy and business discussed The Future of Trade, The Belt and Road Initiative, and The Digitalisation of Global Trade.

Delegates heard the latest thinking, analysis and predictions from those at the heart of global trade.



Panelists



Doug Lippoldt, Chief Trade Economist,
HSBC Global Research



Wolfgang Ischinger, Chairman, Munich
Security Conference and former German
Ambassador to the US and UK



Kapil Chadda, Vice Chairman, Global
Banking, Middle East and North Africa &
Turkey, HSBC Bank Middle East



Anthony Gardner, Senior Counsel,
Sidley Austin LLP and former US
Ambassador to the European Union



His Excellency Hamad Baumim,
President and CEO, Dubai Chamber of
Commerce and Industry



Neil Cuthbert, Partner,
Dentons & Co



Ravi Suri, Global Head of Infrastructure
Finance, KPMG



Anne Ruth Herkes, Former State
Secretary at the German Federal
Ministry for Economic Affairs and Energy



Abhijit Prasad, Managing Director,
Global Head of Product Management,
GTRF, HSBC



Xitong Wang, Gulf Regional Manager,
China Energy Engineering Corporation



Anthony Butler, Chief Technology
Officer for IBM's blockchain practice in
the Middle East and Africa



Kaiser Naseem, Head of Banking &
Digital Finance Advisory Service MENA,
IFC



Michael Lawrence, Chief Executive,
Asia House

Panelists

The Future of Trade

“ Going forwards, important developing countries, especially India and China, need to have more reforms to deal with tariff barriers and to allow more investments. ”

His Excellency Hamad Baumim, President and CEO, Dubai Chamber of Commerce and Industry



Countries must “join forces” to combat US protectionism, while emerging markets must “do more” to address inequities in the global trading system, delegates heard during a forthright discussion on the future of trade chaired by Michael Lawrence, Chief Executive of Asia House.

President Trump’s ‘America First’ agenda was a key focus, with former US Ambassador to the European Union, Anthony Gardner, labelling current US trade policy “erratic and counterproductive,” adding that it puts American exporters at a “competitive disadvantage.”

Wolfgang Ischinger, Chairman of the Munich Security Conference and former German Ambassador to the US, analysed the potential motives behind President Trump’s policies. Either it’s about helping the US to get a better deal within the current system, or it’s about making bilateralism “the new norm.” In response, “US trade partners should join forces to protect the trading system,” he proposed, adding that markets should work together to create “a WTO minus

America, similar to what Japan achieved with the TPP.”

Looking beyond the US-China rivalry, His Excellency Hamad Baumim, President and CEO, Dubai Chamber of Commerce and Industry, took a wider view of the factors at its core; the “over-promises” that were made around globalisation. “Everybody expected that, with globalisation and more openness, many developing countries would engage with the global trading system.” That hasn’t happened, and emerging markets need more reforms to open their economies further, His Excellency suggested.

Doug Lippoldt, Chief Trade Economist, HSBC Global Research, was positive about the future of trade. “I don’t think it’s too late to have a ‘win win’ outcome at the end of this,” he said. Reflecting on a recent visit to the US in which he spoke with high-level staff on Capitol Hill, he said, “the commitment to the multilateral trade system that the US has helped build up over several years runs very deep in Washington.”



The Belt and Road Initiative

“ We in Europe underestimate the long standing history of how the Middle East, and the Gulf countries in the Arabian peninsula in particular, traded in Asia. China for a long time before the Belt and Road had been a commercial and seafaring trading partner for the GCC. ”

Anne Ruth Herkes, Former State Secretary at the German Federal Ministry for Economic Affairs and Energy



China's Belt and Road Initiative (BRI) is one of the hottest issues in global trade and investment, promising huge opportunities for businesses and challenging questions for policymakers.

The Middle East is particularly important to the BRI, being both crucial to Chinese energy security and occupying a strategic position on the Maritime Silk Road. Panel moderator Kapil Chadda, Vice Chairman, Global Banking, Middle East and North Africa & Turkey, HSBC, was therefore interested to know how the BRI is playing out in the region.

“Energy is clearly a theme here,” Neil Cuthbert, Partner, Dentons & Co, said, outlining a number of recent BRI deals involving energy companies across the UAE and Saudi Arabia. Cuthbert highlighted an increasing interest in Public Private Partnerships (PPP) and associated legislation, suggesting the PPP model is a likely direction of travel. But there are major opportunities for non-Chinese companies looking to capitalise on the BRI, said

Xitong Wang, Gulf Regional Manager, China Energy Engineering Company. Chinese companies need to collaborate with “international law firms, international consultation firms and the banks, so we become more skilled and more prepared for the competition and risk in GCC countries.”

