B20 2016 Joint Task Force Policy Recommendations
Based upon the voice of the real economy participants on the ground level
31 May 2016
RECOMMENDATIONS FOR 2016 B20 EMPLOYMENT TASK FORCE

Premise
As a foundation for developing our recommendations for the 2016 B20 Employment Task Force, our comments are based upon the following:

- Analyzing proposals from previous G20 Summits. The Australia, Turkey and China B20 Employment Task Forces are to be applauded, as many of their recommendations are highly relevant to the 2016 B20 Employment Task Force. These recommendations address mismatches between skills required and education.

- Understanding Task Force Interdependencies. While the B20 Task Force Interdependencies are driven by the global economy, the task forces address mismatches between skills required and education.

- Listening to the voice of the real economy participants at the ground level. The G20 Task Forces are to date covering 58% of the G20 population, which have yielded that 90% want new digital tools to improve their competencies and 70% have no visibility of individual contributions to his/her organization and societal economic growth representing a vital foundation to his/her future generation's prosperity.

- Analyzing proposals from previous G20 Summits.

- The G20 Nations Case Study results to date.

Past & Current

CHINA
- Implement programs to encourage entrepreneurship and innovation.
- Remove structural barriers and enact support mechanisms on youth employment participation.
- Implement and encourage initiatives to increase female labor force participation rate.
- Launch programs to assess and reduce the skill mismatch and workforce capability gap.

TURKEY
- Reform labor markets to make them more dynamic and inclusive.
- Increase youth and female participation in the labor force.
- Develop and finance programs to reduce skills mismatch.

AUSTRALIA
- Establish a national innovation agenda and pipeline with supporting structural reforms.
- Increase the level of alignment and responsiveness between the learning ecosystem and workforce needs.
- Remove barriers inhibiting entrepreneurs from starting and growing businesses.
- Understate structural reforms to increase flexibility, adaptability and mobility within and across labor markets.

Reality Check

Why isn’t the real economy the driving theme in the global arena and how do the B20 recommendations address this?
- Lack of skills required to perform job functions.
- Needs to address mismatches between skills and education.

How do the B20 recommendations address poor market demand?
- The world’s demographics are changing. In high income countries, the population is aging; whereas the youth population remains high. This is a critical challenge in the B20 task force, which is tasked with increasing the matching between skills and education.
- Mid and low income countries have yield that 90% want new digital tools to improve their competencies.

How can the B20 recommendations effectively counter the mismatch between the skills needed for capacity building and current workforce?
- Each country has its own unique situation, which requires the B20 task force to analyze each situation individually.

What are the tools needed at the national level to motivate human capacity and productivity?
- The emphasis on short-term personal financial gain as a main motivation, versus long-term job security, could hurt human capacity and country productivity growth.
- Other words there is no visibility for individual contributions to his/her organization and societal economic growth representing a vital foundation to his/her future generation’s prosperity.

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- In other words there is no visibility for individual contributions to his/her organization and societal economic growth representing a vital foundation to his/her future generation’s prosperity.

Human capacity building must be effectively synchronized with projected economic demand. Greater visibility is required on future production volumes as well as corporate performance measurements to drive efficiency.

Increased employment productivity must be a corporate 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.

Selecting the appropriate tools and mechanisms to drive sustained employment growth, our focus must be the prioritization of the mid and low income countries with the expertise of the high income countries thus building the talent pool required to drive employment and economic growth.

Provide the tools and national economic progress visibility to build a better future for our generations.

Visibility of economic progress & the prospects of job security can promote stronger motivation. We need national real economy dashboards that provide the required indicators for increased productivity today & for the future for our generations.

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For the issues in greater shade it is depicted in the wider scope of our recommendations.

Home Page
Premise

As a foundation for developing our recommendations for the 2016 B20 Trade Task Force, our comments are based upon the following:

- Analysing proposals from previous G20 Summits - The Australian, Turkey, and China B20 Trade Task Forces have advocated for the implementation of measures to facilitate more trade.
- Understanding Task Force interdependencies - While the B20 Trade Task Force has independent objectives, due to the global economy’s interdependency, it is evident that proposals from each Task Force requiring a highly integrated approach for their implementation.
- Listening to the voice of the real economy participants at the ground level - The G20 Nations Case Study results to date - The G20 Nations Case Study results to date covering 58% of the B20 population have yielded that 90% want new digital tools to achieve real economic integration.

Past & Current

Given the urgency to meet the needs of the real economy participants, out of the box thinking is required to hitch-start the global economy.

