Jordan to host GCEL meeting

Jordan will host in March a meeting of the Global Coalition for Efficient Logistics (GCEL), a Swiss-based not-for-profit public/private partnership where participants will look into ways to overcome the consequences of the global financial crisis.

The meeting will bring together hundreds of officials, experts and representatives from leading finance and insurance companies “to become an integral part of the GCEL’s network and to offset any geopolitical or monopolistic concerns”, organisers said.

Participants include Sun Microsystems and Microsoft in addition to other leading firms which will jointly launch the GCEL’s “Humawealth” programme, designed to reduce trade costs through the adoption of “Soft-Infrastructure”. The programme is based on the technology, training and deployment support required to make production in the Middle East and North Africa (MENA) region competitive on a global basis, according to the GCEL Co-Chairman Capt. Samuel Salloum, who set up the initiative’s regional offices in Amman last year.

GCEL has demonstrated the ability to create operational efficiency and reduce trade costs by $116 billion each year in the MENA region alone, according to Salloum.

Despite its negative effects, the global crisis offers an opportunity for the MENA region. Chairman of the Transportation Committee in the Italian Parliament Luca Barbareschi said in an interview with Ammonnews over the phone. He added that developed countries are prepared to build production capacity in emerging economies to enable these nations to create a new purchasing power and go for market expansion. "We need to be fast, we need to think globally and make it," he said.

Italy, which heads the G-8, is leading the efforts to backup this new strategy which would provide an efficient solution to stimulate global trade and then avoid the expected global economy downturn, Salloum and Barbareschi indicated.

The Italian MP said Middle Eastern countries must work on reducing the trade cost not just within the region but also at the global level.

Chairman of the Territorial Development Policy Committee at the Organization of Economic Cooperation and Development Mark Drabenstott supports this point of view.

"It will be essential for the Middle Eastern countries to do two things. Trade barriers between countries in the Middle East must be reduced to encourage free flow of goods and services. And it is important to have ready access to global markets through the most efficient logistics pipeline possible," Drabenstott told Ammonnews over the phone from the US.

Both Barbareschi and Drabenstott agreed that the GCEL initiative aims to do exactly that. "The biggest economic benefits will flow to those countries that have the least efficient logistics pipeline today. Many developing countries will see their landed import-export costs drop by a third or more. This promises to be a powerful driver for new investment," Drabenstott said.
The MENA region will become the first of four global regions (the others are Americas, Europe and Asia), to trigger, “at no cost to end users”, the global deployment of its “Soft-Infrastructure” programme, Salloum said.

According to Salloum, the challenge is that increased investments in production in developing countries are prohibitive due to their high import-export cost, even when many would provide much more attractive partners based on their proximity to developed markets.

At the Arab Economic, Social and Development Summit held in Kuwait on January 19-20, the MENA region was identified as a high potential economic partner for developed countries, particularly those in the Mediterranean region.

Meanwhile, Malaysia will host the GCEL’s forum in its second version in April as part of the efforts to create a global network that would reduce the global trade cost from 12 per cent to 6 per cent, saving up to $ 691 billion, Salloum said. The Asian event will be hosted by the Asia Logistics Council, headed by Rafidah Aziz, former commerce and industry minister of Malaysia for 21 years.

Jordan event would remain the key one as it will witness the launching of this initiative and will be followed by the other meetings including Malaysia in April, then Europe in May and the Americas event in June.

*PHOTO: Dr. Merza Hassan (Executive Director World Bank representing 13 MEA countries), Hon. Luca Barabareschi (Italy) and Captain Salloum (GCEL Co-Chairman) in supportive discussions of GCEL Initiative at Kuwait Summit.