The BRI raises new questions from a policy perspective. This was something Anne Ruth Herkes, Former State Secretary at the German Federal Ministry for Economic Affairs and Energy, addressed. “I think we will be winning this game if the Middle East Gulf Cooperation Council and the European Union converge on giving the initiative its right interpretation. It's an opportunity for us in Europe and the GCC to grasp, and to turn into a positive agenda.”

For Ravi Suri, Global Head of Infrastructure Finance, KPMG, that shouldn't be too difficult. “The Belt and Road Initiative is not only a good thing. It's an excellent thing. It's an excellent thing for the world,” he said.



The Digitalisation of Global Trade

“Technologies like 3D printing are going to change how trade flows move. You’re not going to require a good to be transported from somewhere in China to the West – it’s going to be software or data that’s provided from a producer or designer of that good to the purchaser.”

Abhijit Prasad, Managing Director, Global Head of Product Management, GTRF, HSBC



The dramatic changes taking place in global trade through innovations in technology were explored by leading industry figures, with one panelist saying the world is at an “inflection point.”

Abhijit Prasad, Managing Director, Global Head of Product Management, GTRF, HSBC, said rapid innovations in tech promise to revolutionise the trading system. “We’re at an inflection point now where digitalisation is going to completely transform how trade and trade finance gets offered.”

Perhaps the most dramatic change will come from blockchain – something Anthony Butler, Chief Technical Officer for IBM’s blockchain practice in the Middle East and Africa, said will bring “more visibility, more transparency and ultimately more trust and more efficiency in our global supply chains.” The cost of trade is roughly US\$1.8trillion, Butler said, with 20 per cent of that cost related to paper such as certificates of origin and

customs documents – all of which could be redundant if blockchain is embraced.

But what about products that don’t physically cross borders? The rise of ecommerce and 3D printing are driving major change in the trade landscape, Kaiser Naseem, Head of Banking and Digital Finance Advisory Services, MENA, IFC, pointed out. “The boundaries of these trade flows and the inefficiencies of these trade flows are also disappearing,” as ecommerce grows, he said. “That’s a big factor in the way trade flows are going to develop.”

This was a point Prasad presented as among the biggest game-changers in the future of trade; it will be data, not containers, crossing borders. This will, of course, present new challenges around regulation – an issue that is “a big piece of the puzzle,” Michael Lawrence, Chief Executive of Asia House and panel moderator, said.



300 delegates from more than 150 organisations and 10 governments represented

Organisations included:

- | | | | |
|-------------------------|--------------------------|-------------------------|--------------------------------|
| Linklaters | S&P Global Ratings | Deutsche Bank | Standard Chartered Bank |
| De La Rue | Duracell Middle East | Al Tamimi & Co. | DLA Piper |
| OCO Global | Frost & Sullivan | Yingke Legal Consulting | HSBC |
| Nikkei | Tata International | DP World | CEEC |
| Berwin Leighton Paisner | China National Petroleum | Emirates Airlines | IBM |
| De Beers | UPS | Arup | Dentons & Co |
| Huawei | Olam International | First Abu Dhabi Bank | Gulf International Finance LTD |
| KPMG LLP UK | PwC Middle East | Mashreq Bank | ACCA |



Media highlights



‘Where does the Middle East stand in the new world trade disorder?’

A top level forum took place in Dubai on Sunday under the auspices of Asia House, a UK-based think tank, and the Dubai Multi Commodities Center, the UAE’s fastest growing free zone, which decided that actually, quite a few people in the early 21st century were turning increasingly against the very idea of global free trade.’

ARAB NEWS

‘UAE poised to benefit from China’s Belt & Road Initiative: HSBC

Businesses in the UAE should expect to be among key beneficiaries of any anticipated boost to economic activity generated by the development of China’s Belt & Road Initiative through the Middle East, said HSBC UAE CEO Abdul Fattah Sharaf at a conference on “The New Global Trade Order”.’

GULF NEWS

‘Dubai Increasing Nexus for Growth as Rise of Asia Trade Continues

Welcoming participants to this landmark event, Lord Green of Hurstpierpoint, Chairman, Asia House, said: “There can be nothing more important to all of us in the 21st century than the rise of Asia, which is changing the balance of world power. The Middle East is an increasingly important element in that rise.”’

AL BAWABA



‘Asia is changing the ME trade equation

The Middle East is an increasingly important element in the rise of Asia, which is changing the balance of world power in the 21st century, Lord Green of Hurstpierpoint, Chairman of Asia House, said on Sunday.