A reality check yields that market expansion is required and the determination on the real economy of manufacturing, agriculture, and the services industry is required. We must drive trade efficiency through harnessing the needs of low and high income countries thereby building the global buying power to increase increased trade.

While current and past thinking leads us to a particular focus, we recommend an approach which encompasses the needs of participants on the ground and the interdependencies of all Task Forces.

The digital economy is the means to facilitate such an outcome.

Reality Check

- Why isn’t the real economy the driving theme in the global arena and how do the B20 recommendations address this?
- The lack of visibility as to current and future trade volumes is growing the real economy that drives sustainable trade growth.
- Why isn’t the real economy the driving theme in the global arena and how do the B20 recommendations address this?
- The world’s demographics are changing. In high income countries, the population is aging while yet salaries remain high. This is a productive community challenged with low market demand. In mid and low income countries, both salaries are high. The population is growing, but salaries are low.

Why isn’t the real economy the driving theme in the global arena and how do the B20 recommendations address this?

- How can we expedite business access to trade finance and simplify the transaction process with evolving regulatory requirements?
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- How can we achieve real economic integration?
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Recommendation

The Real Economy must be the driving theme to deliver sustained economic growth. Our efforts must be concentrated on the following three main economic pillars - if trade financing, manufacturing, agriculture, and the services industries that support them.

Sustaining global demand is essential to drive increased trade. We must connect the youthful vibrance of the mid and low income countries to that 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 will sustain growth in trade.

We need a digital ecosystem to achieve real economic integration. Promote a digital ecosystem that permits global integration of products, services and finance and encourages the use of existing markets.

We must create a smart finance matrix with Ultimate Data Quality to expedite trade finance. Promote a digital ecosystem that creates a smart finance matrix based on meeting regulatory requirements that is validated & continuously updated by multiple sources. This will deliver trade by reducing outstanding risk and transaction costs, while facilitating compliance with regulatory requirements.

Use soft infrastructure to maximize the capacity utilization of existing logistics physical infrastructure. Enhancing the use of digital tools by increasing throughputs at port and border crossings and reducing shipment dwell time to maximize capacity utilization throughout the trade pipeline.

China

- The China 2016 B20 Trade Task Force has identified the following key recommendations:  
  - Strengthening the manufacturing sector through policies that simplify the transaction process with low frictional costs.
  - Developing the services sector through policies that support real economic integration.

Australia

- The Australia 2016 B20 Trade Task Force has identified the following key recommendations:  
  - Promoting a digital ecosystem that creates a smart finance matrix based on meeting regulatory requirements that is validated & continuously updated by multiple sources.
  - Expediting trade finance into the real economy through the use of digital tools.

Turkey

- The Turkey 2016 B20 Trade Task Force has identified the following key recommendations:  
  - Promoting a digital ecosystem that creates a smart finance matrix based on meeting regulatory requirements that is validated & continuously updated by multiple sources.
  - Expediting trade finance into the real economy through the use of digital tools.

NB: The boxes in lighter shade illustrates the wider scope of our recommendations.
### Premise

As a foundation for developing our recommendations for the 2016 B20 Financing Growth Task Force, our comments are based upon the following:

- **Analyzing proposals from previous G20 Summits** - The Australia, Turkey and China B20 Task Forces have been so appraised, as many of their recommendations are rightly focused on the need to facilitate more financing especially for SMEs.

- **Understanding Task Force Interdependencies** - While the B20 Task Forces have independent objectives, due to the global economy interdependency, it is evident their proposals overlap. Thus creating the need for a highly integrated approach for their implementation.

- **Listening to the voice of the real economy participants** at the ground level. Their reality check yields that market expansion is required and how do financial institutions finance market expansion as well as reduce credit risk and regulatory burdens.

### Past & Current

**Australia**

- Establish a protocol for international rule-making processes commencing in 2015, to engage the private sector.
- Create a financial market clearinghouse, as a market clearing mechanism.
- B20 Task Forces have developed independent objectives, and their customers’ transactions, economic scenario stress tests and on service and product offerings, greater monitoring of banks and financial institutions to provide stable funding to support the financial reforms.

**China**

- Promote financial global financial reformation policies, improve and open access commodity financial institutions to provide stable funding to support the financial reforms.
- Develop financial markets and instruments with clear goals and measurement frameworks to realize.
- Promote financial inclusion by embracing digital technology innovation.

**Turkey**

- Develop high level reporting mechanisms.
- Implement G20 principles on transparency of beneficial ownership.

### Reality Check

- **Why isn’t the real economy the driving theme in the global arena?**
  - Lack of demand is forcing the emphasis on financial engineering.
  - There is a growing tendency to focus on fast wealth creation. However, this comes at the cost of productive community focused on low market demand. In the population is aging yet salaries remain high. This is a productive community challenged with low market demand.

- **How do the B20 recommendations address market demand?**
  - Why aren’t the real economy the driving theme in the global arena? To what extent do they enhance their credit and transaction risk?
  - Each of the B20 reports focuses on financial engineering as a response for their recommended criteria.

### Recommendation

The Real Economy must be the driving theme to deliver sustained economic growth and stability.

**Sustaining global market demand is essential to financing growth**

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 opportunity that drives sustainable finance and growth.

**Financing Growth**

- **Sustainable integration into the global value chain activities with a smart finance matrix providing the dynamic scoring level needed to:**
  - Mitigate trade finance risk based on borrowers historic and future activities.
  - Validate transaction monitoring:
    - Preapproved sellers
    - Scenario stress tests
  - Increase profitability and diversify revenues.
  - Mitigate transaction risk electronically directing loan proceeds to preapproved sellers.
  - Reduce asset recovery risk providing the capability to seize assets in the trade pipeline.

- **Ease barriers of regulatory compliance through real time, dynamic and financial cross checking**
  - Electronic cross checking between historic and future activities.
  - Electronic transaction risk by electronically directing loan proceeds to preapproved sellers.
  - Reduce asset recovery risk providing the capability to seize assets in the trade pipeline.

**Create massive trade visibility to maximize logistics physical infrastructure investment returns**

- Dynamic information regarding current and future trade volumes.
- Efficiently manage resources to support investment bottlenecks.
- Optimize existing logistics infrastructure and prioritize future investments.

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*All the boxes in lighter shade illustrates the wider scope of our recommendations*
As a foundation for developing our recommendations for the 2016 B20 Infrastructure Task Force, our comments are based upon the following:

- Analyzing proposals from previous G20 Summits - The Australian, Turkish and Chinese B20 Task Forces are to be applauded, as many of their recommendations are rightly focused on the need to stimulate infrastructure investment toward achieving economic growth.

- Understanding Task Force Interdependencies - While the scope and objectives of Task Forces tend to be defined autonomously due to the global economy interdependency, it is evident their proposal overlap thus requiring a highly integrated approach for their implementation.

- Listening to the voice of the real economy participants at the ground level - The G20 Nations Case Study results to date covering $3 of 11 billion in 10 developed nations have yielded that 90% of participants believed that 90% of their proposals overlap thus requiring a highly integrated approach for their implementation.

Given the urgency to fund infrastructure investments and considering that the box limiting is required to hit-start the global economy.

A reality check yields that market expansion is required and streamlined approaches focus on stimulating the expansion of agriculture and the services industry. This market expansion will provide greater profits and tax revenues for the private and public sector to reinvest in physical infrastructure.

While current and past thinking leads us to a particular focus we recommend a more holistic approach which encompasses the needs of participants on the ground and the interdependence of all Task Forces. The digital economy is the means to facilitate such an outcome.

CHINA
Increase and accelerate the pipeline of high-value capital projects
Develop conducive regulations, facilitate innovative financing packages, and promote local capital markets to unlock investment
Enable Public Private Partnerships, provide development banks and institutions in enabling private investment in infrastructure
Enable and support the development of best practice screening and establish international standards to promote or prevent infrastructure expansion

AUSTRALIA
Reaffirm the critical importance of infrastructure (and private investment in infrastructure)
Develop country specific infrastructure investment strategies
Establish, publish and deliver credible national and regional development plans
Establish an Infrastructure Hub
Publicly endorse preferential treatment of non-financial infrastructure projects

TURKEY
Establish, publish and deliver credible national and regional investment strategies
Improve infrastructure investment ecosystem
Infrastructure physical, technical and regulatory importance of infrastructure and aspects of private investment in infrastructure
Establish, publish and deliver credible national and regional investment strategies
Establish an Infrastructure Hub
Establish, establish and publish a credible national and regional investment strategy
Implement infrastructure procurements and approvals processes that comply with global leading practice

Why isn’t the real economy the driving theme in the global arena and how do the B20 recommendations address this?