Welcoming participants to the New Global Trade Order conference, hosted by DMCC, the world’s leading free-zones for commodities trade and enterprise, in partnership with Asia House, Lord Green said the pivot by the Middle East towards Asia raises new questions and challenges, but brings a new balance of opportunities. “It is changing the trade equation for every country in the Middle East.”’

KHALEEJ TIMES

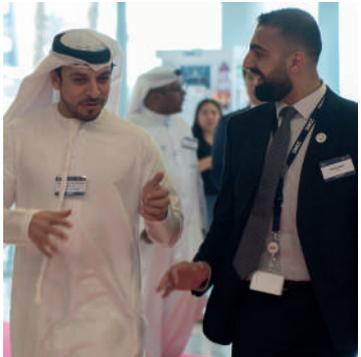
‘Dubai conference probes new global trade order

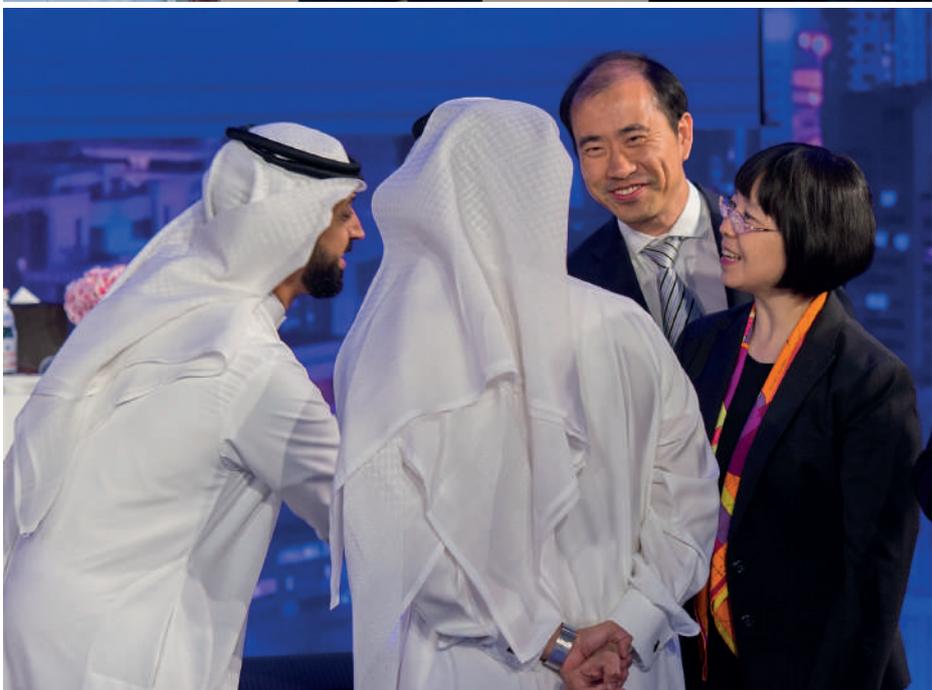
More than 300 policymakers and leading figures from the global trade and investment industries gathered to discuss ways to better understand the emerging world trade system given the current challenges to free trade.’

TRADE ARABIA

Networking

Delegates had the chance to network with representatives from more than 150 organisations, including governments, major businesses and the media.





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Asia House

The Centre of Expertise on Asia

Asia House is the Centre of Expertise on Asia. Based in London, we drive political and economic engagement between Europe and Asia through our programme of events featuring thought leaders and opinion formers; through our research activity; and through our corporate advisory services.

Driving engagement

We invite government representatives, business leaders and analysts to give briefings to corporate members on issues that matter to them, all given off the record to encourage free and frank discussion.

Asia House also organises major conferences on highly relevant themes aimed at moving the global debate on trade and investment forward.

Research and advisory services

As the Centre of Expertise on Asia, we are well placed to provide research and advisory services to European businesses with interests in Asia, or Asian businesses seeking to engage with Europe.

Working to briefs provided by clients, we tailor bespoke products on specific issues, from analysis on individual markets to advisory activities.

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Corporate members at Asia House benefit from a wide range of services aimed at supporting their activities and equipping them with the knowledge to make informed decisions.

Corporate members gain access to exclusive Asia House briefings, as well as our roundtables, conferences and speeches. We also provide ongoing research and advisory support to our corporate members.

Find out more at asiahouse.org





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SESSION 1:
THE FUTURE OF TRADE



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Doha Chamber of Commerce
and Industry



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Trade Alert





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