Lack of demand to the proposed approaches to financial engineering for fast wealth creation. However, this comes at the cost of growing the world’s real economy.

How do the B20 recommendations address poor market demand?

The world’s demographics are changing. In high income countries, aging societies, birth rates are high, the population is growing, but incomes, particularly from the quarter of the population, are stagnant. In mid and low income countries, birth rates are low, the population is growing, but incomes are low.

How can we increase financial resources to meet physical infrastructure investment needs?

The projected funding needed for infrastructure investment by the end of the century, where the resources for such funding have not yet been identified.

How can we overcome the difficulties in prioritizing and attracting investment toward achieving economic growth and investment returns?

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.

What are the means by which to maximize the capacity utilization of existing physical infrastructure?

The lack of visibility as to current and future trade volumes will provide greater profits and tax revenues for the private and public sectors, respectively, to re-invest in physical infrastructure.

Promote regional trade to utilities that are open to global trade to unlock the potential of the global economy. This will provide greater profits and tax revenues for the private and public sectors, respectively, to re-invest in physical infrastructure.

Recommendation

Recommendations for 2016 B20 Infrastructure Task Force

Why isn’t the real economy the driving theme in the global arena and how do the B20 recommendations address this?

Lack of demand to the proposed approaches to financial engineering for fast wealth creation. However, this comes at the cost of growing the world’s real economy.

How do the B20 recommendations address poor market demand?

The world’s demographics are changing. In high income countries, aging societies, birth rates are high, the population is growing, but incomes, particularly from the quarter of the population, are stagnant. In mid and low income countries, birth rates are low, the population is aging yet salaries remain high. This is a productive real economy which impedes infrastructure investment.

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Reality Check

The Real Economy must be the driving theme to deliver sustained economic growth.

Our efforts must be concentrated on the following three main economic principles:

- How can we increase financial resources to meet physical infrastructure investment needs?
- How can we overcome the difficulties in prioritizing and attracting investment toward achieving economic growth and investment returns?
- What are the means by which to maximize the capacity utilization of existing physical infrastructure?

The real economy is the means to facilitate such an outcome.
RECOMMENDATIONS FOR 2016 B20 SME DEVELOPMENT TASK FORCE

Premise

As a foundation for developing our recommendations for the 2016 B20 SME Development Task Force, our comments are based upon the following:

- Analyzing proposals from previous G20 Summits - The Australia, Turkey and China B20 Task Forces are to be applauded, as many of their recommendations will facilitate the growth of SMEs
- Understanding Task Force interdependencies - While the G20 Task Forces are independent, due to the global economy interdependency, it is evident their proposals enhance the digital approach for their implementation
- Listening to the voice of the real economy participants at the ground level - The G20 Nations Case Study results to date covering 58% of the G20 population have yielded that 90% want real digital tools to improve their operational costs and achieve greater access to markets and financing
- Given the urgency to meet the needs of the SMEs, out of the box thinking is crucial in developing a global economy. A reality check yields that market expansion is required and we recommend an increased availability of data

Past & Current

- CHINA
  - Encluse the Electronic World Trade Platform (eWTP), a new private sector led and multi stakeholder initiative to foster the right digital and logistics environment for cross border electronic trade (eTrade). Develop registered capacity building and certification programs to facilitate the inclusion of SMEs in Global Value Chains (GVCs)
  - Facilitate SMEs access to bank finance and alternative funding
  - Improve SMEs regulatory environment through a reduction of compliance costs and a significant improvement of access to Public Procurement frameworks, especially through the digitilization of Government processes

- TURKEY
  - Improve SME’s access to the digital economy
  - Reduce SME finance underwriter risk through increased availability of data
  - Increase SME access to alternative financing
  - Assist SMEs to Integrate into international markets

- AUSTRALIA
  - No Task Force at the Australian B20

Reality Chech

- Why isn’t the real economy the driving theme in the global arena and how do we address the lack of demand for economic growth? Each lack of demand is forcing the emphasis on financial engineering for fast wealth creation. However, this comes at the cost of growing the real economy that drives sustainable economic growth
- How do the B20 recommendations address poor market demand?
  - The world’s demographics are changing. In high-income countries birth rates are high, the population is growing, but salaries are low. The lack of integration between the financial institutions & the global economy that drives sustainable economic growth.
- How can we reduce the SMEs high cost of operational efficiency?
  - The cost to improve operational efficiency and quality hinders growth. This limits the SMEs competitiveness and ability to increase revenues based on market demand
- How can SMEs gain greater access to markets, sustainable financing and supply chain compatibility?
  - The lack of integration between the financial institutions is the global value chain participants’ high costs, risk and the costs of compliance for SME’s Financial Institutions
- How can SMEs reduce excess landed import and export costs as well as improve logistics reliability in order to compete in the global market?
  - Developing and emerging economies have landed import and export costs that are nearly twice as high as the developed countries average. Coupled with unreliable logistics, this results in lost market opportunity and places a major burden on SME competitiveness in the global market place

NB: The boxes in lighter shade illustrates the wider scope of our recommendations

Visibility, Competence and Cargo Security. The World Bank, APEC and UN have identified 6 elements as the key to increase trade efficiency through technology thus lowering trade costs. Integration, Processes, E-documentation, Tracking & Visibility, Competence and Cargo Security.

We must create a digital ecosystem connecting all GVC participants. Enhancing the use of digital tools delivered by a trusted network offstetting geopolitical and monopolistic concerns, with continuous and unrestricted access at no cost to the end user.

We must promote the use of digital tools to enhance trade efficiency across the global value chain resulting in lower landed import and export costs and increased business reliability. The World Bank, APEC and UN have identified elements as the key to increase trade efficiency: technology thus lowering trade costs. Integration, Processes, E-documentation, Tracking & Visibility, Competence and Cargo Security.

We must ensure that SMEs can achieve increased operational efficiencies and simplification of processes for SMEs to market their products and services, while reducing finance risk and the burden of complying with financial regulations.

We must promote digital tools to lower costs through increased operational efficiencies. We must ensure that SMEs can achieve increased operational efficiencies and simplification of processes for SMEs to market their products and services, while reducing finance risk and the burden of complying with financial regulations.

Recommandation

The Real Economy must be the driving theme to deliver sustained economic growth. Our efforts must be concentrated on the following three main economic pillars of the real economy: manufacturing, agriculture & the services industries.

Sustaining global market demand is essential to build SME prosperity. We must connect the youthful workforce of the mid and low income countries with the expertise of the high income countries - building the buying power of the mid and low income countries. Coupled with unreliable logistics, this results in lost market opportunity and places a major burden on SME competitiveness in the global market place.

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Economic growth is the means to facilitate such an outcome. The interdependencies of all Task Forces. The digital economy encompasses the needs of participants on the ground and we recommend a more holistic approach which requires a highly integrated approach for their implementation.
2016 B20 TASK FORCES INTERDEPENDENCIES TOWARDS ACHIEVING SUSTAINED ECONOMIC GROWTH

Trade & Investment Task Force

- Stimulate global demand
- Achieve real economic integration
- Improve trade through digital economy

Infrastructure Task Force

- De-risk infrastructure & investment
- Increase infrastructure funding
- Maximize capacity utilization

SME Development Task Force

- Increase access to bankable projects
- Develop innovative financial instruments & local capital markets
- Unlock investments

Financing Growth Task Force

- Increase and accelerate pipeline of bankable projects
- Develop regulations for innovative financial instruments
- Strengthen capital markets

Employment Task Force

- Remove barriers & enact support for youth employment participation
- Launch programs to reduce skills mismatches

Harmonize education to:

- Drive corporate productivity
- Promote national productivity
- Reduce risk & regulatory burden
- Enhance financial industry stability
- Link into global value chains

Financing Growth Task Force

- Promote financial services diversification & stable funding to Real Economy
- Develop markets for green financing
- Promote financial inclusion by embracing digital technology
- Encourage tax system to increase debt, financing & equity investment

Real Economy

- Manufacturing
- Agriculture
- Services

Global Market Expansion

- WTO members should ratify the TFA by 2016
- G20 members should adopt implementation roadmaps prioritizing "digitalization of customs processes."

Link into global value chains

- Rollback all protectionist measures starting with Localization Barriers to Trade, strengthen multilateral trading system
- Improve the global investment policy and safeguard state rights to regulate

Digital Economy tools to:

- Support the development of best asset management
- Strengthen & enhance connectivity across all sectors
- Contribute to development of GCEPs

Digital Economy tools to:

- Implement program to encourage entrepreneurship
- Enhance the role of Development Banks
- Support the development of best practice asset management

Digital Economy tools to:

- Increase & accelerate pipeline of bankable projects
- De-risk infrastructure & investment
- Maximize capacity utilization

Digital Economy tools to:

- Reduce risk & regulatory burden
- Enhance financial industry stability
- Link into global value chains